

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE October 1, 1959

SECURITIES VIOLATIONS CHARGED TO HANNIBAL ASSOCIATES

The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Hannibal Associates, Inc. ("Hannibal"), 99 Wall Street, New York, defrauded investors in its offering and sale of common stock of Alaska Development Company or otherwise violated provisions of the Federal securities laws and, if so, whether it is in the public interest to revoke its broker-dealer registration.

Hannibal has been registered with the Commission as a broker-dealer since November 8, 1958. Donald M. Boris is listed as president and principal stockholder. According to the Commission's order, information developed in an investigation conducted by its Staff tends if true to show that, in the offer and sale of Alaska Development stock during the period February 13 to June 29, 1959, Hannibal and Boris violated the registration requirements of the Securities Act of 1933 and "engaged in transactions, practices, and a course of business which would and did operate as a fraud and deceit upon the purchasers," by reason of false and misleading representations made in connection with such offer and sale. The asserted misrepresentations related to the following: (1) ownership of stock of Alaska by Union Oil Company of California; (2) proposed purchase of stock of Alaska by a Texas oil company; (3) drilling activities of Sinclair Oil Company on property owned by Alaska from which Alaska would receive income; (4) present and proposed drilling activities of Alaska; (5) future announcement by Standard Oil Company that would triple the value of stock of Alaska in 90 days; (6) bonding of registrant by government; and (7) length of time registrant has been in business.

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

(Note to Press: Forgoing also released in the SEC New York Regional Office.)

TOWN ENTERPRISES PROPOSES STOCK OFFERING

Town Enterprises, Inc., 902 Orange St., Wilmington, Del., filed a registration statement (File 2-15672) with the SEC on September 30, 1959, seeking registration of 200,000 shares of Class A common stock, to be offered for public sale through Johnston, Lemon & Co. The public offering price and underwriting terms are to be supplied by amendment. The registration statement includes an additional 20,000 shares of Class A common, reserved for issuance upon the exercise of options granted the underwriter.

Organized in 1953, the company has been engaged since that date through wholly-owned subsidiaries in the loan and finance business. The company now has outstanding 500,000 shares of Class A and 200,000 shares of Class B common stock, and certain indebtedness. Net proceeds of the sale of the additional Class A stock will be used by the company to expand its business where practicable through increasing its receivables and purchasing or opening new loan offices. Temporarily at least a portion of the proceeds may be used to reduce bank loans.

According to the prospectus management officials (headed by Russell C. Mansfield, president) now own 5.02% of the Class A stock and 67.25% of the Class B stock (of which latter stock Mansfield owns 51.25%).

OVER

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

TEXAS GENERAL PROPOSES STOCK OFFERING

Texas General Corporation, 320 Broadway, New York, filed a registration statement (File 2-15673) with the SEC on September 30, 1959, seeking registration of 500 shares of Class A stock, to be offered for public sale at \$500 per share. No underwriting is involved.

The company was organized in November 1958 under New York law for the purpose of exploring and developing potential oil and gas leaseholds and the sale of oil and gas produced therefrom. The company owns leases of oil, gas and mineral rights on acreage located in the western part of Shackelford County, Texas, and Comanche County, Texas. Net proceeds of the stock sale will be used for the purpose of drilling an initial well (\$15,000) and acquiring future leases, drilling additional wells and working capital (\$161,400).

The prospectus lists Frank R. Antonell as president. Its authorized capitalization consists of 500 shares of Class A stock and 41 shares of Class B stock. Of the Class A shares, 100 have been issued to promoters and management officials and 8 to company counsel; and a total of 41 Class B shares also have been issued to promoters and management officials.

