

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 October 1, 1958

SEC ORDERS PROCEEDINGS AGAINST WALLACE & CO.

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 George B. Wallace & Co., ("Registrant"), of Jersey City, N. J.

According to the Commission's order, Registrant, a partnership, has been registered with the Commission as a broker-dealer since January 1, 1936. George B. Wallace and August G. Fuchs are partners of the firm. The proceedings are based upon the asserted failure of Registrant to file a report of financial condition for the year 1957, as required by Commission rules, and upon three injunction decrees, as follows: (1) a December 19, 1956, order of the U. S. District Court for the District of New Jersey permanently enjoining Registrant, Wallace and Fuchs from engaging in or continuing certain conduct or practices in connection with the purchase and sale of securities; (2) a September 24, 1957 order of the Supreme Court of New Jersey permanently enjoining Registrant from engaging in or continuing certain conduct and practices in connection with the purchase and sale of securities in New Jersey; and (3) a February 3, 1958 order of the Supreme Court of New York enjoining Registrant, Wallace and Fuchs from engaging in or continuing certain conduct and practices in connection with the purchase and sale of securities in New York.

A hearing for the purpose of taking evidence with respect to the foregoing will be held at a date later to be determined.

FOREIGN POWER FILES FOR SECONDARY

American & Foreign Power Company Inc., New York, today filed a registration statement (File 2-14406) with the SEC seeking registration of 185,000 outstanding shares of its Common Stock. The stock is owned by Electric Bond and Share Company and is being sold as contemplated by its Final Comprehensive Plan under Section 11(e) of the Holding Company Act. Public offering thereof is to be made through an underwriting group headed by Lazard Freres & Co. and The First Boston Corporation, the initial offering price to be related to the current market at the time of such offering. Underwriting terms are to be supplied by amendment. After the sale of the 185,000 shares, Electric Bond and Share will own 3,863,985 shares (52.9%) of the outstanding stock of American & Foreign Power. Bond and Share's final plan, as approved by the Commission and the Federal Court in 1953, states that Bond and Share proposes to retain its investment in American & Foreign Power. The plan contemplates, however, that a part of the stock of American & Foreign Power will be sold by Bond and Share from time to time resulting in tax losses in the year in which such sales occur.

DUE DATE EXTENDED FOR COMMENTS ON SEC RULE PROPOSAL

The SEC today announced an extension to December 1, 1958, of the time for submission of views and comments upon its proposed Rule 17a-8 under the Securities Exchange Act of 1934. This proposed rule would require exchange members and registered broker-dealer firms to report to the Commission orders for a significant amount of a security received from non-resident persons and cases of a significant amount of a security from a foreign source if the purchase is made for account of the member, broker or dealer, or is made for the account of any other person who, to the knowledge of the member, broker or dealer, proposes to sell or is selling the securities in the United States.

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