

# 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.

(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE September 13, 1960

**UTAHCAN INC., 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 public offering of stock by Utahcan, Inc., 1831 East Sprague Ave., Spokane, Wash.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed May 31, 1960, Utahcan proposed the public offering of 663,624 shares of common stock as a mining speculation, 185,000 shares to be offered at 50¢ per share and the balance to be exchanged for existing debts and shares loaned to the company at 25¢ (for an aggregated stated offering of \$258,305.50). According to the Commission's suspension order, the aggregate offering price of the securities would exceed the \$300,000 limitation; the offering circular and related material appear to be false and misleading in respect of various informational disclosures; and the stock offering would violate Section 17 (the anti-fraud provision) of the Act. A hearing will be held, if requested, on the question whether the suspension order should be vacated or made permanent.

The alleged misrepresentations relate among other things to the failure of Utahcan to disclose all shares held by management officials, as well as all securities offered and sold within the past year by the issuer, management officials and underwriters and the resulting contingent liability under Section 5 of the Act; the failure to disclose adequately that 7,650,000 outstanding shares were issued for properties which have since been abandoned and to disclose the funds expended on these properties; the failure to disclose the basis for the 100% increase in the price of the stock over the prior offering price; the failure to disclose adequately the nature and extent of the ore or mineralization known to exist on the company's properties, as well as the operations conducted and to be conducted on such properties, the cost thereof, and royalties payable on the properties; the failure to disclose that the company's bank account is in the name of its president and had been attached; inclusion of unreliable and inaccurate financial statements, including particularly an understatement of liabilities; and the failure to disclose adequately the extent of long-term liabilities, particularly with respect to certain production notes which were repayable at twice their face amount in smelter returns or in stock at the election of the holder, the failure to disclose the existence of certain production notes which became subject to foreclosure on August 1, 1960, and the failure to disclose that at least 4% of any smelter returns would be set aside to pay for said notes. (NOTE TO PRESS. Copies of foregoing also available in SEC Seattle Office)

**PORTLAND REPORTER PUBLISHING CO. PROPOSES OFFERING.** Portland Reporter Publishing Co., Inc., 1130 S. W. Third Ave., Portland, Ore., filed a registration statement (File 2-17032) with the SEC on September 12, 1960, seeking registration of 175,000 shares of common stock, to be offered for public sale at \$10 per share. No underwriting is involved. Of the said stock, 39,000 shares are to be reserved for sale to employees and about 11,000 shares will be issued in exchange for property or services (the balance to be offered to the public for cash).

According to the prospectus, the company was organized under Oregon law in February 1960 for the purpose of publishing a newspaper, the Portland Reporter, for the duration of a strike which began November 10, 1959, at the two Portland daily newspapers, the Portland Oregonian and the Oregon Journal. The company now intends on or about November 1, 1960, to publish a permanent afternoon daily newspaper (five week days plus a week-end edition). The cash proceeds of the sale of new stock will be used for capital expenditures, including leased wire services, mechanical equipment, furniture, and business machines, vehicles, and communication equipment, and for working capital.

The prospectus lists Robert D. Webb as president of the company and publisher of the Reporter. Business manager of the Reporter is Robley Evans, vice president of the company. Of the 100 shares of outstanding common stock, 34 shares are owned by Webb and 33 each by Evans and William Ardrey, secretary-treasurer and assistant to the publisher.

**MAKRIS INVESTMENT HEARING POSTPONED.** On request of counsel for Makris Investment Brokers, 4/30 North Bay Road, Miami Beach, Fla., the SEC has authorized a postponement from September 20 to October 19, 1960, of the hearing to be held at the Post Office and Federal Courthouse Building in Miami on the question whether the said firm's broker-dealer registration should be revoked.

