

# 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.

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

FOR RELEASE January 4, 1960

Statistical Release No. 1652. The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended December 31, 1959, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1959, is as follows:

	1939 = 100		Percent Change	1959	
	12/31/59	12/24/59		High	Low
Composite	435.2	427.5	+1.8	441.3	400.1
Manufacturing	545.0	536.4	+1.6	554.2	490.7
Durable Goods	524.3	516.8	+1.5	527.7	457.8
Non-Durable Goods	553.5	544.1	+1.7	570.1	510.5
Transportation	329.5	327.4	+0.6	371.6	318.7
Utility	217.6	212.0	+2.6	231.8	207.1
Trade, Finance & Service	447.3*	438.6	+2.0	447.3	382.7
Mining	303.2	291.7	+3.9	360.4	283.8

\*New High

PERKINS & CO., REGISTRATION WITHDRAWN. In a decision announced today (Release 34-6152), the SEC granted a request of Perkins and Company, Inc., 31 Milk St., Boston, for withdrawal of its broker-dealer registration under the Securities Exchange Act; and the Commission dismissed proceedings to determine whether such registration should be revoked.

According to the decision, Perkins & Co. and its officers were enjoined by Federal court order on December 16, 1957, from the further conduct of a securities business without first recording all previously unrecorded securities transactions and unless each future transaction is recorded in accordance with the Commission's rules. It was also conceded that both before and after the said date Perkins & Co. carried on a securities business without making and keeping the required books and records with respect thereto.

However, Perkins & Co. urged that revocation of its registration was not necessary in the public interest and that it should be allowed to withdraw its registration. The failure to keep proper books and records was said to be due to the frequent illnesses of its bookkeeper; and, in addition, the company is in the process of winding up its securities business and its president and controlling stockholder, Ralph LeRoy Perkins, who is seventy-five years of age, intends to limit his future activity in the securities business to that of a salesman in the employ of another firm.

Under the circumstances, the Commission concluded that it would not be inappropriate to permit Perkins & Co. to withdraw its registration; and the administrative proceedings were discontinued.

STOLLE & CO., HEARING POSTPONED. The hearing previously scheduled for January 4, 1960, in the SEC New York Regional Office in proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of H. G. Stolle & Company, a partnership composed of Howard G. Stolle and Myron Rosenthal, 40 Exchange Place, New York, has been postponed upon request of Commission counsel until January 15, 1960, at 9:30 A. M. The original order for hearing charges violations of the registration and anti-fraud provisions of the Securities Act in the sale of Belmont Oil Corp. stock.

OVER

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

NOTE FINANCING PROPOSED BY KENTUCKY POWER. Kentucky Power Company, Ashland, has applied to the SEC for an order under the Holding Company Act permitting additional bank borrowings in the amount of \$1,900,000; and the Commission has issued an order (Release 35-14130) giving interested persons until January 18, 1960, to request a hearing thereon.

Under a December 1958 order Kentucky Power was authorized to borrow sums not exceeding \$5,100,000 in the aggregate. It now seeks permission to issue an additional \$1,900,000 of notes and to renew any previously issued notes, the aggregate of all such notes to be outstanding at any one time not to exceed \$7,000,000. Proceeds of the sale of the new notes, together with cash generated internally, will be used to finance the company's 1960 construction program, the cost of which is estimated at \$3,870,000.

SOUTHERN CO. FILES FOR SYSTEM FINANCING. The Southern Company, Atlanta, Ga., has joined with its subsidiaries in filing a financing proposal with the SEC; and the Commission has issued an order (Release 35-14131) giving interested persons until January 14, 1960, to request a hearing thereon.

Under the proposal, Southern will make bank borrowings during 1960 in amounts not to exceed \$22,000,000 in the aggregate. The funds so borrowed together with some \$6,500,000 of treasury funds will be purchase subsidiary company stock, as follows: Alabama Power Company, \$14,000,000; Georgia Power Company, \$10,000,000; Gulf Power Company, \$2,000,000; and Mississippi Power Company, \$2,500,000. Alabama and Georgia each propose to purchase an additional \$8,000,000 of stock of Southern Electric Generating Company. The subsidiaries propose to use the additional funds together with treasury funds and the proceeds from the sale of additional securities to the public during 1960 to meet that year's construction requirements, estimated to aggregate \$182,895,000.

INCORPORATED INVESTORS PROPOSES ACQUISITION. Incorporated Investors, Boston, Mass., investment company, has applied to the SEC for an exemption order (Release 40-2960) under the Investment Company Act permitting the issuance of its shares at their net asset value for substantially all of the cash and securities of the S. E. C. Corporation; and the Commission has issued an order giving interested persons until January 14, 1960, to request a hearing thereon. The S.E.C. Corporation is a personal holding company with nine stockholders which engages in the business of investing and reinvesting its funds. Substantially all its cash and securities, with a total value of about \$975,148 as of December 8, 1959, are to be transferred to Incorporated Investors in exchange for shares of its stock at their net asset value.

