

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 15, 1957

Monday, January 21, 1957, Inauguration Day, has been declared by Act of Congress to be a legal holiday for all Government Offices in the City of Washington, D. C., and its environs. Accordingly, the Headquarters Office of the Securities and Exchange Commission in Washington, D. C., will be closed on that day, and the Commission will not meet.

Matters pending before the Commission which in the normal course would be presented to the Commission for its action on Monday, January 21, 1957, Inauguration Day, and which cannot be postponed until the next day, January 22, 1957, should be presented to the Commission for action on Friday, January 18, 1957.

Securities Exchange Act Release No. 5440

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Roberts Securities Corporation ("Respondent"), New York, should be revoked. The hearing therein is scheduled for January 30, 1957, in the Commission's New York Regional Office.

Respondent's application for broker-dealer registration, filed September 12, 1955, became effective October 12, 1955. John V. Holmes was listed as president, director and a controlling stockholder. Thereafter, on October 26, 1955, April 18, 1956, and December 18, 1956, it filed documents supplemental to its application. On December 18, 1956, a request for withdrawal of registration was filed, which has not yet become effective.

In its order, the Commission asserts that information reported by its Staff tends to show (A) that Holmes is permanently enjoined by decree of the Supreme Court of the State of New York, entered July 6, 1956, from engaging in or continuing certain conduct or practices in connection with the purchase and sale of securities; (B) that respondent's application became inaccurate upon entry of such decree of injunction and respondent failed to file promptly a supplemental document correcting the inaccuracy; and (C) that respondent filed a supplemental document on December 18, 1956, which is false and misleading with respect to its principal place of business.

At the January 30th hearing, inquiry will be conducted for the purpose of determining whether the reported information is correct and, if so, whether respondent has wilfully violated provisions of the Act and Commission rules thereunder and whether it is in the public interest to revoke the broker-dealer registration of Roberts Securities Corporation.

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

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Holding Company Act Release No. 13363

Southwestern Gas and Electric Company (Shreveport, La.) has received SEC authorization to issue and sell, at competitive bidding, \$10,000,000 of First Mortgage Bonds, Series G, due January 1, 1987. Net proceeds are to be used for construction expenditures made and to be made, and to pay or prepay short-term bank debt incurred and to be incurred in connection therewith.

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Irving Trust Company, New York, filed a registration statement (File 2-13012) with the SEC on January 14, 1957, seeking registration of Depositary Receipts for 8,000,000 units of Ordinary Stock of The "Shell" Transport and Trading Company, Limited.

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Commonwealth Investment Corporation, Sioux Falls, S. Dak., filed a registration statement (File 2-13013) with the SEC on January 14, 1957, seeking registration of 499,400 shares of its \$1 par Common Stock, to be offered for public sale at \$4 per share. The offering is to be made on a best efforts basis by the company's officers, for which a 50¢ per share commission is to be paid.

Organized in August, 1955, the company commenced lending operations in December 1955. Net proceeds of the stock sale will be used by the company for additional working capital to expand its business and operations. Opening of additional lending offices is contemplated.

The company has outstanding 290,000 shares of common stock, of which 24,225 shares were issued to promoters and officials for services. Sterling H. Davis is listed as president. The promoters may receive in payment for expenses and services rendered a number of shares equal to 5% of all shares of this issue which are sold.

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Public Service Company of Oklahoma (Tulsa) filed a registration statement (File 2-13014) with the SEC on January 14, 1957, seeking registration of \$12,000,000 of First Mortgage Bonds, Series F, due February 1, 1987, to be offered for public sale at competitive bidding. Net proceeds will be used to pay part of the cost of the company's construction program and to prepay \$8,400,000 of short-term bank loans made and to be made for that purpose. Construction expenditures for 1957 and 1958 are estimated at \$51,000,000.

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General Analine & Film Corporation (New York) filed a registration statement (File 2-13015) with the SEC on January 14, 1957, seeking registration of 426,988 shares of Common A Shares (no par) and 1,537,500 Common B Shares (\$1 par). These shares of stock are outstanding shares to be offered for public sale by the Attorney General of the United States, the seller; and General Analine will receive no part of the proceeds of such sale.

The Attorney General is the record holder of 540,894 Common A Shares, which, at October 31, 1956, represented 91.25% of the outstanding Common A Shares, and 2,050,000 Common B Shares, which at that date represented 100% of the outstanding Common B Shares. According to the prospectus, the Attorney General proposes to offer the 426,938 Common A Shares and 1,537,500 Common B shares for sale at competitive bidding "as an entirety." Said shares are to be subject to restrictions on ownership and transfer--they will be sold to and may be transferred only to American nationals.

Capital expenditures for 1956 are estimated at \$10,000,000; and it is anticipated that such expenditures for 1957 will be approximately \$15,000,000.

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New England Power Company (Boston) today filed a registration statement (File 2-13016) with the SEC seeking registration of \$10,000,000 of First Mortgage Bonds, Series G, due 1987, to be offered for public sale at competitive bidding. As previously indicated (SEC News Digest of January 14, 1957), New England Power also proposes to issue and sell an additional \$4,999,995 of its common stock (142,857 shares) to its parent, New England Electric System. Proceeds are to be applied to the payment of short-term note indebtedness incurred in connection with the company's construction program, and the balance, if any, will be used for further construction expenditures or to reimburse the company's treasury therefor. Construction expenditures for the period December 1, 1956, to December 31, 1958, are estimated at approximately \$29,700,000. In addition, the company expects to invest approximately \$2,500,000 in Yankee Atomic Electric Company in connection with its nuclear power plant.

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Guardian Mutual Fund, Inc., New York investment company, filed an amendment on January 15, 1957 to its registration statement (File 2-11357) seeking registration of an additional 25,000 shares of common stock, \$1 par value.

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In a decision of the Securities and Exchange Commission issued on August 31, 1956, the Commission denied an application of Cities Service Company for exemption from the Public Utility Holding Company Act of 1935 pursuant to Section 3(a)(5) thereof.

In that decision, the Commission expressed the view that the existence of the public minority interest in Arkansas Fuel Oil Corporation (Cities owned 51.5% of its outstanding common stock), "constitutes a complexity and results in an inequitable distribution of voting power within the meaning of Section 11(b)(2) of the Act which precludes the grant of an exemption under the 'unless and except' clause of Section 3(a). We are of the further view that this condition can be satisfactorily rectified only by eliminating the public minority interest in Fuel Oil or by Cities disposing of its interest in Fuel Oil. Since Fuel Oil's compliance with Section 11(b)(2) has thus far been effected without the need for our entering any

order under that Section, we shall not enter such an order at this time and shall afford Cities and Fuel Oil a reasonable opportunity to submit an appropriate program of compliance to effect either the elimination of the minority interest or the disposition of Cities' interest in Fuel Oil." (Holding Company Act Release No. 13254).

This decision was appealed by Cities to the Court of Appeals for the Second Circuit. Arguments have not yet been heard by the Court.

On December 3, 1956, Pennroad Corporation and Louis E. Marron, stockholders of Fuel Oil, filed a motion with the Commission requesting entry of an order pursuant to Section 11(b)(2) of the Act directing compliance by Cities with the Act. In view of the pendency of the review proceedings before the Court of Appeals, to which the record of the Commission's administrative proceedings were certified, the Commission has concluded that it would be inappropriate for it to take any action at this time upon the motion.

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