Statistical Release No. 1402

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended September 7, 1956, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1956, is as follows:

<table>
<thead>
<tr>
<th>Industry</th>
<th>9/7/56</th>
<th>8/31/56</th>
<th>Change</th>
<th>1956 High</th>
<th>1956 Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite</td>
<td>353.3</td>
<td>350.9</td>
<td>-0.7</td>
<td>366.2</td>
<td>319.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>451.7</td>
<td>448.0</td>
<td>-0.8</td>
<td>468.6</td>
<td>398.6</td>
</tr>
<tr>
<td>Durable Goods</td>
<td>430.1</td>
<td>425.6</td>
<td>-1.1</td>
<td>437.6</td>
<td>369.4</td>
</tr>
<tr>
<td>Non-Durable Goods</td>
<td>471.9</td>
<td>468.8</td>
<td>-0.7</td>
<td>500.8</td>
<td>425.2</td>
</tr>
<tr>
<td>Transportation</td>
<td>316.9</td>
<td>319.4</td>
<td>-0.8</td>
<td>353.0</td>
<td>312.8</td>
</tr>
<tr>
<td>Utility</td>
<td>158.3</td>
<td>157.7</td>
<td>-0.4</td>
<td>161.5</td>
<td>152.4</td>
</tr>
<tr>
<td>Trade, Finance &amp; Service</td>
<td>309.1</td>
<td>306.9</td>
<td>-0.7</td>
<td>325.5</td>
<td>294.7</td>
</tr>
<tr>
<td>Mining</td>
<td>359.5</td>
<td>359.3</td>
<td>-0.1</td>
<td>383.2</td>
<td>326.8</td>
</tr>
</tbody>
</table>

Securities Act Release No. 3688

The Securities and Exchange Commission has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of the specified securities of the following companies:

Beehive Uranium Corporation, Salt Lake City, Utah
Regulation A notification, filed on May 26, 1955, proposed the public offering of 20,000,000 shares of common stock at 1¢ per share

Cortez Uranium and Mining Co., Denver, Colo.
Regulation A notification, filed on May 27, 1955, proposed the public offering of 3,000,000 shares of common stock at 10¢ per share

Dalmid Oil & Uranium, Inc., Grand Junction, Colo.
Regulation A notification, filed April 16, 1956, proposed the public offering of 2,700,000 shares of common stock at 10¢ per share

For further details, call ST. 3-7600, ext. 5526
Diversified Resources, Inc., Grand Junction, Colo.
Regulation A notification, filed July 5, 1956, proposed the public offering of 6,000,000 shares of common stock at 5¢ per share.

Iola Uranium Corporation, Chicago, Ill.
Regulation A notification, filed July 26, 1955, proposed the public offering of 1,200,000 shares of common stock at 25¢ per share.

National Lithium Corporation, Denver, Colo.
Regulation A notification, filed December 27, 1955, proposed the public offering of 2,999,000 shares of common stock at 10¢ per share.

Strategic Metals, Inc., Tungstonia, White Pine County, Nev.
Regulation A notification, filed January 4, 1956, proposed the public offering of 1,200,000 shares of common stock at 25¢ per share.

Teton Oil & Minerals Company, Denver, Colo.
Regulation A notification, filed May 29, 1956, proposed the public offering of 3,000,000 shares of common stock at 10¢ per share.

Wing E-E, Inc., Denver, Colo.
Regulation A notification, filed April 10, 1956, proposed the public offering of 299,900 shares of common stock at $1 per share.

In each of the suspension orders, the Commission asserts that the offer and sale of stock by the issuer without disclosing the facts relating to an indictment of Arnold L. Kimmes and his control of Columbia Securities Company, of Denver, Colo., principal underwriter for each company's stock offering, "would operate as a fraud or deceit upon purchasers" of such securities. Accordingly, it appears necessary and appropriate in the public interest and for the protection of investors to suspend the Regulation A exemption from registration with respect to each such stock offering. Each order further provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

With respect to such indictment and control, the orders state:

"(a) That Columbia Securities Company, the principal underwriter for [the issuer], is an instrumentality of Arnold L. Kimmes, its director, chairman of the board and controlling stockholder;

"(b) That said Arnold L. Kimmes was indicted, with certain other persons, on or about August 3, 1956, in the United States District Court for the Eastern District of New York on charges of violating and conspiring to violate the Mail Fraud Statute and violating and conspiring to violate Sections 5 and 17(a) of the Securities Act of 1933, as amended, in connection with the sale of securities.

"The indictment alleges among other things that Arnold L. Kimmes and certain other defendants did knowingly, willfully and unlawfully devise and intend to devise a scheme and artifice to defraud the purchasers of certain securities, and did obtain money and property by means of false and fraudulent pretenses, representations and promises, well knowing at the time the pretenses, representations and promises would be false when made;"
"The aforesaid indictment, in alleging a scheme and artifice to defraud, charges Arnold L. Kimmes and certain other defendants, among other things, with:

(1) Establishing and operating firms engaged in the sale of securities by means of television, radio and newspaper advertising, mail circularization, telephone calls and by salesmen employed under their supervision;

(2) Forming certain corporations for creating a source for securities for distribution to the public and for subsequent trading with the public;

(3) Procuring various men to serve as dummy promoters, officers and directors of said corporations;

(4) Acquiring properties for little or no consideration and having little or no real value and arranging for the transfer of such properties to such corporations and also arranging for the advancement of funds to organize such corporations;

(5) Issuing and causing to be issued to themselves, using the names of dummy promoters, officers and directors, large blocks of so-called promoter's shares, and thereafter causing to be sold through the aforesaid broker-dealer firms such shares; and

(6) Causing an increase in the market price of the shares of said companies far above and beyond any real value thereof, and selling to the public large quantities of so-called promoter's shares for shares exchanged and received thereafter through broker-dealer firms and by means of television, radio, newspaper, mail and telephone advertising.

