

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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The SEC Index of Stock Prices, based on the closing prices of 265 common stocks, the week ended August 1, 1958, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1958, is as follows:

	1939		Percent Change	1958	
	8/1/58	7/25/58		High	Low
Composite	350.4*	346.9	+1.0	350.4	299.0
Manufacturing	440.1*	435.4	+1.1	440.1	373.3
Durable Goods	399.2*	391.0	+2.1	399.2	332.2
Non-Durable Goods	469.4*	468.0	+0.3	469.4	402.2
Transportation	281.8*	279.4	+0.9	281.8	219.7
Utility	174.8*	173.5	+0.7	174.8	155.5
Trade, Finance & Service	317.2*	313.3	+1.2	317.2	263.2
Mining	339.7*	337.6	+0.6	339.7	261.3

*New High

NEW ENGLAND ELECTRIC PROPOSES EXCHANGE OFFER FOR MINORITY STOCKS OF FIVE SUBSIDIARIES

New England Electric System, Boston holding company, has filed a plan with the SEC proposing the issuance by NEES of its common stock in exchange for the publicly-held common stocks of its subsidiaries, Merrimack-Essex Electric Company, Southern Berkshire Power & Electric Company, Suburban Electric Company, Weymouth Light and Power Company, and Worcester County Electric Company. The Commission has issued an order scheduling the plan for hearing on September 30, 1958, consolidated with proceedings ordered by the Commission to determine what action, if any, should be ordered by the Commission to simplify the NEES capital structure in compliance with provisions of the Holding Company Act.

The five companies are the only NEES subsidiaries engaged solely in the electric business and having minority stock interests. Under the plan, NEES proposes to issue a total of 460,761 shares of its stock in exchange for the common stock held by the public in the five subsidiaries. 430,666.5 shares will be issued to holders of Merrimack stock on a 1.5 for 1 basis; 520.2 shares to holders of Southern Berkshire stock on a 3.4 for 1 basis; 12,199 shares to holders of Suburban stock on a 5.5 for 1 basis; 806.4 shares to holders of Weymouth stock on a 2.8 for 1 basis; and 16,569 shares to holders of Worcester stock on a 4.2 for 1 basis.

OVER

YANKEE ATOMIC ELECTRIC PROPOSES ADDITIONAL FINANCING

Yankee Atomic Electric Company, Boston, Massachusetts, has applied to the SEC for permission to issue additional stock and notes to its stockholder companies; and the Commission has issued an order giving interested persons until August 14, 1958, to request a hearing thereon.

Yankee Atomic now has outstanding \$4,000,000 par value of common stock held by eleven stockholder companies, including New England Power Company (30%). These companies also hold, in the same proportions, a like amount of non-interest bearing notes. Yankee Atomic proposes to issue an additional 40,000 shares of stock to the stockholder companies and to apply the proceeds thereof to the retirement of the \$4,000,000 of notes. Yankee Atomic also proposes, from time to time prior to December 31, 1958, to issue additional notes to the stockholder companies, up to a maximum aggregate amount of \$5,000,000.

Yankee Atomic proposes to construct and operate a nuclear power plant of approximately 134,000 KW net electrical capacity. The total capital requirements, including construction costs and working capital, are estimated at \$57,000,000. The plant is scheduled for completion in 1960.

PENNSYLVANIA POWER BOND FINANCING NOTICED

The SEC has issued an order giving interested persons until August 18, 1958, to request a hearing upon the bond financing proposal of Pennsylvania Power Company, New Castle. As previously reported (See News Digest of August 1, 1958), Pennsylvania Power proposes to issue and sell, at competitive bidding, \$8,000,000 of First Mortgage Bonds, Series due 1987. Net proceeds are to be applied to the redemption of the \$8,000,000 of outstanding First Mortgage Bonds, 5% Series due 1987, at the redemption price of 105.78% of principal amount plus interest.

SEC ORDERS PROCEEDINGS AGAINST STEVEN RANDALL & CO.

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Steven Randall & Co., Inc., of New York City, and whether the company should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

The proceedings are based upon two court decrees permanently enjoining Randall & Co. and Frank M. Naft, its president, treasurer and principal stockholder, from engaging in or continuing certain conduct and practices in connection with the sale of securities. The Commission also alleges a failure on the part of Randall & Co. to amend its registration statement to disclose the existence of these injunctions.

According to the Commission's order, Randall & Co. and Naft were permanently enjoined on June 27, 1956, by the U. S. District Court for the Southern District of New York, from further sales of Swan-Finch Oil Corporation stock in violation of the registration requirements of the Securities Act of 1933.

The second injunction was issued on June 24, 1958, by the Supreme Court of New York County, New York, and permanently barred Randall & Co. and Naft from conducting a securities business in New York. The complaint in this action, according to the Office of the New York Attorney General, charged fraud in the offer and sale of Texas Union Oil Corporation stock.

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Axe-Houghton Fund A, Inc., Tarrytown, N. Y. investment company, filed an amendment on August 1, 1958, to its registration statement (File 2-13494), seeking registration of an additional 1,000,000 shares of its Capital Stock, \$1 par value.

Investors Syndicate of America, Inc., Minneapolis investment company, filed an amendment on August 1, 1958, to its registration statement (File 2-10804) seeking registration of additional Installment Face Amount Certificates as follows: \$1,000,000 of Series 6, \$15,000,000 of Series 10, \$85,000,000 of Series 15, and \$200,000,000 of Series 20.

(Continued)

SOUTHERN CALIFORNIA EDISON PROPOSES BOND OFFERING

Southern California Edison Company, Los Angeles, today filed a registration statement (File 2-14285) with the SEC seeking registration of \$50,000,000 of First and Refunding Mortgage Bonds, Serie K, due 1983, to be offered for public sale at competitive bidding. Net proceeds of the sale of the bonds will be used by the company in part to retire short-term banks loans of approximately \$20,000,000 incurred in connection with the acquisition of funds for the company's construction program. The balance of the proceeds will become treasury funds; and the company proposes to use an amount at least equal to such balance in its continuing construction program. Gross plant additions for the years 1958-1959 will approximate \$271,462,000.

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