

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the SEC.

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Washington 25, D.C.

FOR RELEASE July 23, 1959

TREPAC CORP. STOCK OFFERING 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 stock offering by Trepac Corporation of America, 30 West Hamilton Avenue, Englewood, N. J.

Regulation A provides a conditional exemption from registration under the Securities Act with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed November 8, 1957, Trepac proposed the public offering of 20,000 shares of common stock at \$2 per share. The company is said to be engaged in the business of assembling and selling an electronic device called TREPAC used in the communications field. The Commission asserts in its order that various terms and conditions of Regulation A were not complied with; that Trepac's offering circular was false and misleading in respect of various material facts; and that the stock offering would and did violate Section 17 (the anti-fraud provision) of the Securities Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Among other things, the Commission's order asserts that Trepac's offering circular failed to disclose various information, including the fact that in the year prior to the public offering Trepac sold stock at 25¢ and 40¢ per share, material transactions between the company and its management officials and affiliates, and outstanding options for the purchase of securities, as well as the failure to specify the stage of development, manufacture and testing of other products of the company and the failure to include appropriate financial statements. The order also challenges a statement that Trepac was negotiating for the sale of 10,000 common shares for \$10,000, in that said shares were issued for a consideration other than cash; a statement with respect to the percentage of stock to be owned by public investors and the consideration therefor in relation to the stock owned by insiders and the consideration therefor; and a statement that a potential market for 500,000 units of TREPAC exists and that the market is increasing as much as 100,000 units each year.

(NOTE TO PRESS: Copies of foregoing also available in the SEC New York Regional Office.)

G. W. ALLEN REGISTRATION REVOKED

In a decision announced today (Release 34-6019), the SEC revoked the broker-dealer registration of George Wales Allen, doing business as G. W. Allen & Company, 105 Lake St., Reno, Nevada, for fraud in the sale of securities and other violations of the Federal Securities Laws. The decision was based upon the record of a private hearing at which Allen did not appear.

The violations included the sale of securities from May 1955 to September 1958 at prices not reasonably related to prevailing market prices, failure to furnish proper confirmations to customers, failure to maintain required records, and failure to correct Allen's address as reflected in his registration application.

According to the decision, Allen "customarily effected markups of from 8% to 50% of the cost to him of the securities being sold to his clients." In one of these transactions, involving 500 shares of Siskon Corporation stock traded on the San Francisco Mining Exchange, he represented to the purchaser that he was acting as agent whereas in fact he acted as principal and took a 25% profit on the transaction for himself.

OVER

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

Other transactions involved the stock of Front Range Oil & Uranium Company. Allen's sales literature stated: "Seems a bargain at 7¢;" "We think shares of this company could jump sharply overnight. Consider smart buy at 7½¢;" "Our calculation is that with oil reserves, on this property alone, fully developed Front Range shares should enjoy a book value well over 25¢ before the end of 1958. Stock under quiet accumulation and looks extremely cheap around 7½¢;" and ". . . It seems to enjoy especially strong sponsorship and is considered an outstanding BUY at 7 to 8¢." The stock was quoted during the period of these representations at 3¢ bid and 5¢ asked. Even after Allen was warned by an SEC staff investigator that his prices for the Front Range stock appeared unconscionable, he continued to sell the stock at the inflated prices. One 5000-share block was sold at 7¢ a share on the date of such warning, when the available market quotations were still 3¢ bid and 5¢ asked.

WILLIAM RORER INC. FILES FOR SECONDARY

William H. Rorer, Inc., 4865 Stenton Ave., Philadelphia, filed a registration statement (File 2-15381) with the SEC on July 22, 1959, seeking registration of 155,269 outstanding shares of capital stock, to be offered for public sale by the present holders thereof through an underwriting group headed by Kidder, Peabody & Co. and Schmidt, Roberts & Parke. The public offering price and underwriting terms are to be supplied by amendment.

The company makes and sells ethical pharmaceuticals, its principal product being "Maalox" which is used for the treatment of gastric hyperacidity, peptic ulcers and gastritis. It has outstanding 837,834 shares of stock, of which Gerald F. Rorer, vice president and treasurer, and Herbert C. Rorer, president, own 234,399 and 220,870 shares, respectively. They are proposing to sell 84,399 and 70,870 shares, respectively.

FINANCIAL INDUSTRIAL INCOME FUND FILES FOR OFFERING

Financial Industrial Income Fund, Inc., 950 Broadway, Denver, filed a registration statement (File 2-15382) with the SEC on July 22, 1959, seeking registration of 1,000,000 shares of its common capital stock. The Fund is an investment company organized under Maryland laws in March 1959. Investment management services are provided by FIF Management Corporation, which also serves as the General Distributor of the Fund's shares. The prospectus lists Charles F. Smith of Denver as president and board chairman. He is also president of Financial Industrial Fund, Inc., and of FIF Management Corporation.

