

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 September 25, 1957

ULRICH MANUFACTURING FILES FINANCING PROPOSAL

Ulrich Manufacturing Co., Roanoke, Ill., filed a registration statement (File 2-13621) with the SEC on September 24, 1957, seeking registration of \$600,000 of 6% Sinking Fund Subordinated Debentures and 30,000 shares of Class A Common Stock, \$1 par. The company proposes to offer these securities for public sale in units, each consisting of \$500 of debentures and 25 shares of stock. The offering is to be made by White & Company, of St. Louis, on a best efforts basis. The public offering price of the units, and underwriting terms, are to be supplied by amendment.

Ulrich, whose manufacturing plant and offices are located at Roanoke, near Peoria, Ill., is principally engaged in the manufacture of earthmoving equipment, finished parts for Caterpillar Tractor Co., industrial and sanitary pumps and hydraulic products. Net proceeds of this financing will be applied first to the reduction or retirement of current bank borrowings. Any remaining proceeds will be used to retire all or a part of the company's outstanding 5% Term Loan or to provide additional working capital, or both, as the company may determine.

TWO GERMAN COMPANIES FILE FOR EXCHANGE OFFER

Elektrowerke Aktiengesellschaft, Berlin, Germany, filed an application (File 22-2210) with the SEC on September 24, 1957, seeking qualification under the Trust Indenture Act of 1939 of an indenture pursuant to which \$2,130,000 of 4-7/8% Debt Adjustment Bonds, due January 1, 1973, are to be issued. According to the application, the company proposes to offer such bonds in exchange for two series of outstanding First Mortgage Gold Bonds, designated as First Mortgage Sinking Fund Gold Bonds 6½% Series due 1950 and as First Mortgage Sinking Fund Gold Bonds 6½% Series due 1953, which old bonds shall have been validated, and in settlement of its debt represented thereby, all pursuant to the provisions of Annex II to the Loan Agreement on German External Debts of February 27, 1953.

Vereinigte Industrie-Unternehmungen Aktiengesellschaft, of Am Nordbahnhof, Germany, guaranteed the payment of the outstanding old bonds of Elektrowerke, and it has filed an application (File 22-2211) seeking qualification of a Guaranty Agreement under which it will guarantee the debt adjustment bonds to be offered by Elektrowerke in exchange for the old bonds.

NASD APPLICATION APPROVED

The SEC today announced the issuance of a decision granting an application of the National Association of Securities Dealers, Inc., for approval of the continuance of an NASD firm in membership with Leonard H. Whitaker of Washington, D. C., as a registered representative thereof.

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On March 7, 1952, the Commission revoked the broker-dealer registration of Whitaker on the basis of an "answer and consent to revocation." Whitaker then admitted and the Commission found that he had sold unregistered securities, converted to his own use a payment received from a customer for securities, and securities received from another customer, failed to disclose to certain customers the capacity in which he was acting, and failed to maintain required books and records and to file a financial report.

The NASD, upon consideration of Whitaker's subsequent activities and his general reputation in the business community, and being of the opinion that he has been sufficiently penalized for his previous misconduct, recommended that the firm in question be continued in membership with Whitaker as a registered representative. The Commission's revocation order is a bar to such continuance except with the approval or direction of the Commission.

According to the Commission's decision, the president of the NASD member firm is fully cognizant that Whitaker would be the member's agent and that it would be responsible for his conduct. He stated that Whitaker, if employed, would be closely supervised and would have no access to customers' securities or money, except as incidental to his work as a salesman, and that while at the present time the member's employees were not bonded it was contemplated that they would be. Whitaker asserts that he will make every effort to comply with our statutes and rules, and with the rules of the NASD.

Under the circumstances, the Commission concluded: "While the misconduct which led to revocation of Whitaker's registration was serious in nature, we do not think it should constitute a permanent bar from the securities business. Upon the basis of our review of the entire record and giving due consideration to the lapse of time since the revocation, the close supervision to be exercised over him, and the favorable recommendation of the NASD, we conclude that we may approve the application of the NASD in the public interest provided that Whitaker is bonded so as to afford additional investor protection against possible loss as a result of any misconduct by him." (See Securities Exchange Act Release No. 5581.)

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Pine Street Fund Inc., of New York, filed an amendment on September 24, 1957 to its registration statement (File 2-11151) seeking registration of an additional 75,000 shares of Common Stock, \$1 par value.

SOUTHERN NEW ENGLAND TELEPHONE TO OFFER SHARES TO STOCKHOLDERS

The Southern New England Telephone Company, New Haven, Conn., today filed a registration statement (File 2-13622) with the SEC seeking registration of 1,358,300 shares of its \$25 par Capital Stock (Common). The company proposes to offer these shares for subscription by stockholders of record on October 7, 1957, in the ratio of one new share for each four shares then held and at a subscription price of \$25 per share. No underwriting is involved.

The company intends to use the net proceeds of the sale of stock toward repayment of advances from American Telephone and Telegraph Company, which owns 1,173,696 shares (21.6%) of its capital stock. Such advances are obtained in conformity with an established practice of borrowing from the American Company, as

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need therefor arises, for general corporate purposes, including property additions and improvements. These advances amounted to \$46,700,000 as of August 31, 1957.

TUCSON GAS FILES FOR COMMON STOCK OFFERING

The Tucson Gas, Electric Light and Power Company, Tucson, Ariz., today filed a registration statement (File 2-13623) with the SEC seeking registration of 200,000 shares of its \$5 par Common Stock, to be offered for public sale through an underwriting group headed by Blyth & Co., Inc., and The First Boston Corporation. The public offering price and underwriting terms are to be supplied by amendment.

Net proceeds from the sale of the new common will be added to the general funds of the company and used for payment of \$4,900,000 of notes, the proceeds of which were used for construction purposes in 1957, and to further the construction program. Construction expenditures are estimated at \$12,000,000 for 1957, \$9,600,000 for 1958, and \$11,750,000 for 1959.

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