The SEC today announced the issuance of a decision revoking the broker-dealer registration of Gill, Pope Co. of New York and expelling it from membership in the National Association of Securities Dealers, Inc.

Gill, Pope Co. is a partnership composed of Jesse S. Gill and Frank I. Pope. The Commission found that the firm, aided and abetted by Gill and Pope, wilfully violated Section 17(a) of the Securities Exchange Act of 1934 and Rule X-17A-3 thereunder, by failure to reflect on its books and records the balance due on a $5,250 advance made to the firm in April 1954 by Paleo Oil and Gas Corporation. The latter made this advance toward the firm's expenses in acting as underwriter for a stock offering by Paleo. The offering was to be made on a "best efforts" basis, Paleo to pay the firm's printing, advertising, mailing and other incidental expenses up to $2,500. However, the firm was successful in selling only 200 shares in May 1954, and in December 1954 Paleo advised it that it was no longer to act as underwriter. During the period of the underwriting, the firm expended approximately $1,000 in connection therewith, leaving a balance due Paleo of approximately $5,000, which Gill, Pope Co. failed to reflect on its books and records.

In a financial report as of January 31, 1955, which the firm filed with the Commission on February 17, 1955, it failed to reflect any liability with respect to the balance of the advances, which also violated Section 17(a) of the Act and Rule X-17A-5 thereunder.

With the inclusion of the $5,000 balance owing Paleo, the total liabilities of Gill, Pope Co. exceeded its assets by $2,859.89. Transactions by the firm therefore were in violation of the Commission's net capital rules. In addition, the Commission found that Gill and Pope caused the firm to solicit transactions with customers and obtain money and securities from customers on the representation that it was able to meet all liabilities in connection with such transactions when in fact it was insolvent and its liabilities exceeded its current assets. This conduct constituted a violation of Section 15(c)(1) of the Act and Rule X-15C-2 thereunder.

For the foregoing reasons, the Commission found that it was in the public interest to revoke the broker-dealer registration of Gill, Pope Co. and expel it from the NASD. Gill and Pope were found to be a cause of such revocation and expulsion.

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Consumers Power Company, Jackson, Mich., today filed a registration statement (File 2-12658) with the SEC seeking registration of $40,000,000 of First Mortgage Bonds, Series due 1986, to be offered for public sale at competitive bidding.

Net proceeds will be used for the acquisition of property, for the construction, completion, extension or improvement of facilities, or for the improvement or maintenance of service, or to reimburse the Company's treasury for expenditures made for such purposes. Expenditures for construction in 1956 are estimated to amount to $91,000,000, of which $29,300,000 has been expended to May 31st.