

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 December 1, 1958

Statistical Release No. 1569

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended November 28, 1958, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1958 is as follows:

	<u>1939 = 100</u>		<u>Percent Change</u>	<u>1958</u>	
	<u>11/28/58</u>	<u>11/21/58</u>		<u>High</u>	<u>Low</u>
Composite	386.7	387.8	-0.3	391.1	299.0
Manufacturing	485.4	486.5	-0.2	491.9	373.3
Durable Goods	445.3	446.0	-0.2	451.5	332.2
Non-Durable Goods	513.0	514.4	-0.3	519.7	402.2
Transportation	332.2*	329.1	+0.9	332.2	219.7
Utility	189.3	190.5	-0.6	191.6	155.5
Trade, Finance & Service	363.9	368.0	-1.1	368.0	263.2
Mining	337.9	340.4	-0.7	347.2	261.3

*New High

SECURITIES VIOLATIONS CHARGED TO L. H. FEIGIN

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Lucyle Hollander Feigin, doing a securities business under the name of L. H. Feigin, a sole proprietorship, of 152 West 42nd Street, New York, has violated the anti-fraud and other provisions of the Federal Securities Laws, and, if so, whether her registration with the Commission as a broker-dealer should be revoked. (Release No. 34-5826).

According to the Commission's order, information developed in an investigation conducted by its staff, if true, tends to show that L. H. Feigin, together with Alex E. Feigin and Harvey Sterman, in connection with the purchase and sale of securities, engaged in transactions, acts, practices and a course of business which operated as a fraud and deceit upon customers in violation of the anti-fraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934.

The Commission's order asserts (1) that during the period February to December 1957, L. H. Feigin offered and sold stock of Western Nebraska Oil & Uranium Company, Spud Valley Gold Mines Limited, Texas Anadarko Oil Corporation and Consolidated Emjay Petroleum Limited, by means of representations that such securities would be sold to customers at prices bearing a reasonable relationship to the prevailing market prices therefor, when in fact the said securities were sold at prices far in excess of the prevailing market prices without disclosure thereof; (2) that during the period February to August, 1957, L. H. Feigin sold stock of Spud Valley Gold Mines Limited and Kennac Chibougamau Mines Limited at prices far in excess of the prevailing market prices therefor and far in excess of her contemporaneous costs for such securities, thereby

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obtaining unreasonable and excessive profits; and (3) that during the foregoing periods, L. H. Feigin obtained money and property by means of false and misleading statements concerning, among other things, the market value of securities being sold, contemporaneous costs to her of such securities, the future value of the securities and, with respect to the sale of Consolidated Emjay Petroleum stock, the contract to purchase this company, physical properties and assets of this company and advance information concerning it, and her sale of blue chip securities to purchase stock of this company. Alex E. Feigin and Harvey Steiman are said to have caused L. H. Feigin to engage in these activities.

Furthermore, according to the Commission's order, L. H. Feigin represented in her application for broker-dealer registration, filed August 16, 1956, that no person not named in response to Items 2 through 5 thereof controlled her business when, in fact, Alex E. Feigin directly or indirectly controlled the business, financed and directed the operations and had a beneficial interest therein.

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

(NOTE TO PRESS: Foregoing also released SEC New York Regional Office.)

SEC ISSUES FINAL RULING ON ELECTRIC ENERGY

The Securities and Exchange Commission today announced the issuance of a decision in which it ruled that the holdings of Electric Energy, Inc., stock by Illinois Power Company, Kentucky Utilities Company and Union Electric Company, are retainable by them under the standards of the Holding Company Act. (Release No. 35-13871).

Electric Energy of Joppa, Ill., was organized in 1950 for the purpose of supplying electric energy to a uranium processing plant of the Atomic Energy Commission. At the time of the Commission's 1951 decision permitting the three named companies and Middle South Utilities Inc., to acquire Electric Energy stock, the Commission stated that the national emergency and the exigencies of national defense did not then permit the development of an adequate record upon which a definitive ruling could be made whether their stock interests in Electric Energy could be retained under the "integration" standards of Section 10 of the Holding Company Act. Accordingly, decision on the question of retention had been reserved until a more appropriate time.

In November 1956 the Commission reopened the proceedings to consider the issues as to which jurisdiction had been reserved. Hearings were held from time to time; and upon the basis of the evidence established for the record in these further proceedings, the Commission ruled that the retention of Electric Energy stock by Union Electric (St. Louis), Illinois Power (Decatur) and Kentucky Utilities (Lexington) satisfied the integration standards of Section 10 of the Act.

The Commission also approved the purchase of Middle South's 10% interest in Electric Energy by Kentucky Utilities, thus increasing the holdings of the latter to 20%. Union Electric's holdings amount to 40% and Illinois Power's 20%. The remaining 20% stock interest in Electric Energy is held by Central Illinois Public Service Company, whose acquisition did not require Commission approval.

AMERICAN RESEARCH CERTIFIED UNDER REVENUE CODE

The SEC has issued a certificate (Release 40-2796) pursuant to Section 851(e) of the Internal Revenue Code of 1954 declaring that American Research and Development Corporation, of Boston, a closed-end, non-diversified management investment company registered under the Investment Company Act of 1940, is principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available.

FILMWAYS FILES FOR STOCK OFFERING

Filmways, Inc., 18 East 50th St., New York, N. Y., filed a registration statement (File 2-14565) with the SEC seeking registration of 140,000 shares of common stock, to be offered for public sale through S. D. Fuller & Co. The public offering price and underwriting terms are to be supplied by amendment. The company also has agreed to sell 16,000 common stock purchase warrants to the underwriter at a price of 1¢ per warrant, each entitling the holder to purchase 1 common share at \$5.25 per share at any time on or before December 31, 1963. The underwriter has agreed to pay F. Eberstadt & Co., in the nature of a "finder's fee", 15% of the warrants purchased by the underwriter and 15% of the net underwriting profits of this underwriting.

An additional 14,000 common shares held by Martin Ransohoff, of Darien, Conn., founder and president, are also being registered for sale through the underwriter. Giving effect to such sale, Ransohoff and his family will have power to vote 31% of the shares to be outstanding after sale of the 140,000 shares.

The company is principally engaged in producing television commercials. Net proceeds of its sale of the 140,000 common shares will be applied to the following items: \$350,000 for the outfitting and equipping of additional studio facilities; \$100,000 for the purchase of additional video tape equipment; \$75,000 for general expansion of sales and production facilities; \$75,000 for investment in the field of producing television film series; and the balance for general corporate purposes.

WALLACE & CO. HEARING DATE SET

The SEC has scheduled for hearing on December 17, 1958, in its New York Regional Office, the proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of George B. Wallace & Co., of Jersey City, N. J. The proceedings are based upon three injunction decrees and the failure to file a financial report for 1957 (See Release No. 33-5786).

SEC COMPLAINT FILED AGAINST STRATFORD SECURITIES ET AL

The SEC New York Regional Office announced on November 26, 1958 (Lit. Release No. 1367) the filing of a complaint (USDC, SDNY) seeking to enjoin Sidney B. Josephson, Stratford Securities Co., Inc., Samuel P. Lewis, Joseph Schwartz and Pauline Edith Lewis from further violating registration and anti-fraud provisions of Securities Act in offer and sale of common stock of General Oil & Industries, Inc.

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