

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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Washington 25, D.C.

FOR RELEASE June 14, 1960

TALMAGE WILCHER, INC., REGISTRATION REVOKED. In a decision announced today (Release 34-6286) the Securities and Exchange Commission revoked the broker-dealer registration of Talmage Wilcher, Inc., of 907 Harvey Bldg., West Palm Beach, Fla., for violations of various SEC rules under the Securities Exchange Act of 1934. The respondent waived a hearing, admitted certain of the facts charged, and consented to the order of revocation. Talmage S. Wilcher, its president, was found to be a cause of such order.

Respondent's broker-dealer registration became effective on March 21, 1959. According to the Commission's decision, a statement of financial condition as of January 31, 1959, included therein was materially false. It reported total assets of \$147,069, including real estate and buildings listed at \$30,000, first mortgages of \$30,551, second mortgages of \$27,003, stocks and bonds at \$12,500, and contracts receivable of \$23,700. In fact, the Commission stated, its assets totalled only \$37,289. Respondent did not own the real estate and buildings or the second mortgages; the first mortgages and notes receivable were overstated by \$10,164, the investments by \$7,375, and cash, accounts receivable and automobile by a total of \$13,168; and the \$23,700 reported as contracts receivable had not been earned as of the statement date. Instead of capital stock in the amount of \$55,600 and earned surplus of \$66,332 as reported in the statement, respondent had capital stock of \$66,925 and an earned surplus deficit of \$74,237.

The Commission also ruled that a balance sheet submitted by respondent on July 1, 1959, overstated its assets by \$120,327, largely because of improper inclusion of a \$100,000 item representing "lease rights to industrial land" which it had acquired without cost and which could not be exercised until certain acts, unexecuted at the time, were performed, and of mortgages which respondent did not own. This statement also reflected an earned surplus of \$42,272 whereas it had an earned surplus deficit of \$70,029. An earnings statement submitted on the same day also overstated income fees and commissions for the period January 31 to May 31, 1959, by \$110,000, due primarily to inclusion in income of the value of the lease.

Moreover, according to the Commission's decision, respondent engaged in the conduct of a securities business in violation of the SEC net capital rule (its capital deficiencies in early 1959 ranged from \$8,882 to \$11,990); and it failed to make and keep current many of the books and records specified in the Commission's record-keeping rules.

TRADING IN SKIATRON ELECTRONICS SUSPENDED. The SEC has issued an order suspending trading on the American Stock Exchange and the over-the-counter market in the common stock of Skiatron Electronics and Television Corporation, New York, for a further ten-day period, June 15 to June 24, 1960, inclusive (Release 34-6291).

CENTRAL PUBLIC UTILITY FEE HEARING SCHEDULED. The SEC has issued an order (Release 35-14240) scheduling for hearing for July 7, 1960, an application of Reis & Chandler, Inc., for an allowance of \$13,815 for services and \$660 for disbursements in connection with the proceedings under the Holding Company Act which resulted in the Commission's April 1959 order modifying a prior order with respect to Central Public Utility Corporation pursuant to Section 11(b)(2) of said Act and exempting said company from the Holding Company Act.

In its order, the Commission gave interested persons until June 28, 1960, to request a hearing upon other requests for legal fees and other allowances, the requested fee allowances ranging from \$24,000 for Duke and Landis, counsel for Central and \$25,000 for Percival E. Jackson and Theodore N. Tarlau, committee counsel, to \$1,000 for the committee's secretary.

UNION ELECTRIC BORROWINGS CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14242) authorizing additional bank borrowings by Union Electric Company. A request of J. Raymond Dyer for a hearing upon the proposal was denied. Union Electric is located in St. Louis, Missouri.

Union had outstanding on May 2, 1960, \$16,750,000 of promissory notes issued to banks and having a maturity of not more than nine months from the dates of issuance. The Commission's order permits an increase in its authorized bank borrowings from the 5% of capitalization limit imposed by the Act to 9½%, or to \$40,000,000, such increase to remain in effect until January 29, 1961, or such earlier date when permanent financing shall

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be consummated. According to Union's application, construction expenditures of Union and its subsidiaries amounting to about \$119,805,000 are planned during the last three quarters of 1960 and the year 1961. The company contemplates, subject to Commission approval, to engage in permanent financing prior to December 15, 1960, through the issuance and sale of from \$40 to \$50 million of additional bonds, the funds to be used to repay its promissory notes and to continue its construction program.

