

For IMMEDIATE Release Friday, July 8, 1955

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.

The Securities and Exchange Commission announced today that it had terminated its public investigation of the 1948 offering of common stock by Kaiser-Frazer Corporation, and that no further action would be taken in this case. The offering which was registered with the Commission under the Securities Act in 1948, had been directly or indirectly involved in several other Commission proceedings, as well as in considerable protracted litigation in the Courts.

The investigation just terminated had been ordered by the Commission on March 25, 1953. Its purpose was to make a further inquiry into the facts and circumstances pertinent to the preparation, filing, and processing of the registration statement, so as to aid in the enforcement of the Securities Act of 1933 and the Securities Exchange Act of 1934, in the prescribing of rules and regulations thereunder, and in the securing of information which might serve as a basis for reports to the Congress or for recommending legislation. Public hearings were held from June 1953 through January 1954, and each of the interested parties presented its version of the facts subject to cross examination by all other parties. Over 4,000 pages of testimony were taken, and over 200 exhibits were received.

In terminating the investigation, the Commission noted that since full inquiry into the facts had been completed further proceedings would result in unnecessary expenditure of public funds and that the public interest would be served by bringing to a close a matter which has been the subject of investigation and litigation for more than seven years. The Commission noted that no securities were ever issued in connection with the offering; that the Commission's procedure for examining registration statements had been revised; that the proceeding against Otis & Company had been dismissed by the Commission in August, 1954; and that the claims and counter-claims of Kaiser-Frazer Corporation and Otis & Company had been terminated by mutual releases.

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