AMERICAN RESEARCH STATUS DECLARED. The SEC has issued an order (Release 40-2961) certifying to the Secretary of the Treasury, pursuant to Section 851(e) of the Internal Revenue Code of 1954, that American Research and Development Corporation, of Boston, Mass., 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.

AUTOMATIC CANTEN SHARES IN REGISTRATION. Automatic Canteen Company of America, Merchandise Mart, Chicago, filed a registration statement (File 2-15993) with the SEC on December 31, 1959, seeking registration of 59,823 shares of common stock.

Of the shares being registered 56,823 shares are to be issued to Norbert K. Acker, Walter Triefenbach and Alfred Diefenhardt, residents of West Germany, for property and assets of a partnership presently conducted by them under the firm name "Tonomat-Automaten Acker, Triefenbach, & Diefenhardt." The remaining 3,000 shares are to be reserved for issuance upon exercise of options to be granted to the three sellers. To date, the business of the Tonomat partnership has consisted of the manufacture and sale of coin-operated phonographs and accessories. The partners have agreed to sell the business to Automatic Musical Instruments, S.A., of Geneva, a subsidiary of the issuer, at a price equal to the net worth of the partnership, plus \$624,000, payable in shares of Automatic Canteen common value for such purpose at \$38 per share.

ADRS FOR NETHERLANDS COMPANY SHARES IN REGISTRATION. The Morgan Guaranty Trust Company of New York filed a registration statement (File 2-15994) with the SEC on December 31, 1959, seeking registration of American Depositary Receipts for 25,000 Ordinary Bearer Shares of Koninklijke Nederlandsche Hoogovens en Staalfabrieken N. V., a Netherlands Company.

ALLEGHENY AIRLINES PROPOSES DEBENTURE OFFERING. Allegheny Airlines, Inc., Washington National Airport, Washington, D. C., filed a registration statement (File 2-15995) with the SEC on December

31, 1959, seeking registration of \$5,500,000 of Convertible Subordinated Debentures, due February 1, 1975, to be offered for public sale through an underwriting group headed by Auchincloss, Parker & Redpath, Allen & Co., and Lee Higginson Corporation. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

According to the prospectus, the company has made arrangements to enter into a program of fleet expansion and modernization the principal features of which are (i) the purchase from Lockheed Aircraft Corporation of 11 Convair 340/440 aircraft owned by Lockheed, (ii) the acquisition from Napier Engines, Inc., of five Convair 540 jet-prop aircraft which are converted to Convair 340/440's equipped with Napier Eland jet-prop engines and (iii) the purchase of necessary spare engines and other parts, as well as the repayment of certain indebtedness and strengthening the company's working capital position. This program will involve expenditures and payments aggregating \$11,725,000. The necessary funds will be provided through the sale of the debentures, bank loans of \$3,000,000, credits totalling \$4,375,000 from Napier Engines, and the use of some \$300,000 obtained from internal sources.

SOUTHERN CALIFORNIA EDISON PROPOSES BOND OFFERING. Southern California Edison Company, 601 West Fifth St., Los Angeles, today filed a registration statement (File 2-15996) with the SEC seeking registration of \$30,000,000 of First and Refunding Mortgage Bonds, Series L, due 1985, to be offered for public sale at competitive bidding. Net proceeds of the sale of the bonds will be used in part to retire some \$25,000,000 of bank loans incurred for construction purposes and the balance of the proceeds will become treasury funds. Gross plant additions for the years 1959-1960 are estimated at \$248,127,000. In addition to funds previously obtained through the sale of securities and otherwise, the company expects to obtain about \$51,000,000 in new money from outside sources in addition to the net proceeds of the sale of the new bonds.

BEACON HOTEL INDENTURE FILED. Beacon Hotel Corporation, 2130 Broadway, New York, filed an application on December 31, 1959, for qualification under the Trust Indenture Act of 1939 of an amendatory trust indenture relating to \$3,587,300 of 3%-4% Mortgage Bonds. The bonds were issued in 1938 and matured on February 1, 1958. The principal effects of the amendatory indenture are to extend the maturity of the bonds to June 30, 1960; to provide for cumulative income interest payments of 3% per annum with provision for additional non-cumulative income interest up to 1% per annum during the period July 1, 1959 to June 30, 1964, and for fixed interest of 3% per annum, with provision for additional non-cumulative income interest up to 1% per annum during the period July 1, 1964 to June 30, 1969.

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