SOUTHLAND OIL VENTURES FILES FOR OFFERING

Southland Oil Ventures, Inc., 2802 Lexington, Houston, Texas, filed a registration statement (File 2-15383) with the SEC on July 22, 1959, seeking registration of \$1,000,000 of participating interests in its 1959 Oil and Gas Exploration Program, to be offered in units of \$5,000 with a minimum commitment of \$10,000. The offering will be made by officers of the company on a best efforts basis and by certain investment firms as dealers who will receive a commission of 3% of the amount solicited and raised by them and a working interest equal to one-eighth of the oil property interests acquired by participants through them.

The primary purpose of the Exploration Program is to search for new oil and gas fields. Upon the discovery of oil and/or gas in paying quantities, development wells will be drilled as required. The exploration program will be conducted through Drew Cornell, Inc., of Lafayette, La., and Petroleum Development Associates, a partnership, of Houston. The officers and partners of these two firms organized Southland. Drew Cornell is listed as president. He and three other officers own all the outstanding stock of the company.

Proceeds of the sale of participating interests will be used to carry out the operations of the exploration program. Southland will acquire, on behalf of the participants, one-half of the interest in the operations conducted, oil properties acquired and test wells drilled by the two named firms, for three-fourths of the cost thereof. If and when a discovery is made, the cost of casing and completing the test well and the cost of all additional (development) wells will be paid for by participants and other owners of the oil property interests, each in proportion to his interest. The exploration program will be largely but not exclusively confined to the Gulf Coast Area of Texas and Louisiana.

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HAMILTON FUNDS SEEKS REGISTRATION OF ADDITIONAL SHARES

Hamilton Funds, Inc., Denver investment company, filed amendments on July 22, 1959, to its registration statements (File 2-11052 and 2-11053) seeking registration of additional securities, as follows: 4,000,000 Hamilton Fund Shares, Series H-C7 and a like number of H-DA series shares; and \$200,000,000 Hamilton Fund Periodic Investment Certificates.

HOUSTON LIGHTING PROPOSES BOND OFFERING

Houston Lighting & Power Company, 900 Fannin St., Houston, Texas, today filed a registration statement (File 2-15384) with the SEC seeking registration of \$25,000,000 of First Mortgage Bonds, Series due 1989, to be offered for public sale at competitive bidding. Net proceeds thereof will be used to repay the major portion of the company's short-term bank loans now outstanding, which were incurred to provide funds for the company's construction program. Construction expenditures are estimated at \$41,280,000 for the last seven months of 1959.

EAGLE FOOD CENTERS FILES FOR OFFERING AND SECONDARY

Eagle Food Centers, Inc., Milan, Ill., today filed a registration statement (File 2-15385) with the SEC seeking registration of 188,500 shares of common stock. Of this stock, 20,000 shares are to be offered initially by the company to its employees. Any of these shares not purchased by employees and the remaining 168,500 shares are being offered for public sale through underwriters, 28,500 by certain stockholders. No part of the proceeds of the sale of such 28,500 shares will be received by the company. The public offering price and price to employees, and underwriting terms, are to be supplied by amendment. Merrill Lynch, Pierce, Fenner & Smith, Inc., is listed as the principal underwriter.

The company operates a chain of super markets in the Davenport, Iowa, Rock Island, Moline and East Moline, Illinois, area. It has outstanding 49,431 shares of common stock and 444,903 shares of Class B common stock, in addition to certain indebtedness. Of the net proceeds to the company from its stock sale, \$114,630 will be applied to the redemption of all the preferred stock of a subsidiary; \$100,000 will be used to pay off the company's outstanding 6% subordinated notes; \$365,400 will be applied to the purchase of equipment in four stores leased from G & W Realty, Inc.; and about \$270,000 will be used to pay off chattel mortgages on equipment in five other stores. The balance of the proceeds will be added to general funds of the company for eventual application to meet, in part, the expenses of opening six new super markets in 1960.

The prospectus lists nine selling stockholders, whose combined holdings of Class B common stock aggregate 435,453 shares and of the common stock 48,381 shares. The largest blocks of the common stock are being sold by Richard Waxenberg, president, 7,500 shares, and Ben Geifman, executive vice president, 5,000 shares.

CANADIAN RESTRICTED LIST
Eighth Supplement

The SEC today announced the addition of the following Canadian companies to its Canadian Restricted List:

Bengal Development Corporation Limited
Goldmaque Mines Limited
Territory Mining Company Limited

The list is comprised of the names of Canadian companies whose securities recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.