

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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FOR RELEASE November 25, 1959

MISSOURI POWER FINANCING CLEARED. The SEC has issued an order (Release 35-14098) authorizing Missouri Power & Light Company, Jefferson City, Mo., to issue and sell at competitive bidding \$4,000,000 principal amount of First Mortgage Bonds, due December 1, 1989. Proceeds from the sale of the bonds are to be used to retire outstanding short-term bank loans in the amount of \$2,800,000; to finance in part the cost of construction during 1960, estimated at \$4,400,000; to reimburse the company's treasury for expenditures made for additions and improvements; and for other corporate purposes.

WORCESTER COUNTY ELECTRIC FINANCING CLEARED. The SEC has issued an order (Release 35-14096) authorizing Worcester County Electric Company, a subsidiary of New England Electric System, Boston holding company, to increase the amount of its common stock, \$25 par value, by 35,000 additional shares; to issue and sell such shares to NEES at a price of \$60 per share, or a total purchase price of \$2,100,000; and to issue and sell at competitive bidding \$7,500,000 principal amount of First Mortgage Bonds due December 1, 1989. Proceeds from the sale of the stock and bonds will be applied first to the payment of short-term notes incurred for capitalizable construction expenditures, including notes payable to NEES, presently amounting to \$6,800,000. The balance will be used to pay for the cost of, or the reimbursement of Worcester's treasury for, extensions, enlargements, and additions to the plant and property of the company.

NEW ENGLAND POWER PREFERRED STOCK OFFERING CLEARED. The SEC has issued an order (Release 35-14095) authorizing New England Power Company, a subsidiary of New England Electric System, Boston, holding company, to increase the number of shares of its Dividend Series preferred stock by 100,000 shares and to issue and sell such shares at competitive bidding as a second series of its Dividend Series preferred stock. The company also proposes to amend its by-laws to give the Dividend Series preferred stock certain additional protective provisions conforming to the Commission's statement of policy with respect to preferred stock. The additional shares, of \$100 par value per share, rank on a parity with the outstanding two series of \$100 par value preferred stocks as to dividends and assets and will have the same rights and privileges as the 4.60% Dividend Series preferred stocks. The dividend rate (a multiple of .04 of 1%) and the price to be paid the company for the stock (not less than \$100 nor more than \$102.75 per share) will be determined by competitive bidding. Proceeds from the sale of the new preferred stock will be applied to the payment of short-term notes which, at the time of the sale of the new preferred stock, are expected to exceed \$10,000,000.

CENTRAL AND SOUTH WEST STOCK SPLIT CLEARED. The SEC has issued an order (Release 35-14097) authorizing Central and South West Corporation, Wilmington, Del., to amend its charter to cause a split of its authorized common stock on a two-for-one basis without changing the aggregate par value thereof. Under the proposal, each of the 12,000,000 presently authorized shares of the company's common stock, \$5 par value, both issued and unissued, is to be changed into two shares of common stock, \$2.50 par value, and the total number of authorized shares of common stock is to be changed from 12,000,000 shares, \$5 par value, to 24,000,000 shares, \$2.50 par value. The company has called a special meeting of its stockholders, to be held on December 22, 1959, to consider and vote upon the adoption of the charter amendment and also upon the adoption of a proposed employees' thrift plan for employees of the company and its subsidiaries.

TEXAS GAS TRANSMISSION FILES STOCK OPTION PLAN. Texas Gas Transmission Corporation, Owensboro, Ky., filed a registration statement (File 2-15859) with the SEC on November 24, 1959, seeking registration of 80,000 shares of common stock, \$5 par value, to be offered under its stock option plan for key employees of the corporation and its subsidiary, Texas Gas Exploration Corporation.

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

CONSOLIDATED DEVELOPMENT CORPORATION PROPOSES COMMON STOCK OFFERING. Consolidated Development Corporation, 900 N. Federal Highway, Pompano Beach, Fla., filed a registration statement (File 2-15860) with the SEC on November 24, 1959, seeking registration of 140,000 shares of common stock, \$1 par value, to be offered for public sale at a price of \$5 per share. Consolidated Securities Corporation is named as underwriter, on a "best efforts" basis, and an underwriting commission of \$0.60 per share will be paid.

The Company was incorporated in February 1957 under Florida law and was organized for the purpose of purchasing parcels of undeveloped real property and developing such property into community-type residential projects, with commercial and recreational facilities, and into commercial rental projects such as office buildings. Proceeds of the offering will be applied as follows: \$50,000 to the payment of an outstanding note; approximately \$351,415 to the payment of a mortgage and the construction and development costs on certain properties; and the remainder, estimated at \$214,585, to working capital.

ALBERTA MUNICIPAL FINANCING CORP. PROPOSES DEBENTURE OFFERING. Alberta Municipal Financing Corporation (Canada) today filed a registration statement (File 2-15861) with the SEC seeking registration of \$20,000,000 of Sinking Fund Debentures due December 15, 1984, guaranteed by the Province of Alberta. The debentures are to be offered for public sale through an underwriting group headed by The First Boston Corporation, Wood, Gundy & Co., Inc., and five other firms. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

Proceeds of the offering, after conversion into Canadian funds, will be used to complete the corporation's 1959 program of loans to municipalities, cities, towns and villages in Alberta, and the remainder will provide funds for further loans as approved.

DIVERSIFIED GROWTH STOCK FUND FILES FOR ADDITIONAL SHARES. Diversified Growth Stock Fund, Inc., Elizabeth, N. J., filed an amendment on November 24, 1959, to its registration statement, seeking registration of 3,000,000 additional shares of its capital stock, \$1 par value.

CANADIAN RESTRICTED LIST (Fourteenth Supplement). The SEC today announced (Release 33-4160) the addition of REGAL MINING & DEVELOPMENT LIMITED and SICO MINING CORPORATION LIMITED to its Canadian Restricted List. The list is comprised of the names of Canadian companies (now totalling 226) whose securities have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide. Deletions may be made for various reasons, including discontinuance of the unlawful distribution and an undertaking to comply with the law in respect of any future distribution in the United States.

SEC CHARGES GROSS ABUSE OF TRUST BY SLAYTONS. The SEC today announced the filing of an action in the United States District Court for the Eastern District of Missouri, Eastern Division, against Hilton H. Slayton, Hovey E. Slayton, and Slayton Associates, Inc., under Section 36 of the Investment Company Act, charging gross misconduct and gross abuse of trust in respect of Managed Funds, Incorporated, a registered investment company. In addition, the complaint charges the three named defendants with entering into and performing an investment advisory contract violative of the Investment Company Act and charges that Hilton H. Slayton and Hovey E. Slayton violated that law by making false and misleading statements in reports and other documents required to be filed with the Commission. The Commission's complaint requests an injunction permanently enjoining the defendants from serving or acting as officers, directors, investment advisers, or principal underwriters in respect of any registered investment company. It also requests a temporary and permanent injunction to prevent further violations of the said law.

GUILD FILMS, HAL ROACH, AND OTHERS PRELIMINARILY ENJOINED. The SEC New York Regional Office announced on November 23, 1959, that Judge Sylvester J. Ryan (USDC, SDNY) had signed an order of preliminary injunction enjoining Guild Films Co., Inc., the Santa Monica Bank of Santa Monica, Calif., the Southwest Bank of Inglewood, Calif., and Hal Roach, Jr., from further violations of the registration provisions of the Securities Act in the sale and delivery after sale of shares of the common capital stock of Guild Films Co., Inc. (Lit. Release No. 1522) (See also Lit. Release No. 1496).