

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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MILTON ARONSON REGISTRATION SUSPENDED

In a decision announced today (Release 34-6075), the SEC suspended the broker-dealer registration of Milton R. Aronson, doing business as Aronson & Co., 426 South Spring Street, Los Angeles, pending final determination on the question whether Aronson's registration should be revoked.

According to the Commission, Aronson admitted for the purpose of this proceeding that he is permanently enjoined from engaging in securities transactions in violation of the anti-fraud, net capital, record keeping and reporting provisions of the Securities Exchange Act of 1934 and rules thereunder, and that he wilfully violated the net capital, record keeping and reporting provisions. This, the Commission rules, was a sufficient showing to warrant suspension pending decision on the question of revocation of his broker-dealer registration.

The commission's decision states that a Federal Court injunction was issued in September 1958 enjoining Aronson from the conduct of a securities business by means of false or misleading statements concerning his financial condition or the delivery of securities or funds to others, or while insolvent or unable to meet current liabilities or in violation of the Commission's bookkeeping or net capital rules. The Commission also held that he violated its net capital and bookkeeping rules.

EIGHT INDICTED IN SALE OF GREATER GEORGIA INVESTMENT SECURITIES

The Atlanta Regional Office announced September 17, 1959, that an indictment was returned that day (USDC, Atlanta) charging fraud in the sale of securities of Greater Georgia Investment Corporation by Lee A. Curtis, Jr., and seven other individuals.

COURT ORDER ENJOINS FIRST LEWIS CORP.

The Atlanta Regional Office announced September 22, 1959, that an order of permanent injunction had been issued (USDC, Boston) enjoining First Lewis Corporation of Boston from further violations of the Securities Exchange Act of 1934, in particular that its books and records be made available for reasonable inspection by the Commission. (Lit. Release 1493)

GARDNER-DENVER FILES EMPLOYEE OPTION PLAN

Gardner-Denver Company, Quincy, Ill., filed a registration statement (File 2-15626) with the SEC on September 24, 1959, seeking registration of 100,000 shares of its common stock, reserved for issuance under the company's Employee Stock Option Plan.

GARDNER-DENVER FILES EMPLOYEE PURCHASE PLAN

Gardner-Denver Company, Quincy, Ill., filed a registration statement (File 2-15627) with the SEC on September 24, 1959, seeking registration of 100,000 shares of its common stock, to be offered under and pursuant to its Employee Stock Purchase Plan.

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

DELISTING OF KENNEDY'S STOCK GRANTED

The SEC has issued an order (Release 34-6081) granting an application of the American Stock Exchange to strike the common stock of Kennedy's, Inc., from listing and registration, effective at the close of trading on September 30, 1959, due to the fact that all but 8,584 of the 118,425 outstanding shares have been acquired by Phillips-Van Heusen Corp.

UNLISTED TRADING GRANTED IN TEXAS GULF COMMON

The SEC has issued an order (Release 34-6081) granting an application of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the common stock of Texas Gulf Producing Company, which is listed and registered on the New York and Midwest Stock Exchanges.

INLAND WESTERN LOAN PROPOSES DEBENTURE OFFERING

Inland Western Loan and Finance Corporation, 10202 North 19th Ave., Phoenix, Arizona, filed a registration statement (File 2-15630) with the SEC on September 24, 1959, seeking registration of \$1,000,000 of 6% Capital Debentures. The debentures are to be offered for public sale at 100% of principal amount. The underwriting terms and names of the underwriters, if any, are to be supplied by amendment.

The company does not directly engage in business. Two subsidiaries are engaged in the small money lending business and as an automobile and general consumer finance company business in Phoenix. A third subsidiary has entered the realty mortgage and real estate contract field in that city. Four additional subsidiaries are engaged in a similar business in other Arizona areas.

Net proceeds of the sale of the debentures will be used first to discharge loans from banks and from Commercial Life Insurance Company, second as additional operating capital for subsidiaries, and third to finance the establishment and operation of additional loan and finance offices throughout Arizona and neighboring states, with such offices to be established as separate corporate subsidiaries, as branches of existing subsidiaries, or as agency offices.

