

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 July 22, 1958

EBASCO SERVICES PROPOSES PURCHASE OF STOCK OF EBASCO OVERSEAS CORPORATION

Ebasco Services Incorporated, New York, has joined with its recently organized subsidiary, Ebasco Overseas Corporation, in requesting SEC approval of a proposal of Ebasco Services to purchase 100 shares of the \$1 par common stock of Ebasco Overseas at \$10 per share, and the Commission has issued an order giving interested persons until August 5, 1958, to request a hearing on the proposal.

The application states that Ebasco Services recently organized Ebasco Overseas, a Delaware corporation with an authorized capital consisting of 1,000 shares of common stock, \$1 par value, for the purpose of affording a vehicle through which to undertake contracts to perform engineering, general construction, construction supervision, and related services in countries of the Middle and Far East. The funds to be derived by Ebasco Overseas from the proposed issuance of common stock will provide it with the minimum capital required for it to commence doing business.

DU PONT PROPOSES PURCHASE OF PROPERTY FROM ATLANTIC AVIATION

E. I. du Pont de Nemours and Company, Wilmington, Del., has applied to the SEC for an exemption order under the Investment Company Act permitting its purchase of approximately 116 acres of improved land from Atlantic Aviation Corporation for a purchase price of \$4,000 per acre, or a total of approximately \$464,000. The Commission has issued an order giving interested persons until July 31, 1958, to request a hearing on the proposal.

Atlantic Aviation is wholly-owned by Henry B. du Pont, a director and vice president of E. I. du Pont de Nemours and Company and also a director of Christiana Securities Company, a registered closed-end diversified management company, and Delaware Realty and Investment Company, a registered closed-end non-diversified management investment company. Because of the affiliations between du Pont, Christiana, and Delaware Realty, the transaction is prohibited by the Investment Company Act unless the Commission grants the requested exemption order.

ATOMIC DEVELOPMENT MUTUAL FUND SEEKS EXEMPTION ORDER

Atomic Development Mutual Fund, Inc., Washington, D.C., has filed an application with the SEC seeking exemption from the provisions of the Investment Company Act to permit the offering of its shares to certain tax-exempt organizations at a reduced sales load; and the Commission has issued an order giving interested persons until August 4, 1958, to request a hearing on the proposal.

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United Funds, Inc., Kansas City, Mo. investment company, filed an amendment on July 21, 1958 to its registration statement (File 2-11527) seeking registration of an additional 3,000,000 shares of United Income Fund, \$1 par value; 1,500,000 shares of United Science Fund, \$1 par value; and 750,000 shares of United Continental Fund, \$1 par value.

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Managed Funds Incorporated, St. Louis, Mo. investment company, filed an amendment on July 21, 1958, to its registration statement (File 2-11061) seeking registration of an additional 7,500,000 shares of Common Stock, 1¢ par value.

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

SEC SUSPENDS DIVERSIFIED OIL STOCK OFFERING

The Securities and Exchange Commission today announced that it has ordered proceedings under the Securities Act of 1933 to determine whether a "stop order" should be issued suspending the effectiveness of a registration statement filed by Diversified Oil & Mining Corporation, of Denver, Colorado. A hearing in the proceedings has been scheduled to commence on August 4, 1958, in the Commission's Washington Office.

The registration statement, which was filed on August 29, 1956, proposed a public offering of 2,500,000 shares of 6% Convertible Non-Cumulative Preferred Stock, First Series, \$1 par, and warrants to purchase 500,000 shares of the company's 10¢ par Common Stock. The prospectus states that the company proposes to offer the securities for subscription initially to holders of common stock with the securities not purchased being reoffered to the public. The offering is to be made in units consisting of 25 preferred shares and an attached warrant certificate for the purchase of 5 common shares. The subscription price is to be \$25.50 per unit.

In its order for proceedings, the Commission challenges the adequacy and accuracy of informational disclosures contained in Diversified's registration statement and prospectus with respect to the following matters; (1) the plan of distribution of the securities, including the relationship to the registrant of persons who may act as underwriters; (2) the use of the proceeds of the offering, including the identity of purchasers of outstanding debentures to be redeemed out of these proceeds; (3) the description of the capital structure of the registrant, both before and after the proposed offering; (4) the identification of the parents or controlling persons of the registrant, and the ownership and distribution by such persons of the voting securities of the registrant; (5) the description of the general history and development of the registrant, including its policies regarding the acquisition of properties; (6) the description of the property and equipment of the registrant, including estimated oil reserves, and the method of determining the amounts at which such assets are recorded on the books of the company; (7) the identification of the promoters, description of transactions by them in the properties subsequently sold to the registrant, including the costs of such properties to the promoters; (8) the relationship of the preferred stock to the common, in view of the non-cumulative feature of the preferred; and (9) the receipt and disposition of the voting securities of the registrant by the promoters, and the possible liabilities arising under the Securities Act of 1933 from such dispositions.

Furthermore, the order of the Commission challenges the adequacy and accuracy of the information with respect to the exemptions claimed for previous sales of unregistered securities, the independence of the accounting firm of Daniel, Daniel, Ennis & Company, and the depletion and depreciation charges, capital surplus, and property carrying values as set forth in the financial statements and notes attached thereto.

At the August 4 hearing, inquiry will be conducted into the foregoing and related matters for the purpose of determining whether the registration statement is inadequate, false or misleading in respect of material facts, and, if so, whether a stop order should be issued suspending its effectiveness.

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