

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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Washington 25, D.C.

FOR RELEASE January 28, 1960

FRED GARNER REGISTRATION REVOKED. In a decision announced today (Release 34-6166), the SEC revoked the broker-dealer registration of Fred T. Garner, doing business as Fred T. Garner, Investments, 1407 W. Alaska Place, Denver, for fraud in the sale of securities and other violations of the Federal securities laws.

Garner became registered as a broker-dealer in April 1956. According to the Commission's decision, he made false and misleading statements in the offer and sale of stock of Rangely Oil & Gas Company in 1957 "which operated as a fraud upon customers." In letters sent by Garner to his customers in March 1957 he represented that Rangely's president had purchased 300,000 shares of Rangely stock; that the president expected Rangely would be able to pay dividends out of earnings within 12 to 18 months; and that he (Garner) expected that the Rangely stock would double in price when this news became generally known. Garner offered and sold Rangely stock at 4¢ per share and the implication in his letter was that he had sold the 300,000 shares to Rangely's president for 4¢ per share. In fact, Rangely's president had had no dealings with Garner and had not made the statements attributed to him; and he had purchased 200,000 shares at 2¢ per share from another firm with which Garner was associated as a salesman.

Moreover, Garner filed a financial report for 1958 which was not certified by an independent public accountant, as required; failed to maintain and preserve certain required books and records with respect to the conduct of his business; and failed to make all his records available for examination by a Commission investigator.

ST. LAWRENCE SEAWAY LAND CO. PROPOSES STOCK OFFERING. American & St. Lawrence Seaway Land Co., Inc., 60 East 42nd St., New York, filed a registration statement (File 2-16059) with the SEC on January 27, 1960, seeking registration of 538,000 shares of common stock. Of this stock, 350,000 shares are to be offered for public sale at \$3 per share. The offering is to be made on a best efforts basis by A. J. Gabriel Co., Inc., for which it will receive a selling commission of 45¢ per share. In addition, the company has granted the underwriter a one-year option on an additional 35,000 shares, exercisable at \$1 per share. A. J. Gabriel, an officer and director of the company, is sole stockholder of the underwriter.

The company was organized in April 1959 and owns 100 acres of developed and improved land and buildings in Sackets Harbor, N. Y., known as Madison Park, with a deep water frontage along the Black River Bay section of Lake Ontario. It was organized for the purpose of engaging in the general real estate business. It now has outstanding 318,425 common shares and certain indebtedness. Net proceeds of the sale of the additional 350,000 shares by the company will be used to pay off a \$144,340 mortgage held by the General Services Administration, to pay \$105,000 on account of the second purchase money mortgage on Madison Park, and for development and improvement of the company's properties and for additional real estate acquisition.

The organizers of the company are Jack J. Arnold (president), Aaron J. Gabriel and Jerome P. Weiss (officers). Of the 318,425 outstanding shares, 200,425 were issued to the organizers in consideration for the assignment of a contract for the acquisition of Madison Park. An additional 118,000 shares were sold to six persons, which are also included in the registration statement and may be sold by such persons. The registration statement also includes an additional 35,000 shares which may be delivered to the holder of a mortgage on the company's property in order to effect a reduction of such mortgage to the extent of \$105,000, as well as the 35,000 shares under option to the underwriter.

TEXISE CHEMICALS FILES STOCK PLAN. Texise Chemicals, Inc., Greenville, South Carolina, filed a registration statement (File 2-16060) with the SEC on January 27, 1960, seeking registration of 20,000 common shares, to be offered to employees pursuant to its Stock Purchase Plan for employees.

TELETRAY ELECTRONIC SYSTEMS PROPOSES OFFERING. Teletray Electronic Systems, Inc., 880 Bonifant St., Silver Spring, Md., filed a registration statement (File 2-16061) with the SEC on January 27, 1960, seeking registration of 150,000 shares of Class A common stock, to be offered for public sale at \$3 per share. The offering is to be made on a best efforts basis by A. T. Brod & Co., for which it receives a selling commission of 45¢ per share plus 13-1/3¢ per share for expenses. If the underwriter sells 75,000 shares it will be entitled to purchase 10,000 Class A shares at \$3 per share at any time within three years, and to

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purchase 2 additional shares on the same terms for each 15 shares sold in excess of 75,000. Furthermore, upon the sale of 75,000 shares the underwriter will be entitled to purchase 10,000 Class A shares at 15¢ per share plus 2 additional shares under the same terms for each 15 shares sold for the account of the company in excess of 75,000.

The company was organized in April 1957 and is engaged in the development, production, distribution and installation of electronic communicating systems. Its principal product is the Teletray Electronic ordering equipment used in drive-in restaurants. It now has outstanding 131,552 Class A common shares and 12,870 shares of Class B preferred stock. Net proceeds of the sale of additional stock will be used to finance an increased inventory, establish an assembly operation, employ additional salesmen and for sales promotion, to develop new products, discharge a \$20,000 indebtedness to company officials, and for general working capital.

The prospectus lists Edward J. Myerson as president and owner of 28,756 shares of Class A common. Management officials own 84% of the outstanding common; and Joseph G. Myerson of New York owns all the Class B preferred.

MASSACHUSETTS INVESTORS TRUST FILES FOR ADDITIONAL SHARES. Massachusetts Investors Trust, Boston investment company, filed an amendment on January 27, 1960, to its registration statement (File 2-11401) seeking registration of an additional 10,000,000 shares of beneficial interest.

SEC COMPLAINT NAMES HEFT, KAHN & INFANTE. The SEC New York Regional Office announced January 25, 1960, the filing of court action (USDC, EDNY) seeking to enjoin Heft, Kahn & Infante, Inc., Rockville Centre, Long Island, New York, and certain individuals from further violating the anti-fraud provisions of the Securities Exchange Act and the Commission's net capital rule (Litigation Release No. 1565). Appointment of receiver also requested.

SEC COMPLAINT NAMES PINSKER & CO. The SEC New York Regional Office announced January 26, 1960, the filing of court action (USDC, SDNY) seeking to enjoin N. Pinsker & Co., 150 Broadway, New York, and its president, Norman Pinsker, from further violations of anti-fraud provisions of Securities Exchange Act and the Commission's net capital rule. (Litigation Release No. 1566). Appointment of receiver also requested.

INDICTMENT NAMES FRANCIS MOULTON AND FRANCIS DISTRIBUTING. The SEC Boston Regional Office announced January 25, 1960, the return of an indictment (USDC, Boston) charging Francis A. Moulton and Francis Distributing Company, Inc., with violating registration and anti fraud provisions of Securities Act in sale of stock of the Distributing Company and of B. C. Yukon Mining Explorations, Ltd. (Litigation Release No. 1567). Guilty plea entered by Moulton and court ordered a not-guilty plea entered on behalf of the Distributing Company.

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