

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 August 20, 1958

UNIVERSAL SECURITIES OFFERINGS SUSPENDED

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of securities by Universal Securities, Inc., of Bismarck, N. Dak. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In its Regulation A notification, filed July 22, 1958, Universal proposed the public offering of 20,000 shares of Class A common at \$7.50 per share and 1,500 shares of preferred stock at \$100 per share. In its suspension order, the Commission asserts that it has reasonable cause to believe that (1) the terms and conditions of Regulation A have not been complied with, in that the company's notification and offering circular fail to set forth certain required information; and (2) the offering circular is false and misleading in respect of various material facts and its use in the offering and sale of Universal securities would violate the anti-fraud provisions of the Securities Act of 1933.

Among other things, the Commission charges a failure to disclose in the offering circular (a) the background and past experience of Sam Parker Pandolfo, who is named as promoter, principal stockholder, president, treasurer, and a director of Universal and the underwriter of its stock offerings; (b) the book value of the Class A shares and its relationship to the offering price thereof; (c) adequate information as to the person in whom voting control will rest upon completion of the offering; (d) the purposes and circumstances under which Pandolfo was named as underwriter; (e) the extent, nature and scope of Universal's past and prospective business operations; (f) the fact that neither Universal nor Pandolfo is registered with the Commission as a broker-dealer; (g) the background and experience of Universal's promoters and officers; and (h) the contingent liabilities incurred by Universal as a result of stock purchases and sales. The order also charges a failure to make adequate disclosure in the offering circular of the terms, conditions, and scope of Universal's exclusive insurance agency agreement with Union Reserve Life Insurance Company and the interests of Pandolfo and Great Northern Investment Company in Union Reserve. Furthermore, according to the order, the notification and offering circular fail to disclose, among other things, required information with respect to Universal's affiliates and the location and general character of physical properties held or to be acquired, and concerning the interests of officers, directors and promoters in Universal or its affiliates.

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Institutional Income Fund, Inc., New York, N. Y. investment company, filed an amendment on August 19, 1958 to its registration statement (File 2-10168) seeking registration of an additional 3,000,000 shares of Common Stock, 1¢ par value.

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* Jack Lawrence - Radio TV Assn.
Richard Hayes - 1475 Euclid St NW
OVER
92-8152

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

SEARS, ROEBUCK FILES FOR STOCK OFFERING

Sears, Roebuck and Co., Chicago, today filed a registration statement (File 2-14309) with the SEC seeking registration of \$350,000,000 of Sinking Fund Debentures, due August 1, 1983, to be offered for public sale through an underwriting group headed by Goldman, Sachs & Co., Halsey Stuart & Co., Inc., and Lehman Brothers. The interest rate, public offering price and underwriting terms are to be supplied by amendment. The company intends to make application for listing of the debentures on the New York Stock Exchange.

Net proceeds to be received by the company will be added to the general funds of the company to be available as increased working capital for corporate purposes, except that the company expects to make an additional capital contribution of \$50,000,000 to its wholly-owned subsidiary, Allstate Insurance Company. It is anticipated that the balance of the proceeds will be retained in working capital and used in the first instance for the repurchase from banks, at the amount then owing thereon by customers, of a portion of installment receivables previously sold to them by Sears. Funds are also expected to be required in the next few years to continue the expansion of the company's business including the construction and enlargement of retail stores and the carrying of larger merchandise inventories. To the extent required, additional funds are expected to be available from operations and from the sale of installment receivables.

BANK BORROWINGS PROPOSED BY COLUMBIA GAS

The Columbia Gas System, Inc., New York, has applied to the SEC for authorization to issue and sell \$40,000,000 of unsecured promissory notes to eleven banks; and the Commission has issued an order giving interested persons until September 4, 1958, to request a hearing thereon. The borrowings are to be used to provide part of the funds required for construction expenditures of subsidiaries and, if authorized to acquire, through its subsidiary, Columbia Gulf Transmission Company, the facilities of Gulf Interstate Gas Company, which now transports gas from the Louisiana gas fields to the Columbia system service area.

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