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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FOR RELEASE September 1, 1959

REVISIONS PROPOSED IN REGISTRATION EXEMPTIONS

The Securities and Exchange Commission today announced a proposal to modify certain of its exemption regulations under the Securities Act of 1933 pertaining to assessable stock and to interests in oil royalty trusts; and it has invited the submission of views and comments thereon not later than September 30, 1959 (Release 33-4138).

The Commission proposes to rescind its Regulation A-M, which provides a conditional exemption from registration for assessable shares of stock of mining corporations and to make its Regulation A exemption available for such shares. One of the conditions to the use of this regulation is that the issuer shall, in making assessments subsequent to the offering of the assessable stock, transmit to each holder of such stock offered under the regulation a statement containing certain specified information. The rescission of Regulation A-M is proposed in view of the recent adoption by the Commission of certain rule changes relating to assessable securities, particularly Regulation F which provides an exemption from registration under the Act for the levying of assessments of limited amounts on assessable securities. However, since Regulation F does not provide an exemption for new issues of assessable securities, it is proposed to amend Regulation A to make that regulation available for the offering of such new issues.

It is further proposed to rescind Regulation B-T, which provides an exemption from registration for certain interests in an oil royalty trust or similar type of trust or unincorporated association. Although this exemption was adopted in 1938 no offering has ever been made under it and there appears to be no present or prospective need for the regulation. However, in order that there may be a comparable exemption in the event that anyone should at some future date wish to offer such securities, it is proposed to amend Regulation A to make the exemption provided by that regulation available for securities of the type for which Regulation B-T is presently provided.

WILSON BROTHERS FILES FOR EXCHANGE OFFER

Wilson Brothers, 180 Madison Ave., New York, filed a registration statement (File 2-15532) with the SEC on August 31, 1959, seeking registration of 261,752 shares of common stock. Wilson proposes to offer these shares in exchange for shares of the common stock of Virginia Iron, Coal and Coke Company in the ratio of one share of Wilson common for each five shares of Virginia common. Wilson desires to acquire, through the exchange offer, at least 80% of the outstanding shares of Virginia common. It intends to continue the existence of Virginia as a subsidiary with substantially its present management and operating personnel.

Wilson has entered into an agreement with two groups of Virginia stockholders, one of which included Samuel T. Brown, Sr., president and a director of Virginia and two other officers of Virginia, and the other comprised of Maurice Parker, Wilson's board chairman and president (who purchased in May and June 1959, 100,000 shares of Virginia common at a cost of about $4.71 per share), and certain of his friends. The agreement covers an aggregate of 301,475 shares of the Virginia common, of which 150,975 shares are owned by the Brown group and 150,500 by the Parker group. The agreement provides that each of these persons will deposit in acceptance of the exchange offer AT LEAST so many of the shares owned by him and covered by the agreement as

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may be necessary, together with shares surrendered in acceptance of the offer by other stockholders, to bring such aggregate acceptances up to a total of at least 81% of the outstanding shares of Virginia.

CORDILLERA MINING SHARES IN REGISTRATION

Cordillera Mining Company, Grand Junction, Colo., filed a registration statement (File 2-15533) with the SEC on August 31, 1959, seeking registration of 4,234,800 shares of capital stock. According to the prospectus, 2,179,800 shares are to be offered solely through the exercise of certain options heretofore issued; and any shares so acquired, together with balance of 2,055,000 shares being issued and outstanding stock, may be offered for public sale by the holders thereof in the over-the-counter market at the current market price for such shares at the time of sale.

The company was organized under Colorado law in 1955 for the purpose of engaging in the mining business. Its promoter was H. David Lasseter, of Dallas, a director. Shortly after its organization, the company offered publicly 2,995,000 common shares at 10¢ per share, Lasseter & Company making the offering on a best efforts basis. Only 488,900 shares were sold in 1955 and 1956, for which Lasseter & Company received $7,822 in commissions. The Regulation A exemption for this offering was suspended by Commission order dated June 24, 1959. Lasseter purchased 62,000 shares in 1955 and 1957 at 10¢ per share.

Net proceeds of the earlier stock offering not having been sufficient for the company to engage in its proposed business, the company later sold its net tangible assets for 316,950 shares of 1¢ par value capital stock of Balboa Mining and Development Company, after which Cordillera Mining had outstanding 633,900 common shares and its only asset was the Balboa stock, amounting to about 11% of the outstanding Balboa shares. Balboa is a mining company in the exploratory stage.

