

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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TEX-STAR OIL PROPOSES DEBENTURE OFFERING

Tex-Star Oil & Gas Corp., Meadows Building, Dallas, filed a registration statement (File 2-15451) with the SEC on August 12, 1959, seeking registration of \$1,000,000 of 6% convertible debentures due September 1, 1974, to be offered for public sale by Stroud & Co., Inc., and Auchincloss, Parker & Redpath. The debentures are to be offered for sale at 100% of principal amount; and the underwriters are to receive a commission of 8%.

The company was organized in 1955 and is engaged in the business of exploration for and production of oil and gas. It also owns an interest in a gas gathering system and natural gasoline plant and incident to its exploration activities the company undertakes drilling ventures. Net proceeds of the sale of the debentures are to be applied to the credit of funds available for general corporate purposes including the development of proven and unproven oil and gas acreage under lease, chiefly in the Central Gulf Coast area of Texas and the acquisition of producing oil and gas properties and small oil and gas companies and activities incidental thereto. The company management estimates that it will spend about \$250,000 during the next twelve months in drilling, emphasis being placed on the development of additional gas reserves suitably located to supply new gas lines which it is expected will tap this area, according to the prospectus.

BZURA CHEMICAL FILES FINANCING PROPOSAL

Bzura Chemical Company Inc., Broadway and Clark Streets, Keyport, N. J., filed a registration statement (File 2-15453) with the SEC on August 12, 1959, seeking registration of \$2,400,000 of First Mortgage Bonds, 6½% Series due 1979, and 240,000 shares of common stock. The company proposes to offer the securities in units, each consisting of a \$500 bond and 50 shares of common stock, at a price of \$500 per unit. Underwriters, headed by F. W. Brooks & Co., will receive a commission of \$45 per unit plus the fee and expenses of counsel. The company also has agreed to pay a finder's fee of \$24,000 to George L. Bradshaw and City Industrial Company. The registration statement also covers an additional 77,000 shares which are to be offered at 50¢ per share by the underwriter to persons selected by it.

Bzura Chemical was organized in March 1959 as a wholly-owned subsidiary of Bzura, Inc., a manufacturer of fumaric acid and related chemical products, to engage in the manufacture and sale of Citric Acid. It is constructing a plant at Fieldsboro, N. J., which, according to the prospectus, will utilize a new process developed by Bzura, Inc. The company also has obtained a bank loan commitment in the amount of \$500,000; and Messrs. Hyman and Albert Bzura and Irving Weiss have invested \$100,000 in the company's common stock and Bzura, Inc., has made a like investment of \$150,500. An additional contribution of \$150,000 by Bzura, Inc., is contemplated. The cost of the new plant is estimated at \$2,491,000, plus \$118,000 for interest during construction, \$107,000 as start-up expenses, and \$324,500 for working capital. The Fieldsboro plant site was acquired for \$160,369, which is to be paid out of the proceeds of this financing as part of the cost of the proposed plant.

Purchasers of the bonds and stock will have provided 71.9% of the total funds to be received by the company, the stock so acquired representing 21.5% of the shares then outstanding.

OVER

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

ASSOCIATES INVESTMENT PROPOSES DEBENTURE OFFERING

Associates Investment Company, 320 Associates Building, South Bend, Ind., filed a registration statement (File 2-15452) with the SEC on August 12, 1959, seeking registration of \$50,000,000 of debentures due August 1, 1979, to be offered for public sale through an underwriting group headed by Salomon Bros. & Hutzler and Lehman Brothers. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged primarily in automobile sales financing and insurance incident thereto. Net proceeds of this financing will be used to increase or maintain the working capital of the company but will be initially applied to the reduction of short-term notes due within one year. The additional working capital may be used for the purchase of receivables in the ordinary course of its financing activities, may be advanced to or invested in subsidiaries for such purposes, or may be advanced to or invested in subsidiaries for such other purposes as relate to their respective businesses.

ST. REGIS PAPER FILES FOR EXCHANGE OFFER

St. Regis Paper Company, 150 East 42nd Street, New York, filed a registration statement (File 2-15454) with the SEC on August 12, 1959, seeking registration of 453,731 shares of its common stock. The company proposes to offer this stock in exchange for outstanding shares of the capital stock of Cornell Paperboard Products Co. (of Cornell and Milwaukee, Wisconsin), on the basis of sixty-eight hundredths (.68) of a share of St. Regis common for each share of Cornell capital stock.

The exchange offer will be declared effective by St. Regis if 90% of the outstanding shares of Cornell stock are deposited for exchange, and may be declared effective if a lesser percent, but not less than 80%, of Cornell shares are so deposited. In the event the offer of exchange is declared effective, St. Regis intends to cause appropriate proceedings to be taken for the dissolution and liquidation or merger of Cornell with and into St. Regis.

St. Regis holds written options from 21 holders (including the only four persons who hold more than 5% of the outstanding shares) of a total of 341,957 shares of Cornell stock, or approximately 51%, providing for their exchange of Cornell stock for St. Regis stock on the same basis of exchange as is proposed in respect of other stockholders.

STELLING DEVELOPMENT STOCK OFFERING SUSPENDED

The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed offering of securities by Stelling Development Corporation, of 305 Morgan Street, Tampa, Fla., which was organized for the purpose of engaging in the building of small homes for resale on a tract of land owned by it in Florida.

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 June 8, 1959, Stelling Development proposed the public offering of 300,000 common shares at \$1 per share. The Commission's suspension order asserts that a Regulation A exemption is not available for specified reasons and that the terms and conditions of Regulation A have not been complied with. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

More particularly, the order states that a Regulation A exemption is not available to Stelling Development because (1) Earl Pelletier, also known as Joseph E. H. Pelletier and Joseph Earl Pelletier, a promoter and principal stockholder of the company, was permanently enjoined on June 18, 1953, by the Supreme Court, New York County, New York, from engaging in the sale of securities within that State (which operates to disqualify the company under Regulation A); (2) that The Stanford Corporation, the underwriter for the proposed stock offering, was underwriter for a Regulation A offering by another issuer which was suspended by the Commission, which is a bar to a Regulation A exemption for any offering for which Stanford is an underwriter; and (3) the amount of the proposed stock offering plus the securities subject to the escrow provisions of the Regulation, exceeds the \$300,000 limitation for Regulation A offerings.

Furthermore, according to the order, the terms and conditions of Regulation A have not been complied with in that (a) the notification fails to disclose that Earl Pelletier, a promoter, is

subject to a permanent injunction of the nature indicated above; (b) the notification fails to disclose the total number of unregistered shares sold by Stelling Development's two promoters within one year prior to the filing of the notification, the aggregate offering price or other consideration received, and the names of all persons to whom such sales were made; (3) the company failed to sign an amendment to the notification filed July 6, 1959; and (4) the company's escrow agreement above referred to, filed as an exhibit, fails to comply with the requirements of the applicable rule.

CANADIAN RESTRICTED LIST
Tenth Supplement

The SEC today announced the addition of Trans Nation Minerals Limited to its Canadian Restricted List (Release 33-4129). This 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. This deprives investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

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