ELEVENTH ANNUAL REPC

OF THE

SECURITIES AND EXCHANGE COMMISSION

FISCAL YEAR
JUNE 30, 1945



SECURITIES AND EXCHANGE COMMISSION Central Office 18th and Locust Streets Philadelphia 3, Pa.

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Orval L. DuBois, Secretary

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Standard Building (Room 1608)
Midland Savings Building (Room 822)
United States Courthouse (Room 103)
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625 Market Street (Room 1301)
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Washington, D.C. Liaison Office— Twelfth Floor, Tower Building

LETTER OF TRANSMITTAL

SECURITIES AND EXCHANGE COMMISSION,
Philadelphia 3, Pa., February 21, 1946.

Sir:

I have the honor to transmit to you the Eleventh Annual Report of the Securities and Exchange Commission, in accordance with the provisions of Section 23 (b) of the Securities Exchange Act of 1934, approved June 6, 1934, Section 23 of the Public Utility Holding Company Act of 1935, approved August 26, 1935, Section 46 (a) of the Investment Company Act of 1940, approved August 22, 1940, and Section 216 of the Investment Advisers Act of 1940, approved August 22, 1940.

Because of the extensive report made a year ago covering the ten years of the Commission's existence, we have attempted to condense this report as much as possible.

In this first annual report following the cessation of hostilities, it is appropriate to express our grateful appreciation to the large number of Commission employees who entered the military service of our country. The Commission's honor roll of 472 employees is printed at the beginning of this report. It lists the names of those members of our staff who gave their service and those who gave their lives.

Respectfully,

Ganson Purcell, Chairman.

THE PRESIDENT OF THE SENATE
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
Washington, D. C.

EMPLOYEES OF THE SECURITIES AND EXCHANGE COMMISSION IN THE ARMED SERVICES OF THE UNITED STATES

TO JULY 30, 1945

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TO JULY 30, 1945

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SIDNEY H. WILLNER

CONRAD W. WEISER

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ADMINISTRATION OF THE SECURITIES ACT OF 1933

Objectives of the Securities Act of 1933, as amended, and the general nature and scope of registration and examination procedures developed by the Commission for their effectuation are discussed in the Tenth Annual Report, pages 13-17 inclusive, and previous amnual reports. Briefly stated, the Act provides for full disclosure by means of registration statements and prospectuses of pertinent information regarding securities publicly offered for sale in interstate commerce or through the mails, without conferring upon the Commission the power to approve or pass upon the merits of any security. The Act is also designed to prevent misrepresentation, deceit, and other fraudulent practices in the sale of securities. While the Act does not insulate investors against risk, it does make available to them information with which to gage the risk.

NEW RULES, REGULATIONS AND FORMS FOR REGISTRATION OF SECURITIES

Simplification of registration procedure.—In continuance of its efforts to simplify the registration statements required to be filed under the Act, the Commission adopted, during the year, two new forms for use in registering certain classes of securities. Limitations placed on the use of both forms have permitted considerable simplification of previous forms. The first of these additional forms is designated as Form S-II. It is designed to facilitate the registration of shares of exploratory mining corporations. It is provided for the use of mining corporations that have not engaged in active ore production and have no mining property developed beyond the exploratory stage. Its use is limited to corporations that have not been involved in recent successions and are without important subsidiaries. It is believed that a large part of the registrants making offerings of unseasoned mine securities will be able to use the form.

The form also involves several innovations. It dispenses with the requirement for certification of financial statements by independent accountants, since the type of corporation eligible to use the form will generally have had few important financial transactions. In addition, a booklet has been designed for use in connection with the form to aid registrants in preparing registration statements. This booklet, entitled "Supplement to Form S-ll under the Securities Act of 1933", contains quotations of the various sections of the Act and the rules thereunder which are referred to in the form. It also contains a digest of certain views taken from the Commission's formal opinions which bear on problems which may arise under the Act in connection with primary mine financing. This compilation of applicable provisions of the Act, rules, and administrative decisions should greatly facilitate the preparation of registration statements on Form S-ll.

The other new registration form is designated as Form S-12, and it is to be used for the registration of shares of corporations not more advanced than the development stage. This form may be used by such corporations (other than those in the insurance, investment and mining business) if they do not have and do not intend to acquire subsidiaries of importance, if they have not been involved in a recent succession, and if there is no long term debt. It is believed that the form will prove of value, particularly to new small corporations already organized and those to be organized in the postwar period.

The various items of the form and the instructions have been reduced in number and simplified in comparison with previous forms. A balance sheet is not required but may be filed. A supplement to the form has been prepared to facilitate the preparation of the registration statement. It contains the parts of the Securities Act and the rules thereunder that are generally pertinent to registration.

In keeping with the Commission's practice, draft copies of the form were circulated to attorneys, accountants, and others interested in public financing. Their comments and suggestions proved most helpful in preparing the final draft of the form.

STATISTICS OF SECURITIES REGISTERED UNDER THE ACT

The number of registration statements filed under the Securities Act of 1933 during the past fiscal year—400—exceeds that for any year since 1938 when 459 were filed. The following table shows the disposition of registration statements filed and examined under the Act.

Disposition of Registration Statements

	Prior to July 1, 1944	July 1, 1944 to June 30, 1945 inclusive	Total as of June 30, 1945
Number of statements			? ,
Filed	5,420	400	5,820
Effective - net Withdrawn - net	4,337 4,855	344 22	4,680 (a) 877
Under stop or refusal orders - net	182	0	182
Pending - June 30, 1944 Pending - June 30, 1945	46		81 (a)
Dollar value of securities		,	
Filed Fully effective	\$28,170,150,522 25,345,391,714	\$4,182,728,108 3,224,584,051	\$32,352,878,630 28,569,975,765

(a) One statement which was effective prior to July 1, 1944 was withdrawn during the fiscal year ended June 30, 1945.

There were also filed and examined during the past fiscal year 1,571 amendments to registration statements, of which amendments 789 were classed as material amendments filed before the effective date of the registration statements concerned, 279 as material amendments filed after such effective date, and 503 purely formal amendments filed for the purpose of delaying the statutory effective date of the registration statements.

In addition, 769 sets of supplemental prospectus material, not classified as amendments to registration statements, were filed during the year to comply with Rule 800 (b) or Section 10 (b) (1) of the Act, or for the purpose of showing material changes occurring after the commencement of the offering.

There were also examined during the year 377 annual and 300 quarterly reports filed by certain registrants pursuant to Section 15 (d) of the Securities Exchange Act of 1934. Companies registered as investment companies under the Investment Company Act of 1940 accounted for 82 of these annual reports and all of these quarterly reports.

There were 340 1/ registration statements that became fully effective under the Securities Act during the fiscal year ended June 30, 1945. These covered 508 issues in the total amount of \$3,224,584,000. The portion registered for sale for accounts of the issuers amounted to \$2,714,776,000, not including \$229,719,000 which were to be first offered in exchange for outstanding securities.

Bonds and notes accounted for \$1,707,574,000, or 63 percent, of all types of new issues registered for sale. Preferred stock amounted to \$406,875,000, or 15 percent, common stock to \$316,178,000, or 12 percent, and all other types, including certificates of participation and face amount installment certificates, aggregated \$284,149,000, or 10 percent, of the volume of all types registered for sale for accounts of the issuers.

A breakdown of the new issues registered for sale - by method of issuance - shows that \$2,662,416,000, or 98 percent, were to be offered through investment bankers: 81 percent by purchase and resale, and 17 percent on a "best-efforts" basis. Only 2 percent of the total, or \$52,360,000, were to be offered directly to investors by the issuers.

An analysis of the industries represented shows that electric, gas, and water companies registered \$1,285,262,000, or 47 percent of the new issues registered for sale for accounts of all issuers. Manufacturing concerns were next with \$786,003,000, or 29 percent. Finance and investment companies registered \$505,274,000, or 19 percent, transportation and communication companies, \$77,756,000, or 3 percent, and all other issuers, \$60,481,000, or 2 percent. 2/

Costs of flotation reported in the registration statements amounted to 3.7 percent of the aggregate value of the new issues registered for sale and this was divided between 3.2 percent commissions and discounts and 0.5 percent for all other expenses incidental to flotation (including costs related to registration). The proportion of aggregate gross proceeds paid in commissions to investment bankers on issues registered for sale through them to the general public 3/ showed a downward trend over recent years for each of the three principal types of security as shown in the following tabulation:

^{1/} This number of statements "fully effective" differs from the 344 shown as "effective" in the above table in that the latter figure includes five statements effective subject to amendments which were not made and excludes one statement effective during the preceding fiscal year subject to the filing of an amendment covering receipt of competitive bids, which amendment became effective during the fiscal year ended June 30, 1945.

^{2/} See Appendix Table 1 for various breakdowns of the dollar volume of Securities Act registrations.

^{3/} Not including investment trust certificates, on which costs are usually not reported in terms comparable with those of other issues.

Year Ended June 30	Compensation Bonds	% of Gross Preferred Stock	Proceeds 1/ Common Stock
	١	_	
1939	2.0	6.4	16.9
1940	1.9	7.2	16.4
1941	1.8	4.1	14.4
1942	1.5	4.1	10.1
1943	1.7	3.6	9.7
1944	1.5	3.1	8.1
1945	1.3	3 . 1	9.3

Unregistered corporate securities offered in amounts of more than \$100,000 for cash sale during the fiscal year aggregated \$2,026,589,000. Railroad issues accounted for \$1,191,007,000, or more than half of this total. Private placements in the amount of \$743,666,000 accounted for most of the remainder. This was the largest volume of private placements since 1941. However, publicly offered corporate issues (both registered and unregistered) increased in volume even more, so that the relative importance of private placements actually declined. Only a little over 20 percent of all issues of corporate bonds and notes were privately placed during the past fiscal year compared with 44 and 46 percent for the two preceding years.

The net proceeds to the issuers of all new corporate securities 2/ offered for sale during the fiscal year amounted to \$4,071,648,000. Retirement of bonds, other debt, and preferred stock absorbed \$3,293,467,000, or 80.9 percent of all corporate net proceeds. The net proceeds from the sale of new securities issued by public utilities and railroads were used almost entirely for that purpose, as was also a little over half of the proceeds from the sale of industrial issues. The amount of net proceeds destined for expansion of plant equipment and working capital, \$732,995,000, was the highest since the fiscal year ended June 30, 1942, and was mainly from securities offered by industrial companies. 3/

EXEMPTION FROM REGISTRATION

The Commission is authorized under Section 3 (b) of the Securities Act of 1933, as amended, to provide, by rules and regulations, conditional exemption from the registration requirements of that Act for certain small security offerings. The Act imposed a maximum limitation of \$100,000 upon the amount of an offering which the Commission could thus exempt from registration until, by amendment of the statute effective May 15, 1945, this limitation was increased to \$300,000. 4/ Promptly after the enactment of this amendment, the Commission on May 22 amended its Regulation A so as to extend the general exemption from the registration requirements which is provided thereby up to a maximum offering of \$300,000.

^{1/} For greater detail, see Appendix Table 2, which gives the average compensation, as well as the number of issues and dollar volume, for registered offerings of various degrees of size and quality.

^{2/} Including both registered and unregistered of more than \$100,000 in size of offering but excluding continuously offered investment trust certificates.

^{3/} See Appendix Tables 3 and 4 for a statistical breakdown of the volume of all securities offerings, including those exempt from registration under the Securities Act.

The Commission's views on this amendment as given to the Congressional committees considering the bill were as follows: "We have weighed carefully the advantages to be gained by adoption of the amendment against its disadvantages and have come to the conclusion that balancing all the interests concerned the proposal merits a trial. We therefore favor its adoption. In reaching this conclusion, we have been influenced by the fact that the exemption provided by the section remains permissive and that the amendment preserves the Commission's authority in granting exemption to impose terms and conditions found necessary to protect the public interest."

Regulation A amended to raise exemption limit to \$300,000.—Under Regulation A as thus amended by the Commission, issuers meeting the conditions of the Regulation may make a public offering of securities not exceeding \$300,000 in aggregate offering price without filing a registration statement with the Commission. Prior to the enactment of this amendment, the limitation on offerings under Section 3 (b) was \$100,000. The new Regulation still permits an offering not exceeding \$100,000 to be made by, on behalf of, or for the benefit of any person controlling, controlled by, or under common control with the issuer. However, the aggregate amount of such offerings, and those by the issuer, cannot exceed \$300,000 in any period of twelve months. The amended Regulation provides that offerings may be made at the expiration of five days after a letter of notification is filed with the appropriate regional office of the Commission.

Section 3 (b) as amended May 15, 1945 remains permissive and preserves the Commission's authority, in granting exemption, to impose terms and conditions found necessary to protect the public interest.

It should be emphasized that the Commission's amendment of Regulation A is of a temporary nature and is not to be construed as indicating a final determination by it that the requirements set forth in the new Regulation are regarded as adequate in the case of all issues up to \$300,000.

It is further pointed out that the exemption from registration permitted by Section 3 (b) is not complete exemption from all provisions of the Act. It is limited by express provisions in Section 12 which impose civil liability on persons who sell securities in interstate commerce or through the mails by means of untrue statements or misleading omissions, and by Section 17 which makes it unlawful to sell securities by such means or by other types of fraud. Sections 12 and 17 are applicable even though the securities involved are exempted under Section 3 (b).

In connection with small issues exempted under Regulation A, there were filed with the Commission during the fiscal year a total of 578 letters of notification, and 325 amendments thereto, representing an aggregate offering price of \$38,848,893. Included in this total were 46 letters of notification with an aggregate offering price of \$2,775,957, relating to oil and gas leases and securities of companies engaged in various phases of the oil and gas business. Some idea of the increase during the past 3 years in the number and dollar-amount involved in offerings under Regulation A may be gained from the following comparison:

Fiscal year	Number of letters of notification	Aggregate offering price
1943 1944	353 427	\$17,986,987 21,933,944
1945	578	38,848,893

The raising of the exemption limit under Regulation A to \$300,000 does not account for all the increase shown in the last line of this comparison. However, it may be noted that, during the first 5 weeks that the increased limit was in effect, there were filed with the Commission 31 letters of notification for offerings in amounts between \$100,000 and \$300,000 each, representing an aggregate offering price of \$6,866,372, which figures are included in the total shown for the year 1945. It may be worthwhile to note further below a classification of these 31 somewhat larger offerings according to specified size groups. 1/

^{1/} Some of these exempted offerings were made by large established companies. In future reports, additional data will be presented as to the size and type of offerings under Regulation A.

Size of offering	Number of offerings	Aggregate offering price
\$100,001 to \$150,000	7 ,	\$ 979,188
150,001 to 200,000	7	1,305,561
200,001 to 250,000	6	1,397,740
250,001 to 300,000	<u>11</u>	3,183,883
Total	31	\$6,866,372

Adoption of Rule 240 of Regulation A-M.—The Commission adopted on March 24, 1945 a new rule pursuant to Section 3 (b) of the Act, designated as Rule 240 of Regulation A-M, which provides under certain specified conditions a special exemption from registration for offerings of assessable shares of mining corporations to a maximum of \$100,000 in one year. Pursuant to this rule, the aggregate offering price of the issuer's securities offered to the public (other than securities effectively registered under the Act) in each successive yearly period commencing with the filing date of the latest prospectus required by the rule plus the amount received in each such period as a result of all assessments must not exceed \$100,000. The aggregate amount of the securities proposed to be offered must not exceed \$100,000 less the aggregate amount of securities being currently offered to the public (other than effectively registered securities) and the aggregate sales price of securities sold within one year (other than sales of effectively registered securities). Not more than one offering of securities by an issuer under the rule is allowable in any period of one year.

While the adoption of such a rule had been urged by various members of the mining industry, and the Commission benefited from the suggestions of various mining men, mining organizations, attorneys, accountants, and others who had been furnished draft copies for review and criticism before it was promulgated, a number of objections to the rule were raised on the ground that it was contrary to public interest. The Commission therefore adopted this rule on a trial basis. If abuses develop under the rule to a point where it appears to the Commission that the public interest is adversely affected, action will be taken to rescind or modify this rule.

During about three months that Rule 240 had been in effect up to the end of the fiscal year, there were filed under the rule two prospectuses with an aggregate offering price (including contemplated assessments for a period of one year) of \$117,000.

Exempt offerings under Regulation B.— Pursuant to Regulation B, which provides for the conditional exemption from registration of fractional undivided interests in oil or gas rights where the aggregate offering price does not exceed \$100,000, the Commission received and examined during the year 272 offering sheets, and 299 amendments to such offering sheets, with respect to which the following actions were taken:

Various actions on filings under Regulation B.

Tempora	ary Suspension Orders (Rule 340 (a)).	76
Orders		64
	Consenting to Withdrawal of Offering Sheet and Terminating Proceeding	9
Orders	Terminating Effectiveness of Offering Sheet (No Proceeding Pending)	17
Orders	Consenting to Amendment of Offering Sheet (No Proceeding Pending) 1	37
Orders	Consenting to Withdrawal of Offering Sheet (No Proceeding Pending)	11
	1	
,	Total Orders)

Confidential written reports of sales under Regulation B.—The Commission also received and examined during the year 2,770 confidential written reports required pursuant to Rules 320 (e) and 322 (c) and (d) of Regulation B concerning sales made by a broker-dealer or offeror to an individual, and from one dealer to another. This total consisted of 1,930 reports on Form 1-0 and 840 on Form 2-0, representing sales in the aggregate of \$1,509,740 and \$1,309,371, respectively. If the examination of these reports indicates that a violation of the law may have occurred, the Commission makes appropriate investigations and, in instances where the facts are deemed to warrant it, rescissions are required.

The Commission not only maintains an Oil and Gas Unit within the framework of the Corporation Finance Division at headquarters, but has also established a petroleum geologist at Tulsa, Oklahoma, to facilitate the making of field investigations and reports upon tracts with respect to which offering sheets have been filed. The establishment of this additional field representative provides the Commission and its various regional offices with facilities for research at the source and technical reports needed for the prompt disposition of offering sheets that are filed as well as for the orderly conduct of investigations that may be opened. The importance of this source of supplemental technical information was particularly marked last year when unusual activity occurred in the West Edmund field of Oklahoma and led to the filing of many offering sheets relating to tracts in that field.

Oil and gas investigations.—The Commission conducted a total of 125 investigations during the year in cases involving oil and gas properties or proposed offerings of oil and gas securities. Most of these investigations arose out of complaints received by the Commission and were aimed at determining whether transactions in question were effected in violation of Sections 5 or 17 of the Securities Act of 1933. Others related to the question of possible violation of Section 15 of the Securities Exchange Act of 1934. Five investigations were closed during the year and the remaining 120 were pending at the end of the year. A summary of these investigations is tabulated below:

Oil and Gas Investigations

	Preliminary	Informal '	Formal	Total
Pending at June 30, 1944	16	40	27	83
New cases	15	27		42
informal	<u> </u>	2	· 1	3
otal number of cases to be accounted		•		
for	31	69	28	128
losed	1 \	4.	_	5
ransferred to informal	. 2	-	-	ر 2
fransferred to formal	-	· 1	_	1
Pending at June 30, 1945	28	64 .	28	120

To illustrate the results of such investigations, it may be pointed out that the persons concerned in 2 cases were enjoined from violating the registration or fraud provisions of the Securities Act of 1933; the facts developed in another case were referred to the Department of Justice for criminal prosecution, while in 3 cases indictments were returned. It may also be noted that convictions obtained in 4 cases led to the following sentences: (1) Roy E. Wilson was sentenced to 3 years imprisonment and \$5,000 fine, (2) four defendants in the case of S. S. Alexander, et al. were imprisoned for periods ranging from 3 years to 2 months, (3) W. W. Mesel, Jr.

was fined \$1,200, while (4) eleven defendants in the case of Frank Mansfield, et al. were sent to prison for periods ranging from 5 to 3 years.

CIVIL ACTIONS INSTITUTED BY THE COMMISSION

During the past fiscal year the Commission sought injunctions restraining violations of the fraud and registration provisions of the Securities Act of 1933 in a number of cases. None of these cases, however, was of sufficient novelty to warrant more than passing mention. 1/

^{1/} See Appendix, Table 26, Injunctive Proceedings brought by Commission. See also S.E.C. v. Roy E. Wilson, et al., under Administration of the Investment Advisers Act of 1940 - Civil Actions Instituted by the Commission.

PART II

ADMINISTRATION OF THE SECURITIES EXCHANGE ACT OF 1934

The Securities Exchange Act of 1934 is designed to eliminate fraud manipulation and other abuses in the trading of securities both on the organized exchanges and in the over-the-counter markets, which together constitute the nation's facilities for trading in securities; to make available to the public information regarding the condition of corporations whose securities are listed on any national securities exchange; and to regulate the use of the nation's credit in securities trading. The authority to issue rules on the use of credit in securities transactions is lodged in the Board of Governors of the Federal Reserve System, but the administration of these rules and of the other provisions of the Act is vested in the Commission.

REGULATION OF EXCHANGES AND EXCHANGE TRADING

Registration of Exchanges

There was no change during the past fiscal year in the number of exchanges registered with the Commission as national securities exchanges, nor in the number of exchanges exempted from such registration; the numbers were 19 and 5 respectively.

Various changes were effected by the exchanges in their rules, practices, and organizations during the year, such changes being reflected in amendments to their applications for registration or exemption. A total of 99 amendments and supplements to these applications were filed by the exchanges and each was studied and analyzed for its effects upon the public interest and its compliance with the relevant regulatory provisions.

Value and Volume of Trading

As shown in Appendix Table 7, trading on registered securities exchanges during the fiscal year 1945 had an aggregate value of \$15,160,875,000, as against \$10,746,044,000 in the preceding year. Stock trading had a value of \$13,141,773,000 in the 1945 period, as against a value of \$8,792,692,000 a year earlier. The volume of stock trading was 595,133,000 shares in the twelve months ended June 30, 1945, as compared with 410,940,000 shares for the preceding twelve months.

Exchange Membership

As of the close of the fiscal year, according to Commission records, 2,840 individuals and 975 firms (sole proprietorships, partnerships, and corporations) were full or associate members of one or more of the registered exchanges, excluding The Board of Trade of the City of Chicago which is primarily a commodities exchange.

Disciplinary Actions

In connection with the Commission's investigatory activities, the exchanges report periodically to the Commission all cases of disciplinary action which they take against their membership for violations of the Securities Exchange Act of 1934, any rule or regulation thereunder, or any exchange rule. During the year, six exchanges reported such actions taken against a total of 29 members, member firms, or partners of member firms. The disciplinary actions included a six-month suspension of membership in one case and fines up to \$5,000 in other cases, while in some instances the members involved were required to make monetary adjustments to customers or were simply censured or reprimanded. Various infractions were involved in these actions, the principal violations being of exchange rules regarding minimum

capital, margin trading, partnership agreements, floor trading, splitting commissions with non-members, and special offerings. The individual who was suspended from membership was found guilty of rebating commissions and of allocating transactions subsequent to their execution, such allocations having been made at the expense of customers over whose accounts he had discretionary authority.

Special Offering Plans

Rule X-10B-2 permits special offerings of blocks of securities on national securities exchanges where such offerings are effected pursuant to a plan filed with and declared effective by the Commission. No new special offering plan became effective during the year; the plans of seven exchanges, 1/ which had previously been declared effective, remained in effect throughout the year. 2/

Special offerings on registered securities exchanges in the twelve months ended June 30, 1945, produced sales of 1,115,201 shares of stock, as against 975,173 shares in the preceding twelve months. Special commissions amounted to \$626,000 as compared with \$593,000 in the preceding year. Offerings on the New York Stock Exchange accounted for 1,013,154 of the 1,115,201 shares sold in special offerings in the fiscal year 1945. Further details are given in Appendix Table 6.

Floor Trading

On January 15, 1945, the Trading and Exchange Division recommended the adoption of a rule, pursuant to Section 11 (a) (1) of the Securities Exchange Act of 1934, which would prohibit floor trading in stocks on the New York Stock Exchange and the New York Curb Exchange. This recommendation was accompanied by a report which outlined the legislative background of the Commission's powers with respect to floor trading, discussed the steps which had been taken in the past to regulate that activity, and described the nature and effects of such trading in considerable detail. 3/

A public conference was held on May 16, 1945, for the purpose of considering the merits of the proposal. At the conference, the Commission heard statements from all persons who wished to be heard; in addition, the Commission received various communications and other documents, among them a supplementary report prepared by the staff. 4/ Subsequent to the public conference, representatives of the Commission and of the New York Stock Exchange met from time to time for additional discussions. Finally, acceding to the request of the New York Stock Exchange, the Commission agreed to withhold action on its staff's proposal and to permit the exchanges to adopt experimentally certain rules restricting floor trading. The Commission is continuing its studies of floor trading as announced in its decision as follows:

^{1/} The seven exchanges were the Chicago Stock Exchange, Cincinnati Stock Exchange, Detroit Stock Exchange, New York Curb Exchange, New York Stock Exchange, Philadelphia Stock Exchange, and the San Francisco Stock Exchange.

^{2/} The Chicago Stock Exchange was the only exchange to file an amendment to its plan, such amendment being declared effective by the Commission on September 21, 1944.

^{3/} Report to the Commission by the Trading and Exchange Division on Floor Trading, January 15, 1945.

^{4/} Floor Trading on the New York Exchanges, May 8, 1945.

*...We shall continue to study the operation of floor trading during the trial period in which these rules are in effect. The Exchanges have undertaken to do the same. We shall review the operation of these rules with the Exchanges at frequent intervals and will recommend any changes in the rules which our studies indicate to be necessary for effective regulation. We shall also consider any modifications the Exchanges may recommend as likely to improve the effectiveness of their regulation. If at any time it becomes evident to us that the Exchanges' rules, either in the form now proposed, or as they may be modified, are inadequate for the effective regulation of floor trading, we shall reconsider the recommendations of our staff, or any appropriate modification of those recommendations, and take such action as, in our opinion, will provide an adequate solution of the problems created by floor trading." 1

Short Selling

The Commission adopted one minor amendment to its short-selling rules under Section 10 (a) of the Act. In general, these rules prohibit short sales on a decline in price, require the marking of orders for short sales, and require the covering of short sales which have been improperly executed as long sales. Rule X-10A-2 (b) provides an exemption from the requirements relating to the covering of improperly marked orders for short sales, if the exchange upon which the sale was executed makes certain findings. The amendment has the effect of reducing the necessary findings under certain circumstances. Whereas exchanges formerly were required to make findings relating to good faith and due diligence and to the hardship which would be incurred in covering the transaction, the amendment eliminates the necessity for the exchange's making any finding relating to hardship in order to grant relief, where the mistake in marking was made by a broker and the sale did not violate the price restrictions of the short-selling rules.

REGISTRATION OF SECURITIES ON EXCHANGES

The general purpose and nature of the process of registering securities on exchanges and the Commission's procedure in examining applications for registration, and subsequent periodical and other reports, for their compliance with the provisions of Sections 12 and 13 of the Securities Exchange Act of 1934, have been described in the Tenth Annual Report, pages 45-50, and previous annual reports. Briefly stated, the purpose is to make available currently to investors reliable and comprehensive information regarding the affairs of companies whose securities are registered on any national securities exchange; and, in order to effectuate that purpose, each such company is required to file with the Commission and the exchange, under the conditions specified in those provisions, an application for registration of its securities, and annual and other periodic reports, setting forth certain specified information about its corporate affairs. All these applications and reports must be examined by the Commission to determine whether accurate and adequate disclosure has been made of the information required by the Act and the rules and regulations thereunder.

New Rules, Regulations, and Forms for Registration of Securities on Exchanges

New rules requiring disclosure of certain war contract terminations.—The Commission adopted July 23, 1945 2/, just after the close of the past fiscal year, certain new rules providing for disclosure to investors and the public of current information concerning changes in the dollar volume of war business held by companies whose securities are registered on a national securities exchange.

^{1/} Securities Exchange Act Release No. 3727, August 28, 1945.

^{2/} Securities Exchange Act Release No. 3718.

Under a new subparagraph of Rule X-13A-6, listed companies must notify the Commission of the cancellation of any war contract if the dollar value of the business covered by the terminated portion of the contract amounts to 20 percent or more of the total sales for the previous fiscal year. A current report is required in this situation to be mailed under confidential cover before the close of the day following receipt of effective notice of the termination. The report will, however, be placed in the public files unless in the opinion of the procurement agency involved publication of the report would contravene the Code of Wartime Practices or the security regulations of the particular agency.

In addition, listed companies whose war business amounted to more than 25 percent of total sales in the last preceding fiscal year are required by a new rule, designated X-13A-6A, to file a quarterly report on Form 8-K. A new item 11 which was added at the same time to Form 8-K requires such companies to report the dollar volume of unfilled orders at the beginning and end of each fiscal quarter and the dollar amount of sales during the quarter showing separately sales made pursuant to war contracts. This report must be filed within 30 days after the close of each fiscal quarter or within 30 days after the effective date of the new rule, whichever is later.

Prior to adoption, drafts of the proposed rules were widely distributed for comment to interested persons, as well as certain government agencies. Comments were received from many sources and a number of staff discussions were held with interested persons. In addition, the proposals were discussed with the Office of Censorship and the War and Navy Departments to ensure conformity to the requirements of the Code of Wartime Practices and the security regulations of these agencies.

As a result of these conferences and the comments received, the rules were simplified and clarified in certain respects before they were adopted. In addition, a number of special instructions were added to adapt the general requirements for use where war business is conducted under special types of contracts. Finally, it may be pointed out that the revised instructions permit the use of estimates where by reason of the nature of the business it is impracticable to furnish exact information as to certain of the items in the report.

Rule X-12A-5 expanded.—During the year the Commission adopted an amendment to Rule X-12A-5, effective December 29, 1944. This rule provides a temporary exemption from the registration requirements of Section 12 (a) of the Act for certain new securities arising out of old securities previously listed or admitted to unlisted trading privileges on a national securities exchange. The purpose of the amendment is to permit an exchange, under certain circumstances not previously covered by the rule, to trade in the entire class of the new securities under the temporary exemption afforded by this rule where the entire class of new securities has been lawfully admitted to dealing on another exchange.

Rules X-13A-6 (e) and X-15C2-2.—The nature and purpose of Rules X-13A-6 (e) and X-15C2-2, promulgated at the beginning of the fiscal year under review, were discussed in the last annual report, page 49. The first of these rules provides that, whenever a company with a security registered on a national securities exchange declares a dividend or distribution in a form other than cash or securities, it shall promptly file a telegraphic report with the Commission, containing a full and accurate description of the contemplated dividend or distribution. If the Commission finds that the available information with respect to the contemplated dividend or distribution is inadequate to permit investors to make a proper appraisal of the value of the security, it may exercise its authority under Section 19 (a) (4) of the Act to order a temporary suspension of trading in the security on the exchange on which it is registered, pending the availability of more adequate information. The second rule provides that, whenever exchange trading is thus summarily suspended

by the Commission, any act of a broker or dealer designed to effect or induce an over-the-counter transaction with a customer in the security during the period of suspension is a fraudulent, deceptive or manipulative act. These rules were designed to prevent potential abuses in trading in securities before adequate information was available as to the nature and amount of the dividend or distribution.

Termination of Registration under Section 19 (a) (2)

Two proceedings for the termination of registration pursuant to Section 19 (a) (2) were pending at the beginning of the year. During the year an additional one was instituted upon failure of an issuer to file the annual report required by Section 13, while another was dismissed upon the filing by the issuer of an amendment disclosing required information, leaving two such proceedings pending at the close of the period.

Investigation of Elastic Stop Nut Corporation of America

On December 8, 1940 the Commission authorized an investigation and public hearing to determine whether a registration statement filed under the Securities Act of 1933 and an application for registration filed under the Securities Exchange Act of 1934 were complete and accurate, and whether any violation of the anti-fraud provisions of those Acts had been committed.

The 1933 Act registration statement covering \$3,500,000 of the company's 15-Year 5% Sinking Fund Debentures became effective January 14, 1944. The application for registration on the New York Stock Exchange of the company's \$1 common stock became effective on September 29, 1944. Two months thereafter the president of the company took his own life. On the same day, November 29, 1944, the Commission for the first time issued an order under Section 19 (a) (4) of the Securities Exchange Act of 1934 which summarily suspended trading in the company's common stock on the New York Stock Exchange.

In a statement issued upon the conclusion of its hearings the Commission revealed that the 1933 Act registration statement had failed to disclose in full the facts regarding a downward trend in the company's incoming orders and backlog of orders, an abnormal inventory situation, and the company's increased costs of production. In addition, it appeared that the statement of the company regarding its controlling stockholders was inadequate in material respects. 1/

The Commission's release also pointed out that the application for registration under the 1934 Act failed to disclose adequately the facts regarding the operating losses in the months immediately preceding its filing, an excess and obsolete inventory condition, the surplus stocks in the hands of the industry which would constitute a block to new business, a drastic decline in the volume of incoming orders, and in the amount of unfilled orders on the books of the company. Moreover, the application for registration omitted to state that in 1944 its production was decreasing and that the demands of the aircraft industry were decreasing.

On December 4, 1944 the company filed a supplement to the prospectus issued in connection with the 1933 registration statement which contained material additions to the information theretofore supplied. On December 22 and 23, 1944 and January 1, 1945, while the Commission proceedings were in progress, the company filed amendments to its 1934 application. In addition, on May 31, 1945 the company filed its annual report, pursuant to the 1934 Act, for the fiscal year ended November 30, 1944.

^{1/} Securities Act of 1933 Release No. 3072. Securities Exchange Act of 1934 Release No. 3701.

The investigation into the trading in the company's securities did not disclose any evidence of concentration of buying or selling or manipulation of securities of the company. The Commission concluded that neither stop-order proceedings with respect to the registration statement covering the debentures, nor delisting proceedings with respect to the company's common stock would be in the public interest or afford additional protection to the investors.

Statistics of Securities Registered on Exchanges

At the close of the fiscal year, 2,185 issuers had 3,675 security issues listed and registered on national securities exchanges. These securities comprised 2,541 stocks representing a total of 2,302,066,187 shares and 1,134 bond issues in the aggregate principal amount of \$19,312,690,280.

During the past year alone, the following applications, reports, and amendments were filed with the Commission and examined for compliance with the requirements which govern the listing and registration of securities on national securities exchanges and the listing of securities on exempted exchanges.

Number of applications, reports, and amendments relating to the listing and registration of securities on exchanges — Fiscal year 1945

Applications for registration of securities	351
Applications for "when issued" trading	22
Exemption statements for short-term warrants	19
Annual reports	2,167
Current reports	2,752
Amendments to applications and annual and current reports	741
Annual reports of issuers having securities listed on	
exempted exchanges	100

For those interested in more detailed statistics concerning securities registered on exchanges, reference is made to Appendix Tables 11-17, inclusive.

SECURITY TRANSACTIONS OF CORPORATE INSIDERS

Each officer, director and principal stockholder 1/ of a company having equity securities listed and registered on any national securities exchange is required by Section 16. (a) of the Securities Exchange Act of 1934 to file with the Commission and the exchange an initial report showing his direct and indirect beneficial ownership of his company's equity securities and a report of transactions and holdings each month thereafter in which changes in such beneficial ownership occur. The provisions of Section 17 (a) of the Public Utility Holding Company Act of 1935 and Section 30 (f) of the Investment Company Act of 1940 require that corresponding security ownership reports be filed with the Commission by officers and directors of registered holding companies and by officers, directors, principal security holders, members of advisory boards, investment advisers and certain other affiliated persons of registered closed—end investment companies.

After these security ownership reports are received and examined by the Commission, the information they contain is extracted and published each month in the Official Summary of Security Transactions and Holdings which is distributed to newspapers, individual security holders and other persons interested in the security transactions and holdings of corporate insiders. Altogether during the past 11 years

^{1/} A principal stockholder means a beneficial owner of more than 10% of the issued amount of any class of listed and registered equity security.

more than 230,000 reports have been filed by more than 37,000 persons subject to these requirements. All such reports are available for public inspection at the Commission's main office in Philadelphia as well as the exchange at which additional copies must also be filed; while complete sets of the summary may be inspected at each regional office of the Commission as well as each national securities exchange.

Changes occurring in the volume of reports filed during recent war years are reflected in these figures for the past four fiscal years: 1942, 18,600; 1943, 14,972; 1944, 14,765; 1945, 16,613. It will be noted that the volume of these reports last year increase 12-1/2 percent over that of the preceding year. Details concerning the reports filed last year are tabulated below.

Number of ownership reports of officers, directors, principal security holders, and certain other affiliated persons filed and examined.

Description of report	Fiscal Year 1945
Securities Exchange Act of 1934:	
Original reports-Form 4, 11,756, Form 5, 608, Form 6, 1817	14,181
Amended reports—Form 4, 788, Form 5, 23, Form 6, 53	864
Public Utility Holding Company Act of 1935:	
Original Reports—Form U-17-1, 100, Form U-17-2, 371	. 471
Amended Reports-Form U-17-1, 3, Form U-17-2, 24	27
Investment Company Act of 1940:	•
Original Reports—Form N-30F-1, 170, Form N-30F-2, 848	1,018
Amended Reports-Form N-30F-1, 6, Form N-30F-2, 46	52
TOTAL —	16,613

SOLICITATION OF PROXIES, CONSENTS, AND AUTHORIZATIONS

The Commission's Regulation X-14, which was adopted pursuant to Sections 14 (a) of the Securities Exchange Act of 1934, 12 (e) of the Public Utility Holding Company Act of 1935 and 20 (a) of the Investment Company Act of 1940, prescribes information which companies subject to these acts must make available to their security holders whose proxies, consents or authorizations are solicited. 1/

During the year the Commission received and examined under that regulation both the preliminary and definitive material required with respect to 1,630 such solicitations, as well as "follow-up" material employed in 263 instances.

Modification of Proxy Rules.—An amendment to Rule X-14A-1 relating to the solicitation of proxies was adopted February 1, 1945. Paragraph (b) of the rule as originally adopted prevented the management of a corporation from soliciting proxies for use at a meeting at which the election of directors was an item of business unless security holders had been furnished or were concurrently furnished with an annual report including financial statements of the company. The effect of this provision was to confine the management's solicitation to the period between the date on which the financial statements became available and the date of the stockholders' meeting while opposition solicitation was not similarly limited. The amendment permits management's solicitation in advance of mailing the annual report in cases in which solicitations are being made in opposition to the management provided the management's proxy soliciting material contains an undertaking to furnish the annual report at least twenty days before the meeting.

^{1/} For a detailed discussion of the Commission's proxy rules see the Tenth Annual Report, pp. 51-53.

Exception from the proxy rules.—Earlier in the year the Commission adopted, on September 20, 1944, an amendment to Rule X-14A-8 extending the exceptions from the proxy rules to a solicitation of assurances of acceptance of a plan of adjustment of a railroad under Chapter IV of the Bankruptcy Act when not more than 25 holders of claims affected by the plan are solicited.

UNLISTED TRADING PRIVILEGES ON EXCHANGES 1/

On Registered Exchanges

As of June 30, 1945, 991 stock issues were admitted to unlisted trading on the registered exchanges. Of these, 554 issues were fully listed and registered on exchanges other than those on which unlisted trading privileges existed, 4 issues were temporarily exempted from registration on another exchange and 433 issues had only an unlisted trading status.

The 433 issues having only an unlisted trading status aggregated 386,275,951 shares, or about 14.3 percent of the entire 2,707,206,388 shares on these exchanges. Reported trading volume in them for the calendar year 1944 was 24,059,373 shares, or about 5.2 percent of the total share volume on these exchanges. This reported volume included 22,450,306 shares on the New York Curb Exchange or about 28.6 percent of the total share volume on that Exchange, and 1,609,067 shares on the exchanges outside New York City or about 3.7 percent of the total share volume on those exchanges.

Of the 433 stock issues, 138 issues aggregating 117,088,390 shares were of domestic issuers which had in effect registrations under one or more of the Acts which the Commission administers or had securities listed upon exempted exchanges. All such issuers (or the exempted exchanges in case of the issuers appearing thereon) were required to file annual reports with the Commission and most of them had to comply fully or substantially with the reporting requirements under Section 13 of the Securities Exchange Act. Most of them were subject to the rules embodied in Regulation X-14 covering solicitation of proxies. Most of the shares were of issuers whose officers and directors, and in some cases whose 10% owners, were subject to the reporting and penalty clauses of Section 16 of the Securities Exchange Act or similar sections of other Acts with respect to corporate insiders' transactions. A breakdown of these issues according to their status under various Acts follows: '2/

	No. of Stock Issues	Shares
Issuers registered under the Investment Company Act of 1940	21	22,001,332
Issuers with voting shares registered under the	21	22,001,002
Securities Exchange Act of 1934	16	32,139,362
Issuers registered under the Public Utility Holding		
Company Act of 1935	22	31,295,117
Subsidiaries of companies registered under the Public		
Utility Holding Company Act of 1935	51	21,053,660
Issuers with non-voting shares or bonds registered	•	
under the Securities Exchange Act of 1934	5	2,450,310
Issuers with securities registered under the Securities		• •
Act of 1933	13	4,845,844
Issuers having securities listed on exempted	•	
exchanges	<u>10</u> `	3,302,765
	138	117,088,390

^{1/} For comprehensive data with respect to the status of issues on exchanges, see Appendix Tables 13, 14, 15, 16, 17 and 18.

^{2/} Some issuers are subject to the requirements of more than one of the Acts enumerated in the compilation. In such cases, to avoid duplication, issuers have been classified under that Act which appears to impose the more extensive requirements.

Reported volume in this group of 138 issues for the calendar year 1944 was 11,125,195 shares, or about 2.4 percent of the total share volume on the registered exchanges.

Of the remaining stock issues with unlisted trading privileges 193, aggregating 126,590,508 shares, were of domestic issuers. 1/ The reported volume in these for the calendar year 1944 was 9,839,507 shares or about 2.1 percent of the total share volume on the registered exchanges.

The 433 issues also included 102 issues aggregating 142,597,053 shares of Canadian stocks and American depositary receipts for foreign stocks. These were for the most part listed and had their principal markets on Canadian or British stock exchanges; their reported volume for the calendar year 1944 on our domestic exchanges was 3,094,671 shares or about 0.7 percent of the total share volume.

As of June 30, 1945, 168 bond issues were admitted to unlisted trading on the registered exchanges. Of these, 19 issues were fully listed and registered on exchanges other than those on which unlisted trading privileges existed and 149 issues had only an unlisted trading status. The 149 issues included 24 issues aggregating \$572,335,500 principal amount admitted under requirements substantially equivalent to those for registered issues. 2/ The remaining 125 issues, aggregating \$1,008,932,085 principal amount, represented original admissions made on the basis of the fact that unlisted trading privileges in these issues had existed prior to March 1, 1934. All of the 149 issues, except 3 issues aggregating \$4,860,000, were on the New York Curb Exchange.

The aggregate of stock and bond issues admitted only to unlisted trading has been diminishing through the years, in accordance with the expectation of Congress when it authorized continuance of such privileges in 1936. A survey of the stock issues removed from unlisted trading since the passage of the Securities Exchange Act indicates that if they were actively traded on the exchanges prior to their removal they or their successors for the most part subsequently became fully listed and registered. The principal exceptions were in cases of issues called for redemption or issues extinguished for one reason or another. In the latter category were issues extinguished upon reorganization or liquidation of issuers, rights and warrants expired at the end of their term, and depositary receipts withdrawn on termination of depositary agreements.

The decline in bond issues admitted only to unlisted trading has followed principally upon the listing of such issues or their successors and upon the retirement of issues by the private placing of new issues or by bank loans or otherwise. Bond issues admitted to exchange trading on an unlisted basis have been principally those of utility holding company systems and the outlook is for a continuing decline in such issues as the integration proceedings under the Holding Company Act continue.

On Exempted Exchanges

As of June 30, 1945, 43 stock issues comprising 11,273,924 shares and 1 bond issue of \$140,000 principal amount were admitted to unlisted trading on the exempted exchanges. Of the stocks, 6 issues comprising 4,109,596 shares were also registered on one or another of the registered exchanges and 1 issue of 1,645,643 shares was

^{1/} This figure would be reduced well below 90,000,000 shares if controlling blocks were excluded; e.g., over 37,600,000 shares of Creole Petroleum Corporation and Humble Oil and Refining Company capital stock — two of the issues among the 193 — were reported to be owned directly or indirectly by Standard Oil Company (N. J.).

^{2/} Pursuant to Clause 3 of Section 12 (f) of the Securities Exchange Act of 1934. See Appendix Table 18.

admitted to unlisted trading on a registered exchange. The residue consisted of 36 issues comprising 5,518,685 shares, including 35 issues on the Honolulu Stock Exchange and 1 on the Minneapolis-St. Paul Stock Exchange. The bond issue was available for exchange trading only on the Honolulu Stock Exchange.

Applications for Unlisted Trading Privileges in the Fiscal Year 1/

During the fiscal year applications filed pursuant to Clause 2 of Section 12 (f) were granted to the Boston Stock Exchange with respect to 3 issues; Cincinnati Stock Exchange, 3 issues; Cleveland Stock Exchange, 1 issue; Philadelphia Stock Exchange, 21 issues; and San Francisco Stock Exchange, 6 issues. No applications filed pursuant to this clause were denied and, with the exception of 1 bond issue on the San Francisco Stock Exchange, all the applications granted were for stocks.

Applications filled by the New York Curb Exchange pursuant to Clause 3 of Section 12 (f) were granted with respect to 1 stock issue and denied with respect to 5 issues, 2/ while an application of the Cleveland Stock Exchange involving 1 issue was denied. Puget Sound Power & Light Company common stock, one of the issues denied unlisted trading privileges on the New York Curb Exchange pursuant to this clause, had been traded on that exchange under the temporary exemption provided by Rule X-12A-5 prior to the Commission's denial of the application for unlisted trading privileges therein. Thereafter the Commission, having been informed that the issuer was considering the listing and registration of the security on a national securities exchange, extended the period of exemption provided by the rule. 3/ At the close of the fiscal year the security was still traded pursuant to this exemption which expired on December 29, 1945 and the stock was accordingly removed from trading on the New York Curb Exchange.

Changes in Securities Admitted to Unlisted Trading Privileges

Whenever a security admitted to unlisted trading privileges is changed only with respect to its title, maturity, interest rate, par value, dividend rate, or amount authorized or outstanding, it is automatically deemed to be the same security previously admitted to such privileges. In such a case the exchange is required merely to notify the Commission, pursuant to Rule X-12F-2 (a), of the changes occurring in the security promptly after learning of them. Numerous such notifications were received during the fiscal year.

In the event changes more comprehensive than those enumerated above are effected in an unlisted security, however, unlisted trading privileges in the altered security may be continued only if the Commission finds, upon application by the exchange pursuant to Rule X-12F-2 (b), that such altered security is substantially equivalent to the security previously admitted to such privileges. During the fiscal year applications pursuant to this rule were granted with respect to 1 issue on the Boston Stock

^{1/} For a discussion of Section 12 (f), pursuant to which unlisted trading privileges are granted, see Tenth Annual Report, pp. 58-60.

^{2/} Applications of New York Curb Exchange, Securities Exchange Act Release No. 3658, described briefly in Tenth Annual Report, p. 60.

^{3/} In this instance the period of exemption provided by Rule X-12A-5 would ordinarily have terminated at the close of business on the tenth day after the Commission had notified the exchange that its application for unlisted trading privileges in the security had been denied.

Exchange; 1 issue on the Chicago Board of Trade, and 13 issues on the New York Curb Exchange. In addition, the New York Curb Exchange was permitted to withdraw applications involving 3 issues upon being advised by the Commission that the applications would be denied.

DELISTING OF SECURITIES FROM EXCHANGES

Securities Delisted by Application

Section 12 (d) of the Securities Exchange Act of 1934 defines the Commission's powers with respect to applications by an issuer or an exchange to delist securities from an exchange. It provides that a security may be withdrawn or stricken from listing and registration in accordance with the rules of the exchange and upon such terms as the Commission may deem necessary to impose for the protection of investors.

Pursuant to this section and in accordance with the procedure prescribed by Rule X-12D2-1 (b), 8 issues were delisted upon application of issuers and 33 issues were delisted upon application of exchanges during the fiscal year. In one instance the same issue was delisted from two exchanges upon their applications; thus the total delistings, including this duplication, numbered 42. In each of these cases the application was granted without the imposition of any terms upon the delisting. Of the 8 issues delisted upon application of issuers, 4 had little or no exchange activity during recent years, 1 remained listed and registered on another exchange, and 1 had become very closely held with only a negligible number of shares remaining in public hands; in the remaining cases, holders of more than two-thirds of the shares had approved the action pursuant to the requirements of the exchange from which the securities were delisted.

During the fiscal year the Commission considered the application of The Torrington Company to withdraw its common stock from Boston Stock Exchange. The application was granted subject to the condition that the withdrawal should not become effective until the applicant had submitted the delisting proposal to its stock-holders and obtained their consent thereto. 1/After the close of the year the Commission dismissed this application upon being advised that the company had determined not to solicit its stockholders' consent to the proposed delisting. 2/

This was the second time that the Commission imposed material terms upon the granting of a delisting application. The first such case occurred in May 1944, when it granted the application of Shawmut Association to withdraw its common stock from Boston Stock Exchange. 3/ While the assent of stockholders to the proposed delisting was also required in that case, the precise terms differed. The Commission's order in the Shawmut case required consent by a majority of the company's 4,000 stockholders and by the holders of a majority of its outstanding stock. In the Torrington case, however, because of the apparent practical difficulties in obtaining assents from a majority of the company's 11,000 stockholders, the term imposed was to require assents by a majority of the shares voted and a majority of the stockholders voting, provided not less than fifty percent of the outstanding shares were voted.

	•								
1/	Torrington Co.,	S.E.C	(1945),	Securities	Exchange	Act	Release	No.	3687.
2/	Torrington Co.,	S.E.C.	(1945),	Securities	Exchange	Act	Release	No.	3735
<u>3</u> /	aff'd <u>sub nom</u> . the close of the	S.E.C. Shawmit Assin v. e fiscal year Shaw s to the proposed	S.E.C.,	146 F. (2d) ociation had) 791 (Č.	C.A.	lst, 194	45).	At

Securities Delisted by Certification

Under Rule X-12D2-2 (a) an exchange, without the necessity of application and hearing, may remove from listing and registration upon certification to the Commission securities which have been paid at maturity or are otherwise redeemed or retired in full, or issues which are exchangeable for other securities. During the year 319 issues were delisted under this rule. Some of these issues were delisted from more than one exchange; thus the total delistings, including these duplications, numbered 354.

Rule X-12D2-1 (d) provides that an exchange may remove any security from listing and registration if trading therein has been terminated pursuant to a rule of the exchange requiring such termination whenever the security becomes listed and admitted to trading on another exchange. Under this rule, 6 issues were delisted from the New York Curb Exchange when they became listed and registered on the New York Stock Exchange.

Securities Removed from Listing on Exempted Exchanges

The listing of a security upon an exempted exchange may be terminated upon the filing by an exchange of an appropriate amendment to its application for exemption. Two exempted exchanges filed such amendments during the year, terminating the listing of 5 issues.

Temporary Exemption of Substituted or Additional Securities

In order to provide continuity of exchange trading in cases where securities have come to evidence other securities, Rule X-12A-5 affords a temporary exemption from the operation of Section 12 (a) of the Act to such securities to the extent necessary to render lawful the effecting of transactions therein on the exchange. During the year, 67 issues were admitted to trading under this rule. In some instances the same issue was admitted to trading on more than one exchange; the total of such admissions, including these duplications, numbered 86.

STABILIZATION AND MANIPULATION

Manipulation

In its administration of the statutory provisions of the Securities Exchange Act of 1934 relating to the manipulation of securities markets, the Commission's policy is to attempt to detect manipulative practices at their inception, before the public has been harmed. At the same time, it seeks to avoid interfering with the legitimate functioning of the securities markets. In brief, the Commission's investigations in this area take two forms. The "flying quiz", or preliminary investigation, is designed to detect and discourage incipient manipulation by a prompt determination of the reason for unusual market behavior. If a legitimate reason for the activity is uncovered, the case is closed. If more extended investigation seems required, a formal order is sought of the Commission under which members of the staff are empowered to subpoena pertinent material and take testimony under oath. These formal investigations often cover substantial periods of time, and trading operations involving large quantities of shares are carefully scrutinized.

The Commission keeps confidential the fact that any security is under investigation so that the market in the security may not be unduly affected or reflections be unfairly cast upon individuals or firms whose activities are being investigated. As a result, the Commission occasionally receives criticism for failing to investigate situations when, in fact, it is actually engaged in an intensive investigation of those very matters.

A tabular summary with respect to the Commission's trading investigations follows:

Trading Investigations

	Flying Quizzes	Informal Investigations	Formal Investigations
Pending June 30, 1944	59		19
Initiated July 1, 1944 to June 30, 1945	<u>306</u> 365	5,	14. 33
Total to be accounted for	<u> 365</u>	-3	33 '
Changed to informal case or formal	•	ζ'	1
investigation	15	· 2	
Closed or completed a/	187		<u>_5</u>
Total disposed of	202	2	5
Pending June 30, 1945	163	3	28

a/ Includes reference of cases to the Department of Justice or to a national securities exchange.

Stabilization

During the fiscal year ended June 30, 1945, the Commission continued the administration of Rules X-17A-2 and X-9A6-1. Rule X-17A-2 requires the filing of detailed reports of all transactions incident to offerings in respect of which a registration statement has been filed under the Securities Act of 1933 where any stabilizing operation is undertaken to facilitate the offering. Rule X-9A6-1 governs stabilizing transactions in securities registered on national securities exchanges, effected to facilitate offerings of securities so registered, in which the offering prices are represented to be "at the market" or at prices related to market prices.

During the eleventh fiscal year of the Commission 402 registration statements were filed under the Securities Act of 1933. Of these, 276 contained a statement of intention to stabilize to facilitate the offerings covered by such registration statements. Because of the fact that a registration statement sometimes covers more than one class of security, there were 325 offerings of securities in respect of which a statement was made, as required by Rule 827 under the Securities Act, to the effect that a stabilizing operation was contemplated. Stabilizing operations were actually conducted to facilitate 64 of these offerings. In the case of bonds, public offerings of \$65,246,735 principal amount were stabilized. Offerings of stock issues aggregating 9,866,465-1/6 shares and having an aggregate estimated public offering price of \$173,984,000 were also stabilized. In connection with these stabilizing operations, 16,000 stabilizing reports were filed with the Commission during the fiscal year. Each of these reports has been analyzed, thereby enabling the staff to determine whether the stabilizing activities were lawful.

To facilitate compliance with the Commission's rules on stabilizing and to assist issuers and underwriters to avoid violation of the statutory provisions dealing with manipulation and fraud, many conferences were held with the representatives of such issuers and underwriters and many written and telephone requests were answered. A total of 1,611 letters and memoranda of such conferences and telephone requests and memoranda to the regional offices of the Commission were written in connection with the administration and enforcement of the stabilization and manipulation statutes and regulations.

REGULATION OF BROKERS AND DEALERS

Registration

Section 15 (a) of the Securities Exchange Act of 1934 provides for the registration of any broker or dealer who uses the mails or any other instrumentality of interstate commerce to effect over-the-counter transactions; brokers or dealers whose business is exclusively intrastate or exclusively in exempted securities are not required to register. Certain data are presented below with respect to the registration of brokers and dealers in the fiscal year ended June 30, 1945.

Registration of Brokers and Dealers under Section 15 (b) of the Securities Exchange Act of 1934

Year ending June 30, 1945

Effective registrations at close of preceding fiscal year	4,278
Applications pending at close of preceding fiscal year	29
Applications filed during fiscal year	<u>, 383</u>
Total	4,690
Applications withdrawn during year	. 4
Registrations withdrawn during year	546
Registrations cancelled during year	<u>, 54</u>
Registrations denied during year	2
Registrations suspended during year	1
Registrations revoked during year	` 9
Registrations expired by operation of Rule X-15B-3	1
Registrations made inactive during year 1/	7
Registrations effective at end of year (except those put on inactive status).	
Applications pending at end of year	20
Total	4,690

Broker-Dealer Inspections

As authorized by Section 17 of the Securities Exchange Act, the Commission regularly inspects the books and records of registered brokers and dealers to determine whether registrants' financial condition and business practices conform with the requirements of law. The results of 825 broker-dealer inspections were reported by the regional offices during the 1945 fiscal year. For the first time in four years, the number of inspections reported during a fiscal year showed an increase over the number reported during the preceding year.

