

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.

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AMERICAN LIFE CASUALTY VOTING TRUST CERTIFICATES IN REGISTRATION

Voting Trustees under a voting trust agreement with respect to common stock of American Life Casualty Insurance Company, Fargo, N. Dak., filed a registration statement (File 2-13785) with the SEC on December 9, 1957, seeking registration of voting trust certificates for 305,000 shares of the \$1 par value Common stock of the Insurance Company. There are presently outstanding 203,330 common shares, of which 84,972.75 are owned by officers and directors. The Company is offering 101,667 shares to its stockholders, with unsubscribed shares to be offered for public sale, at \$10 per share.

THREE GENERAL PUBLIC UTILITIES SUBSIDIARIES PROPOSE MERGER

General Public Utilities Corporation, New York holding company, has joined with three of its subsidiaries in a proposal for the merger of two subsidiaries, Brockway Light, Heat and Power Company, Johnstown, Pa., and Colver Electric Company, Johnstown, Pa., into a third subsidiary, Pennsylvania Electric Company, Johnstown, Pa.; and the Commission has issued an order (Holding Company Act Release No. 13624) giving interested persons until December 26, 1957, to request a hearing thereon.

All of the common stock of each of the three companies is owned by GPU. Under the merger proposal, all of the outstanding common stock of Brockway and Colver held by GPU will be delivered to Pennsylvania Electric in exchange for 34,389 additional shares of the latter's stock plus \$15 in cash. GPU will make a cash capital contribution to Pennsylvania Electric of \$331,489, representing the excess of its carrying value of the stocks of the other two subsidiaries over the net related assets applicable thereto; and Pennsylvania Electric will utilize the capital surplus created thereby to write off the plant acquisition adjustment created in that amount by the merger.

The application also proposes the dissolution of Blair Fuel Company, a subsidiary of Pennsylvania Electric, which was formerly engaged in coal mining but has discontinued its operations and is now inactive. Upon dissolution, Blair's assets will be transferred to Pennsylvania Electric. Its indebtedness to Pennsylvania is said to exceed its assets.

UNION ELECTRIC BANK BORROWINGS AUTHORIZED

Union Electric Company, St. Louis, Mo., has received SEC authorization (Holding Company Act Release No. 13622) to make short-term bank borrowings in excess of the limitation upon exempt borrowings. Under the Holding Company Act, short-term borrowings are permitted, without prior Commission approval, in an amount not exceeding 5% of the principal amount or par value of the issuer's other outstanding securities, which permits Union Electric to incur such short-term

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obligations (with a maturity of not exceeding 9 months) in the amount of approximately \$18,882,000. At November 1, 1957, Union Electric had outstanding \$14,950,000 of such notes; and it sought and obtained Commission authorization to increase the 5% limitation to 9% so as to permit it to issue approximately \$15,100,000 of nine-month notes in excess of the amount of exempt borrowings. Proceeds of the borrowings are to be used as temporary financing of construction expenditures.

TRADING IN BELLANCA STOCK SUSPENDED

The Securities and Exchange Commission today announced the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934, suspending trading on the American Stock Exchange in the \$1 par Capital Stock of Bellanca Corporation, New Castle, Delaware, for a further ten-day period, December 11, 1957 to December 20, 1957, inclusive.

The action was based upon Bellanca's failure to comply with the reporting requirements of Section 13 of the Act and the disclosure requirements of the Commission's proxy rules under Section 14.

Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive, or manipulative acts or practices in connection with trading in Bellanca stock, trading by brokers and dealers in such stock in the over-the-counter markets also is prohibited during the period of the suspension.

The Commission previously ordered a hearing pursuant to Section 19(a)(2) of the Act on the question whether the Bellanca stock should be suspended for a period not exceeding 12 months, or withdrawn, from listing and registration on the Exchange. These proceedings are still pending.

HOTEL TAFT ASSOCIATES PROPOSES PUBLIC FINANCING

Hotel Taft Associates, New York, filed a registration statement (File No. 2-13784) with the SEC on December 9, 1957, seeking registration of 1197 Participations in Partnership Interests in Hotel Taft Associates, to be offered for public sale at \$10,000 per unit, or \$11,970,000 in the aggregate. No underwriting is involved.

Associates is a partnership consisting of Lawrence A. Wien, Henry W. Klein, and Alvin S. Lane. It proposes to purchase from Hotel Taft Company the land and 1,431 room hotel building known as the Hotel Taft in New York, together with the furnishings and equipment used therein, all subject to a net lease. The purchase price is \$18,000,000, payable \$12,000,000 in cash and the balance by taking title subject to a first mortgage of \$6,000,000. Title will be held in the partnership name. The premises will be operated by Hotel Taft Company under a fifteen year net, renewable lease. Hotel Taft Company is a partnership of ten persons who include Wien and Harry B. Helmsley. Each of the three partners of Associates will contribute \$10,000 to the capital of the partnership; and, in addition, each partner is offering \$3,990,000 of Participations in his partnership interest. Upon completion of the offering, the partnership capital will be \$12,000,000, which will be used to make the cash payment under the purchase contract.

Hotel Taft Company, the seller, does not yet own the property. Wien has contracted to purchase the property at a price of \$19,000,000 and has assigned the contract to Hotel Taft Company which in turn will convey same to Associates. Hotel Taft Company will incur expenses of \$200,000 in connection with such action and the other related transactions. It is reselling the property to Associates at \$18,000,000, in view of the retention by Hotel Taft Company of the net lease. In effect, therefore, the cost of the lease to Hotel Taft Company will be \$1,200,000.

REVOCATION PROCEEDINGS INSTITUTED AGAINST BOWLER & COMPANY

The Securities and Exchange Commission has instituted proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registrations of the following should be revoked:

William T. Bowler, doing business as William T. Bowler & Company, a sole proprietor, of Bradford, Pennsylvania.

William T. Bowler & Company, a partnership in which William T. Bowler is a general partner, also of Bradford, Pennsylvania.

In its order instituting the proceedings, the Commission asserts that William T. Bowler was convicted on September 4, 1957, in the Court of Quarter Sessions of McKean County, Penna., (a) of a misdemeanor involving the purchase and sale of securities arising out of the conduct of a broker-dealer business, namely, for fraudulent practices as defined in the Pennsylvania Securities Act in connection with the sale of certain securities and for failure to comply with the registration requirements of that Act in sales of other securities; (b) of a felony involving the purchase and sale of securities and arising out of the conduct of the business of a broker-dealer, namely, larceny by bailee in connection with certain securities transactions; and (c) of a felony involving the purchase and sale of securities and arising out of the conduct of business as a broker-dealer, namely, embezzlement by broker of certain securities belonging to customers. Furthermore, according to the order, Bowler and Bowler and Company failed to make and keep current certain books and records required of registered broker-dealers by Commission rules.

At a hearing scheduled for January 6, 1958, in the Commission's Washington Office, inquiry will be conducted into the foregoing matters for the purpose of determining whether the broker-dealer registration of Bowler and of Bowler and Company should be revoked.

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