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For further details, call WOrth 3-5526

**WHEELING ELECTRIC PROPOSES NOTE RENEWAL.** Wheeling Electric Company, Wheeling, W. Va., has applied to the SEC under the Holding Company Act for permission to extend to September 30, 1960, the time within which it may issue to banks, \$4,250,000 of notes in renewal of notes maturing September 26, 1960, and issued pursuant to a December 1958 order of the Commission; and the Commission has issued an order (Release 35-14284) giving interested persons until September 22d to request a hearing thereon. The renewal notes will mature not more than 270 days from the dates of issuance. The company contemplates that in 1961 it will be feasible either (a) to enter into a Bank Loan Agreement generally similar to the Bank Loan Agreement under which it now has outstanding \$7,000,000 of notes which mature December 1, 1965, or (b) to issue and sell first mortgage bonds in an amount sufficient to refund its then outstanding indebtedness.

**THERM-AIR MFG. FILES FOR OFFERING.** Therm-Air Mfg. Co. Inc., 1000 North Division Street, Peekskill, N. Y., today filed a registration statement (File 2-17034) with the SEC, seeking registration of 125,000 shares of common stock, to be offered for public sale at \$4.00 per share through G. Everett Parks & Co., Inc. on a best efforts basis. In addition to a 60¢ per share selling commission and an amount not to exceed \$20,000 for expenses, the underwriter will purchase from the company 25,000 5-year common stock purchase warrants at 1¢ each, entitling the holder thereof to purchase a like amount of common stock at \$4.00 per share. The company will also issue to Ernest Parker and Frank Engleman 7,500 warrants on the same terms and will pay to them \$12,500 as a finder's fee. In addition, the company is registering 10,000 warrants and like amount of common shares issuable upon exercise thereof to Benjamin B. Hersh, counsel to the company.

Organized in December 1958, the company is engaged in the design, manufacture and sale of temperature and humidity control equipment for military and commercial use. The \$362,000 net proceeds from the stock sale will be used to discharge an aggregate of \$79,972 in short-term loans and to finance the research and development (approximately \$15,000) of new products, several of which are in the development stage. The remainder of such proceeds (approximately \$267,028) will be added to working capital.

The company has outstanding 150,000 shares of common stock, all of which is owned by George Cooper, president. Pursuant to the recapitalization of the company's capital stock in August 1960, the 100 previously issued and outstanding shares were reclassified into 150,000 shares of common stock on the basis of 1,500 shares of common for each share of capital outstanding. As of June 30, 1960, each of the 150,000 outstanding shares of common, after giving effect to the said recapitalization, had a book value of 27¢ per share. According to the prospectus, upon the completion of the offering (and assuming the sale of all the shares offered), the 275,000 shares then outstanding will each have a book value of \$1.46 per share, the increase in the value of the shares being attributable to the proceeds being obtained from the public as a result of the offering.

**MID-AMERICA MINERALS PROPOSES OFFERING.** Mid-America Minerals, Inc., 500 Mid-American Bank Building, Oklahoma City, Okla., filed a registration statement (File 2-17033) with the SEC on September 12, 1960, seeking registration of 150 units of participation in its oil and gas fund. The units are to be offered for public sale at \$10,000 per unit, with a maximum completion assessment of \$2,500. Solicitations will be made by the company and its subsidiary, Midamco, Inc., on a best efforts basis, for which a \$100 per unit commission is payable. Mid-America itself will subscribe to 10% of all units subscribed.

The fund will consist of an undetermined number of oil and/or gas projects and the drilling of the first well on each such project. Each project will consist of working interests under one or more oil and gas leases on lands located within the continental United States, excluding Alaska; it is expected that operations of the Fund will be located in the Mid-Continent, Rocky Mountain and Gulf Coast areas. Proceeds of the sale of units will be held, managed and expended by Mid-America. The funds are intended to cover the costs to the participants of acquiring the projects, or interests therein, and of drilling the first well on each of them to the point of running the production string of casing or of abandoning them if they are dry.

The prospectus lists John W. Fisher as board chairman and John W. Nichols as president.

**CORRECTION.** The item on the rights offering proposal of Automatic Canteen Company of American contained in the News Digest of September 2, 1960, should have listed John W. Cox as president, not Robert Z. Greene.