Among the situations reported in the inspections were: 27 cases of unsatisfactory financial condition, ranging from cases requiring immediate corrective action to cases requiring merely continued surveillance; 137 cases in which the prices charged by dealers may not have been reasonably related to the market; 119 cases of failure to comply with the provisions of Regulation T relating to the extension of credit; 47 cases of non-compliance with the rules relating to hypothecation and commingling of customers' securities, or the use of customers' free funds or securities;

^{1/} This figure represents the net registrations placed on inactive status during the year. The registrations of eighteen brokers and dealers, whose whereabouts, despite careful inquiry, could not be ascertained, were placed on inactive status. Eleven such registrations were removed from this status either through cancellation or through restoration to active status.

and 21 cases in which brokers took secret profits from customers by misrepresenting prices at which the customers' orders had been executed.

In accordance with established policy, minor infractions are called to the attention of the firm at the time of the inspection and corrective measures are generally agreed to. In some of these instances, a check-up is made within a reasonable time to ascertain whether the promised corrections have been effected. When the circumstances indicate the infractions may be of a serious nature, further investigation is made to determine whether action by the Commission may be necessary or appropriate. In 50 inspections, matters were disclosed which required further inquiry or investigation. As a result of such investigations the Commission filed a bill in equity against one firm to enjoin certain fraudulent practices and obtained a permanent injunction. The facts in five instances were referred to state agencies and in six others to the National Association of Securities Dealers, Inc. (NASD). In eight other cases, including one in which an injunction was obtained, 1/ the Commission instituted administrative proceedings to revoke the registration of the broker-dealer involved.

Administrative Proceedings

A summary of the administrative proceedings of the Commission with respect to brokers and dealers is given below.

Record of Broker-dealer Proceedings and Proceedings to Suspend or Expel from Membership in a National Securities Association Instituted Pursuant to Section 15 of the Securities Exchange Act of 1934

Year ending June 30, 1945

Proceedings on revocation of registration pending at beginning of fiscal year. Proceedings on revocation of registration and suspension or expulsion from	. 4
NASD pending at beginning of fiscal year	. 11
Proceedings on denial of registration pending at beginning of fiscal year	
Proceedings ordered during year on revocation of registration	. 6
Proceedings ordered during year on revocation of registration and suspension	
or expulsion from NASD	. 2
Proceedings ordered during year on denial of registration	. 5
Total	• 28
Revocation proceedings dismissed on withdrawal or cancellation of registration	. 1
Revocation proceedings dismissed-registration continued in effect	
Revocation proceedings and proceedings to expel or suspend from NASD dismissed	
registration and membership continued	. 1
Denial proceedings dismissed on withdrawal of application	. 1
Denial proceedings dismissed—registration permitted	• +
Designment is an extended	. 2
Registrations denied	. 2
Registrations denied	. 2
Registrations denied	. 2 . 9 . 4
Registrations denied	. 2 . 9 . 4
Registrations denied	. 2 . 9 . 4 . 2
Registrations denied	. 2 2 9 4 2 5
Registrations denied	. 2 2 9 4 2 5

^{1/} Charles E. Greene & Company, S.E.C. (1945), Securities Exchange Act Release No. 3684.

Among the administrative proceedings decided by the Commission during the fiscal year ended June 30, 1945, three are especially noteworthy. The proceeding against E. H. Rollins & Sons, Inc. and Walter C. Rawls 1/ involved the firm's and Rawls' transactions with the Board of Missions of the Methodist Episcopal Church, South, a religious and charitable corporation organized under the laws of the State of Temmessee. Since early in 1935 Rawls, on behalf of Rollins, had handled practically all of the securities business in three funds of the Board of Missions of the Methodist Episcopal Church, South. In 1940 he registered with the Commission individually as a broker-dealer and thereafter engaged in some transactions with the Board for his own account, but he also continued to handle Rollins' business with the Board. With respect to a great number of sales by Rollins to the three funds at prices far exceeding the prevailing prices and bearing no reasonable relation to such prices, the Commission found that the Board had not been truthfully informed of the differences between the current prices and the prices charged by Rollins, and that without such disclosure the prices charged operated as a fraud on the funds. The Commission also found that the excessive trading with one of the funds, in the light of the surrounding circumstances, operated as a fraud. Holding that Rawls, in dealings with the Board on his own behalf and on behalf of Rollins, was guilty of fraudulent conduct, the Commission ordered his registratration revoked. On the further finding that Dryden, vice president in charge of Rollins' Chicago office through which its transactions with the Board were effected, was or should have been aware of the fraudulent nature of the firm's and Rawls' dealings with the Board of Missions and that Rollins could not escape responsibility for the conduct of its employees, the Commission suspended Rollins from membership in the NASD for a period of 60 days commencing March 6, 1945.

The opinion stated, however, that a case for revocation of Rollins' registration had been made, for Section 15 (b) of the Securities Exchange Act provides that the Commission shall revoke the registration of a broker or dealer if it finds that such action is in the public interest and if it finds that any "officer, director or branch manager" or "any person. . .controlled by such broker or dealer" has wilfully violated the Securities Act or the Securities Exchange Act or the regulations thereunder. The Commission said that this result might be avoided and hard-ship on any innocent persons be made unnecessary if Rawls and Dryden were separated from the organization. Subsequently, upon submission by Rollins of evidence showing that the resignations of Rawls and Dryden from their respective positions had been accepted, the Commission dismissed the proceeding with respect to revocation of Rollins' registration. A motion filed with the Commission by Rollins on April 11, 1945, asking relief from the suspension order on the ground that the suspension had resulted and would continue to result in large losses to Rollins both in current earnings and through disruption of its sales organization, was denied. 2/

In the proceeding against Hay, Fales & Co., 3/ the ultimate issue was whether a broker which effects transactions on the order of an outside person holding discretionary powers over customers, accounts is under the duty of making full disclosure to those customers of all material facts concerning the securities which are the subject of such transactions. The issues arose out of the purchase of the securities of two promotional companies by a limited group of customers, all of whom

^{1/} E. H. Rollins & Sons, Inc. and Walter Cecil Rawls, S.E.C. (1945),
Securities Exchange Act Release No. 3661.

2/ E. H. Rollins & Sons, Incorporated and Walter Cecil Rawls, S.E.C. (1945),
Securities Exchange Act Release No. 3683.

^{3/} William I. Hay, William Kiefer, Jr., et al. dbs Hay, Fales & Company, S.E.C. (1945), Securities Exchange Act Release No. 3697.

were clients of R. C. M. Page. Page, who was not a registered broker or dealer, held discretionary authority over a number of investment accounts and customarily used registered firms in effecting transactions for these accounts. In 1939, in exchange for office space, Page transferred these accounts to the Hay, Fales firm. Page initiated transactions for the accounts, and the orders were executed by Hay, Fales as a broker; the firm confirmed transactions directly to the customers, sent them monthly statements, and took full brokerage commissions on transactions so executed.

Page was known by the firm to be president of the two promotional companies. Hay, one of the members of the firm, was a director of one of these promotional companies and was aware of its precarious financial condition, but he did not disclose the company's condition to customers whose orders, placed by Page, the firm executed. Upon orders of Page, the firm also confirmed purchases of securities not yet issued, and effected cross-trades between customers' accounts at prices which were obviously not the best prices at which such securities could be obtained; these facts were not disclosed to the customers.

In defense of its conduct, the firm insisted that it owed no duty of disclosure to any of Page's clients. It pointed out that although its confirmations were made out directly to Page's clients it neither recommended nor initiated the transactions of such clients. The firm claimed that since Page had discretionary power to deal with its clients' accounts the firm was fully authorized to accept his orders and that it owed no duties as broker except to Page.

The Commission rejected these claims. The facts which imbued all of the transactions with fraud were apparent and known to the firm. By continuing with the execution of Page's orders under these circumstances, the firm participated in and made itself a part of Page's scheme. To avoid individual responsibility for this fraud, the Commission said, the firm was obligated to make the fullest disclosure directly to the customer, and it held that this conclusion would be applicable even if the firm had dealt exclusively with Page and had not undertaken to make any direct disclosures to customers.

While concluding that it was necessary in the public interest to revoke the firm's registration under Section 15 (b), 1/ the Commission ordered that, because the major pattern of the firm's conduct was one of carelessness and misunderstanding rather than evasion or wilful violation of the Act, revocation would be without prejudice to an application for re-registration after 30 days.

The proceedings against Abe Abrahams, 2/ Emanuel & Company, 3/ and Baker, Weeks & Harden 4/ were companion cases and involved transactions effected for the Public Administrator of New York County. The Public Administrator is an official who, under the circumstances prescribed by state law, administers decedents' estates in New York County in the event that there is no private person qualified to perform that function. In general these estates are small, but in the aggregate the assets in

Exchange Act Release No. 3643.

Revocation of registration under Section 15 (b) automatically disqualifies a firm from membership in the NASD while the revocation is in effect.
 Abe Abrahams, S.E.C. (1945), Securities Exchange Act Release No. 3645.
 Rudolph H. Deetjen, et al., dba Emanuel & Co., S.E.C. (1945), Securities

^{4/} K. P. Tsolainos, et al., dba Baker, Weeks & Harden, S.E.C. (1945), Securities Exchange Act Release No. 3644.

the Public Administrator's hands, including securities, run to substantial amounts. In liquidating estates, the Public Administrator sells securities through brokers.

In 1940, at the suggestion of Frank J. McCabe, then a member of the New York Curb Exchange and a friend of the Public Administrator, the latter employed Emanuel & Company as its broker. In exchange for this business Deetjen, a general partner in the Emanuel firm, agreed that the firm would use McCabe in the execution of Curb floor business and that it would give some over-the-counter business to Abrahams, a friend of McCabe. This arrangement continued from 1940 to 1942. McCabe, dissatisfied with the amount of his reciprocal Curb business from Emanuel & Company, had the Public Administrator transfer his official account to Baker, Weeks & Harden where it remained for about three months.

While the account was with Emanuel & Company, Abrahams purchased about 170 lots of listed and unlisted securities from the Public Administrator's official account through the Emanuel firm. These lots had been delivered to the firm for sale "at the market." Abrahams, with a free hand in the account, milked it by devious methods. He bought many listed securities from the account at prices substantially lower than the lowest contemporaneous exchange quotations, and many unlisted securities at prices lower than the lowest reported bids, and resold these securities on the day of the purchase or soon thereafter at substantial mark-ups, without risk and without any considerable investment of his own funds.

After the account had been transferred to Baker, Weeks & Harden, Abrahams continued this course of conduct; in twenty transactions he purchased securities from the Public Administrator's official account at prices below prevailing markets and profited through immediate resales. Abrahams' continued course of business defrauded not customers who could meet him face to face but the heirs of many small estates, in the main helpless to protect themselves.

The Commission, on findings of wilful violations of the Act, revoked Abrahams' registration as a broker and dealer. The Commission found, however, that Abrahams' scheme was possible only through the lack of effective supervision by both Emanuel & Company and Baker, Weeks & Harden over the handling of the Public Administrator's official account, amounting to an abdication of responsibility by the firm and an unwarranted delegation of control over the account to Abrahams.

Holding that four partners in Emanuel & Co. 1/ knew or should have known what was taking place and that it blinked at Abrahams! conduct, the Commission concluded that the firm had wilfully violated the Act, and ordered its registration revoked but without prejudice to an application for re-registration at the end of thirty days following the effective date of revocation order.

As to Baker, Weeks & Harden, however, the Commission concluded that the evidence did not establish that its violations were wilful and the proceedings, insofar as they involved the question of revocation of the firm's registration, were dismissed. But a violation of the Exchange Act need not be wilful for the purposes of disciplinary action suspending or expelling an exchange member under Section 19 (a) (3) or a member of a national securities association under Section 15A (1) (2) (A). The finding that Baker, Weeks & Harden had violated the Act, although not wilfully, resulted in an order suspending the firm from the NASD for a period of ten days.

^{1/} The firm of Emanuel & Co. included at the time of these proceedings five general partners and Victor Emanuel, a limited partner. As a limited partner, Victor Emanuel exercised no supervision over the firm. The evidence showed that he spent practically no time with the affairs of Emanuel & Co. and that he was completely unaware of the facts upon which this proceeding was based. No finding made with respect to the firm or any of its partners applied to Victor Emanuel.

Capital Requirements

On October 29, 1942 the Commission adopted Rule X-15C3-1 prescribing for brokers and dealers a maximum ratio of aggregate indebtedness to net capital of 2,000 percent, but deferred the effectiveness of the rule pending adoption of definitions of aggregate indebtedness and net capital. 1/ Shortly after the rule was announced a draft of proposed definitions of these terms was submitted to the industry for comment. During 1943 and the early part of 1944 the Commission experimentally applied a similar set of definitions to all financial statements filed under Rule X-17A-5, for the purpose of testing them in actual practice. The final rule announced on August 11, 1944 2/ and the amendment adopted on November 8, 1944 3/ reflect consideration of the comments from interested persons on the proposed definitions and of the results of the test applied to reports filed under Rule X-17A-5.

Exemption from the rule is given to brokers and dealers who do not extend credit to customers and who hold the funds or securities of customers only temporarily as an incident to the prompt consummation of cash transactions. Exemption is also given to the members of eight national securities exchanges whose rules and settled practices are deemed by the Commission to impose requirements more comprehensive than those of the rule; however, suspension or withdrawal of the exemption as to the members of any of these exchanges may be effected on due notice if such action appears necessary or appropriate in the public interest or for the protection of investors. The rule and the amendment became effective November 9, 1944.

Amendments to Registration Forms

On April 9, 1945 the Commission adopted several amendments to Form 3-M, one of the forms on which applications are filed for broker-dealer registration pursuant to Section 15 (b) of the Securities Exchange Act, and an amendment to Rule X-15B-2, governing the filing of supplemental statements to such applications. 4/

Before adoption of the new amendments, Form 3-M had required a disclosure of certain relevant information concerning partners, officers, directors and branch office managers, including their business histories. The effect of the new amendments is to require similar information, under specific circumstances, with respect to salesmen and other employees.

Section 15 (b) of the Securities Exchange Act requires the Commission to deny or revoke the registration of any broker or dealer if it finds (1) that such action is in the public interest and (2) that such broker or dealer or any partner, officer, director, branch office manager, or any person controlling or controlled by such broker or dealer, has been convicted within ten years of any felony or misdemeanor involving the purchase or sale of securities or arising out of the business of a broker or dealer, or is enjoined from engaging in or continuing any acts or practices involving the purchase or sale of securities, or has wilfully violated any provision of the Securities Act of 1933 or the Securities Exchange Act of 1934 or any rule thereunder.

^{1/} The reasons which impelled the adoption of the rule are described in National Association of Securities Dealers, Inc., 12 S.E.C. (1942), Securities Exchange Act Release No. 3322.

^{2/} Securities Exchange Act Release No. 3602.

^{3/} Securities Exchange Act Release No. 3617.

^{4/} Securities Exchange Act Release No. 3674.

A salesman or other employee of a broker or dealer is a person "controlled by" him within the meaning of Section 15 (b), and the Commission has held that when a broker or dealer employs a person who has been convicted or enjoined or who has been found to have wilfully violated the Acts the broker or dealer is subject to demial or revocation of his registration if the Commission finds that such action is in the public interest. 1/

The new disclosures, insofar as they relate to past business histories of salesmen and other employees, are designed both to give investors the benefit of such disclosure and to facilitate enforcement of Section 15 (b). In announcing the rule the Commission made it clear that the adoption of the new disclosure requirement does not mark any departure from the Commission's policy of permitting persons who have been convicted or enjoined, or are otherwise disqualified from registration as brokers and dealers, to act as salesmen for other registered brokers and dealers under appropriate safeguards and proper supervision. The Commission further stated that it would continue to act on a case-by-case basis as it has in the past in determining whether denial or revocation of registration of a broker or dealer who retains such an employee would be in the public interest.

In those cases in which it does not appear necessary in the public interest to require registrants to disclose publicly any part of the business record of a salesman or other employee, consideration of confidential treatment under appropriate application will be given.

The amendment to Rule X-15B-2 adds to the requirement that every registered broker and dealer must keep current the information furnished in his application the new requirement that, within ninety days after the effective date of any amendment to Form 3-M which requires additional information, each registrant shall report such additional information as a supplement to his application.

SUPERVISION OF NASD ACTIVITY

The NASD (National Association of Securities Dealers, Inc.) continued to be the only association registered with the Commission under Section 15A as a national securities association. As of June 30, 1945 membership in the NASD stood at about 2,290, a gain of approximately 100 members during the year.

Disciplinary Proceedings

The NASD, in the year ending June 30, 1945, reported to the Commission final action on 21 disciplinary cases against members. The decisions included: dismissal or withdrawal of the complaint in 6 cases; acceptance of a statement pledging future observance and compliance in 1 instance; penalty of censure in 3 cases; the imposition of fines in 9 instances, ranging from \$50 to \$500; and 2 expulsions. Of six cases which the Commission referred to the NASD during the fiscal year, 3 had been disposed of and 3 were still pending at the year-end.

Appeals to the Commission from NASD Disciplinary Action

On July 5, 1944 an NASD member appealed to the Commission for a review of a oneyear suspension imposed by the NASD. During the fiscal year hearings were held before a trial examiner and oral argument was held before the Commission. At the year-end

^{1/} Bond & Goodwin, Inc., S.E.C. (1944), Securities Exchange Act Release No. 3543 and E. H. Rollins & Sons, Inc., S.E.C. (1945), Securities Exchange, Act Release No. 3661.

the Committee had the matter under advisement. 1/

Denial of Membership

On November 1, 1944 the Commission after appropriate notice and hearing, denied the application of J. A. Sisto & Co. for an order approving or directing its admission to the NASD. 2/ A similar application for approval or direction had been denied the same petitioner by the Commission on July 1, 1940. In its reconsideration, which involved a review of the original application and of petitioner's conduct in the intervening period, the Commission held that he had failed to establish any basis which would warrant a change in the previous order.

The 5 Percent Mark-up Policy

On October 25, 1943 the Board of Governors of the NASD issued an interpretation of Article III, Section 1, of the Rules of Fair Practice that:

"It shall be deemed conduct inconsistent with just and equitable principles of trade for a member to enter into any transaction with a customer in any security at any price not reasonably related to the current market price of the security." 3/

In connection with this action, the Board pointed out, for the guidance of members and of the committees whose duty it is to enforce the rules, that of a large number of transactions effected in 1943, 71 percent had been effected at a gross mark-up over the current market of not over 5 percent.

The Commission was petitioned to set aside this action by the Board on the grounds that the interpretation was in fact a rule and as such was a nullity since it had not been submitted to the membership for approval as required by the NASD's By-laws. Public hearings were held on the petitions. On November 25, 1944 the Commission

^{1/} On August 7, 1945 the Commission dismissed the review proceedings, finding that the member had violated the Rules of Fair Practice designated and that his conduct was inconsistent with just and equitable principles of trade. See Thomas Arthur Stewart, ______ S.B.C._____ (1945), Securities Exchange Act Release No. 3720.

^{2/} A controlling partner of the petitioner had been expelled from and by the New York Stock Exchange on a finding that he had acted inconsistently with just and equitable principles of trade. That expulsion, by virtue of Section 15A (b) (4) of the Securities Exchange Act of 1934 and of Article I, Section 2 of the By-laws of the NASD, operates as a barrier to NASD membership on the part of any firm with which such person is connected, unless the Commission finds it appropriate in the public interest to approve or direct to the contrary. In denying the original application the Commission held, on an independent review of the record of the action by the Exchange and other evidence, that it was unable to find it appropriate in the public interest to approve or direct the admission of the firm to membership in the NASD. See J. A. Sisto & Co., 7 S.E.C. 647, 1102 (1940).

^{3/} For a more detailed discussion of this action by the Board and of events prior to the issuance of the Commission's opinion, see Tenth Annual Report, pp. 80-81.

dismissed the petitions on findings that the Board's action was well within the sphere of interpretation and that the policies in question did not constitute a rule. 1/ The Commission pointed out in its opinion that there were adequate safe—guards in the Act against the improper use of the policy by the NASD's committees or its Board. The Commission stated also that it could pass upon the merits of the policy only upon review of an individual case where pertinent facts were in evidence and where the issue was whether, upon the whole record, the acts and practices complained of were inconsistent with just and equitable principles of trade.

The PSI Case

In a decision announced on June 11, 1945, 2/ the Commission, one Commissioner concurring and one dissenting, held that the NASD could not discipline its members for failure to comply with the terms of price-maintenance provisions contained in contracts used in the underwriting and distribution of securities.

The result of the decision was to set aside fines levied by the NASD against six of its members who, in the distribution in late 1939 and early 1940 of \$38,000,000 First Mortgage Bonds issued by Public Service Company of Indiana (PSI), failed to comply with minimum price and maximum discount provisions contained in the syndicate agreements.

The underwriters of the issue and the dealers in the selling group, all members of the NASD, had entered into agreements which provided that the bonds were to be sold to the public at 102 percent of principal amount and which allowed concessions of not more than 2 percent to underwriters, 1 percent to dealers, and 1/4 of 1 percent to non-participating NASD members. In the course of the offering numerous sales were made at less than the specified amounts and complaints were filed by the NASD against over 100 underwriters and dealers on the allegation that these off-price transactions were in violation of the NASD rule providing that "a member in the conduct of his business shall observe high standards of commercial honor and just and equitable principles of trade."

After hearings before various committees of the NASD, the Board of Governors imposed fines of from \$50 to \$500 against 70 members who were found to have violated the rule. The Commission thereupon called up for review six of the cases regarded as typical of the various fact situations involved. The anonymity of these six members was preserved in the Commission's proceedings.

The decision involved a review of the practices followed in the distribution of securities, particularly price-maintenance agreements. While the proceedings before the Commission were in progress, the Department of Justice intervened and argued that the price-fixing provisions of syndicate agreements violated the Sherman Act. The legality of these agreements was defended by the NASD.

The Commission's main opinion held that the provisions of Section 15A (b) (7) of the Securities Exchange Act specifically limited the scope of the NASD's rules so that they could not be used as a means of requiring members to adhere to price-maintenance contracts and that, consequently, the NASD could not discipline its members under the rules for failure to maintain the price of the bonds during

1/	National	Association as Exchange	of	Securities	Dealers,	Inc.,	S.E.C.	(1944),
_	Securition	es Exchange	Act	Release No.	3623.	 -		

^{2/} National Association of Securities Dealers, Inc., S.E.C. (1945), Securities Exchange Act Release No. 3700.

distribution. 1/ The opinion included statements that "an association rule designed to promote minimum prices and discounts runs directly counter to the statutory requirement that the association's rules be designed to remove 'impediments to . . . a free and open market'." Elsewhere the opinion said: "We emphasize that all we are holding is that the NASD erroneously construed its rule as authorization for the disciplining of members for violating price-maintenance agreements."

Chairman Purcell and Commissioner Pike, while not deciding the point, expressed views to the effect that the price-maintenance contracts in question did not violate the Sherman Act. Commissioner Healy expressed similar views and stated he thought a decision on this question was necessary to a proper disposition of the case. Commissioner McConnaughey agreed that the disciplinary actions could not be allowed to stand but expressed no view on the antitrust question, stating that it was unnecessary to do so in deciding the case presented.

In his dissenting opinion, Commissioner Healy contended that the NASD was correct insofar as it held that an unexcused breach of the price-maintenance contract involved was conduct inconsistent with just and equitable principles of trade, and that there was nothing in Section 15A of the Securities Exchange Act which precluded this interpretation. However, he disagreed with the NASD's conclusion in three of the six cases that the syndicate agreements had been breached, and in a fourth case found that the dealer had been forced to sell by his bank and was thus not guilty of conduct inconsistent with just and equitable principles of trade. He concluded that the fines should be set aside in four cases and allowed to stand in two.

LITIGATION UNDER THE ACT

In <u>Securities and Exchange Commission v. Charles E. Greene and Co. et al. 2/</u> and <u>Securities and Exchange Commission v. Thomas B. Greening 3/ the Commission obtained injunctions against further violations of the Securities Act of 1933 and the Securities Exchange Act of 1934 by broker-dealers.</u>

In the Greene case, which involved a registered firm, the Commission's complaint charged the defendants, inter alia, with failing to reveal to customers that it was doing business while insolvent; wrongful hypothecation of customers' securities; making purchases and sales at prices bearing no reasonable relationship to the prevailing market prices, without disclosing to customers the prevailing market prices; and making various false representations. To insure the reimbursement of defrauded investors the Commission, in addition to seeking an injunction, asked that a receiver of the defendants' assets be appointed. 4/

^{1/} That section requires that the rules of an association be "designed . . . to remove impediments to and perfect the mechanism of a free and open market" and "not designed . . . to fix minimum profits, to impose any schedule of prices, or to impose any schedule or fix minimum rates, commissions, allowances, discounts, or other charges."

^{2/} N. D. Ill., E. Div. Decree of permanent injunction and order continuing receiver entered November 11, 1944. See above for the Commission's administrative action in this case.

^{3/} W. D. Wash., N. Div. Decree of permanent injunction entered June 30, 1945.

^{4/} On July 11, 1945, after the close of the fiscal year, a judgment in the amount of \$19,916.66 was entered by the court in favor of the receiver, for the use and benefit of various customers of the firm.

In the Greening case, the Commission's complaint charged the defendant, inter alia, with effecting transactions in securities in the over-the-counter market without registering with the Commission as a broker or dealer; failure to make prompt delivery of securities and funds to customers; wrongful hypothecation of customers' securities; making various false representations; and failing to furnish customers with written confirmations.

In Securities and Exchange Commission v. Frank W. Bennett and Federal Corporation 1/ the Commission filed a complaint in the United States District Court for the Southern District of New York for a preliminary and final judgment enjoining the defendants from violating Section 9 (a) (2) of the Securities Exchange Act of 1934. The Commission alleged that the defendants had manipulated the market for the common stock of Red Bank Oil Company on the New York Curb Exchange while a registration statement under the Securities Act of 1933, relating to a proposed offering "at the market" of a large block of that stock, was pending.

American Distilling Co. et al. v. Brown 2/ and Clarence F. Avery v. Fred C. Moffatt et al. 3/ were two cases in which the Commission filed briefs as amicus curiae. The former was an action in the New York Supreme Court which had been brought by American Distilling Company under Section 16 (b) of the Securities Exchange Act of 1934 to recover certain profits alleged to have been made by some of its officers and directors in connection with short-term trading in the plaintiff's stock. The Commission's memorandum was filed in connection with a motion by the defendants to dismiss the action for want of jurisdiction, the contention being that Section 27 of the Act vested jurisdiction of such actions in the federal courts, to the exclusion of the New York Supreme Court. In its memorandum the Commission supported that contention, and the Supreme Court so held. Later in the year, this decision was affirmed by the Appellate Division of the Supreme Court, two justices dissenting. The Commission had likewise filed a memorandum as amicus curiae in that court. 4/

The Avery case was an action in the New York Supreme Court in which Avery, individually and as liquidating partner of Avery & Company, sought damages against Moffatt, as acting president of the New York Curb Exchange, and others for alleged illegal suspension of two of Avery's partners from the exchange and for refusal of the exchange to permit a member firm to employ Avery. The Commission's brief as amicus curiae was filed on the sole question whether members of a governing board of a national securities exchange who bring charges against a member of the exchange are necessarily disqualified from participating in the board's determination of such charges. The Court held that Avery had failed to establish any cause of action against the exchange and ordered judgment for the defendant.

^{1/} The action for a final injunction had not yet been decided at the end of the fiscal year. On August 20, 1945 the Court denied the Commission's motion for a preliminary injunction. ______F. Supp._____(S.D.N.Y. 1945).

^{2/ 184} Misc. 431, 51 N.Y.S. (2d) 614 (Sup. Ct., Dec. 19, 1944).

^{3/} ______, 55 N.Y.S. (2d) 215 (Sup. Ct., April 16, 1945).

App. Div. , 54 N.Y.S. (2d) 855 (1st Dep't May 4, 1945). After the end of the fiscal year, a further appeal was taken to the Court of Appeals of the State of New York. The Commission again filed a memorandum taking the same position.

Civil Actions Instituted by the Commission

During the past year the need for more drastic action in dealing with violations of Rule X-10B-5 led the Commission to invoke the aid of the courts to protect sellers of securities from misrepresentation and nondisclosure of material facts by prospective purchasers. The usual pattern of such cases involved the attempt by management of an issuer to purchase its securities from investors without disclosing pertinent information regarding the company's financial condition.

In S.E.C. v. H. P. Mueller, et al., 1/ the president and controlling stockholder of the corporation sought to purchase its common stock from investors at \$2 per share. In making the offer he failed to disclose that the net current asset coverage per share was in excess of \$16, that the net earnings per share for the previous year had been \$4 and that during the two-month period immediately preceding the offer the corporation's sales had increased 70 percent. He also failed to disclose that the current over-the-counter price of the stock was between \$7 and \$10 per share and that he had refused to sell his controlling block of stock at less than its book value of \$40 per share. Information contained in an annual report which accompanied the offer was inadequate to enable investors properly to determine the value of their stock. After the Commission filed its complaint alleging violation of the Act and Rule X-10B-5, the defendants, by stipulation, consented to an injunction permanently restraining them from effectuating the transaction without disclosure of all material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

A similar but perhaps more subtle device attempted by the controlling common stockholders of Oils and Industries, Inc., a registered investment company, took the form of the proposed exchange of certain of the company's portfolio securities having a market value of approximately \$4.50 per share for its outstanding preferred stock on a share for share basis. 2/ Two officers and directors of Oils and Industries who controlled more than 50 percent of its common stock caused the company to propose the exchange with a view to retirement of the preferred stock thus repurchased. In making the offer preferred stockholders were not informed that their shares, which had a liquidating value of \$12.50 per share, then had an asset coverage of \$17 and a redemption value of \$13.50 per share. The company also failed to point out that retirement of the preferred would cause an increase in the asset value of the common and that if all the preferred were thus retired, the value of the common stock would increase approximately \$5 per share. Upon the filing of a complaint by the Commission seeking an injunction the defendants, by stipulation, agreed to rescission of the proposal and the return of all preferred stock tendered for exchange.

In S.E.C. v. L. A. Young, et al., 3/ the Commission made initial use of its authority under Section 21 (f) to seek a mandatory injunction to require compliance with Section 16 (a) of the Act. In the same action, also for the first time, the Commission enjoined controlling persons from violating Section 20 (c) of the Act. In that case Young, his wife and a corporation controlled by Young, each had owned more than 10 percent of the outstanding common stock of the L. A. Young Spring & Wire Corporation, which was registered on both the New York and Detroit Stock Exchanges. All three disposed of their holdings but failed to file the reports,

^{1/} USDC ED Wis., April 20, 1945.

^{2/} S.E.C. v. Oils and Industries, Inc., et al., USDC SD NY (Complaint filed September 27, 1944).

^{3/} USDC ED Mich., February 26, 1945.

regarding changes in beneficial ownership of registered securities by controlling persons, required by Section 16 (a). The judgment ordered and directed the defendants to file such reports and in addition permanently enjoined them from hindering, delaying or obstructing the company's filing of reports regarding the beneficial ownership of its common stock by defendants. The corporation was not a party to the action.

In <u>S.E.C.</u> v. <u>Samuel Okin</u>, <u>1</u>/ the Commission for the first time sought and obtained an injunction which restrained the use of proxies obtained by Okin in violation of Section 14 (a) of the Securities Exchange Act of 1934 and Regulation X-14 but did not at the same time restrain the holding of the stockholders' meeting. Okin's sole purpose in obtaining proxies was to elect himself a director of Electric Bond and Share Company, of which he was the owner of 9,000 shares of common stock. Okin's proxies represented such a small fraction of the voting shares that his votes could not have effected his election and adjournment of the stockholders' meeting would have caused undue hardship to the corporation and the majority of its stockholders. The corporation was not in any way responsible for solicitation of proxies by Okin. The court, however, in its opinion 2/, expressed concern at the disenfranchisement of those common stockholders who had given proxies to Okin and suggested that they be given an opportunity to exercise the right to vote their stock.

^{1/ 58} Fed. Supp. 20, USDC SD NY, 1944.

^{2/} Bright, J.

PART III

ADMINISTRATION OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

The Public Utility Holding Company Act of 1935 deals with holding companies having subsidiaries which are electric utility companies, or which are engaged in the retail distribution of natural or manufactured gas. The Act was passed for the express purpose of eliminating certain evils and abuses which the Congress had found to exist in connection with the activities of such companies, and was intended for the protection of both investors and consumers. It provides for the registration of holding companies (Sec. 5); regulation of security transactions of holding companies and their subsidiaries (Secs. 6 and 7); regulation of acquisitions of securities and utility assets by holding companies and their subsidiaries (Secs. 9 and 10); the regulation of payment of dividends, solicitation of proxies, intercompany loans and other intra-system transactions (Sec. 12); the control of service, sales, and construction contracts (Sec. 13); and the control of accounting practices (Sec. 15). The key provisions of the Act, however, are contained in Section 11, which requires the limitation of holding company systems to an integrated system or systems and related other businesses and the corporate simplification and equitable distribution of voting power of companies in holding company systems.

SUMMARY OF ACTIVITIES

The principal regulatory activities of the Commission under this Act in the past fiscal year continued to center around the administration of Section 11 and the disposition of applications designed to give effect to the Commission's orders under that section. In addition, an important segment of the Commission's work related to passing upon applications and declarations under Sections 6 and 7 of the Act for the issuance of securities, mainly by the subsidiaries of registered holding companies, in the aggregate amount of \$1,308,642,000.

As of June 30, 1945, there were registered under the Act 54 public utility holding company systems, the aggregate consolidated assets of which amounted to approximately \$16,200,000,000. These systems include 118 registered holding companies and 943 electric, gas and non-utility subsidiary companies.

Further significant progress was made during the past fiscal year in effectuating the requirements of Section 11 relating to integration, corporate simplification, and reorganization. At June 30, 1945, integration or simplification proceedings had been instituted by the Commission in regard to practically all of the holding company systems. Integration orders outstanding on June 30, 1945 require the divestment of holding companies' nonretainable interests in 147 subsidiary companies, having aggregate assets of \$4,352,000,000. 1/ This figure is exclusive of divestments already effected, as listed in Appendix Table 20 and discussed later in this section. Similarly, prior to the end of the past fiscal year the Commission had issued 46 orders involving simplification of corporate structures and equitable redistribution of voting power and there were 47 such proceedings pending in various stages of completion.

In the year ended June 30, 1945 the Commission instituted 7 new proceedings to require public utility holding companies to comply with Section 11. A classification of the proceedings instituted by the Commission under Section 11 (b) (1) /integration/ and Section 11 (b) (2) /corporate simplification/ which were pending at the close of the fiscal year is as follows:

^{1/} See Appendix Tables 21 and 22.

Section 11 Proceedings Pending as of June 30, 1945

	No. of Pro-	No. of Systems	No. of Hold- ing Cos.	No. of Sub. Cos.	Aggregate Assets
Sec. 11 (b) (1) Sec. 11 (b) (2) Secs. 11 (b) (1) and	16 34	2 10	3 28	29 223	\$ 173,261,457 3,572,902,875
Secs. 11 (b) (1) and 11 (b) (2) combine		<u>21</u> 33	<u>61</u> 92	<u>516</u> 768	9,855,707,763 \$13,601,872,095

Under Section 11 (e) of the Act, the Commission is authorized to approve voluntary plans of reorganization submitted by registered holding companies and their subsidiaries, and to seek court enforcement of such plans if they are necessary or appropriate to effectuate the geographic and corporate simplification requirements and are fair and equitable to the persons affected. Many such plans for complete or partial compliance with Section 11 have been approved by the Commission and have been or are being consummated. Others have been filed and are currently being considered by the Commission. Up to June 30, 1945, a total of 146 plans had been filed with the Commission under Section 11 (e). The Commission approved 56 of these plans, frequently after securing necessary modifications; 23 were withdrawn or dismissed; 3 were denied; and 64 were pending before the Commission in various stages of completion. As stated in the Commission's Tenth Annual Report, the filing, approval, and consummation of these plans represent major achievements in the financial and operating reorganization of the utility industry.

The Commission's experience in enforcing the Act shows that compliance with Section 11 (b) does not mean dumping or forced sale of securities on the markets. On the contrary, it is now clear that the favorable market reception of the portfolio utility stocks that have been sold has been an important factor in strengthening the market for utility equities. Moreover, in addition to sales, there have been other methods of compliance, such as exchanges of underlying portfolio securities for holding company securities, the issuance of subscription warrants to purchase portfolio securities, the distribution of portfolio stocks as dividends, and exchanges of securities of soundly reorganized companies for the old securities.

A factor of importance in facilitating the divestment of nonretainable properties and the reorganization of holding company systems has been the growing confidence of investors in the stability of operating utility common stock earnings, resulting in part from the more conservative capital structures of the operating companies. This has been reflected in the strong investment demand for portfolio utility common stocks which have been sold by holding companies in complying with Section 11 of the Holding Company Act. The supply of operating utility equities available for investors is still limited, although it is increasing steadily as the holding companies consummate their Section 11 programs. For many months the market for utility common stocks has been active and has been advancing. The current dividend yield on the common stock of most electric utilities at prevailing prices in the fall of 1945 was less than 5 percent. Since many of the holding companies have senior securities bearing interest or dividend rates of more than 5 percent, they have a net advantage in retiring their high-cost senior securities through the sale of portfolio securities at prevailing prices.

During the past fiscal year registered holding companies disposed of their nonretainable interests in 86 electric, gas, and other subsidiary companies, with total

assets of approximately \$575,000,000. 1/ This includes 40 electric utility companies, with assets of \$384,000,000; 21 gas utility companies, with assets of \$112,000,000; and 15 other companies, with assets of \$79,000,000. In addition, 17 companies sold a part of their assets in the total amount of \$33,000,000. The following table, which was prepared from the detailed data contained in Appendix Table 20, gives a summary of the total divestment program from December 1, 1935 to June 30, 1945.

STRULARY MISCTRIC, GAS AND NON-UTILITY PROPERTIES SOLD OR OTHERWISE DIVESTED BY REGISTERED PUBLIC UTILITY HOLDING COMPANIES December 1, 1935 to June 30, 1945

	Number of Companies			Assets of Companies Divested (000,000 omitted)					
	Klec-	C	Non-	M-4-3	Elec-	0	Non-	M-4-7	
Divested by Exchange or Distribu- tion of Securities to Security Holders	<u>tric</u>	<u>Сев</u>	<u>Utility</u>	TOTAL	<u>tric</u>	<u>GB.8</u>	<u>Utility</u>	<u>Total</u>	
No longer subject to Holding Com- pany Act Still subject to Holding Company	n	7	2	20	\$1,155 <u>5</u>	\$411	\$ 4	\$1,57 0	
Act 1	5	- <u>2</u> /	′ -	5	952	0	<u>2</u> / 0	952	
Nivested by Sale of Property or Securities 2/									
No longer subject to Holding Com- pany Act 4/ Still subject to Holding Company	100	79	93	272	1,029	335	211	1,575	
Act 1	<u> 29</u>	<u>13</u> 2/	<u> </u>	_45	205	_25	20	<u>250</u>	
TOTAL DIVESTED	145	<u>39</u>	<u>98</u>	<u>342</u>	\$ <u>3,341</u>	<u>\$771</u>	<u>\$235</u>	<u>84.347</u>	
Partial Sales of Property Not Included in above Totals					Sele Price				
Assets sold no longer subject to the Act Assets sold still subject to the	50	8	22	80	\$ 78	4	26	108	
Act	<u> 10</u>	4	_1	<u>15</u>	<u> 11</u>	4	1	<u>16</u>	
Totals	<u>60</u>	12	<u>23</u>	<u>95</u>	<u>\$ 89</u>	<u>\$ 8</u>	\$ 27	\$ 124	

3/ Includes all cases where total divestment was effected by sales of entire property to 1 or more than 1 buyer.

1/ In the case of sales to more than 1 buyer, the company was classified in accordance with the disposition of the majority of the assets sold.

5/ Reflects divestment of Philadelphia Electric Co. by United Corporation. The divestment of Philadelphia phis Electric Co. by United Cas Improvement Co. is not included in the above summary table figures.

^{1/} By reason of their relationship to other registered holding companies.
2/ Horthern Matural Gas Co., which was a subsidiary in 3 different company systems and itself a registered holding company having consolidated assets of \$63,178,222, was not included in the above summary; Lone Star Gas Corp. distributed its common stock investment therein to its own stockholders and United Light & Power Co. sold its holdings for \$10,533,612.

^{1/} It should be noted that this figure represents the total assets of the divested companies in order to reflect the size of such companies. In most instances, of course, the parent holding company owned only the outstanding common stocks of the divested companies and not their total assets. See Appendix Table 20, which gives details of the manmer of divestment and the consideration received as well as the total assets of the divested companies.

It may be noted that prior to June 30, 1945, 342 electric, gas, and other subsidiary companies, with assets aggregating approximately \$4,347,000,000 were divested by registered holding companies. Of the total of these divested companies, 292 companies, with total assets of \$3,145,000,000, are no longer subject to the provisions of the Holding Company Act or to the authority of the Commission under that Act; and 51 companies, with total assets of \$1,202,000,000, remain subject to the Act by reason of their relation to other holding companies.

A classification of the foregoing divestments with reference to the properties which were sold to municipalities and other public authorities, as contrasted with those which remain under private ownership, shows the following summary results: 1/

	No. of Cos.	Total Amounts
Sales to manicipalities, public authorities, rural cooperatives, and the T.V.A.	51	\$ 293,280,924
Divested properties which continue under private ownership	<u>291</u>	4,053,719,333
Totals	342	\$4,347,000,257

More than half the properties which were sold to municipalities and other public authorities had total assets of less than a million dollars each. The largest company that was sold to a public authority was the Tennessee Electric Power Company with gross book assets of \$110,000,000. Strictly speaking, the sale of this company to the Tennessee Valley Authority, in 1939, was not a Section 11 divestment but was the culmination of a long period of negotiation for the purchase of this and other properties in the Tennessee Valley Authority area by the T.V.A. and its wholesale distributors. The sale, therefore, was not effected pursuant to a Section 11 order, nor in contemplation of the provisions of Section 11. A similar statement may apply to certain other divestments where the decision to sell was reached independently of Section 11 requirements.

INTEGRATION AND SIMPLIFICATION OF HOLDING COMPANY SYSTEMS

There follows a brief summary of the status of each of the major holding company systems under Section 11 at the close of the past fiscal year. The summary includes an outline of the principal developments which have been related in fuller detail in the Commission's previous annual reports, together with an account of the major steps taken during the past fiscal year.

1. Kleetric Bond and Share Company

The parent of this system, Klectric Bond and Share Company (Bond and Share), controls five major subholding companies: National Power and Light Company (National), American Power and Light Company (American), Electric Power and Light Company (American), Electric Power and Light Company (Merican), Inc. (American Foreign), and American Gas and Electric Company (American Gas).

^{1/} In the Report of the Committee on Progress in the Regulation of Public Utilities, Proceedings of the National Association of Railroad and Utilities Commissioners, 1945, the following statement was made concerning the trend to public ownership:

"We have attempted to determine if there is any important trend toward public ownership of utility property, and almost without exception we find that the commissions do not feel that there is any substantial change in this direction."

Section 11 (b) (2) proceedings with respect to Bond and Share and certain of its subsidiaries were commenced on May 9, 1940. 1/ In its Findings and Opinion of August 23, 1941, 2/ the Commission ordered National to dissolve since it served no useful function and constituted an undue and unnecessary complexity in the system. National's debt and preferred stock have been retired and its only outstanding security is now common stock. Its principal remaining assets are the common stocks of Birmingham Electric Company, Carolina Power and Light Company and Pennsylvania Power and Light Company. National proposed in plans filed with the Commission 3/ to distribute these stocks to its own common stockholders, together with its holdings in two minor subsidiaries. The Commission indicated to National that, prior to distribution or any other disposition of its holdings in its subsidiaries, the accounts and corporate structures of such subsidiaries should be conformed to the requirements of the Act with respect to distribution of voting power and other matters. 4/ Plans to this end were filed by National and approved by this Commission with respect to Carolina Power and Light, 5/ Birmingham Electric Company, 6/ and Pennsylvania Power and Light Company. 7/ It may be noted that in each of these cases, the State commission either alone or in conjunction with the Federal Power Commission, ordered the elimination of certain write-ups (Account 107) and the elimination or amortization of acquisition adjustment items (Account 100.5). Frequently in such cases, the accounting and structural reorganization of operating utility subsidiaries of holding companies under the Holding Company Act is accompanied by or based upon accounting orders of the State commission, and frequently also of the Federal Power Commission.

Two of the other subholding companies, American and Electric, were ordered to dissolve 8/ for similar reasons as set forth for National. Appeals were taken by these companies to the United States Circuit Court of Appeals for the First Circuit, which affirmed the order of the Commission on March 17, 1944. 9/ Application for rehearing was denied by the court, whereupon the companies petitioned the United States Supreme Court for a writ of certiorari, which was granted on May 28, 1945. Arguments were concluded on November 16, 1945 but no decision has been rendered by the court. Certain major steps taken by Electric and American and their subsidiaries in the over-all process of complying with Section 11 are detailed below.

On July 13, 1944 American filed an application for approval of a plan under Section 11 (e) of the Act for retirement of approximately \$36,400,000 principal amount of debentures at par plus accrued interest. Hearings were held and objections heard with respect to the plan. Briefs were filed by American and by an objecting debenture holder. On October 31, 1945 the Commission issued its Findings and Opinion disapproving the plan, the Commission concluding that the fair and equitable standards of Section 11 (e) required that holders of American's debentures should receive 110% of principal amount plus accrued interest, and leaving for subsequent determination

^{1/} Holding Company Act Release No. 2051.

^{2/} Holding Company Act Release No. 2962.

^{3/} File No. 54-51.

^{4/} Holding Company Act Release No. 3896.

^{5/} Holding Company Act Release Nos. 3995 and 4746.

^{6/} Holding Company Act Release No. 4955.

^{7/} Holding Company Act Release Nos. 6080 and 6167.

^{8/} Holding Company Act Release No. 3750.

^{9/} American Power and Light Company v. S.E.C.; Electric Power and Light Company v. S.E.C., 141 Fed. (2d) 606.

the precise amount—in no event less than 110% of principal amount plus accrued interest—which should be received by holders of certain assumed debentures (not callable until 1947). 1/ American was given 30 days to file an amendment in accordance with the Commission's Findings and Opinion. An amendment designed to comply with this condition was filed on November 5, 1945 and approved by the Commission on November 8, 1945. 2/

Minnesota Power & Light Company, a subsidiary of American, filed an application on August 14, 1944 for approval of a plan pursuant to Section 11 (e) of the Act. The plan provided for correction of existing unfair and inequitable distribution of voting power in the company by increasing the equity represented by the common stock by means of capital contributions by American. The plan also provided for conversion of outstanding preferred stock into a new 5% preferred stock and the payment of cash to preferred stockholders. The Commission's Findings and Opinion approving the plan, as amended, were issued June 6, 1945, 3/ and the plan was subsequently enforced by the United States District Court for the District of Minnesota.

During the year American disposed of its interest in Nebraska Power Company for approximately \$14,000,000 and the oil properties of Glacier Production Company, a subsidiary of The Montana Power Company, for approximately \$9,600,000. 4/

During the spring of 1945, two of American's subsidiaries, Texas Electric Service Company and Texas Power & Light Company, went through accounting reorganizations under which American made cash capital contributions of \$15,500,000 to the two companies, and under which approximately \$50,000,000 of estimated inflationary items were eliminated from the plant accounts of the two companies. 5/ Subsequent to the close of the fiscal year, American formed a new Texas holding company which acquired the above-mentioned two companies and, in addition, acquired Electric's interest in the common stock of Dallas Power & Light Company, the latter for a cash consideration of \$17,350,000. 6/ American stipulated that it would dispose of Texas Utilities Company within one year from October 1945.

On May 5, 1941 United Gas Corporation, a subsidiary of Electric, filed an application proposing certain refinancing and in connection therewith the repayment of \$52,925,000 in debt claims held by Bond and Share. At the time the Commission ordered hearings on this application, it also instituted proceedings pursuant to Section 11 (b) (2) and other sections of the Act 7/ for the purpose of examining the transactions proposed and exploring the validity and rank of the debt claim of Bond and Share. After the close of the hearing, a Section 11 (e) plan was filed which provided for the reorganization of United Gas and a compromise settlement of the

^{1/} Holding Company Act Release No. 6176. (Commissioner Healy dissenting).

^{2/} Holding Company Act Release No. 6176. On November 30, 1945, the Commission approved a supplemental amendment providing for the retirement of the assumed debentures at 115% of principal amount plus accrued interest (Commissioner Healy dissenting.) Holding Company Act Release No. 6258.

^{3/} Holding Company Act Release No. 5850.

^{4/} Holding Company Act Release No. 5463.

^{5/} Holding Company Act Release Nos. 5742 and 5798.

^{6/} Holding Company Act Release No. 6158.

^{7/} Holding Company Act Release No. 2790.

claim of Bond and Share. At the conclusion of hearings on this voluntary plan, the Commission issued its order approving the plan as fair and equitable. 1/ At the company's request, the Commission applied to the Federal Court for enforcement of the plan, which was approved by the court on November 20, 1944.2/

On March 8, 1943 Utah Power and Light Company, a subsidiary of Electric, filed an application proposing certain refinancing and the Commission instituted 11 (b) (2) proceedings which were consolidated therewith. 3/ The Commission approved the refinancing and ordered a recapitalization of the company involving, among other things, the conversion of its preferred and common stock into a single class of new common stock and requiring certain other adjustments in its accounts. 4/ The Commission's decision in this case was preceded by an order of the Federal Power Commission on August 2, 1943 directing the company to eliminate from its property accounts inflationary items aggregating \$29,441,872 by charges to surplus; the order was based on a stipulation of facts entered into between the Federal Power Commission, the Public Service Commission of Utah, and Utah Power and Light Company.

On March 21, 1945 Utah filed an application with the Commission for the approval of a plan of reorganization under Section II (e) of the Act, in which Electric joined. The plan provided, among other things, that Electric would surrender all of its holdings in Utah, including its entire common stock interest, and would release Utah and its subsidiaries from all claims in favor of Electric against Utah and its subsidiaries in consideration for which Utah would (a) pay Electric \$650,000 cash, (b) release Electric from all claims in favor of Utah or any of its subsidiaries against Electric, and (c) assign to Electric all claims of Utah and its subsidiaries against Bond and Share of its wholly-owned subsidiaries. After hearings thereon, the Commission issued its Findings and Opinion approving the plan on November 13, 1945. 5/ The plan was subsequently enforced by the United States District Court for the District of Utah. One major result of the reorganization, in addition to greatly improving Utah's capital structure, will be to separate the company entirely from the Bond and Share system.

On May 18, 1943 hearings were reconvened with respect to the 11 (b) (2) proceedings of Bond and Share and its subsidiaries. 6/ The first issue to be considered was Bond and Share's relation to American Gas. Before the hearings were concluded, Bond and Share requested that it be permitted to present a plan for its disposition of its interest in American Gas. 7/

^{1/} Holding Company Act Release No. 5271.

^{2/} In the Matter of United Gas Corporation, et al., 58 Fed. Supp. 501.

^{3/} Holding Company Act Release No. 4157.

^{4/} Holding Company Act Release No. 4716.

^{5/} Holding Company Act Release No. 6212. (Commissioner Healy dissenting as to the payment of \$650,000 to Electric and the assignment to Electric of Utah's claim against Bond and Share.)

^{6/} Holding Company Act Release No. 4305.

^{7/} After the close of the past fiscal year, Bond and Share filed a series of three plans for the stated purpose of enabling Bond and Share to comply with Section 11 (b) of the Act, including therein a plan for the disposition of its interest in American Gas. (Holding Company Act Release No. 5970).

On October 10, 1945, the Commission approved Plan 1 which provided for a distribution by Bond and Share to its preferred stockholders of approximately \$31,000,000 or \$30 per share in partial retirement of the stock, accompanied by a 30 percent reduction in dividends. (Holding Company Act Release No. 6121).

On October 26, 1944 American Foreign filed a plan of reorganization under Section 11 (e) of the Act which was joined in by Bond and Share. Proceedings on the plan were consolidated by the Commission with the proceedings directed to Bond and Share and American Foreign under Section 11 (b) (2) of the Act. 1/ Hearings on the consolidated proceedings have been held and the matter is pending.

Proceedings pursuant to Section 11 (b) (1) directed to American Gas were instituted December 1, 1939. Proceedings on an application previously filed by American Gas, requesting approval of the continuance of its Central System together with continuance of alleged South Jersey and Northeast Pennsylvania systems, were consolidated therewith. Hearings were held from time to time in such consolidated proceedings. On February 6, 1945 this Commission issued its Statement of Tentative Conclusions with respect to the properties of American Gas subsidiaries. 2/ The Commission tentatively concluded that properties comprising the Central System could be retained under common control under the standards of Section 11 (b) (1) of the Act but that other properties must be divested if such Central System was to be retained. Hearings to consider whether such tentative conclusions should be adopted as the final conclusions of the Commission have been held and the decision was pending at the end of the fiscal year. 3/

2. The North American Company

Section 11 (b) (1) proceedings were commenced March 8, 1940 with respect to the North American Company (North American) 4/ and its subsidiaries and 11 (b) (2) proceedings were initiated on December 2, 1941 with respect to North American Light and Power Company (Light and Power), 5/ a subsidiary holding company of North American.

On April 14, 1942, the Commission's order and opinion were rendered in the 11 (b) (1) proceedings, directing North American to confine its operations to a single integrated system built around the Union Electric Company of Missouri. 6/ The order permitted the company to file an alternative plan within 15 days, where upon the company requested a modification of the order, which was denied. 7/ North American appealed the order to the United States Circuit Court of Appeals for the Second Circuit, which court affirmed the order on January 12, 1943. 8/ On March 1, 1943, the United State Supreme Court granted a writ of certification of the lack of a qualified quorum. Subsequent to the end of the fiscal year, November 18, 1945, the Supreme Court heard argument on the case but no decision has as yet been rendered.

^{1/} Holding Company Act Release No. 5388.

^{2/} Holding Company Act Release No. 5591.

^{3/} On December 26, 1945, the Commission issued its Findings, Opinion and Order in this proceeding reaffirming in all essential respects its earlier tentative conclusions. Holding Company Act Release No. 6333.

^{4/} Holding Company Act Release No. 1960.

^{5/} Holding Company Act Release No. 3168.

^{6/} Holding Company Act Release No. 3405.

^{7/} Holding Company Act Release No. 3630.

^{8/ 133} F. (2d) 148.

^{9/ 318} p.s. 750.

North American has continued its policy of paying common stock dividends in the stock of its subsidiary, Pacific Gas and Electric Company, and in addition has sold 700,000 shares of Pacific common stock in a public offering. The cash so realized and conserved has been used to retire North American's entire issue of 6% Series preferred stock aggregating \$30,317,950, and to reduce its debt obligations. North American sold its Pacific Gas stock on a 5.13 percent basis (on resale the yield was 5 percent) and used the proceeds to retire preferred stock on which the dividend rate was 6 percent. 1/ As a result of its disposition of holdings in the Pacific Gas and Electric Company, the latter company has been declared not to be a statutory subsidiary in the North American system. On May 4, 1945, the Commission approved a voluntary plan filed under Section 11 (e) for the simplification of the corporate structure of Union Electric Company of Missouri, 2/ subholding company of North American, whereby two of Union's subsidiaries were eliminated.

On December 30, 1941, the Commission ordered the dissolution of North American Light & Power Company, 3/ a subsidiary of the North American Company, finding that it constituted an undue and unnecessary complexity in the system and served no useful purpose. However, the determination of a fair and equitable plan of dissolution has been delayed pending the disposition of claims asserted by Illinois Power Company, an indirect subsidiary of Light and Power. Extensive hearings have been held with respect to these claims but have not yet been completed. Meanwhile, Light & Power has retired \$3,376,500 principal amount of its publicly held debentures without the payment of redemption premiums. This action was approved by the Commission and was appealed by the trustees under the indenture securing such debentures to the United States Circuit Court of Appeals for the Seventh Circuit which upheld the Commission's order. 4/

A plan for the dissolution of Illinois Traction Company, a subsidiary holding company in the Light & Power system, filed pursuant to the provisions of Section 11 (e), was approved by the Commission on October 24, 1944 5/ and was affirmed by the U.S. District Court for the District of Maine on December 19, 1945.