OFFERING OF BREUER & CURRAN OIL INTERESTS PROPOSED

The Breuer & Curran Oil Co., 3510 Prudential Plaza, Chicago, filed a registration statement (File 2-15628) with the SEC on September 24, 1959, seeking registration of \$1,500,000 of Co-Ownership participations in an oil and gas exploration fund. The fund is to be utilized during 1960 in acquiring undeveloped oil and gas leases for the participants and exploring for oil and gas thereon. The company will receive an interest equal to 30% of the net working interest of the principals in each lease acquired for the fund after pay-out of such lease. The minimum participations in the fund will be \$10,000. Proceeds of the offering will be utilized to acquire for the participants undeveloped oil and gas leases, to drill test wells thereon or to provide for test wells to be drilled by others, to complete and equip test wells which have encountered commercial production, to plug and abandon test wells which fail to encounter commercial production, and otherwise to conduct oil and gas exploration activities. The company's prospectus lists Grant W. Breuer as president. He owns 42,265 of the company's 64,525 outstanding common shares.

ARIZONA FERTILIZER FILES FOR OFFERING AND SECONDARY

Arizona Fertilizer and Chemical Co., 734 East Southern Pacific Drive, Phoenix, filed a registration statement (File 2-15629) with the SEC on September 24, 1959, seeking registration of 100,000 shares of common stock. Of this stock, 75,000 shares are to be offered for public sale for the account of the issuing company and 25,000 shares for the account of selling stockholders. The public offering price and underwriting terms are to be supplied by amendment. Mitchum, Jones & Templeton and Walston & Co., Inc., are listed as the principal underwriters.

The primary business of the company is the production of agricultural chemicals, fertilizers and insecticides. It now has outstanding 229,128 common shares and certain indebtedness. Of the net proceeds of its sale of additional stock, \$200,000 is to be made available to Cortez Chemicals Co., a subsidiary, for expansion and development of its facilities for the manufacture of industrial chemicals. The company proposes to increase the production capacity by the erection of additional warehousing facilities for raw materials and finished products and the purchase of additional machinery for

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mixing, stamping and packaging its products, as well as expanded research facilities. The balance of the proceeds will be added to the company working capital account, so as to make possible the construction and establishment of additional distribution facilities and to be in a position to liquidate in part some short term loans.

NATIONAL UNION FIRE INS. FILES FOR RIGHTS OFFERING

National Union Fire Insurance Company of Pittsburgh, Pa., filed a registration statement (File 2-15631) with the SEC on September 24, 1959, seeking registration of 200,000 shares of capital stock, to be offered for subscription by holders of outstanding capital stock on the basis of one new share for each three shares held October 16, 1950. The subscription price and underwriting terms are to be supplied by amendment. The First Boston Corporation is listed as the principal underwriter.

The purpose of the stock sale is to provide the additional capital funds that are considered advisable in view of the volume of business of the company and its subsidiaries and their desire to increase their premium volume. The company now has outstanding 600,000 shares of stock.

ROCHESTER GAS PROPOSES BOND OFFERING

Rochester Gas and Electric Corporation, 89 East Avenue, Rochester, N. Y., today filed a registration statement (File 2-15633) with the SEC seeking registration of \$12,000,000 of First Mortgage Bonds, Series E due 1989, to be offered for public sale at competitive bidding.

Net proceeds of the bond sale will be used in connection with the company's construction program, including the discharge of short term obligations the proceeds of which were so used (amounting to \$10,950,000 at September 21, 1959). The company's construction program for the years 1959 and 1960 is expected to involve expenditures of about \$47,500,000, of which \$14,700,000 had been expended to August 31, 1959.

DIGITRONICS CORP. FILES FOR RIGHTS OFFERING

Digitronics Corporation, Albertson, Long Island, New York, today filed a registration statement (File 2-15632) with the SEC seeking registration of 65,877 shares of capital stock, to be offered for subscription by stockholders at the rate of one new share for each five shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. Granbery, Marache & Co. is listed as the underwriter. The underwriter will purchase an option from the issuer, at 10¢ per share optioned, for the purchase of 10,000 shares of stock, the exercise price of which is to be supplied by amendment.

