

SECURITIES AND EXCHANGE COMMISSION

**NEWS DIGEST**



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

Washington 25, D.C.

FOR RELEASE September 24, 1956

Statistical Release No. 1405

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended September 21, 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:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1956</u>	
	<u>9/21/56</u>	<u>9/14/56</u>		<u>High</u>	<u>Low</u>
Composite	343.1	348.6	- 1.4	366.2	319.0
Manufacturing	438.4	445.4	- 1.6	468.6	398.6
Durable Goods	421.9	427.6	- 1.3	437.6	369.4
Non-Durable Goods	454.0	462.3	- 1.8	500.8	425.2
Transportation	314.5	316.9	- 0.8	353.0	312.8
Utility	154.9	156.2	- 0.8	161.5	152.4
Trade, Finance & Service	300.3	305.8	- 1.8	325.5	294.7
Mining	349.0	352.9	- 1.1	383.2	326.8

Securities Act Release No. 3691

The SEC today announced the issuance of a decision denying a request of U-H Uranium Corporation (Provo, U.) for withdrawal of its Regulation A notification with respect to a public offering of stock and making permanent the suspension of a Regulation A exemption of the offering from registration under the Securities Act of 1933.

In its decision, the Commission observed that a Regulation A exemption from registration is a conditional one based on compliance with express provisions and standards of the Regulation, the violation of which affords a basis for permanent suspension of the exemption. "Here," the Commission stated, "the nature and extent of the issuer's admitted noncompliance with the terms and conditions of the regulation, including fraud in connection with the sales of stock, afford ample ground for permanent suspension of the exemption."

The Regulation A notification was filed July 13, 1955, and proposed the public offering of 6,000,000 shares of U-H stock at 5¢ per share. The offering was commenced in early August, 1955; and at the time of the Commission's temporary suspension of the exemption of December 16, 1955, about 635,160 shares had been sold to about 500 persons, most of whom were residents of Hawaii.

5-1034

For further details, call ST. 3-7600, ext. 5526

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The violations of the terms and conditions of Regulation A found by the Commission included (1) advertisement of the offering in Hawaiian newspapers, over a Hawaiian television station, and in pamphlets and post cards without first filing copies of such advertisements with the Commission; (2) delivery of an offering circular to offerees and purchasers which differed in many respects from the offering circular on file, which was not delivered to anyone; and (3) false representations in both circulars that the issuer's claims were increasing in value daily as activity increased in the area, and in the circular used that no one had been authorized to make any representations other than those contained therein.

In addition, the Commission found that the offering circular used was misleading in failing to disclose among other things that the issuer's president had sold or transferred to 26 persons 731,000 shares originally issued to him, that a so-called consulting geologist failed to obtain a degree in geology or any other subject from any recognized university, that the practical application of developments looking toward the use of atomic power for industry had not yet occurred to any significant extent, that where properties are in the exploratory stage the opinion of experts that much uranium ore will be uncovered is not predicated on any reasonable basis, and that generally uranium deposits are sporadic, small in character, and widely separated. Furthermore, there was a failure to disclose after September 1, 1955, that the issuer's option to purchase certain of the claims described in the circular had not been exercised and that the issuer had no further interest in such claims.

Securities Exchange Act Release No. 5370

RE TRADING IN GERMAN DOLLAR BOND INTEREST COUPONS

Information available to the United States Government indicates that a considerable amount of interest coupons detached from unvalidated German Dollar Bonds are in the possession of lawful holders. It appears that these bonds were duly repurchased or acquired by the German issuers, that the interest coupons were lawfully detached when the holders sold the bonds, and that many of the bonds were among those which were looted in Berlin after the end of World War II. In December 1954 the United States Government requested the German Government to take the necessary steps for the validation of these detached interest coupons and the German Government, after having made the necessary investigations, has passed an ordinance providing for such validation. All inquiries with respect to the procedures to be followed to secure the validation of such coupons should be addressed to the Validation Board for German Dollar Bonds, 30 Broad Street, New York 4, N. Y.

This Commission is informed that when a coupon or coupons of the same issue, detached from unvalidated German Dollar Bonds, are validated, a validation instrument will be issued to the registrant, the person who has submitted the coupons for validation, certifying to the validation of such coupon or coupons. Because of the administrative difficulties involved it will not be possible for the Validation Board for German Dollar Bonds to issue separate validation instruments for each coupon where more than one coupon of the same issue is submitted for validation by a single registrant. The Commission also understands that in order for a holder of these validated coupons to obtain payment of the amount which may be determined to be due on such coupons it will be necessary for the holder to present the validation instrument with the coupons. In order to afford protection to purchasers of these coupons

The Commission has amended its Rule X-15C2-3 to provide that when a broker-dealer effects a transaction in validated interest coupons detached from an unvalidated German Dollar Bond he must deliver with the coupons the document of the Validation Board for German Dollar Bonds certifying to the validation of such coupons.

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The Vendo Company, Kansas City, Mo., filed a registration statement (File 2-12796) with the SEC on September 20, 1956, seeking registration of 32,778 shares of its \$2.50 par Common Stock.

