

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.

July 10, 1957

FOR RELEASE

Securities Exchange Act Release No. 5543

The SEC today announced the issuance of a decision revoking the broker-dealer registration of Michael Raymond Co., Inc., of New York.

The Commission's decision, which also has the effect of terminating Raymond Co.'s membership in the National Association of Securities Dealers, Inc., was based upon a November 18, 1955 decree of the Supreme Court of the State of New York, County of New York, temporarily enjoining Raymond Co. from engaging in the securities business, and a further decree dated September 19, 1956, of the same court permanently enjoining Michael Raymond from engaging in the securities business. Michael Raymond is president, director and (together with his wife) the owner of all the stock of Raymond Co.

According to the Commission's decision, the injunction against Raymond Co. was based on a verified complaint and accompanying affidavit which alleged, among other things, that during 1955 Raymond Co. engaged in security transactions while insolvent; that the company and Raymond made fraudulent representations, and defrauded customers of more than \$40,000 worth of securities by failing to make payment for and deliver securities to customers entitled thereto; and that Raymond was in full charge of the company's affairs and responsible for all its acts and practices. The injunction against Raymond was based on a verified complaint which alleged that during 1955 he engaged in acts and practices for the purpose of deceiving and defrauding the investing public. Raymond consented to the permanent injunction but denied the allegations as to fraud.

In view of the injunctions and the nature of the violations alleged in the injunction proceedings, the Commission concluded that it was necessary and appropriate in the public interest to revoke the broker-dealer registration of Raymond Co.; and it also found Raymond to be a cause of said revocation order.

Holding Company Act Release No. 13516

New England Electric System (Boston) has joined with 25 of its subsidiaries in the filing of an application with the SEC with respect to \$66,979,000 of borrowings by the subsidiaries; and the Commission has issued an order giving interested persons until July 24, 1957, to request a hearing thereon.

Of the borrowings by the subsidiaries, \$50,664,000 are to be borrowed from banks and \$16,315,000 from NEES. Proceeds thereof are to be used by the borrowing companies to pay outstanding notes due to banks or to NEES, and to provide new money for construction expenditures or to reimburse their respective treasuries therefor.

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