

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 30, 1957

Statistical Release No. 1484

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended September 27, 1957, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1957, is as follows:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1957</u>	
	<u>9/27/57</u>	<u>9/20/57</u>		<u>High</u>	<u>Low</u>
Composite	317.9*	326.1	- 2.5	365.0	317.9
Manufacturing	404.5*	416.4	- 2.9	472.5	404.5
Durable Goods	373.1*	381.2	- 2.1	438.7	373.1
Non-Durable Goods	433.3	448.7	- 3.4	503.5	427.1
Transportation	253.6*	259.2	- 2.2	317.5	253.6
Utility	150.5*	152.6	- 1.4	163.5	150.5
Trade, Finance & Service	275.4	278.7	- 1.2	292.1	274.8
Mining	322.7*	330.1	- 2.2	402.3	322.7

* New Low

INTRA STATE TELEPHONE PROPOSES RIGHTS OFFERING

Intra State Telephone Company, Galesburg, Ill., filed a registration statement (File 2-13632) with the SEC on September 27, 1957, seeking registration of 4,900 shares of its \$100 par Common Stock. The company proposes to offer these shares for its \$100 par Common Stock. The company proposes to offer these shares for subscription at par by holders of its outstanding stock in the ratio of one new share for each two shares held of record October 18, 1957. No underwriting is involved.

The company's construction expenditures to provide new equipment and service are said to have been requiring substantial amounts of new money, which have been obtained initially through bank loans from Harris Trust and Savings Bank, Chicago, and First Galesburg National Bank and Trust Company, Galesburg. The net proceeds of the sale of the additional common stock will be applied against bank loans which are anticipated to be approximately \$550,000 at the time the proceeds are received.

The company has entered into agreements with two insurance companies under which the latter will purchase \$900,000 of 4-7/8% Notes on August 1, 1958. These notes will be due 25 years from date of issue. The proceeds thereof will be used to discharge bank loans and for property additions and improvements.

* * * *

(OVER)

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

ISRAEL-MEDITERRANEAN PETROLEUM PROPOSES FINANCING

Israel-Mediterranean Petroleum, Inc., ("IMP"), of Panama, filed a registration statement (File 2-13633) with the SEC on September 27, 1957, seeking registration of 1,000,000 shares of its 1¢ par Common Capital Stock. The registration statement also covers 1,000,000 Voting Trust Certificates for IMP common stock to be issued by Jack N. Blinkoff, Aaron Baroway and Erwin S. Shimron, Voting Trustees. It is proposed to offer the Voting Trust Certificates for IMP shares at the market price of the certificates, which are listed on the American Stock Exchange. No underwriting is involved. There were outstanding Voting Trust Certificates representing 7,460,205 shares on September 18, 1957. The closing price on September 25, 1957, was \$ $\frac{1}{2}$. Control of the company is vested in the Voting Trustees. The company intends to concentrate its operations, involving the exploration, development and production of oil and gas, primarily in the State of Israel. However, it owns with Pan-Israel Oil Company, Inc., a controlling interest in Manabi Exploration Company, Inc., the operations of which are in Ecuador. IMP together with Pan-Israel Oil also have applied for or acquired interests in the Mediterranean and Caribbean areas.

Net proceeds of the sale of the voting trust certificates are to be used as follows: approximately \$400,000 to carry out the exploratory drilling and development of presently licensed acreage; \$30,000 for operations and expenses as and when required; and \$100,000 for acquisition, exploration and development of additional acreage.

PAN-ISRAEL OIL PROPOSES FINANCING

Pan-Israel Oil Company, Inc., Panama, filed a registration statement (File 2-13634) with the SEC on September 27, 1957, seeking registration of 1,000,000 shares of its 1¢ par Common Capital Stock. The registration statement also covers 1,000,000 Voting Trust Certificates for Pan-Israel stock to be issued by Aaron Baroway, Israel B. Brodie, and Erwin S. Shimron, voting trustees. It is proposed to offer the voting trust certificates for Pan-Israel stock at the market price of the certificates, which are listed on the American Stock Exchange. No underwriting is involved. There were outstanding voting trust certificates for 7,811,043 shares on September 18, 1957. The closing price on September 25th was \$ $\frac{5}{8}$. Control of the company is vested in the Voting Trustees. As in the case of Israel-Mediterranean, Pan-Israel intends to concentrate its operations (exploration, development and production of oil and gas) primarily in the State of Israel. It also owns, with Israel-Mediterranean, a controlling interest in Manabi Exploration Company, Inc., as well as interests in the Mediterranean and Caribbean areas.