The company now has outstanding 324,830 shares of stock. Net proceeds of its sale of additional stock will be used to finance new product development for the present and anticipated growth of the company's business, to expand its sales program, to finance the cost of equipment leased or to be leased to customers, and to add to working capital.

Of the outstanding stock, 125,028 shares (38%) are owned by management officials (70,000 by Erick H. Haight, board chairman.) The registration statement includes an additional 150,000 shares of stock, which are said to have been recently acquired by certain investors from the four organizers of the company. The said investors have advised the company that they have no present intention to sell such shares, but in the future may wish to sell the shares in the over-the-counter market or otherwise at prices and on terms then obtainable.

ENNIS BUSINESS FORMS FILES FOR OFFERING AND SECONDARY

Ennis Business Forms, Inc., 214 West Knox St., Ennis, Texas, today filed a registration statement (File 2-15634) with the SEC seeking registration of 217,490 shares of common stock. Of this stock, 45,000 shares are to be offered for public sale in behalf of the issuing company and 167,490 shares, representing outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Kidder, Peabody & Co. is listed as the principal underwriter. The additional 5,000 shares are to be offered by the company to its employees.

The company now has outstanding 500,000 common shares. Net proceeds of its sale of additional stock will be added to the company's general funds and applied to its continuing program of expansion.

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and modernization (including the addition of manufacturing space at its eastern division plant in Chatham, Va., and the purchase of additional manufacturing equipment to be installed in each of its three plants. Capital expenditures over the next five years are estimated at \$3,000,000.

The prospectus lists 27 selling stockholders, who own an aggregate of 420,043 shares. Holder of the largest block (56,920 shares, or 11.4%) is Garner Dunkerley, Jr., president. He proposes to sell the largest block, 22,768 shares. Other large blocks are being sold by Mrs. Jane D. Barrington (16,228 shares); Mrs. Gertrude D. Griffith (17,722); Mrs. Lillian D. Kirkpatrick (16,621); and Mrs. Marian D. McElroy (16,228).

B. M. HARRISON ELECTROSONICS PROPOSES STOCK OFFERING

B. M. Harrison Electrosonics, Inc., Newton Highlands, Mass., today filed a registration statement (File 2-15635) with the SEC seeking registration of 133,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made on a best efforts basis by G. Everett Parks & Co., Inc., for which a \$.525 selling commission is to be paid. The company also has agreed to sell the underwriter 34,455 common stock purchase warrants at one cent per warrant, each warrant entitling the holder, within five years, to purchase a share of stock at \$3 per share.

Since its organization in 1954 the primary objective of the company has been the development, design and manufacture of ultrasonic, sonar and similar military equipment used for vertical measurement of water depth and determination of distance and bearing between a ship and remote objects; and it also has concentrated on the design and production of instruments for electronic and electrical measurements in the low frequency range. Its experience is said to have made possible the company's entry into the commercial market for transducers and electronic generating equipment. The company now has outstanding 147,545 common shares. Of the net proceeds of the said additional stock, the company will use \$20,000 to liquidate its remaining bank indebtedness, \$10,000 to be applied on a loan from Small Business Administration, \$49,000 to repay loans in that amount, \$10,000 to be paid to James E. Zoes of New York for his undertaking to serve as a financial consultant, and the balance for general corporate purposes with particular emphasis on the company's expansion into the civilian market.

The prospectus lists Bertram M. Harrison as president and owner of 117,530 shares (79.7%) of the outstanding stock.

SOUTHERN BELL TELEPHONE PROPOSES DEBENTURE OFFERING

Southern Bell Telephone and Telegraph Company, 67 Edgewood Ave., S. E. Atlanta, Ga., today filed a registration statement (File 2-15636) with the SEC seeking registration of \$70,000,000 of Thirty-five Year Debentures, due 1994, to be offered for public sale at competitive bidding.

The company intends to use most of the proceeds of the debenture sale to repay outstanding advances from its parent, American Telephone and Telegraph Company, which are expected to approximate \$64,000,000 at the time the proceeds are received. The remainder of the proceeds will be used for general corporate purposes. Advances from the parent are obtained in conformity with an established practice of the company of borrowing from the parent, as need therefor arises, for general corporate purposes, including property additions and improvements.

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