

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 January 7, 1957

Statistical Release No. 1428

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended January 4, 1957, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1956 and 1957, is as follows:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1956 - 1957</u>	
	<u>1/4/57</u>	<u>12/28/56</u>		<u>High</u>	<u>Low</u>
Composite	346.0	344.2	↗ 0.5	366.2	319.0
Manufacturing	441.7	441.7	0.0	469.6	398.6
Durable Goods	419.3	423.1	- 0.9	437.6	369.4
Non-Durable Goods	462.5	459.2	↗ 0.7	500.8	425.2
Transportation	317.5	312.2	↗ 1.7	353.0	303.2
Utility	156.2	152.5	↗ 2.4	161.5	151.6
Trade, Finance & Service	289.8	285.5	↗ 1.5	325.5	283.8
Mining	382.0	363.8	↗ 5.0	393.2	326.8

Securities Exchange Act Release No. 5434

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Donald L. Tiffany, Inc. ("Tiffany"), Syracuse, N. Y., should be revoked, and whether it should be suspended or expelled from membership in the National Association of Securities Dealers. A hearing therein is scheduled for January 15, 1957, in the Commission's New York Regional Office.

Tiffany has been registered with the Commission as a broker-dealer since March 14, 1953. Its registration statement lists Donald L. Tiffany as president and E. Lawton Bishop as vice president and treasurer. In its order, the Commission asserts that information obtained as a result of an investigation conducted by its staff tends to show (1) that during the period November 30, 1953, to November 30, 1955, Tiffany has been conducting a securities business when its aggregate indebtedness to all other persons exceeded 2,000% of its net capital; (2) that reports of financial condition filed by Tiffany during the years 1953, 1954 and 1955 were false and misleading in that such reports overstated the company's liquid assets and understated its liabilities; and (3) that such financial reports were uncertified whereas the Commission's rules call for certified statements.

OVER

At the January 15th hearing, inquiry will be conducted into the foregoing matters for the purpose of determining whether the reported information is true and, if so, whether Tiffany has wilfully violated certain provisions of the Securities Exchange Act of 1934 and rules thereunder and whether an order should be issued revoking its broker-dealer registration and/or suspending or expelling it from membership in the NASD.

Securities Exchange Act Release No. 5435

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether an application for broker-dealer registration filed by Indiana State Securities Corporation, Indianapolis, Ind., should be denied. A hearing for the purpose of taking evidence therein is scheduled for January 14, 1957, in the U. S. Court House, Post Office Building, Indianapolis.

The application of Indiana State Securities Corporation ("applicant") for registration as a broker and dealer was filed December 20, 1956. It lists Charles Johnson as president, director and a controlling stockholder, Marvin H. Weisman as vice-president, secretary, treasurer, director and a controlling stockholder, and Rudy Klapper as vice-president, director and a controlling stockholder.

According to the Commission's order, information obtained as the result of an investigation by its Staff tends to show that, during the period March 14, 1956, to date, applicant solicited and induced certain persons to purchase shares of the common stock of Insurance Corporation of America through "false and misleading statements of material facts...concerning, among other things, the past, current and future market price of such securities, the availability of such securities in the market, and the purposes for which the proceeds of the sale of such securities would be used." Johnson, Weisman and Klapper were said to have caused applicant so to do. This information, if true, tends to show, according to the Commission's order, that applicant, Johnson, Weisman and Klapper "engaged in transactions, practices and a course of business which would and did operate as a fraud and deceit upon the purchasers," in violation of the anti-fraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934.

At the January 14th hearing, inquiry will be conducted into the question whether the reported information is true and, if so, whether applicant, Johnson, Weisman and Klapper have wilfully violated the said provisions of the law and whether the application for broker-dealer registration should be denied.

Holding Company Act Release No. 13356

Montaup Electric Company (Fall River, Mass.) has received SEC authorization to make bank borrowings during the year 1957 in amounts aggregating up to \$25,000,000, but with a maximum of \$10,000,000 outstanding at any one time. The funds will be used to pay Montaup's outstanding note indebtedness and to provide the company with cash during 1957 to finance its construction program, involving the installation of a 100,000 kw turbo-generator at an estimated cost through 1959 of \$19,500,000.

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Holding Company Act Release No. 13357

West Penn Power Company (Westmoreland County, Pa.) has applied to the SEC for order authorizing an increase in its authorized capitalization; and the Commission has issued an order giving interested persons until January 23, 1957, to request a hearing thereon. Under the proposed charter amendment, to be voted upon by stockholders at a special meeting called for March 1, 1957, West Penn's authorized capital stock and stated capital will be increased from \$95,292,300 to \$150,000,000 by increasing its authorized Common Stock from 4,529,230 shares, without par value but having an aggregated stated capital of \$45,292,300, to 10,000,000 shares, without par value but having an aggregated stated value of \$100,000,000. The remaining \$50,000,000 of authorized capital, consisting of 500,000 shares of \$100 par Preferred Stock, will remain unchanged.

Holding Company Act Release No. 13358

Ohio Power Company (Canton) has joined with its subsidiary, Central Ohio Coal Company (Newark) in the filing of an application with the SEC for an order authorizing the Coal Company to issue and sell to Ohio Power an additional 40,000 shares of Coal Company's capital stock, at \$100 per share, during the years 1957 and 1958; and the Commission has issued an order giving interested persons until January 21, 1957, to request a hearing thereon. The Coal Company proposes to use the proceeds to pay a portion of the estimated cost of installing additional equipment for the purpose of expanding coal production at its Muskingum and Cumberland #3 mines and coal transportation facilities at the Muskingum mine.

Securities Act Release No. 3738

The Securities and Exchange Commission announced today that in its consideration of its proposed revision of its Statement of Policy With Respect to the Use, Form and Content of Sales Literature Employed in the Sale of Investment Company Securities (Securities Act Release No. 3669 and Investment Company Act Release No. 2392, dated August 9, 1956), on which public hearings were held on November 15 and 19, 1956, it has reached certain tentative conclusions as to principles which should be embodied in the Statement of Policy. These have been drafted by the staff on instructions of the Commission and were sent on December 20, 1956, to representatives of the securities industry and certain individuals who appeared at the hearings and expressed interest. Comments are expected to be received about January 10, 1957. After considering such comments, the Commission expects to promulgate a revised proposal for public comment and, if desirable or requested, for further public hearing. Ample time will be given so that representatives of the securities industry, members of the public and others interested may express their views to the Commission before the Commission finally adopts any revision of the Statement of Policy.