In May 1958, the company granted options to James F. Martin, its president, and two other persons (for services rendered and to be rendered) for the purchase of 130,000 shares each at $0.125 per share, exercisable until May 24, 1962. Martin exercised the option to the extent of 5,000 shares and consented to cancellation of the option to the extent of 50,000 shares. The other two option holders, Lasseter and R. Paul Creson, exercised options with respect to 3,750 shares each. In May 1958 the company agreed to issue to 22 persons, including Martin, Creson and Lasseter, for $51,500, 370,000 shares of common stock, options to purchase 740,000 shares, and 90-day notes in the amount of $33,000 which were convertible into 660,000 shares and options to purchase 1,320,000 shares. The common stock had no market value at such time. All the notes were converted in August 1958. The company thus issued, for $51,500, 1,030,000 shares and options to purchase 2,060,000 shares at an option price of 10¢ per share. All such options so issued expired as to 25% of the shares covered in 9 months, 25% in 18 months, 25% in 27 months, and the remaining 25% in 36 months. Of the $51,500, the company used $43,000 to acquire an undivided one-half interest in 55 unpatented mining claims in Larimer County, Colorado, the company agreeing to operate the properties as a joint venture with seller and to pay an additional $107,000 out of 50% of any net proceeds to it from the joint venture.

In May 1958 the company also agreed to issue to Creson 150,000 common shares and an option to purchase 300,000 shares for 10¢ per share, for an assignment of an agreement to acquire 10 unpatented mining claims in Larimer County, Colorado, subject to a 10% overriding royalty, for $15,000. All the Colorado mining claims are considered to be exploratory in character.

In October 1958 the company acquired an interest in an Authority to Prospect covering about one-half of 18,900 square miles in the State of Queensland, Australia. $10,000 was paid for this interest, the sellers receiving a royalty equal to 5% of any oil or gas produced and sold from the area, plus a 3% royalty to another person for services in negotiating the contract.

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(A notice of termination of this contractual arrangement was served upon the company in July 1959, but the company contends that it still has a valid contract.)

In November 1958, when the market for its stock was said to be about 20¢ per share, the company sold to 15 persons, two of whom were members of the group of 22, an aggregate of 335,000 shares at 10¢ per share; and it issued to a lawyer for services 10,000 common shares and an option to purchase 100,000 shares at 10¢ per share.

In August 1959 the company executed a contract with Dr. Arthur Montgomery for the "Harding Mine" property in Taos County, N. M. It has retained a consultant for the purpose of drawing plans for the designand construction of a mill on this property. Upon the deposit by the company of $100,000 (less the design plan costs) in a special bank account, Montgomery is obligated to deposit in escrow a lease of the property for delivery to the company upon assurance that the mill has been constructed. Construction must be completed not later than August 17, 1960, or the lease will not be delivered out of escrow. The $100,000 deposit is to be used solely for payment of the costs of designing and constructing the mill and mining and milling costs. The lease will be for 15 months, during which the company must make quarterly deposits of $25,000 in a special account, which amounts are to be paid to Montgomery if the company does not conduct its mining and milling operations in accordance with industry practices; otherwise the funds are to be released to the company for its mining and milling operations, and the lease renewed for a five year period with further five year renewal options. A 20% royalty will be paid Montgomery on ore sales from hand sorting or other non-milling operations. During the first year of milling operations, he will be paid a royalty equal to 7% of net milling profits, if any. After the first year he will be paid a royalty equal to 7% of the gross sales of ore concentrates from milling operations, with an annual guaranteed mining and milling royalty of $10,000. The consultant will be compensated on the basis of 5% of net milling profits, with a $1200 annual guarantee.

Net proceeds of the sale of stock will be added to working capital and used for such purposes as the management may determine. It is intended to apply such proceeds to meet the company's obligations under its contract relating to the Harding Mine property. The unused balance, if any, will be used to meet the company's exploration commitment on June 30, 1960, under its contract with respect to the Australian property.

The prospectus lists 21 holders of the unexercised options covering the 2,179,800 shares, and 38 holders of the 2,055,000 outstanding shares. Among these are R. Paul Creson, who holds 331,750 shares and options for 618,900 shares; Lasseter, 167,750 shares and options for 393,900 shares; and Joe B. Wells, 100,000 shares and options for 183,500 shares. The company will not receive any of the proceeds of the sale of the 2,055,000 shares.

