

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 September 20, 1957

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, September 22 to October 1, 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of the Act on the question whether the Bellanca stock should be suspended for a period not exceeding 12 months, or withdrawn, from listing and registration on the Exchange.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 in progress. (See Securities Exchange Act Release Nos. 5500 and 5544).

COMMONWEALTH EDISON FILES FOR PREFERRED STOCK ISSUE

Commonwealth Edison Company, Chicago, filed a registration statement (File 2-13608) with the SEC on September 19, 1957, seeking registration of 250,000 shares of Cumulative Preferred Stock, \$100 par, to be offered for public sale through an underwriting group headed by The First Boston Corporation and Glore, Forgan & Co. The dividend rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the preferred stock will be added to working capital for ultimate application toward the cost of gross additions to the utility properties of the company and its subsidiaries. Construction expenditures are estimated at \$200,000,000 for 1957; \$170,000,000 for 1958; \$135,000,000 for 1959; and \$145,000,000 for 1960.

LEEDS AND NORTHRUP FILES EMPLOYEES STOCK PLAN

Leeds and Northrup Company, Philadelphia, filed a registration statement

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(File 2-13609) with the SEC on September 19, 1957, seeking registration of 15,300 shares of its 50¢ par common stock, which may be acquired by employees eligible under its Employees' Stock Purchase Plan, 1957-1958.

SEC ORDERS COMPLIANCE BY CITIES SERVICE WITH HOLDING COMPANY ACT

The SEC today announced the issuance of an order under the Holding Company Act directing Cities Service Company New York holding company, to comply with Section 11(b)(2) of that Act by the elimination of the public minority stock interest in Arkansas Fuel Oil Corporation ("Ark. Fuel"), Shareveport, La., or the disposition of 51.5% stock interest in Ark. Fuel held by Cities.

In a decision issued on August 31, 1956, the Commission denied an application of Cities for exemption of itself and its subsidiaries from the Holding Company Act. Such denial was based on a finding by the Commission that the existence of a 48.5% publicly held common stock interest in Ark. Fuel constitutes a complexity and results in an inequitable distribution of voting power within the meaning of Section 11(b)(2) of the Act. In that decision, the Commission also ruled that this condition can be satisfactorily remedied only by the elimination of the public minority interest in Ark. Fuel or by the disposition by Cities of its interest in Ark. Fuel. However, the Commission withheld the entry of an order at that time directing compliance with Section 11(b)(2) so as to afford Cities and Ark. Fuel a reasonable opportunity to submit an appropriate program of compliance.

The Commission's decision was appealed to the United States Court of Appeals for the Second Circuit and was affirmed by that court on August 14, 1957. Cities filed a motion in the Court of Appeals and thereafter made application to Associate Justice John M. Harlan of the United States Supreme Court, requesting a stay of execution of the order of the Court of Appeals of August 14, 1957, and of any action by the Commission thereunder pending a final disposition of the matter by the Supreme Court. Said motion and application were denied.

More than a year having elapsed since the entry of the Commission's order denying Cities' exemption application, and Cities and Ark. Fuel not having submitted a program of compliance with the requirements of Section 11(b)(2) of the Act, the Commission concluded that entry of an order requiring such compliance was necessary and appropriate in the public interest and for the protection of investors, particularly in view of the requirement of the law for compliance "as soon as practicable."

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