3. The United Gas Improvement Company

Section 11 (b) (1) proceedings with respect to this system were instituted on March 4, 1940. The United Gas Improvement Company (UGI) subsequently requested the Commission to state its views, whereupon the Commission issued its tentative conclusions with respect to this system and defined its integrated system as the electric properties in the Pennsylvania-Delaware-Maryland area. Orders of divestment were issued 6/ on July 30, 1941 and May 7, 1942 on the basis of this interpretation. These orders were appealed by the company to the United States Circuit Court of Appeals for the Third Circuit, which court sustained the orders on November 17, 1943. 7/

^{1/} In December 1945, North American borrowed \$32,000,000 from certain banks at 1-3/4 percent interest and has used the proceeds, together with other funds, to retire its remaining 5-3/4 percent preferred stock. The company's capitalization, therefore, now consists solely of bank loans and common stock.

^{2/} Holding Company Act Release No. 5776.

^{3/} Holding Company Act Release No. 3233.

^{4/ 134} F. (2d) 165.

^{5/} Holding Company Act Release No. 5367.

^{6/} Holding Company Act Release Nos. 2913 and 3511.

^{7/ 138} F. (2d) 1010.

After argument before the court but prior to the issuance of its decision. UGI and its subsidiary, Philadelphia Electric Company, filed voluntary plans under Section 11 (e) with a view to complying at least partially with the provisions of Section 11 (b). Briefly, the plan provided for the distribution to UGI stockholders of \$30,600,000 in cash and substantially all the stock holdings in two of its subsidiaries, Philadelphia Klectric Company and Public Service Corporation of New Jersey. The plan was approved by the Commission on March 18, 1943 1/ and by the common stockholders on April 19, 1943. In May 1944, UGI distributed to its stockholders its holdings of Delaware Power & Light Company and subsidiaries. During the past fiscal year, UGI has disposed of its interests in three additional companies. namely, Nashville Gas & Heating Company, 2/ Arizona Power Corporation 3/ and Manchester Gas Company. 4/ Subsequent to the close of the fiscal year, UGI filed another voluntary plan 5/ under Section 11 (e), designed to effect further compliance with the requirements of Section 11. This plan provides for the voluntary exchange of certain miscellaneous investments in public utility holding companies 'naving a present market value of approximately \$25,000,000 for shares of UGI common stock. No decision has as yet been rendered by the Commission with respect to this plan.

4. The Commonwealth & Southern Corporation

On March 6, 1940, Section 11 (b) (1) proceedings were begun with respect to this system and on April 8, 1941 Section 11 (b) (2) proceedings were instituted and consolidated with the former proceedings. In its order of April 9, 1942, 6/ the Commission directed Commonwealth & Southern Corporation (Commonwealth) to reduce its then outstanding preferred and common stock to a single class of new common stock. The order was appealed by the company to the Circuit Court of Appeals for the Third Circuit which affirmed the Commission's order on March 31, 1943. 7/

On April 20, 1943, Commonwealth filed a plan of recapitalization providing for the reclassification of its stock into a new class of common stock and a distribution of its holdings of all the common stock of Consumers Power Company to stockholders of Commonwealth. On February 26, 1944, the company filed an amended plan proposing a change in the allocation between its preferred and common stockholders and further proposing the distribution of its stock holdings in its other Northern subsidiaries in addition to Consumers Power Company.

Hearings on the amended plan were concluded on March 27, 1944 and the staff filed its proposed findings on May 29, 1944 approving the basic features of the amended plan but recommending that certain further amendments be made. Briefs were filed and oral argument held on the issues involved by various stockholders particlpating in the proceedings. On May 31, 1945, the Commission issued its Findings and

^{1/} Holding Company Act Release No. 4173.

^{2/} Holding Company Act Release No. 5896.

^{3/} Holding Company Act Release No. 5882.

^{4/} Holding Company Act Release No. 5130.

^{5/} File No. 54-140.

^{6/} Holding Company Act Release No. 3432.

^{7/ 134} F. (2d) 747.

Opinion 1/ which stated that if the plan were amended in several respects, the Commission would approve it. Commonwealth filed the amendments requested and thereupon the Commission on June 30, 1945 issued its order 2/ approving the amended plan. Among the provisions of this amended plan was one requiring that the plan receive the affirmative vote of the holders of a majority of each class of stock of Commonwealth at a special meeting, before the Commission applied to an appropriate federal district court for an order approving and enforcing the plan. A period of several months thereafter elapsed without arrangements having been completed for conducting the vote contemplated in the plan. No vote having been taken, the Commission, by order dated November 1, 1945, 3/ modified its previous order so as to approve the plan on condition that the company delete that portion of the plan requiring a stockholders vote. On November 9, 1945, Commonwealth filed modifications of its plan stating that it would eliminate the provision for a stockholders vote if the Commission would approve an extensive amendment of the plan which essentially altered it. 4/

The Commission, in all these orders, has retained jurisdiction to determine the retainability of Commonwealth's remaining subsidiaries and any of the utility operations and other businesses of the system under Section 11 (b) (1).

Commonwealth has continued to refinance and recast the security structure of its utility subsidiaries and in the process has materially improved their financial condition.

5. Cities Service Company

On May 5, 1944, the Commission issued its order in the Section 11 (b) (1) proceeding involving Cities Service Company (Cities), the top company in this system. 5/The order directed Cities to comply with Section 11 (b) (1) by reducing the operations of its system to certain gas distribution properties located in the Mid-Continent section, together with certain gas production and transmission properties. The order, however, permitted the retention of the system's nomutility properties if Cities should choose to comply with Section 11 (b) (1) by disposing of all its direct or indirect interests in utility companies. Cities elected to retain its nomutility properties, whereupon the Commission, on October 12, 1944, entered a supplemental order 6/providing, in substance, that Cities might dispose of its interests in utility properties in lieu of complying with the provisions of the

^{1/} Holding Company Act Release No. 5825.

^{2/} Holding Company Act Release No. 5895.

^{3/} Holding Company Act Release No. 6177.

^{4/} On January 24, 1946, the Commission issued a memorandum opinion stating that the modifications of the plan did not have sufficient merit to warrant scheduling of hearings thereon in view of their highly complicated and confusing nature, aside from difficult questions of fairness. The Commission indicated that further proceedings in this case would be withheld for a period of 30 days in order to afford an opportunity to Commonwealth and to any person having a bona fide interest in the reorganization to file a plan for compliance with the Commission's order of April 9, 1942 based upon the principle of retiring the preferred stock through the sale or other disposition of assets. Holding Company Act Release No. 6381.

^{5/} Holding Company Act Release No. 5028.

^{6/} Holding Company Act Release No. 5350.

earlier order. Since the original order, Cities has disposed of its interests in 32 subsidiaries 1/ and has consummated a program effectuating various intercorporate transfers preparatory to a divestment of its interest in Cities Service Power & Light Company.

The order of May 5, 1944 also directed Arkansas Natural Gas Corporation, a subsidiary holding company of Cities, to confine its operations to the natural gas business and dispose of its interest in its nomutility subsidiaries. Arkansas Natural Gas Corporation appealed the order of the Commission to the U. S. Circuit Court for the Fifth Circuit, which court had arguments on the case but has not yet rendered a decision.

On August 17, 1943, the Commission ordered 2/ Cities Service Power & Light Company (Power & Light), a holding company subsidiary of Cities Service Company, to dispose of its interest in 43 companies, including Federal Light & Traction Company (Federal) and its 14 subsidiaries. Since this order was issued, Power & Light, as indicated above, has disposed of its interests in 30 companies. The order of August 17, 1943 required that Federal confine its operations to the electric utility business conducted by subsidiaries in the States of New Mexico and Colorado, jurisdiction being reserved with respect to certain properties in New Mexico and Arizona. On March 30, 1944, 3/ the Commission granted Federal an option to retain as its utility system either the properties in New Mexico and Colorado or in Arizona. Federal applied for a year's extension to comply with the Commission's order of March 30, 1944, which was granted, and Federal's option to elect to retain one of the two integrated systems was continued until March 30, 1946.

6. Associated Gas and Electric Company

In 1940, Associated Gas and Electric Company (Ageco) and its subsidiary holding company, Associated Gas and Electric Corporation (Agecorp), filed petitions in the U. S. District Court for reorganization under Chapter X of the Bankruptcy Act. Both companies are registered holding companies. The Trustees of Agecorp (Denis J. Driscoll and Willard L. Thorp) also registered as a holding company. On August 13, 1942, the Commission issued an order 4/ pursuant to Section 11 (b) (1) in which it directed the trustees, among other things, to dispose of their interest in 115 companies, reserving for further consideration questions relating to the retainability of certain other properties. At the end of the first year, the trustees reported that they had disposed of their interest in 60 of these companies. During the next succeeding year, disposition was made of an additional 22 companies and 14 others were under contract for sale. Of the original 115 companies, the trustees retained, as at the close of the fiscal year, an interest in only 16. On February 9, 1945, upon application of the trustees, the Commission modified its order of August 13, 1942 by removing Manila Electric Company, its subsidiary, Associated Utilities Investing Corporation (an inactive corporation which is the original obligor under the mortgage on the bonds of Manila Electric Company), and Escudero Electric Service Company from the list of companies required to be divested. Both Manila Electric Company and Escudero Electric Service Company operate properties in the Philippine Islands.

^{1/} Of these, 2 companies were direct subsidiaries and 30 companies were subsidiaries of Cities Service Power & Light Company or of its subsidiary holding company, Federal Light & Traction Company.

^{2/} Holding Company Act Release No. 4489.

^{3/} Holding Company Act Release No. 4960.

^{4/} Holding Company Act Release No. 3729.

On August 9, 1945, the U. S. District Court for the Southern District of New York confirmed a comprehensive reorganization plan 1/ proposed by the trustees, pursuant to Chapter X of the Bankruptcy Act and Section 11 (b) of the Holding Company Act, and which had been approved by the Commission on April 14, 1944. 2/ After the close of the fiscal year, the U. S. Supreme Court dismissed a petition for certiorari, and the plan was consummated. The new company, General Public Utilities Corporation, took over the affairs of Ageco and Agecorp in January 1946.

On February 3, 1941, the Commission instituted proceedings pursuant to Section 11 (b) (2) with respect to General Gas and Electric Corporation (Gengas) a subsidiary holding company of Agecorp. 3/ Subsequently, Section 11 (e) plans for the reorganization of Gengas were filed, the hearings on which were consolidated with the Section 11 (b) (2) proceedings. On August 12, 1944, a revised plan was filed jointly by Agecorp and Gengas, which provided for the distribution by Gengas of certain assets among its public security holders, after which there would remain no claims against Gengas except those held by the trustees of Agecorp, who would turn in their holdings and receive in exchange an entire issue of new common stock of Gengas. This plan was approved by the Commission on July 25, 1945. 4/ By orders dated October 15, 1945 and October 22, 1945, the District Court of the United States for the Southern District of New York approved and enforced the plan.

Section 11 (b) (2) proceedings were instituted with respect to Georgia Power and Light Company, another subsidiary of Gengas, on February 10, 1943. On April 24, 1944, Georgia, Gengas, and Florida Power Corporation, an associated company, filed a joint plan proposing, among other things, the recapitalization of Georgia. The proposal included the donation by Florida to Georgia of \$1,400,000 in cash to be used in part for the reduction of the mortgage debt of Georgia and for a cash payment in the amount of \$150 per share in full satisfaction of the public holders of the preferred stocks of Georgia. The proposed recapitalization, together with the related donation and an issue and sale by Florida of preferred stock through competitive bidding, was approved by the Commission on January 23, 1945 5/ subject to the condition that within one year Georgia divest itself of its water and ice properties.

On September 29, 1943, the Commission instituted Section 11 (b) (2) proceedings with respect to Tide Water Power Company, a subsidiary of Gengas, raising the issue as to whether the voting power of Tide Water was fairly and equitably distributed. After appropriate hearings, the Commission issued its order on August 25, 1944, 6/providing, among other things, for a recapitalization of the company by substituting a single class of common stock for the then outstanding classes of stock. Thereafter, Tide Water filed a plan 7/to comply with the Commission's one-stock order. The plan was approved on December 22, 1944 8/subject to reservation of jurisdiction as to the percentage of new common stock to be received by Gengas.

^{1/61} Fed. Supp. 11.

^{2/} Holding Company Act Release No. 4985.

^{3/} Holding Company Act Release No. 2543.

^{4/} Holding Company Act Release No. 5950.

^{5/} Holding Company Act Release No. 5568.

^{6/} Holding Company Act Release No. 5238.

^{7/} Holding Company Act Release No. 5309.

^{8/} Holding Company Act Release No. 5512.

On March 30, 1945, a plan of reorganization was filed by York Railways Company, a debtor in possession under Section 77B of the Bankruptcy Act, in proceedings which had been pending since November 30, 1937. 1/ The plan provided for the raising of sufficient cash to pay all public creditors and preferred stockholders the full amount of their claims and for the liquidation of York Railways Company. Hearings were held in May 1945 and the matter was pending at the end of the fiscal year. 2/

On September 30, 1941, the Commission instituted proceedings under Section 11 (b) (2) with respect to New England Gas and Electric Association (Negea), a registered holding company. After hearings were held but prior to the final order of the Commission, the trustees of Ageco and Agecorp and a subsidiary company in the Associated system instituted proceedings in both a State and Federal Court asserting claims against Negea arising from various transactions in the years 1930 and 1932. It appeared to the Commission that before a determination could be made with respect to the recapitalization of Negea, the validity and rank of the asserted claims would have to be resolved. Therefore, on February 17, 1943, the Commission instituted further proceedings with respect to these claims. 3/ On March 29, 1945, Negea filed a plan 4/ of recapitalization pursuant to the provisions of Section 11 (e). This plan was based on the assumption that the aforementioned claims would be held not valid. At the close of the fiscal year, the Commission had reached no decision with respect to the claims but hearings were going forward in connection with the proposed plan on matters not related directly to the claims. 5/

7. Standard Power and Light Corporation - Standard Gas and Electric Company

Proceedings pursuant to Section 11 (b) (1) were instituted by the Commission on March 6, 1940 with regard to Standard Power and Light Corporation (Standard Power) and Standard Gas and Electric Company (Standard Gas) and their subsidiaries. On June 5, 1940, the Commission instituted proceedings pursuant to Section 11 (b) (2) with respect to Standard Power. After subsequent hearings, the Commission, on June 19, 1942, issued an order requiring the liquidation and termination of existence of Standard Power. 6/ A dissolution plan for Standard Power was approved by the Commission on February 22, 1945. 7/

On March 24, 1943, Standard Gas filed a plan pursuant to Section 11 (e), to comply with the provisions of Section 11 (b), and at the same time the Commission instituted proceedings pursuant to Sections 11 (b) (2), 15 (f), and 20 (a) and directed consolidation of the two proceedings. The Commission issued its findings and opinion on May 29, 1944, 8/ after hearings and oral argument, stating that it could not make findings necessary for approval of the plan, and withheld entry of

^{1/} Holding Company Act Release No. 5744.

^{2/} Subsequently the plan was approved by the Commission and by the U. S. District Court (Del.).

^{3/} Holding Company Act Release No. 4124.

^{4/} Holding Company Act Release No. 5730.

^{5/} Holding Company Act Release No. 5799.

^{6/} Holding Company Act Release No. 3607.

^{7/} Holding Company Act Release No. 5625.

^{3/} Holding Company Act Release No. 5070.

an order for 90 days to afford Standard Gas the opportunity to file an amendment in accordance with the views of the Commission. In August 1944, Standard Gas submitted an amended plan, which was approved by the Commission on November 15, 1944. 1/

On December 20, 1944, the Commission, at the request of Standard Gas, applied to the U.S. Mistrict Court for the District of Delaware for an order of enforcement of the amended plan. On March 2, 1945, the District Court in an opinion stated that the plan would not be approved as fair and equitable and appropriate to effectuate compliance with the Act unless the note and debenture holders were paid off in cash, although it would be approved as to stockholder participation. The Commission, Standard Gas, and several other parties to the proceedings, took an appeal from the judgment of the District Court to the United States Circuit Court of Appeals for the Third Circuit. After the end of the fiscal year, on September 14, 1945, the latter Court rendered a decision reversing the judgment of the District Court and upholding the opinion of the Commission that the amended plan was fair and equitable to the note and debenture holders.

Subsequently, Standard Gas filed a motion with the District Court requesting an sector of the court disapproving the amended plan for recapitalization as being unfair and inequitable because of changed conditions, and stating that it proposed to borrow money with which, together with treasury cash, it would effectuate a call of the notes and debentures and pay off the bank notes then outstanding by the sale of portfolio securities. A decree of the U. S. District Court for the District of Delaware, issued on December 29, 1945 and amended January 9, 1946, held that Standard Gas had the right to call the notes and debentures and provided that such call should be made within thirty days or within such further time as the Securities and Exchange Commission might grant. 2/

On June 5, 1942, Northern States Power Co. (Delaware) filed its plan of liquidation pursuant to Section 11 (e) and on the same date the Commission instituted proceedings pursuant to Section 11 (b) (2) and other sections of the Act with respect to that Company and each of its subsidiary companies. Extensive hearings were held, subsequent to which (March 31, 1944) the Company submitted an amended plan, upon which hearings were also held, briefs submitted, and argument heard. The Commission issued its Findings and Opinion on the Northern States Power Company amended plan on April 26, 1945, 3/ stating that if an amendment to the plan were made in accordance with the views expressed therein, an appropriate order would be entered approving the plan as so further amended. Subsequent to the end of the fiscal year the required amendment was filed. The Commission in a subsequent Memorandum Opinion, dated October 12, 1945, 4/ required a further amendment reducing the stated value of the proposed new common stock from \$6.75 to \$6.00 per share. Upon the filing of this amendment, the Commission issued its order on October 31, 1945, 5/ approving the plan as

^{1/} Holding Company Act Release No. 5430.

^{2/} Holding Company Act Release No. 6385. Notice of appeal from the court order has been filed with the Third Circuit Court of Appeals by a debenture holder.

^{3/} Holding Company Act Release No. 5745. (Commissioner Healy concurred in a separate opinion stating his differences with the majority as to the meaning and effect of the U.S. Supreme Court decision in Otis & Co. v. Securities and Exchange Commission, 323 U.S. 624.)

^{4/} Holding Company Act Release No. 6127.

^{5/} Holding Company Act Release No. 6173.

amended, granting applications and declarations in connection therewith, subject to certain reservations of jurisdiction. 1/

On June 30, 1942, Southern Colorado Power Co., a subsidiary of Standard Gas, filed a plan pursuant to Section 11 (e) for recapitalization and, on July 2, 1942, the Commission instituted proceedings under Section 11 (b) (2) and ordered consolidated hearings thereon. On August 3, 1943, the Commission approved the plan subject to certain modifications, which were later satisfied by amendments to the plan. The amended plan was approved by the Commission on November 24, 1943, 2/ and by the United States District Court in Colorado on December 31, 1943. 3/ Appeal was taken therefrom to the United States Circuit Court of Appeals for the Tenth Circuit, which has rendered its decision upholding the Commission's approval of the plan. The Supreme Court denied writ of certiorari, and on June 26, 1945 the District Court for the District of Colorado entered its order declaring the plan effective as of June 30, 1945.

Columbia Gas & Electric Corporation

Section 11 (b) (1) and Section 11 (b) (2) proceedings were commenced with respect to Columbia Gas & Electric Corporation (Columbia) and were consolidated with a Section 11 (e) plan filed by the Company on July 14, 1942. The plan involved, among other things, the sale by Columbia Oil & Gasoline Corp, a subsidiary of Columbia, of its interest in Panhandle Eastern Pipe Line Company, the transfer of its five oil and gasoline subsidiaries to Columbia Gas and the liquidation of Columbia Oil & Gasoline Corp. This voluntary plan was approved by the Commission on October 2, 1942. 4/ The Commission's order was affirmed by the United States Circuit Court of Appeals for the Third Circuit, 5/ and the United States District Court for the District of Delaware entered its order approving the plan. 6/

Further proceedings were instituted by the Commission on May 2, 1944 with respect to subsidiaries not included in the Company's 11 (e) plan. At the close of the hearings in this matter, the Commission issued its Findings, Opinion and Order, 7/ in which it stated which properties of Columbia might be retained and reserved jurisdiction with respect to the retainability of the remaining properties.

Columbia on December 21, 1944 filed a plan pursuant to Section 11 (e) providing for its recapitalization through the conversion of its Preferred and Common Stocks into one class of Common Stock, the partial payment and refunding of the remaining debt of Columbia; and the distribution to the new common stockholders of its interest in the Dayton and Cincinnati groups of companies. The plan also proposes certain inter-system transactions prior to its completion. Public hearings

^{1/} On January 22, 1946, the Commission applied to the U. S. District Court (Minn.) for enforcement of the plan.

^{2/} Holding Company Act Release No. 4501.

^{3/} Enforced without opinion.

^{4/} Holding Company Act Release Nos. 3829 and 3885.

^{5/ 134} F. (2d) 822.

^{6/ 50} F. Supp. 965.

^{7/} Holding Company Act Release No. 5455.

with respect to this plan were held from time to time and during said hearings the plan was opposed by The United Corporation, the holder of 19 percent of the voting securities of Columbia. During a temporary adjournment of these hearings Columbia asked for an indefinite postponement, stating that Columbia and United had agreed upon a modified program which they intended to present to the Commission. The program, as outlined, provided for the sale of the Dayton and Cincinnati groups of companies after certain refundings and inter-system transactions with respect thereto, and the retirement for cash of the debt and preferred stock of Columbia. Such cash would be obtained from the sale of the before-mentioned companies and others covered by the Commission's divestment order and by the issuance of new debt by the revised Columbia. The postponement was granted. Subsequent thereto Columbia has completed the refinancing of the Dayton and Cincinnati groups of companies and has completed the inter-system transactions related thereto.

9. Niagara Hudson Power Corporation

In 1942, the Commission instituted proceedings pursuant to Section 11 (b) (2) with respect to Niagara Hudson Power Corporation (Niagara Hudson), Buffalo, Niagara and Eastern Power Corporation (BNE), and their subsidiary companies. A public conference was also held to explore means of resumption of dividend payments on preferred stock of the two holding companies. A plan, pursuant to Section 11 (e), was filed in June 1943, providing for the consolidation of principal public utility companies with BNE, the dissolution of Niagara Hudson, and payment in cash of all accrued and unpaid dividends. The consolidation, as contemplated, was disapproved by the New York Public Service Commission on January 21, 1944.

On June 19, 1944, the Securities and Exchange Commission denied the application of BNE for exemption as a holding company from provisions of the Act insofar as applicable to Section 11 (b) (2). The Commission's order also required BNE to substitute common stock for its then outstanding \$1.60 cumulative preferred, Class A and common stocks, and the extension of appropriate voting rights to its \$5 preferred stock. 1/

On October 3, 1944, BNE and its parent company, Niagara Hudson Power Corporation, filed separate plans pursuant to Section 11 (e) providing for the reorganization of BNE in order that the company might comply with the Commission's order of June 19, 1944. Both plans were substantially the same, providing for the consolidation of BNE and three of its subsidiaries and the reclassification of BNE's Second Preferred Stock, Class A Stock and Common Stock into one new class of stock namely, Common Stock. The difference in the two plans was in the allocation among the various classes of security holders of the new Common Stock. Public hearings were held from time to time with respect to this plan. On July 16, 1945, amended plans were filed by BNE and Niagara Hudson. These amended plans were identical insofar as they provided for the reorganization of BNE. They provided for the payment of all arrears on the First Preferred Stock of BNE; the contribution by Niagara Hudson to BNE of \$63,000,000 from treasury cash, the sale of portfolio securities and a bank loan in the approximate amount of \$40,000,000; the use of such funds by BNE for the retirement of its \$1.60 Preferred Stock at the redemption price thereof plus accrued dividends; the consolidation of BNE and three of its subsidiaries; the exchange of the 5 percent Preferred Stock of the new company, share for share, for the outstanding \$5 First Preferred Stock of BNE; and the issuance to Niagara 🗀 Hudson of all the Common Stock of the new company. The plan of Niagara Hudson further provided for the subsequent divestment by Niagara Hudson of all of its holdings of the Common Stock of the new company and set forth certain steps designed to

^{1/} Holding Company Act Release No. 5115.

accomplish further simplification of the corporate structure of Niagara Hudson and its subsidiaries other than the new company. These plans were approved by the Commission on October 4, 1945. 1/

10. International Hydro-Electric System

On June 17. 1940, proceedings involving International Hydro-Electric System (IHES) were instituted pursuant to Section II (b) (2). After appropriate hearings, the Commission, on July 21, 1942, ordered IHES to liquidate and dissolve, finding that it performed no useful function. 2/ On March 17, 1943, the Commission ordered that Massachusetts Utilities Associates Common Voting Trust be liquidated and dissolved and that certain other companies be eliminated from IHES. 3/ On September 19 and December 20, 1942, Paul H. Todd, a stockholder and director of IHES. filed petitions in the United States Circuit Court of Appeals for the Sixth Circuit for review of the Commission's order of July 21, 1942, which directed the dissolution of IHES. This petition was dismissed, thereby sustaining the order of the Commission. 4/ In July 1943. IHES notified the Commission that, because of certain asserted claims against its former parent, International Paper Company, it would be impossible for it to comply with the Commission's order of July 21 without the aid of court enforcement. The Commission therefore, on August 12, 1943, instituted a proceeding under Section 11 (d) to enforce compliance with its liquidation order and on October 11, 1943 the court appointed Bartholomew A. Brickley of Boston, Massachusetts, as special counsel, to investigate certain transactions alleged to give rise to cause of action on behalf of IHES against International Paper Company. On November 13, 1944, the court appointed Mr. Brickley as trustee for IHES and he has effectuated a settlement between the two companies, which settlement was approved by the Court on December 26, 1945. 5/

On March 6, 1944, New England Power Association and its subsidiary holding companies filed an application for approval of a plan of simplification of the New England Power Association holding company system for the purpose of complying with the provisions of Section 11 (b) (2) and with the Commission's order of March 17, 1943. After hearings on that plan were completed, the company was informally advised that it would not serve to effectuate the provisions of Section 11 (b) (2) and the Commission's previous order, whereupon the company filed an amended plan, upon which hearings have been completed, oral argument heard and briefs filed, but decision has not been rendered by the Commission.

11. The Middle West Corporation

The Commission instituted Section II (b) (1) proceedings with respect to The Middle West Corporation (Middle West) and its subsidiaries on March 1, 1940. On January 24, 1944, the Commission ordered Middle West to sever its relations with its

^{1/} Holding Company Act Release No. 6108.

^{2/} Holding Company Act Release No. 3679.

^{3/} Holding Company Act Release No. 4168.

^{4/ 137} F. (2d) 475.

^{5/} Notices of appeal to the Circuit Court of Appeals of the United States for the First Circuit from the decree of this Court approving said settlement have been filed by Osmond Y. Ladd, Paul H. Todd, stockholders of IHES, and by J. Dudley Clark and William Elwell, bondholders of IHES.

subsidiary companies, except Central Illinois Public Service Company, and Kentucky Utilities Company and its subsidiaries. 1/ On May 9, 1944, a further hearing was ordered to permit the introduction of additional evidence with respect to the question of what constituted the integrated system of Central and South West Utilities Company (Central) and with respect to the retainability of certain other businesses. On February 16, 1945 2/ and on July 4, 1945, 3/ the Commission entered its opinions and orders with respect to the issues involved in the rehearing, finding that the major electric utility properties of the subsidiaries of Central form a single integrated system retainable by Central. The electric utility properties of Oklahoma Power and Water Company, a subsidiary of Middle West, were found to constitute a part of Central's integrated system. Central was ordered to dispose of its interest in its retail gas distribution properties as well as its interest in certain small isolated electric properties and was further ordered to dispose of its interest in certain of its nonutility properties. A substantial number of the nonutility properties have been disposed of in compliance with these orders. Sales by Middle West of its interest in Arkansas-Missouri Power Corporation and Missouri Edison Company and the sale by Arkansas-Missouri Power Corporation of its subsidiary, East Missouri Power Company, were approved by the Commission on June 1, 1945. 4/

In February 1940, Central and American Public Service Company (American), two subsidiaries of Middle West, filed a joint application proposing a consolidation of the two companies. On December 5, 1940, the Commission instituted proceedings under Section 11 (b) (2) and ordered that the hearings on the two cases be consolidated. The proponents of the plan of consolidation contended that preferred stock was necessary in the new company in order to preserve the priorities of the holders of the prior lien and preferred stocks of Central and the preferred stock of American. The Commission on June 4, 1942, ruled that the new corporation could have only common stock. 5/ The respondents filed a petition for review in the United States Court of Appeals for the District of Columbia, which upheld the Commission in its opinion of June 7, 1943. 6/ On August 2, 1943, Central and American filed an amended plan of merger to be effectuated through the issuance of a single class of capital stock. The plan also provided that Middle West would distribute to its stockholders the new shares of Central allocated to Middle West. Hearings were held on this matter and, subsequent to the close of the fiscal year, the plan was further amended primarily with respect to the allocation of the new common stock to the security holders of Central. Hearings are in progress on the present plan and the companies have stated that due to present market conditions additional amendments to the plan are being formulated.

The Commission on June 9, 1941, instituted proceedings pursuant to Section 11 (b) (2) which raised issues as to the equitable distribution of voting power among security holders of the North West Utilities Company (North West) system, and also as to the continued existence of North West, a subsidiary holding company in the Middle West system. The proceeding was consolidated on June 11, 1941, with a

^{1/} Holding Company Act Release No. 4846.

^{2/} Holding Company Act Release No. 5606.

^{3/} Holding Company Act Release No. 5906.

^{4/} Holding Company Act Release No. 5845.

^{5/} Holding Company Act Release No. 3580.

^{6/ 136} Fed. (2d) 273.

plan of recapitalization of North West which had been submitted by North West and Middle West. The Commission on September 10, 1943, held that the proposed plan of recapitalization fell short of effectuating the provisions of Section 11 (b) and ordered that North West be liquidated. 1/ Sale by North West of its subsidiary, Lake Superior District Power Company, was approved by the Commission on April 21, 1945, 2/ and recapitalization of another subsidiary, Wisconsin Power and Light Company, preparatory to its disposal, was approved on October 26, 1945. 3/

12. The United Light and Power Company

Proceedings pursuant to Section 11 (b) (1) instituted on May 8, 1940, together with proceedings under Section 11 (b) (2) started on December 6, 1940, involving The United Light and Power Company (United Light), were consolidated in 1941. The liquidation of United Light was ordered by the Commission under the standards of Section 11. An important step towards liquidation involved the distribution of the common stock of The United Light and Railways Company (Railways) to preferred and common stockholders of United Light. On April 5, 1943, the Commission disapproved the distribution originally proposed by the company but thereafter approved the plan as amended to allow the preferred stockholders approximately 95 percent of Railways common stock. 4/ Commissioner Healy dissented on the ground that the preferred stockholders were entitled to receive all the assets. On June 30, 1943, Judge Leahy, of the United States District Court of Delaware, confirmed the order of the Commission, and on April 10, 1944, the United States Circuit Court of Appeals. Third Circuit, affirmed the order. A petition for certiorari in the United States Supreme Court was granted on June 12, 1944. On January 29, 1945, the Supreme Court rendered its decision affirming the Commission's approval of the plan. 5/ Following this decision United Light accomplished its liquidation and dissolution in compliance with the Commission's order of March 20, 1941. 6/ Railways, which has two subsidiary holding companies, American Light & Traction Company (American Light) and Continental Gas & Electric Corporation (Continental), thus became the top holding company in the system.

On June 2, 1945, 7/ the Commission issued a Memorandum Opinion which concluded that the most appropriate means for achieving compliance with its order of August 5, 1941 requiring Railways to dispose of its interests in certain subsidiaries was the liquidation and dissolution of American Light and the disposition by Railways of all securities received by it in such liquidation. To accomplish this and other action recommended by the Commission in its Memorandum Opinion, American Light on July 2, 1945 filed an amended plan of liquidation and dissolution. The principal point at issue in this plan relates to the amount which should be paid to the holders of the company's non-callable 6 percent preferred stock. Hearings were concluded and oral argument was heard before the Commission in December 1945, but no decision has been rendered.

^{1/} Holding Company Act Release No. 4552.

^{2/} Holding Company Act Release No. 5747.

^{3/} Holding Company Act Release No. 6169.

^{4/} Holding Company Act Release No. 4215.

^{5/} Three Justices dissenting. Otis & Co. v. Securities and Exchange Commission, 323 U. S. 624.

^{6/} Holding Company Act Release No. 2636.

^{7/} Holding Company Act Release No. 5840.

Subsequent to the close of the fiscal year, Railways and Continental filed a plan under Section 11 (e) proposing the divestment of stock interest in four companies 1/ to be received by Railways upon the liquidation of American Light, the proceeds from which are proposed to be used to retire senior securities. Other divestments and retirements are also proposed, together with intra-system adjustments necessary to comply with the Commission's order of August 5, 1941.

Railways, through its subsidiary, Continental, was authorized on July 18, 1945, to acquire St. Joseph Light & Power Company (St. Joseph). 2/ Negotiations are also pending for the purchase by Continental of the common stock of Missouri Power & Light Company, a subsidiary of North American Light and Power Company operating in territory adjacent to that of St. Joseph.

13. American Water Works and Electric Company, Inc.

This was the first registered holding company to file a corporate simplification plan pursuant to Section 11 (e). The plan contemplated no divestments of any of the utility properties or utility investments of the system, but did provide for the elimination of several "second degree" holding company relationships and for certain other intra-system readjustments. Consummation of the main features of the plan was contingent upon the accomplishment of extensive refinancing.

The Commission approved the plan on December 31, 1937, with various modifications and reservations. The Commission held that the applicant's interests in certain argicultural properties in California and in an office building in New York/were not retainable, and that the distribution of voting power in the system was not fair and equitable; it reserved jurisdiction with respect to the retention of American's interest in a water subholding company to afford it an opportunity to increase its equity therein and to recapitalize it; and also reserved for future consideration the question of adjustments of write-ups of system properties and in investments. 3/ American recently announced a plan for divesting itself of all the water companies in its system.

14. Engineers Public Service Company

Service Company (Engineers) and its subsidiaries on February 28, 1940. On July 23, 1941, the Commission ordered Engineers to dispose of its interest in Puget Sound Power & Light Company and The Key West Electric Company, and on the same date initiated Section 11 (b) (2) proceedings with respect to The Western Public Service Company (a Maryland corporation), a subsidiary of Engineers. 4/ On December 29, 1941, the Commission approved the sale of Western's Nebraska and South Dakota properties. 5/ Western then redeemed its publicly-held securities and liquidated. 6/

^{1/} Detroit Edison Company, Madison Gas and Electric Company, Michigan Consolidated Gas Company and Milwaukee Gas Light Company.

^{2/} Holding Company Act Release No. 5943.

^{3/12} S.E.C. 972.

^{4/} Holding Company Act Release Nos. 2897 and 2898.

^{5/} Holding Company Act Release Nos. 3230 and 3245.

^{6/} For further details see Tenth Annual Report, p. 135.

On September 16, 1942, the Commission ordered the divestment of the remaining properties in the Engineers system except the electric utility properties of Virginia Electric and Power Company, allowing Engineers, however, fifteen days within which to petition for leave to retain instead the electric utility properties of Gulf States Utilities Company. 1/ Engineers appealed to the United States Court of Appeals for the District of Columbia, which on November 22, 1943 rendered an Opinion upholding the Commission's order in most respects but setting it aside upon the ground that the Commission had misinterpreted the so-called mincidental business clausem of Section 11 (b) (1). The Court indicated also that Engineers must be given a further right to designate the principal integrated utility system which it desired to retain. Both Engineers and the Commission filed petitions for writs of certiorari in the Supreme Court of the United States. On June 5, 1944, the petitions were granted and on November 14, 1945 the matter was argued before the Supreme Court. No decision has yet been rendered by the court.

Engineers has divested itself of its interest in Puget Sound Power & Light Company, The Key West Electric Company, El Paso Natural Gas Company, El Paso & Jaurez Traction Company, Baton Rouge Bus Company, The North Kansas Power Company, Missouri Service Company, Savannah Electric & Power Company and the transportation businesses conducted by El Paso Electric Company (Texas) and Virginia Electric & Power Company.

Subsequent to the close of the fiscal year (September 10, 1945), Engineers filed a plan under Section 11 (e) proposing the disposition of its remaining subsidiaries and the dissolution of Engineers. 2/ Hearings have not been concluded on the plan.

15. The United Corporation

On July 28, 1941, the Commission instituted proceedings under Sections 11 (b) (1) and 11 (b) (2) with respect to the United Corporation, and consolidated such proceedings for hearing with United's Section 11 (e) plan filed in March 1941. In its plan, United proposed to reduce its holdings in each of its statutory subsidiaries to less than 10 percent of the outstanding voting securities and pending such reduction, to refrain from voting the securities without the prior approval of the Commission. On August 14, 1943, after extensive hearings, the Commission disapproved United's plan, and, pursuant to Section 11 (b) (2), ordered that United change its existing capitalization to one class of stock and cease to be a holding company. 3/

On June 27, 1944, the United Corporation filed a plan pursuant to Section 11 (e) which provided for the exchange of substantially all of its holdings of the common stocks of Philadelphia Electric Company and Delaware Power & Light Company, plus cash for approximately one—half of its outstanding preferred stock. 4/ The plan was subsequently amended to provide for the exchange of only the Philadelphia Electric common stock and an increased amount of cash. The plan, as amended, was

^{1/} Holding Company Act Release No. 3796.

^{2/} Holding Company Act Release No. 6131. The plan, however, referred to the review proceedings pending in the Supreme Court of the United States with respect to Engineers and stated that it was not expected that any portion of the plan would be consummated until after the Supreme Court's decision.

^{3/} Holding Company Act Release No. 4478.

^{4/} Holding Company Act Release No. 4870.

approved by the Commission on November 24, 1944, 1/ and has since been consummated.

The United Corporation on January 17, 1945 filed a plan pursuant to Section 11 (e) providing for the exchange on a voluntary basis of two shares of the Common Stock of Delaware Power & Light Company and \$5 in cash for outstanding shares of United's \$3 Cumulative Preferred Stock. The plan was subsequently amended to provide for the payment of \$6 in lieu of the \$5 in cash as originally proposed. The plan, as amended, was approved by the Commission on June 9, 1945 2/ and has been consummated.

16. Midland United Company and Midland Utilities Company

A plan of reorganization for Midland United Company (United) and its subsidiary, Midland Utilities Company (Utilities), both of which controlled important operating utility subsidiaries in Indiana, was filed by the Trustee of United in February 1943 under Section 11 (f). In September 1943, the Trustees of Utilities filed a separate plan for its reorganization. In November 1943, a joint plan for both companies was filed by the Trustees of the two companies. The Commission issued its preliminary findings on the joint plan approving it subject to certain conditions. 3/ The Trustees then filed an amended plan meeting the conditions, which plan was approved by the Commission by orders dated October 5, 1944 and October 24, 1944. 4/ The reorganization court also approved the amended joint plan on December 11, 1944. On April 7, 1945, the Circuit Court of Appeals for the Third Circuit dismissed an appeal taken from the order of the District Court. 5/ The plan was consummated as of May 25, 1945.

The consummation of this plan, involving companies in the former Insull utility empire, concluded one of the most difficult and complicated reorganization proceedings that the Commission has ever had to pass upon. Among other issues, it included the disposition of complex claims and counterclaims which had been the subject of extended litigation and negotiation among the claimants.

17. New England Public Service Company

A Section 11 (b) (2) order was issued on May 2, 1941 with respect to New England Public Service, Company directing it to recapitalize on a one-stock basis or to liquidate. On December 6, 1941 the company filed a plan for compliance with this order. One public utility company of this system (Cumberland County Power & Light Company) has been eliminated by merger into Central Maine Power Company and another (Twin State Gas & Electric Company), through conveyance of its properties to Public Service Company of New Hampshire and Central Vermont Public Service Corporation. 6/ On December 19, 1944, on the application of Central Maine Power Company, the Commission approved a plan for the divestment of Portland Railroad Company, a nomutility subsidiary. On February 3, 1945 certain common stockholders filed a bill of complaint in the Supreme Judicial Court of Maine seeking a rescission of the sale of Portland Railroad Company. Hearings have been held and the

^{1/} Holding Company Act Release No. 5440.

^{2/} Holding Company Act Release No. 5859.

^{3/} Holding Company Act Release No. 5317.

^{4/} Holding Company Act Release Nos. 5335 and 5317A.

^{5/ 58} F. Supp. 667.

^{6/} Holding Company Act Release No. 4711.

matter is now pending before that court. Also, Maurice A. Bowers and Theron A. Woodsum filed petitions in the Circuit Court of Appeals for the First Circuit to review the Commission's order of December 19, 1944. These proceedings have been dismissed on motion of the petitioners. On October 25, 1944, New England Public Service Company filed an amended plan of reorganization. 1/ Hearings were held on the amended plan in February and March, 1945. Subsequently, the company again amended its plan to provide for the sale of its industrial subsidiaries. Extensive hearings on this phase of the amended plan were held after the close of the fiscal year. On October 11, 1945, the Commission approved the sale of the industrial subsidiaries to a banking group for a consideration of \$16,500,000. 2/ The sale by NEPSCO of its industrial holdings was approved by the United States District Court for the District of Maine (Southern Division). Allen L. Goldfine, an unsuccessful bidder, and Harry C. Blatchley, a stockholder of NEPSCO, have filed petitions in the United States Circuit Court of Appeals for the First Circuit for review of the Commission's order of October 11, 1945. They have also appealed from the District Court's order.

18. Federal Water and Gas Corporation

On December 31, 1942, proceedings were instituted by the Commission with respect to Federal Water and Gas Corporation (Federal) and its subsidiaries under Section 11 (b) (1) and 11 (b) (2). The Federal system at that time consisted of a mumber of utility and non-utility companies conducting water, natural gas transmission and distribution, manufactured gas distribution, and electric operations in a number of widely separated states. Federal's principal subsidiary was, and is, Southern Natural Gas Company, a registered holding company controlling four gas utility subsidiaries in Alabama and directly owning and operating a natural gas pipeline extending from Texas into Georgia. On the same date, Federal and certain of its subsidiaries filed a plan under Section 11 (e) which, among other things, provided for the sale by Federal of its interests in Mississippi Public Service Company and Chattanooga Gas Company to Southern Natural, for the distribution of Federal's interest in Southern Natural to Federal's stockholders, and for the elimination of Federal as a separate corporation. The Commission reserved jurisdiction with respect to those provisions of the plan. The plan also provided for the disposition by Federal of its interests in all its other subsidiary companies, provided, however, that before disposing of its security holdings in Peoples Water and Gas Company, Scranton-Spring Brook Water Service Company and New York Water Service Corporation, these companies be recapitalized. On February 10, 1943, the Commission approved the latter provisions of Federal's plan and directed that steps be taken to carry out those provisions. 3/ In addition, Federal, Pennsylvania Water Service Company, and Scranton-Spring Brook were directed to cause the elimination of Pennsylvania Water Service Company and the 63 inactive subsidiaries of Scranton-Spring Brook. Since the entry of the 1943 order, Federal has caused the elimination of 62 inactive subsidiaries of Scranton-Spring Brook and has disposed of its interests in 15 companies and of the bulk of the properties of Alabama Water Service Company. Extensive hearings have also been completed on Federal's plans for the reorganization of Scranton-Spring Brook and New York Water, and these matters are now pending before the Commission.

^{1/} Holding Company Act Release No. 5477.

^{2/} Holding Company Act Release No. 6123.

^{3/} Holding Company Act Release No. 4113.

Federal itself was recapitalized in 1941; one aspect of the said reorganization, relating to the Commission's decision therein that officers and directors of Federal should not be permitted to profit on securities of Federal purchased by them during the pendency of the reorganization, was appealed to the Supreme Court, which set aside the Commission's order and remanded it to the Commission. 1/ In February 1945 the Commission issued its findings, opinion and order reaffirming its previous determination. 2/ This order was reversed by the U. S. Court of Appeals for the District of Columbia in February 1946. 3/

19. Ogden Corporation

Ogden Corporation (Ogden) is a successor corporation to Utilities Power & Light Corporation which went into bankruptcy in 1937. A plan of reorganization approved by this Commission 4/ provided, among other things, that Ogden would divest itself of all its interests in utility companies. Section 11 proceedings were instituted with respect to Ogden by the Commission on March 22, 1943, and were consolidated with a Section 11 (e) plan of Ogden. On May 20, 1943, the Commission approved certain provisions of the plan and ordered Ogden to divest itself of all its interests in public utility companies and eliminate itself as a public utility holding company. 5/ Ogden has divested itself of its interests in Derby Gas & Electric Corporation, Missouri Natural Gas Company, Laclede Gas Light Company and Missouri Electric Power Company which includes all of its interests in utility property except Interstate Power Company and certain residual assets of Central States Power and Light Corporation. Hearings are in progress on Ogden's plans for the reorganization of Interstate preparatory to the divestment of its interests therein and for the distribution of the remaining assets of Central States. The assets of the latter company, consisting principally of cash, will be distributed upon the determination of the rights of the various classes of security holders which involves the issue of whether any portion of the securities of Central States held by Ogden should be subordinated to the claims of public security holders. In our previous report, we mentioned the reorganization plan of Laclede Gas approved by the Commission 6/ which provided, among other things, for the redemption of the company's bonds by payment in cash of the principal amount but without the payment of premium required in the event of "voluntary" redemption. The Order of the Commission approving the plan was affirmed by the United States District Court for the Eastern Division of the Eastern District of Missouri. 7/ Certain of the bondholders indicated that they intended to appeal from the orders with respect to the bond premium. In order that the plan might be carried out nevertheless, it was amended to provide for the placing in escrow of sufficient cash to provide for the payment of premium in the event that the order was not upheld on appeal. On October 30, 1945, however, the Circuit Court of Appeals for the Eighth Circuit affirmed the order of the Commission and of the District Court and subsequently denied a petition

^{1/318} U.S. 80. For a discussion of the issues in this case see the Commission's Tenth Annual Report, page 118.

^{2/} Holding Company Act Release No. 5584.

^{3/} Chenery Corp. v. S.E.C., F. (2d) (C.A.D.C. Feb. 4, 1946).

^{4/ 5} S.E.C. 483.

^{5/} Release No. 4307.

^{6/} Holding Company Act Release Nos. 5062 and 5071.

^{7/ 57} F. Supp. 997.

for rehearing. The appellant has filed a petition for certiorari in the United States Supreme Court.

REGULATION OF SECURITY ISSUES

In the fiscal year ended June 30, 1945, the Commission declared effective 93 applications and declarations pursuant to Sections 6 and 7 of the Act, pertaining to the issuance of securities totaling \$1,308,641,520. 1/ For the preceding year, 92 such applications were declared effective with respect to \$985,981,951 of securities. The following table classifies the securities involved in applications made effective during the past fiscal year by type and purpose of issue.

Summary of Effective Security Issues under Sections 6 (b) and 7 of the Public Utility Holding Company Act of 1935*

•	July 1, 1944 to June 30, 1945			
Type of issue:	Amount	Percent		
Bonds	\$ 909,269,000	69.7		
Debentures	2,450,000	0.2		
Notes	72,030,000	5.5		
Préferred stock	145,152,725	11.1		
Common stock	<u>175,620,825</u>	13.5		
Total	\$1,304,522,550	100.0		
Purpose of issue:				
Refunding and refinancing	\$1,105,282,397	84.7		
Reorganization	100,682,389	7.7		
Exchange for other securities	43,027,261	3.3		
Acquisition of property or other assets	43,902,850	3.4		
New financing	11,627,653	9		
Total	\$1,304,522,550	~ - 100.0		

^{*} These figures do not include outstanding issues whose rights were altered under Sections 6 (a) (2) and 7 (e), nor do they include the guarantee of other issues.

In the past year there was a continuance of the heavy refunding program that has been in progress for the past ten years. Because of the declining rate of interest, many companies which refunded their bonds several years ago were able to effect further interest savings by a second refunding. Tax considerations facilitated this program since companies which were in the excess profits tax brackets could reduce their excess profits taxable net income by the amount of unamortized discount and expense and call premiums applicable to the refunded issue. In recent months highest quality electric utility bonds have been refunded at an effective interest cost of between 2.69 percent and 2.75 percent. Even the lowest bank quality electric utility bonds are being consistently refunded on approximately a 3.00 percent basis.

^{1/} At the beginning of the fiscal year ended June 30, 1945, 43 applications and declarations under Sections 6 and 7 were pending and 179 were filed during the year. Of these, 124 were declared effective, 1 was withdrawn and 1 denied, leaving 96 pending at the close of the fiscal year. Of the 124 effective declarations and applications, 93 pertained to security issuance, 30 to alteration of rights and 1 to assumption of liability.

An important development in the field of public utility finance in the past year has been the increasing number of preferred stock refinancing cases to take advantage of the lower yields prevailing for preferred stocks. As a result outstanding preferred stock issues bearing dividend rates of 5, 6 and 7 percent are being refinanced on a 4 percent basis or lower. A variety of methods of refinancing preferred stocks has been used. In some cases the outstanding issue is called at the contract redemption price and replaced by a new issue which, under the Holding Company Act, must be sold at competitive bidding. 1/ A second method is a direct exchange offer on a share for share basis without underwriting. 2/ Under this method any stock not exchanged is retired at the call price from the general funds of the company and without selling any of the unexchanged shares. In cases of this type it has been customary for the company to fix the dividend rate on the new stock high enough to make an even exchange on the basis of the call price of the outstanding stock. It is also the usual practice to engage the services of a securities dealer to assist the company in carrying out the exchange plan and to manage the dealer group organized to effect exchanges. A third method, having some of the characteristics of each of the methods mentioned above, involves an exchange offer and a sale of any unexchanged stock in a public offering through underwriters. The offering price and the choice of underwriters to solicit exchanges and underwrite and sell the unexchanged stock are determined by competitive bidding. 3/ Still another method involves a reclassification of outstanding stock. 4/ There have been further differences of detail with respect to such matters as premiums, cash differentials and the like. In its Findings and Opinion in a preferred stock refinancing case after the close of the fiscal year, the Commission commented on the variety of methods and problems presented in such cases as follows: 5/

"Because of the large volume of preferred stock transactions which have been proposed and the relative novelty of many of the problems presented, we have thought it appropriate to give reasonably wide latitude to issuers in determining the precise form of their transactions, so long as no major difficulties appeared under the standards of the Act. On the basis of experience gathered through this policy we may well find it appropriate to limit more narrowly the methods of preferred refinancing to be employed in futurescases. Thus our present decision and other decisions relating to preferred stock refinancing in this period should not be taken as establishing general precedents for the future."

Further progress was made during the past fiscal year in strengthening the financial structures of public utility operating companies and their parent holding companies. The manner in which that has been accomplished in other years has been set forth in previous annual reports of the Commission (see, for example, the Tenth Annual Report, pages 98-107).

^{1/} For example, see Holding Company Act Release No. 5763 (April 27, 1945), New York Power and Light Corporation.

^{2/} For example, see Holding Company Act Release No. 5713 (April 6, 1945), Carolina Power & Light Company.

^{3/} E.g., Holding Company Act Release Nos. 5292 and 5308 (September 1944), Gulf States Utilities Company.

^{4/} E.g., Holding Company Act Release No. 6093 (October 1, 1945), Rochester Gas and Electric Corporation.

^{5/} Holding Company Act Release No. 6120 (October 13, 1945), The Cincinnati Gas & Electric Company.

Speaking generally, the improvement in public utility capital structures has resulted from debt reduction, made either at the time a refunding took place, or, where that was impracticable, by provision for the retirement of debt through sinking fund or serial debt retirement programs, from the elimination of write-ups, from increased provision for depreciation both as to current accruals and reserves, from improved mortgage indenture provisions, and from the inclusion in corporate charters of improved protective provisions with respect to preferred stock. All this has been accompanied by a substantial decrease in the burden of interest on funded debt and preferred stock dividend requirements.

Competitive Bidding

During the past fiscal year an additional \$862,000,000 of securities were sold at competitive bidding pursuant to Rule U-50, which prescribes public invitation of sealed bids in connection with the sale of securities by registered public utility holding companies and their subsidiaries. This brings to \$1,856,000,000 the total amount thus sold from May 7, 1941, the date on which the rule became effective, to July 1, 1945. 1/ The rule permits exemption from competitive bidding under specified or appropriate circumstances. A number of such exemptions have been granted since the rule was adopted.

COOPERATION BETWEEN THE SECURITIES AND EXCHANGE COMMISSION AND STATE COMMISSIONS

It is the established policy of the Securities and Exchange Commission to foster effective cooperation with the State commissions in all matters where their respective jurisdictions complement each other and in all additional matters where such cooperation is desirable and appropriate in the case under consideration. The purpose of the Holding Company Act is, in large part, to free operating companies from the absentee control of holding companies, thus permitting them to be regulated more effectively by the State. This fundamental purpose of the Holding Company Act—the facilitating of State regulation—underlies the Commission's efforts to work cooperatively with the various State commissions in the administration of the Act. A program of cooperation on a two-way basis is greatly to be desired in the interest of effective regulation and a mutual understanding of the respective regulatory duties and responsibilities.

The protection of State regulation is specifically provided for in several sections of the Act. For example, Section 6 (b) of the Act directs the Commission to exempt from the requirements of Section 7 an issue and sale of securities which has been expressly authorized by a State commission of the State in which the issuer is both organized and doing business and where the securities are solely for the purpose of financing the business of the issuer. These provisions limit the Commission's powers over security issues where a State commission has full authority over the subject matter and where the other conditions for exemption are met. In granting a Section 6 (b) exemption, however, the Commission is empowered to impose such terms and conditions as it deems appropriate in the public interest or for the protection of investors and consumers. The Commission usually consults with the State commission with regard to the imposition of terms and conditions in Section 6 (b) cases. Certain security and utility asset acquisitions are likewise exempted under Section 9 (b) from the provisions of Section 9 where they have been approved

For details relating to the bids received for each issue sold under Rule U-50 to December 31, 1944, see table beginning at page 21 in the report of the Commission's Public Utilities Division entitled "Security Issues of Electric and Gas Utilities, 1935 - 1944."

by a State cosmission. Moreover, the Commission may not authorize security issues /Section 7 (g)/ or the acquisition of assets /Section 10 (f)/ unless applicable State laws have been complied with. Section 8 prevents the ownership of both electric and gas utility properties in violation of State law, while Section 20 (b) requires that accounting standards established by the Commission shall not be inconsistent with the provisions of applicable State law.

A number of specific sections of the Act reflect the Congressional intent that the Commission's work should be coordinated with the work of State commissions. Section 19 of the Act, for example, expressly provides that in any proceeding before the Commission, the Commission, in accordance with such rules of practice as it may prescribe, shall admit as a party any interested State, State commission, municipality or any political subdivision of the State. Pursuant to this provision, the Commission uniformly notifies interested State commissions of proceedings before it which may affect the work of such commission. Many State commissions have taken advantage of this provision and have intervened in proceedings before the Commission and in these and other cases there has been an interchange of ideas and information between the Securities and Exchange Commission and the State commission concerned.

The Act contains other provisions which look toward action by the S.E.C. and State commissions on a cooperative basis. Thus Section 18 of the Act not only authorizes the S.E.C. to make available to State commissions information obtained in the course of its investigations under the Act /Section 18 (a)7, but also makes provision for placing the investigatory power of the S.E.C. at the disposal of State commissions /Section 18 (b)7. Further, the provisions of Section 13 of the Act with respect to the regulation by the S.E.C. of intrasystem service charges affords significant assistance to State commissions in this field. Section 13 (d) empowers the Commission, upon the request of a State commission, to require, after notice and opportunity for hearing, the revision or elimination of inequitable servicing arrangements among member companies of a mutual service company. Section 13 (g) of the Act, which authorizes the Commission to conduct investigations and make recommendations with respect to service sales and construction contracts, directs that such recommendations be made available to State commissions.