JOSTENS FILES FOR SECONDARY

Jostens, Inc., 148 East Broadway, Owatonna, Minn., filed a registration statement (File 2-15534) with the SEC on August 31, 1959, seeking registration of 290,035 outstanding Class A common shares, to be offered for public sale by the present holders thereof through an underwriting group headed by A. G. Becker & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in serving the high school market with graduation specialty products, including class rings and graduation announcements and accessories. It has outstanding 519,859 shares of Class A common and 346,573 shares of Class B common. Daniel C. Gainey, board chairman, and Daniel J. Gainey, vice president and vice-chairman, own 25.1% and 23.9%, respectively, of the outstanding shares of each class of stock. The prospectus lists twelve selling stockholders, including Daniel C. Gainey (80,000 shares to be sold) and Daniel J. Gainey (100,000 shares to be sold).

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GREAT LAKES BOWLING CORP. PROPOSES STOCK OFFERING

Great Lakes Bowling Corporation, 6366 Woodward Ave., Detroit, filed a registration statement (File 2-15535) with the SEC on August 31, 1959, seeking registration of 120,000 shares of common stock, to be offered for public sale through an underwriting group headed by Straus, Blosser & McDowell. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged principally in the operation of bowling alleys with adjoining restaurants. It now has outstanding 545,000 shares of common stock, along with certain indebtedness. Of the net proceeds of the sale of additional stock, $250,000 is to be applied to the purchase and installation of a bar and restaurant equipment and the acquisition of a liquor license for three of its properties (Southlanes, in Southgate, Mich; Fairlanes, Madison Heights, Mich; and Panorama Lanes, Flint, Mich.); $200,000 for purchase of bowling lanes, automatic pinspotters, bar and restaurant and a liquor license at Cloverlanes, in Livonia, Mich.; $150,000 for purchase and installation of similar facilities at Northlanes, in Detroit; $50,000 towards the cost of constructing a 40-unit McNichols Riviera Motel at McNichols Road and Grand River Ave., Detroit; and $25,000 towards the purchase of land upon which a Bowlium is to be constructed in Royal Oak, Mich. The balance of the proceeds will be devoted to the construction and equipping of the Bowlium or added to working capital.

The prospectus lists John L. Brown as president, treasurer and promoter. He and members of his family own 410,500 shares (75.3%) of the outstanding common stock.

LENKURT ELECTRIC FILES FOR SECONDARY

Lenkurt Electric Co., Inc., 1105 County Road, San Carlos, Calif., filed a registration statement (File 2-15536) with the SEC on August 31, 1959, seeking registration of 10,000 outstanding shares of its Class B common stock, to be offered for sale by the present holder thereof at $83.31 per share. No underwriting is involved. According to the prospectus, Kurt E. Appert, one of the founders of the company and now its executive vice president and a director, proposes to offer the 10,000 Class B shares to certain employees of the company and its subsidiaries. The company is engaged in the business of designing, manufacturing and selling multi-channel communications systems and various components therefor. It has outstanding (in addition to certain indebtedness) 30,000 shares of Class A and 68,640 shares of Class B common stock. Appert is listed as the owner of 10,000 Class A and 20,000 Class B shares. An additional 10,000 shares of Class A and 20,000 shares of Class B stock are owned by Automatic Electric Company, North Lake, Illinois; and similar holdings are listed for Lennart G. Erickson, company president.

WEST FLORIDA NATURAL GAS FILES FINANCING PROPOSAL

West Florida Natural Gas Company, Maple and 3rd Streets, Panama City, Fla., filed a registration statement (File 2-15537) with the SEC on August 31, 1959, seeking registration of $837,200 of 7½% Thirty Year Subordinated Income Debentures and Warrants to purchase 25,116 shares of Class A common stock, $1 par. The securities are to be offered in units, each consisting of a $100 debenture and a warrant to purchase three shares of Class A common stock, the offering to be made at $100 per unit.

The company proposes to offer holders of its $837,200 outstanding 6% Twenty Year Debenture Bonds the right to exchange such bonds for said units on the basis of one unit for each $100 principal amount of debenture bonds. After termination of the exchange offer, the underwriter (Bail & Hough, Inc.) will use its best efforts to sell any remaining units of debentures and warrants, for which it is to receive a commission of $4.11 per unit. The proceeds of such sale will be applied, together with moneys in the sinking fund, to the redemption of the old debenture bonds at their redemption price of 103% of their principal amount.