ENFLO CORP. FILES FOR STOCK OFFERING

Enflo Corporation, Maple Shade, N. J., filed a registration statement (File 2-15674) with the SEC on September 30, 1959, seeking registration of 145,000 shares of common stock. The company proposes to offer the stock for public sale at \$3 per share. The offering is to be made on an "all or none" basis by an underwriting group headed by D. Gleich Co. and Aetna Securities Corporation, for which a commission of \$.45 per share is to be paid (the underwriters also will receive \$15,000 for expenses). D. Gleich, sole proprietor of D. Gleich Co., has purchased 20,000 shares of common stock from Merritt A. Rudner, company president, for 10¢ per share; and these shares, plus an additional 5,000 shares of Class B common to be offered to employees at \$2.55 per share, are also included in the registration statement.

Organized under Delaware law in May 1956, the company manufactures and sells plastic sheets, rods, tubing, finished and semi-finished components and pressure sensitive, cementable and plain tapes. It now has outstanding 20,000 shares of common stock and 145,000 shares of Class B common. Net proceeds of the sale of additional stock will be used as follows: \$40,000 for building, \$70,000 for machinery and equipment, \$55,000 for inventory, \$10,000 for advertising, \$14,000 for prepayment of the obligation on plant installment purchase agreement, \$10,000 for prepayment of a chattel mortgage on equipment, \$22,109 for prepayment of notes, and the balance for working capital.

The company's prospectus lists Merritt A. Rudner as president. He owns 55,336 shares (38.2%) of the outstanding Class B common stock; and all of the 20,000 common shares are owned by Dan Gleich.

SHARES OF CAMPBELL CHIBOUGAMAU MINES IN REGISTRATION

Campbell Chibougamau Mines Ltd., 55 Yonge St., Toronto, filed a registration statement (File 2-15675) with the SEC on September 30, 1959, seeking registration of 350,000 shares of common stock. These shares are reserved for issuance upon the exercise of outstanding stock purchase warrants issued by the company in 1953. The warrants entitle the holders thereof to purchase, on or before December 1, 1960, upon payment of \$4 per share, one share of stock for each warrant held.

NEW ENGLAND FUND SHARES IN REGISTRATION

New England Fund, Boston investment company, filed an amendment on September 30, 1959, to its registration statement (File 2-11166) seeking registration of an additional 200,000 shares of beneficial interest in the Fund.

WISCONSIN PUBLIC SERVICE PROPOSES BOND OFFERING

Wisconsin Public Service Corporation, 1029 North Marshall St., Madison, today filed a registration statement (File 2-15676) with the SEC seeking registration of \$8,000,000 of First Mortgage Bonds, Series due November 1, 1989, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used to pay outstanding bank loans incurred for construction purposes, and for

CONTINUED

additional construction in 1959. Bank loans amounted to \$4,800,000 at August 31, 1959. Construction expenditures for 1959 and 1960 are estimated at \$12,000,000 and \$16,000,000, respectively.

FLORIDA POWER PROPOSES BOND OFFERING

Florida Power & Light Company, Ingraham Bldg., Miami, today filed a registration statement (File 2-15677) with the SEC seeking registration of \$20,000,000 of First Mortgage Bonds, Series due November 1, 1989, to be offered for public sale at competitive bidding. Net proceeds of the sale of the bonds will be used to provide additional electric facilities and for other corporate purposes. The company estimates its 1959-60 construction expenditures at about \$153,500,000, of which some \$72,500,000 will be expended in 1959. It anticipates further financing in 1960 approximating \$50,000,000 through the issuance of securities of a type to be determined at the time.

WAUKESHA MOTOR PROPOSES RIGHTS OFFERING

Waukesha Motor Company, 1000 W. St. Paul Ave., Waukesha, Wisc., today filed a registration statement (File 2-15678) with the SEC seeking registration of 106,907 shares of common stock. The company proposes to offer this stock for subscription by its common 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. Merrill Lynch, Pierce, Fenner & Smith, Inc., is listed as the principal underwriter. The shares being registered include 6,020 shares previously sold to company employees.

