

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)



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FOR RELEASE March 4, 1960

VIOLATIONS CHARGED TO FOUR ADVISERS. The SEC has ordered consolidated proceedings under the Investment Advisers Act of 1940 to determine whether provisions of that Act have been violated by the following, and if so, whether it is in the public interest to suspend or revoke their registrations as investment advisers:

Owen K. Taylor, Inc. ("Taylor")
274 Pearl St., New York, N.Y.

Walter Rosenbush ("Rosenbush")
P.O. Box 37, Limestone Rd., Ridgefield, Conn.

Edward Blatt ("Blatt")
129 E. 82nd St., New York, N.Y.

Financial Forecaster, Inc. ("Financial")
15 William Street, New York, N.Y.

According to the Commission's order, information developed in an investigation conducted by its Staff tends to show that the four respondents violated the provisions of Section 207 of the Act by reason of their filing applications for registration which contained untrue statements of material facts, omitted material facts, and/or included statements which later became untrue or incomplete and the respective respondents failed to file the necessary correcting amendments.

With respect to Taylor and Blatt, the Commission asserts in its order that there was a failure to disclose that Rosenbush exercised or had the power to exercise a controlling influence over the management and policies of Taylor during 1956 and 1957 and of Blatt since his application for registration was filed in June 1959, as well as a failure to disclose the business and professional connections of Rosenbush. They also failed to amend their respective registration applications to reflect a change in business address; and Taylor failed to file an amendment to disclose that two named directors have not served since April 1958.

As to Rosenbush and Financial, the order asserts that there was a failure to disclose all of Rosenbush's business and professional connections. In the broker-dealer registration of Fox & Walters, Inc., which became effective in November 1959, Rosenbush is listed as president, treasurer, director and owner of 10% or more of that company's equity securities; and during the period June 1957 to February 1958, according to the Commission's order, Rosenbush acted as an employee and agent of Security Forecaster Co., Inc., whose investment adviser registration was revoked by the Commission on May 20, 1959. These associations were not disclosed in the Rosenbush and Financial registration applications.

The Commission has scheduled a hearing for March 22, 1960, in its New York Regional Office for the purpose of taking evidence on the foregoing matters.

FIRST MARYLAND SECURITIES REGISTRATION REVOKED. In a decision announced today (Release 34-6199), the SEC revoked the broker-dealer registration of First Maryland Securities Corp., 50 Broadway, New York, for failure to file the required report of financial condition within 45 days of the effective date of his registration, January 30, 1958, despite repeated notice of the necessity of filing the report. The record further shows that Samuel Nagle, company president, is permanently enjoined by a November 20, 1958, decree of the Supreme Court of the State of New York, County of New York, from engaging in any manner in the securities business in that State. The Commission also found that Nagle was a cause of its revocation order.

LEONARD & CO. PROCEEDINGS DISMISSED. In a decision announced today (Release 34-6197), the SEC dismissed proceedings on the question whether to revoke the broker-dealer registration of W. E. Leonard & Company, Inc., 135-24 Hoover Avenue, Jamaica, N. Y., for failure to file a report of financial condition within 45 days of the effective date of his registration, August 23, 1958.

Leonard & Co. admitted the failure to file the financial report despite several reminders, but urged in mitigation that such a failure was due to the mistaken belief that it was not required to file a report because it had not engaged in any securities transactions. It also points to the fact that during the course of the hearings herein it filed a report as of August 31, 1959.

Observing that, in ignoring the repeated reminders to file, the company showed at least an "indifference" to its obligations as a registered broker-dealer, the Commission concluded that revocation of its registration was not required in the public interest in view of the fact that Leonard & Co. did not engage in the securities business, no interests of security holders were actually involved, the report has now been filed, and the Commission's finding of a violation will be reflected in the company's record "and should serve to impress it with the necessity of strict compliance in the future with the applicable statutory provisions and our rules thereunder."

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For further details, call ST. 3-7600, ext. 5526

TRADING IN SKIATRON COMMON SUSPENDED. The SEC today announced the further suspension of trading in the common stock of Skiatron Electronics and Television Corporation, 180 Varick Street, New York, on the American Stock Exchange during the period March 7 to 16, inclusive. The suspension order, which was issued pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934, states that the suspension is necessary to prevent fraudulent, deceptive or manipulative acts or practices in Skiatron stock, thus prohibiting trading in such stock by brokers and dealers in the over-the-counter market during the period of the suspension by virtue of the Commission's Rule 15c2-2.