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SECURITIES VIOLATIONS CHARGED TO SANDERS INVESTMENT

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Sanders Investment Company, Inc., 205 Gold Avenue, S.W., Albuquerque, New Mexico, has violated provisions of the Federal Securities Laws and certain rules of the Commission and, if so, whether it is in the public interest to revoke Sanders Investment's broker-dealer registration and/or to suspend or expel it from membership in the National Association of Securities Dealers, Inc.

According to the Commission's order, Sanders Investment has been registered as a broker-dealer since September 4, 1957. It is a successor to Shelton Sanders, a sole proprietorship, whose registration was withdrawn October 10, 1957. Alice Aurelia Shelton Sanders Reynolds ("Reynolds"), was the sole proprietor of the predecessor and has been an officer and a beneficial owner of 10% or more of the common stock of Sanders Investment since September 4, 1957. Sanders Investment and Reynolds were enjoined by a June 2, 1958, decree of the U. S. District Court for the District of New Mexico, from engaging in and continuing certain conduct and practices in connection with the purchase and sale of securities.

The Commission's order further asserts that information developed in an investigation conducted by its staff tends if true to show that,during the period September 4 to December 12, 1957, Sanders Investment and Reynolds "engaged in transactions, practices and a course of business which would and did operate as a fraud and deceit" upon certain investors in that they induced such persons to buy and sell securities from and to Sanders Investment, and in connection therewith solicited and accepted monies and securities while representing that Sanders Securities was solvent and ready and able to discharge its liabilities to such persons, when in fact its liabilities exceeded its assets and it was unable to meet its current liabilities in the ordinary course of business.

It is further charged in the Commission's order that Sanders Investment (1) engaged in the conduct of a securities business in violation of the Commission's net capital rule; (2) filed a 1957 statement of financial condition which contained false and misleading information with respect to its liabilities; (3) hypothecated certain securities carried for the accounts of certain customers under circumstances (a) which permitted such securities to be commingled with securities carried for the accounts of other customers without first obtaining the written consent of each such customer and (b) which permitted such securities to be commingled with securities carried for the account of Sanders Investment under a lien for a loan to it; (4) failed to make and keep current various of the books and records required by Commission rules; and (5) failed promptly to cancel or otherwise liquidate certain purchases of securities by customers notwithstanding the failure of such customers to make full cash payment therefor within seven days, as required by Regulation T.

A hearing for the purpose of taking evidence on the foregoing matters will be held at a time and place later to be announced.

SEC ORDER CITES EMPIRE STATE MUTUAL SALES

The Securities and Exchange Commission has instituted proceedings under the Securities Exchange Act of 1934 to determine whether Empire State Mutual Sales, Inc., 165 Broadway, New York, has violated provisions of the Federal Securities Laws and certain rules of the Commission and, if so, whether it is in the public interest to revoke its registration and/or to suspend or expel it from membership in the National Association of Securities Dealers, Inc.

According to the Commission's order, Lowell Messer has been president and a director of Empire since about October 13, 1958, and the owner of all its outstanding common stock since May 16, 1958. The order further states that Empire and Messer were enjoined from engaging in or continuing certain conduct or practices in connection with the purchase or sale of securities by a February 11, 1959, order of the Supreme Court, New York County, New York, and a February 24, 1959 order of the U. S. District Court for the Southern District of New York.

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The Commission's order further asserts that information developed in an investigation conducted by its staff tends if true to show that Empire and Messer "engaged in transactions, practices and a course of business which would and did operate as a fraud and deceit" upon certain investors in that, during the period December 29, 1958, to February 4, 1959, they induced investors to buy and sell securities and in connection therewith solicited and accepted monies and securities from them while representing that Empire was solvent and ready and able to discharge its liabilities to such persons, when in fact Empire's liabilities exceeded its assets and it was unable to meet its current liabilities in the ordinary course of business.

The order of the Commission also charges violations of its net capital rule by Empire during the period May 31, 1958, to February 4, 1959; and failure to make and keep current certain of the books and records required by Commission rules, as well as the failure to preserve certain books and records as required.

A hearing for the purpose of taking evidence with respect to the foregoing matters will be held at a time and place later to be announced.

