

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

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FOR RELEASE January 20, 1960

**JOHN IRVING REGISTRATION REVOKED.** The SEC today announced the issuance of a decision (Release 34-6165) revoking the broker-dealer registration of John M. Irving, 647 Everdell Ave., West Islip, New York, for failure to file the required report of financial condition for the year 1958. The notice of the proceeding, sent registered mail to Irving at the address listed in his registration application as the place to which notices might be sent, was returned unclaimed.

**HEARING ANNOUNCED IN LUCKHURST & CO. CASE.** The SEC has scheduled a hearing for February 8, 1960, in its New York Regional Office, in the proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Luckhurst & Co., Inc., 40 Exchange Place, New York (for details, see Release 34-6161).

**GOLD CROWN MINING OFFERING SUSPENDED.** In a decision announced today (Release 33-4177), the SEC permanently suspended a Regulation A exemption from Securities Act registration with respect to a public stock offering by Gold Crown Mining Corporation of Alleghany, California, because of false and misleading representations concerning the offering price and because of the conviction of an officer of the company and its underwriters for securities violations.

The stock offering by Gold Crown was made pursuant to a Regulation A notification filed in November 1953 which proposed the public offering of 40,000 common shares at \$5 per share. The company had been organized in June 1949 to explore, develop and operate certain gold mining properties in Sierra County, California. From January 1954 to December 1957 12,145 shares of its stock were sold.

According to the Commission's decision, during the period June to December 1957 Gold Crown sold 2,500 shares at \$1 per share to five persons, including four officers and directors who purchased 2,000 shares, and sold 590 shares to public investors at the stated offering price of \$5 per share. The offering circular made no mention of the offering at reduced prices; and, accordingly, the Commission ruled that it was materially false and misleading and would operate as a fraud and deceit upon purchasers.

Furthermore, according to the decision, Harriette Duke, secretary-treasurer, controlling stockholder and a director of Gold Crown, and her sons, Frederick H. and Daniel A. Giles, who acted as underwriters for the offering, were convicted in June 1958 (on their pleas of guilty) of violating the California Corporate Securities Law based on sales of Gold Crown stock in California, which conviction operates to disqualify Gold Crown from making a public offering of stock pursuant to a Regulation A exemption.

**KENTUCKY POWER BORROWINGS CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-14142) authorizing Kentucky Power Company, Ashland, Ky., to issue an additional \$1,900,000 of short-term notes to banks during 1960 and to renew any previously issued notes, with a \$7,000,000 limit on notes outstanding at any one time.

**NEW ORLEANS PUBLIC SERVICE CAPITAL ADJUSTMENT PROPOSED.** New Orleans Public Service, Inc., has filed an application with the SEC under the Holding Company Act proposing an earned surplus transfer; and the Commission has issued an order (Release 35-14143) giving interested persons until February 4, 1960, to request a hearing thereon. At November 30, 1959, the company's earned surplus amounted to \$11,113,536. To convert a portion thereof into a more permanent form of capital, the company proposes to transfer from earned surplus to the capital surplus account, the sum of 50¢ per share of its outstanding no par common stock, or an aggregate of \$710,264.89.

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TENNESSEE GAS TRANSMISSION FILES FOR STOCK OFFERING. Tennessee Gas Transmission Company, Houston, Texas, filed a registration statement (File 2-16032) with the SEC on January 19, 1960, seeking registration of 1,500,000 shares of \$5 par value common stock to be offered to the public by an underwriting group headed by Stone & Webster Securities Corporation and White, Weld & Co. The underwriters will accept the offering on an all-or-none basis. The price to the public and additional underwriting terms will be supplied by amendment.

Proceeds from the sale of the stock will be applied to the retirement of short-term notes issued by the company in the expansion of its properties. The balance of the proceeds will be added to general funds and used in further expansion of properties.

According to the prospectus, the company will distribute additional shares to common stockholders of record May 20, 1960, at the rate of one new share for each two shares held.

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