Vendo is manufacturer of coin operated refrigerated vending machines. It has entered into an agreement pursuant to which its wholly-owned subsidiary, Fresno Vending Machine Company, has acquired all the assets of Vendorlater Manufacturing Co., of Fresno, Calif., whose name has now been changed to Fresno V. Company. This agreement was consummated September 18, 1956. As consideration for the purchase of Fresno V, Vendo has issued to that company shares of its common stock in the amount of .909 times the number of shares of the \$5 par common stock of Fresno V then outstanding and assumed all the liabilities of the acquired company. The agreement was assigned to Fresno Vending Machine; but Vendo remains obligated under the agreement with respect to all liabilities of Fresno V in the event of default by Fresno Vending Machine. Fresno Vending Machine, whose name has been changed to Vendorlater Manufacturing Co., holds the assets and is operating the plant of the acquired company. The acquisition was for the purpose of diversifying the product line of Vendo.

Among the liabilities of the acquired company assumed by Vendorlater were \$732,000 of 6% debentures, with attached Stock Purchase Warrants entitling the holder thereof to purchase shares of Vendorlater common. Vendo now proposes to offer the holders of the stock purchase warrants the right to purchase shares of its common stock until September 30, 1960, at the price of \$7.33 per share, or an aggregate of 32,778 shares of Vendo, in lieu of the common stock of the acquired company. Proceeds thereof of approximately \$240,262.75 would be used to redeem the debentures.

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Holiday Oil & Gas Corporation, Arkansas City, Kansas, Filed a registration statement (File 2-12797) with the SEC on September 21, 1956, seeking registration of 500,000 shares of its 10¢ par Common Stock. Organized under Delaware law on May 25, 1956, for the purpose of engaging in the exploration for, and the development and production of, oil and gas, the company proposes to make a public offering of these shares at \$3 per share. The offering is to be made on a "best efforts" basis by Whitehall Securities Corporation, for which it will receive a 45¢ per share selling commission plus reimbursement of expenses up to \$15,000.

The company on June 1, 1956, acquired from its organizers, A. W. Holiday, president, and his associates, all their interest in certain producing and non-producing oil and gas properties and other assets including production equipment and supplies, trucks, geological data, furniture and fixtures. In exchange therefor, Holiday and his associates received 346,719 shares of common stock and the company assumed certain outstanding liabilities. Officers and directors of the company also were permitted to purchase 10,000 common shares at \$1.50 per share, excepting Holiday. A

total of 60,000 shares were subscribed and paid for. According to the prospectus, the properties and assets had a cost to the organizers of \$816,000.77, after deducting depreciation and depletion. The liabilities assumed by the company approximated \$347,362, so that the net assets received by the company had a book value of \$468,638, equivalent to \$1.35 per share for the 346,719 shares issued therefor. Assuming sale of the 500,000 shares, the public will have invested \$1,500,000 and hold approximately 55.1% of the voting power.

Of the net proceeds of the financing, \$300,000 will be used to pay off existing bank loans; approximately \$700,000 will be used to drill some 36 proven locations on now producing leases; and the balance of some \$275,000 will be added to working capital.

\* \* \* \*

Providence Journal Company, Providence, R. I., filed a registration statement (File 2-12798) with the SEC on September 21, 1956, seeking registration of voting trust certificates for shares of capital stock of the company to be issued under a Voting Trust Agreement dated September 20, 1956. G. Pierce Metcalf, company president, and six other individuals are named as voting trustees. The maximum number of securities to be represented by the voting trust certificates is 1,259 shares of the capital stock, \$1,200 par value per share, of Providence Journal Company.

\* \* \* \*

Consolidated Edison Company of New York, Inc., filed a registration statement (File 2-12799) with the SEC on September 21, 1956, seeking registration of \$40,000,000 of First and Refunding Mortgage, Series M, due October 1, 1986, to be offered for public sale at competitive bidding. Net proceeds will be applied (1) to the payment of short term bank notes (expected to aggregate \$38,000,000 at the date of issue of the bonds) issued in connection with the interim financing of the company's construction program and (2) the balance, if any, toward payment for additions to utility plant on or after August 1, 1956. The company and its subsidiaries are engaged in a construction program which it is estimated will involve expenditures of approximately \$650,000,000, on the basis of present price levels and conditions, for the years 1956 through 1960. This is expected to require an additional \$260,000,000 of financing in the future.

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The Hawaiian Electric Company, Limited (Honolulu), filed a registration statement (File 2-12800) with the SEC on September 21, 1956, seeking registration of 77,000 shares of its \$20 par Common Stock. The company proposes to offer these shares for subscription by common stockholders at the rate of one additional share for each ten shares held. The record date and subscription price are to be supplied by amendment. No underwriting is involved. Net proceeds of the sale of the stock will become part of the general funds of the company and will be applied toward the cost of its construction program. The company's plant expansion program for the period 1956-1960 calls for an estimated total expenditure of \$41,047,000.