There are listed below some of the specific instances during the past year in which there have been interchanges of ideas between the S.E.C. and State commissions or members of their respective staffs:

Case

State Commission

American Light & Traction Company File No. 54-25 plan for liquidation and dissolution Michigan Public Service Commission

Arizona Power Corporation
File Nos. 70-888 and 70-889
proposed sale of its interest in this company
by The United Gas Improvement Company

Arizona Corporation Commission

Buffalo, Niagara & Eastern Power Corporation File Nos. 54-106 and 54-107 reorganization New York Public Service Commission

Central Arizona Light & Power Company File No. 70-1156 proposed sale by American Power & Light Company of its interest in this company

Arizona Corporation Commission

Case

State Commission

Cities Service Power & Light Company
File No. 70-1019
accounting matters in relation to proposed
sale of the Western Division of the MarionReserve Power Company to Dayton Power & Light
Company

Ohio Public Utilities Commission

Consolidated Electric and Gas Company
File Nos. 70-1145 and 54-131
proposed sale of its interest in Atlanta Gas
Light Company to Southern Natural Gas Company

Georgia Public Service Commission

Consumers Power Company
File No. 70-1114
accounting matters in connection with
refinancing

Michigan Public Service Commission

Federal Light & Traction Company
File No. 70-1163

proposed sale of this company's common stock holding in The Tucson Gas, Electric Light and Power Company to the Arizona Edison Company, Inc.

Arizona Corporation Commission

Georgia Power and Light Company
File No. 54-95
acquisition by Florida Power Corporation
of this company's common stock and a
recapitalization of the company

Georgia Public Service Commission

Great Lakes Utilities Company
File No. 54-53
rate matter in connection with Section 11 (e)
plan of reorganization

Ohio Public Utilities Commission

Indiana Service Corporation
File No. 59-58
Section 11 (b) (2) proceedings

Indiana Public Service Commission

Jersey Central Power & Light Company Section 11 problems New Jersey Board of Public Utility Commissioners

Long Island Lighting Company
File No. 31-7
exemption and recapitalization

New York Public Service Commission

New England Public Service Company
File No. 70-986
accounting problems in connection with
proposed sale of gas properties by the
company's subsidiary, Public Service
Company of New Hampshire

New Hampshire Public Service Commission

Case

New Hampshire Gas & Electric Company File No. 70-1146 acquisition by it of the stocks of two subsidiary companies of its parent, New England Gas and Electric Association

Northern Natural Gas Company ... File Nos. 59-10 and 54-93 acquisition by its wholly-owned subsidiary, Peoples Natural Gas Company, of the assets of another subsidiary, Argus Natural Gas Co.

Portland Electric Power Company File No. 52-19 accounting matters in connection with plan of reorganization

Portland General Electric Company File No. 70-1084 accounting problems and maximum sales price of securities in connection with a refunding

Rochester Gas and Electric Corporation File No. 70-1091 plan for exchange of securities and proxy matters in connection therewith

Seattle Gas Company File No. 54-124 problem of capital structure in connection with the company's reorganization

South Carolina Power Company File No. 70-1002 refinancing -

Spokane Gas & Fuel Company File No. 54-122 Sec. 11 (e) plan of reorganization

Utah Power & Light Company File No. 54-119 proposed plan of reorganization

Vermont Utilities Company, et al. File No. 70-991 accounting matters in relation to acquisition by Central Vermont Public Service Corporation of Vermont Utilities, Inc.

Virginia Electric and Power Company Virginia State Corporation Commission File No. 70-1047 accounting matters in relation to a refunding

State Commission

New Hampshire Public Service ` Commission

Kansas State Corporation Commission

Oregon Public Utilities Commissioner

Oregon Public Utilities Commissioner

New York Public Service Commission

Washington Department of Public Utilities

South Carolina Public Service Commission -

Washington Department of Public . Utilities 🥕 .

. . .

Utah Public Utilities Commission

Vermont Public Utilities Commission

Case

State Commission

Western Light & Telephone Company
File No. 70-865
accounting matters in connection with
company's acquistion of the common stock
of The Kansas Power Company

Kansas State Corporation Commission

York Railways Company
File No. 52-26
reorganization and related accounting
matters

Pennsylvania Public Utility
Commission

LITIGATION UNDER THE ACT

Constitutionality of Section 11 (b)

The issue of constitutionality of Section 11 (b) (1) has been upheld by the Second and Third Circuits and the Court of Appeals for the District of Columbia, 1/and that of Section 11 (b) (2) by the First and Third Circuits and the Court of Appeals for the District of Columbia. 2/ Petitions for writs of certiorari were filed only in the North American, Engineers, American Power, and Electric Power cases. The Supreme Court granted certiorari in these cases and set them down for oral argument on November 13, 1945.

Proceedings under Section 11 (e)

During the past fiscal year court decisions involving voluntary plans filed by companies under Section 11 (e) of the Act have been of far-reaching importance in the determination of the relative rights of interested security holders.

a. Liquidation preferences and call premiums

In the United Light & Power Company case the Supreme Court for the first time had before it the question whether the "fair and equitable" standard of Section 11 (e) requires the Commission to treat a preferred stockholder's liquidation preference as though it were a claim matured by operation of Section 11. 3/ The majority opinion of the Supreme Court upheld the Commission's decision 4/ that a preferred stockholder's rights must be measured on a going-basis without regard to the impact of Section 11, giving proper emphasis to immediately operative rights (rights to current dividends) as against inchoate rights (liquidation preferences),

^{1/} The North American Company v. S.E.C., 133 F. (2d) 148 (1943); United Gas Improvement Company v. S.E.C., 138 F. (2d) 1010 (1943); Engineers Public Service Company v. S.E.C., 138 F. (2d) 936 (1943).

^{2/} American Power & Light Company and Electric Power & Light Corp. v. Securities and Exchange Commission, 141 F. (2d) 606 (1944); Commonwealth & Southern Corp. v. Securities and Exchange Commission, 134 F. (2d) 747 (1943); Central and Southwest Utilities Company v. Securities and Exchange Commission, 136 F. (2d) 273 (1943).

^{3/} Plan approved and enforced, 51 F. Supp. 217 (D.C. Del.), aff'd sub nom, Otis & Co. v. Securities and Exchange Commission, 142 F. (2d) 411 (C.C.A. 3), 323 U.S. 624, 89 L. Ed. 460 (1945).

^{4/} Holding Company Act Release No. 4215.

and further held that the liquidation preference as contained in the charter of United Light & Power was inoperative in a proceeding under Section 11 (b) (2). 1/

In other Section 11 (e) plans providing for the retirement of senior securities, the issue presented was whether voluntary call premiums are necessarily payable as such in connection with retirement of senior securities. The Commission has repeatedly held that the retirement of a senior security compelled by the requirements of Section 11 is not an exercise by a company of a right of redemption which necessarily entitles the holder to receive a call premium as such. 2/

b. Discharge of debt securities by payment in kind

In the case of a Section 11 (e) plan providing for the satisfaction of a portion of the claims of holding company debenture holders with portfolio common stocks owned by the applicant holding company, the U.S. District Court refused to enforce the plan on the ground that there is no power under the Holding Company Act to require creditors of a solvent corporation to take securities in satisfaction of their claims and on the further ground that no such plan could be fair and equitable. 3/ On appeal, the Third Circuit Court of Appeals reversed and remanded. 4/ The Circuit Court held that the Holding Company Act permits a plan for satisfaction of the claims of a holding company creditor with securities, and further held that the question whether such power ought to be exercised in a particular situation was essentially for the Commission's determination.

c. Fees and expenses

The Commission has held that its approval of plans of reorganization and recapitalization filed under Section 11 (e), not providing for the payments of fees and expenses incurred in connection with such proceedings, will be expressly conditioned upon an applicant company undertaking to pay such fees and expenses as are approved, allocated or awarded by the Commission. The only instance involving litigation in the matter of fees and expenses occurred in the Columbia Gas & Electric Corporation case where four applicants who opposed the plan filed by the company and whose requests for fees and expenses were disallowed by the Commission, made motions to resubmit the disallowances to the Federal District Court of Delaware. The court denied the motions to resubmit. In re Columbia Gas & Electric Corporation, F. Supp. (1945).

^{1/} Commissioner Healy disagrees with much of this interpretation of the United Light & Power decision. See his concurring opinion in the matter of Northern States Power Co. (Del.), Holding Company Act Release No. 5745.

^{2/} In re Central States Power & Light Corp., plan enforced (D.C. Del.) No. 354
(October 30, 1944); In re Consolidated Electric and Gas Company, plan enforced
(D.C. Del.) No. 382 (March 20, 1945); In re The Laclede Gas Light Company, 57
F. Supp. 997 (E.D. Mo. 1944). Cf. In re United Gas Corp., plan approved and
enforced, 58 F. Supp. 501 (D.C. Del., 1944), where the Commission held that if
a senior security could be left outstanding in a recapitalization of a company
under Section 11 (e) consistently with the requirements of Section 11 (b), the
retirement of such security, although provided for in a Section 11 (e) plan, will
be considered as a voluntary exercise of the redemption privilege rendering the
call premium payable as such.

^{3/} In re Standard Gas and Electric Company, 59 F. Supp. 274 (1945).

^{4/ 151} F. (2d) 326 (1945).

Proceedings under Section 11 (f)

Section 11 (f) of the Holding Company Act requires, among other things, that plans of reorganization under Chapter X of Section 778 of the Bankruptcy Act for registered holding companies or their subsidiaries shall not become effective unless such plans shall have been approved by the Commission after opportunity for hearing prior to their submission to the Court. Several such plans have been passed upon by the Commission during the past fiscal year, all of them involving settlement of pending litigation relating to the rank or status of the various classes of claims against the respective debtors. In considering whether these plans were fair and equitable, the Commission has carefully weighed the legal merits of the claims and contentions at issue, in order to determine whether the settlement was reasonably consonant with litigation possibilities. In re Associated Gas and Klectric Company (Stanley Clarke, Trustee, et al.), Holding Company Act Release No. 4985, 61 Fed. Supp. 11 (D.C. S.D. N.Y., 1944), 149 F. 2d _____, certiorari denied, ; In re Midland United Company, 58 F. Supp. 667 (D.C., Del., 1944), appeal dismissed without opinion, No. 8813, C.C.A. 3 (April 5, 1945). In amother case arising under Section 11 (f), there was the unusual circumstance that the plan was negotiated at arm's-length and agreed to by representatives of all classes of claimants. In re Inland Power and Light Corporation (John E. Dwyer, Trustee), Holding Company Act Release No. 5369. (D.C. N.D. III. No.

Judicial Review

Section 11 (e) of the Act provides for the enforcement of a Section 11 (e) plan if the District Court, "after notice and opportunity for hearing", shall approve the plan as fair and equitable and as appropriate to effectuate the provisions of Section 11. Where the Commission's order approving a plan filed under Section 11 (e) is only a preliminary step to approval and enforcement thereof by a District Court, such order is not considered to be reviewable under the provisions of Section 24 (a) of the Act, which provides that a "person or party aggrieved by an order issued by the Commission" is entitled to obtain judicial review in a Circuit Court of Appeals. 1/ In Okin v. S.E.C., 145 F. (2d) 206 (C.C.A. 2, 1944), 2/ the Circuit Court dismissed a petition for review under Section 24 (a) on the ground that this Section 11 (e) plan could be consummated only after hearing and approval of such plan before the Delaware District Court, which court was considering the plan at the time of this suit. 3/

The Federal courts also had occasion during the period under consideration to rule on the question whether the statutory provision for review at the instance of a "person or party aggrieved" under Section 24 (a) should be construed as transcending traditional limitations on the rights of stockholders to litigate on behalf of

^{1/} Court enforcement under Section 11 (e) occurs only at a company's request, and an order approving any plan which does not contemplate such court enforcement is considered by the Commission as immediately operative to license the transactions proposed.

^{2/} Certiforari granted, limited; judgment vacated and case remanded to Circuit Court on other grounds, 324 B. S. ____ (June 18, 1945).

^{3/} See Gilbert v. S.E.C., 146 F. (2d) 513 (C.C.A. 7, 1944), where the Circuit Court dismissed a petition filed under Section 24 (a) to review an order of the Commission approving a plan under Section 11 (f) of the Act, which plan was subject to approval and enforcement by a District Court in a Chapter X proceeding. Cf. Disman v. S.E.C., 147 F. (2d) 679 (C.C.A. 10, 1944), certiorari denied U.S., 89 L. Ed. 1160 (1945); Phillips v. S.E.C. (C.C.A. 2), No. 19623 (Dec. 15, 1944).

a corporation immediately affected by an order of the Commission. A majority of the Supreme Court held that it was not essential within the meaning of "person or party aggrieved" under Section 24 (a) that a proceeding instituted by a stockholder "had the character of a derivative suit" as long as the stockholder has a substantial financial and economic interest distinct from that of the corporation which is directly and adversely affected by an order of the Commission. 1/

Injunctive Relief

The Federal courts in past years have enjoined or stayed the prosecution of judicial proceedings in both state and Federal courts which might have interfered with the enforcement of a Commission order under Section 11. 2/ In S.E.C. v. Long Island Lighting Company, 59 F. Supp. 610 (D.C. E.D. N.Y., 1944), the Commission instituted an action seeking a preliminary and final injunction to restrain Long Island from directly or indirectly taking any action to effectuate appending plan of recapitalization until determination of certain proceedings then before the Commission. The District Court denied relief on the ground that as a matter of law it was without the power to grant the injunctive relief sought. The Circuit Court, one judge dissenting, affirmed the District Court's ruling on the ground that the Commission lacked standing to sue and the Federal courts lacked jurisdiction to grant the relief sought. 148 F. (2d) 252 (C.C.A. 2, 1945). On application by the Commission, certiorari was granted, but before the case was heard by the Supreme Court. Long Island stipulated that the Commission could proceed promptly to dispose of the proceedings before it, and the cause of action being moot, the Supreme Court vacated the judgment of the Circuit Court and remanded the case to the District Court with direction to dismiss the complaint. 324 U.S. 837 (1935).

Existence of control or controlling influence

Pacific Gas and Electric Company applied to the Commission under Section 2 (a) (8) of the Act for an order declaring it not to be a subsidiary of The North American Company, which held 17.71 percent of its voting stock. The Commission having concluded after hearing that the record did not permit a finding that Pacific was not subject to a controlling influence on the part of The North American Company, it denied the application. Holding Company Act Release No. 2988. Pacific Gas and Electric Company petitioned the Ninth Circuit Court of Appeals for review of the Commission's order. That Court affirmed the Commission's order, one judge dissenting (127 F. 2d 378); upon reargument, the decision was affirmed by an equally divided court. In Pacific Gas and Electric Company v. S.E.C., 324 U. S. 826, 65 Sup. Ct. 855 (1945), the decision of the Court of Appeals was affirmed by an equally divided court. Petition for rehearing was denied, 324 U. S. 890, 65 Sup. Ct., 1010 (1945).

^{1/} American Power & Light Company v. S.E.C., 143 F. (2d) 250 (1944); Okin v. S.E.C., 143 F. (2d) 945 (C.C.A. 2, 1944). The Supreme Court heard argument and considered both cases together. American Power & Light Company v. S.E.C. (No. 470); 8.E.C. v. Okin (No. 815), 325 U. S. 385 (1945). Cf. Okin v. S.E.C., 143 F. (2d) No. 943 (C.C.A. 2, 1944).

^{2/} See Standard Power & Light Corporation, 48 F. Supp. 716 (D.C. Del.); Illinois— Iowa Power Company v. North American Light & Power Company, 49 F. Supp. 277 (D.C. Del.).

PART IV

PARTICIPATION OF THE COMMISSION IN CORPORATE REORGANIZATIONS UNDER CHAPTER X OF THE BANKRUPTCY ACT, AS AMENDED

Chapter X of the Bankruptcy Act, as amended in 1938, affords appropriate machinery for the reorganization of corporations (other than railroads) in the Federal courts. The Commission's duties under Chapter X are, first, at the request or with the approval of the court to act as a participant in proceedings thereunder in order to provide, for the court and investors, independent expert assistance on matters arising in such proceedings, and, second, to prepare, for the benefit of the courts and investors, formal advisory reports on plans of reorganization submitted to it by the courts in such proceedings. The Commission has no right of appeal in any such proceeding, although it may participate in appeals taken by others.

SUMMARY OF ACTIVITIES

The Commission actively participated during the year in 116 reorganization proceedings involving the reorganization of 141 companies (116 principal debtor corporations and 25 subsidiary debtors) 1/, with aggregate stated assets of \$2,039,439,000 and aggregate indebtedness of \$1,369,751,000. These debtors, together with their assets and indebtedness, are classified according to their industries and the size of their total indebtedness in Appendix Table 19. During the year, the Commission filed its notice of appearance in 9 new proceedings under Chapter X, in 3 of which the notice was filed at the request of the judge and in the remaining 6 it was entered upon approval by the judge of the Commission's motion to participate. These 9 new proceedings involved 9 companies with aggregate stated assets of \$280,589,000 and aggregate stated indebtedness of \$256,970,000. Proceedings involving 21 principal debtor corporations and 2 subsidiary debtors were closed during the year.

At the close of the year, the Commission was actively participating in 95 reorganization proceedings involving 118 companies (95 principal debtors and 23 subsidiary debtors), with aggregate stated assets of \$1,966,245,000 and stated indebtedness of \$1,301,685,000.

For a more detailed account of the Commission's work under this statute, reference is made to the Tenth Annual Report, pages 141-152.

^{1/} Appendix Table 34 identifies these proceedings, listing the names of 115 principal debtors inasmuch as during the year two proceedings were consolidated.

PART V

ADMINISTRATION OF THE TRUST INDENTURE ACT OF 1939

The standards of the Trust Indenture Act of 1939 outlawed many provisions previously incorporated in trust indentures to exculpate the trustee. The Act is designed to insure that the trustee will act in the interest of the bond or debenture owners and to insure his complete independence of the issuer and the underwriters. To secure its objects, the Act requires that bonds, notes, debentures, and similar debt securities publicly offered for sale, sold, or delivered after sale through the mails or in interstate commerce, except as specifically exempted by the Act. be issued under an indenture which meets the requirements of the Act and has been duly qualified with the Commission. The provisions of the Securities Act of 1933 and the Trust Indenture Act of 1939 are so integrated that registration pursuant to the Securities Act of 1933 of such securities to be issued under a trust indenture shall not be permitted to become effective unless the indenture conforms to the requirements expressed in the Trust Indenture Act of 1939, and such an indenture is automatically "qualified" when registration becomes effective as to the securities themselves. An application for qualification of an indenture covering securities not required to be registered under the Securities Act of 1933, which is filed with the Commission under the Trust Indenture Act of 1939, must expressly meet the same statutory requirements as though such application were a registration statement filed pursuant to the Securities Act of 1933.

STATISTICS OF INDENTURES QUALIFIED

The number of indentures filed with the Commission during the year for qualification under the Trust Indenture Act of 1939, together with the disposition thereof and the amounts of indenture securities involved, are shown in Tables I, II and III below. It will be noted that Table III merely consolidates the figures set forth in the other two tables.

Table I. Indentures Filed in Connection with Registration Statements under the Securities Act of 1933

,	Number	Amount of Offering
Indentures pending at June 30, 1944 Indentures filed during the year Total to be accounted for	6 9 7 103	\$ 163,500,000 2,143,484,900 \$2,306,984,900
Indentures qualified Principal amount reduced by amendment Indentures deleted by amendment or withdrawn Indentures pending at June 30, 1945 Total accounted for	82 2 19 103	\$1,736,016,400 250,000 103,000,000 467,718,500 \$2,306,984,900

Table II. Applications Filed for Qualification of Indentures Covering Securities Not Required To Be Registered under the Securities Act of 1933

	Number	Amount of Offering
Indentures pending at June 30, 1944 Indentures filed during the year Total to be accounted for	20 20	\$63,799,420 \$63,799,420
Indentures qualified Indentures withdrawn Indentures pending at June 30, 1945 Total accounted for	16 1 3 20	\$55,173,920 4,295,000 4,330,500 \$63,799,420

Table III. Total Number of Indentures Filed Under the
Trust Indenture Act of 1939

	Number	Amount of Offering
Indentures pending at June 30, 1944 Indentures filed during the year Total to be accounted for	6 117 123	\$ 163,500,000 2,207,284,320 \$2,370,784,320
Indentures qualified Principal amount reduced by amendment Indentures deleted by amendment or withdrawn Indentures pending at June 30, 1945 Total accounted for	98 -3 22 123	\$1,791,190,320 250,000 107,295,000 472,049,000 \$2,370,784,320

During the year the following additional material relating to trust indentures was filed and examined for compliance with the appropriate standards and requirements:

- 16 indentures exempt from the Trust Indenture Act of 1939 but subject to the Public Utility Holding Company Act of 1935 and required to meet the standards of the Trust Indenture Act of 1939.
- 137 trustee statements of eligibility and qualification under the Trust Indenture Act of 1939.
 - 55 amendments to trustee statements of eligibility and qualification.
 - 96 Supplements S-T, covering special items of information concerning indenture securities registered under the Securities Act of 1933.
 - 44 amendments to Supplements S-T.
- 35 applications for findings by the Commission relating to exemptions from special provisions of the Act.
- 247 annual reports of indenture trustees pursuant to Section 313.

PART VI

ADMINISTRATION OF THE INVESTMENT COMPANY ACT OF 1940

The Investment Company Act of 1940 requires the registration of and regulates investment companies, that is, companies engaged primarily in the business of investing, reinvesting, and trading in securities. The Act requires, among other things, disclosure of the finances and of the investment policies of these companies, to afford investors full and complete information with respect to their activities; prohibits such companies from changing the nature of their business or their investment policies without the approval of the stockholders; bars persons guilty of security frauds from serving as officers and directors of such companies: prevents underwriters, investment bankers, and brokers from constituting more than a minority of the directors of such companies; requires management contracts in the first instances to be submitted to security holders for their approval; prohibits transactions between such companies and their officers and directors and other insiders except on the approval of the Commission; forbids the issuance of senior securities of such companies except in specified instances; and prohibits pyramiding of such companies and cross ownership of their securities. The Commission is authorized to prepare advisory reports upon plans of reorganizations of registered investment companies upon request of such companies or 25 percent of their stockholders and to institute proceedings to enjoin such plans if they are grossly unfair. The Act also requires face-amount certificate companies to maintain reserves adequate to meet maturity payments upon their certificates.

SUMMARY OF ACTIVITIES

During the past year the Commission in its administration of the Act concerned itself primarily with the disposition of the applications filed pursuant to various provisions of the Act. There were 70 such applications pending at the beginning of the year and 59 additional ones filed during the year; 59 were disposed of in the course of the year, and 70 were pending at its close. These applications are classified below, together with an indication of the disposition made of them. It should be noted that the detailed figures in this summary are not totaled for the reason that some applications involved more than one section of the Act.

Nature and Disposition of Various Applications Filed under the Investment Company Act of 1940 - Fiscal Year 1945

	on of the Act under application was filed	Number pending at June 30, 1944	Filed during year	Disposed of during year	Number pending at June 30, 1945
2 (a) (9)	Determination of question of control	5	· .	l withdrawn	4
3 (b) (2)	Determination that applicant is not an investment company	5	1,	2 granted	4
6 (b).	Employees' security company exemptions	1		1 denied	· · ·
6 (c)	Various exemptions not specifically provided for by other sections of the Act	10	16	1 withdrawn 14 granted	11

Nature and Disposition of Various Applications Filed under the Investment Company Act of 1940 - Fiscal Year 1945 (Continued)

	on of the Act under application was filed	Number pending at June 30, 1944	Filed during year	Disposed of during year	Number pending at June 30, 1945
6 (d)	Exemption for small closed- end investment companies offering securities in intra- state commerce	- .	1	· _	_^ 1
8 (f)	Determination that a registered investment company has ceased to be an investment company	7	19	1 denied 15 granted	10
9 (b)	Exemption of ineligible personal to serve as officers, director etc.		_		37
11 (a)	Approval of terms of proposed security exchange offers	1	1	 -	2
12 (g)	Approval of acquisition of control of existing insurance companies		ì	l withdrawn	
17 (b)	Exemption for proposed transactions between investment company and affiliates	7	21 ,	6 withdrawn 1 denied 16 granted	5
23 (c) (3)	Terms under which closed-end investment company may purchase its outstanding securities	1,	2	1 withdrawn 1 granted	1

New rule excluded certain guarantees as securities of the guarantor.—The Commission adopted during the year a rule dealing with the status of guaranteed securities under the diversification provisions of Section 5 of the Investment Company Act of 1940, designated as Rule N-5B-2.

Under Section 5 (b) of the Act an investment company is considered a "diversified Company" if at least 75 percent of its total assets is represented by cash, Government securities, securities of other investment companies and securities limited in respect of any one issuer to not more than 5 percent of the total assets of such investment company and to not more than 10 percent of the outstanding voting securities of such issuer. Since the term "security" is defined under the Act to include a guarantee of a security, the securities of "any one issuer" include guarantees of securities of other companies by such issuer. This situation presents difficult problems for the investment company in the valuation of guarantees and guaranteed securities in determining whether its investments meet the diversification standards of the Act. These problems are further complicated by multiple guarantees, guarantees solely of principal, or solely of interest, and guarantees which may expire prior to the maturity date of the guaranteed security.

The new rule adopted by the Commission alleviates these difficulties while retaining the basic diversification standards of the Act. The rule provides, in effect, that diversified investment companies may invest in guaranteed securities on the basis that the guaranter is not the issuer of the securities provided that the aggregate value of its investment in the direct issues of a company and the issues guaranteed by such company does not exceed 10 percent of the value of the total assets of the investment company. The rule does not affect the 5 percent and 10 percent limitations of Section 5 (b) as respects the direct obligations of issuers. The rule also provides that guarantees by a railroad of terminal, warehouse, switching or bridge company securities shall not be considered as securities of the railroad if the guaranteed security is guaranteed by more than one railroad no one of which controls all of its co-guarantors. The rule also makes clear that a lease or similar arrangement shall not be deemed in itself a guarantee.

STATISTICS RELATING TO REGISTERED INVESTMENT COMPANIES

At the beginning of the year 371 companies were registered as investment companies under the Act. Inasmuch as during the year 14 additional companies became registered, while the registration of 19 companies was terminated, there remained 366 companies registered at the close of the year, whose assets, it may be noted, aggregated approximately \$3,250,000,000. The comparative number of documents filed under the Act during the past two fiscal years and certain other relevant statistics are shown in the following tabulation.

REGISTERED INVESTMENT COMPANIES

	Fisca	l year
	1945	1944
Number of registered investment companies:		
Beginning of year	371	390
Registered during year	14	8
Terminations of registration during year	19	27
Number of companies registered at end of year	366	371
Notifications of registration	14	√ 8
Registration statements	8	5
Amendments to registration statements	26	47
Annual reports	235	248
Amendments to annual reports	41	53
Quarterly reports	768	809
Periodic reports to stockholders containing financial statements	671	706
Reports of repurchases of securities by closed-end management		
companies	134	111
Copies of sales literature	1,489	910
Applications for exemption from various provisions of the Act	41	34
Applications for determination that applicant has ceased to be		
an investment company	18	21
Amendments to applications	35	57
Total applications:		
Pending at beginning of year	70	95
Filed during year	59	55
Disposed of during year	59	*O\$
Pending at end of year	70	70 ×

^{*} Adjusted figures.

CIVIL ACTIONS INSTITUTED BY THE COMMISSION

The Commission during the past year made use of its authority to file injunctive actions to restrain violations of the Investment Company Act of 1940 in three cases. 1/ In two of them, the Courts, acting under Section 36 of the Act, enjoined officers and directors of registered investment companies from further serving in such capacities on the ground that they had been guilty of gross misconduct and gross abuse of trust in connection with their management of the companies involved. In the case against British Type Investors, Inc., after the defendants by stipulation agreed to a reorganization of the company and to make restitution of benefits acquired by them aggregating over \$1,000,000 in value, the Commission agreed to a dismissal of its complaint. In the case against Aldred Investment Trust, the Commission sought and obtained the appointment of receivers to safeguard the interests of investors. In the case against First Investment Company of Concord, New Hampshire, a liquidating agent was appointed to wind up the affairs of the company.

In the Aldred case, Gordon B. Hanlon, for less than \$20,000, acquired a majority of Aldred's common stock which had no asset value but gave him control of approximately \$2,500,000 in assets. Aldred had a funded debt of \$5,900,000 and had been insolvent since 1937. Absent a default in interest, the shareholders were not entitled to put an end to the Trust until 2002. Earnings were insufficient to meet the Trust's interest requirements. To prevent default in interest and possible termination of the Trust, a large proportion of interest was paid out of capital. Various plans of reorganization proposed by Hanlon, giving him an equity position, were never effectuated because they were considered by the Commission to be unfair to the debenture holders. Thereafter, without adequately informing the Trust's security holders, Hanlon radically changed Aldred's investment policy by selling approximately one-third of the Trust's choicest securities to acquire majority control of Suffolk Downs Race Track. After an extended trial the District Court entered a judgment permanently enjoining Hanlon and certain other defendants from serving as officers and trustees of Aldred. The judgment also provided for the appointment of receivers with power either to reorganize or liquidate the Trust in the interest of investors.

In S.E.C. v. First Investment Company of Concord, New Hampshire, the Commission sought an injunction restraining Charles L. Jackman from serving or acting in the capacity of officer, director, member of the advisory board or investment adviser of the company or any other registered investment company and permanently enjoining all defendants from effectuating transactions in violation of Section 10 (b) of the Securities Exchange Act of 1934 and Rule X-10B-5 thereunder. The complaint alleged that Jackman, while serving as president and director of the company, had been guilty of gross misconduct and gross abuse of trust within the meaning of Section 36 of the Act. It was further alleged that Jackman operated and managed the company in his own interest to the detriment of investors and caused First Investment's stockholders to sell their securities to his nominee under false and misleading information regarding the company's financial position. Jackman purchased the company's

^{1/} S.E.C. v. Otis, et al. (British Type Investors, Inc.) (U.S.D.C., S.D.N.Y., October 24, 1944).

S.E.C. v. Aldred, 58 Fed. Supp. 724, 151 F. 2d 254 (C.C.A. 1, September 17, 1945). On January 28, 1946, the Supreme Court denied certification.

S.E.C. v. First Investment Company of Concord, New Hampshire (Civil Action No. 400, U.S.D.C. New Hampshire, June 19, 1945). (See also this Report - Administration of Securities Exchange Act of 1934 - Civil Actions Instituted by the Commission.)

common stock at prices ranging from \$6 to \$6.75 per share. He failed to disclose to stockholders, however, that he was in fact the purchaser and that, at the time of the offer, the stock had an asset coverage of from \$18 to \$20 per share. In addition, stockholders were further misled by the company's failure to file with the Commission or to submit to its stockholders financial reports required by the Investment Company Act. The complete absence of financial information was of great assistance to Jackman in his stock acquisition program. It was further alleged that Jackman caused the company to engage in numerous financial transactions with corporations controlled by him in violation of various sections of the Investment Company Act. After the Commission instituted action, defendants consented to an injunction under which Jackman was permanently enjoined from further serving the company or any other registered investment company in any capacity and defendants were permanently restrained from engaging in any acts or practices in violation of Section 10 (b) of the Securities Exchange Act and Rule X-10B-5 in connection with the transactions involved. Jackman also agreed to make restitution.

In <u>S.E.C.</u> v. <u>Otis</u>, et al., the Commission alleged that the officers and directors of British Type Investors, Inc., through control of Class B stock (which had no asset value but carried all voting rights), engaged in a series of transactions, the effect of which was to dilute the asset value of the Class A stock for their own benefit. Class A stockholders had no voice in the management of the company, although they had the only equity position. It was alleged that Automatic Products, Inc., an investment company controlled by British, had failed to register as an investment company in violation of the Act. After the Commission filed its complaint, defendants agreed to a reorganization of British to give its Class A stockholders the right to elect five of its seven directors, and to make restitution. Automatic also filed notification of registration. Thereafter, the action was dismissed on stipulation.

PART VII

ADMINISTRATION OF THE INVESTMENT ADVISERS ACT OF 1940

The Investment Advisers Act of 1940 requires the registration of investment advisers, that is, persons engaged for compensation in the business of advising others with respect to securities. The Commission is empowered to deny or revoke registration of such advisers if they have been convicted or enjoined because of misconduct in respect of security transactions. The Act also makes it unlawful for investment advisers to engage in practices which constitute fraud or deceit; requires investment advisers to disclose the nature of their interest in transactions executed for their clients; prohibits profit—sharing arrangements; and, in effect, prevents assignment of investment advisory contracts without the client's consent.

REGISTRATION

Figures are presented below with respect to the registration of investment advisers.

Investment Advisers' Registration Statistics Year ending June 30, 1945

Effective registrations at close of preceding fiscal year Applications pending at close of preceding fiscal year Applications filed during fiscal year Total	719 7 118 844
Registrations withdrawn during year Registrations canceled during year Registrations effective at end of year Applications pending at end of year Total	51 4 780 9 844

As was pointed out in the Tenth Annual Report, the Commission is granted authority to make investigations when it appears that the provisions of the Act have been or are about to be violated, and by the use of its subpoena power may obtain information concerning such violations. However, the protections afforded under the Act are not so extensive as those afforded with respect to the activities of brokers and dealers under the Securities Exchange Act of 1934, chiefly because the Advisers Act does not grant power to the Commission to inspect books and records as does Section 17 (a) of the Exchange Act. The absence of such power limits the effectiveness of the Act with respect to protection of investors. To remedy this signal weakness as well as other related weaknesses in the Act, the Commission, on January 31, 1945, sent a report to the Congress recommending certain amendments to the Act. On July 5, 1945 the Honorable Clarence F. Lea, Chairman of the Committee on Interstate and Foreign Commerce, introduced H. R. 3691, which contains the amendments recommended by the Commission. This bill has been referred to the Committee on Interstate and Foreign Commerce.

To clarify the effect of Section 206 (3) of the Investment Advisers Act, as well as the anti-fraud provisions of the 1933 and 1934 Acts, on transactions effected by investment advisers with their own clients, the Commission, on February 5, 1945, made public an opinion by James A. Treanor, Jr., Director of its Trading and Exchange Division, to the effect that it is unlawful for an investment adviser (whether or not registered under the Investment Advisers Act) to effect a transaction with or for a client, either as principal or as broker for another person,

unless he obtains the client's consent after having made full disclosure of any adverse interest he may have. 1/ This disclosure, the opinion states, must include a statement of the capacity in which the investment adviser proposes to act, the cost of the security to the investment adviser where he proposes to sell, and the best price at which the transaction could be effected by or for the client elsewhere if such price is more advantageous to the client than the actual purchase or sale price. The opinion states further that (except where no advice is rendered as to the particular transaction) the Investment Advisers Act requires, in the case of a registered investment adviser, that the disclosure of capacity be given in writing and the client's consent obtained before the completion of each transaction of the types in question.

CIVIL ACTIONS INSTITUTED BY THE COMMISSION

During the fiscal period ending June 30, 1945 the Commission for the first time invoked the aid of a court of equity in restraining violation of Section 203 (a) of the Investment Advisers Act of 1940. 2/ That section prohibits any investment adviser from making use of the mails or any means or instrumentality of interstate commerce unless he is registered with the Commission in accordance with the Act. The Commission's complaint alleged that one Charles A. Crowder, on a weekly broadcast over a small radio station for a considerable period of time, gave advice to his listeners regarding the value of oil securities. At first his advice appeared to be disinterested and he built up a considerable following. He also solicited and accepted money from his radio audience with which he purchased oil leases on their behalf in which he retained interests in return for his advice and services. Crowder was not and had never been registered as an investment adviser under the Act. Later Crowder was approached by Roy E. Wilson, who at the time was engaged in an oil promotion with one John W. Myers. Wilson and Myers employed Crowder to advertise their venture on the radio and to influence his listeners to purchase interests in the promotion. Crowder did so without disclosing that he was in the employ of Wilson and Myers. The complaint also alleged violations of Sections 5 (a) and 17 (a) and (b) of the Securities Act. All defendants consented to a permanent injunction.

^{1/} Investment Advisers Act Release No. 40.

^{2/} S.E.C. v. Roy E. Wilson, et al., U.S.D.C. E.D. Ill., February 3, 1945.

PART VIII

OTHER ACTIVITIES OF THE COMMISSION UNDER THE VARIOUS STATUTES

. LITIGATION

Civil Proceedings

At the beginning of the fiscal year ending June 30, 1945, 30 civil proceedings instituted by the Commission were pending; during the year, the Commission instituted 23 additional proceedings, including 14 injunctive actions brought against 45 persons to restrain them from fraudulent and otherwise illegal practices in the sale of securities. Of this total of 53 proceedings, 27 were disposed of during the fiscal year, including 13 cases which resulted in the entry of injunctions against 32 defendants. Twenty-six civil proceedings were pending at the end of the year.

Since its inception, the Commission has instituted a total of 531 civil proceedings and disposed of 505. Permanent injunctions have been obtained against 1008 firms and individuals.

Data with respect to civil cases and appellate proceedings commenced or pending during the fiscal year and their status at the close of the year, together with all criminal proceedings, are included in Appendix Tables 24 to 33. Some of the more important of these civil cases have been summarized in the preceding parts of this report.

Criminal Proceedings

The statutes which the Commission administers provide for the transmittal of available evidence of statutory violations to the Attorney General who, in his discretion, may institute appropriate criminal proceedings. The Commission, largely through its ten regional offices, thoroughly investigates all suspected violations and, whenever grounds from criminal prosecution are disclosed, transmits detailed reports of investigation to the Attorney General. If criminal proceedings are decided upon, the Commission assigns such of its employees as have participated in the investigation to assist in preparing the case for presentation to the Grand Jury, in conducting the trial, and in preparing briefs on appeal. Should the Commission's investigation disclose violations of statutes other than those which it administers, the evidence is referred to an appropriate federal or state agency.

Up to June 30, 1945, a total of 365 criminal cases have been developed by the Commission and indictments against 2404 defendants have been obtained in these cases by the Department of Justice. Of these, 23 indictments were returned during the past year against 88 defendants. Convictions have been obtained against 1,173 defendants, 73 of whom were convicted during the past year.

In the appeals decided during the past year, convictions were reversed as to only 2 defendants. Judgments of conviction were affirmed as to 22 defendants, appeals were dismissed as to 4 defendants, and appeals voluntarily withdrawn by 2 others.

The status of all cases pending during the past fiscal year is set forth in Appendix Table 27. As in previous years, the types of cases involved are varied. Thus, they include frauds by and against broker-dealers; frauds in connection with the sale of corporate securities, the exploitation of natural resources, the promotion of inventions, new businesses, and fraternal organizations; failure to keep books and records as prescribed by the statutes; and the filing of false financial statements and annual reports with the Commission.

Charges of fraud on the part of broker-dealers figured prominently in the cases prosecuted during the year. In U.S. v. Guaranty Underwriters, Inc., et al. (S.D. Fla.), criminal sanctions were imposed for the fraud involved in charging excessive prices bearing no reasonable relation to prevailing market prices for securities without appropriate disclosure to customers. This was the second successful prosecution based on this theory of fraud, the first being U.S. v. Otto B. Dagg, et al. (Dagg & Company, Inc.) (W.D. Wash.), convictions in which were obtained in 1943. In the Guraranty Underwriters case, defendants were also charged with numerous false misrepresentations and the making of large secret profits on transactions in which they represented investors in an agency capacity. The eight major defendants either pleaded guilty or nolo contendere and were sentenced for violations of the fraud provisions of the Securities Act of 1933, and other statutory offenses. 1/ Fraud based upon the charging of excessive prices without adequate disclosure was also the basis of the convictions in U.S. v. Samuel S. Alexander, et al. (S.D. N.Y.) where fractional undivided interests in oil, gas and other mineral rights in various tracts of land were sold at prices ranging up to 328% of cost. Defendants also made numerous fraudulent misrepresentations in the sale of these securities.

Fraudulent conduct of business as a broker-dealer is also charged by the indictments pending in U.S. v. Maxwell Goldberg, et al. (Maxwell & Co., Inc.) (D. Mass.), U.S. v. Edwin P. Woodman, et al. (Woodman & Co.) (D. Mass.), and U.S. v. W. R. Hempstead Co., et al. (D. R.I.). In the first case, the indictment charges such practices as the unauthorized pledging of sustomers' securities, the forgery of customers' checks, the forgery of signatures to assignments of customers' securities, and the printing and sale of spurious stock certificates and debentures. In the latter two cases, defendants are charged, inter alia, with practices such as the acceptance of orders and deposits while insolvent and being unable to execute customers' orders, the conversion of securities deposited by customers, the keeping of false records, and the filling of false financial statements with the Securities and Exchange Commission.

Other cases involving frauds by broker-dealers are U.S. v. Roy E. Crummer, et al. (The Brown-Crummer Investment Co.) (D. Kan.) where the pending indictment charges fraud in the collection of customers' securities in a municipal refunding, 2/and U.S. v. Samuel S. Alexander (S.D. N.Y.) which marks the first conviction of a registered securities dealer for failure to keep and preserve accounts, correspondence, books and other records as required by Section 17 (a) of the Securities Exchange Act of 1934 and Rules X-17A-3 and X-17A-4 prescribed by the Commission as necessary and appropriate for the protection of investors.

U.S. v. John N. Landberg (E.D. Pa.) involved a conviction for frauds perpetrated upon various securities brokers. Defendant would induce brokers to purchase securities for the account of his wife upon the false representation that other securities of the latter would be deposited to secure payment. After the securities had been purchased, defendant would refuse payment, and would direct that they be sold and the profits turned over to him. If the newly purchased securities had declined in value, he would then reveal his lack of authority to act for his wife.

Fraudulent misrepresentations in the sale of securities in connection with the promotion of inventions or scientific discoveries were the basis for the convictions

^{1/} The indictment was nolle prossed as to three minor defendants.

^{2/} A second indictment against substantially the same defendants alleging similar frauds in connection with another municipal refunding was dismissed by the District Court for vagueness and insufficiency to apprise defendants of the nature of the charges. An appeal by the government is pending.

in U.S. v. Harvey H. Hevenor (General Ordnance Co., Inc.) (S.D. N.Y.) (new type mechanical fuses for anti-aircraft projectiles); U.S. v. August F. Slater (Automatic Engineering, Inc.) (S.D. Cal.) (new automobile parking device); U.S. v. Leslie G. Bowen, et al. (Bowen Industries) 1/ (W.D. Mo.) (mechanical device for use in the manufacture of bicycles); and U.S. v. Chemical Research Foundation, Inc., et al. (D. Del.) (pharmaceutical formulae).

A substantial number of the cases active during the past fiscal year involved charges of fraudulent mining promotions and frauds in which oil and gas properties were the underlying basis for investment. The oil and gas cases are U.S. v. Samuel S. Alexander, et al. (S.D. N.Y.) 2/; U.S. v. Frank Mansfield, et al. (Central Securities Co.) (W.D. Tex.) 3/; U.S. v. Jacob M. Danziger, et al. (Trinidad International Petroleum, Ltd.) (S.D. Cal.) 4/; U.S. v. George A. Earnhardt, et al. (Big Bend Realty and Development Co., Inc.) (S.D. Ind.) 5/; U.S. v. James F. Boyer, et al. (S.D. Fla.) 6/; U.S. v. Frank V. Raymond (D. Md.) 7/; and U.S. v. George A. King, et al. (Crow Oil & Refining Co., Ltd.) (S.D. Ill.). 8/ In the Mansfield and Earnhardt cases, the securities sold took the less common form of deeds to lands with collateral promises and agreements pertaining to the drilling of test wells and otherwise developing markets for the properties involved.

The mining stock cases are U.S. v. Eldridge S. Price (D. Kan.) 9/; U.S. v. Edward J. Stoll, et al. (Multi Metals Corp.) (S.D. Iowa) 10/; U.S. v. Franklin Lamon, et al. (Graphite Company of America) (D. Del.) 11/; U.S. v. James H. Collins, et al. (Union Associated Mines Co.) (S.D. Cal.) 12/; and U.S. v. E. M. McClean, et al. (Devon Gold Mines, Ltd.) (E.D. Mich.) 13/. In the last mentioned case, which

- 1/ The principal defendant was found guilty and has appealed. Two minor defendants were acquitted.
- 2/ Four defendants pleaded guilty. The remaining defendant was convicted after trial.
- 3/ Appeal pending from judgments of conviction.
- 4/ One defendant pleaded guilty. Three defendants were found guilty after trial and have appealed from their convictions. Trial is pending as to the remaining two defendants.
- 5/ Both defendants convicted after trial. One has appealed.
- 6/ Trial pending.
- 7/ Idem.
- 8/ Two defendants convicted after trial. Indictment dismissed as to remaining defendant. Convicted defendants filed notices of appeal, September 29, 1945.
- 9/ Trial pending.
- 10/ Idem.
- 11/ One defendant plead nolo contendere. The other was convicted after trial.
- 12/ Appeals from judgments of conviction pending.
- 13/ Three indictments. Trial pending in first. In the second, one defendant pleaded guilty, two were convicted after trial, and trials are pending as to the remaining four defendants. In the third, one defendant pleaded guilty, two were convicted after trial, and trials are pending as to the remaining nine defendants. Defendants convicted after trial have appealed.

involved the sale of Canadian gold mine stock to residents of the United States in violation of the registration and fraud provisions of the Securities Act of 1933 and other statutes, the defendant-manager of the Canadian securities concern was sentenced to ten years! imprisonment and fined \$5,000 and one of the principal salesmen was sentenced to seven years! imprisonment and fined \$1,000. These are the severest sentences which have been imposed during the past fiscal year.

Convictions for fraudulent misrepresentations in the sale of insurance company stock were obtained in U.S. v. George Howell, et al. (S.D. Tex.) (Texas National Life Insurance Company), and in U.S. v. Wilmington Fire Insurance Co., et al. (D. Del.).

Fraudulent sales of securities of an alleged fraternal and educational association formed the basis of the conviction of the principal defendant in U.S. v. Hugh G. Carruthers, et al. (N.D. Ill.). According to the indictment, Carruthers organized the Neological Foundation in 1936, purportedly for the spiritual improvement and economic self-betterment of its members. Its membership consisted chiefly of persons who by reason of distress could be persuaded that solace and selfbetterment would be obtained by joining the Foundation and adhering to its so-called "neological" course of training. Thereafter, Carruthers obtained loans from members for the alleged purpose of expanding the association's activities, furthering its policies, and carrying on various business enterprises to be operated by the Foundation including the manufacture and sale of hair shampoo, a tonic laxative, a course of instruction in personal development, and a daily newspaper. Member investors were promised 6% interest plus a bonus of 4% with a dividend of 50% of principal at the end of three years. Instead, Carruthers allegedly diverted substantial amounts of the funds obtained for his own use and benefit. Verdicts of not guilty were directed by the court as to two minor defendants. Carruthers appealed to the Seventh Circuit Court of Appeals which, on December 27, 1945, affirmed the judgment of conviction.

A "front money" scheme for the defrauding of persons desirous of obtaining capital for the financing of new businesses or the expanding of established ones was involved in U.S. v. Amster Leonard, et al. (E.D. Mich), in which both defendants were convicted. Defendants would contact persons seeking capital and offer aid in the raising of the necessary capital through their so-called "Founders Syndicate Plan" and the sale of pre-organization certificates through 260 "key men". Victims were induced to part with "advance fees" or "front money" under the representation that defendants would obtain the desired capital although the latter knew that they could not and did not intend to raise new capital through the "Plan".

Other fraud cases are U.S. v. W. R. Frentzel, et al. (Ocean Crab Pot Operators, Inc.) (W.D. Wash.) involving profit-sharing agreements in connection with sales of traps for ocean crab fishing 1/; U.S. v. Federal Fyr-Ex Company, et al. (S.D. N.Y.) involving the promotion of an allegedly non-existent fire extinguisher manufacturing business 2/; and U.S. v. Charles T. Rice, et al. (Parquay Royalty Co., Inc.) (W.D. Wash.) 3/ and U.S. v. Maurice N. Leavitt, et al. (Lakemoor Development Co.) (W.D.

^{1/} Principal defendant pleaded guilty. Indictment dismissed as to co-defendant.

^{2/} Trial pending.

^{3/} Defendants convicted after trial. Conviction of one defendant reversed on appeal for admission of incompetent evidence and case remanded for retrial.

Wash.) 1/, both involving fraudulent misrepresentations in the sales of securities for corporate promotions.

The making of false and misleading statements in reports required to be filed under the Securities Exchange Act of 1934 is charged by the indictment pending in U.S. v. Liggett & Myers Tobacco Co., et al. (E.D. Pa.). According to the indictment, defendants conspired to conceal the existence of a profit-sharing plan, known as the B Fund Bonus, providing for the payment of a portion of designated net profits of the company to certain officers and employees other than the president and vice-presidents. It is alleged that in filing application for registration pursuant to Section 12 of the Act, defendants set forth only one bonus plan—that provided by the company's by-laws affecting the president and vice-presidents—but failed to disclose the B Fund Bonus plan. Moreover, in the company's Form 10-K annual reports for the years 1935-1942, inclusive, defendants would state "none" or "no changes" in answering questions concerning bonus plans not previously reported and would thereby fail to reveal the existence of this B Fund Bonus plan.

Of the criminal appeals decided during the past fiscal year, several are worthy of mention. In U.S. v. H. B. Monjar, et al. (The Mantle Club), 147 F. 2d 916 (C.C.A. 3, 1944), cert. den., 65 Sup. Ct. 1191 (1945), the court sustained the convictions of 12 defendants on charges of defrauding members of a fraternal organization in obtaining personal loans and the sale of investment contracts. Supreme Court denied certiorari in U.S. v. Minuse, et al., 323 U.S. 716 (1944), where the Second Circuit Court of Appeals had upheld convictions for a stock "jiggle" in the Class A capital stock of Tastyeast, Inc., a security listed on the New York Curb Exchange 142 F. 2d 388 (1944)7. In U.S. v. Edmond B. Bronson, et al. (Bagdad Copper Corp.), 145 F. 2d 939 (C.C.A. 2, 1944), convictions were upheld for the sale of treasury stock at prices greatly in excess of the amounts to be received by the company, on the theory that such practices, just as in the case of the sale of a new issue under similar circumstances, constitutes fraud per se. 2/ In U.S. v. Herman Kadison, et al. (Commerical Underwriters, Inc.), 145 F. 2d 525 (C.C.A. 7, 1944), the court sustained convictions for the sale of defendants' personally owned worthless stock under the misrepresentation that it was valuable treasury stock and for other fraudulent misrepresentations in the sale of the securities. In Louis J. Ascher, et al. v. U.S. (Sentenal Corp.), 143 F. 2d 592 (C.C.A. 6, 1944), convictions were sustained for fraud in the sale of vending machines under a "lease back" arrangement involving servicing of the machines by the vendors and the sharing of profits.

^{1/} Two principal defendants pleaded guilty. Indictment dismissed as to two minor defendants. Indictment pending as to one defendant.

^{2/} The appeal was dismissed as to a minor defendant.

TO THE CONTROL OF THE CONTROL COMPLAINTS AND INVESTIGATIONS SEE SEE OF ITERESTANCES AND

The Commission received during the year approximately 8,000 items of mail concerned with alleged securities violations which is classified administratively as "complaint enforcement" correspondence. This material constitutes one of the Commission's chief sources of information concerning possible securities violations, while investigations made by the Commission's staff and contacts maintained with other governmental (Federal, State, and local) or private agencies provide additional sources of such information. Where it appears on the basis of any such data that any such violation may have occurred, the Commission conducts appropriate investigations by means of correspondence or the assignment of cases to field investigators to ascertain the facts of the particular case. The extent of these investigatory activities of the Commission during the past year, under the Securities Act of 1933, the Securities Exchange Act of 1934, Sections 12 (e) and (h) of the Public Utility Holding Company Act of 1935, the Investment Company Act of 1940 and the Investment Advisers Act of 1940, is reflected in the following table:

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numezauAzlistaofathe civil, acriminal; Aandrother actions resultings from a certain bof these investigations is set, forth incAppendix Tables 1241-527; ainclusive; as absorbed as a street described and accorded as a street described as a stre

SemonaTelassistaits acontinuing lenforcement and origistration quetivities (sand to loroc vide-a further means of spreventing a fraud in the spurchase and sales of securities, it he Commission has established what is a called for a convenience rab Securities a Violations a File; consisting of a clearing dhouse of qinformation iconcerning the rooms, who qhave sheen charged with violations of warious Federal and State ose carities is tate to said This red clearing house has been kept up to date during the trast year as an previous Verrsc through the cooperation of the United States Post Office Department, the Federal Bureaucof Investigation, approlating and approbation of fictals and attacks equities a commissions. Federal and State prosecuting attorneys, police tofficials and other public agencies, members cof the National Association not Better Business Bureaus and Tembers of the dunited States Chamber of Commerce in By the end of the Apantosiscal year the Commission had assembled in these files data concerning mantagenegate not 45,778 spersons against whom Rederal or State action had been taken in connection with securities violations. During the past year nalone additional litems of einformation are lating ito 3505 such persons were added to these files, including information concerning 1459 persons not previously identified therein.

¹⁾ These investigations of securities violations include the oil and gas investigations which are separately tabulated and discussed in Part I soft this report.

^{2/} Investigations carried on through correspondence and limited Field works ups

^{3/} Investigations assigned to field investigators.

The extensive use made of this clearing house of information is suggested by the fact that during the past year the Commission received in connection with its maintenance approximately 2,500 "securities violations" letters or reports (apart from those mentioned above which are classified as "complaint enforcement") and dispatched about '3,000 communications in turn to cooperating agencies.

ACTIVITIES OF THE COMMISSION IN THE FIELD OF ACCOUNTING AND AUDITING

Effect of the War and the Prospect of Reconversion

The difficulties and uncertainties inherent in wartime accounting have been commented on in previous Annual Reports. During the past year, the major problem in this area has been the application of procedures developed in prior years to the special circumstances presented in individual registration statements and reports.

At the same time the rapid progress of the war necessitated extensive consideration of the accounting and disclosure problems that would arise when war business was cut back or terminated and the process of reconversion to peacetime operations and markets began. As one step toward dealing with these problems, efforts were begun in the fall of 1944 to provide for a system of current reporting which would, first, enable investors to determine the extent to which cut-backs and terminations consequent upon the approaching end of the war affected particular companies; and second, furnish them with some indication of the speed with which particular companies were able to reconvert to peacetime production and to reenter the civilian markets. Such financial information, by companies, seemed essential since general announcements as to cut-backs and terminations rarely disclosed their effect on particular companies and it was clear, in any event, that the end of war operations would come at different times and in different degrees so far as any individual company was concerned. Discussions were first had with the appropriate Federal agencies to determine whether such modification of censorship and secrecy restrictions as would be necessary to permit general publication of pertinent data could be made without detriment to the war effort. At the same time, extended discussions were undertaken with interested registrants, technical associations and others to determine the most useful and practicable form for such current reports. As finally developed, the program applies to all companies having a substantial amount of war business and calls essentially for quarterly reports as to war and non-war sales and as to war orders, beginning with the most recently ended fiscal year of the company. In addition, an immediate report is obtained whenever a particular termination cancelled a war contract the uncompleted portion of which amounted to over 20% of the registrant's total sales for the previous fiscal year. 1/

A second important problem in this field was the treatment to be accorded terminated war contracts in financial statements issued prior to the date of final settlement. Fortunately, the development of Uniform Termination Procedures under the Contract Settlement Act of 1944 so clarified the problem that it was possible, well before volume termination of war contracts began, to reach general agreement, both within the Commission and among accountants and companies, as to how such claims were to be reflected in financial statements. 2/

^{1/} Announced in Securities Exchange Act of 1934, Release No. 3718, July 23, 1945.

^{2/} The Commission's position was established in December, 1944 by the issuance of an internal staff memorandum. In April, 1945, the Committee on Accounting Procedure of the American Institute of Accountants issued its bulletin "Accounting for Terminated War Contracts.