Net proceeds of the sale of the voting trust certificates are to be used as follows: \$400,000 for carrying out exploratory drilling and development of presently licensed acreage; \$30,000 for operations and expenses; and \$100,000 for acquisition, exploration and development of additional acreage.

SIGNET DISTILLERIES PROPOSES PREFERRED STOCK ISSUE

Signet Distilleries Limited, Regina, Saskatchewan, Canada, filed a registration statement (File 2-13635) with the SEC on September 27, 1957, seeking registration of 250,000 7% Deferred Cumulative Redeemable Preferred Shares, \$10 par. The company proposes to offer this stock for public sale at \$10 per share. The offering is to be made by Regent Securities Limited of Regina on a best efforts basis for which it will receive a selling commission of \$2 per share.

(Continued)

The registration statement also covers 250,000 shares of common stock which the company proposes to offer as a bonus to purchasers of the preferred shares by issuing a warrant to each purchaser of preferred entitling such purchaser to buy one share of common for each share of preferred purchased. The initial exercise price of the warrant is \$1 per share. The underwriter will also receive a 20% selling commission on each common share sold.

Signet Distilleries was organized in March, 1956 for the purpose of organizing, financing, establishing and operating a distillery or distilleries for the purpose of producing industrial and/or potable alcohols and/or by-products thereof, and to carry on the business of bonded warehouses, custom brokers, storage warehouses and all other related business. It is purchasing 30 acres of land in the City of Saskatoon, Saskatchewan, on which it proposes to erect its distillery. The major uses of the proceeds of the sale of the preferred stock are: \$386,000 for distillation equipment; \$650,000 for cost of building and land; \$180,000 for preliminary organization such as market survey, process and plant engineering, and establishment of selling facilities; and \$50,000 for operating capital.

The company has issued 450,000 common shares to promoters, directors, and officers for extensive organizational and other related work. An additional 188,588 common shares were sold in Canada. The prospectus lists Norman Douglas Raymond of Regina as president.

CANADIAN PROSPECT TO ACQUIRE CANADIAN EXPORT GAS

Canadian Prospect Ltd., Calgary, Alberta, Canada, filed a registration statement (File 2-13636) with the SEC on September 27, 1957, seeking registration of 4,851,810 Common Shares, 16-2/3¢ par. The company proposes to offer these shares in exchange for shares of the capital stock of Canadian Export Gas Ltd. in the ratio of 2½ shares of Canadian Prospect for each share of Canadian Export.

Canadian Prospect owns 595,950 shares of Canadian Export stock, or 25% of the outstanding shares. Certain directors and officers of Canadian Prospect are also directors and officers of Canadian Export. Canadian Prospect now desires to acquire all of the outstanding shares of Canadian Export and thus enable Canadian Prospect to operate Canadian Export as a subsidiary under the combined management of the two companies. The exchange offer is contingent upon its acceptance by holders of sufficient shares of Canadian Export to give Canadian Prospect at least an 80% interest in Canadian Export (including its present holdings). According to the prospectus, management officials of the two companies (and related interests) now hold 603,000 shares of Canadian Export stock which they intend to exchange for Canadian Prospect stock. After acceptance of the exchange offer it is proposed to change the name of Canadian Prospect to Canadian Export Gas & Oil Ltd.

KETCHUM & CO. AND CERTAIN STOCKHOLDERS TO OFFER SHARES

Ketchum & Co., Inc., New York City, filed a registration statement (File 2-13637) with the SEC on September 27, 1957, seeking registration of 210,000 shares of its \$1 par Common Stock. These shares are to be offered for public sale, 167,000 by certain selling stockholders and 43,000 by the company. The public offering price, names of underwriters, and underwriting terms are to be supplied by amendment.

(Continued)

Ketchum & Co. is engaged in the wholesale drug business in metropolitan New York. It now has three common stockholders, H. M. Altshul, President; Emmett M. Altshul, a director; and Leo Danzis, vice president and director. They propose to sell, respectively, 12,500, 138,600 and 15,900 shares; and their resultant holdings, respectively, will be 219,820 shares (47.43%), 16,500 shares (3.56%), and 17,100 shares (3.69%).

