

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 November 5, 1958

SEC PROPOSES SMALL BUSINESS INVESTMENT COMPANY RULES

The SEC today announced proposals for the adoption of a new combined form (1) for registration under the Investment Company Act of 1940 of small business investment companies licensed under the Small Business Investment Act of 1958 and (2) for registration under the Securities Act of 1933 of the securities of such companies for public offering (Rel. 33-3988).

At the same time, the Commission announced a proposal for adoption of a regulation which would provide a conditional exemption from registration under the Securities Act for public offerings of securities by small business investment companies not exceeding \$300,000 in amount (Rel. 33-3989).

Interested persons are invited to submit views and comments upon the proposals not later than November 20, 1958.

The proposed combination registration Form N-5 would enable a small business investment company to register under the Investment Company Act and at the same time to register securities for public sale under the Securities Act. If it has registered under the Investment Company Act, the form could be used for subsequent registration of securities under the Securities Act.

The proposed Regulation E exemption from registration for offerings by such companies not exceeding \$300,000 in amount is similar in many respects to the current exemption from registration for other offerings now provided by Regulation A. It would require the filing of a notification with the Commission and would also require the filing and use of an offering circular containing certain specified information (including the company's business and investment policies, its management, and its financial condition).

MORTON & COMPANY ENJOINED

The SEC New York Regional Office announced November 3, 1958, that a consent judgment had been issued by the USDC, SDNY permanently enjoining I. B. Morton & Company, Inc. and Morton I. Binstock from further violations of anti-fraud provisions of the Securities Act in the offer and sale of Variatic Corp. stock (LR-1357).

NARDA ULTRASONICS FILES FOR SECONDARY

The Narda Ultrasonics Corporation, 625 Main St., Westbury, N. Y., filed a registration statement (File 2-14490) with the SEC on November 4, 1958, seeking registration of 100,000 outstanding shares of its 10¢ par Common Stock. Of this stock, 60,000 shares are to be offered for public sale to the company's controlling stockholder, The Narda Microwave Corporation. The offering is to be made by a group of eight underwriting firms headed by Milton D. Blauner & Co., Inc., and Michael G. Metz & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The additional 40,000 shares represent purchases by each of the eight underwriters of 5,000 each from officers of the Company at \$3 each. The prospectus indicates that these shares are not being offered at this time."

OVER

Organized in October 1957, Narda Ultrasonics is engaged in "mass production of low cost ultrasonic cleaners." It has outstanding 774,500 common shares, of which Narda Microwave will own 373,631 following its sale of the 60,000 shares the subject of this offering, or 48.3% of the then outstanding shares. John C. McGregor of Hicksville is listed as company president.

CENTRAL ILLINOIS ELECTRIC FILES EMPLOYEE STOCK PLAN

Central Illinois Electric and Gas Co., 303 North Main St., Rockford, Ill., filed a registration statement (File 2-14491) with the SEC on November 4, 1958, seeking registration of 42,500 shares of its Common Stock, to be offered to eligible employees of the company pursuant to its Employee Stock Purchase Plan.

REVOCATION PROCEEDINGS INSTITUTED AGAINST WORLD WIDE INVESTORS

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of World Wide Investors Corporation, 231 Washington St., Hoboken, N. J., and whether said company should be suspended or expelled from membership in the National Association of Securities Dealers, Inc. (Rel. 34-5816).

The Commission asserts in its order (1) that World Wide Investors is permanently enjoined by an April 23, 1958, decree of the United States District Court for the Southern District of New York from engaging in and continuing certain conduct and practices in connection with the sale of securities; and (2) that it failed to file the required report of financial condition for the calendar year 1957. The Commission's complaint in the injunction action charged that World Wide Investors (and others) had offered and sold common stock of Micro-Moisture Controls, Inc., in violation of the registration requirements of the Securities Act of 1933.

A hearing for the purpose of taking evidence in these proceedings will be held at a time and place to be determined later.

LORILLARD CO. PROPOSES RIGHTS OFFERING

P. Lorillard Company, 200 East 42nd St., New York, N. Y., today filed a registration statement (File 2-14492) seeking registration of 364,670 shares of its Common Stock. The company proposes to offer these shares for subscription by its common stockholders at the rate of 1 new share for each 8 shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. Lehman Brothers and Smith, Barney & Co. are listed as the principal underwriters.

Net proceeds to the company from the sale of the stock will be added to its general funds to be used for corporate purposes, including a reduction in short-term bank loans. The amount of these loans outstanding at November 1, 1958, was \$64,850,000. Proceeds thereof, together with other general funds, were used to finance the company's increased purchases of tobacco and, to a lesser degree, other requirements arising out of the expanded volume of business, according to the prospectus.

TUCSON GAS FILES FOR RIGHTS OFFERING

The Tucson Gas, Electric Light and Power Company, 35 West Pennington St., Tucson, Arizona, today filed a registration statement (File 2-14493) with the SEC seeking registration of 110,000 shares of its Common Stock. The company proposes to offer these shares for subscription by common stockholders at the rate of 1 new share for each 10 shares held of record November 25, 1958. The subscription price and underwriting terms are to be supplied by amendment. Blyth & Co., Inc. and The First Boston Corporation are listed as the principal underwriters.

The registration statement also covers an additional 11,000 common shares to be offered to regular full time employees (including officers) of the company, on terms also to be supplied by amendment.

Net proceeds from the sale of the stock will be added to the general funds of the company and used for the payment of promissory notes aggregating \$4,100,000, the proceeds of which were used for

construction purposes in 1958, and for the company's construction program. Construction expenditures are estimated at \$10,600,000 for 1958 (of which \$7,400,000 was expended prior to August 31, 1958), \$13,400,000 for 1959 and \$5,300,000 for 1960.

VON'S GROCERY FILES FOR SECONDARY

Von's Grocery Co., 3750 West Santa Barbara Ave., Los Angeles, Calif., today filed a registration statement (File 2-14494) with the SEC seeking registration of 360,000 outstanding shares of its Common Stock, to be offered for public sale by the holders thereof through an underwriting group headed by Hemphill, Noyes & Co. The public offering price and underwriting terms are to be supplied by amendment.

The prospectus lists five selling stockholders, with present holdings as follows: Charles Von der Ahe, 58,200 shares; Linda Von der Ahe, 42,630; Theodore A. Von der Ahe, 480,600; Wilfred Von der Ahe, 594,840; and Walter R. Von der Ahe, 212,400. They propose to sell stock in the respective amounts of 15,000, 14,520, 144,000, 144,000 and 42,480. Following such sales, Theodore Von der Ahe will continue to hold 336,600 shares (18.70%) and Wilfred Von der Ahe 450,840 shares (25.05%).

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