A third problem arising out of reconversion is the disposition of so-called. war reserves. During the war period, many companies established reserves as a protection against losses or expenses which registrants anticipated would be encountered after the war ended but which they felt should be attributed to war operations. The exact amounts of many such losses and expenses cannot, of course, be determined until after cessation of war operations, and in some instances, many months thereafter. However, it is essential that definite criteria be established to assure that only true war expenses be charged against such reserves, either directly or indirectly. If especial care is not exercised in this regard, the operations of post-war years may be relieved of charges and costs applicable to such operations with a consequent inflation of reported net income. In view of its importance, this problem is being given extensive consideration, and discussions have been had with respresentatives of accounting societies and other interested persons, with a view to arriving at a practicable solution. The mark as Workshop of the lease solit adverse to the mark Accounting and Auditing

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During the past year the Commission issued a number of decisions or opinions dealing with accounting or auditing matters. In the Leedy, Wheeler & Company case 1/ the respondent, a registered broker-dealer, had employed a pro-forma balance sheet in selling securities to the public but had not disclosed the nature of the assumed transactions that had been reflected therein. Moreover, the assumptions made in preparing the pro-forma statement were of questionable validity. Finally, the balance sheet concealed an operating deficit by netting it against capital stock accounts without disclosure. The Commission after discussing the proper functions and uses of pro-forma statements, found that the pro-forma balance sheet in question was misleading and deceptive in a paternoose see to grow Equal as an see in the emmil Alabasa ang a a war as ascessionis are excell resident to unique at a

yan hingitsofindings and order in the Suburban Electric Securities Company 2/ case the Commission pointed outra number of improper accounting practices followed by the registrant, including its failure to recognize and apparently permanent impairments min the value of tits investments in certain subsidiary companies and its failure to provide for depreciation on depreciable assets of atsubsidiary. However, since just prior to the conclusion of the hearings in the matter the registrant amended itself financial statements to cure these improprieties the commission determined that it was not necessary to suspend or withdrawether registration of the bregistrant!sseed securities ander the Securities Axchange Actuofel 934 valv. A littly because in at even

statements through a requirement that, in the absence of ver exceptioned except Los subject to the country accounting questions were adealt with incopinions to fithe Chief state of the country s Accountant steed during the spart year as sparts of the Commission is Accounting Series releases and Release No. 50 in this eseries concerned the practice of writing soon and swriting off, goodwill by charges to capital surplus and served to draw attention to the general applicability of the Commission's aviews expressed since exercious decided opinion. 3/ The release pointed out that where sinting ible assets had been acquired for cash or its equivalent their write off to coapital surplus was improper inasmich as well-drived the constant for a the adaption of the control of the feet for the property of the

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Action was get to entire 1/ In the Matter of Leedy, Wheeler & Company, Securities Exchange Act, Release No? he 3593 ... S.E.C. July 29, 1944 resig graderbei add to seridednessings dithe persons, but has not yes heer finally acred area of the fourth lon-

^{2/} Securities Exchange Act of 1934, Release No. 3655 S.E.C. aga 8, 1945). vo sai de coldmotas loteras evig de becalquot est molesimo o sal

^{3/} In the Matter of Associated Gas and Electric Company, Securities Exchange Act of 1934, Release No. 3285A, Lt. S. E.O. 1025, August 5, 1942 it muccoa mi becamount \I

as it circumvented the charging to income or earned surplus of items which were properly chargeable thereagainst, with a resulting overstatement of income and earned surplus and an understatement of capital. The charge to capital surplus in such circumstances, the release points out, is in violation of the fundamental accounting principle that a distinction should be maintained between capital and income. Accounting Series Release No. 52 discussed certain problems relating to the presentation in financial statements of Federal income and excess profits taxes in cases where a company, for which individual financial statements are filed, pays its tax as a member of a consolidated group of companies.

During the period of high, wartime rates of corporate income taxes, some companies and accountants have sought to reflect in the income statement not only charges for the income taxes estimated to be actually payable but also additional amounts representing so-called "tax-savings" or "tax reductions" caused by differences in the accounting treatment afforded certain items for tax purposes and for financial reporting purposes. This practice, the propriety of which is supported or condoned by some public accountants and objected to by others, has been the subject of extended discussion between the Commission and representatives of various professional accounting societies and other interested persons. These discussions have indicated a feeling, both within and without the Commission, that financial statements in which this practice is followed are frequently unsatisfactory, if not actually misleading, to the investor. It is expected that upon completion of these discussions the Commission will promulgate an opinion concerning the manner in which these "tax-savings" or "tax reductions" should be dealt with in financial statements filed with the Commission. 1/

One of the most perplexing of the accounting problems now facing the Commission is the question of whether there are circumstances under which certain items of income, expense or loss may justifiably be excluded from the computation of net income as shown by the profit and loss statement and carried directly to earned surplus. Over the years, a great many cases involving this question have come to the attention of the Commission. A staff study of an extensive sample of such cases discloses a very great disparity in treatment of items wholly similar in nature. Heterogeneous treatment of such items obviously increases the difficulty of comparing income statements as between years and particularly as between competitive companies. Accordingly, certain tentative changes in the Commission's regulations have been prepared with a view to securing more uniform and intelligible income statements through a requirement that, in the absence of very exceptional circumstances, all items of loss, expense and income shall be reflected in the income account. These proposed amendments have been sent for comment to many companies having financial statements on file with the Commission, to the various professional accounting societies, and to other interested persons. While the responses received indicated a general agreement with the proposed amendments in principle, it appears necessary to establish reasonably clear-cut and objective criteria for determining when, if at all, certain items may be considered to be so extraordinary in nature as to permit their exclusion from the computation of net income. The problem is now undergoing further study in light of the suggestions received.

Additional staff consideration has been given during the past year to proposals for a comprehensive revision of the accounting requirements applicable to investment companies under the 1940 Act. The proposed revision has been discussed in detail with representatives of the industry, practicing accountants, and other interested persons, but has not yet been finally acted upon by the Commission.

The Commission has continued to give careful attention to its overall requirements as to financial statements with a view to their simplification and integration

^{1/} Announced in Accounting Series Release No. 53, November 16, 1945.

with the requirements of other agencies, wherever practicable and feasible. During the past year, for example, the staff has worked closely with another governmental agency on a program for integrating the respective reports required of companies subject to their common jurisdiction.

Cooperation with Professional Societies and Others

As in previous years, the Commission has sought to add its full influence to that of the professional accounting societies and others interested in maintaining accounting and auditing standards at a high level. As in the past, the Commission has, wherever practicable, invited professional accounting societies, Federal and State agencies, and many other interested persons to review and comment upon proposed rules and regulations pertaining to accounting matters. In appropriate cases conferences of such persons with the Commission or the staff have been arranged. Reciprocally, the Commission informally has accepted the invitation of professional accounting societies to make suggestions or comments as to proposed actions or bulletins of such organizations. Substantial benefits, which are reflected in all types of financial statements whether coming under the jurisdiction of the Commission or not, have resulted from these activities.

Professional Conduct

Certification of financial statements, if it is to operate as an added protection to investors, must be based on an impartial and expert review of the financial affairs of the company. Disregard of professional standards of conduct applicable to such reviews furnishes grounds for disbarring an accountant from further practice before the Commission pursuant to Rule II (e) of the Rules of Practice. During the past year the Commission instituted proceedings under this rule against an accountant who had certified financial statements filed with the Commission by a securities broker-dealer. Investigation disclosed that the accountant in question had knowingly violated the Commission's accounting and auditing rules, had failed to make an appropriate audit of the broker-dealer's accounts, and had unqualifiedly certified to financial statements that were grossly misleading. On the other hand, the failure of the certified public accountant to perform a satisfactory audit did not appear, in this instance, to have contributed to the fraud perpetrated by the broker-dealer involved, nor did his extreme laxity appear to have occasioned losses to investors of the brokerage firm. Under these circumstances the Commission discontinued its proceedings upon receipt of a stipulation that the accountant would never again practice before this Commission. In order to emphasize the importance of the requirements for certification of broker-dealer financial statements, the Commission published Accounting Series Release No. 51 summarizing the facts of this case.

Informal Consideration of Accounting Problems Raised in the Case of Individual Registrants

The examination of financial statements filed by registrants pursuant to the various Acts administered by the Commission has always accounted for a large part of the Commission's activities with respect to accounting and auditing matters. Deficiencies in the statements disclosed by such examination are called to the attention of registrants by correspondence, and, in many instances, the deficiencies become the subject of informal conferences between the Commission's staff and representatives of particular registrants. It is a common occurrence, also, for persons intending to file financial statements to arrange for pre-filing conferences in an effort to agree upon a solution to the more difficult accounting problems involved in proposed statements. These conferences have proved to be a particularly expeditious means of resolving difficult or unusual questions where the problem presented is not covered by a specific rule or where the application of existing

rules is uncertain. They also play an important role in securing dependable and informative financial statements for investors.

STATISTICS AND SPECIAL STUDIES

Capital Markets Statistics

The Commission in the fiscal year ended June 30, 1945 continued to compile and analyze statistics on the volume and characteristics of offerings and retirements of securities; the distribution of and the changes in ownership of securities between different groups of institutional, corporate, and individual holders; and various other aspects of capital markets statistics. Figures were released monthly showing the volume of all new issues of securities known to have been offered within the United States for cash sale in amounts of more than \$100,000, together with breakdowns comparing the amounts of: public offerings and private placements; bonds, preferred stocks, and common stocks; corporate and non-corporate issues; and the net proceeds intended for refunding and for expansion of plant and equipment and working capital of each principal industrial group.

It was possible to release regularly additional breakdowns of the dollar volume of securities registered under the Securities Act to show: the amounts registered for exchange, conversion, etc., as well as for cash sale; the volume of secondary as well as primary distributions; the amounts offered through investment bankers and directly by the issuers; the volumes expected to be absorbed primarily by the general public, by security holders, and by other special groups; and the distribution by investment banking firms of underwriting commitments and syndicate management activities. A special study of the cost of flotation of stocks registered for sale under the Securities Act by small companies was published during the year, and data were gathered for future analysis on the success of flotation of small nonunderwritten issues. In addition to information published on the capital markets, many special adaptations of the basic data were made to problems met in the day-to-day operations of the Commission and to questions raised by other governmental agencies and by members of Congress.

Saving Study

The Commission continued its series of quarterly releases on the volume and composition of saving by individuals in the United States. These releases show the aggregate volume of individuals' saving, that is, the increase in their assets less the increase in their liabilities, exclusive of gains or losses from revaluation of assets. The figures also show the components contributing to this total, such as changes in securities, cash, insurance, consumers' indebtedness, and consumers' durable goods.

Financial Position of U.S. Corporations

The series of quarterly releases on the working capital position of all United States corporations, exclusive of banks and insurance companies, was continued. These releases show the principal components of current assets and current liabilities and an abbreviated analysis of the sources and uses of corporate funds. In addition, a series of supplementary tables was inaugurated in July 1944 showing a detailed breakdown of current assets and liabilities for various industry and size groups of corporations registered with the Commission. It is intended in subsequent reports to present more detailed data on the sources and uses of corporate funds, thus giving a complete picture of the volume and composition of corporate saving as well as an up-to-date analysis of the financial condition of corporations.

Shortly after the close of the fiscal year the Commission, together with the Department of Commerce, initiated a regular quarterly survey of private plant and equipment expenditures by U. S. business other than agriculture. It is planned to publish shortly after the end of each quarter industry totals on the actual capital expenditures of that quarter and anticipated expenditures for the next two quarters. These data should provide a useful index of present and future activity in the capital goods industries and capital markets and a valuable barometer of business activity in general.

Survey of American Listed Corporations

During the past fiscal year, the Commission again released for public and government use statistical data filed with the Commission by registrants under the Securities Exchange Act of 1934 and the Securities Act of 1933. These data are summarized in a series of reports known as the "Survey of American Listed Corporations, showing individual data for each company as well as industry totals for registered companies. Two series of reports were completed in the past fiscal year, one covering "Data on Profits' and Operations, 1942-1943" and another "Balance Sheet Date. 1939-1943*. Principal items furnished in the reports on profits and operations are data on sales, costs and/or operating expenses, operating profits, net profit before and after income taxes, depreciation, depletion, etc., maintenance and repairs, selling, general and administrative expenses, and return on net worth before and after taxes. Each of these companies' reports also shows data before and after renegotiations of all contracts, the amounts and effects of "carry-backs" of taxes and data on termination of contracts whenever reported. "Balance Sheet Data, 1939-1943" contains detailed balance sheets for the same industry groups which were included in the reports on profits and operations with condensed statements for each of the individual companies. Covering five years, the principal items in the report are current assets and current liabilities, investments, land, buildings and equipment and applicable reserves, post-war refunds of excess-profits taxes, capital surplus, earned surplus, total assets, total liabilities and net worth, and in addition to these balance sheet items preferred and common dividends paid.

Investment Company Data

Data for closed-end and open-end management investment companies were compiled and released quarterly showing purchases and sales of their own stocks and bonds and changes in their portfolios and in their principal asset items.

Stock Market Statistics

The Commission continued to publish indexes of weekly closing prices of common stocks on the New York Stock Exchange, the monthly market value and volume of sales on registered and exempted securities exchanges, daily and weekly round-lot stock sales on the two New York Exchanges, weekly round-lot stock transactions on the New York Stock Exchange for accounts of members and nonmembers, weekly round-lot and odd-lot transactions on the New York Curb Exchange for accounts of members and nonmembers, and daily odd-lot stock transactions on the New York Stock Exchange for odd-lot accounts of odd-lot dealers and specialists.

Special Studies

The Commission's staff continued its studies on various aspects of trading in securities, including a report on floor trading, an analysis of broker and dealer trading, and a study of the financial condition of brokers. Other studies were conducted during the year on the methods of compensating customers' men, the division

of brokerage fees in special offerings, trading in certain foreign securities, trading practices on two of the national securities exchanges, the volume of purchases and sales of security options, and general research on exchange rules and practices.

War Activities

As a part of the Commission's war activities, several members of the staff were loaned to various war agencies and committees for special economic investigations in Germany.

PUBLICATIONS

Public Releases

The releases issued during the past fiscal year included 74 under the Securities Act of 1933; 126 under the Securities Exchange Act of 1934; 768 under the Public Utility Holding Company Act of 1935; 123 under the Investment Company Act of 1940; and 2 under the Investment Advisers Act of 1940. In addition, 3 releases were issued concerning the Commission's activities in corporate reorganizations, and 4 releases were issued under the Trust Indenture Act of 1939.

The following is a partial classification by subject matter for the past fiscal year:

Findings, Opinions and Orders	276
Orders, excluding those with	•
Findings and Opinions	543
Reports on Court Actions	73
Statistical data	10
Survey series	6
Accounting series	4

Other Publications

Decisions and Reports of the Commission:

Buckram-Bound

Volume 11 - March 8, 1942 to August 31, 1942

(The Decisions and Reports of the Commission may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D.C., and a price list will be furnished upon request.)

Twelve monthly issues of the Official Summary of Security Transactions and Holdings of Officers, Directors and Principal Stockholders.

List of Securities Traded on Exchanges under the Securities Exchange Act of 1934, as of December 31, 1944, together with Supplements thereto.

Security Issues of Electric and Gas Utilities, 1935-44.

Financial Statistics for Electric and Gas Subsidiaries of Registered Public Utility Holding Companies, 1944.

Report on Floor Trading - January 15, 1945.

(A complete list of the Commission's publications, the Rules of Practice or the Guide to Forms will be sent upon request made to the Office of the Commission in Philadelphia, Pennsylvania.)

CONFIDENTIAL TREATMENT OF APPLICATIONS, REPORTS, OR DOCUMENTS

Conditions under which the Commission may provide for the confidential treatment of information contained in applications, reports or documents which registrants are required to file under various Acts administered by it have been described in the Tenth Annual Report, page 217. The Commission, in exercising this power, determines whether disclosure of the information in question is in the public interest, or whether it would be inconsistent with the standards of the Code of Wartime Practices promulgated by the United States Office of Censorship.

The number of applications for such confidential treatment received and acted upon during the past fiscal year is indicated below.

Applications for confidential treatment—Fiscal Year 1945

Act under which filed	Number pending July 1, 1944	Number received	Number granted	Number denied or withdrawn	Number pending June 30, 1945
Securities Act of 1933 a/	. 1	55	50	3	3
Securities Exchange Act of 1934 b/	<u>10</u>	94	66	14	<u>24</u>
Total	11	149	116	17	27

- a/ These figures represent applications filed under Rules 580 and 171.
- b/ These figures represent applications filed under Rules X-24B-2 and X-6.

INFORMATION AVAILABLE FOR PUBLIC INSPECTION

The Commission maintains public reference rooms at the central office in Philadelphia, Pennsylvania, and in its regional offices in New York City and Chicago, Illinois.

Copies of all public information on file with the Commission, contained in registration statements, applications, reports, declarations, and other public documents, are available for inspection in the public reference room at Philadelphia. During the past fiscal year 2,454 persons visited this public reference room seeking such information. In addition to providing facilities for personal inspection of registered public information, the public reference room received thousands of letters and telephone calls from persons requesting registered information. (This does not include requests for copies of releases, forms, publications, etc.) Through the facilities provided for the sale of copies of public registered information, 2,312 orders, involving a total of 181,753 pages, were filled.

In its New York Regional Office, located at 120 Broadway, facilities are provided for the inspection of certain public information on file with the Commission. This includes copies of (1) applications for registration of securities on all national securities exchanges, except the New York Stock Exchange and the New York Curb Exchange, together with copies of annual reports, supplemental reports and amendments thereto, and (2) annual reports filed pursuant to the provisions of

Section 15 (d) of the Securities Exchange Act of 1934, as amended, by issuers having securities registered under the Securities Act of 1933, as amended. During the past fiscal year 9,085 persons visited the New York public reference room, and more than 4,388 telephone calls were received from persons seeking registered public information, copies of forms, releases and other material.

In the Chicago Regional Office, located at 105 West Adams Street, copies of applications for registration of securities on the New York Stock Exchange and the New York Curb Exchange, together with copies of all annual reports, supplemental reports and amendments thereto, are available for public inspection. During the fiscal year ended June 30, 1945, 2,948 members of the public visited this public room, and approximately 729 telephone calls were received, a total of 3,677 inquiries. Of this total, 3,593 were for registered public information, forms, releases and other material.

In addition to the material which is available in the New York and Chicago public reference rooms, there are available in each of the Commission's regional offices copies of all prospectuses used in public offerings of securities effectively registered under the Securities Act of 1933, as amended. Duplicate copies of applications for registration of brokers or dealers transacting business on over-thecounter markets, together with supplemental statements thereto, filed under the Securities Exchange Act of 1934 and duplicate copies of applications for registration of investment advisers and supplemental statements thereto filed under the Investment Advisers Act of 1940, are available for inspection in the regional office having jurisdiction over the zone in which the registrant's principal office is located. Also, inasmuch as letters of notification under Regulation A exempting. small issues of securities from the registration requirements of the Securities Act of 1933, as amended, may be filed with the regional office of the Commission for a the region in which the issuer's principal place of business is located, copies of such material are available for inspection at the particular regional office where filed.

In the Commission's San Francisco and Cleveland regional offices, in which are provided complete facilities for registration of securities and qualification of indentures, copies of registration statements and applications for qualifications of indentures filed at those offices are available for public inspection.

Copies of all applications for permanent registrations of securities on national securities exchanges are available for public inspection at the respective exchange upon which the securities are registered.

PUBLIC HEARINGS

The following statistics indicate the number of public hearings held by the Commission from July 1, 1944 to June 30, 1945:

Securities Act of 1933	2.
Securities Exchange Act of 1934	. 36
Public Utility Holding Company Act of 1935	201
Trust Indenture Act of 1939	0
Investment Advisers Act of 1940	0
Investment Company Act of 1940	21

PERSONNEL

As of the close of the past fiscal year, the personnel of the Commission was comprised of 5 Commissioners and 1,146 employees, 299 of whom were assigned to the regional offices. This is exclusive of 439 employees who were then in the military

service and who were carried on the rolls in a furlough status. This figure for employees in the military service does not include the 25 employees who have received honorable discharges from the military service and who have returned to duty with the Commission and 6 employees whose names were dropped from the rolls of the Commission because of death while in the military service.

The total of 1.151 employees is segregated as to sex as follows: 582 males and 569 females.

FISCAL AFFAIRS

Appropriation Title	Amount	Obligations	Unobligated balance
Salaries and Expenses	\$4,651,704	\$4,509,813	\$141,891
Printing and Binding	45,000	44,918	82
Total	\$ 4,696,704	\$4, 554,731	\$141,973

Working Fund Advanced to Securities and Exchange Commission by Foreign Economic Administration to Cover Cost of Services Rendered by the Commission

Working fund, Securities and Exchange Commission

\$ 55,756 \$ 94,244

Receipts for the Fiscal Year 1945 1/

Character of Fee	Amount
Fees for registration of securities Fees under Trust Indenture Act Fees from Registered Exchanges Fees from sale of photo duplicates Miscellaneous	\$398,575.51 1,800.00 235,604.34- 17,201.86 994.33
Total	\$654,176.04

^{1/} This money must be turned into the general fund of the Treasury of the United States and is not available for expenditure by the Commission.

Table 1.-Registrations under the Securities Act of 1939 fully effective during the fiscal year ended June 30, 1945

Part 1,-Distribution by Mostha

(Assumts in thousands of dollars)

	All Err	ectively Regi	stered	Proposed for S	ale for Accou	est of Issue
Teer and Eonth	Number of Statements	Sumber of Issues	Anount	Rumber of Statements	Number of Issues	Lacont
1944	•					
July Angust September October Rovember December	28 18 20 33 33 39 11	35 20 27 44 42 13	158,248 65,932 252,457 780,496 218,266 37,886	27 13 19 26 25 8	30 13 23 32 28 9	125,483 37,656 245,641 730,986 193,649 28,584
1945			:			
January February Harch April Usy June	18 14, 32 49 62 22	45 39 40 74 89 40	21.8,208 85,950 262,164 370,165 481,665 293,263	16 11 29 39 46 18	40 33 25 54 59 31	195,838 80,101 199,627 243,422 374,556 259,631
Total Piscal Year 1945	340 2/	508	3,224,584	271	377	2,714,776

Table 1. Part 2,-Breskdown by method of distribution and type of security of the volume proposed for each sale for account of the issuers

(Amounts in thousands of dollars]/)

	1		Type of So	ourity		
Method of Distribution and Group to Whom Offered	All Types	Secured Bonds	Unsecured. Bonds	Preferred Stock	Common Stock	Other <u>á</u> / Types
111 Methods of Distribution	2,714,776	1,386,788	320,786	406,875	316,178	284,149
To General Public	2,590,720	1,386,788	318,847	358,886	253,613	272,586
To Security Bolders To Other Special Groups	104,736 19,320	=	250 1,669	44,761 3,229	59,725 2,840	11,563
hrough Investment Bankurs	2,662,436	1,385,085	317,797	404,727	286,606	268,201
By Purchase and Recals	2,187,844	1,384,235	317,797	399,385	86,428	-
To General Public To Security Holders To Other Special Groups	2,116,711 70,295 838	1,384,235	317,797	355,516 43,031 638	59,164 27,264	=
On Boot Efforts Basis	474,572	850	-	5,342	200,179	268,200
To General Public To Security Holders To Other Special Groups	12,404 12,404 244	#50 	=	3,370 1,730 243	189,504 10,674 1	266,201
y Issuaru	52,360	1,704	2,989	2,149	29,571	15,948
To General Public To Security Holders To Other Special Groups	12,083 22,038 18,238	1,704	1,050 250 1,689	2,149	4,945 21,788 2,838	4,385

^{1/}Slight discrepancies between the sum of figures in the tables and the totals shown are due to rounding.

2/This number of statements "fully effective" differs from the 344 shown as "effective" in the table on page of the text by reason of (a) the confusion of five statements effective during the year subject to further associants which associants were not made during the year (three to cover results of competitive bidding and the other two to cover definishments which associants which was effective during the preceding fiscal year subject to the filling of associant covering the receipt of competitive bids, which associant because effective during the fiscal year ended June 30, 1945.

3/Consists untirely of voting trust certificates.

4/Consists untirely of certificates of participation and face aspoint installment certificates. of the text by reason

(Amounts in thousands of dollars!/)

		· · · · · · · · · · · · · · · · · · ·	•	In	iustry			
Purpose of registration and use of proseeds	All industries	Extractivo	Manufacturing	Pinancial and investment	Herchandising	Transportation and committee	Electric light, power, heat, water and gas	Other
lumber of statements	340.2/	1	170	- 58	25 ′.	11	57	.18
hadron of Lasses	508	1	241	122	33	, 12	74	25
or all purposes of registration (estimates value)	3,224,584	1,775	1,080,274	519,629	83,402	108,996	1,401,852	28,656
Less: Not for sale	357,609	-	211,553	. 10,081	21,423	19,907	91,146	3,499
For account of issuers	337,378	-	206,597	9,818	21,423	5,355	91,146	3,040
Reserved for convergion Reserved for option For substitution 2/ For exchange for other securities For other purposes	74,417 23,876 3,948 229,719 5,418	-	72,277 13,100 118,802 2,418	250 8,318 1,000 250	1,215 2,083 1,159 16,966	5,355	88,146 3,000	675 375 1,790 200
For account of others	20,231	-	4,956	263	-	14,552	- ·	460
r sale (estimated gross proceeds)	2,866,975	1,775.	868,721	509,549	61,979	89,088	1,310,706	25,157
Less: For account of others than issuers	152,200	1,775	82,728	4,275	25,492	11,332	25,444	1,163
or sale for account of issuers	2,714,776	-	786,003	-505,274	36,487	77,756	1,285,262	23,994
Less: Cost of flotation	101,183	-	36,798	37,493	1,550	3,755	20,874	712
Compensation to distributors Expenses	86,317 14,866	. -	30,702 6,096	36,974 519	1,245	3,016 739	13,807	572 140
spected net proceeds from sales for account of issuers	2,613,592	• -	749,204	467,781	34,937	74,001	1,264,388	23,281
Her money	432,545	· -	382,582	2,064	19,742	7,078	15,906	5,173
Plant and equipment Working Capital Cther new money purposes	172,408 258,710 1,426	-	134,690 246,466 1,426	2,064	14,256 5,486	6,994 84	12,673 3,233	3,796 1,377
Repayment of indebt. and retirement of stock	1,699,618	•	346,06 9	11,632	14,340	66,842	1,242,632	18,101
Bonds and notes Other debt Preferred stock	1,495,239 22,003 182,377	•	254,130 14,178 77,761	4,383 4,794 2,455	4,061 742 9,537	65,997 845	1,149,043 1,912 91,678	17,625 376 100
Purchage of securities	477,603	-	17,903	453,711	350	-	5,640	-
For investment For affiliation	454,211 23,392	· ,	500 17,403	453,711	350	•	5,640	
Purchase of other assets Miscellaneous and waccounted for	2,235 1,591		1,825 825	374	410 95	81	210	7

Table 2.--Classification by quality and size of new issues, exclusive of investment trust issues, registered under the Securities act of 1933 for sale to the general public through investment bankers for the fiscal years 1939 to 1945.

Part 1 .-- Number of issues and aggregate value.

(Amounts in thousands of dollars1/)

Fiscal	S128								- Bon	a <u>e</u> 2∕								D	erred	٠,	muscan.
year ended June 30	of isaue (\$000,000)		irst rade		Second grade		lhird grade		Fourth grade		ifth rade		elow ifth	υn	rated		A11 onds		ock		took
	,	No. of issues	. Aggregate value	No. of issues	Aggregate value	No. of issues	Aggregate value	No. of issues	Aggregate value	No. of issues	Aggregate value	No. of issues	Aggregate value	No. of issues	Aggregate value	No. of issues	Aggregate value	No. of issues	Aggregate value	No. of issues	Aggregate value
1944	50 and over 20 - 50 5 - 20 1 - 5 Under 1	0 0 -0 0	-	0 2 6 0	64,148 73,732	0 4620	154,494 74,814 6,315	0 4 6 15 2	108,330 70,592 42,131 1,013	0 0 2 2 1	20,815 6,000 600	0 0 2 0	4,750	0 0 1 0 4	9,032 1,050	0 10 21 21 7	326,971 248,975 59,196 2,663	0 2 13 23	79,650 112,635 64,256 3,410	0 0 1 -11 6	5,402 22,564 3,133
	All sizes	٥		8	137,879	12	235,622	27	222,056	5	27,415	2	4,750	5	10,082	59	637,805	45	259,950	1.8	31,098
1945	50 and over 20 - 50 5 - 20 1 - 5 Under 1	3 0 2 0	291,913 30,465	. 4 5 4 0	316,835 140,737 40,327	1 9 3 1 0	101,000 299,298 40,044 4,040	2 1 11 9 0	117,463 24,720 122,203 27,842	0 1 2 7 0	35,788 24,428 13,594	0 1 0 5 0	30,000 9,090	0 0 1 5	15,000 7,750 950	10 17 23 27 2	827,210 530,542 272,466 62,316 950	0 2 20 41 23	49,960 202,302 94,476 12,148	0 0 3 17 33	17,056 32,281 15,204
•	All sizes	5	322,378	13	497,898	14	444,382	23	292,227	, 10	73,809	6	39,090	8	23,700	79	1,693,484	86	358,886	53	64,542
1939 thru 19453/	50 and over 20 - 50 5 - 20 1 - 5 Under 1	7 - 7 - 8 - 0 -	514,113 224,029 96,998	12 25 26 3	945,885 749,405 292,179 9,571 742	5 41 41 14 2	408,738 1,335,332 486,478 42,607 1,064	5 22 55 50 4	304,654 679,995 581,404 137,415 2,113	0 1 15 32 19	35,788 -138,106 -71,099 -9,607	0 1 0 8 7	30,000 16,340 3,607	0 0 2 8 22	24,032 12,269 7,321	29 97 147 115 55	2,173,389 3,054,548 1,619,196 289,301 24,453	0 4 54 131 117	129,610 483,790 321,963 53,095	0 7 64 206	40,750 129,752 74,122
-	All sizes	22	835,139	67	1,997,781.	103	2,274,218	136	1,705,581	-67	254,599	16	49,947	32	43,622	A43 1	7,160,886	306	988,458	277	244,623

Table 2. Part 2.—Compensation to distributors
(Per cent of gross proceeds 1)

Fiscal	91ze	F) - F .		•	Вол	ds2/					Common
year ended June 30	of issue (\$000,000)	First grade	Second grade	Third grade	Fourth grade	Fifth grade	Below fifth	Unrated	All bonds	Preferred stock	stock
1944	50 and over 20 - 50 5 - 20 1 - 5 Under 1	**************************************	1.4	1.4 0.9 1.5	1.4 1.7 2.4 3.8	2.8 5.0 7.5	4.7	3.0 3.5	1.4 1.4 2.8 4.5	3.2 2.8 3.2 8.0	7.0 8.0 11.2
·	All sizes	, -	1.1	1.2	1.7	3.4	4.7	3.1	1.5	3.1	8.1
1945	50 and over 20 - 50 5 - 20 1 - 5 Under 1	1.8	0.8 0.9 1.3	1.6 1.1 1.0 0.9	1.8 1.9 1.2 1.6	1.7 2.4 2.9	2.5	1.0 3.4 7.9	1.1 1.2 1.3 2.6 7.9	1.8 2.4 4.5 8.3	7.2 9.1 11.8
	All sizes	1.1	0.9	1.2	1.5	2.1	3.1	2.1	1.3	3.1	9.3
1939 thru 19452/	50 and over 20 - 50 5 - 20 1 - 5 Under 1	1.2 1.5 1.4	1.4 1.6 1.3 1.9	1.7 1.7 1.5 1.9 2.7	1.8 1.9 1.7 2.3 4.5	1.7 2.5 3.5 3.9	2.5 4.7 6.7	1.8 5.3 7.5	1.5 1.7 1.6 2.8 5.3	2.7 2.7 4.8 9.6	8.2 11.5 16.4
	All sizes	1.3	1.5	1.7	1.9	2.7	3.5	3.7	1.7	3.7	12.4

1/ Slight discrepancies between the sum of figures in the tables and the totals shown are due to rounding.

3/ A breakdown by quality and size of issue for each of the years 1939 to 1943, similar to that given above for 1944 and 1945, can be found in the Ninth Annual Report, Appendix Table 2.

4/ The compensation figures are based on the figures reported in the registration statements as of their effective dates. They do not, therefore, include additional compensation which may have been realized later from the exercise of options which had no realizable value on the effective dates.

^{2/} The grades are according to the classification of the bonds by the investment rating services: "first grade" corresponds to Moody's Asa, Standard and Poor's Ale, Fitch's AAA; "second grade" to As, Al, AA; etc.

Table 3.-MEN SECURITIES OFFERED FOR CASE SALE IN THE UNITED STATES 1/ Part 1.-Type of Offering

(Retirated gross proceeds in thousands of dellars) 2/

	All	Publ	10 3/		Private		Intrastate
Year and Month	Offerings	Registered	Excesspt 4/	Registered	Exempt 4/	Other 5/	·
July 1934 to June 1935 July 1935 to June 1936 July 1936 to June 1937 July 1936 to June 1938 July 1938 to June 1939 July 1939 to June 1940 July 1940 to June 1941 July 1941 to June 1942 July 1942 to June 1943 July 1943 to June 1944 July 1944 to June 1945	3,553,976 11,060,996 7,601,506 3,454,156 6,817,226 5,511,591 9,842,273 19,920,551 47,489,692 52,399,938 53,888,694	496,505 3,265,199 3,006,992 891,614 1,651,696 1,295,916 1,682,442 1,280,345 419,942 1,050,882 2,125,292	2,711,097 7,372,131 4,244,812 2,196,440 4,356,446 3,417,451 7,142,634 18,104,723 46,754,376 50,750,658 50,995,557	0 67,161 8,666 2,953 61,304 14,712 111,866 5,375 0 12,063	80,568 19,499 20,869 7,219 69,188 45,659 57,800 7,886 0 56,829 34,433	261,508 325,493 302,590 350,838 670,988 731,322 837,526 520,098 314,770 540,556 698,686	4,298 11,514 17,577 5,092 7,604 6,532 10,005 2,125 603 1,013 22,664
1944 July Angust September October Sevember December	3,035,833 1,087,649 1,454,585 1,726,296 2,556,125 16,044,139	79,299 28,477 235,696 651,105 177,793 10,875	2,848,363 1,00,547 1,186,015 1,042,903 2,226,595 15,958,344	0 0 663 11,400	0 0 0 0 4,433 30,000	92,534 48,625 31,871 20,888 146,295 43,880	15,637 0 340 0 1,010 1,040
Jennary February March April Ray June	1,840,396 1,305,172 1,522,005 1,937,764 3,175,966 18,202,764	118,642 64,596 189,079 190,405 376,063 3,262	1,688,312 1,192,524 1,299,176 1,672,390 2,755,820 18,114,568	0 0 0 0 0	0 0 0 0 0	33,443 47,850 33,750 74,969 39,647 84,934	20 <u>1</u> 0 0 4,436

Table 3. Fart 2.-Type of Security
(Estimated gross proceeds in thousands of dollars) 2/

	A1 .	l Types of Securit	Les	Bond	s, Debentures and I	iotes	Preferred	Common
Year and Month	All Issuers	Non-corporate	Corporate	All Issuers	Non-corporate	Corporate	Stock	Stock
July 1934 to June 1935 July 1935 to June 1936 July 1936 to June 1937 July 1937 to June 1938 July 1938 to June 1939 July 1939 to June 1940 July 1940 to June 1941 July 1941 to June 1942 July 1942 to June 1943 July 1943 to June 1944 July 1944 to June 1944 July 1944 to June 1945	3,553,976 11,060,996 7,600,506 3,454,156 6,817,226 5,511,591 9,842,273 19,920,551 47,489,692 52,399,938 53,888,694	2,658,791 6,853,177 3,896,145 2,165,081 4,371,626 3,189,573 6,811,670 17,933,427 46,747,286 50,665,588 49,739,750	895,184 4,207,819 3,705,361 1,289,075 2,445,601 2,322,017 3,030,603 1,987,124 742,406 1,734,349 4,148,944	3,534,933 10,765,721 6,772,299 3,207,377 6,636,832 5,280,499 9,604,238 19,620,469 47,427,238 51,990,392 53,304,239	2,658,791 6,853,177 3,896,145 2,165,081 4,377,626 3,189,573 6,811,670 17,933,427 46,747,286 50,665,589 49,739,750	876,142 3,912,544 2,876,154 1,042,296 2,265,206 2,090,926 2,792,568 1,687,042 679,952 1,324,804 3,564,489	12,161 188,752 410,020 186,029 106,650 135,681 172,313 184,270 33,311 325,670 372,499	6,881 106,524 419,188 60,749 73,745 95,421 115,813 29,144 83,875 211,954
1944			•			4		
July Angust September October Movember December	3,035,833 1,087,649 1,454,585 1,726,296 2,556,125 16,044,139	2,826,257 869,103 992,057 933,803 2,176,463 15,862,335	209,576 218,546 462,528 742,488 379,661 181,803	2,994,724 1,067,088 1,391,191 1,676,507 2,522,402 15,994,973	2,826,257 869,103 992,057 983,808 2,176,463 15,862,335	168,466 197,985 399,134 692,698 345,939 132,638	20,027 12,303 53,809 38,683 19,757 2,753	21,08 8,256 9,58 11,10 13,966 46,41
1945							ļ,	
January Pebruary March April May June	1,840,396 1,305,172 1,522,005 1,937,764 3,175,966 18,202,764	1,559,792 1,090,090 1,296,216 1,294,421 2,678,632 18,110,575	280,604 215,082 225,789 643,344 497,334 92,189	1,788,881 1,291,973 1,469,443 1,854,249 3,057,099 18,195,709	1,559,792 1,090,090 1,296,216 1,294,421 2,678,632 18,110,575	229,089 201,884 173,226 559,828 378,467 85,134	36,752 2,000 40,645 43,143 101,711 916	14,76; 11,196 11,91' 40,37; 17,15; 6,136

Table 3. Part 3.-Type of Issuer
(Estimated gross proceeds in thousands of dollars) 2/

*	'		Corporate		-			Non-corpor	ato		•
Tear and South	Total Corporate	Industrial,	Public Utility	Reil	Real Betato and Pinancial	Total Hon- corporate	United States Government (Including agency issues guaranteed)	Federal Agency (Is- sues not guaranteed)	State and Munic- ipal 3/	Foreign Government	Elecnosynary and other Hon-profit
July 1934 to June 1935 July 1935 to June 1936 July 1936 to June 1937 July 1937 to June 1938 July 1938 to June 1939 July 1939 to June 1940 July 1940 to June 1941 July 1941 to June 1942 July 1942 to June 1943 July 1943 to June 1944 July 1944 to June 1944 July 1944 to June 1944 July 1944 to June 1945	895,184 4,207,819 3,705,361 1,289,075 2,445,601 2,322,017 3,030,603 -1,987,124 742,406 1,734,349 4,148,944	328,948 1,340,552 1,203,665 659,730 954,950 691,039 1,047,929 779,472 291,823 854,064 1,166,152	377,605 2,008,143 1,637,526 577,281 1,365,540 1,108,325 1,530,509 977,422 331,753 657,746 1,680,776	137,404 659,857 501,036 41,428 106,351 297,935 375,026 174,202 106,265 163,404	51,228 199,268 362,934 10,636 18,759 224,719 77,139 56,029 12,565 59,136 111,011	2,658,791 6,853,177 3,896,145 2,165,081 4,371,626 3,189,573 6,811,670 17,933,427 46,747,286 50,665,589 49,739,750	1,572,410 5,354,660 2,589,372 1,206,754 2,904,127 2,140,357 5,411,505 17,209,070 46,193,211 50,141,375 48,832,628	60,109 94,827 25,446 81,670 63,269 47,258 73,742 35,172 2,912 1,185	1,020,326 1,248,675 1,060,212 863,794 1,322,048 952,491 1,295,248 679,850 496,970 776,031	27,939 4,120	968 24,477 57,877 9,613 15,385 21,527 27,055 9,334 4,058 6,661 1,662
1944 July Angust September October November December	209,576 218,546 462,528 742,488 379,661 181,803	123,850 48,151 93,966 196,336 48,770 34,790	63,228 31,486 171,354 506,696 275,832	21,056 135,490 191,187 36,809 52,829 82,790	1,442 3,420 -6,02 2,647 2,231 43,219	2,826,257 869,103 992,057 983,808 2,176,463 15,862,335	2,790,537 803,879 973,720 875,678 2,105,018 15,827,631	0000	35,720 65,224 18,337 108,131 71,445 33,795	0 0 0	0 0 0 0 0 909
1945 Jennary Pebruary Harch April Hay June	280,604 215,082 225,789 643,344 497,334 92,189	84,300 27,448 95,837 121,371 231,662 59,671	65,857 60,600 125,493 141,499 187,426 30,300	120,804 109,085 0 365,269 75,688	9,643 17,949 4,459 15,204 2,557 2,218	1,559,792 1,090,090 1,296,216 1,294,421 2,678,632 18,110,575	1,331,890 1,060,386 1,122,131 1,245,336 2,636,858 18,059,564	114,428 0 0 0 0	113,475 14,703 173,984 49,085 41,774 50,358	15,000 0 0 0	0 0 101 0 0 652

· · · · · · · · · · · · · · · · · · ·	, , , , , ,	Type of t	Scourity		Type of	Issuer \	
Year and Lonth	All Privato Flacomento	Honds, Debentures and Notes	Stocks	Industrial	Public Utility	Railroad	Real Retate and Financial
July 1934 to June 1935 July 1935 to June 1936 July 1936 to June 1937 July 1936 to June 1938 July 1938 to June 1939 July 1938 to June 1940 July 1940 to June 1941 July 1941 to June 1942 July 1942 to June 1942 July 1943 to June 1944 July 1944 to June 1944 July 1944 to June 1944 July 1944 to June 1945	261,508 412,152 327,625 397,759 749,128 756,819 996,392 531,4770 592,485 743,666	259,459 409,264 324,061 357,158 748,729 747,890 994,094 523,188 312,720 585,270 733,352	2,050 2,889 3,564 600 399 8,927 2,298 8,270 2,050 7,215	158,469 165,324 121,638 226,698 360,771 138,703 361,090 272,472 144,537 347,521 403,351	77,700 215,530 151,905 123,343 364,232 418,614 563,160 221,017 152,233 162,660 300,019	19,499 13,386 7,219 23,432 9,592 24,142 5,986 18,000 77,979 34,433	25,340 11,800 40,695 500 693 189,909 48,000 31,984 0 4,325 5,864
July Angust September October Hovember December	92,534 48,625 32,534 32,288 150,727 73,880	92,534 47,707 31,435 32,288 149,312 72,698	0 918 1,099 0 1,415 1,182	84,704 33,293 9,903 29,909 24,148 22,875	7,830 15,332 19,381 2,379 121,651 21,005	0 0 0 0 4,433 30,000	0 0 3,250 0 496 0
January February March April May June	31,928 47,850 33,750 74,969 39,647 84,934	30,928 47,850 31,300 74,969 37,647 84,684	1,000 0 2,450 0 2,000 250	10,000 22,600 22,950 53,526 35,000 54,444	20,000 25,250 10,800 21,444 4,647 30,300	0 0 0 0	1,928 0 0 0 0 0

These statistics cover substantially all such securities offered in amounto of more than \$100,000 and with terms to maturity of more than one year. Excluded are open-end investment company issues cold through continuous offering, intercorporate transactions, United States Government "Special Series" issues, and other cales directly to Federal agencies and trust accounts, and notes issued exclusively to commercial banks. All figures are subject to revision as new data are received. Revisions have been made in the figures on the United States Government securities to include Transmry Savings Hotes. The notes, which were originally known as Treasury Tax Savings Hotes, were excluded from this statistical series because they were designed to help taxpayers set aside funds, and were turned back to the Treasury in large part in payment of taxes. Since the introduction of withholding taxes in 1943, however, these notes have been issued mainly for short-term investment purposes, as well as the accumulation of. tax reserves, and the title of the notes was changed to Treasury Savings Notes. The addition of these notes affects the figures for the years 1942, 1944, and 1945 in the following columns of Table 3, Parts 1, 2, and 3: All offerings; Public, exempt; All Non-corporate; All Bonds and Notes; Non-corporate Bonds and Notes; and United States Government.

^{2/} Gress proceeds are derived by multiplying principal amounts or numbers of unite by offering prices, except for municipal insues where principal amount is used. Slight discrepancies between the sum of figures in the tables and the totals shown are due to rounding.

[/] Issues sold by competitive bidding directly to ultimate investors are classified as publicly-offered issues.

Responsible include offerings of Federal, state, and local governments, banks, issuese subject to regulation by the Interstate Commerce Commission, and eleganogymany and other non-profit institutions. Also includes issues in the size group between \$100,000 and \$300,000 which are exampt because of assudments to Regulation A of the Securities Act of 1933, offective May 21, 1945; it was not until June, 1945 that any of the issues affected by these amendments were actually offered for each sale, the total amount in that month being \$3,343,000.

Securities for which registration under the Securities Act of 1933 would be required if they were publicly offered. Excludes issues sold by competitive bidding directly to ultimate investors.

Table 4.-PROPOSED USES OF NET PROCEEDS FROM THE SALE OF NEW CORPORATE SECURITIES OFFERED FOR CASH SALE IN THE UNITED STATES

Part 1.-All Corporate

(Amounts in thousands of dollars) 2/

			<u> </u>	New money			Reti	ements		
Year and Month	Total Gross Proceeds 1/	Total Ket Proceeds 1/	Total New Money	Plent and Equip- ment	Working Capital	Total Retirements	Funded Debt	Other Debt	Preferred Stock	All other
July 1934 to June 1935 July 1935 to June 1936 July 1936 to June 1937 July 1937 to June 1938 July 1938 to June 1939 July 1939 to June 1940 July 1940 to June 1941 July 1941 to June 1942 July 1942 to June 1943 July 1943 to June 1944 July 1944 to June 1944 July 1944 to June 1945	895,184 4,207,819 3,705,361 1,289,075 2,445,601 2,322,017 3,030,603 1,987,124 742,406 1,734,349 4,148,944	872,204 4,080,791 3,589,334 1,255,763 2,391,738 2,267,785 2,970,499 1,954,957 728,304 1,699,741 4,071,648	112,067 419,055 1,195,768 650,750 587,503 292,377 782,268 862,499 242,444 458,620 732,995	55,796 260,586 561,909 412,191 379,369 184,099 616,578 589,342 123,906 229,009 282,663	56,272 158,469 633,859 238,559 208,133 108,238 165,691 273,157 118,538 229,611 450,331	728,959 3,637,122 2,332,519 599,720 1,790,275 1,948,865 2,167,477 1,061,176 459,101 1,200,933 3,293,467	628,633 3,167,120 1,986,784 453,021 1,489,212 1,695,787 1,923,831 800,818 397,737 915,837 2,920,012	99,661 253,312 91,786 129,247 174,461 182,657 99,685 206,535 26,832 97,368 43,402	665 216,691 253,949 17,452 126,602 70,420 143,961 53,824 34,532 187,728 330,053	31,178 24,613 61,047 5,294 13,961 26,543 20,753 31,283 26,759 40,188 45,188
July August September October November December	209,576 218,546 462,528 742,488 379,661 181,803	205,677 215,499 453,268 729,475 373,003 178,481	62,961 61,338 29,403 125,458 33,196 65,831	37,358 27,207 18,193 10,162 16,604 9,297	25,603 34,131 11,210 115,296 16,592 56,534	136,128 151,379 417,011 596,992 339,318 109,174	107,109 148,692 375,168 569,889 223,896 106,230	4,702 277 2,100 2,643 900 0	24,317 2,411 39,743 24,461 114,522 2,944	6,588 2,783 6,854 7,025 489 3,476
January February March April Hay June	280,604 215,082 225,789 643,344 497,334 92,189	274,964 211,714 221,294 632,072 485,468 90,733	35,148 28,319 47,808 102,322 136,483 4,728	14,285 16,227 28,433 55,006 48,625 1,266	20,864 12,092 19,375 47,316 87,857 3,461	239,815 182,188 171,937 527,201 342,743 79,581	220,837 160,069 157,955 500,620 278,035 71,512	0 4,794 672 14,377 12,037 900	18,978 17,325 13,309 12,203 52,671 7,169	0 1,207 1,549 2,550 6,242 6,425

Table 4. Part 2.—Industrial

(Amounts in thousands of dollars) 2/

				New money			Retirem	ents		•
Year and Month	Total Gross Proceeds 1/	Total Net Proceeds 1/	Total New Money	Plant and Equip- ment	Working Capital	Total Retirements	Funded Debt	Other Debt	Preferred Stock	All other Purposes
July 1934 to June 1935 July 1935 to June 1936 July 1936 to June 1937 July 1936 to June 1937 July 1937 to June 1939 July 1939 to June 1940 July 1940 to June 1941 July 1941 to June 1942 July 1942 to June 1943 July 1943 to June 1944 July 1944 to June 1945	328,948 1,340,552 1,203,865 659,730 954,950 691,039 1,047,929 779,472 291,823 854,064 1,166,152	321,656 1,295,398 1,150,603 642,079 933,170 666,063 1,021,150 762,093 284,453 833,347 1,132,825	49,900 191,242 602,828 461,609 444,029 118,932 184,436 401,354 127,442 358,077 508,715	19,500 96,764 239,994 268,473 253,524 50,408 98,553 157,220 22,669 157,769 148,108	30,400 94,478 362,833 193,136 190,505 68,524 85,883 244,135 104,774 200,308 360,607	251,652 1,092,997 507,499 177,228 478,368 532,202 822,631 337,521 139,758 446,987 596,814	239,139 809,426 334,333 114,241 328,521 455,255 676,337 130,170 91,792 223,835 424,193	11,847 151,178 57,772 45,993 126,882 44,203 60,309 164,111 20,067 84,091 36,594	665 132,392 115,394 16,993 22,966 32,745 85,986 43,240 27,899 139,062 136,025	20,104 11,159 40,282 3,243 10,773 14,929 14,082 23,217 17,253 28,283 27,296
1944 July August September October November December	123,850 48,151 93,966 196,336 48,770 34,790	121,384 47,188 91,262 191,329 46,661 34,025	36,763 36,432 12,053 114,657 22,049 24,120	11,371 5,222 4,089 4,713 8,877 9,245	25,393 31,210 7,964 109,944 13,171 14,874	78,953 9,911 77,719 76,600 24,123 6,721	61,243 7,724 70,621 52,187 16,325 4,039	4,600 277 1,100 2,643 900	13,110 1,911 5,997 21,770 6,898 2,682	5,668 845 1,490 72 489 3,184
1945 January February March Agril May June	84,300 27,448 95,837 121,371 231,662 59,671	81,523 26,700 93,033 117,767 223,395 58,558	27,528 9,368 41,110 64,286 117,008 3,341	14,285 4,534 26,142 29,756 29,406 468	13,244 4,834 14,968 34,530 87,602 2,873	53,995 16,125 50,374 52,042 100,670 49,581	35,427 0 40,294 28,849 65,972 41,512	0 672 13,745 11,757 900	18,568 16,125 9,407 9,447 22,941 7,169	0 1,207 1,549 1,439 5,717 5,636

Table 4. Part 3.—Public Utility
(Amounts in thousands of dollars) 2/

				New menney	, , , , , , , , , , , , , , , , , , ,		Reti	remanto]
Year and month	Total Gross Proceeds 1/	Total Net Proceeds 1/	Total Hew Money	Plant and Equip- ment	, Working Capital	Total Retirements	Funded Debt	Other Debt	Preferred Stock	All other Purposes
July 1934 to June 1935 July 1935 to June 1936 July 1936 to June 1937 July 1937 to June 1938 July 1938 to June 1939 July 1939 to June 1939 July 1940 to June 1941 July 1941 to June 1942 July 1942 to June 1943 July 1943 to June 1944 July 1944 to June 1945	377,605 2,008,143 1,637,526 577,281 1,365,540 1,108,325 1,530,509 977,422 331,753 657,746 1,680,776	366,631 1,955,387 1,595,666 563,894 1,337,126 1,086,454 1,504,828 966,212 326,315 646,761 1,654,456	10,351 63,863 73,207 151,898 86,882 65,275 306,804 307,830 67,935 17,898 45,077	4,673 43,300 64,923 114,885 77,017 54,556 280,971 305,421 61,908 7,160 35,516	5,678 20,563 8,284 37,013 9,864 10,719 25,834 2,408 6,027 10,738 9,560	348,489 1,888,828 1,508,983 410,704 1,249,107 1,012,482 1,194,029 655,354 249,493 619,136 1,595,954	316,537 1,786,965 1,388,098 327,027 1,105,117 939,338 1,129,516 609,805 236,095 561,768 1,406,813	31,952 33,169 12,342 83,219 47,579 35,738 13,390 34,966 6,765 10,862 2,014	68,694 108,543 458 96,411 37,407 51,122 10,583 6,633 46,505 187,126	7,792 2,697 13,476 1,292 1,138 8,697 3,995 3,028 8,888 9,727 13,423
July August September October November December	63,228 31,486 171,354 506,696 275,832 21,005	61,974 30,912 167,299 499,155 272,163 20,836	5,303 3,210 5,449 8,883 6,727 > 51	5,093 3,189 4,299 3,930 4,139 51	210 21 1,150 4,953 2,588 0	56,128 25,765 156,485 485,011 265,436 20,494	45,866 25,765 122,390 482,806 159,185 20,494	102 0 1,000 0 0	10,160 0 33,095 2,205 106,250 0	542 1,937 5,364 5,261 0 291
January February March April Kay June	65,857 60,600 125,493 141,499 187,426 30,300	64,733 59,840 123,861 139,490 184,193 30,000	0 0 2,298 11,897 1,259 0	0 0 2,291 11,521 1,003	0 0 7 376 255 0	64,733 59,840 121,563 127,593 182,906 30,000	64,323 59,840 117,661 125,587 152,896 30,000	0 0 0 632 280	410 0 3,902 1,374 29,730	0 0 0 0 28 0

Table 4. Part 4.-Railroad

(Amounts in thousands of dollars) 2/

				New monel.			Retirer	ienta		
Yoar and Month	Total Gross Proceeds 1/	Total Net Proceeds 1/	Total New Money	Plant and Equip- ment	Working Capitel	. Total Retirements	Funded , Debt	Other Debt	Preferred Stock	All other Purposes
July 1934 to June 1935 July 1935 to June 1936 July 1936 to June 1937 July 1937 to June 1938 July 1938 to June 1939 July 1939 to June 1940 July 1940 to June 1941 July 1941 to June 1942 July 1942 to June 1943 July 1943 to June 1944 July 1944 to June 1945	137,404 659,857 500,036 41,428 106,351 297,935 375,026 174,202 106,265 163,404 1,191,007	133,871 637,588 489,861 40,815 104,352 293,481 368,981 171,726 105,187 162,007	31,540 122,603 265,753 29,328 48,778 80,585 236,711 126,699 39,330 64,080 98,240	31,323 120,522 256,654 28,277 48,778 79,136 236,711 126,699 39,330 64,080 98,240	217 2,080 9,099 500 0 1,450 0 0	101,186 514,986 224,108 11,487 55,574 212,896 131,981 45,027 65,858 97,928 1,077,536	63,429 452,073 203,891 11,487 55,574 212,683 110,942 45,027 65,858 97,928 1,077,536	37,758 62,913 16,480 0 212 18,039 0 0	3,738 0 0 0 0 0 3,000 0	1,145 0 0 0 0 0 289 0 0
1944 July August September October Hovember December	21,056 135,490 191,187 36,809 52,829 82,790	20,894 134,000 188,764 36,414 51,973 81,697	20,894 18,797 9,805 1,518 3,587	20,894 18,797 9,805 1,518 3,587	0 0 0 0	0 115,203 178,959 34,896 48,386 81,697	0 115,203 178,959 34,896 48,386 81,697	0 0 0	0 0 0 0 0	000000000000000000000000000000000000000
1945 January February March April May June	120,804 109,085 0 365,269 75,688	119,179 107,539 0 359,913 75,402 0	0 11,693 0 13,730 18,216 0	11,693 0 13,730 18,216 0	0 0 0 0	119,179 95,846 0 346,184 57,186	119,179 95,846 0 346,184 57,186	0000	0 0 0 0	000000000000000000000000000000000000000

Table 4. Part 5.-Real Estate and Financial (Amounts in thousands of dollars) 2/

		,	r	New money	,	/	Retire	tents		
Year and Month	Total Gross Proceeds 1/	Total Net Proceeds 1/	Total New Money	Plant and Equip- ment	Working Capital	Total Retirements	Funded Debt	Other Debt	Preferred Stock	All other Purposes
July 1934 to June 1935 July 1935 to June 1936 July 1936 to June 1937 July 1937 to June 1938 July 1938 to June 1939 July 1939 to June 1940 July 1940 to June 1940 July 1941 to June 1942 July 1942 to June 1943 July 1943 to June 1944 July 1944 to June 1944 July 1944 to June 1945	51,228 199,268 362,934 10,636 18,759 224,719 77,139 56,029 12,565 59,136 111,011	50,046 192,418 353,199 8,976 17,090 221,787 75,540 54,927 12,349 57,626 108,593	20,276 41,348 253,981 7,916 7,813 27,585 54,317 26,616 7,737 18,565 80,962	300 0 338 6 50 0 343 2 0 0	19,976 41,348 253,643 7,910 7,763 27,565 53,974 26,614 7,737 18,565 80,163	27,632 140,313 91,928 301 7,226 191,284 18,837 23,274 3,992 36,683 23,166	9,528 118,655 60,462 266 0 88,511 7,036 15,816 3,992 32,306 11,471	18,104 6,052 5,191 35 0 102,504 7,948 7,458 0 2,415 4,794	15,605 26,275 0 7,226 269 3,853 0 0 2,162 6,901	2,137 10,758 7,290 759 2,051 2,917 2,386 5,037 619 2,179 4,465
July Angust September October Hovember December	1,442 3,420 6,022 2,647 2,231 43,219	1,425 3,399 5,943 2,577 2,206 41,922	0 2,899 2,096 400 832 41,660	0000	0 2,899 2,096 400 832 41,660	1,048 500 3,847 486 1,373 262	0 0 3,197 0 0	0 0 0 0 0	1,048 500 650 486 1,373 262	377 0 0 1,691 0
January February March April May June	9,643 17,949 4,459 15,204 2,557 2,218	9,529 17,635 4,400 14,902 2,479 2,176	7,620 7,258 4,400 12,410 0 1,387	0 0 0 0 0 - 799	7,620 7,258 4,400 12,410 0 588	1,909 10,377 0 1,382 1,982	1,909 4,383 0 0 1,982	0 4,794 0 0	0 1,200 0 1,382 0	0 0 0 1,110 498 789

^{2/} Total estimated gross proceeds represent the amount paid for the securities by investors, while total estimated net proceeds represent the amount received by the issuer after payment of compensation to distributors and other costs of flotation.
2/ Slight discrepancies between the sum of figures in the tables and the totals shown are due to rounding.