HEARING SCHEDULED IN MUTUAL FUND DISTRIBUTORS - TCA ASSOCIATES CASE

The Securities and Exchange Commission has scheduled a hearing for September 28, 1959, in its St. Louis Branch Office, in the administrative proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of the following (both of 408 Olive Street, St. Louis) should be revoked and/or whether they should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.:

Mutual Fund Distributors, Inc.
T.C.A. Associates, Inc. (formerly Slayton & Co., Inc.)

In its order of August 7, 1959, authorizing these proceedings (Release 34-6040), the Commission charged that they, together with Hilton H. and Hovey E. Slayton, "engaged in acts, practices and a course of business which would and did operate as a fraud and deceit upon certain persons," in that, in connection with their offering and sale of shares of Managed Funds, Inc., a St. Louis mutual fund, they made false and misleading representations of material facts with respect to that company and its operations.

At the September 28th hearing, inquiry will be conducted into these and related matters for the purpose of determining whether the Federal Securities Laws were violated in the respects indicated and, if so, whether it is in the public interest to issue orders of revocation, suspension or expulsion.

DENNIS SECURITIES REGISTRATION REVOKED

In a decision announced today (Release 34-6055), the SEC revoked the broker-dealer registration of Dennis Securities Corporation, 94 River St., Hoboken, N. J., for various violations of the Federal Securities Laws.

The Commission also ruled that Anne Egenes, president, C. Edward Scott,, vice president, and Ivor Jenkins, secretary-treasurer, were each a cause of the order revoking the registration of Dennis Securities, which was also expelled from NASD membership. Dennis Securities and the three individuals, for the purpose of this proceeding, stipulated to certain facts, admitted the violations alleged, and consented to issuance of the Commission's order.

The violations related principally to the sale in 1958 of Tyrex Drug & Chemical Corporation stock. In early 1958 Dennis Securities acquired from the issuer 55,000 shares of Tyrex Class B stock and subsequently sold such stock to other brokers and to members of the public. No exemption from registration appears to have been available, and the sale thus violated the Securities Act registration requirement. At the time, Egenes was secretary-treasurer and a director of Dennis Securities and also secretary-treasurer of Tyrex; and the failure to disclose this fact constituted a violation of a provision of the Securities Exchange Act and an SEC rule thereunder.

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Furthermore, according to the decision, Dennis Securities failed to make and preserve certain books and records, as required, and failed promptly to cancel or liquidate purchases by customers notwithstanding the failure of such customers to make cash payment within seven business days, in violation of Regulation T.

Accordingly, the Commission concluded that revocation of registration and expulsion from the NASD was in the public interest.

SUSPENSION OF ARIZONA AVIATION OFFERING MADE PERMANENT

The SEC today announced a decision (Release 33-4135) permanently suspending a Regulation A exemption from registration under the Securities Act with respect to a public offering of stock by Arizona Aviation and Missile Corporation, of Phoenix, Arizona, because of false and misleading statements concerning the company's operations and failure to file certain sales literature, as required.

The company was formed in June 1957 to develop and manufacture safety and electrical components for aircraft and missiles. Its efforts so far have been directed to three products of more general applicability, a curtain rod manufactured by a metal drawing process, a machine for soldering electrical circuits, and an electrical display lighting device. In a notification filed in February 1958 it proposed a public offering of 150,000 common shares at $2 per share pursuant to a Regulation A exemption from registration, which exemption was temporarily suspended by Commission order of September 5, 1958. Thereafter a hearing was held on the question whether the suspension order should be vacated or made permanent.

According to the Commission's decision, the company in March 1958 delivered to its then underwriter about 1,000 copies of a pamphlet which discussed recent developments in, and the need for, aviation crash safety design, the "obvious implication" of which was that the issuer was active in the field of aviation safety design. This pamphlet, which was not filed with the Commission, constituted "sales literature," the Commission stated. In addition, the issuer sponsored two television programs about aviation safety engineering on which James Hurst, its president, was narrator. One concluded with a slide giving the name and address of the underwriter and the other closed with an invitation by Hurst to purchase the issuer's stock and "grow with us as we grow with Arizona's aviation industry." This "clearly constituted sales literature," the Commission stated, but copies of the script were not filed with the Commission. Their use, and the use of the unfiled reprints, the Commission stated, violated provisions of Regulation A.