"(c) That the issuer's notification and offering circular have not been amended to reflect the facts with respect to the indictment of said Arnold L. Kimmes and his relationship with Columbia Securities Company;

"(d) That the issuer's notification and offering circular, in omitting to disclose the facts relating to the aforesaid indictment of Arnold L. Kimmes and his control of, and relationship to, Columbia Securities Company omits to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading."


The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether an application for broker-dealer registration filed by John Raymond Lucas, a sole proprietor, doing business as Lucas and Company, Birmingham, Ala., should be denied. The hearing therein is scheduled for September 17, 1956, in the Commission's Atlanta Regional Office.

The order for proceedings asserts that information developed in an investigation tends to show (1) that, since on or about April 1, 1956, Lucas has been engaged in the conduct of a securities business in interstate commerce while not being registered
with the Commission as a broker-dealer (his application for registration was filed August 9, 1956); and (2) that a report of financial condition filed as a supplement to the application is false and misleading, in that it fails to disclose certain liabilities.

At the September 17th hearing, inquiry will be conducted into the foregoing matters to determine whether the reported information is true and, if so, whether it is in the public interest to deny Lucas' application for broker-dealer registration.

* * * *

J. O. Ross Engineering Corporation, New York, today filed a registration statement (File 2-12767) with the SEC seeking registration of 19,059 shares of its $1 par Common Stock. The company proposes to offer these shares in exchange for shares of the common stock of John Waldron Corporation at the rate of one share of Ross Engineering common for each two shares of Waldron common.

Ross Engineering presently holds 61.53% of the outstanding shares of Waldron stock and although it and Waldron have worked in close relationship for many years, it is the opinion of Ross Engineering that certain policies could be instituted to the benefit of the present stockholders of both companies if its ownership in Waldron were increased. The exchange offer will be declared effective upon the deposit of at least 90% of the outstanding shares of Waldron stock in acceptance thereof.

Waldron is engaged primarily in the engineering, design, fabrication and installation of machinery and equipment used in many of the same industries as are serviced by Ross Engineering, such as the paper, textile, rubber and plastic industries. In addition, it manufactures a line of flexible gear couplings.

* * * *

California Electric Power Company, Riverside, Calif., today filed a registration statement (File 2-12768) with the SEC seeking registration of $8,000,000 of First Mortgage Bonds, Due 1986, to be offered for public sale at competitive bidding. Net proceeds of the financing will be used primarily to discharge the company's short-term bank loans payable to the Bank of America National Trust and Savings Association which total $5,500,000. The borrowed funds have been applied as interim financing of property additions and improvements. The balance of the proceeds will be used in the company's construction program. Construction expenditures are estimated at $16,450,000 in 1956 and $25,750,000 for 1957.

* * * *

Madison Gas and Electric Company, Madison, Wis., today filed a registration statement (File 2-12769) with the SEC seeking registration of 68,334 shares of its $16 par Common Stock. Madison Gas proposes to offer these shares for subscription by holders of its common stock of record October 1, 1956, on the basis of one share of additional stock for each five shares then held. The subscription price is to be supplied by amendment. No underwriting is involved. The company will use the net proceeds of the financing to meet, or reimburse the company's treasury for, a portion of construction program expenditures during the current year and 1957. Construction expenditures are estimated at approximately $10,200,000 between August 1, 1956, and December 31, 1957.
Racine Hydraulics & Machinery, Inc., Racine, Wis., today filed a registration statement (File 2-12770) with the SEC seeking registration of 15,000 shares of Series A, $1.20 Cumulative Dividend,Convertible Preferred Stock ($20 par), and 35,000 shares of Common Stock ($1 par). Of the latter, 10,000 shares are now outstanding and held by Malcolm E. Erskine, President, Treasurer and Director.

The 15,000 preferred and 35,000 common shares are to be offered for public sale through an underwriting group headed by Loewi & Co., Incorporated. The public offering price and underwriting terms are to be supplied by amendment. Proceeds to the company from its sale of the 15,000 preferred shares and 25,000 common shares will be added to the working capital of the company.

The company will receive no part of the proceeds of the sale of the 10,000 shares by Erskine. Erskine is listed as the beneficial owner of 52,251\(\frac{1}{2}\) of the 124,197 presently outstanding shares.

* * * *

Founders Mutual Depositor Corporation, Denver investment company, filed an amendment on September 7, 1956 to its registration statement (File 2-10883) seeking registration of additional certificates as follows:

24,000 Systematic Payment Plan Certificates
500 Accumulative Plan Certificates
500 Income Plan Certificates

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