Table 5 - Brokers and dealers registered under Section 15 of the Securities Exchange Act of 1934 1/ - Reflective registrations as of June 30, 1945, classified by type of organization and by location of principal office

		Number of	f Registran	ta '	Nun	aber of Prop Officer	prietors, Pars, etc. 2/	artners,		Number of	Employees		. N	umber of Ére	anch Office	6
Lecation of Principal Office	Total	Sole Proprie- torships	Partner- ships	Corpora- tions 3/	Total	Sole Proprie- torships	Partner-	Corpore-	Total	Sole Proprie- torships	Partner- ships	Corpora- tions 3/	Total	Sole Proprie- torships	Partner- ships	Corpora- tions 2
Alabaza Arisona Arkenses Colifornia Colorado Comseticut Delawaro Mistrot of Columbia Florida Georgia Idaho Illinois Indians Iowa Kansas Kantucky Lowisiana Midue Maryland Masachusetts Michigan Minneseta Mississippi Hissouri Heutana Mebraaka Hevada Hev Jersey Hew Herrico	20 7 16 208 64 49 7 63 22 21 12 258 51 27 22 13 69 14 235 50 4 48 235 50 4 91 10	10 4 8 8 78 35 17 32 14 9 6 75 19 8 26 47 12 45 70 10	4 3 3 73 8 16 2 11 3 4 4 16 2 16 47 20 10 0 30 1 5 1 19 0	6 0 5 5 7 21 16 2 25 6 9 4 21 6 12 5 6 15 6 72 8 25 1 36 3 13 0 2 30 0	49 11 34 688 146 152 39 220 46 57, 72, 33 889 130 889 130 767 136 767 277 136 767 249 20 85 61 109	10 4 8 78 35 17 3 27 14 9 6 75 19 8 26 4 47 11 11 15 3 25 4 11 11 15 3 25 10 10 11 11 11 11 11 11 11 11 11 11 11	13 77 283 21 53 24 43 20 13 2 315 23 7 8 15 6 6 78 227 73 29 0 146 2 2 50 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	26 0 19 327 90 82 12 150 22 35 15 499 88 68 75 18 19 57 32 423 130 133 3 178 14	56 11 2,730 169 611 260 584 73 219 27 3,817 118 152 90 195 90 195 545 3,397 545 1,692 8 97 1,692 8 97 1,692	41 23 13 279 18 49 5 47 2 13 4	15 9 1,438 53 311 251 210 5 132 3 2,081 17 51 19 498 1,924 233 138 0 547 2 12 0 13 13 13 13 13 13 13 13 13 13	30 0 1,002 81,258 8 343 35,81 18 1,598 79 118 65 29 23 50 34 1,194 274 1,505 3 381 44 64 0 10 138	2 0 0 159 4 24 6 7 3 1 160 1 1 7 9 0 0 1 22 2 107 6 24 3 4 7 7 9 0 0 1 2 2 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0	000010011000000311310000030	1 0 0 85 3 9 5 4 0 11 0 8 0 0 12 6 9 7 8 0 18 0 0 0 6 0 0 6 0	1 0 0 60 12 13 2 5 1 4 1 0 7 8 0 2 0 10 3 5 8 15 0 28 0 2 0 0 16 0

Table 5. (Continued) - Brokers and dealers registered under Section 15 of the Securities Exchange Act of 1934 1/ - Effective registrations as of June 30, 1945, classified by type of organization and by location of principal office

		Number of	f Registran	ts	Mu	ber of Prop Office	rietors, P s, etc. <u>2</u> /	artners,		Number of	Reployees		¥	umber of Br	ench Office	•
ocation of Principal Office	Total	Sole Propris- terships	Partner— ships	Corpora- tions 3/	Total	Sols Proprise- torships	Partner- shipe	Corpora- tions 3/	Total	Sole Proprie- torships	Partner- ships	Corpora- tions 3/	Total	Sole Proprie- torships	Partner- ships	Corpora tions 3
Hew Tork (excluding Hew Tork City) Horth Carolina Forth Dakota Chio Oklahema Cregon Pennsyl wania Rhode Island South Carolina South Dakota Tennessee Tenas Utah Verment Virginia Washington West Virginia Hisconsin Hyowing	274 200 5 147 823 215 31 23 4 32 185 21 96 8 55 6	212 7 3 39 21 80 14 8 3 11 127 8 0 10 59 4 16	25 30 50 2 6 88 11 6 0 8 24 3 0 6	37 10 2 58 9 47 6 9 1 13 34 10 2 57 1 14	430 .76 12 476 118 71 666 68 57 6 100 383 700 12 58 223 233 230 6	212 7 3 39 71 8 80 14 8 11 127 8 0 10 59 4 16 6	77 7 0 171 4 -13 359 32 18 0 22 56 15 0 24 33 11 12 0	141 62 9 266 43 50 227 22 31 3 67 200 47 12 24 131 8 172	513 112 7 1,120 98 100 2,709 120 60 4 162 363 165 9 101 425 19 382 2	133 13 10 64 32 150 15 11 2 12 89 9 0 17 68 3 22 2	215 2 0 566 0 20 1,913 92 14 0 50 69 124 0 53 38 13 16	165 97 6 484 34 48 640 13 35 2 100 205 32 9 31 319 33 344	18 10 0 23 0 5 0 16 21 11 0 2 2 13 2 8 0	1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	80020066010529010200	9 10 0 21 0 3 17 0 4 0 11 12 0 7 0
Total (excluding New York City)	2,898	1,392	657	849	8,000	1,392	2,379	4,229	23,345	1,931	21,361	10,053	892	39	481	372
New York City	1,201	445	590	1,66	4,067	445	2,757	865	26,611	450	23,435	2,726	779	10	61.6	153
Total	4,099	1,837	1,247	1,015	12,067	1,837	5,136	5,094	49,956	2,381	34,796	12,779	1,671	49	1,097	525

^{1/} Domestic registrants only, excludes 40 foreign.

^{2/} Includes directors, officers, trustees, and all other persons occupying similar status or performing similar functions.

^{3/} Includes all forms of organizations other than sole proprietorships and partnerships.

Table 6.—Special Offerings Effected on National Securities Exchanges for Fiscal Year Ended June 30, 1945

						Aggregate	Number of	Offerings by	Duration
Exchange	Number Number	In Original Offer	Sub- scribed	Sold	Value of Shares Sold (Thousands of dollars)	Special Commission (Thousands of dollars)	Terminated in 15 Minutes	Others Terminated Same Day	Not Terminated Same Day
All Exchanges Total Completed Not Completed	93 82 11	1,139,653 975,578 164,075	1,409,912 1,279,057 130,855	1,115,201 984,346 130,855	34,456 30,504 3,952	626 550 76	46 46 0	33 32 1	14 4 10
Chicago Stock Exchange Total Completed Not Completed	7 6 1	63,750 62,850 900	86,823 86,623 200	63,143 62,943 200	670 657 13	19 19 <u>1</u> /	4 4 0	2 2 0	1 0 1
New York Curb Exchange Total Completed Not Completed	4 3 1	29,109 19,934 9,175	44,504 35,534 8,970	25,904 16,934 8,970	640 518 122	13 9 4	1 1 0	2 1 1	. 1 1 0
New York Stock Exchange Total Completed Not Completed	80 71 9	1,033,794 879,794 154,000	1,265,069 1,143,384 121,685	1,013,154 891,469 121,685	32,648 28,831 3,817	585 513 72	39 39 0	29 29 0	12 3 9
San Francisco Stock Exchange Total Completed Not Completed	2 2 0	13,000 13,000 0	13,516 13,516 0	13,000 13,000 0	498 498 0	9 9 0	2 2 0	0 0 0	0

^{1/ \$500} or less.

Table 7.--Harkst Value and Volume of Sales Effected on All Registered Securities Exchanges (in Thousands)

For Fiscal Year Ended June 30, 1945

	Total	Stoc	ke 1/	P	onds <u>2</u> /	Rights and	
Exchange	Market Value (Dollars)	Market Value (Dollare)	Number of Shares	Market Value (Dollars)	Principal Amount (Dollars)	Warket Value (Dollars)	Number of Unite
111 Registered Exchanges	15,160,875	13,141,773	595,133	2,004,210	3,016,760	14,692	4,565
Baltimore Stock Exchange	6,929	4,938	298	1,991	2,753		
Bowton Stock Exchange	160,626	160,423	4,433	203	193		
Chicago Board of Trade	67	67	24	0	0		
Chicago Stock Exchange	251,687	251,649	11,146	0	0	38	36
Cincinnati Stock Exchange	8,964	8,930	301	34	33		
Cleveland Stock Exchange	15,402	15,398	600	0	0	4	5
Detroit Stock Exchange	44,289	44,289	4,812			·	_
Los Angeles Stock Exchange	83,726	83,719	7,412	0	0	7	7
How Orleans Stock Exchange	1,366	1,363	164	3	3		-
New York Curb Exchange	1,417,531	1,271,560	107,230	132,987	193,954	12,984	3, 180
New York Stock Exchange	12,891,017	11,022,338	429,447	1,866,943	2,818,071	1,736	1, 29
Philadelphia Stock Exchange	105,862	105,848	4,267	14	6		·
Pittsburgh Stock Exchange	18,612	18,602	1,190	10	9		-
St. Louis Stock Exchange	5,238	5,123	238	115	148		
Salt Lake Stock Exchange	1,373	1,373	8,333				
Sen Francisco Mining Exchange	458	458	4,444			-	-
Sen Francisco Stock Exchange	144,073	142,258	7,322	1,692	1,387	123	42
Standard Stock Exchange	1,711	1,711	3,429	****	—		
Washington Stock Exchange	1,944	1,726	43	21.6	203		_
		Breakdown of 1	Piscal Year	Totals by Mont	he .		
1944 July	1,226,369	1,054,942	53,696	170,406	258,531	1,021	299
August	850,688	734,748	38,664	115,385	164,549	555	163
September	723,408	622,554	28,058	100,214	143,273	640	216
redote0	890, 652	748,221	32,960	141,242	197,373	1,189	594 172
Hovember	881,063	742,075	31,199	138,318	208,588	670	172
December	1,356,191	1,160,823	50,542	194,057	308,571	1,311	484
1945 January	1,720,825	1,481,384	69,213	237,830	411,818	1,611	48. 67.
Pebruary	1,425,009	1,266,858	60,070	156,187	226,548	1,964	31.
March	1,433,739	1,254,927	54,999	177,485	249,721	1,327	33:
April	1,329,829	1,151,042	47,316	176,998	259,930	1,789	520
May	1,629,816	1,419,062	58,138	209,766	327,147	988	23:
June .	1,693,286	1,505,137	70,278	186,322	260,711	1,827	560

^{1/ &}quot;Stocks" includes voting trust certificates, American depositary receipts, and certificates of deposit for stocks.

^{2/ &}quot;Bonds" includes mortgage certificates and certificates of deposit for bonds.

Rote:—Value and volume of sales effected on registered securities exchanges are reported in connection with fees paid under Section 31 of the Securities Exchange Act of 1934. For most exchanges the figures represent transactions cleared during the calendar month. Figures may differ from comparable figures in the Statistical Bulletin due to revision of data by exchanges. For earlier data see the Tenth Annual Report of the Commission, pages 239 and 240; the Minth Annual Report, pages A-16; the Eighth Annual Report, pages A-9; the Seventh Annual Report, pages 288-295; the Sixth Annual Report, pages 276-283; the Fifth Annual Report, pages 222-227; the Fourth Annual Report, pages 166-171; the Third Annual Report, insert facing page 156; the Second Annual Report, insert facing page 116; and the First Annual Report, pages 87-91.

Table 8.--Round-lot stock transactions 1/ effected on the New York Stock Exchange for the accounts of members and non-members, weekly, June 26, 1944-June 30, 1945 (thousands of shares)

Wook ended Satur—	All z lot s	ound- slee		ons of spe s in which stered	cialists	Transact lot acco	rensection ions for t unts of oc and specia	he odd- d-lot		e of memb unsaction the floor	s initi	Other tre	the flee	e initi-		ot transcounts of bers	
da y		A - O	Pur- chases		.ee	Pur- chases	Sal Total	es Short 2	Pur- chases	Sa Total	les Short	Pur- choses	Sa Total	les Short 3/	Par⊷ chases	S: Total	sles
1944 July 1 -	Total 10,976	Short 3 281	782	Total 801	Short 3/_ 103	234	222		810	611	50	255	336	35	8,895	8,606	93
8	8.645	173	642	565	78	228	153	3/	430	453	15	197	302	27	7,148	7,072	59
15	B_061	191	601	637	85	208	152	∡ /	435	446	30	205	2 <i>5</i> 7	33 22	6,612 6,651	6,569 6,582	43 78
22	8,268	206	764	736	62	234	181	4 /,	370 238	468 226	24 18	249 119	147	19	3,625	3,663	
29 .	4,563	146	417 424	404	58 49	164	123 116	- 3 /	344	330	16	115	177	77	4.052	4,073	30 69 30 39
Aug. 5 12	5,111 6,660	192	499	498	65	160	123	Ž/	515	524	42	184	209	16	5,302	5,300	69
19	5,100	113	416	389	44	155	115	7/	304	524 293 232	15	127	265	24 12	4,096	4,038	30
26	4.065	113	328	347	42	144	121	_3/	170	232	20	111	179	12	3,312	3,286	
Sept. 2	3,356	100	277	279	42 52 42	137	100	₹/,	158	136 278	8 21	101	173	20 10	2,883 4,214	4,150	30
9	5,159	137	429 325	438 332	22	175 152	148 87	4/	201 254	278	18	91 90	145 123	ű	3,035	3.087	54 63 35
16 23	3,857	134 113	336	309	45	138	88	भूते ते के ते विकास के के के ते के ते के ते के के के ते क जिल्हा के ते क	222	175	ñ	90	1.09	22	2.583	2,688	35
30	3,985	114	348	347	38	IAI	110	Ī/	266	252	8	219 127	141	26	3.111	2,235	4.2
Cot. 7	4,928	109	348 428 266	407	41	166	139	T\$/	317	313	9	127	200	25	3,890	3,869	34 26 36 67
14	3,165	79	266	268	41 30 38	127	113	₹/.	127	150	É	88 127	120 236	15 40	2,557 3,594	2,533 3,560	36
23	4,507	124	356	355	38	158	123	≱ ⁄,	272 259	243 330	10 22	127	212	19	3,900	3.789	67
28	A.896	161	439	324	53 35	171	10/		208	187	11	105	147	23	3,317	3,357	40
Hov. 4	4,119 3,858	109 116	336 282	283	36	13	104	₹/	149	162	ii.	103	147 130	23 26	3.173	3,357 3,204	43
18	5,103	162	385	438	60	200	127	4/	182	240	14	137	172	33	4,199	4,126	55
25	1 3.552	119	307	293	44	147	91	L_ 3/	155 263	138 224	10	122 229	136	30	2,821	2,894	35 60
Dec. 2	5,747	159	456	423	55	208	150	¾ /,		224 369	24	229	275 383	33 79 42	4,591 7,217	7,154	67
.9	8,797	241	660 678	656 682	71 92	233 241	225 241	4/,	387	401	30	263	39	23	7.549	7,493	
16	9,175 7,310	258 187	630	576	60	171	198	2/	384	353	24	252	286	20 26	5.873	5,897 5,840	94 83
23 30	7,358	228	651	681	84	220	195	Ť/	774	389	30 26	206	358 286 253 292	26	1 5,907	5,840	88
1945 Jan. 6	8,576	201	691	704	90	227	196	「 द /.─	452 625	461	26	250	292	22	6,958	6,925	63 126
13	12,274	316	885	914	11.7 82	293 267	271	₹/,	625 438	610 442	42 18	344 256	328 289	31 24	10,127 8,342	10,151 8,375	88
20	10,095	212	792			243	151	¥/,	285	295	19	208	224	25	6,015	6,038	93
27 Peb. 3	7,332 9,373	207 251	581 683	624	70 99	253	191	⊢¥ ⁄−	426	366	26	302	307 282	61	7,709	7,847	
70	8,965	241	590	649	97	249	190	Ī/	284	31.5	17	204	282	n	7,638	7,529	96
17	9.127	249	619	618	106	245	186	I ₹/.	268	287	15	189	296	40	7,806 6,825	7,740	88 69
24	8,034 9,766	196	579 681	<u>593</u>	85	229	175	⊢¾.	202	225 369	23	199 259	280 601	159	8,186	6.771 7.876	94
Mar, 3	9,766	381 216	581 865	720 732	105 90	306 325	200 230	जराक्तकाराम् 	334 308	297	24	248	24.5	34	8.013	8.255	68
10 17	9,7 5 9 4,882	183	412	510	74	193	98	Ž/	178	199	20	124	173	34 32	3,975	3,902	57
24	5,622	147	527	519	64	199	162	3/	164	195	20	190	211	21 11	4,542 3,680	4,535 3,709	42
31	4,528	121	407	408	63	152	119 96	↓ \$⁄	151	155	. 10	138	245 173 211 137 140 191 375	11	3,660	3.709	37 43
Apr. 7	3,777	120	351	348	51	160	96	1 4/	140 225	118 221	20	106	140	17 26	3,020 4,733	3,075 4,793	55
π.	5,824	182	486 617	490 864	81 168	181 314	129 211	1 %/	317	326		298	375	50	9,2/2	9,212	95
21 24	10,988 9,192	354 268	775	743	125	290	185	Z /	367	352	41 37	261	1 397	34 19	7,499	7.515	95 ' 72
May 5	8,634	245	749	743	101	262	200	<u> </u>	341	307	30	209 256	391 345	19	7.073	7,024	95
12	8,956	252	816	799	118	269	184	■ ₹/.	353	359 268	30	256	345	17	7,262	7,269	87
19	7.339	209	624	601	107	287	146	₩ ,	250	268	29	192 227	280	19 16	5,996 5,690	5,774	73
26	6,971	209 226	571	561	95 100	236 212	155		247 267	234	30 30 29 25	198	247 352 402	20	6,261	6.128	54 73 78
John 2	7,281 9,268	226 263	543 707	574 706	117	246	153 161	₩/	409	357	40	259	102	49	7.647	7,622	57
16	10,578	261	760	758	123	237	214	7/	359	400	40 30	301	388 467 482	31	8,921	8,818	77
30	11,529	354	865	916	187	248	200	₹/:	387	400 365	49	331 324	467	32	Q 60A	9.571	86
36	12,974	. 352	1,160	1,074	157	271	261	Z/	<u> 111</u>	458	55	324	482	45	10,808	10,699	97

Example 16t transactions are transactions in the unit of trading or sultiples thereof; the unit of trading on the New York Stock Exchange is 100 shares in most \$100ks, and 10 shares for certain inactive stocks.

^{. #/} The term "members" includes all members, their firms and their partners.

^{3/} Round-lot short sales which are excepted from restriction by the Commission's and Exchange's rules are not included in these data.

W 500 shares or less. For the 52-week period figures in this column totaled 9 thousand shares.

MOTES-For earlier data one the Seventh Cannual Report of the Commission, p. 296; the Sixth Annual Report, p. 283; the Fifth Annual Report, p. 228; the Fourth Annual Report, p. 162; and the Third Annual Report, p. 152. Statistics for the period July 5, 1941 to June 24, 1944 may be obtained from the Trading and Exchange Division of the Commission upon request.

Table 9.—Round-lot and odd-lot ctock transactions 1/ affected on the New York Curb Exchange for the accounts of scatters and non-members, weekly, June 26, 1944—June 30, 1945 (thousands of shares)

Week ended	All re	und- iles		iona esta La maria	md-lot tran mpedalists th they are	Other to	for the remarks od on the	ma	Other to	re 2/ rensection d off th			ot transac accounts mrs				tions for oustmers
Satur- day			Pur-	84	Jan .	Par-	Sa	íles	Par-	S	also	Par-	Sa	les	Pur-		le).es
	Total	Short 4		fotal	Short 4/	[fotal.	Short 4	7	fotal	Short 4	2	Total	Short 4	<u> </u>	Total	Short 4/
44 July 1	2,419 2,201	31	163	3.75	15	63	. 55 50	- 6	66	105	7	2,327	2,084		52 58	70	0
.6	2,201	35 31	171	209 173	15	54	1 73	, ,	55 56	83 266	1 14	1,921	1,859	ų	60	67	
15 22	2,599 1,605	1 #	136	179	#	36	37		80.	66	1 7	1,552	1,521	ź		57	ŏ
29	1.546	14 12	126	125	7	122	16	- 3	13	I II	57	1.339	1,333	2	1 42	_52_	O
Aug. 5	1,122	9	80.	126	5	18	31	1		29	2	994	936	1	36	46	0
12	1,504	22		124	8	44 25	4.5	9		45	2	1,311	1,290	3	36 52	51 36	0
19 26	1,328	15 17		119	8 4	32	23	2		38 42	1 .7	1,185 1,336	1,148	2	×	53_	l ä
Sept. 2	1,340	15		77	1 2	31	25			36		993	981	4	43	45	ő
	1,242	مد ا	101	336	1 4	30	32	4 2	34, 23	25	ĺí	1,088	1,069	9	46	48	0
16	1,01	20	72	87	5	1 24	26	5	20	42		935	896	6	33	10	0
23	919	13		79	6	38	24,	1 1	30	35	4	776	781	. 2	30	49 51	0
30 Oct., 7	1,210	18	106	98	 }	38 56	43		34 55	<u>64</u> 90		1,032	1,269	3	41	37	<u> </u>
₩ 1 <u>4</u>	1,175	1 11		103	ا ا	1 22	33	5 2	%	l ã	í	1.019	998	i	34	45	ŏ
2)	1,347	23	115	138	l 11	37	33	1 3	57	43	7	1,138	1,133	2	43	57	•
28	1,312	18	95	. 127	9	30	27	1		- 44	6	1,154	1,098	2	44	49	· 0
Hov. 4	1,158	13	84 76	91	8	26		1 2		35 24	1	1,008	1,005	3	35 31	🛣	0
11 18	953 1,371	12 17	101	85 131	5 9	31 40	35 39	1 4		39	1 ;	1,179	1,162	1 3	43	46	
25	1.220	15	125	. 39	8	26	29	1 7	3	36	ì	3.017	1.056	2	<u> </u>		Õ
Dec. 2	1,671	23.	132	140	12	57	50	5		46	1	1,443	1,435	3	31	63	0
9	2,046	19	152	152	3.0	62	99	2		65	1	1,793	1,770	6		78	0
16	2,012	17	140	186	8	70	52	4		61	3	1,746	1,713	2		81,	0
23 30	1,566	13	15 138	16	8	41 48	29	1 1		38	;	1,464	1,473	1 1	39	71	
45 Jan. 6	2,193	24	142	189	13	86	84	4	65	63	1	1,902	1,857	 	35	66	0
13	3,068	35	204	223	16	308	116	12	78	92	2	2,678	2,637	5	75	93	٥
20	2,545 2,095	29	172	208	8	82	96	8		98	6		2,143	7		75	0
27 Rib. 3		22 37	166 217	217	16	75 92	. 58 61	5 8		104	3	1,811	1,763 2,705	10	61	91	8
10.) 10	3,113		156	199	1 16	56	60	1 2	74	156	í	2,713	2,416	8		92	l š
17	2,891	34 38	177	'n	20	65	73	1 3	51	109	8	2,598	2,638	7		179	ō
24	2,827	47 28	22.6	254	27	53	69	2	54	181	8	2,502	2.323	14	81	89	0
Mar. 3	2,808		196 226	206 211	1.5	69	68	2		117	6		2,397	.5	78	94	0
10 17	2,412 1,377	14		117	11	53 38	52 42	1		100	2	1,194	2,043	1/	84		0
24	1,693	14 18	134	144	10	47	ون ا	1 4	36	69	ĺí	1,476	1,431	1 3	51 53	- 54 66	ŏ
31	1,164	13	134	116	9	38 26	27	! i	56	71.	ī	956	950	2	38	51	0
Apr. 7	1,129	12	92	90	4		35	3 7	31	44	3	980	960	2		48	0
ř	1,471	22	117	134	l ñ	36 66	₩.	7	48	74 92	l j	1,270	1,215	3	42	56	0
21 28	2,297	36 17	172 147	217 132	19	66	77 38	8 2		92 41	6 2		1,911	1 2	78	84 77	0
MAY 5	2,110	32	161	147	l ú	77	38 76	3	50	8.		1,822	1,803	1 8	73	81	ŏ
12	1,944	29	187	180	10	49	56	4 2		115	3	1.661	1,593	1.2	! 70	79	Ď
19	1,762	25	155	180	9	48	37			170	6	1,503	1,375	6	69	83	\ 0 ,
26 June 2	1,788	17 28	151	163	9	50	53 35	3		80	13	1,551	1,319	3	52	78 62	0
****** 2	2,426	51	176	213	28	84	65	5		145	13	2,090	2,003	6	7.	88	
16	3,019	48	225	291	27	98	109	เข็	l ñ	166	1 73	2,625	2,511	1 3	75	91	ŏ
23	3,233	28	27.8	236	14	106	95	5	<u>772</u>	107	į	2,837	2,795	6	78	92	۰
30	3,9₽	28	270	282	16	110	96	8	54	167	2	3,518	3,407	1 2	94	100	Q

^{1/} Round-lot transactions are transactions in the unit of trading or multiples thereof, while odd-lot transactions are transactions involving less than the unit of trading. The unit of trading on the New York Curb Exchange is not the same in all stocks, but wanges from 10 to 100 chaires. Transactions in rights and warrants are not included in these data, although titles roulines for the Sew Tork Curb Exchange include such transactions.

^{2/} The term "members" includes all regular and associate members, their firms and their partners.

^{2/} On the New York Carb Emphanee odd-lot transactions are handled solely by specialists in stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from specialists' other round-lot trades.

^{4/} Short sales which are exampted from restriction by the Counterion's and Exchange's rules are not included in these data.

^{5/ 500} shares or less.

NOTE. -- For earlier data see the Sewanth Annual Emport of the Commission, p. 298; the Sixth Annual Emport, p. 285; the Fifth Annual Emport, p. 230; the Fourth Annual Emport, p. 164; and the Third Annual Emport, p. 154. Statistics for the period July 5, 1941 to June 24, 1944 may be obtained from the Trading and Exchange Division of the Commission upon request.

Table 10.—Odd-lot stock transactions effected on the New York Stock Exchange for odd-lot accounts of odd-lot dealers and specialists, weekly, June 26, 1944-June 30, 1945, inclusive

		y customers f specialists	rom odd-lot			y customers to and specialis	ste	
•					Total		Customer sales 1/	s short
Week ended	Kumber of orders	Number of shares	Market value (dollars)	Number of orders	Number of shares	Market value (dollare)	Number of orders	Number of shares
1044 1 -3 1		· · · · · · · · · · · · · · · · · · ·	 	28,142	787,561	23,174,002	352	6,624
1944 July 1 8	27,378	817,296	28,161,859 26,705,238	27,282	700,162	21,482,983	163	5,406
_	25,501 26,360	755,113 758,472	27,733,093	25,924	702,948	23,361,617	157	4,966
15 22	26,935	786,105	28,196,844	25,754	711,984	24,129,294	278	10,037
29	18,958	539,704	20,574,688	19,003	486,746	17,158,483	1.68	6,31
Aug. 5	17,759	498,766	19,824,968	17,639	442,049	15,440,031	110	4,116
12	17,367	494,709	18,366,037	17,770	469,578	14,432,161	156	4,50
19	16,751	481,602	18,493,837	17,044	455,578	14,970,277	166	4,914
<u>26</u>	16,296	459,378	18,017,603	17,525	437,334	15,108,138	148	4,406
Sept. 2	14,479	407,324	16,562,326	14,553	361,527	12,486,909	81	2,600
9	20,329	572,503	21,593,157	19,308	509,514	17,984,452	261	9,528
16	15,817	440,996	17,043,461	15,462	386,879	13,486,751	184	6,928
23	14,237	396,287	16,763,384	14,755	376,507	13,211,453	139	4,866
30	15,096	423,978	17,658,725	15,564	404,302	14,093,222	135	4,75
Oct. 7	20,158	508,857	21,333,848	20,796	491,120	17,241,475	175	6,028
14	13,904	387,206	16,526,051	13,926	336,323	12,095,927	122	3.963
21	17,091	477,484	20,719,694	17,491	438,243	16,209,361	105	3,360
28	18,658	527,891	21,566,464	17,545	457,990	16,990,282	224	7,708
Nov. 4	16,870	466,867	19,743,715	16,852	427,462	15,780,668	339	8,178
11	15,112	429,242	17,664,739	13,870	354,203	12,838,085	193	5,41
18	21,164	589,912	24,769,814	19,057	503,608	18,619,433	306	8,654
25 Dec. 2	14,774	408,256	18,307,880	14,200	365,129	13,456,650	153	5,077
	19,413	563,774	24,453,061	19,621	523,168	18,814,430	230	7,179
9	25,297	756,710	31,796,819	28,306	765,690	26,024,886	289	9,95
16	26,950	814,890	33,348,977	30,833	833,112	28,413,392	403	13,882
23	20,566	615,565	24,417,370	23,564	639,200	21,510,872	275	9,720
30	23,002	676,872	27,060,754	22,701	636,423	21,569,166	235	8,216
1945 Jan. 6	25,533	745,397	29,227,683	26,237	719,309	23,944,108	191	6,731
13	34,078	1,012,032	38,872,290	35,692	1,003,933	33,663,711	285	9,916
20	31,065	916,118	33,979,468	29,018	827,860	28,390,679	190 217	6,840 7,313
27 Feb. 3	26,898	780,788	31,337,529	23,529	683,279	24,675,884	275	
Feb. 3 10	28,094 29,599	825,748 869,027	32,326,578	28,628 28,678	794,635 802,717	27,163,418	229	8,796
17	29,390	884,549	32,814,459 34,371,010	29,694	835,104	29,497,534	225	7,766
24	27,746	823,054	32,231,166	26,948	745,171	27,109,731	191	6,67
Mar. 3	32,194	956,443	38,389,354	30,999	850,410	31,315,010	250	8,71
10	36,575	1,070,895	42,255,728	34,436	973,039	36,619,040	289	10,18
17	23,215	634,328	26,450,657	20,537	530,098	20,789,585	221	7,42
24	24,368	688,328	28,214,069	23,356	638,624	24,722,679	224	7,984
31	19,617	557,478	22,441,982	19,914	541,058	20,523,104	208	7,48
Apr. 7	17,838	490,340	21,425,434	17,960	443,566	17,586,947	142	5,299
14	19,052	566,155	25,005,391	19,995	520,494	20,280,109	143	4,72
21	34,030	1,021,243	42,480,515	33,143	900,718	34,638,072	347	11,320
28	30,766	929,396	37,624,174	30,832	829,740	31,203,138	357	12,060
May 5	30,003	891,852	36,858,214	30,885	838,225	32,064,626	241	8,143
12	30,024	896,848	34,885,708	27,755	785,630	29,605,097	255	9,10
19	27,082	800,450	31,846,473	24,274	674,005	24,760,216	194	6,74
26	26,199	762.070	34,129,655	24,913	682,111	25,576,002	201	7,14
June 2	23,027	697,443	28,940,565	23,599	651,843	23,964,515	187	6,45
.9	26,567	795,391	31,776,879	26,711	745,100	26,158,554	188	7,05
16	27,087	832,342	33,438,886	28,775	811,826	29,238,312	192	6,71
23	29,692	926,265	35,295,708	30,675	877,567	31,136,079	226	7,90
30	34,380	1,071,464	40,471,537	35,992	1,033,381	37,826,299	206	8,300

^{1/} Short sales which are exempt from restrictions by the Commission's and Exchange's rules are not included in these data.

Note: For earlier data see Seventh Annual Report of the Commission, p. 300; Sixth Annual Report, p. 287; Fifth Annual Report, p. 232; and "Selected Statistics on Securities and on Exchange Markets," table 66. Statistics for the period July 5, 1941 to June 24, 1944 may be obtained from the Trading and Exchange Division of the Commission upon request.

Table 11, --Basic forms used by issuers in registering securities on national securities exchanges and, for each form, the number of securities registered and the issuers involved as of tune 30, 1944, and tune 30, 1945.

	•	As of June	30, 1944	As of June	30, 1945
Posta -	Description .	Securities Registered	Issuere Involved	Securities Registered	Involved Involved
7 10 11	Provisional application where no other form is prescribed	6 2,400 20	1,637	2,346 22	1,638 13
12 12-A	Carriers making reports to the Interestate Commerce Commission and communication companies making reports to the Federal Communications Commission	592	. 279	552	168
_	Occurission and occumunication companies in receivership or bankruptcy making reports to the Federal Communications Commission	86 10	19 10	81. 10	17
13 14 15	Certificates of deposit issued by a committee	92 83 20	21.	76. 10 33 75 21	10 20 47
14 15 16 17 18	Voting trust certificates	20 8 200	18	21. 8 253	19 5
18 19 20	Foreign governments and political subdivisions thereof. American certificates issued against foreign certificates Stocks of foreign private issuers	8	7	233 8 1	7
21 22	Sonds of foreign private issuers	79 98	* 47	77 90	46 53
29	Successor issuers other than those succeeding insolvent issuers	87	55	86. 4	54
	Totale	3,795	2,201 1/	3,675	2,189 2

Modules three issuers having securities registered on two basic forms and one issuer having securities registered on three basic forms. Not number of issuers having securities registered is therefore 2,196.

Table 12.—Classification by industries of issuers having securities registered on national securities exchanges as of June 30, 1944 and June 30, 1945

	Number of	Longra		
Industry	As of June 30, 1944	As of June 30, 1945		
Agricultura	?	7		
Beverages (breweries, distilleries, etc.)	46	44		
Building and related companies (including lumber, building materials,	-	82		
and construction)	61. 62	81.		
Chemicals and allied products		126		
Financial and investment companies (investment trusts, fire insurance, etc.).	104	176		
Food and related products	80	1 20		
Foreign private issuers other than Canadian and Cuban	¥	12		
Iron and steel (smaluding machinery).	80 54 68	80 54 68		
Machinery and tools (excluding transportation equipment)		167		
Merchandising (chain stores, department stores, etc.)		157		
Mining, cool.		24		
Mining, other than coel	219	218 69 57 39 39 27 20		
Miscellancous manufacturing	. 60	1 69		
Oil and gas wolls	54	59		
Oil refining and distributing	38	39		
Paper and paper products	- 54 38 38 20	·		
Printing, publishing, and allied industries	20	20		
Real estate	29			
Rubber and leather products (tires, shoes, etc.)		#		
Services (including advertising, amusements, botels, restaurants, etc.)	Ų,	22 32 42 61		
Textiles and related products	9 9 18	1 18		
Tobacco products		275		
Transportation and communication (railroads, telephone, radio, etc.)	170	175		
Mility holding companies (electric, gas, and water).		741		
Utility holding-operating companies (electric, gas, and water)	16	41 14		
Stility operating (electric, gas, and water).		79		
		1		
Totals	2,196	2,185		

^{2/} Includes two issuers having securities registered on two basic forms and one issuer having securities registered on three basic forms. Net number of issuers having securities registered is therefore 2,185.

Table 13.—Rumber and amount of securities classified according to basis for admission to dealing on all exchanges as of June 30, 1945

		TOCKS				
,		DLUMN I (1)	COL	COLUMN II (2)		
Basis for admission to dealing	Isanes	Number of shares	İpsues	Number of shares		
Registered	2,541	2,302,066,187	2,541	2,302,066,187		
Temporarily exampted from registration	43 (3)	18,864,250	43 (3)	18,864,250		
dmitted to unlisted trading privileges on registered exchanges	991	1,660,665,103	433	386,275,951		
Asted on exempted exchanges	134	94,263,217	86	27,745,157		
dmitted to unlisted trading privileges on exempted exchanges	43	11,273,924	36	5,518,685		
		-7/	<u> </u>	5,518,685 2,740,470,230		
on exempted exchanges	admitted to deal	-7/	<u> </u>			
on exempted exchanges	admitted to deal	ing on all exchanges	<u> </u>	2,740,470,230		
on exempted exchanges	admitted to deal	on D S	3,139	2,740,470,230		
on exempted exchanges	admitted to deal	on D S Principal amount	3,139	2,740,470,230 Principal amount		
on exempted exchanges	admitted to deal B Issues 1,134 (4)	on D S Principal amount \$19,312,690,280	1,134 (4)	2,740,470,230 Principal amount		
on exempted exchanges	admitted to deal B Issues 1,134 (4) 27 (3)	on D S Principal amount \$19,312,690,280 384,640,647	1,134 (4) 27 (3)	2,740,470,230 Principal amount \$19,312,690,280 384,640,647		
on exempted exchanges	admitted to deal B Issues 1,134 (4) 27 (3) 166	on D S Principal amount \$19,312,690,280 384,640,647 2,076,589,085	1,134 (4) 27 (3)	2,740,470,230 Princips1 amount \$19,312,690,280 384,640,647 1,581;267,585		

- (1) The purpose of Column I is to show the number and amount of securities admitted to dealing under the various bases for admission of securities to dealing on exchanges under the Act. Each security is counted once under each basis for its admission to dealing. For example, if a security is registered on one or more than one exchange and also unlisted on one or more than one exchange, such security is counted once under "Registered" and sace under "Admitted to unlisted trading privileges on registered exchanges". This column is not totaled because of such duplications.
- (2) The purpose of Column II is to show the unduplicated total of all securities admitted to dealing on all exchanges. Each security is counted once, and only once, and the elimination of duplications contained in Column I is made in Column II in the order in which the various bases for admission to dealing is given. For example, of the 991 stock issues shown in Column I as unlisted on registered exchanges 554 are also registered and 4 are temporarily exampted from registration, leaving the 433 shown in Column II, of the 134 stock issues shown in Column II as listed on exempted exchanges 37 are also registered, 10 are unlisted, and 1 is temporarily exampted from registration, leaving the 86 shown in Column II, and of the 43 stock issues shown in Column I as unlisted on excepted exchanges 6 are also registered and 1 is also unlisted on a registered exchange, leaving the 36 shown in Column II. Of the 168 bond issues shown in Column I as unlisted on registered exchanges 19 are also registered, leaving the 149 shown in Column II.
- (3) Includes certain securities resulting from modifications of previously listed securities, securities of certain bankruptcy. These securities have been exempted from registration upon specified terms and conditions and for stated periods pursuant to rules and regulations of the Commission under the Act.
- (4) Includes 8 bond issues in pounds sterling and 1 bond issue in French francs in the amounts of 2 28,742,700 and 42,003,500 Prench francs, respectively. These amounts have been excluded from the principal amount in dollars shown above.

Table 14, Part 1. Number and amount of securities classified according to the number of registered exchanges on which each issue appears as of June 30, 1945

	s	Stocks			Bonds
	Issues	Shares		Issues	Principal Amount
1. Registered on 2 or more exchanges and unlisted on 2 or more exchanges	85	456,375,080	:	0	0
2. Registered on 2 or more exchanges and unlisted on 1 exchange	72	97,983,860	. `	1	113,745,000
3. Registered on 2 or more exchanges	347	220,503,662		81	2,263,670,370
4. Registered on 1 exchange and unlisted on 2 or more exchanges	144	505,665,938	1	0	0
5. Registered on 1 exchange and unlisted on 1 exchange	253	204,457,177		18	381, 576, 500
6. Registered on 1 exchange	1,640	817,080,470		1,034	16,553,698,410
7. Unlisted on 2 or more exchanges	15	42,103,755		Ò	0
8. Unlisted on 1 exchange	418	344,172,196		149	1,581,267,585
9. Temporarily exempted on 1 exchange and unlisted on 2 exchanges	1	3,658,590	•	Ö	Ö
O. Temporarily exempted on 1 exchange and unlisted on 1 exchange	3	6,248,507		0	Ŏ
1. Temporarily exempted on 1 exchange	37	5,557,468		23	321,784,197
2. Temporarily exempted on 2 exchanges	Ż	3,399,685		4	62,856,450
nd tembrane and assembane are a american page	3,017	2,707,206,388		1,310	\$21,278,598,512

Part 2. Registered issues classified according to whether or not they are also admitted to unlisted trading on other registered exchanges as of June 30, 1945

Registered only (Part 1, lines 3 and 6) Registered and admitted to unlisted trading (Part 1, lines 1,2,4,5) All registered issues on registered exchanges Proportion of registered issues also admitted to unlisted trading	554	1,037,584,132 1,264,482,055 2,302,066,187 54.9%	1	1,115 19 1,134 1.7%	18,817,368,780 495,321,500 \$19,312,690,280 2,6%
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Part 3. Unlisted issues classified according to whether or not they are also registered or temporarily exempted from registration on other registered exchanges as of June 30, 1945

Unlisted only (Part 1, lines 7 and 8) Unlisted and registered (Part 1, lines 1,2,4,5) Unlisted and temporarily exempted from registration (Part 1, lines 9,10) All unlisted issues on registered exchanges Proportion of unlisted issues which are also registered	4	386,275,951 1,264,482,055 9,907,097 1,660,665,103 76.1\$	149 19 0 166 11.39	
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Part 4. All issues classified according to whether they are available for trading on single or several registered exchanges as of June 30, 1945

Available for trading on single exchanges (Part 1, lines 6,8,11)	2,095	1,166,810,134	1,206	18,456,750,192
Available on more than one exchange (Part 1, all lines but 6,8,11)	922	1,540,396,254	104	2,821,848,320
All issues on registered exchanges	3,017	2,707,206,388	1,310	21,278,598,512
Proportion available for trading on more than one exchange	30.6%	56.9%	7.9%	13.3%

Table 15.—Shimber of issuers having securities admitted to dealing on all exchanges as of June 30, 1945, classified according to the basis for admission of their securities to dealing

Registered		Column I (1)	Column II (2)	
Temporarily exempted from registration	Basis of admission of securities to dealing	Number of issuers	Number of issuers	
Temporarily exempted from registration	Begistered.	2,185	2,185	
Admitted to unlisted trading privileges on registered exchanges		46	31	
		931	379	
Admitted to unlisted trading privileges on exempted exchanges 41 35	Listed on exempted exchanges	117	75	
	Admitted to unlisted trading privileges on excepted exchanges	41	35	
Total number of issuers having securities admitted to dealing on all exchanges 2,705	Total number of issuers having securities admitted to dealing on all	exchanges		

- (1) The purpose of Column I is to show the number of issuers having securities admitted to dealing under the various bases for the admission of securities to dealing under the Act. Each issuer is counted once under each basis for admission of its securities to dealing. For example, an issuer having securities registered on one or more exchanges and also admitted to unlisted trading privileges on one or more exchanges is counted once under "Registered" and once under "Admitted to unlisted trading privileges on registered exchanges". This column is not totaled because of such duplications.
- (2) The purpose of Column II is to show the unduplicated total number of issuers having securities admitted to dealing on all exchanges. Each issuer is counted once, and only once, and the climination of the duplications in Column I is made in the order in which the various bases for admission of securities to dealing is given. For example, of the 46 issuers shown in Column I as having securities registered, leaving the 31 shown in Column II; of the 931 issuers shown in Column II as having securities admitted to unlisted trading privileges on registered anchanges 549 also have securities temporarily exampted from registration, leaving the 379 shown in Column II; of the 117 issuers shown in Column I as having securities histed on exampted exchanges 32 also have securities registered and 10 also have securities admitted to unlisted trading privileges on registered exchanges, leaving the 75 shown in Column II; and of the 41 issuers shown in Column I as having securities admitted to unlisted trading privileges on exampted exchanges 5 also have securities registered and I also have securities registered and I also have securities and I also has securities admitted to unlisted trading privileges on a registered exchanges, leaving the 35 shown in Column II.

Table 16.—Number of issuers having stocks only, bonds only, and both stock and bonds, admitted to dealing on all exchanges as of June 30, 1945.

	Classification	Number of issuers	% of total issuers
1. 2. 3.	Issuers having only stocks admitted to trading on exchanges	. 346	77.0 12.8 10.2
	Total issuers	2,705	100.0
4. 5.	Issuers having stocks admitted to trading on exchanges (Classification 1 plus Issuers having bonds admitted to trading on exchanges (Classification 2 plus		87.2 23.0

Table 17.—Number of issuers and securities, basis for somission of securities to dealing, and the percentage of stocks and bonds, for each exchange, admitted to dealing on one or more other exchanges as of June 30, 1945.

			STOCKS				% traded on 1 or more	n BONDS					% treded on			
Hame of exchange	Total issuers	Total issues	R	x	U	ХL	20 0	Total	other ex- changes	R	'n	σ	XL	w	Total	other ex- changes
Baltimore	64	94	41	2	23		_	66		20		8	-	-	28	50.0
Boston	308	376	137		206			343	81.9	33	I —	-	***		33	51.5
Chicago Board of Trade	30	33	27	l —	5	–		32	56.2	1	_	-	_		1	·
Chicago Stock Exchange	260	344	287	15	19	! —		321	62.0	12	11	-			23	35.0
Cincimpati	63	86	72	١ī	9		-	82	29.3	3	1-		l —	_	4	100.0
Cleveland	80	92	72		20	l —	l —	92		-	l —	i		-	-	
Colorado Springs (1)	14	15		-		15		15		-	-		-			
Detroit	149	158	101	 —	57	-	-	158		-	-	 —	1 —	—		
Honolulu (1)	88	101			-	57	37	94		-	1		6	1	-	<u> </u>
Los Angeles	190	221	124	3	85		 	212	84.4	9	 	-	_	_	9	100.0
Minneapolis-St.Paul (1)	14	18	-		_	16	2	3.8	66.7	-			-	l —	· —	
Sow Orleans	14	21	1		16		-	17	17.6	1	_	3	! —	1 —	4	25.0
Hew York Curb	821	1,076	435	2	458		l —	895	25.6	23	2	156	· —	1 —	181	7.8
New York Stock	1,195	2,336	1,290	3	1 —	-		1,293	51.6 1	027	16				1,043	8.5
Philadelphia	435	533	66		404			470		62	1	_	_	_	63	63.5
Pi tishi reh	104	121	99	2	98	–	l –	119	75.6	2	-		-	-	2	
Rielmond (1)	21	28		{ _	-	27	-	27	14.8	_	-	-	1		1	
St. Louis	44	74	63	1	l —	 _	l —	64	29.7	10	-	_	—	—	1.0	40.0
Salt Lake	94	96	89		7	_	 _	96	10-4	_	-			-	_	
San Francisco Mining	39	39	39	 	<u> </u>	_	^	96	15.3		I —	_	1	 —	1 —	
San Prancisco Stock	280	351	165	7	159		_	331	71.6	19	_	1	_	 	20	95.0
Spokane	30	32	zi	<u> </u>	ii	l —	_	331 32	31.3		-		-			
Washington, D.C.	34	49	31	9			_	40	12.5	9	—		I —	_	9	33.3
Wheeling (1)	20	ž		1	l	19	4	23	47.8	<u>-</u> -	J	_	 -	I —	<u> </u>	

⁽¹⁾ Exempted from registration as a national securities exchange.

R, registered; X, temporarily exempted from registration; U, admitted to unlisted trading privileges on a registered exchange; XL, listed on an exempted exchange; and EU, admitted to unlisted trading privileges on an exempted exchange.

Table 18, Part 1.-humber of Issues Admitted to Unlisted Trading Pursuant to Clauses 2 and 3 of Section 12(f) of the Securities Exchange Act of 1934, 1/ and volumes of Transactions Therein

•	Mumber o	f Issues		(stock a	mluma in shor	Reported V	olume in Cale me in thousan	ndar Tearn da of dollars	of principal	(Amount)	
	Admitted Total	Remaining 6-30-45	1937	1938	1939	1940	1941	1942	1943	1944	Total
Stocks mirauant to Clause 2 Boston Stock Exchange Chicago Stock Exchange Chicament Stock Exchange Cleveland Stock Exchange Detroit Stock Exchange New York Curb Exchange New York Curb Exchange Hiladelphia Stock Exchange Pittsburgh Stock Exchange Salt Lake Stock Exchange San Francisco Stock Exchange Wheeling Stock Exchange	39 20 9 20 43 40 72 45 1 1 29 6	36 2/ 19 9 20 42 23 39 5 71 3/ 40 4/ 24	92,800 19,760 36,387 13,678	267,860 	364, 109 3,935 43,238 180,489 120,150 117,350 72,032 1,109 1,022,358	373,498 74,490 93,097 142,427 236,798 131,790 142,098 106,606 64,202 2,506 1,369,454	272,266 \$47,453 115,763 56,726 131,393 201,700 77,800 86,762 48,214 3,176 1,663,960	170, 143 665, 520 70, 196 38, 145 135, 922 107, 040 73, 282 86, 948 83, 529 3, 082 1,585, 677	249,443 1,377,633 93,504 60,732 450,166 361,550 269,440 151,454 154,604 11,250 178,819 2,331 3,333,346	252,890 1,261,604 60,666 68,604 386,970 576,665 205,526 121,198 11,270 270,034 270,034 270,034 270,034	2,033,156 3,877,619 321,257 1,377,514 1,675,337 1,688,345 830,478 775,611 22,520 774,115 11,477 13,688,276
Stocks pursuant to Clause 3 New York Ourb Exchange	6	6			12,400	45,200	59,730	57,530	86,530	58,375	319,765
TOTAL STOCKS	335	321	251,582	683,998	1,034,758	1,414,654	1,755,690	1,643,207	3,439,876	3,834,278	14,008,043
Bonds pursuant to Clause 2 New York Curb Exchange San Francisco Stock Exchange	3	1 1	1,731 5	y/ 9 6 7	1,643	1,404	1,580	1,218	1,056	855 75	10,454
Bonds pursuant to Clause 3 New York Curb Exchange	41.	24	W-7444	11,375	18,030	19,693	16,845	13,121	12,158	9,614	100,836
TOTAL BONTS	45 10	/ 26	1,731	12,342	19,673	21,097	18,425	14,339	13,214	10,544	111,365

^{1/} Clauses 2 and 3 of Section 12(f) were emacted May 27, 1936. The first amplication for unlisted trading privileges approved by the Commission under either of these clauses was in paison pleating [60], 1 S.E.G. 909 (December 16, 1936).
2/ Only odd-lot trading is permitted in 7 of these issues.

Table 18. Part 2.-Reported Volumes in Stocks admitted to Unlisted Trading Pursuant to Clauses 2 and 3 of Section 12(f) of the Securities Exchange Act of 1934 as Percent of Total Share Volume 1/

	1937	1938	1939	1940	1941	1942	1943	1944	
Boston Stock Exchange	1.3	4.8	6.6	8.3	6.2	5.7	6.6	6.7	
Chicago Stock Exchange	,		l		7.7	13.2	14.1	14.4	
Cincinnati Stock Exchange			í	23.4	32.5	26.1	28.8	21.8	
Cleveland Stock Exchange			0.8	16.9	10.0	9.1	11.2	15.2	
Detroit Stock Exchange		1.1	1.2	4,6	5.0	6.8	14.5	9.6	
Ios Angeles Stock Exchange		0.8	3.9	5,5	4.3	5.3	8.9	11.0	
New York Curb Exchange	0.1	0.3	0.3	0-4	0.7	0.7	0.5	0,8	
Philadelphia Stock Exchange	0.5	1.1	3.2	4.1	2.3	3.5	3.9	6.1	
Pittsburgh Stock Exchange	1.4	3.2	9.8	9,4	7.8	19.5	17.4	10.1	
Salt Lake Stock Exchange	===						0.2	0.2	
San Francisco Stock Exchange	0.1	0.6	1.2	1,1	1.1	2.5	3.4	4.5	
Wheeling Stock Exchange			17.1	27.3	21.1	36.1	41.1	31.9	

^{1/} These figures are based upon the reported volumes in calendar years as shown in part 1 of this table and upon total share volumes, exclusive of rights and warrants, as reported to the Commission by the exchanges. The percentages may be somewhat less than actual in the case of several exchanges whose reported volumes in individual issues are less than their actual totals by reason of exclusion of odd lote and "stopped" sales, and other technicalities.

^{2/} Only odd-lot trading is permitted in 7 of these issues.
3/ Only odd-lot trading is permitted in 1 of these issues.
4/ Only odd-lot trading is permitted in 4 of these issues.
5/ San Francisco Stock Exchange figures include San Francisco Curb Exchange figures prior to the 1938 merger.
5/ Wheeling Stock Exchange is an except.d. exchange. All other actuanges shown are registered exchanges.
6/ Fourtsen of these issues had been removed to June 30, 1945; the 14 issues accounted for 167,644 chares of reported trading volume.
6/ This figure includes duplications arising from admission of various issues to unlisted trading on more than one exchange. This figure includes duplications orising from admission of various issues to unlisted trading on more than one exchange. The net number of issues admitted pursuant to Clause 2 as of June 30, 1715 is 192.

New York Curb Exchange bond volume for 1937 includes \$46,000 principal amount traded in December 1936.

^{9/} New York Curb Exchange bond volume for 1937 includes \$46,000 principal amount traded in December 1939.
10/ Ninetesm of these lesues had been removed to Jume 30, 1945, principally on account of redemptions; the 19 issues accounted for \$43,366,000 of the total \$111,365,000 principal amount of trading shown in the table.

Table 19, Part 1.-Reorganisation cases instituted under Chapter X and Section 77B in which the Commission filed a notice of appearance and in which the Commission was actively participating in the proceedings during the fiscal year ended June 30, 1945—Distribution of debtors by type of industry

	Number of	debtore	Total	sseets .	Total indebtedness		
Industry	Principal	Subsidiary	Amount (thousands of dollars)	Percent of grand total	Amount (thousands of dollars)	Percent of grand total	
Agriculture	1	,	180	, - (a)	166	- (a)	
Mining and other extractive	10	6	133,821	6.6	980,075	7.2	
Manufacturing	n	! →	77,415	. 3.8	54,597 60,972	4.0	
Financial and investment	n	1 1	77,415 109,313	5.1	60,972	4-5	
Merchandieing	1 1	-	2,106	.1	1,292	·	
Real satate	56	1 3	267,683	13.1	276,710	20.2	
Construction and allied	1	_	9,108 381,245	•4	4,734 339,951	-4	
Transportation and communication	111	8	381,245	18.7	339,951	24.7	
Service	4	-	21,712	1.1	10,853	-8-	
Utilities: light, power and gas	10	7	1,042,856 (b)	51.1	522,401 (b)	38.1	
Grand total -	. 116	25	2,039,439	100.0	1,369,751	100.0	

⁽a) Less than 0.05 percent.

Table 19, Part 2.—Reorganization cases instituted under Chapter X and Section 778 in which the Commission filed a notice of appearance and in which the Commission was actively interested during the fiscal year ended June 30, 1945—

Distribution of debtors by amount of indebtedness.