Furthermore, according to the Commission's decision, the August 17, 1958, issue of "The Arizona Republic" carried a news story about Arizona Aviation which stated that the company was involved in production and sales of several products and a wide range of aircraft components; that the aircraft component parts were for the Lockheed Electra turbojet airliner and F-104 Starfighter; that also scheduled for production was the company's soldering device; and that "production also was getting underway" on the company's new type of display lighting. The caption under an accompanying photograph of men at work in the company's plant stated that they were shown working on "component parts for Lockheed Aircraft. . ."

The record establishes, the Commission stated, that Hurst sent information to the newspaper and invited a reporter to visit the plant. The reporter testified that he was shown around the plant by Hurst and that the article was based on what he saw and on what Hurst told him, and that he read it over the telephone to Hurst and that the latter approved it.

At the time the article was published, the Commission stated, the only product that Arizona Aviation had sold was $350 of curtain rods, which were sold to Lockheed. This curtain rod was the "component part" of the Lockheed Electra referred to in the newspaper account. The issuer had produced five soldering machines, three of which had been sold, but only on a contingent basis. There was also one order for the display lighting, but this product was in the development stage, and admittedly no production had been scheduled. The principal production activity at the plant was the assembly of parts manufactured by subcontractors.

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"The public was lead by the newspaper account," the Commission stated, "to believe that the issuer was engaged in producing a product peculiar to an advanced aviation achievement rather than merely a relatively minor accessory pertaining to the decorative features of the aircraft." It was "highly misleading" to refer to curtain rods sold to Lockheed for use in its Electra aircraft as a "component part" of the plane without further identifying it; the reference to sales or production without disclosing the miniscule amount of such sales and production actually achieved was misleading; and the reference to production of the display lighting was false since the product was still in the development stage.

The photograph which accompanied the newspaper account was also misleading, the Commission stated, since it gave the impression that at least five men and machines pictured were employed exclusively by the issuer in its production activities and that they were working actively on Lockheed aircraft parts, whereas four of the five men were employed by Stellar Aircraft Products, the machinery was owned by Stellar and the work being performed was in connection with the issuer's soldering machine. (Stellar occupies part of the plant and performs work for Arizona Aviation in lieu of rent).

The Commission concluded that under the circumstances the offer and sale of securities by Arizona Aviation after publication of the newspaper account violated Section 17 (the anti-fraud) provision of the Securities Act.

SUNRISE SUPERMARKETS EXEMPTED FROM REPORTING

The Securities and Exchange Commission has issued an order granting an application of Sunrise Supermarkets Corporation, East Rockaway, L. I., New York, pursuant to Rule 15d-20 under the Securities Exchange Act of 1934 for an exemption from the requirements for filing annual and other periodic reports with the Commission.

According to the application, Grand Union Company at December 31, 1958, had acquired pursuant to an exchange offer, 90.4% of the outstanding common stock and now owns 99.4% of such stock, and record holders do not exceed 50. The stock was delisted from the American Stock Exchange in March 1959.

ADDENDUM TO SEC NEWS DIGEST OF JULY 6, 1959

Inadvertently omitted from the July 6, 1959, News Digest was a reference to the filing on that date of registration statements by Chemical Corn Exchange Bank, as follows: (1) File 2-15325, covering American Depositary Receipts for 50,000 shares of common capital stock of Commerzbank Aktiengesellschaft; and (2) File 2-15326, covering American Depositary Receipts for 50,000 shares of common capital stock of Deutsche Bank Aktiengesellschaft. The statements became effective on July 24 and 25, 1959, respectively.

E. H. P. CORP. FILES FOR OFFERING AND SECONDARY

E. H. P. Corporation, Hotel Troy Building, Troy, N. Y., filed a registration statement (File 2-15539) with the SEC on August 31, 1959, seeking registration of 160,000 shares of capital stock. The Company proposes to offer 100,000 shares for public sale at $2.50 per share, the offering to be made on a best efforts basis through an underwriting group headed by John R. Boland & Co., Inc., which will receive a selling commission of 37½¢ per share (plus $15,000 for expenses).

