

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

Brief summary of financial proposals filed with and actions by the S.E.C.



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FOR RELEASE July 24, 1963

SEC WARNS ON MIDWEST SUN OIL CORP. The SEC today cautioned broker-dealers and banks not to accept as collateral, without careful investigation, securities of obscure companies about which little or no public information is available. This caution is issued because of the recently discovered activities of a ring dealing in the debentures of Midwest Sun Oil Corporation. This corporation has made no filings under the federal securities laws with respect to the offer and sale of any of its securities and appears to be no more than a shell with little or no known assets or business.

According to information reported to the staff of the Commission, certain persons have had printed securities of Midwest Sun Oil Corporation. These securities purport to be debentures, in \$5,000 denominations paying 6% interest, due in 1973. In fact, they are worthless.

Members of the ring which is currently under investigation are engaged in efforts to have these worthless debentures used as collateral in obtaining loans from banks and others. It is reported that efforts have been made to use the debentures in this manner in Miami, Florida. The ring had also been reported as being active in Texas and Southern California. The Commission welcomes any current information which the public may have concerning activities similar to those described above. They should communicate with the Commission's Washington Office, at 425 Second Street, N. W., Washington, D. C. 20549 (Telephone WOrth 3-6605) or any of its Regional or Branch Offices.

GENDAMO OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a stock offering by Gendamo, Inc., 8817 La Mesa Blvd., La Mesa, Calif. Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed on August 28, 1962, Gendamo proposed the public offering of 110,000 common shares at \$1 per share. The Commission asserts in its suspension order that certain terms and conditions of the Regulation have not been complied with, in that Gendamo failed to file a report of stock sales within 30 days after the end of each six-month period following the date of the original offering circular despite advance notice and subsequent request for such filing by the Commission's staff (which have not been answered). The order provides an opportunity for hearing upon request, on the question whether the suspension should be vacated or made permanent.

REGISTRATION OF REPUBLIC SECURITIES CANCELLED. The SEC has issued an order under the Securities Exchange Act of 1934 cancelling the broker-dealer registration of B. E. Thornton Company, Inc., doing business as Republic Securities Co., 16 North Marengo Ave., Pasadena, Calif. According to the order, the firm and its president, Bruce E. Thornton, were permanently enjoined (upon consent) by a Federal court in California from violating the Commission's net capital rule and from engaging in business while insolvent. In September 1962, the firm was adjudicated a bankrupt; and the Commission found that it has ceased doing business as a broker or dealer.

GLANZMAN & CO. HEARING SCHEDULED. The Commission has scheduled a hearing for August 26, 1963 in its New York Regional Office in proceedings to determine whether William Glanzman & Co., Inc., 27 William St., New York (together with its president and certain salesmen) violated the anti-fraud provisions of the Federal securities laws in the offer and sale of stock of Gaslite Equipment Co. and, if so, whether its broker-dealer registration should be revoked.

WATERS & CO. HEARING SCHEDULED. A hearing also has been scheduled for September 10, 1963 in the Commission's Los Angeles Branch Office in proceedings to determine whether Hamilton Waters & Co., Inc., 250 Fulton Ave., Hempstead, N. Y. (together with its president and certain salesmen) violated the anti-fraud provisions of the Federal securities laws in the offer and sale of stock of George Harmon Company, Inc. and, if so, whether its broker-dealer registration should be revoked.

INDIANA & MICHIGAN ELECTRIC FINANCING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14915) authorizing Indiana & Michigan Electric Company, Indiana subsidiary of American Electric Power Company, Inc., a registered holding company, to sell at competitive bidding \$45,000,000 of first mortgage bonds due 1993. The net proceeds from the bond sale will be used to prepay \$12,000,000 of outstanding short-term bank notes and not in excess of \$17,000,000 of such notes which may be issued prior to the proposed bond sale. The remaining proceeds will be added to treasury funds and applied to extensions, additions and improvements to properties.

OVER

HIGH PLAINS GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-14914) approving a series of proposed transactions by High Plains Gas Company, Dallas registered holding company, and its subsidiaries, Public Service Corporation of Texas and High Plains Natural Gas Company, designed to effectuate the liquidation and dissolution of Public Service and High Plains Gas, the transfer of Public Service's assets to High Plains Gas, the transfer by the latter of certain gas utility assets and accounts receivable to High Plains Natural Gas, and the distribution by High Plains Gas of its remaining assets to its stockholders, including the stock of High Plains Natural Gas.

HENRY O. AABERG SENTENCED. The SEC Denver Regional Office announced July 22 (LR-2693) that Henry O. Aaberg, of Broomfield, Colo., was sentenced to a three-year prison term (USDC, Cheyenne) following his plea of guilty to charges of violating the Securities Act registration and anti-fraud provisions in the offer and sale of securities of Titanol, Inc., a Nevada company. Another defendant, Stacey P. Humphries, of Wheatridge, Colo., was placed on probation for three years (provided that within that time he make 50% restitution to certain investors) following his plea of guilty to similar violations.

GULF STATES UTILITIES FILES THRIFT PLAN. Gulf States Utilities Company, 285 Liberty Ave., Beaumont, Texas, filed a registration statement (File 2-21594) with the SEC on July 22 seeking registration of \$6,000,000 of participations in its Employees Thrift Plan, and 161,070 common and 61,850 \$4.40 dividend preferred shares (\$100 par) which may be acquired pursuant thereto.

DIAMOND ALKALI FILES THRIFT PLAN. Diamond Alkali Company, 300 Union Commerce Bldg., Cleveland, filed a registration statement (File 2-21595) with the SEC on July 23 seeking registration of 130,351 shares of common stock (evidenced by Thrift Certificates), to be offered pursuant to its 1963 Employee Thrift Plan.

SECURITIES ACT REGISTRATIONS. Effective July 23: Northwest Natural Gas Co. (File 2-21510); Interstate Securities Co. (File 2-21418).
Effective July 24: Indiana & Michigan Electric Co. (File 2-21492); Leeds Shoes, Inc. (File 2-21253); Therm-O-Disc, Inc. (File 2-21531); Tri-Nite Mining Company, Inc. (File 2-21365); Virginia Dare Stores Corp. (File 2-20643).

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