	1	of debtors	Total indeb	2000000
age of indebtedness (dollars)	Principal	Subsidiary	Amount (thousands , of dollars)	Percent of grand total
Less than 100,000 100,000 - 249,999 250,000 - 499,999 500,000 - 999,999 1,000,000 - 2,999,999 2,000,000 - 2,999,999 3,000,000 - 4,999,999 5,000,000 - 24,999,999 10,000,000 - 24,999,999 25,000,000 - 24,999,999 Over 50,000,000	4 10 11 11 20 9 21 10 13 3	2 4 6 9 2 - 1 1 2	263 2,497 5,849 12,569 32,304 27,933 84,630 78,405 216,722 134,534 774,045 (b)	- (a) -2 -4 -9 2.4 2.0 6.2 5.7 15.8 9.8 56.6

⁽a) Less than 0.05 percent.

⁽b) Approximately \$800,000,000 of assets and \$400,000,000 of liabilities were accounted for by Associated Gas & Electric Co. and its subsidiary, Associated Gas & Electric Corporation.

⁽b) Approximately \$800,000,000 assets and \$400,000,000 of liabilities were accounted for by Associated Gas & Electric Co. and its subsidiary, Associated Gas & Electric Corporation.

Table 20, Part 1. - ELWAPIC STRING TY PROPERTIES DIVISION BY REDISTERED HOLDING COMPANIES July 1, 1944 to June 30, 1945

(The list of properties diverted December 1, 1935 to June 30, 1944 is printed in the 10th Armuel Report, Appendix Table 17.)

	Total		[1
Symtem Company	Assets of Divested Subsidiary*	Dotails of Divestment	Consideration 1f Bold	Date	Compents	Source of Information
American Power & Light Company Hebraska Power Company	\$ 44,654,021	Sale of common stock to Cusha Electric Committee, Inc.	\$ 14,424,000	Dec. 1944	He longer subject to the Act.	Rolesse No. 5517
Associated das and Electric Corporation Oranvilla Electric Co. E-T Electric and Nater Company Missouri Southern Public Service Company Missouri General Utilities Company	222,568 396,243 219,350 2,068,644	Sale of all physical property to Central Vermont Public Service Corp. Sale of investment to E. K. Hines of Frankfort, Ky. Sale of all physical properties to Nem-Mac Mestric Cooperative, Inc., Sale of investment to Genevieve Electric Coop., Inc., Inter-	24,500 81,449 170,000	March 1944 1944 Sept. 1944	Property sold continues subject to the Act. No longer subject to the Act. Property sold no longer subject to the Act.	30-125-2 Moody's 30-122-2 Release No. 5261
Ohio Midland Light and Power Company	3,424,679	County Electric Cooperative Association, Scott-New Madrid- Rississippi Cooperative Association, Elack River Electric Coop., Crewford Electric Coop., Inc. and City of Rolls. Sale of investment to South-Central Rurel Electric Cooperative,	1,610,000	June 1945	No longer subject to the Act.	Rolosse No. 5449
		Inc., Union Rural Electric Cooperative, Inc. and Inter- County Rural Electric Cooperative, Inc. Sale of physical proporties and other assets of the Paint Township	2,115,000	Sept. 1944	n n n n 5 c	Ralamae No. 5266
		division to Holmes Rural Electric Cooperative, Inc. Sale of physical properties and other sents of the New Washington and Wyandot divisions to North Central Electric Co-op, Inc.	31,137 86,145	1944	Property sold no longer subject to the act.	30-122-2 30-122-2
Paul Smith's Electric Light and Power and Reilroad Company West Virginia Light, Heat and Power	2,860,631	Sale of investment to Paul Smith's College of Arts and Sciences.	300,000	Nov. 1944	No longer subject to the Act.	Release No. 5453
Company	712,781	Sale of all physical properties to Monongahels West Penn Public Service Company.	427,633	Feb. 1945	Property sold continues subject to the Act.	Release No. 5504
How Matenorus Electric Company Patchogue Electric Light Company, The Tide Water Power Company	56,479 1,653,925 14,340,154	Sale of all physical properties to Marietta Electric Company. Sale of investment to ten individuals. Exchange of all publicly held preferred stock for now common in recapitalization.	46,806 625,000	Feb. 1945 Oct. 1944 Dec. 1944	Property sold continues subject to the Act. No longer subject to the Act.	Moody's Release No. 5356 Release No. 5512
Central Public Utility Company Florida Public Utilities Company	2,742,223	Sals of common stock to J. L. Terry.	1,178,000	April 1945	No longer subject to the lot.	Release No. 5752
Cities Service Company City Light & Trection Company	4,108,485	Sale of all common stock to Missouri Public Service Corporation.	1,257,000	March 1944	f # ff a # p	Release Nos. 5184,
Danbury and Bethol Gas and Electric Light Company Marion-Reserve Power Company	3,895,193	Sale of investment to Derty Gas & Electric Corporation, Sale of all electric light and power properties in counties of Van Wart, Morcor, Darks, Proble, Anglaiss, Shelty, Mardin,	1,450,000	Aug. 1944	Continues subject to the Act.	Release No. 5256
Bast Tennessee Light & Power Company Empire District Electric Company Opringfield Cas & Electric Company	12,266,662 30,198,724 8,129,743	Logan, Champaign, Clark, Union and Deleware, Chio to Dayton Power & Light Company. Sale of investment to Tennessee Valley Authority. Sale of all common stock to the public. Sale of investment to the City of Springfield, No.	7,950,000 3,680,000 4,710,650 6,750,000	May 1945 Dec. 1944 Sept. 1944 March 1945	Property sold continues subject to the Act. Bo longer subject to the Act. B B B B B B B B B B B B B B B B B B B	Release No. 5809 Moody's Release No. 5286 Release No. 5286
Electric Power & Light Corporation Utah Power & Light Company	-	Sale of steam electric generating plant transmission and distribution lines and related facilities located in Green River, Sweetwater County, Woming to Southern Wyoming Utilities Company.	250,000	ång. 1944	Property cold no longer subject to the Act.	Release No. 5227
Engineers Public Service Company Sevenneh Electric & Power Company Missouri Service Company Worthern Kansas Power Co.)	18,708,492 1,433,890) 19,481)	Sale of investment to Donner Estates, Inc. Sale of investment to J. Leo Scanlen of Euffalp, N. I.	3,387,500 850,000	April 1945 June 1945	He longer subject to the Act.	Release No. 5738 Release No. 5644
Federal Nater and Gas Componention Alabama Water Service Company	8,062,143	Sale of all electric proporties, including materials, supplies and accounts receivable to the Alabama Mactric Co-ops	2,500,000	ing. 1944	Property sold no longer subject to the Ast.	Ralcasa No. 5253
Middle West Corporation Arkaness-Missouri Power Corporation East Missouri Power Company Lake Superior District Power Company	6,994,512 1,313,152 16,061,402	Sale of common stock to Cus B. Malton. Sale of common stock to L. F. Rodgers. Sale of common stock to the public. Sale to City of Medfort of a small discal generating plant and the elsctric distribution system located in and immediately adjacent	925,000 600,000 2,824,860	June 1945 June 1945 May 1945	No longer subject to the Act.	Release No. 5845 Release No. 5845 Release No. 5747
Missouri Rhison Company	1,410,304	to the City. Sale of common stock to L. F. Rodgers.	146,111 285,000	1944 June 1945	Property sold so longer subject to the Act. No longer subject to the Act.	30-48-2 Release No. 5845

	Total:		`	6		· · · · · · · · · · · · · · · · · · ·
ysten. Company	issets of Divested Subsidiarys	Dotails of Divestment	Consideration if Sold	Date	Comments	Source of Information
idland United (Trustee) Public Service Co. of Indiana	140,030,728	Common stock distributed to preferred stockholders of Hidland United Co. in reorganisation,	-	June 1945	Continues subject to the act as a subsidiary of Middle West Corp.	Release No. 5317
ational Gas and Electric Corporation Enticeal Utilities Company of Missouri	- ·	Sale of all physical properties located in Brockfield and Kirksville, Missouri to Missouri Minngas Company.	22,000	Nov. 1944	Property sold no longer subject to the Act.	30-49-2
orth Assirion Company, The Union Electric Company of Missouri	_	Sele to the U. S. A. of substations and transmission lines erected to supply electrical energy to Weldon Spring Ordnance Works, Weldon Spring, Missouri.	619,854	1944	Property sold no longer subject to the let.	30-73-2
orth American Gas and Electric Company : Gregon Gao and Electric Company	285,089	Sale of electric utility plant and related easets to West Oregon Electric Cooperative, Inc.	130,000	Dec. 1944		Release No. 5471
gden Corporation Interestate Power Company (Deleuare) Laclade Gas Light Company	-	Sale of certain electric and water properties to Otter Tail Power Co. Sale of all electric utility properties to Union Electric Co. of No.	3,000,000 2,200,000	Oct. 1944 March 1945	n p a h h n a b Property sold continues subject to the ict.	Release No. 5351 Release Nos. 5062,
Lanlede Power & Light Company	12,454,151	Sale of all electric utility properties to Union Electric Co. of Mo.	6,400,000	March 1945		5071 Rolense Ros. 5062, 5071
copies light and Forer Corpany California Public Service Corpany	1,534,425	Sale of electric properties at Altures, Mode County, California and at Lakerise, Lake County, Gregon to California Oragon Power Company. Sale of electric properties at Fort Bragg, Ellits and communities in Modelia County California and Communication.	470,000	Dec. 1944		Release No. 5529
West Coast Power Company	2,006,658	in Mondocine County, California and of mater properties at Willits, California to Pacific Cas & Electric Company. Sale of all electric properties in the State of Idaho to Idaho Power Company.	523,500 685,000	Dec. 1944 Sept. 1944	g a a a a a a a a a a a a a a a a a a a	Release No. 5529 Release No. 5248
epublic Service Corporation Helghon River Power Company Endison Power Company Massamtten Power Corporation Page Power Company	984,428 331,272 368,457 1,937,254	Sale of common stock to A. E. Fimmal. Sale of common stock to American Gas & Electric Company. Sale of common stock to Potenza Phison Company. Sale of common stock to Potenza Phison Company. Bale of common stock to Potenza Phison Company.	115,000 688,189 274,538 283,958	1944 1945 1971 1945 1971 1945 1971 1945	No longer subject to the Act.	Release No. 5248
outhwestern Public Service Company Gulf Public Service Company	7,062,619	Sels of investment to Olemn C. Hyde.	1,933,248 4,660,000	April 1945	Bo longer subject to the Act.	Release No. 5188
tendard Power & Light Corporation Madison Light and Power Company Southern Coloredo Power Company	752,202 15,102,467	Sele of investment to eight individuals. Exchange of preferred stock for new common in recapitalization.	624,000	Sept. 1944 June 1945	a 2 1 6 a 8 U C	Release No. 5282 Release No. 4074
nited Corporation, The Fhiladelphia Electric Company	477,260,687	Exchange of common stock of Philadelphia Electric Company for preferred stock of United Corporation.	, -	Dec. 1944	Company has filed statement pursuant to	,
Enotern Shore Public Service Company			-		Rule U-2 claiming examption as a helding	Eclesse Ecc. 5440, 5452
of Maryland	•	Sale of electric and ice properties located in St. Mary's, Charles; Prince George's and Calvert Counties, Mi, to Southern Maryland Elec- tric Cooperative, Inc.	850,000	March 1945	Property sold no longer subject to the act.	Release Bo. 5694
dted Cas Improvement Company, The Arisons Power Corporation Chester County Light & Power Company	6,332,371 1,265,293	Sale of investment to James C. Tucker. Sale of common stock to Philadelphia Electric Company.	1,015,050 614,882	Jume 1945 April 1945	No longer subject to the Act. Purent has filled statement pursuant to Rule U-2 claiming exemption as a holding company	Release No. 5882
ited Light and Power Company La Porte Gas and Electric Company	4,028,607	Sale of all electric and gas properties to Northern Indiana Public Service Company.	2,378,000	Dec. 1944	Property sold continues subject to the Act.	Holesse Nos. 4740,
		Sale of heat properties to in Porte Heat Corporation.	348,700	Dec. 1944	Property sold no longer subject to the act.	5931 Release Nos. 4740, 5331

Table 20, Part 2. - 048 UTILITY PROPERTIES DIVESTED HT REGISTERED HOLDING COMPANIES July 1, 1944 to June 30, 1945

gywtâu Compazy	Total Assets of Divested Subsidiarys	Details of Divectment	Consideration if Sold	Date	Goamente .	Source of Information
Associated Gas and Electric Corporation Lake Shore Gas Company Metropolitan Misson Company	2,290,011	Sale of investment to Malvern Hill and associates. Sale of all gas willity assets to Allentown-Rethlehem than	\$ 720,000	June 1945	No longer subject to the Act.	Rolesso No. 5293
Omensboro Gas Company Fernsylvania Electric Co. Portmouth Gas Company, The	1,019,773	Company and Barrioburg Gas Company. Sals of investment to W. F. Stevenson. Sals of all natural gas properties to The Peoples Natural Gas Co. Sals of investment to A. L. Klees and Goorge H. Shew.	1,425,000 624,500 1,194,826 555,000	Feb. 1945 Dec. 1944 June 1945 Mar. 1945	Property sold continues only est to the Act. No longer subject to the Act. Property cold continues onlyest to the Act. No longer subject to the Act.	Release No. 5573 Release No. 5501 Belease No. 5890 Release No. 5612
Central Public Utility Corporation Bangor Gas Company (Pa.) Olitisms Gas Company (Pa.) Biosier Gas Corporation	147,349) 245,293) 1,000,993	Sale of investment to John H. Ware (3rd) Sale of investment to D. Gordon Rupe, Jr. and R. A. Ritchie of Dallas.	250,000	Dec. 1944	P = 11 + 4 +	Relanse No. 5515
Portsworth Gas Company (Maine) Pottswills Gas Company Mobile Gas Service Corporation	479,107 521,126 4,966,315	Texas. Sale of all assets to Allied How Hampshire Cas Company. Sale of all assets to Pottsville Cas & Heating Company. Sale of all common stock to the rubbin.	290,000 198,8 <i>89</i> 271,000 1,602,900	Nov. 1944 Sept. 1944 Dec. 1944 Nov. 1945	Property sold no longer subject to the let. No longer subject to the let.	Rolesse No. 5421 Release No. 5316 Release No. 5512 Release No. 5801
Cities Service Company Pueblo Gas and Fuel Company	1,515,260	Sale of common stock to Public Service Company of Colorado.	400,000	Nov. 1944	Parent has filed statement pursuant to Rule .D-2 claiming exemption as a holding	
Columbia Gas & Klastric Corporation Ohio Fuel Gas Co., The	-	Sale and emphase of certain natural gas wells and related equipment to the East Ohio Gas Co.	89 ₁ 997	May 1944	company. Property sold combines subject to the Act.	Release No. 5399 Release No. 5053
Community Gas and Fower Company Bangor Gas Company (Mains) Elimingham Gas Company Savannah Gas Company	1,032,971 12,684,303 3,137,011	Sale of all common stock to Irwin E. and Sidney A. Mane. Sale of common stock to Southern Natural Cas Company. Sale of all fixed property and cortain other assets to Savannah- St. Augustine Gas Company.	122,500 1,358,073 2,305,000	Oct. 1944 Jan. 1945 Feb. 1945	No longer subject to the Art. Continues subject to the Art. Property sold no longer subject to the Art.	Release No. 5379 Rolease No. 5556 Balcase No. 5626
Crescent Public Service Company Oklahoma Utilities Company	1,037,647	Sale of matural gas properties to D. C. Sellers of Drumright, Otla. Sale of remaining natural gas properties to Oklahema Natural Gas Company.	26,259	ing. 1944 Sept. 1944	s s s s s s s s s s s s s s s s s s s	30-55-2 Balesse No. 532
Fifele West Corporation Althon Gas Light Co.	, 676,645	Sale of investment.	69,900	Oct. 1944	No longer subject to the Act.	30-48-2
Ogden Corporation Laclado Gas Light Company	65,871,105	Sele of all common stock to the public.	9,613,914	March 1945	No longer subject to the Act.	Rolenne No. 5673
Couthern Union Gas Company Texas Southeastorn Gas Co.	1,107,142	Distribution of common stock to steekholders of Southern Union Oss Co.	-	HOT. 1944		Ralense No. 5295
hited Gas Improvement Company Allentown-Bathlahem Gas Co.	-	Sale of gas utility assets located in Borough of Hamburg, Pa.	9,000 22,500	June 1945	Property sold me langer subject to the Act.	Release No. 542
Nachwille Gas and Heating Co. Mnited Tight and Power Company	5,093,254	Bale of common Stock to Temmessee Natural One Lines, Inc.	1,100,000	June 1945	No longer subject to the Lot.	5.48. 5.894
Iowa-Nebrasia Light and Power Co. United Public Utilities Corporation	6,180,858	Sale of investment to Central Electric and Gas Company.	4,325,000	Peb. 1945		Raleuse No. 5619
Fort Smith Cas Company Southern Gas Producing Company	1,911,996 31,292	Sale of investment to W. R. Stevens. Sale of investment to W. R. Stevens.	1,125,000 75,000	Jan. 1945 Jan. 1945		Release No. 5577 Release No. 5577

Table 20, Part 3. - MON-UTILITY PROPERTIES DIVESTED BY REGISTERED HULDING COMPANIES July 1, 1944 to June 30, 1945

	Total Assets of			•		
yetem Company	Divested Subsidiarys	Details of Divestment	Consideration if Sold	Date	Comments	Source of Information
nerican Gas and Klectric Company Chio Power Company	-	Sale of water property in Ada, Ohio.	\$ 42,500	* 1944	Property sold no longer subject to the Act.	30-150-2
ssociated Gas and Electric Corporation Lakewood Water Company Long Island Water Corp.	P. A. 8 8,718,246	Sale of investment to John H. Thro, Jr. Sale of investment to J. M. Lancaster of Chicago.	365,000 825,000	Aug. 1944 July 1944	No longer subject to the Act.	30-125-2 30-125-2 Moody's
merican Power & Light Company Glasier Production Company	11,668,232	Sale of oil production properties refinery and gas absorption plant				•
Inland Empire Refineries, Inc.	2,210,716	to Union Oil Company of California. Common stock owned by Clacier Production Company acquired by Inland Empire Refineries, Inc.	9,900,000	Nov. 1944 Nov. 1944	Property sold no longer subject to the Ast. No longer subject to the Act.	Ralesse No. 5463
ities Service Company Stark Transit, Inc.	213,851	Sale of common stock.	25,000	Dec. 1944	е п п н н	F110 30-108-2
ngineers Public Service Company Virginia Electric & Power Company	_	Sale of transportation properties located in Richmond, Norfolk,			,	,
	_	and South Norfolk, Wa. to Virginia Transit Company. Sale of transportation properties located in Newport News, Portsmouth and Petersburg, and the interurban Richmond-	3,228,100	Dec. 1944	Property sold no longer subject to the Act.	59-4 Moody's
		Petersburg line in Va. to A. C. Allyn & Co. and Equitable Securities Co.	611,500	Mar. 1945		59-4 Moodyla
ederal Eater and Gas Corporation Alabama Water Service Company	_	Sale of the water distribution system serving the City of Bessemer,		' '		
	î	Alabams and the towns of Brighton and Lipscomb and contiguous territory in Jefferson County, Alabama, to the city of Bessemer.	1,050,000	Feb. 1945		Release No. 561
		Sale of the water distribution system to the Water Works Board of the City of Abbeville, Alabama. Sale of water works system serving the City of Czark, Ala. to the City.	47,000 115,000	Feb. 1945 Jan. 1945		Release No. 551 Release No. 556
		Sale of water works system serving the City of Russellville, Alabama, to the City. Sale of water works system serving the City of Fort Payns, Alabama,	110,000	Jen. 1945		Release No. 556
		to the City. Sale of water works system serving the Town of Bay Minette, Alabama,	165,000	Jan. 1945		Release No. 556
		to the Town. Sale of water works system serving the Town of Sampson, Alabama, to the Town.	65,000 13,500	Jan. 1945 Jan. 1945		Release No. 556
		Salsof water works system serving the Town of Entaw, Als.	40,000 40,000	Apr. 1945 Apr. 1945		Release No. 571
West Virginia Water Service Company Ohio Water Service Company	12,366,923 7,914,742	e s s s s s s s s s s s s s s s s s s s	100,000 1,675,000 1,093,404	Apr. 1945 Feb. 1945 Mar. 1945	No longer subject to the Act.	Release No. 5577 Release No. 5577
ternational Utilities Corporation Boise Eater Corporation and Subs.	1,969,727	Sale of common stock to Arkansas Eunicipel Water Co.	800,000	Oct. 1944	U P B H W G	¥oody¹a
California Water Service Company San Jose Water Works Winchester Water Works Company	20,113,267) 7,123,177) 655,373	Sale of common stock to New York banking group headed by Union Securities Corporation for secondary distribution. Sale of all physical properties to the Town of Winshester, My.	(3,870,058 (2,830,735 244,834	}Mar. 1945	Property sold no longer subject to the Act.	Woody's
adle West Corporation, The Consumers Ice Company	156,529	Sale of all physical Property.	N. A.	Dec. 1944		30-48-2
w England Public Service Company Portland Railroad Company				• • •	,	
rth American Company, The	5,765,348	Sale of transportation equipment to H. E. Salaberg, Inc.	1,275,000	Dec. 1944		Release 5506
Eances Power & Light Company, The	-	Sale of water plant and distribution system in City of Hutchinson, Kansas to Amos Small, Wichita, Kansas.	940,000	Dec. 1944	и нев и и пе	Release 5516
rth Continent Utilities Corporation North Continent Mines, Inc.	435,731 98,408	Sale of all physical properties to Union Mines Development Corporation. Sale of properties to Parley Roach,	200,000 41,000	Feb. 1945 Aug. 1944		Ralease 5613 Ralease 5205

System. Company	Total issets of Divested Subsidiary	Details of Divestment	Consideration 1f Sold	Date	Commento	Source of Information
1. writes Light and Power Company West Coast Power Company	-	Sale of all water properties in City of Hailey, Idaho to the City.	\$ 65,000°	8 09 4. 1944	Property sold no longer subject to the Lot.	Release 5248
Republic Service Corporation Messanutten Water Corporation	8 88,277	Sale of common stock to Potomno Milson Company.	44,925	April 1945 .	Continues subject to the Ast.	Release 5731
Standard Power & Light Company Market Street Railway Company	-	Sale of operating properties to the City and County of San Francisco	7,500,000	Bept. 1944	Property sold to longer subject to the Act.	Moody's

[•] Total easets of each divested subsidiary are the assets as of December 31 of the year preceding such divestment. There divestment was effected by a piece-meal sale of properties, the assets of the year end prior to the first major sale were used.

Table 21 - UTILITY AND OTHER PROPERTIES SUBJECT TO DIVESTMENT UNDER SECTION 11(b)(1) ORDERS OUTSTANDING AS OF JUNE 30, 1945

÷	December of Companies	ssets as of r 31, 1944 Ordered Divested	٠. ٢		Holding Company Act Re-	Date
System	Individual Companies	System Totals	Nature of Business	State of Operation	lease Number	of Order
Company	, Compenies	TOURTR	Mature of Business	State of Operation	MITTER TO	Curder
	,	. ' '		1.		, .
American Utilities Service Corporation		\$ 2,051,656	· .	į.	5114	6-22-44
Minnesota Utilities Company	\$ 989,613		Klectric	Minnesota		
Wisconsin Southern Gas Company	1,062,043		Ces	Wisconsin	-	i
Associated Gas and Electric Corporation, Trustees		159,442,611	- , · · · · · · · · · · · · · · · · · ·	1	3729	8-13-42
Associated Electric Company:		عدان عبسو ورد			Amended by	0-13-42
Arizona General Utilities Company	571,520	•	Electric	Arizona	4024, 5601	12-30-42
Eastern Land Corporation	86,021	ŀ	Real Estate	Delaware-Maryland	40244, 1002	2- 9-45
Edgen fant corporacion	80,021		DEST ENCROS	Delanare-sary latin	- ,	0+ 7=47
General Cas & Electric Corporation				1		-
South Carelina Electric & Gas Company	46,952,144		Electric—Gas—Bus	South Carolina	,	
***		,	• • •	,		
NY PA NJ Utilities Company:					'	
Jersey Central Power & Light Company and Subs.	91,290,673		Flectric-Gas	New Jersey		Į
Spring Brook Water Company	N. A.		Water	New York	1 '	
Staten Island Edison Corporation	20,368,829	1:	Electric	New York	· ·	
			•		1 . ,	ì
Other Subsidiaries:	'	1		'		1
Associated Real Properties, Inc.	173,424	,	Real Estate	Deleware	· ·	ļ
Gas and Electric Associates	N. A.	1	Holding Company	,		
Railway and Bus Associates	N. A.		Holding Company	- .	į	ļ
Schenectady Rapid Transit, Inc.	N. A.		Bus	New York		ļ
Utilities Investing Trust	N. A.	j i	Investing Company	Massachusetts .		ŀ
Valley Public Service Company	N. A.		Bus	Ohio		
cities Service Company 2/	-	211,924,454	6	· -	5028	5 5-44
Arkansas Louisiana Gas Company	66,124,387	474,474	Ges	ArkLaTexas	5350	10-12-44
Cities Service Power & Light Company	55,680,549		Holding Company	WIX*-Do!-! 4vvo	J 9990	
Consolidated Cities Light, Power & Traction Company	10,454,684	!	ElecRwyHold. Co.	_		
Consolidated Cities Light, Power & Traction Company	24,397,103	1	Canada	·		Į.
Dominion Natural Gas Company, Ltd.	24,597,103	1	Mutual Service	- .		
Gas Advisers, Inc.	N. A.	, ,		KansOklaNebrHo.	'	1
Gas Service Company, The	25,433,965	1- 1	Ges .	Missouri	, -	1
Kansas City Gas Company	16,197,688	1 . •	Gas -	New York	1 •	1 .
Republic Light, Heat and Power Company, Inc.	9,020,216	'	Gas.		1	1
Tri-City Gas Company, The	83,859		Gas /	Kansas	1	
Wyandotte County Gas Company, The	4,532,003	· :	Ges	Kansas	1 /	
		Dr. 001 000	•		4489	6-17-43
ities Service Power & Light Company 3/		35,894,932	· · · · · · · · · · · · · · · · · · ·	W	4407	
Doniphan County Light & Power Company, The	25,429	1	Electric	Kansas		
Electric Advisers, Inc.	172,351	, ,	Mutual Service	· ·	1	
Federal Light & Traction Company	14,748,772		Holding Company	=	1	
Knoxville Gas Company, The	1,905,552	1.	Gee	Tennessee	•	-
St. Joseph Light & Power Company	15,856,251 3,186,577		ElecTransSteam	Missouri	-	-
Spokene Gas & Fuel Company	3,186,577		Gae	Washington		
Tallana T. W. L. M. B. Marra de Carre d'Arran d'Arran de Carre d'Arran		12,511,967			, 4489	8-17-43
Federal Light & Traction Company	e /	10,000	Post in	Washington	, 4960	3-31-44
Klectric Land Company, The	83,869	-	Realty	wasuruscon	4900	بهجدرسر
Federal Advisers, Inc.	34,776		Service Company			
Federal Realty Company	11.2,253		Realty	Arisons	1	
Sheridan County Electric Company	1,806,291		Electric	Wyoming		. 1
Tucson Gas, Electric Light and Power Co., The 4/	10,063,946	1	Electric-Ges	Colorado	1 ' '	Ι,
Tucson Rapid Transit Company 4/	410,832	i I	Transit	Arizona	1	i

Table 21 - (Continued) - UTILITY AND OTHER PROPERTIES SUBJECT TO DIVESTMENT UNDER SECTION 11(b)(1) ORDERS OUTSTANDING AS OF JUNE 30, 1945

	Docombes	serts as of r 31, 1944 Ordered Divested			Holding Company Act Re-	Date
systom	Individual	System	<u>.</u>	· .	lease	100
Company .	Companies	Totals	. Nature of Business	State of Operation	Number	Order
clumbia Cas & Electric Corporation		3 231,190,831	, ,			1
Bridgo Goo Company	\$ 53,277	2 231,190,031	Ges Transmission	Obio-Kentucky	5455	11-30-44
Cincinnati Cae & Electric Company, Tho	138,710,548	}	Electric-Gas-Steam	Onto		
Columbia Corporation	6,490,183	1	Investmente	onto		
Dayton Power and Light Company, The	70,884,711	1	Electric-Gae-Steam	Ohio		1
Mismi Dovelopment Company, The	628,982	!	Real Estate	Ohio		
Miami Power Corporation	666,591	!	Electric Transmission	Indiana		1.
Ohio (Fuel Supply Company, The	3,362,501	1	011 . ,	Ohio.		1
Union Light, Heat and Power Company	10,357,449	[Electric-Gas-Water	Kentucky		
West Harrison Electric and Water Company, Inc.	36 589		Electric-Water	Indiana		
Wood Coal Company	N. A		Coel	- · - · · ·		
ingineers Public Service Company		97,668,168	•		3230	12-29-41
	1				3796)	9-16-42
El Pago Electric Company (Texas)	17,257,141		ElecRyBus	Texas-New Mexico	7	,
Gulf States Utilities Company	70,703,643		ElecGas-Steam-Ice-Water	Texas-Louisiana		İ
Virginia Electric and Power Company	7,949,362 8/		ElecGas-RyBus	Virginia-North Carolina		
(Gas Properties Only) Western Public Service Company, The	1,758,022	ļ, ,	Electric	***************************************		
" -• ·	2,1,00,000		Erecure,	Wyoming	•	1
ederal Water and Gas Corporation		93,433,118			4113	2-10-43
New York Water Service Corporation	32,037,391		Water-Holding Company	New York		
'Pennsylvania Water Service Company Scranton-Spring Brook Water Service Company	N. A.		Holding Company	Pennsylvan <u>ia</u>		1
•	61,395,727	!	Water-Gas-Holding Company	Permaylvania .		
oppers Company, Inc.		181,047,907	Į į		5888	6-28-45
Fastern Gas and Fuel Associates and Subsidiaries	181,047,907		Coal-Coke-Gas	VaKyPennaConnMass.		1
dddle West Corporation, The		361,043,083		1	4846	
American Public Service Company	16,732,871 1/	3021007	Holding Company		4840	1-25-44
Beloit Water Power Company	80,810		Inactive		•	i
Bureau of Safety	33,264	!	Service Company	_ i		í
Central Power and Light Company	65,343,035	1	ElecWater-Ice	Texas		1
Central and Southwest Utilities Company	31.046.250 1/		Holding Company	<u>-</u>		
Compania Electrica de Matamoras, S. A.	114,367 5/	J .	Lectric	Mexico		1
Copper District Power Company	4,350,590		Electric	Michigan		
Great Lakes Power Company, Ltd.	14,568,125		Electric	Ontario		
Illinois Stock Transfor Company Insurance Trust Fund	17,360		Service Company	- 1		ŀ
International Transit Company, The	916,792 250,181		Service Company			
Lawton Corporation, The	112,671		Ferry-Railway Gas and Oil Production	Ontario-Canada-Michigan		
McAlester Carming Company	7,284	!	Inactive	Oklahoma Oklahoma		
Michigan Gas and Electric Company	8,709,173		Electric-Gas	Michigan		I
Middle West Service Company	141,899		Service Company	, mictirgan		ł
Middle West Utilities Company of Canada, Ltd.	5.621.901 1/		Holding Company	Ξ . Ι		1
North West Utilities Company	11,931,961 1/	[Holding Company	I		Í
Northern Public Service Corporation, Ltd.	2,050,072		Heat	Manitoba, Canada		
Northwestern Public Service Company	14,504,181		Electric-Gag-Heat	South Dakota-Nebraska		
Oklahoma Power and Water Company	8,955,576	İ	Mectric-Gas-Water	Dlinois		
Old Dominion Ice Corporation	178,714		Ice	∀irginis		
Peoples Ice Company Pittsburg County Railway Company	2,650,380		Ice	Oklahoma		
Fort Isabel Corporation	735,142		, Railway	Oklahoma		1
Public Service Company of Oklahoma	N. A. 66,914,679		Real Estate	Delaware	•	į.
South Heloit Water Gas and Electric Company	1,097,854	i l	Electric-Gas-Water	Oklahoma		1
Southern-Henke Ice & Storage Company	620,569		Electric-Cas-Water	Illinois Texas		
Southwestern Gas and Electric Company	44,858,661	l i	ElecGas-Mater-Ice	Texas Delaware		1
United Public Service Corporation	95,654 1/		Holding Company	De Toward		i
	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	ı !		Ξ		1
West Texas Utilities Company	47,037,995		FLECTTIC=WRT-FR- CO	Terras :		
West Vernon Sewer Company	47,03/,995 42,416	1	Electric-Water-Ice Sewerage	Texas	•	
West Yernon Sewer Company West Vernon Sewer Company Winnipeg Heating Company, Limited Wisconsin Fower and Light Company	47,037,995 42,416 1,044,867		Sewerage Heat	Texas Texas Manitoba, Canada	•	

Table 21 - (Continued) - UTILITY AND OTHER PROPERTIES SUBJECT TO DIVESTMENT UNDER SECTION 11(b)(1) ORDERS OUTSTANDING AS OF JUNE 30, 1945

	,			· · · · · · · · · · · · · · · · · · ·		
	Total Asset	. 1944			Holding Company	
System	of Companies Ords		· .′	'	Act Re-	Date
Company	Companies	System			1ease	of
- Station &	Companies	Totals	Nature of Business	State of Operation	Mumber	Order
Wanth Assertance On Transport			. '*			-
North American Company Badger Auto Service Company		\$ 1,926,939,400	' ' ' ' '	'	3405	4-14-42
Blue River Power Company	8 113,307 263,088		Parking and Gas Stations	Wisconsin		
Braddock Light & Power Company. Inc.	203,088		Klectric	Kansas / _)`
Cahokia Manufacturers Gas Company	1,037,254		: Electric	Virginia		
Capital Transit Company	82,383	,	Gas (Leased)	Dinois		
Ceico Company	75,042,622		Transportation	D. CMaryland		
Central Terminal Company	59,882		Metering	Ohio .		
Champaign and Urbana Gas Light and Coke Co.	7,457,618	i i	Warehouse	Miseouri.		
Cleveland Electric Illuminating Company	300 000 304 67		Tractive			
Glen Echo Park Company, The	192,330,134 <u>6</u> /		Electric-Heat	Ohio		
Great Falls Power Company	234,107		Amusement Park	Maryland		
Hevi-Duty Electric Company	511,415	•	Land Company	Virginia		. `
Illinois Power Company	843,119		Electric Furnace Construction	Wisconsin		1
TITTIOIS LOAGE COmbath	112,842,905 6/		ElecGas-Heat-Water-Ice-	l		Ι.
Illinois Terminal Railroad Company		`	TransHolding Co.	Illinois		j
Illinois Traction Company	59,645,735		Railroad	Missouri-Illinois		1
Kansas Electric Power Company, The	23,413,053 1/	'	Holding Company	1= -		i
Kansas Power and Light Company, The	14,871,889		ElecGas-Ice-Trans.	Kansas		1
Kewaree Public Service Company, The	67,919,154,6/		FlecGas-HtHtIce-Trans.	Kansas		
Milwaukee Electric Railway & Transport Company	2,481,200		Electric-Gas	Illinois	•	
Missouri Power & Light Company	48,017,699		Transportation	Wisconsin		
	22,210,676		ElecGas-Heat-Water-Ice	Missouri	·	
Montgomery Bus Lines, Inc. North American Light & Power Company	62,507		Transportation	Waryland		
North American Utility Securities Corporation	33,991,769 1/		Holding Company	-		
North American Utility Securities Corporation	5,061,687		Investment	-	•	
Northern Natural Cas Company and Subs.	68,518,562	'	Holding Company-Pipeline	Icwa-NebrS.DakMinn.		
Pacific Gas and Electric Company and Subs.	. 894,382,562	,	KlecGas-Heating-Water-			
Determine Wheet-ute Down G		,	Trens.	California ,		
Potomac Electric Power Company St. Bernard Coal Company	116,387,511		Electric	D. CMaryland	•	
St. Lemant Cost Company	10,000		Coal Sales	-		[
St. Louis County Gas Co.	12,173,292		Ges	Missouri	5707	4- 9-45
Union Electric Land and Development Company	No A.		Land Company	Missouri		l
Washington and Rockville Ry. of Montgomery County Washington Railway and Electric Company	213,930 1/		Holding Company	-		
Wort Contucts Con January (2017)	37,708,578 <u>I</u> /		Holding Company	.=		l
West Kentucky Coal Company (Delaware)	68,866		Coal Sales	- .		. [
West Kentucky Coal Company (New Jersey) Wisconsin Electric Power Company	16,761,582 6/		Coal	Kentucky		1
Wisdonsin Electric Power Company	143,207,279 6/		FlecHeat-Holding Company	Wisconsin ·		ĺ
Wisconsin Gas & Electric Company	33,225,187 31,116,178		Electric-Gas-Heat	Wisconsin		!
Wisconsin Michigan Power Company	31,116,178		Electrio-Gas	Wisconsin-Michigan		
Ogden Corporation		45,868,983			4307	5-20-43
Central States Power & Light Corporation	3,667,803 <u>6</u> /	,,	Inactive	Iowa-Minnesota		
Central States Utilities Corporation	26.822 1/		Holding Company	-	1	1
East Dubuque Electric Company	101,097	•	Electric-Bus	Illinois	ļ.	1
Interstate Power Company	40,256,407 6/	-	ElecCas-Heat-Water-			1
	ا کو ،محردمہر۔۔	.1	Bus-Holding Company	Iowa-MinnS.Dak.	,	-
Interstate Power Company of Wisconsin	1,843,676		Electric	Wisconsin		1
	010رئيسوند		THEOUTH .	1LTOADIDTH		1

Table 21 - (Continued) - Utility and other properties subject to divestment under section 11(b)(1) orders outstanding as of june 30, 1945

	Total Assets December 31 of Companies Orde	1944			Holding Company Act Re-	Date
System Company	Individual Companies	System Totals	Nature of Business	State of Operation	lense Number	of Order
Standard Gas and Electric Company		\$ 320,154,939		t ·	2929	6- 8-41
California Oregon Power Company. The	5 40,487,494	D 320,134,737	Electric-Water	California-Oregon	2727	O- C-AL
Empresa de Servicios Publicos de los	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		—			
Estadoes Mexicanos, S. A.	3,364,810		Electric-Ice-Water	Mexico		÷
Horneshoe Lake Oil and Gas Company	12.096		Oil and Gas Leases	Oklahoma		
Louisville Gas and Electric Company (Del.)	24,426,260 1/		Holding Company) -		
Louisville Gas and Electric Company (Ky.) and Subs.	92,693,562		ElecGas-Holding Company	Kentucky		i
Market Street Railway Company	7,417,741		Railway-Bus	California		
Mountain States Power Company	23,556,589	1	KlecGas-Heat-Water-	WashOregIdaho-Mont	V.	
013-b	07 030 000	,	Telephone Klectric	WoS. Dak. Oklahoma-Arkansas		
Oklahoma Gas and Electric Company Wisconsin Public Service Corporation	85,013,908		Elec.—Cas—Bus	Wisconsin-Michigan		
wrscousin Libric Service Corporation	67,608,739	ł -	Frec*=0w8-Bris	wyscousin-mrenifen	1	•
United Gas Emprovement Company		28,808,265)	2913-3511	7-30-41, 5-7-42
Bridgeport Gas Light Co., The	8,863,422	,,	Caa .	Come	1	
Commonwealth Utilities Corporation	1,406,241 1/		Holding Company	-	1 -	
Hartford Gas Company	9,035,599		Ges	Connecticut		,
New Haven Gas Light Company	10,909,244		Ges ·	Connecticut		
United Light and Railwaye Company, The		643,642,453		•	2923-3189 3242)	8- 5-41 12-15-41
Columbus and Southern Ohio Electric Company	80,706,643 6/		ElecHeat-Transportation	Ohio		12-31-41
Consolidated Building Company	78,978		Real Estate	Wisconsin		i
Detroit Edison Co.	393,020,979		ElecGas-Ht.	Michigan		
Madison Gas and Electric Company	13,635,444		Electric—Gas	Wisconsin	1 .	[*
Mason City and Clear Lake Railroad Company	825,737	}	Railway-Bus	Тона	1	
Michigan Consolidated Gas Company	106,483,241		Gas Gas	Michigan Wisconsin		,
Milwaukee Gas Light Company Milwaukee Solvay Coke Company	35,229,259 13,662,172		Colce	Wisconsin		
<u> </u>	20,000,212					
Total Properties Subject to Divestment Orders		\$4,351,184,741 7/			,	

- Corporate assets only. Since these assets are largely investments in subsidiary companies, they are expluded from the aggregate amounts ordered divested.
- 2/ Cities Service Company has elected to divest itself of all its utility holdings under an alternative granted it.
- 2/ Under the Commission's order Cities Service Power & Light may retain: The Ohio Public Service Company, Assets \$69,329,275 The Toledo Edison Company, "88,321,508
- 4/ Under an alternative provided in the Commission's order Federal Light & Traction Company may elect to retain its interest in The Tucson Gas, Electric Light and Power Company, in which event it may also retain its interest in:

Deming Ics ami Electric Company, Assets \$1,023,443 Stonewall Electric Company, 48,269 Tucson Rapid Transit Company, 410,832 if it disposes of its other interests listed in the table in addition to its interests in:

Albuquerque Gas and Electric Company, Assets \$9,059,519
The Las Vegas Light and Power Company, 690,324
New Mexico Power Company
The Trinida Elec. Transm., Ry. & Gas
Company 6,850,113

- 5/ Dollar figure computed on basis of 20.70 cents per Mexican peso.
- 6/ Corporate assets less investment in subsidiary companies whose assets are listed separately.
- 7/ There is a duplication in this figure of approximately \$25,000,000 resulting from ll(b)(1) orders outstanding with respect to Cities Service Company, Cities Service Power & Light Company, and Federal Light & Traction Company.
- 8/ Assets of gas properties only.

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Inactive companies with little or no assets are excluded.

Table 22 - PURLIC UTILITY HOLDING COMPANIES SUBJECT TO DISSOLUTION OR LIQUIDATION AND SUBIDIARIES SUBJECT TO DIVESTMENT UNDER SECTION 11(b)(2) ORDERS OUTSTANDING AS OF JUNE 30, 1945*

	Total Asset December 31				Holding Company Act Re-	Data
System	Individual	System	1		lesse **	of
Company	Companies	Totals	Nature of Business	State of Operation	Kumber	Order
American Power & Light Company	8 290,193,207 1/	\$ 817,884,970	Holding Company	•	3750	8-22-42
Central Arizona Light and Power Company	19,800,649		Electric—Gas	Arisona		1
Florida Power & Light Company	115,780,809		Electric-Gas	Florida		1
Consumers Water Company	1,185,376		Water	Florida		[
Utilities Land Company	852,394		Real Estate	Florida		•
Kansas Gas and Electric Company	44,714,725 87,877,177		Electric Electric=Rest	Kansas WinnWisconsin		
Minnesota Power & Light Company	87,877,177		Electric-meat Electric-Gas-Water	Wisconsin		1
Superior Water, Light and Power Company	7,508,790 171,243,269 <u>2</u> /		Electric-Gas-Heat-Water	Wintana		1
Montana Power Company, The	1 019 035		Flectric	New Mexico		
Northwestern Electric Company	1,813,935 23,574,120		Electric-Heat	Oregon-Washington		1
Pacific Power & Light Company	49,193,286		KlesWater-Heat-Holding Co.	Washington-Oregon		1
P. S. & C Two Company Too.	No A.		Irrigation	Washington		1
R. S. & C., Irr. Company, Inc. Pike Repids Power Company, The	52,029		Inactive	•		
Portland Gas & Coke Company	26.914.494	i	Ges ·	Oregon-Washington		1
Texas Klectric Service Company	88,614,095 95,615,436		Electric	Texas]
Texas Power & Light Company	95,615,436		Electric	Texas		1
Texas Public Utilities Corporation	3,129,467		Electric-Ice-Water	Texas		Į.
Topeka Land Company	323,644		Inactive	-		
Washington Irrigation & Development Company	348,661		Inactive Inactive	- I		
Columbia Highlands Company	N. A.		Inactive	-		
Limestone Company, The	122,985 77,017,492 <u>2</u> /	į.	Electric-Water-Heat	Washington-Idaho		
Washington Water Power Company, The Spokane United Railways	2,202,137		Transportation	Washington		
•	1	. 30.000 2/5	• •		4230	4- 9-43
American States Utilities Corporation	3,809,566 <u>1</u> / 3,264,620	13,981,345	Holding Company	Michigan	4250	4-3-40
Edison Sault Klectric Company Southern California Water Company	10,716,725		Electric-Water	California		i
				- COTTIONER		4 40 46
Slectric Power & Light Corporation	208,721,645 1/	748,488,442	Holding Company	-	3 750	8-22-42
Arkansas Power & Light Company	68,500,634 <u>2</u> / 708,486		Electric—Gas—Heat Transportation	Arkansas Arkansas		1
Capital Transportation Company	41,194,006		Klestria	Texas		
Dellas Power & Light Company Dallas Reilway & Terminal Company	14,318,300		Transportation	Texas		1
Gentilly Development Company, Inc.	1,447,445		Real Estate	Louisiana		
Louisiana Power & Light Company	42,407,286		Electric-Gas-Transportation	Louisiana		1
Mississipoi Power & Light Company	32,409,244	•	Electric-Cas-Water	Mississippi		1
New Orleans Public Service, Inc.	83,402,489		Electric-Gas-Transportation	Louisiana		1
United Gas Corporation	49,245,305 2/	}	Ges-Holding Company	IAMasTeras		1
Compania Mexicana de Gas, S. A.	3,232,950		Gas (Wholesale)	Mexico		
Daval Texas Sulphur Company	3,919,920		Sulphur	Texas		
Mississippi River Fuel Corporation	27,351,418		Ges (m. c. c. c. c. c. c. c. c. c. c. c. c. c.	Mississippi		
Union Producing Company	122,261,485 165,712,016		Ges (Wholesele)-Oil	Texas-LaMiss.		}
United Ges Pipe Line Company	105,712,016	į	Gas (Wholesale)—Gasoline Oil Transmission	Texas-laMissAlsFla. laTexas-Miss.	Į.	1
United Oil Pipe Line Company	1,247,727		ElecHeat-Holding Co.	Utah-Idaho-Nyo.		
Utah Power & Light Company Western Colorado Power Company, The	86,111,984 <u>2/</u> 5,017,747	1	Electric	Colorado		
Treat Lekes Utilities Company 3/	795,263 1/	1,961,620	Holding Company	•	3419	3-31-4
Ohio Gas, Light & Coke Company, The	1,377,342	,	Gas	Ohio		
Pexton Gas Company	288.153		Ges	Tllinois		
Rochalle Cas Company	296,125	I	Gas	Illinois	I	1

Table 22 -- (Continued) -- PUBLIC UTILITY HOLDING COMPANIES SUBJECT TO DISSOLUTION OR LIQUIDATION AND SUBSIDIARIES SUBJECT TO DIVESTMENT UNDER SECTION 11(b)(2) ORDERS OUTSTANDING AS OF JUNE 30, 1945*

	Total Assets December 31,				Holding Company Act Re-	Date
System . Company	Individual Companies	System Totals	Nature of Business	State of Operation	lease ## Number	of Order
International Hydro-Electric System Corinth Electric Light & Power Company Gatineau Power Company Gatineau Bus Company, Ltd. Gatineau Electric Light Company, Ltd.	131,762 143,799,107 2/ 320,010 1,337,040	\$ 664,974,519	Holding Company Electric Electric-Holding Co. Transportation Electric	New York Canada Canada Canada	3679	7-21-4
Gatineau Transmission Company Ottawa River Development Company Saint John Realty Company Saint John River Power Company Saint John River Storage Company	1,256,402 39,566 441,150 1,400 918,875		Electric Transmission Inactive Inactive Inactive Water Storage	Canada 		
Hudson River Power Corporation System Properties, Inc. Indian River Company, The Winnipiseogee Lake Cotton and Woolen Mrg. Co.	29,953,650 5,059,101 <u>2</u> / N. A. 200,666		Electric-Real Estate Electric-Real Estate Water Storage Water Storage	N.YN.HMaine New York-Maine New York New Fampehire		
New England Power Association and Subsidiaries Massachusetts Power and Light Associates and Subsidiaries	433,968,293 96,908,816 <u>4</u> /		Holding Company Holding Company	-	4168	3-17-4
North Boston Lighting Properties and Subsidiaries Rhode Island Public Service Company, The	58,864,587 <u>4</u> /		Holding Company ,	-	4168	3-17-4
ard Subsidiaries Massachmeetts Utilities Associates (Voting Tr.) Massachmeetts Utilities Associates	100,875,123 4/		Holding Company Holding Company	-	4168 4168	3-17-4 3-17-4
and Subsidiaries	47,547,497		Holding Company	-	4368	3-17-4
National Power & Light Company Birmingham Electric Company Caroline Power & Light Company Capitan Corporation Roanoke River Power Company Edison Illuminating Company of Easton, The Lehigh Valley Transit Company Allentown Bridge Company Easton Transit Company Easton Transit Company Easton and South Bethlehem Transportation Co. Freemansburg Land Company, The Lehigh Valley Healty Company Lehigh Valley Transportation Company Norristown Transit Company Mamphis Generating Company Memphis Street Railway Company Hemphis Street Railway Company Eazle Township Water Company Pennsylvania Power & Light Company West Pittston-Eweter Railroad Company West Pittston-Eweter Railroad Company Susqueharma Gas Company	119,342,230 1/ 31,730,053 98,424,233 67,858 1,634,663 500,090 19,699,451 2/ 542,734 653,522 70,036 7,799 371,904 1,172,384 208,139 5,234,777 11,908,746 269,621,337 2/ 40,142 758,783 2/ 789,284 38,297	\$43,474,242	Holding Company ElecTranspHeat ElecTransp. Real Estate Transmission Line Leases Electric Property Electric-Transp. Toll Bridge Leases Transp. Property Transportation Real Estate Real Estate Transportation Leases Transp. Property Electric (Wholesale) Transportation ElecGas-Heat Water Real Estate and Investments Railread Gas	Alabama N. Carolina Termessee Virginia Pennsylvania Pennsylvania Pennsylvania Pennsylvania Pennsylvania Pennsylvania Pennsylvania Pennsylvania Pennsylvania Tennessee Tennessee Tennessee Pennsylvania Pennsylvania Pennsylvania Pennsylvania Pennsylvania Pennsylvania Pennsylvania Pennsylvania	2962	8-23-4

\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	Total Ass December	ets-as of 31, 1944			Holding Company Act Re-	Date
System	Individual.	System'] ,		lease **	of
Company	Companies	Totals	Nature of Business	State of Operation	Manber	Orde
New England Public Service Company 5/	\$ 42,506,447 <u>1</u> /	\$ 239,050,023	Holding Company		2737	5- 2-4
Bucksport Water Company	184,621		Water	Maine	,,	
Central Maine Power Company	112,637,670 <u>2</u> /		Electric-Gas	Maine	İ	
Cumberland Securities Corporation	90,957		Real Estate-Securities	Maine		
Kennebec Water Power Company	No Ao		Water Storage	Maine	i ·	i
New England Pole and Treating Company	151,435	'	Pole Treating-Sales .	Maine	ļ	ļ
Seboga Improvement Company Skowhegan Water Power Company	No A.		Stream Flow Control	Maine		
Central Vermont Public Service Corporation	271,520		Water Rights-Real Estate Electric-Cas	Waine Vermont		
Missiscuoi Syndicate	19,673,734 N. A.		Real Estate Management	No As		
Vermont Utilities, Inc.	818,850		Electric	Vermont		
Nepsco Appliance Finance Corporation	7,352		Mutual Service Company	- Volumento		
Nepsoc Services, Inc.	59,111		Subsidiary Service Company	i -		ļ
New England Industries, Inc.	20,757,003 1/		Holding Company	-	ŀ	1
Androscoggin Wills	4,450,628		Rayon Fabrics	kains	ř .	ĺ
Union Mater Power Company, The	840,708 2/		Water Storage	Maine	,	
Androscoggin Reservoir Company	1,019,673		Water Storage	Maine		
Bates Mamifacturing Company	7,177,680	3	Cotton and Rayon Fabrics	Waine	1	
Bates Fabrics, Inc.	1,271,017	· '	Selling Agent	, -		
Edwards Manufacturing Company, The Hill Manufacturing Company	3,819,324	'	Cotton Fabrica	Maine		1
Keyes Fibre Company	4,375,006		Cotton Fabrics Molded Pulnwood Products	Maine Maine	ļ	İ
Maine Seaboard Paper Company	4,506,812 16,481,487 2/	ļ. ·,	Newsprint	Maine		<i>-</i>
Machine Log Driving Company	No. A.		Log Driving	Waine		ļ
Mitchell furbow Company Idd	175,780		Timberlands	Canada		'
Modang Dan & Improvement Company	No Ao		Ton Dudmins	Maine		{
MITEUR COMPANY THE	561,656	ļ ·	Selling Agent	-	L.	-
York Manufacturing Company	4.986.442		Cotton Fabrica	Mains		1
Public Service Company of New Hampshire	55,518,598 <u>2</u> /		Electric-Gas-Transp.	New Hampshire		
Amoskeng Industries, Inc.	N. A.		Real Estate	New Hampshire		ļ
Merrimack Power Company	N. A.		Undeveloped Water Power Sites	Maine		Į.
Penacook Electric Light Company Profile Falls Power Company	N. A.		Undeveloped Water Power Sites	New Hampshire		İ
Properties, Inc.	N. A. 32,248		Undeveloped Water Power Sites Real Estate	Maine		1
Keene Development Company	32,220 No Ao		Real Estate	New Hampshire		1
Sunapee Dam Corporation	No Ao		Water Storage	New Hompshire		
Swans Falls Company	204,619		Electric Generation	laine		ļ.
Weare Improvement & Reservoir Association	N. A.		Water Storage	New Hampshire	Ι .	
Salmon Falls Water Company	93,095		Water	New Hampshire	, i	
rth American Light & Power Company (The North		1	-			
merican Company System)	33,991,769 1/	359,175,682	Holding Company	 -	3233	12-30-
Illinois Traction Company	39,991,769 1/ 23,433,053 1/	l ,	Holding Company	-		1
Cahokia Manufacturers Gas Company Tilinois Power Company	82,383	ļ' ·	Gas (Leased)	Tilinois		ł
TITIOTS LOAD, COMPANY	112,842,905 <u>2</u> /		FlecGas-Heat-Water-Ice- TranspHolding Co.	Thirois	,	Į
Central Terminal Company	7,457,618	}	Warehouse	Missouri	,	1
Illinois Terminal Railroad Company	59,645,735		Railroad	Tilinois	١	
Kewanee Public Service Company	2,481,200	·	Electric_Gas	Illinois		[
Kensas Power and Light Company, The	67.919.154.2/		FlecGas-Heat-Water-Ice-Transp.	Kansae		i
Blue River Power Company, The	263,088	,	Electric	Delaware		
Kansas Electric Power Company, The	14,871,889		ElecGas-Ice-Transp.	Kansas		1
Missouri Power & Light Company	22,210,676	,	ElecGas-Heat-Water-Ice	Missouri		1
Northern Natural Gas Company	68,518,562		Gee -	InNebS.DMinn.	J	l
Peoples Natural Gas Company	2,882,472	-	Ges	IsNebMinn.	۱.	1

Table 22 - (Continued) - PUBLIC UTILITY HOLDING COMPANIES SUBJECT TO DISSOLUTION OR LIQUIDATION AND SUBSIDIARIES SUBJECT TO DIVESTMENT UNDER SECTION 11(b)(2) ORDERS OUISTANDING

AS OF JUME 30, 1945*

*	Total Asset December 31				Holding Company Act Re-	Date of Order
System Company	Individual Companies	System Totals	Nature of Business	State of Operation	lease **	
Morth Continent Utilities Corporation Denver Ice and Cold Storage Company, The Fort Morgan Ice and Cold Storage Company Western Railways Ice Company Elk River Power & Light Company Great Falls Ges Company Great Northern Ges Company, Limited Great Northern Utilities Company New Mectco Public Service Company North Shore Ges Company Southern Utilities Company, Limited S. W. Shattuck Chemical Company, The William A. Baehr Organization, Incorporated	\$ 7,551,654 1/ 1,855,512 2/ 62,590 620,218 346,967 1,313,261 661,891 1,985,273 1,207,544 11,343,535 77,761 275,100 22,852	\$ 19,722,5 <i>2</i> 7	Holding Company Ice-Coal Ice-Coal Ice Electric Gas-Natural Gas Electric-Natural Gas Electric-Telephone Gas Electric Refining Ores Service Company	Colorado Colorado Colorado Minnesota Montana Cutario Montana New Mexico Illinois Alberta, Can. Colorado	4686	11-18-4
North West Utilities Company (Middle West Corporation System) Northwestern Public Service Company Wisconsin Power and Light Company Beloit Water Power Company South Beloit Water, Gas and Electric Company	11,931,962 <u>1/</u> 14,504,182 74,042,220 <u>2/</u> 80,810 1,097,855	89,725,067	Holding Company Electric-Gas-Heat ElecGas-Hater-Bus-Heat Inactive Electric-Gas-Water	S. DNebraska Wisconsin-Iowa - Wisconsin-Dlinois	4552	9-10-43
Total Assets of Subsidiary Companies		\$3,398,438,437			<u> </u>	

* The following additional holding companies have been ordered to liquidate:

Holding Company	Corporate Assets	Holding Co. Act	Date of
	December 31, 1944	Release No.	Order
American Public Service Company	\$ 16,732,871	3580	1-25-44
Central and Southwest Utilities C	6. 31,046,250	3580	1-25-44
Community Gas and Power Company	73,119	4395	7- 2-43
Standard Power and Light Corp.	138,087,232	3607	6-19-42
United Corporation, The	116,466,992	4478	8-14-43

The United Corporation was ordered to recepitalize on a one-stock basis and cease to be a holding company. The status of its present subholding companies is subject to separate determination.