SEC ISSUES NOTICE OF NEW JERSEY POWER FINANCING. The SEC has issued an order under the Holding Company Act (Release 35-14241) giving interested persons until July 5, 1960, to request a hearing upon the bond financing proposal of New Jersey Power & Light Company, of 400 E. Main Street, Denville, New Jersey.

As previously reported (SEC News Digest of 5/25/60), the said company proposed to issue and sell at competitive bidding \$5,000,000 of first mortgage bonds, series due July 1, 1990. Net proceeds will be applied to the company's post-1959 construction program, estimated at \$7,750,000, or to reimburse the company's treasury for construction expenditures.

B.T.L. CORP. WITHDRAWS APPLICATION. B. T. L. Corporation, of Chicago, Ill., has withdrawn its application under the Investment Company Act for an order declaring that it is primarily engaged in a business or businesses other than that of an investment company. A hearing on the application was held on May 12, 1960. Subsequently, the company requested withdrawal of said application, stating that the need therefor has become moot by reason of the sale on May 11 and 13 of all but \$150,000 of the \$14,000,000 of installment notes of City Products Corporation which had been acquired by B.T.L. in connection with the sale of its former business and properties. The company now states that, since consummating said transactions, it does own investment securities exceeding 40% of its total assets, exclusive of Government securities and cash items. Accordingly, it now appears that B.T.L. does not now come within the definition of an investment company contained in the Act (Release 40-3044).

GENERAL AEROMATION HEARING POSTPONED. At the request of General Aeromation, Inc., Cincinnati, Ohio, the SEC has postponed from June 15 to July 18, 1960, the hearing to be held in the Commission's Washington Office on the question whether to vacate or make permanent an earlier order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act with respect to a proposed public offering of 84,450 shares of General Aeromation common stock.

FEDERAL MOGUL BOWER STOCK PLAN FILED. Federal-Mogul-Bower Bearings, Inc., 11031 Shoemaker Avenue, Detroit, filed a registration statement (File 2-16693) with the SEC on June 13, 1960, seeking registration of \$600,000 of interests or participations in its Salaried Employees' Investment Plan, together with 24,000 shares of common stock which may be acquired pursuant thereto.

MID-CONTINENT TELEPHONE CORPORATION FILES EXCHANGE OFFER. Mid-Continent Telephone Corporation, 363 Third Street, Elyria, Ohio, filed a registration statement (File 2-16694) with the SEC seeking registration of 1,019,960.9 shares of common stock.

According to the prospectus, Mid-Continent will exchange 549,525.6 shares of stock for the outstanding shares of common stock and 5 $\frac{1}{2}$ % convertible preferred stock of The Elyria Telephone Company (Elyria, Ohio) on the basis of 2.6 shares of Mid-Continent stock for each share of Elyria common stock, and 5.2 shares for each share of such preferred; 330,000 shares for the outstanding common stock of The Western Reserve Telephone Company (Hudson, Ohio) on the basis of 3.3 shares for each share of Western Reserve stock; 95,525.5 shares for the outstanding shares of common stock of The Chardon Telephone Company, (Chardon, Ohio) on the basis of 3.5 shares for each share of Chardon stock; 26,289 shares for the outstanding shares of common stock of Home Telephone Company (Fairview, Ohio) on the basis of 38.1 shares for each share of Home stock; and 18,260.8 shares for the outstanding shares of common stock of The Citizen Telephone Company (Coolville, Ohio) on the basis of 4.6 shares for each share of Coolville stock.

Although Mid-Continent may, at its option, accept a lesser percentage of the shares set forth, the said exchange offers are conditioned upon the acceptance by the holders of not less than 66-2/3% of the aggregate outstanding Elyria common and convertible preferred stock, 95% each of the outstanding shares of Western Reserve, Chardon Home stock, and 80% of the outstanding Coolville stock.

Upon the consummation of the exchanges, the principal holders of Mid-Continent stock will be The Ohio Company, Columbus, Ohio, which will own 124,784 (12.2%) shares, and the company's directors and officers as a group, who will own 78,943 (7.7%) shares. Weldon W. Case is listed as president.

SEC SEEKS PARTICIPATION IN PICKMAN CORP. CASE. The SEC today announced the filing of notice of appearance in the proceedings under Chapter X of the Bankruptcy Act for the reorganization of Pickman Trust Deed Corporation, of Palo Alto, Calif. (Release CR-137). Following objection by the Commission to the debtor's Chapter XI petition for an arrangement with its creditors, the debtor filed a petition for reorganization under Chapter X.