Net proceeds to be received by Ketchum & Co. from its sale of the 43,000 shares will be added to the general funds of the company and will be available for its general corporate purposes, including the carrying of larger inventories.

OHIO POWER PROPOSES BOND ISSUE

Ohio Power Company, Canton, O., today filed a registration statement (File 2-13638) seeking registration of \$25,000,000 of First Mortgage Bonds, Series due 1987, to be offered for public sale at competitive bidding.

Prior to or concurrently with the sale of the new bonds by Ohio Power, its parent, American Gas and Electric Company, proposes to make a cash capital contribution of \$12,000,000 to Ohio Power. Of the net proceeds of the sale of the bonds and such contribution, \$18,000,000 will be applied to the prepayment of a like amount of bank notes, issued for construction purposes, and the balance will be used to pay for the cost of the company's program for property additions and improvements. The cost of this program for the period July 1, 1957, to December 31, 1958, is estimated at \$97,947,000.

STOP ORDER PROCEEDINGS INSTITUTED AGAINST TRANSITION METALS

The Securities and Exchange Commission has instituted "stop order" proceedings under the Securities Act of 1933 to determine whether to suspend the effectiveness of a registration statement filed by Transition Metals & Chemicals, Inc., of Wallkill, N. Y., for alleged failure to comply with the disclosure requirements of that Act. The hearing therein is scheduled for October 10, 1957, in the Commission's Washington Office.

Transition's registration statement was filed January 22, 1957, seeking registration of 1,615,000 of its common stock and 1,126,500 warrants, of which 250,000 shares and 250,000 warrants are proposed to be initially offered. The 250,000 common shares and 250,000 warrants were to be offered in units of one common share and one warrant, and at an offering price of \$2.01 per unit. Each warrant would entitle the holder thereof to purchase an additional common share at \$2 per share through February 28, 1959. The offering would be made on a "best efforts" basis by M. S. Gerber, Inc., of New York, for which it would receive a selling commission of 35¢ per unit, plus \$20,000 for expenses; and the underwriter also would be entitled to purchase, at 1¢ per warrant, 4 warrants for each 5 shares sold in this offering. Morris S. Gerber, president of the underwriter, previously acquired from Jean A. Lamoureux and Clarence F. Hiskey, promoters of Transition, a total of 87,500 warrants at 1¢ per warrant and 87,500 common shares at 1¢ per share, which Gerber agreed to hold for investment. The company now has outstanding 676,500 common shares and a like number of warrants. A total of 487,500 shares were issued to officers, directors and promoters for patents, processes and good will.

According to the prospectus, Transition was organized in February, 1956 and proposes to engage in the production of columbium and tantalum alloys, chemicals and

(Continued)

metals and in the manufacture of powders and chips of magnesium and magnesium alloys. The prospectus states that the plant at Wallkill is presently being set up for the production of ferrotantalum-columbium and ferrocolumbium, master alloys used by the stainless steel and other industries.

In its order for proceedings, the Commission challenges the accuracy and adequacy of various informational disclosures contained in Transition's registration statement and prospectus. Among these are disclosures with respect to (1) the prior sale to fourteen persons of 189,000 common shares at \$1 per share, together with 189,000 warrants at 1¢ per warrant, including the failure to state that such sales may have been made in violation of the registration requirement of the Securities Act; (2) the intended use of the proceeds of this financing, including the failure to disclose that the estimate of the cost of construction of the beneficiation plant and the equipment for production of high purity columbium and tantalum products were made without relation to the costs and experiences of other producers in the field and the failure to state that there is no assurance that the proceeds will be sufficient to enable Transition to produce high purity columbium and tantalum products or even to perform the necessary prior experimental work; (3) the description of the business in which Transition proposes to engage, including particularly the failure to point out the limited market for ferrotantalum-columbium and ferro-columbium, that consumption largely depends on the production of certain types of stainless steel, and the volume of production of such types of stainless steel, the failure to state that Transition's proposed production of 96 tons per year of ferrotantalum-columbium and ferro-columbium will be approximately one-third of that consumed in 1955 and approximately one-fourth of that consumed in 1956 by the steel industry, and the failure to state various other competitive factors involved in the production and sale of these products; and (4) the officers and directors of Transition, including the failure to disclose their lack of experience in the ferro-alloy industry, particularly with respect to the production of ferrotantalum-columbium and ferro-columbium. (See Securities Act Release No. 3842.)

---oooOooo---