

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE January 21, 1959

AMERICAN-SOUTH AFRICAN INVESTMENT REQUEST GRANTED

The SEC has issued an exemption order under the Investment Company Act permitting American-South African Investment Company, Limited, Johannesburg, South Africa, through its custodian or its custodian's agent, to consummate in South Africa the purchase and sale of South African Treasury Bills from and to the South African Treasury or the South African Reserve Bank and to take certain related action in connection with such transactions.

It is the investment policy of Applicant to invest in common shares of companies engaged in the gold mining or other businesses in South Africa, and Applicant contemplates that the major portion of its assets will consist of securities listed on the Johannesburg Stock Exchange. Applicant states that the investment in such securities of the proceeds of approximately \$31,000,000 from the sale of its common stock in September 1958 has presented a serious problem because of the limited volume of trading on the Johannesburg Stock Exchange. In an effort to meet this investment problem, Applicant negotiated certain contracts and options pursuant to which it purchased substantial blocks of shares off the exchange. It purchased additional shares on the exchange and also purchased a South African Treasury Bill as a temporary investment in order to earn a return on funds which would otherwise be uninvested. However, Applicant does not believe that it will, for a considerable time to come, or from time to time upon reinvestment of the proceeds of sales, be able to acquire sufficient long-term investments so as to have all of its available funds invested in them. It therefore proposes, as provided in its investment policy, that during such periods it will invest temporarily in Treasury Bills issued by the Government of South Africa.

FREDERICK SECURITIES AND KAUFMAN REGISTRATIONS REVOKED

The SEC today announced the issuance of a decision (Release 34-5861) revoking the broker-dealer registrations of Frederick Securities Corporation, 26 Journal Square, Jersey City, N. J., and Fred Kaufman, doing business as Fred Kaufman Co., 120 Elm Street, Orange, N. J. Kaufman is president and owner of all the stock of Frederick Securities.

The Commission's decision was based in part upon a decree entered on December 17, 1958, by the U. S. District Court for the District of New Jersey permanently enjoining Frederick Securities and Kaufman from violating the registration provisions of the Securities Act of 1933 in the offer and sale of common stock of Ben Franklin Oil & Gas Corporation. The defendants consented to entry of said decree.

The Commission also ruled that Frederick Securities and Kaufman each failed to file the required report of financial condition for 1957, in willful violation of the reporting requirements of SEC Rule 17a-5.

INDICTMENT CHARGES FRAUD IN SALE OF INSURANCE STOCK

The SEC Fort Worth Regional Office announced on January 17, 1959, the return of an indictment on January 14, 1959, in U. S. District Court at Amarillo, Texas, charging violations

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of anti-fraud provisions of the Securities Act and the Mail Fraud Statute in the sale of Old Line Legal Reserve Trust (later Teachers-Professional Investment Company) of Dallas by Robert Lee Proffer; Hollis Leon Adkinson; J. Ray Williams; Jim W. Crofford, Sr.; Arthur Lee Huntington, Jr.; Memford M. Winn; and William L. Phillips. (Lit. Release No. 1392).

CENTRAL ILLINOIS ELECTRIC FILES FOR RIGHTS OFFERING

Central Illinois Electric and Gas Co., 303 North Main Street, Rockford, Ill., today filed a registration statement (File 2-14696) seeking registration of 145,940 shares of Common Stock, to be offered for subscription by common stockholders at the rate of one new share for each ten shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. Stone & Webster Securities Corporation is listed as the principal underwriter.

Net proceeds of the stock sale will be used to provide a portion of the funds required for the present and contemplated construction program of the company and to provide for the payment of temporary bank loans incurred for such purposes which at January 31, 1959, will amount to \$2,750,000. Total expenditures for construction work for all departments of the company for the year 1959 will be approximately \$7,275,000. This includes the design and purchase of equipment for the addition of a 55,000 kw steam turbine generating unit to its Sabrooke station in the Rockford area, which is expected to be completed and placed in service by June 1, 1961, at a total cost of \$11,000,000 (of which amount \$2,200,000 will be expended through December 31, 1959).

PUBLIC SERVICE OF INDIANA PROPOSES BOND OFFERING

Public Service Company of Indiana, Inc., 1000 East Main St., Plainfield, Ind., today filed a registration statement (File 2-14695) with the SEC seeking registration of \$25,000,000 of Series M First Mortgage Bonds, due February 1, 1989, to be offered for public sale at competitive bidding.

The company proposes to apply part of the net proceeds of the bond sale to the payment of bank loan notes and the balance toward construction costs. Gross additions to utility plant for the years 1958-60 are presently estimated at \$124,000,000.

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