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The National Life of America, Mitchell, S. Dak., filed a registration statement (File 2-12801) with the SEC on September 21, 1956, seeking registration of 86,784-7/10 shares of its Common Capital Stock (voting) (\$5 par). The company proposes to offer to each of the company's 23,279 policyholders on and as of July 31, 1956,  $1\frac{1}{2}$  shares of such stock at the subscription price of \$7.50 per share. The balance of the shares will be exchangeable for Founders Certificates and coupons issued by National Life as a part or feature of certain life insurance policies.

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Canadian International Growth Fund Limited, Montreal, Quebec investment company, filed an amendment on September 21, 1956 to its registration statement (File 2-12589) seeking registration of an additional 1,000,000 shares of Common Stock, \$1 par value.

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H. P. Hood & Sons, Inc., Charlestown, Mass., filed an application (File 22-1954) with the SEC on September 21, 1956, seeking qualification of a trust indenture pursuant to which \$6,218,500 of 6% Income Debentures, due January 1, 1996, are to be issued. The indenture securities are to be offered exclusively to existing holders of the 6% Prior Preferred Stock, \$100 par, of Hood & Sons, in exchange for such 6% preferred, on the basis of one share of such stock for \$100 of debentures.

\* \* \* \*

Southern General Insurance Company, Atlanta, Ga., today filed a registration statement (File 2-12802) with the SEC seeking registration of 95,714 shares of its \$5 par Common Stock. The company proposes to offer 50,000 shares for public sale at \$14.50 per share, with a \$1.50 per share commission being payable to the underwriters, headed by The Robinson-Humphrey Company, Inc. 20,714 shares are being offered to the stockholders of Progressive Fire Insurance Company in exchange for 10,357 shares of the \$10 par common stock of that company; and 25,000 shares are being offered by the company at \$13 per share to certain other persons. Cash proceeds of the stock sales will be used to pay the balance of a bank loan in the amount of \$850,000, plus interest. The proceeds of this loan in the original amount of \$1,000,000 were combined with other funds of the company and used to purchase 38,643 shares of Progressive stock at \$26 per share. The balance of the proceeds, if any, after payment of the expenses incident to this sale, will be added to the general funds of the company. Purchasers of the 25,000 shares are Vincent Astor, 2000 shares; Astor and Company, 8,000 shares; The Robinson-Humphrey Company, Inc., 5,000 shares; and John Hay Whitney with certificates to be issued in the name of Atwell and Company, 10,000 shares. Southern General now owns 39,643 shares (79.2%) of the 50,000 outstanding shares of Progressive common.

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Eternalite, Inc., New Orleans, La., today filed a registration statement (File 2-12803) with the SEC seeking registration of 200,000 shares of Class A Common Stock (50¢ par), to be offered for public sale at \$4.50 per share. The offering is to be made on a best efforts basis by Bickers Brothers, of New York, for which it will receive a selling commission of \$.675 per share. In addition, the issuer

will reimburse the underwriter for expenses in an amount not exceeding \$50,000; and the issuer has agreed to sell to the underwriters at 1¢ per warrant, warrants to purchase one share of Class A common at \$4.50 per share for each 2 shares sold pursuant to the underwriting agreement.

The company was formed on May 25, 1953, under Louisiana law "for the purpose of developing a source of supply and marketing a long life incandescent electric light bulb." It is still in the development stage. The lamps are made in Europe according to company specifications and are made available to the company under exclusive purchase contracts. Robert C. Smith is founder and president of the company. In the event all the 200,000 shares of stock are sold, the estimated net proceeds will approximate \$699,000. Of this, the company proposes to apply \$24,000 to the repayment of a loan by The Andrew Jackson Life Insurance Company and use \$525,000 for maintenance of and increase of inventory. \$45,000 would be used for advertising and promotional purposes; \$70,000 for working capital; \$25,000 for development of branch offices and recruiting of full-time salesmen; and \$10,000 for research, laboratory tests, and testing equipment.

In the event all the 200,000 Class A shares are sold, 44.14% of the capital stock of the company will have been sold through private and public sales prior to this offering for \$1,200 in services and \$202,000 in cash, and the public will have acquired 55.86% of the capital stock for \$900,000.

\* \* \* \*

L. B. Newell (Wayzata, Minn.) and three other individuals, voting trustees under a voting trust agreement dated December 7, 1951, for stock of Super Valu Stores, Inc., of Hopkins, Minn., today filed a registration statement (File 2-12804) with the SEC for registration of voting trust certificates covering 136,266 shares of the \$5 par Common Stock of Super Valu Stores.

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Supervised Shares, Inc., Des Moines investment company, today filed a registration statement (File 2-12805) with the SEC seeking registration of 300,000 shares of its Capital Stock.

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Ralston Purina Company, St. Louis, today filed a registration statement (File 2-12806) with the SEC seeking registration of 15,000 shares of its \$25 par Common Stock, to be offered for sale under the Purina Stock Purchase Plan for eligible employees of the company and its subsidiaries.

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