In consideration for preliminary financing in the amount of $50,000 advanced to the company by certain lenders, the company sold to such lenders an aggregate of 37,500 shares at its 10¢ par value per share. An additional 52,500 shares were sold to the president of the principal underwriter at par in consideration of financial counsel, preliminary financing arrangements and an advance of $10,000. After sale of the 160,000 shares by the company, the said president of the principal underwriter intends to make a public offering of 22,500 shares of his stock and the lenders intent to make a public offering of 37,500 shares of their stock, all at the $2.50 per share offering price. The said president of the principal underwriter intends to give 10,000 shares of his stock to dealers who sell the company's stock on the basis of one share for every ten shares of company stock sold. The same selling commission is to be paid underwriters on the sale of the lenders' stock.

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The company was organized in March 1959 under Delaware law. A predecessor New York corporation of the same name had been organized in 1957; and it acquired the assets of Acclmatic, Inc., which had been organized in 1956 to sell accident or breakdown insurance to automobile owners through vending machines placed at advantageous locations on or near main highways and express parkways. The New York corporation concluded that certain basic changes were necessary to the success of the business, and that additional financing and different arrangement for the distribution of policies were required. To that end, and in order to facilitate public financing of an expansion program, the Delaware company was formed and the New York company was merged into it.

The company presently has vending machines located at over 280 gas stations on the approaches of the New York State Thruway and is engaged in securing additional locations. The present offering is being made to provide funds for the purchase of additional vending machines and a public relations and publicity program for the purpose of expanding the company's business to parkways throughout the eastern states.

The prospectus lists Harry P. Olesen as president. Of the 184,902 outstanding shares of common stock, 52,500 shares (28.4%) are owned by John R. Boland and 14,409 by officers and directors as a group. As indicated, Boland proposes to sell 22,500 shares. The names of the lenders and the amount of stock to be sold by each are to be supplied by amendment.

GATEWAY AIRLINES PROPOSES STOCK OFFERING

Gateway Airlines, Inc., MacArthur Field, Islip, L. I., New York, filed a registration statement (File 2-15538) with the SEC on August 31, 1959, seeking registration of 400,000 shares of common stock, to be offered for public sale at $1.50 per share. The offering is to be made on a best efforts basis by Dunne & Co., for which it will receive a selling commission of 25¢ per share, plus $25,000 for expenses.

The company has further agreed to sell to the underwriter, at 10¢ per share, an aggregate of 40,000 shares, at the rate of one such share for each 10 shares sold to the public; and the underwriter also will purchase from the company 25,000 shares at 10¢ per share, or $2500. A finder's fee is to be paid Paul S. Bernstein & Associates of one share for each 16 shares sold to the public, plus .0375¢ per share.

The company is said to be "a new company, designed after two years of intensive research, analysis and planning to bring scheduled air transportation to the eastern portion of Nassau County and Suffolk county, connecting with key northeastern Atlantic Coast cities." It started scheduled air operations on July 6, 1959. It now has outstanding 325,000 shares of common stock. Net proceeds of the sale of additional stock will become part of the company's general funds and may be applied to any corporate purposes, including the purchase of additional aircraft and equipment, retirement of debt and increase of working capital. The company expects to spend over half of the net proceeds for the purchase of airplanes, spare engine parts and equipment.

The prospectus lists Edward L. Kushins of Westbury, N. Y. as president, Irwin Kenyon as vice president, Jack C. Anderson secretary and Gideon Takaro as treasurer (all are directors). Kushins, Anderson & Takaro, Inc., is the owner of record of 102.030 shares of the common stock of Gateway Airlines; and Messrs. Kushins, Anderson & Takaro each own one-third of that company's outstanding stock. Irwin Kenyoin is listed as the owner of 66,319 shares of Gateway Airlines stock.

SYLVANIA ELECTRIC PROPOSES DEBENTURE OFFERING

Sylvania Electric Products Inc., 730 Third Avenue, New York, today filed a registration statement (File 2-15540) with the SEC seeking registration of $25,000,000 of Sinking Fund Debentures, due September 1, 1984, to be offered for public sale through Paine, Webber, Jackson & Curtis and Halsey, Stuart & Co., Inc. The interest rate, public offering price, and underwriting terms are to be supplied by amendment. Proceeds will be used in part to prepay, without premium, 5% promissory notes due in 1962, the balance to be applied to the payment of certain short term notes when due in October and December, 1959. The borrowings were made in 1959 to meet the company's seasonal cash requirements and to provide additional working capital. The total amount of the 5% promissory notes to be retired is to be supplied by amendment (the amount outstanding at July 31, 1959, was $10,000,000).

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