Net proceeds of the stock sale will be used in part to repay bank loans amounting to \$2,500,000; and the remainder will be added to working capital. The bank loans were incurred in 1959 to replenish the general funds of the company. The company expended or committed about \$4,500,000 during the last two years for the acquisition of the assets of the Climax Engine Manufacturing Co. Division of Ever-sharp, Inc., the commercial engine business of the LeRoi Division of Westinghouse Air Brake Company, and the engine business of the company's former distributor in southern California. In addition, early this year it purchased a block of 88,500 shares of its outstanding common stock at \$4,000,000.

The company is engaged in the manufacture and sale of heavy duty, high speed, liquid cooled, gas, gasoline and diesel internal combustion engines, and service parts for such engines. It now has outstanding 486,350 shares of common stock and the \$2,500,000 bank loans.

COLUMBIA GAS FINANCING APPROVED

The SEC has issued an order (Release 35-14067) authorizing the Columbia Gas System, Inc., to issue and sell \$25,000,000 of Series N Debentures due 1984 at competitive bidding, and to make bank borrowings aggregating \$10,000,000 during October and November, 1959. Net proceeds of the sale of the debentures and of the borrowings will be used to purchase additional securities of subsidiaries to assist them in completing their 1959 construction programs.

COLUMBIA GAS PURCHASE OF SYSTEM SECURITIES AUTHORIZED

The SEC has issued an order (Release 35-14066) authorizing The Columbia Gas System, Inc., to purchase securities of its subsidiaries, as follows: 7,848 additional shares of common stock and \$575,000 principal amount of Installment Promissory Notes of Columbia Gas of New York, Inc., for an aggregate consideration of \$771,200; and \$325,000 of Installment Promissory Notes of Home Gas Company at the principal amount thereof.

FINANCIAL SECURITY HEARING TRANSFERRED AND POSTPONED

At the request of counsel for Financial Security Corporation, Little Rock, Arkansas, the SEC has postponed to November 9, 1959, in the U. S. Federal Building, 600 West Capitol Street, Little Rock, the hearing in proceedings under the Securities Exchange Act of 1934 to determine whether an application for broker-dealer registration filed by Financial Security Corporation should be denied.

NOLU PLEA BY ULTRASONIC CORP. BRINGS FINE

Ultrasonic Corporation, Boston (now known as Advance Industries, Inc.), on September 30, 1959, entered a plea of nolo contendere to an indictment charging violations of anti-fraud provisions of the Securities Act in the offer and sale of Ultrasonic stock in 1954 and conspiracy to file a false

OVER

registration statement with the SEC. Judge Charles E. Wyzanski, Jr. (USDC, Mass.) accepted the plea and imposed a \$25,000 fine. For details, see Litigation Release No. 1497.

INDICTMENT NAMES FLOYD E. DUZAN

The SEC Chicago Regional Office announced September 28, 1959, that an indictment was returned September 18, 1959 (USDC, Minn.) charging Floyd E. Duzan with violations of the anti-fraud provisions of the Securities Act (Lit. Release 1498).

W. ALLEN JOHNSON APPOINTMENT ANNOUNCED

Chairman Edward N. Gadsby of the Securities and Exchange Commission today announced the appointment of Mr. W. Allen Johnson of Hinsdale, Illinois, as Associate Director of the Division of Corporate Regulation. Mr. Johnson fills the vacancy created by the resignation of Mr. John E. Loomis to become General Counsel of the Development Loan Fund.

Mr. Johnson was born at Chicago, Illinois on February 27, 1914. He received his B. A. degree from Beloit College in 1936 and his J. D. degree from Northwestern University in 1940. He was admitted to the Illinois Bar in 1940.

Since 1944 Mr. Johnson has been associated with the Chicago law firm of Mayer, Friedlich, Spiess, Tierney, Brown & Platt, specializing in corporate work. He has had extensive experience in corporate financing, particularly in matters related to the public offering of securities under Federal and State securities laws. From 1943 to 1944 he was employed in the Trust Department of the City National Bank and Trust Company of Chicago. He served in the Army of the United States from July, 1942 to October, 1943.

He married the former Molly Yurevic in 1957.

---ooo0ooo---