Administrative proceedings involving questions as to the accuracy and adequacy of factual disclosures contained in a registration statement filed by Skiatron under the Securities Act of 1933 and whether a stop order should be issued suspending the said statement (See Release 33-4174) are currently in progress. Suspension of trading is considered necessary by the Commission in view of the serious nature of the deficiencies in said registration statement and the inability of investors to make an informed analysis and evaluation of the worth of Skiatron stock upon the basis of published information.

HAYDON SECURITIES HEARING SCHEDULED. The SEC has scheduled a hearing for March 7, 1960, in its New York Regional Office in the proceedings under the Securities Exchange Act of 1934 to determine whether it is in the public interest to revoke the broker-dealer registration of Haydon Securities, Inc., Medical Arts Bldg., Delaware Ave. at Jefferson St., Wilmington, Del.

In its order of October 28, 1959, authorizing the proceedings (Release 34-6109), the Commission asserted among other things that Haydon Securities had offered and sold stock of C & F Electronics, Inc., in violation of the Securities Act registration requirement and that it did not make and keep current certain books and records as required by rules of the Commission.

CORRECTION. The SEC News Digest of February 24, 1960, referred to a registration statement filed by San Diego Imperial Corp. which proposed the public offering of debentures and common stock. The offering of common shares was incorrectly stated. According to the prospectus, a total of 728,531 shares are to be offered, 600,000 on behalf of the issuing company and 128,531 on behalf of three selling stockholders.

WEST TEXAS UTILITIES BORROWINGS CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14179) authorizing West Texas Utilities Company, Abilene, to make borrowings from banks in amounts aggregating \$6,000,000. The initial borrowings of \$2,400,000, plus \$600,000 in treasury funds, will be used to pay off \$3,000,000 of notes; and the balance will be used to finance a portion of the company's construction expenditures for 1960 and 1961. Construction expenditures are estimated at \$8,200,000 for 1960 and \$2,600,000 for the first quarter of 1961.

OHIO POWER ACQUISITION APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14180) authorizing Ohio Power Company, Canton, to acquire (for \$901,250) the electric utility system of the Village of Minerva, Ohio, which is within Ohio Power's service area.

LOUISIANA POWER PROPOSES BOND OFFERING. The SEC has issued an order under the Holding Company Act (Release 35-14181) giving interested persons until March 17, 1960, to request a hearing upon the proposal of Louisiana Power & Light Company, New Orleans, to issue and sell \$20,000,000 of First Mortgage Bonds. As previously reported, the proceeds of the sale of the bonds will be used for property additions and improvements.

NEW ENGLAND ELECTRIC SYSTEM FILES FINANCING PROPOSAL. New England Electric System, Boston holding company, has joined with twenty of its subsidiaries in the filing of a proposal for the issuance by the subsidiaries of promissory notes to banks and/or the parent in the maximum aggregate amount of \$44,105,000 to be outstanding at any one time; and the Commission has issued an order (Release 35-14182) giving interested persons until March 17, 1960, to request a hearing thereon. Proceeds of the borrowings are to be used to pay then outstanding notes due to banks and/or the parent (of which \$29,085,000 were outstanding January 1, 1960), to make sinking fund conversion loan payments aggregating \$558,000, and to provide new money (estimated at \$14,462,000 for 1960) for construction expenditures or to reimburse treasuries therefor.

LOGAN & CO. HEARING POSTPONED. The SEC has authorized a further, two-month continuance to May 9, 1960, of the hearing in proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of J. Logan & Co., 721 East Union St., Pasadena, Calif., should be revoked for alleged securities violations.

CAROLINA POWER PROPOSES BOND OFFERING. Carolina Power & Light Company, 336 Fayetteville St., Raleigh, today filed a registration statement (File 2-16210) with the SEC seeking registration of \$25,000,000 of First Mortgage Bonds, Series due 1990, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used to (1) repay temporary bank loans of \$18,500,000 used in connection with the company's construction program and (2) for the construction of additional facilities. The company estimates that its construction expenditures will amount to \$28,300,000 in 1960 and \$33,000,000 during 1961.