Under an alternative provided in the Commission's order the corporate existence of either Central and Southwest Utilities Co. or American Public Service Co. must be terminated.

** Holding Company Act Release Number is given for each holding company subject to dissolution or liquidation under outstanding Section 11(b)(2) orders.

- *** In Tables 21 and 2.2 there is a duplication of subsidiary companies of three holding company systems which are affected by both Section 11(b)(1) and 11(b)(2) orders. The aggregate amount of the duplication of assets is approximately \$500,000,000.
- Corporate assets only. Since these assets are largely investments in subsidiary companies, they are excluded from the system totals.
- 2/ Corporate assets less investments in subsidiary and affiliated companies whose assets are listed separately.
- 2/ The order in this case took the form of approval of a Section 11(e) plan to liquidate. It was filed while there were pending proceedings pursuant to Sections 11(b)(1) and 11(b)(2).
- Consolidated assets. Since these assets are included in the consolidated assets of New England Power Association they are excluded from the system total.
- 5/ The Commission order required New England Public Service Company to recapitalize on a one-stock basis or, at its election, to liquidate. The company has filed a plan whereby it would distribute its utility assets and become an industrial holding company.

Section and description	Period	Number filed	Number approved	Number with- drawn or dis- missed	Mumber denied	Number pending at close of fiscal year
Sections 2 and 3 Exemptions from provisions of the Act	To June 30, 1944 July 1, 1944 to June 30, 1945 Total	565# 12# 577#	164 6 170	317 6 323	52 0 52	32 32.
Sections 6 and 7 Issuance and sale of securities, alterations of rights, assumptions of liability	To June 30, 1944 July 1, 1944 to June 30, 1945 Total	1,145 179 1,324	964 124 1,088	124 1 125	14 1 15	43 96
Section 10 Acquisition of Securities or other assets	To June 30, 1944 July 1, 1944 to June 30, 1945 Total	945 112 1,057	76146 98 44 8 <i>5</i> 344	129 6 135	12 0 12	43 51
Section 11(e) Plans for the simplification of registered hold- ing companies or subsidiaries thereof	To June 30, 1944 July 1, 1944, to June 30, 1945 Total	116 [±] / 30 / 146	48 8 56	19 4 23	9 0 3	46 64
Section 11(f) Reorganization under Section 77B of the Bankruptcy Act	To June 30, 1944 July 1, 1944 to June 30, 1945 Total	25 1 26	8 1 1/ 9	8 0 8	, 0 1/ 3 1/	6 6
Section 11(g) and 12(e) Solicitations of consents to transactions	To June 30, 1944 July 1, 1944 to June 30, 1945 Total	129 31 160	79 28 107	30 2 32	6 1 7	14
Section 12(b) and Rule U-45 Loans, extensions of credit, donations and capital contributions to associate companies	To June 30, 1944 July 1, 1944 to June 30, 1945 Total	164 43 207	138 38 176	9 2 11	3 0 3	14 17
Section 12(c) and Rule U-46 Payment of dividends out of capital or un- earned surplus	To June 30, 1944 July 1, 1944 to Wine 30, 1945 Total	1 <i>5</i> 7 39 196	137 29 166	9 0 . 9	5 1 6	6 15
Section 12(c) and Rule U-42 Acquisition, retirement and redemption of securities by issuer	To June 30, 1944 July 1, 1944 to June 30, 1945 Total	594 143 737	489** 129** 618**	55 2 57	9 · 2 · 11	41 51
Sections 12(d), 12(f) and Rules U-43, U-44 Sale of securities and utility assets	To June 30, 1944 July 1, 1944 to June 30, 1945 Total	1,041 248 1,289	851 220 1,071	101 12 113	12 2 14	77 91
Section 13 Service company regulation	To June 30, 1944 July 1, 1944 to June 30, 1945 Total	73 1 74	48 2 50	8 1 9	0 1	16 14

^{*} Number filed or reopened.

^{**} Number approved or exempted by rule.

^{1/} Revised

Table 24.—Cases instituted by the Commission under the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Investment Advisers Act of 1940.

Types of cases	Total cases instituted prior to July 1, 1944	Total cases pending as of June 30, 1944	Total cases instituted during fiscal year ended June 30, 1945	Total cases pending dur- ing fiscal year ended June 30, 1945	Total cases instituted prior to July 1, 1945	Total cases closed prior to July 1, 1944	Total cases closed during fiscal year ended June 30, 1945	Total cases closed prior to July 1, 1945	Total cases pending as of June 30, 1945
Actions by Commission to enjoin violations of Securities Act, Securities Exchange Act, Public Utility Holding Company Act, Investment Company Act of 1940 and the Investment Advisers Act of 1940	- 442	15	. 14	29	456	427	17	444	12 .
Actions by Commission involving the enforcement of subpoenss pursuant to Securities Exchange Act.	41	4	· 1	5	42	37	2	39	3
Miscellaneous proceedings brought by Commission.	10	2	1	3	u.	8 ·	o	8	3
Actions to carry out voluntary Plan to comply with Sec. 11(b) of the Holding Company Act	15	9	7	16	22	6	8 .	14	8 3
Total	. 508	30	23	53	531	478	27	505	`26

Table 25 .-- Cases instituted against the Commission and cases in which the Commission was permitted to intervene.

Types of cases	Total cases instituted prior to July 1, 1944	Total cases pending as of June 30, 1944	Total eases instituted during fiscal year ended June 30, 1945	Total cases pending dur- ing fiscal year ended June 30, 1945	Total cases instituted prior to July 1, 1945	Total cases closed prior to July 1, 1944	Total cases closed during fiscal year ended June 30, 1945	Total cases closed prior to July 1, 1945	Total cases pending as of June 30, 1945
Actions to enjoin enforcement of Securities Act, Securities Exchange Act, and Public Utility Holding Company Act, with the ex- ception of subpoenss issued by the Commission	67	0	0	0	67	67		67	
Actions to enjoin enforcement of or compliance with subposenss issued by the Commission	7	0	0	. 0	7	· 7	. 0	7	 0
Petitions for review of Commission's orders by Circuit Court of Appeals (or Court of Appeals for District of Columbia) under the various acts administered by the Commission	1.00	13	15	28	115	87 ,	םנ .	97	18
discellaneous actions against Commission or officers of Commission	.` 14	6	2 .	8	16	8	. 6	14	ž
Total .	188	19	17	36	205	169	16	185	20

Table 26.—Injunctive proceedings brought by Commission, under the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1940 and the Investment Advisers Act of 1940, which were pending during the fiscal year ended June 30, 1945.

			1	•	, <i>'</i>
Principal defendenta	Number of de- fendants	United States District Court	Initiating papers filed	Alleged violations	Status of case
Aldred Investment Trust, et al.	. 8	Massolmset to	May 19, 1942	Sec. 36 of the Investment Company Act of 1940.	Final judgment by Court January 19, 1945 as to six defendants. Notice of appeal filed by defendants February 17, 1945. Pending on appeal.
Bennott, (Frank W.) et al.	2	Southern District of New York	June 28, 1945	Sec. 9(a)(2) of the Securities Exchange Act of 1934.	Commission sought an injunction restraining defendants from violating Sec. 9(a)(2) of the 1934 Act. Aug. 20, 1945 motion for preliminary injunction denied by the Court. Memorandum Opinion by Bondy, J. Pending.
Chemical Research Foundation, et al.	2	Delaware	March 14, 1945	Secs. 5(a), 17(a)(1),(2) and (3) of the Securities Act of 1933.	Commission instituted action to enjoin Chemical Research Foundation, Inc. and Robert B. Carroll, ite President from selling unregistered shares of capital stock of Chemical Research Foundation, Inc. in violation of Sec. 5(a) of 1933 act and from violating anti-fraud provisions of Secs. 17(a)(1), (2) and (3) of the Act. Preliminary injunction granted by consent as to both defendants on March 23, 1945. (In June 1, 1945 both defendants entered pleas of guilty to an indictaent charging a violation of Sec. 17(a) of 1933 Act, (Sec Table 27.) Sept. 11, 1945 Final Judgment as to both defendants was entered by consent.
Dahlberg, (Bror) et al. (Certain-Teed Products Corp.)	. <u>, 12</u> ′ _	Haryland	11, 1944	Sec. 14(a) of the Securities Exchange Act of 1934.	The defendants having complied with the demands of the complaint and the controversy having become most an order of dismissal was filed July 14, 1944.
Ferguson, (Julian H.) Inc. et al.	6	Eastern District of Pennsylvania	January 27, 1938	Secs. 5(a) and (b) and 17(a) of the Securities Act of 1933.	Final judgment by consent Jan. 27, 1938 against five defendants and pending as to Ferguson. Commission authorized closing of files Oct. 9, 1944.
Fidelity Agency, Inc. et al.	5 `	Coloredo	-Nov. 2, 1943	Secs. 17(a)(1), (2) and (3) of the Securities Act of 1933.	Final judgment by consent Jan. 4, 1944 as to four defendants pending as to defendant Ervin.
The First Investment Cômpany of Concord, New Hampshire, et al.	3	New Rampoldre	June 19, 1945	Secs. 10(b) of the Securities Exchange Act of 1934 and Rule I-10B-5, Secs. 17(s)(3), 20(c), 21(b), 30(d) and 36 of the Investment Company Act of 1940 and Rule N-30D-1.	Commission sought to enjoin defendants from purchasing stock of The First Investment Company from its stock-holders in violation of Section 10(b) of the 1934 Act and Rule I-10B-5, and from violating Secs. 17(a)(3), 20(c), 21(b), 30(d) and 36 of the Investment Company Act of 1940 and Rule N-30B-1. Final Judgment by consent as to all defendants June 19, 1945.
Cafney, (Aloysius R.) et al. (National Rubber Machinery Company)		Southern District of Ohio	April 3, 1944	Sec. 14(a) of the Securities Exchange Act of 1934.	Dismissed on stipulation as to all defendants, Sept. 25, 1944.
Greene, (Charles Edwin) et al.	2 	Northern District of Tilinois Esstern Division	Oct. 19, 1944	Secs. 17(a)(2) and (3) of Securities Act of 1933 and Secs. 10(b) and 15(c)(1) of the Securities Exchange Act of 1934.	Commission sought to enjoin defendants, registered broker-dealers, from engaging in certain acts and practices in violation of Secs. 10(b) and 15(c)(1) of the 1934 Act and Secs. 17(a)(2) and (3) of the 1933 Act. Final Judgment by consent as to both defendants on Nov. 10, 1944.

Table 26.—Injunctive proceedings brought by Commission, under the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1995, Investment Company Act of 1940 and the Investment Advisers Act of 1940, which were pending during the fiscal year ended June 30, 1945.—Continued

Principal defendants	Number of de- fendants	United States District Court	Initiating papers filed	Alleged violations	Status of case
breening, (Thomas B.)	1	Western District of Washington Northern Division	June 28, 1945	Secs. 17(a)(2) and (3) of the Securities Act of 1933 and Sec. 15A, 15(c)(1) and 19(b) of the Securities Emchange Act of 1934 and Rule X-10B-5.	Final judgment by consent on June 30, 1945.
Howay, (W. J.) Company, et al.	2	Southern District of Florida	мау 16, 1944	Sec. 5(a) of the Securities Act of 1933.	Permanent injunction denied on April 18, 1945. Notice of appeal filed by SEC on May 14, 1945. Pending on appeal
egal Fund Finance Corporation, et al.	2	Colorado	0et. 29, 1944	Secs. 17(2)(1), (2) and (3) of the Securities Act of 1933.	Final judgment by consent as to both defendants entered on Nov. 6, 1945.
ong Island Lighting Company	1	Eastern District of New York	Dec. 19, 1944	Secs. 2(a), 78 and Secs. 3(a) and (c) of the Public Utility Holding Company Act of 1935.	Commission sought to enjoin defendant from performing certain acts effecting a plan of recapitalisation of defendant during pendency of proceedings instituted by the Commission persuant to Secs. 2(a), 7(B) and Secs. 3(a) and (c) of the 1935 Act at the instance of a committee of preferred stockholders to determine whether defendant's exemption from registration under the Act should be revoked. Temporary restraining order Dec. 19, 1944 vacated and notion for preliminary injunction and final judgment denied Dec. 21, 1944. Aff. CGA-2 Peb. 23, 1945. Certiforari granted Mar. 26, 1945. April 30, 1945 on motion of Solicitor General on behalf of the SEC judgment of CGA-2 vacated and cause remanded to histrict Court with directions to dismiss complaint. (Cause had become most. Commission had revoked order exempting defendant from provisions of the Act and defendant on April 23, 1945 filed notification of registration as a holding company subject to the Act and advised Commission of its intention not to seek judicial review of Commission's order now to make further effort to consummate plan of recapitalisation without further order of the Commission.)
onjar, (Hugh B.) et al.	6.	Messohisetts	Peb. 27, 1942	Sec. 5(a) of the Securities Act of 1933.	Continued to swait outcome of U.S. v. Hugh B. Monjar (The Mantle Club). See Table of Criminal Proceedings.
meller, (H. P.) et al.	3	Eastern District of Wisconsin	Earch 28, 1945	Sec. 10(b) of the Securities Exchange Act of 1934 and Regulation X-108-5.	Commission sought to enjoin defendant from purchasing securities of L. J. Hueller Furnace Company from stock-holders in violation of Sec. 10(b) of the 1934 Met. Rul I-10B-5. April 20, 1945 Final Judgment by consent as t defendants Mueller and L. F. Mueller Furnace Company, complaint dismissed as to defendant Marshall and Ileley Bank.
core, (J.R.) (Sunshine Premier Mining Company)	1	Western District of Washington	Feb. 2, 1945	Sec. 5(a) of the Securities Act of 1933.	Final judgment by consent on Feb. 2, 1945.
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Table 26.—Injunctive proceedings brought by Commission, under the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, Investment Company Act of 1940 and the Investment Advisers Act of 1940, which were pending during the fiscal year ended June 30, 1945.—Continued

Principal defendants	Number of de- fendants	United States District Court	Initiating papers filed	Alleged violations	Status of case
Nelson, (James) et al.	5 1	Southern District of California Central Division	Jan. 26, 1944	Sec. 5(a) of the Securities Act of 1933.	Final Judgment as to all defendants entered Sept. 8, 1944.
Cile & Industries, Inc., et al.	10	Southern District of New York	Sept. 27, 1944	Secs. 17(a) (1), (2) and (3) of the Securities art of 1933, Sec. 10(b) of the Securities Exchange act of 1934, and Rule X-108-5.	Action to enjoin defendants from effectuating exchange of securities with preferred stockholders of defendant oils and Industries in violation of Secs. 17(a) (1), (2) and (3) of the 1933 Act, Sec. 10(b) of the 1934 Act and Rule X-10B-5. On April 4, 1945 notice of dismissal filed by the Commission, defendants having stipulated that all tenders of stock for exchange had been rejected and no further offers would be made.
Okin, Semiel	1	Southern District of New York	Oct. 2, 1945	Sec. 12(e) of the Public Utility Holding Company Act of 1935.	on Sept. 24, 1942 Okin, a stockholder of Electric Bond & Share Company, filed with Commission and mailed copies of letter to shareholders asking them not to sign any proxies for the company and to revoke any which they might have already signed. Commission filed complaint seeking injunction because of alleged violations of proxy rules. Court on Oct. 9, 1942 dismissed complaint for insufficiency in law upon its face on ground that letter not a solicitation of proxies within Sec. 12(e) of 1935 Act. CCA-2 on Jan. 4, 1943 reversed the judgment on ground that letter was a solicitation subject to proxy rules and contained false and misleading statements. Defendant's answer to smended complaint served April 12, 1943. Commission's motion to strike portions of defendant's answer filed May 1, 1943. Case adjourned, by stipulation to June 30, 1944. Action discontinued by stipulation on Oct. 3, 1944.
Ckin, Semuel	1	Southern District of New York	Oct. 4, 1944.	Sec. 14(a) of the Securities Exchange Act of 1934 and Rule 1-14 and Sec. 12(a) of the Public Utility Rulding Company Act of 1935 and Rule U-61.	Action by the Commission to restrain the defendant from exercising any power conferred in proxies solicited by him in cormection with the annual meeting of stockholders of Electric Eond & Share Company in violation of Sec. 14(a) of the 1934 Act and Rule I-14 and Sec. 12(e) of the 1935 Act and Rule U-61. Preliminary injunction granted by the Court Oct. 11, 1944 restraining defendant from use of proxies obtained in violation of law and regulations. Opinion by Bright, J. Defendant's time to answer extended to Oct. 27, 1945. Pending.
Thomasson Panhandle Company, et al.	2	Colorado	July 13, 1943	Secs. 17(a)(2) and (3) of the Securities Act of 1933.	Court dismissed complaint jan. 20, 1944 on ground that the defendants' acts and practices had ceased shortly prior to filing the complaint and that there was no danger of future violation. Reversed and remanded CGA-10 Nov. 3, 1944. Opinion Phillips, J. Amended final judgment as to both defendants Feb. 2, 1945.
	•	* . •			

Table 26.-Injunctive proceedings brought by Commission, under the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, Investment Company Act of 1940 and the Investment Advisers Act of 1940, which were pending during the fiscal year ended June 30, 1945.-Continued

					<u> </u>
Principal defendants	Number of de- fendants	United States District Court	Initiating papers filed	Alleged violations	Status of case
United Funds Management Corporation, et al.	7	Western District of Missouri	Sept. 9, 1942	Secs. 36 and 44 of the Investment Company Act of 1940.	Temporary restraining order and order designating trustee, Sept. 9, 1942; Order Oct. 1, 1942 continued temporary restraining order; answer filed by trustee in bankruptcy November, 1942; dismissed without prejudice July 11, 1944.
Wight, (John) et al. (Mondakota Development Co.)	n	Montana	Dec. 16, 1941	Secs. 5(a)(1) and (2) and Secs. 17(a)(2) and (3) of the Securities Act of 1933.	Final judgment entered on consent and stipulation September 20, 1945.
Wilson, (Roy E.) et al.	3	Eastern District of Illinois	Feb. 3, 1945	Secs. 5(a), 17(a) and 17(b) of the Securities Act of 1933. Sec. 15(a) of 1934 Act and Sec. 203(a) of Investment Advicers Act of 1940.	Commission sought to enjoin all defendants from selling fractional undivided interests in oil and gas and other mineral rights in violation of Secs. 5(a) and Secs. 17(a) and 17(b) of the 1933 Act and to enjoin the defendant Crowder from violating Sec. 15(a) of the 1934 Act and Secs. 203(a) of the Investment Advisors Act of 1940. Final judgment by consent as to all defendants on April 3, 1945.
Wix, (Ernest T.) et al.	4	Northern District of Illinois Eastern Division	Oct. 18, 1944	Secs. 5(a) and 17(a) of the Securities Act of 1933.	Commission sought to enjoin defendants from selling undivided interests in oil and gas leases in violation of Secs. 5(a) and 17(a) of the 1933 Act. Final judgment by consent as to defendants, Martin, Shekleton and Bon Martinitz Dec. 1, 1944. Hearing on motion for preliminary injunction as to defendant Wir. Generally continued on March 13, 1945. Pending.
Woodman, Edwin Paul dba (Woodman & Company)	1	wassechusetts	Feb. 23, 1943	Secs. 15(c)(1) and 10(b) of the Securities Exchange Act of 1934.	Final judgment by the Court Aug. 15, 1944.
Young, (L. A.) et al.	3	Eastern District of Michigan	April 18, 1944	Secs. 16(a), 14(a) and 20(c) of the Securities Exchange Act of 1934.	Final judgment by consent as to all defendants on Feb. 26, 1945
Otis, (Edward V.) et al.	10	Southern District of New York	Oct. 24, 1944	Sees. 7(a), 17(a) and 36 of the Investment Company Act of 1940.	Commission sought to enjoin defendants from violating Secs. 7(a), 17(a) and 36 of the 1940 Act and requested appointment of a receiver. Defendants agreed to recorganise so as to eliminate the abuses complained of following which on July 3, 1945 action was dismissed by the Commission on stipulation.

TABLE 27. Indictments returned for violation of the Acts administered by the Commission, the mail fraud statute (sec. 338, title 18, U. 8. C.), and other related Federal statutes (where the Commission took part in the investigation and development of the case) which were pending during the fiscal year ended June 30, 1945.

Name of case	Number of de- fendants	United States District Court	Indictment returned	Charges	, Status of case
S. v. A. B. Jones, et al. Colonial Trading Company)	13	Névada	July 16, 1935	Secs. 5(a) and 17(a) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Pending as to principal defendants, A. B. Jones and M. J. Jones, who have not been apprehended. Indictment nolle prossed as to deceased defendant and dismissed as to 8 co-defendants.
S. v. Samuel J. Mastain, et al. Continental Securities Corpo- ntion)	15	Southern District of New York	Dec. 3, 1937	Sec. 17(a) of 1933 Act; Secs. 88 and 338, Title 18, U.S. C.	Silver pleaded guilty Nov. 29, 1944 and was sentenced to 18 months imprisonment. Execution of sentence was suspended and defendant placed on probation. Case pending as to horris Cohon. Four defendants previously had pleaded guilty and 7 others were convicted after trial.
0 10 0413	,	<u>.</u>		0 - 20/4M33 -# 2000 A.# 0.00 -	The indictment was nolle pressed as to one defendant and dismissed as to another.
S. v. Eax Strahl, et al. C. O. Flackwell)	11	Southern District of New York	April 26, 1938	Sec. 17(a)(1) of 1933 Act; Secs. * 88 and 338, Title 18, U. S. C.	The two principal defendants pleaded guilty and were sentenced. Indictment nolle prossed as to 9 defendants.
S. v. Melvan D. Haynes, et al. Senners, Owens & Company)	7	Eastern District of Michigan	Oct. 19, 1936	Secs. 17(a)(1) and (2) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Convictions have been obtained as to 5 defendants. Case pending as to 2 de- fendants, one of whom is a fugitive.
S. v. Joshus F. Simons, et al. coples Gas & Oil Corporation)	10	Western District of Washington do	June 25, 1938	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U.S. C.	Trials on third indictment resulted in 6 convictions and 3 acquittals. Conviction of Hyers after a retrial was reversed by
	,	do	,		C. C. A. 9 on February 20, 1945. Previously
S. v. Arthur C. Thurman, et al.	3	insechisette	Dec. 3, 1938 Jan. 19, 1939	Sec. 17(a)(2) of 1933 Act; Secs. 88 and 338, Title 18, U.S.C.	first and second indictments were dismissed. Levinson plended guilty on June 12, 1945 and was sentenced to one year and one day, sentence suspended and defendant placed on probation for 2 years communing after
					completion of a sentence being served under another charge. Case pending as to Thurman, whose true mame is George M. Saunders, and who has not yet been apprehended. Previously Lincoln pleaded guilty and was sentenced.
S. v. Barry Low et al. Trenton Valley Distillers Corpo- stion)	2	Eastern District of Michigan	Feb. 3, 1939	Sec. 17(a)(1) of 1933 Act, and Sec. 338, Title 18, U. S. C.	Case pending.
S. v. Norman U. Himmse, et al.	3	Southern District of New York	Oct. 26, 1938	Conspiracy to violate Secs. 9(a)(1)(A), (B) and (C) and Sec. 9(a)(2) of 1934 Act (manipulation).	Petition for writ of certiferari to review judgment of C. C. A. 2 upholding convictions of Minuse and Pelletier denied on Oct. 9, 1944 (323 U. S. 716). Previously, the third co-defendant pleaded guilty and was sentenced
S. v. Rimond B. Bronson, et al. agied Copper Corporation)	8	Southern District of New York	Mar. 8, 1939	Secs. 5(a)(1) and (2) and 17(a)(1) of 1933 Art; Secs. / 88 and 338, fitle 18, U. S. C.	Judgmente of conviction as to Eronson and the Coronado Development Corporation affirmed by C. C. A. 2 on Dec. 14, 1944. Appeal of the Weatherbee Process Corporation dismissed. F. defendants had been convicted and one defend
, , , , , , , , , , , , , , , , , , , ,		· ·	. '		sequitted. Case pending as to Thomas, who to granted severance. Previously, indictment

TABLE 27. - Indictments returned for violation of the Acts administered by the Commission, the mail-freud statute (sec. 338, title 18, U. S. C.), and other related Federal statutes (where the Commission took part in the investigation and development of the case) which were pending during the fiscal year ended June 30, 1945. -- Continued

U. S. v. Barold E. Grow, et al. (Continental Securities Corporation)	17	Southern District of			Status of case
		New York	Nov. 2, 1938	Secs. 88 and 338, Title 18, U. S. C.	One defandant pleaded guilty to the first indictment which was nolle crossed as to the remaining defendants. Proviously, the
	6	*	Mar. 31, 1939	•	second indictment was nolle prossed as to all defendants. The third indictment was
	6-		May 31, 1939	# *	nolle prossed as to the corporate defendant, one defendant had pleaded guilty thereunder, and 4 others were convicted after trial.
U. S. V. Louis C. George, et al. (Automatic Products Corporation))	Southern District of New York	Apr. 30, 1940	Secs. 9(a)(1)(B) and (C), and 9(a)(2) of 1934 Act; Secs. 88 and 338, Title 18, U. S. C.	One defendant has been sentenced upon ples of guilty; one defendant reported deceased. Pending as to one defendant.
U. S. v. Henry L. Baker	1	Southern District of California	Mar. 25, 1939	Secs. 17(a)(1),amf (3) of 1933 Act and Sec. 338, Title 18, U. S. C.	Defendant not apprehended. Case pending.
U. S. v. C. Milton Smith, et al. (North Penn Oil Lands, Inc.)	*	Southern District of New York	Nov. 7, 1941	Secs. 5(a)(2) and 17(a)(3) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Case pending. One defendant not apprehended.
U. S. v. Kenneth B. Hartin, et al. (Memorial Estates)	7	District of Columbia	Sept. 16, 1941	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U.S.C.	Case pending as to Martin, Levent (a fugitive), and Sarchik, who is presently incarcerated in a U. S. Penitentiary on another charge. Previously, 4 other defendants pleaded guilty and were sentenced.
U. S. v. Philip Cornelius Walsh, et al. (El Canada Mines, Inc.)	· 21	Southern District of New York	Sept. 26, 1940	Sec. 17(a)(1) and (2) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Indictment nelle prossed as to all defendants on November 26, 1944.
U. S. v. Philip J. Keely, et al. (Campana Gold Mines, Inc.)	7	Northern District of Illinois	Apr. 15, 1940	Sec. 338, Title 18, U. S. C.	Derec pleaded guilty to one count on Jan. 22, 1945 and was fined \$1000. Indictment dismisse as to two defendants and nol prossed as to four remaining defendants.
U. S. v. Harry J. Hallen (Santa Cruz)	1,	Northern District of	Mar. 15, 1940	Sec. 17(a)(1) of 1933 Act and Sec. 338, Title 18, U. S. C.	Case pending.
U. S. v. Arnold Joerns, et al. (Resources Corporation International)	9	Northern District of Thinois	Dec. 13, 1940	Sec. 17(a)(1) of 1933 Act, Secs. 68 and 338, Title 18, U. S. C.	Jury failed to agree on first trial. On retrial to Court without a jury, 5 defendants were acquitted on November 30, 1944. Indictment previously dismissed as to 4 defendants.
U. S. v. Hiward M. Hill, et al.	12	Northern District of	May 21, 1940	Secs. 88 and 338, Title 18, U. S. C.	Ten defendants have pleaded guilty and have been sentenced. Case pending as to Gould and Lewis
U. S. v. Hestor Gomes, et al. (Minus Del Plomo, S. A.)	4	Southern District of New York	June 18, 1941	Secs. 5(a)(1) and 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Two defendants previously pleaded guilty and we sentenced. Indictment nolle proseed so to Ros and Elair on March 6. 1945.
U. S. v. R. A. Ncarthur-	1	Western District of	Aug. 20, 1941	Sec. 338, fitle 18, U. S. C.	Case pending.
U. S. v. Joseph H. Smitha (Advance Oil Company, Inc.)	1	Northern District of Georgia	Apr. 29, 1941	Sec. 17(a)(1) of 1933 Act; and Sec. 338, Title 18, U. S. C.	Defendant acquitted on March 27, 1945.
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^{1/} Parenthetical reference is to name under which investigation was carried prior to indictment.

TABLE 27. -- Indictments returned for violation of the Acts administered by the Commission, the mail fraud statute (sec. 338, title 18, V. S. C.), and other related Federal statutes (where the Commission took part in the investigation and development of the case) which were pending during the fiscal year ended June 30, 1945. -- Continued

Name of case	Humber of de- fendants	United States District Court	Indictment returned	Charges	Status of case
. S. v. Theodore P. Helder (American Trusteed Funds, Inc.)	4 `	Southern District of New York	June 10, 1941	Sec. 24 of 1933 Act, and Sec. 88, Title 18, U. S. C.	Duff pleaded guilty to third indictment and was sentenced to a year and a day. Execution of this sentence was sus-
	. 4.	do	do	Sec. 88 and 338, Title 18, U.S.C.	pended and Duff placed on probation for 2 years. On Ostober 24, 1944, C. C. A. 2 affirmed the order of the trial court demying Weese's motion to withdraw his
· .	9	d o	do	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	ples of guilty on the third indictment. Previously, Reider plesded guilty to all 3 indictments and was sentenced; American Trusteed Funds, Inc. plesded polo conten-
	- -	1			dere to first 2 indictments and was placed on probation for 5 years; Kane pleaded guilty to comspiracy count of first indictment, imposition of sentence
					was suspended, and Kane placed on probation for 2 years; the second indictment was nolle present as to Kane; and Jacobs pleaded guilty to the third
. S. v. Robert E. Kells, et al. (Kational Reference Library Corp.)	4	District of Columbia	Feb. 16, 1943	Sec. 17(a)(1) of 1933 Act; Sec. 338, Title 18, U.S.C.	indictment and was sentenced. Case pending as to remaining defendants. Case Pending.
. S. v. August F. Slater (Automatic Engineering, Inc.)	1	Southern District of California	Sept. 17, 1941	Sec. 17(a)(1) of 1933 Act; Sec. 338, Title 18, U. S. C.	Defendant found guilty on plea of male contenders on Jan. 3, 1945. Sentence suspended and defendant placed on probation for 5 years, conditioned on
. S. v. James N. Collins, et al. (Union Associated Hines Company)	, 5	Southern District of California	Feb. 4, 1942	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U.S.C.	making full restitution to victims. Collins, Fischgrund and Schirm convicted on constracy count on July 25, 1944. Imposition of sentence suspended on
				,	Ang. 1, 1944, for one year. Appeals to C. C. A. 9 were dismissed on Murch 14, 1945 on ground that order of trial court suspending sentence without placing defendants on probation was not a final
		,			judgment and not appealable. On April 13 1945 these defendants were resentenced to one year's imprisonment cache, execution suspended for 2 years and defendants placed on probation for 2 years. Horgan and Gordon were acquitted after trial.
				· .	and worked were sequenced exter Frant.
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TABLE 27.--Indictments returned for violation of the Acts administered by the Commission, the mail-frand statute (sec. 338, title 18, U. S. C.), and other related Federal statutes (where the Commission took part in the investigation and development of the case) which were pending during the fiscal year ended June 30, 1945.--Continued

D. S. v. E. H. McChen & Company, of al. (Dovon Gold Kines, Ltd.) Dec. 12, 1941 do do do do do do do do do d	Name of Case	of de- fendants	United States District Court	Indictment returned	Charges	Status of case
do do do Soc. 5(a)(1) and (2) of 193 Act; Soc. 83, Title 18, U. S. C. Sans. 17(a)(1) and (2) of 18, U. S. C. Sans. 17(a)(1) and (2) of 18, U. S. C. Sans. 17(a)(1) and (2) of 193 Act; Soc. 83 and 338, Title 18, U. S. C. Soc. 17(a)(1) of 1933 Act; Soc. 38 and 338, Title 18, U. S. V. Earth A. Freeman, et al. Eastern District of Eastern Earth		2		Oct. 21, 1941	Sec. 5(a) of 1934 Act	Kaufman and Niditch were convicted after
do do Secs. 17(a)(1) and (2) of 1993 Act; Secs. 38 and 38, Title 18, U. S. C. Where a chusetts U. S. v. Charles Beadon, et al. U. S. v. Charles Beadon, et al. U. S. v. Whart A. Freeman, et al. (Consolidated Associated, Inc.) U. S. v. Whart A. Freeman, et al. (Consolidated Associated, Inc.) U. S. v. Whart A. Freeman, et al. (Consolidated Associated, Inc.) U. S. v. Tidality Investment Association, et al. U. S. v. Fidelity Investment Association, et al. U. S. v. Fidelity Investment Association, et al. U. S. v. Jacob Morris Danziger, et al. (California 6 Southern District of California 6 Southern District of California 7 Eb. 2, 1942 Dec. 1, 1941 Dec. 30, 1941 Dec. 30, 1942 Sec. 318(2) of 1933 Act; Secs. 38 and 38, Title 18, U. S. C. Dec. 1, 1941 Dec. 1, 1941 Dec. 1, 1941 Dec. 30, 1941 Dec. 30, 1942 Dec. 30, 1942 Dec. 30, 1944 Dec. 31, 1940 Dec. 31, 1940 Dec. 31, 1941 Dec. 31, 1941 Dec. 31, 1941 Dec. 32, 1942 Dec. 31, 1941 Dec. 31, 1941 Dec. 31, 1941 Dec. 32, 1942 Dec. 31, 1944 Dec. 31, 1941 Dec. 31, 1941 Dec. 31, 1941 Dec. 31, 1942 Dec. 31, 1944 Dec. 32, 1945 Dec. 31, 1944 Dec. 33, 1111 Dec. 34,		7	do	do	1933 Act: Sec. 88, Title	on Nov. 4, 1944. Kaufman was sentenced to 7 years' imprisonment and fined \$1,000; and Widitch was sentenced to 10 years'
U. S. v. Charles Beadon, et al. U. S. v. Eark A. Freeman, et al. (Consolidated Associates, Inc.) U. S. v. With B. Dagg, et al. (Consolidated Associates, Inc.) U. S. v. Otto B. Dagg, et al. (Dagg & Company, Inc.) U. S. v. Fidelity Investment Association, et al. (I. S. v. Fidelity Investment Association, et al. (I. Trindied International Petroleum Ltd.) Dec. 1, 1941 Sec. 17(a)(1) and (3) of 1933 Act; Secs. 88 and 338, Title 18, U. S. v. Frederick E. Backmeter, et al. (Crindied International Petroleum Ltd.) Dec. 10, 1942 Southern District of Chick Consolidated Association, et al. (Dag & Company, Inc.) Dec. 1, 1941 Dec. 1, 1941 Dec. 1, 1941 Dec. 1, 1941 Dec. 1, 1941 Dec. 1, 1941 Dec. 1, 1941 Dec. 1, 1941 Dec. 27, 1942 Sec. 17(a)(1) and (3) of 1933 Act; and Secs. 88 and 338, Title 18, U. S. v. Fidelity Investment Association, et al. (Crindiad International Petroleum Ltd.) Dec. 30, 1941 California Dec. 30, 1941 Dec. 30, 1941 Southern District of Chic California Dec. 30, 1941 Dec. 30, 1941 Southern District of Chic Aug. 19, 1942 Sec. 17(a) of 1933 Act; Secs. 88 and 338, Title 18, U. S. v. Frederick E. Backmeter, of the disconsist reason of the compinacy count on Jan. 10, 1945 and was sentenced to 15 months' imprisonment and each of the corporate defendants appeal. Dec. 30, 1941 Southern District of Chic Aug. 19, 1942 Sec. 17(a) of 1933 Act; Secs. Sec. 88 and 338, Title 18, U. S. v. Frederick E. Backmeter, of the disconsist reason of the compinacy count on Jan. 10, 1945 and was sentenced to 15 months' imprisonment and each of the compinacy count on Jan. 10, 1945. Bantiger was sentenced to 15 months' imprisonment, later reduced to 60 days. Trial of 2 other defendants pending. Carrictors obtained against 9 defendants appealed. Date of mind 1933 Act; Sec. Sec. 17(a) of 1933 Act; Sec. Sec. 17(a) of 1933 Act; Sec. Sec. 17(a) of 1933 Act; Sec. Sec. 17(a) of 1933 Act; Sec. Sec. 17(a) of 1933 Act; Sec. Sec. 17(a) of 1933 Act; Sec. Sec. 17(a) of 1933 Act; Sec. Sec. 17(a) of 1933 Act; S		12	do	άο	1933 Act: Secs. 88 and	has filed notice of appeal. On Oct. 3, 1944, Lewis pleaded guilty to count 3 of second indictment charging violation of Sec. 5(a)(2) of 1933 Act and to count 4 of third indictment charging violation
U. S. v. Charles Beadon, et al. U. S. v. Mark A. Freeman, et al. (Consolidated Associates, Inc.) U. S. v. Wirk A. Freeman, et al. (Consolidated Associates, Inc.) U. S. v. Otto B. Bagg, et al. (Dagg & Company, Inc.) U. S. v. Fidelity Investment Association, et al. U. S. v. Fidelity Investment Association, et al. (Trinidad International Petroleum Ltd.) Dec. 1, 1941 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1941 Dec. 1, 1942 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1941 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1941 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1941 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1941 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1941 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1941 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1941 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1945 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1945 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1945 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1945 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1945 Sec. 17(a)(1) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1945 Dec. 1, 1945 Sec. 17(a) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 30, 1944 Dec. 1, 1945 Dec. 1, 1945 Dec. 1, 1945 Sec. 17(a) of 1933 Act; secs. 83 and 338, Title 18, U. S. C. Dec. 1, 1941 Dec. 1, 1945 Dec. 1, 1945 Dec. 1, 1945 Dec. 1, 1945 Dec. 1, 1945 Dec. 1, 1945 Dec. 1, 1945 Dec. 1, 1945 Dec. 1, 1946 Dec. 1, 1946 Dec.		·		· 1	_	
U. S. v. Eart A. Freeman, et al. (Consolidated Associates, Inc.) U. S. v. Otto B. Dagg, et al. (Dagg & Company, Inc.) 18 Western District of Rishington U. S. v. Fidelity Investment Association, et al. U. S. v. Fidelity Investment Association, et al. U. S. v. Jacob Morris Danziger, et al. (Trinidad International Petroleum Ltd.) 18 Southern District of California 19 Southern Distr		2 .	<u>Vassachusetts</u>	0ct. 16, 1941	Secs. 98 and 338, Title 18,	Beedon previously pleaded guilty and was sentenced. Indictment nolle prossed as
U. S. v. Frederick E. Backmeier, stal. (Sentennal Corporation) 1. S. v. Bart Cecil Lucas 1. S. v. Bart Cecil Lucas 1. S. v. Otto B. Dagg, et al. (Dagg & Company, Inc.) 1. S. v. Bart Cecil Lucas 5. Western District of 1933 Act; And A	(Consolidated Associates, Inc.)	13 '		Feb. 25, 1943	Secs. 88 and 338, Title 18,	Case pending as to 10 defendants. Two defendants previously pleaded guilty and
Dec. 1, 1941 Bastern District of Michigan Dec. 1, 1941 Sec. 17(a)(1) of 1933 Act; Secs. 68 and 338, Title 18, U. S. C. Six defendants apprehended. One defendant decased. Feming. Six defendants apprehended. One defendants apprehended. One defendant decased. Feming. Six defendants apprehended. One defendants apprehended. One defendant decased. Feming. Six defendants apprehended. One defendant decased. Feming. Six defendants apprehended. One defendants apprehended. One defendant decased. Feming. Six defendants apprehended. One defendant decased. Six defendants apprehended. One defendant decased. Six defendants apprehendat apprehended. One defendants apprehendated profendants apprehendated profendants apprehenda		5		June 29, 1942	1933 Act: and Secs. 38 and	Convictions obtained against 3 defendants on the conspiracy count. One defendant was acquitted. Case pending only as to
U. S. v. Jacob Korris Danziger, et al. (Trinidad International Petroleum Ltd.) Sec. 5(a)(2) and 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C. Danziger, Wake Development Co. and Trinidad 1933 Act; Secs. 88 and 338, Title 18, U. S. C. Danziger, Wake Development Co. and Trinidad 1933 Act; Secs. 88 and 338, Title 18, U. S. C. Danziger, Wake Development Co. and Trinidad 1933 Act; Secs. 88 and 338, Title 18, U. S. C. Danziger, Wake Development Co. and Trinidad 1933 Act; Secs. 88 and 338, Title 18, U. S. C. Danziger, Wake Development Co. and Trinidad 1933 Act; Secs. 88 and 338, Title 18, U. S. C. Danziger, Wake Development Co. and Trinidad 1933 Act; Secs. 88 and 338, Title 18, U. S. C. Danziger, Wake Development Co. and Trinidad 1933 Act; Secs. 17(a) of 1933 Act; Secs. 31, 1945. Danziger was sentenced to 15 months' imprisonment and each of the corporate defendants have filed notices of appeals. Carter pleaded guilty to conspiracy count on Jan. 10, 1945 and was sentenced to 60 days. Trial of 2 other defendants, one of the defendants appeal of California. U. S. v. Frederick E. Backmeder, of the corporation of the defendants, one of the defendants appeal of California. Southern District of California. Southern District of California. Southern District of California. Sec. 5(a)(2) and 17(a)(1) of 1933 Act; Secs. 3, 1945. Danziger was sentenced to 15 months' imprisonment and each of the corporate defendants appeal and the corporate defendants appeal and the corporation of the	J. S. v. Fidelity Investment Association, et al.	18		Dec. 1, 1941	Secs. 89 and 338, Title 18,	Six defendants apprehended. One defendant
Count on Jan. 10, 1945 and was sentenced to 15 months' imprisonment, later reduced to 60 days. Trial of 2 other defendants pending. U. S. v. Frederick E. Backmeder, 6 Southern District of Chio Sec. 17(a) of 1933 Act; Sec. Convictions obtained as to 6 defendants, one of whom died before sentence was imposed. The remaining defendants appealed. CCA-6 affirmed judgments on July 3, 1944. Petition for reheaving denied Aug. 14, 1944 U. S. v. Bart Cecil Lucas 1 Southern District of Aug. 19, 1942 Sec. 338, Title 18, U. S. C. Defendant apprehended April 11, 1945, Case	et al. (Trinidad International	6		Dec. 30, 1941	Sec. 5(a)(2) and 17(a)(1) of 1933 Act; Secs. 88 and 338.	International Petroleum Ltd. convicted on Feb. 3, 1925. Danziger was sentenced to 15 months: imprisonment and each of the corporate defendants was fined \$2200. These three defendants have filed notices of ap-
U. S. v. Frederick E. Backmeder, et al. (Sentemal Corporation) 6 Southern District of Chio 7 Sec. 17(a) of 1933 Act; Sec. Convictions obtained as to 6 defendants, one of whom died before sentence was imposed. The remaining defendants appealed. CCA-6 affirmation for rehearing denied Aug. 14, 1944. 9 Petition for rehearing denied Aug. 14, 1945. Case		-				count on Jan. 10, 1945 and was sentenced to 15 months' imprisonment, later reduced to 60 days. Trial of 2 other defendants
affirmed judgments on July 3, 1944. Petition for rehearing denied Aug. 14, 194 U. S. v. Bart Cecil Lucas 1 Southern District of Aug. 19, 1942 Sec. 338, Title 18, U. S. C. Defendant apprehended April 11, 1945. Case		6		Feb. 2, 1942		Convictions obtained as to 6 defendants, one of whom died before sentence was imposed.
	U. S. v. Bart Cecil Lucas	1		Aug. 19, 1942	Sec. 338, Title 18, U. S. C.	affirmed judgments on July 3, 1944. Petition for rehearing denied Aug. 14, 1944 Defendant apprehended April 11, 1945. Case
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^{1/} Parenthetical reference is to name under which investigation was carried prior to indictment.

TABLE 27.--Indiotzents returned for violation of the Acts administered by the Commission, the mail-fraud statute (sec. 338, title 18, U. S. C.), and other related Federal statutes (where the Commission took part in the investigation and development of the case) which were pending during the fiscal year ended June 30, 1945.--Continued

Name of case	Number of de- fendants	United States District Court	Indictment returned	Charges	Status of case
. S. v. John L. Applebaum, et al. (J. Samuel Wacker, et al.)	4	Western District of New York	Sept. 11, 1942	Sec. 15(a) of 1934 Act.	Cace pending.
		do	do	Secs. 17(a)(1) and 5(a)(1) and (2) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	
		, do	do	Conspiracy to violate Sec. 17(b) of 1933 Act.	
. S. v. Sam Scinfield, et al. (General Commodities Company)	4	do Northern District of Illinois	do Oct. 1, 1945	Sec. 17(b) of 1933 Act. Secs. 88 and 338, Title 18, U. S. C.	Pleas of guilty entered by Scinfield, Vidaver and Lauer. Each defendant sentenced to 1 year and 1 day. Case pending as to Ainbinder, who has been apprehended.
. S. v. Hugh B. Monjar, et al. (The Mantle Club)	5	Delaware	May 26, 1942	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Audgments of conviction of all defendants on first indictment, and 7 defendants on second indictment, affirmed by C.C.A. 3 on Dec. 1, 1944. Certiforari denied
	12	do	Sept. 22, 1942	Conspiracy to violate Sec. 338 Title 18, U. S. C.	May 21, 1945. Second indictment previously was dismissed as to 2 defendants and 3 defendants were acquitted.
. S. v. Barvey H. Hevenor	1	Southern District of New York	Aug. 19, 1942	Sec. 338, Title 18, U. S. C.	Defendants convicted on Oct. 18, 1944 and sentenced to 15 months' imprisonment. Notice of appeal filed Nov. 1, 1944. Election to serve sentence filed Dec. 1, 1944. Appeal withdrawn on Apr. 12, 1945.
. S. v. Frank J. Ryan, et al. (Research and Investment Company)	4	Eastern District of North Carolina	Sept. 21, 1942	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Case pending.
. S. v. Philip A. Freer, et al. (Pinlex Incorporated)	3	District of Columbia	Sept. 11, 1943	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18,	Notion to strike the indictment as to all defendants was denied May 8, 1944. Pending.
. S. v. John Herok, et al.	6	Eastern District of Michigan	July 30, 1942	U. S. C. Sec. 17(a)(1) of 1933 Act; Sec. 338, Title 18, U. S. C.; and conspiracy to violate Secs. 17(a)(1) and (2) of 1933 Act and Sec. 338, Title 18, U.S.C.	Cases Pending.
	1	đo	đo	Sec. 15(a) of 1934 Act.	
	5	de	đo	Secs. 5(a)(1) and (2) of 1933 Act, and conspiracy to violate this statute.	
. S. v. Gabriel Dias, et al. (Flaquenines Land Company)	13	Sectorn District of Louisians	Sept. 4, 1942	Sec. 17(a)(1) of 1933 Act, and Sec. 338, Title 18, U. S. C.	Nine defendants were found guilty on trial. Sentences ranged from 5 years and 1 day to 8 years. Enzella reported deceased. Keife
	2	do	Nov. 6, 1942	Sec. 338, Title 18, U. S. C.	and Addler did not go to triel. All de- fendants who were convicted have filed noti

TABLE 27.—Indictments returned for violation of the Acts administered by the Commission, the mail-fraud statute (sec. 338, title 18, U. S. C.), and other related Federal statutes (where the Commission took part in the investigation and development of the case) which were pending during the fiscal year ended June 30, 1945.

Name of case	Number of de- fendants	United States District Court	Indictment returned	Charges	Status of case
U. S. v. Joseph L. Bassett, et al. (W. H. Kock Company)	9 .	Eastern District of New York	Mar. 2, 1943	Secs. 17(a)(1) and (2) of 1933 Act; Sec. 338, Title 18, U.S.C., and comspiracy to violate 17(a)(2) and Sec. 338, Title 18, U.S.C.	Hassett pleaded guilty as charged. Packard and Quest pleaded guilty to conspiracy count, only. Hassett sentenced to 2 years; Packard 1' and 2 years, Quest to 1 year and 4 months. Trial opened June 7, 1945 as to Meierdiercks on the conspiracy count only. Jury found him not guilty. Indictment pending as to remaining defendants.
U. S. v. Arthur H. Watt, et al. (Commercial Underwriters, Ins.)	5 '	Southern District of Indiana	Sept. 18, 1943	Sec. 88 and 338, Title 18, U.S.C.	Judgments of convictions of Kadison and Franklin affirmed by C.C.A. 7 on Nov. 15, 1944. Indictment dismissed as to Unger, Dec. 11, 1944. Appeal from judgment of conviction voluntarily withdrawn by Wyatt
		,			on Dec. 30, 1944. Schulman had previously been acquitted.
U. S. v. Frank Anthony Chiman, et al. (A. J. Harris, et al.)	4	Southern District of Mississippi	May 5, 1943	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Ohlman and Calhoun pleaded guilty on May 2, 1944, and each was sentenced to 5 years; execution of sentence suspended and they were placed on probation for 5 years.
					Rubein V. Johnson pleaded guilty on Nov. 6, 1944 and was sentenced to 11 months, sentence suspended and defendant placed on probation for 11 months, to commence
					from the date of the expiration of his present sentence on another charge. Indictment pending as to Martin,
U. S. v. Lloyd I. Moore, et al.	3	Montana · 〈	June 18, 1943	Secs. 5(a)(1) and (2) and 17(a)(1) of 1933 Act; Secs. 68 and 338, Title 18, U. S. C.	Case pending.
U. S. v. Jacob Perlman	1	Southern District of New York	Nov. 5, 1942	Secs. 80 and 231, Title 18, U.S.C.	Case pending.
U. S. v. George Howell; et al. (Texas National Life Insurance Co.)	2	Southern District of Texas	July 1, 1943	Secs. 17(a)(1) and (2) of 1933 Act; Secs. 38 and 338, Title 18, U. S. C.	Defendants convicted after trial on Oct. 3, 1944. Howell was sentenced to 18 months' imprisonment on 3 counts, and 2 years on 4 other counts, the latter sentence being suspended for 5 years. Freed was sentenced to 6 months' imprisonment on 3 counts; and one year and one day on 2 additional counts, which latter sentence was suspended for 5 years.
U. S. v. James Orvill Galloway, et al. (Humboldt Metallice Corp. Ltd.)		Idaho	Sept. 22, 1943	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U.S.C.	Smith pleaded guilty Sept. 9, 1944, was sentenced to 13 months' imprisonment, execu- tion suspended, fined \$750, and placed on probation for one year. Case pending as to Fisher presently serving a prison sentence on another charge. Sentences previously wer
*		,	'		imposed on 2 defendants who pleaded guilty, and one defendant was convicted after trial

Parenthetical reference is to name under which investigation was carried prior to indictment.

TABLE 27.—Indictments returned for violation of the Acts administered by the Commission, the mail-fraud statute (sec. 338, title 18, U. S. C.), and other related Federal statutes (where the Commission took part in the investigation and development of the case) which were pending during the fiscal year ended June 30, 1945.—Continued

Esme of case	Humber of de- fendants	United States District Court	Indictment returned	Charges	Status of case
. S. v. J. Samuel Wacker, et al. (Pliot Molybdemite Mines Company, Mtd.)	3	Eastern District of Mobigan	April 15, 1943	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Case pending.
··	2		April 16, 1943	Secs. 5(a)(1) and (2) of 1933 Act.	•
· .	1	4	April 16, 1943	Secs. 5(2)(1) and (2) of 1933 Act.	
	1		May 14, 1943	Sec. 15(a) of 1934 Act.	~
	1		May 14, 1943	Sec. 15(a) of 1934 Act.	
•	2	, ,	Ney 14, 1943	Conspiracy to violate Secs. 5(a) and 17(a) of 1933 Act and Sec. 338, fitle 18, U.S.C.	
. S. v. Maurice N. Leavitt, et al. (Lakencor Development Co.)	5	Western District of Washington	Nov. 16, 1943	Section 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Lubin pleaded guilty to mail frand count, sentenced to 12 mes. imprisonment, execution suspended, placed on probation for 5 years and fined \$1,000. Indictment dismissed as to Robert and Howard Leavitt and case pendin as to Stevens, a fugitive. Proviously, principal defendant M. M. Leavitt, pleaded guilty and was sentenced.
. S. v. Charles Thelman Rice, et al. (Parquay Royalty Co., Inc.)	4 .	New Mexico	Mar. 9, 1944	Sec. 17(a)(1) of 1933 Act; and Sec. 338, Title 18, U. S. C.	Defendants all convicted after trial on August 28, 1944. Rice appealed and on May 15, 1945, C.C.A. 10 reversed conviction as to him.
. S. v. Samuel S. Alemander, et al.	5	Southern District of New York	Jan. 28, 1944	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U.S.C.	Pleas of guilty were entered by Alexander, Bappaport, Golub and Epstein. Mandel was found guilty by jury. Sentences ranged from
. S. v. Samuel S. Alexander	1	do	do	Sec. 17(a) of 1934 Act.	2 to 18 months and 5 years' probation.
. S. v. Clifford S. Johnson, et al.	. 3	Montana `	0ct. 21, 1943	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Marie Erdahl was found guilty June 30, 1946 upon her plea of nole contenders and was sentenced to 14 months; imprisonment. Execution of scutence suspended and defendant was placed on probation for 5 years. Case pending as to Clifford 3, and Charles E.
. S. v. Guaranty Underwriters, Inc., et al.	n	Southern District of Florida	Mar. 29, 1944	Secs. 17(a)(1) and (3) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Johnson. Eight defendants were found guilty upon their pleas of nole contenders. Fines were important from \$500 to \$1500. Indictment was nolle pressed as to three defendants.

Parenthetical reference is to name under which investigation was carried prior to indictment.

TABLE 27,-Indictments returned for violation of the Acts administered by the Commission, the mail-fraud statute (sec. 338, title 18, U. 8. C.), and other related Federal statutes (where the Commission took part in the investigation and development of the case) which were pending during the fiscal year ended June 30, 1945.--Continued

	fundante	United States District Court	Indictment returned	Charges	Statum of case
J. S. v. W. R. Frontsel, et al. (Ocean Crab Pot Operators, Inc.)	2	Western District of Washington	Mr. 15, 1945	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Frentsel pleaded guilty on Aug. 21, 1944 to the conspiracy count and was sertenced to 18 months imprisonment and fined \$1,000.
J. S. v. Franklin Lamon, et al. (Graphite Company of America)	2	Dolaware	Dec. 10, 1943	Sec. 17(a)(1) of 1933 Act; and Sec. 338, Title 18, U.S.C.	Indictment dismissed as to Weyforth. Leach was found guilty on July 18, 1944, upon his plea of nole contenders to the Securities Act violations. He was sentenced to one year and one day, and 3 years' probation. McCann was found guilty on July 7, 1944 and was sentenced to one year and 3 menths on one count, and 3 years' probation on remaining counts.
. S. v. Frank V. Raymond	1	Mayland .	Mar. 13, 1945	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Fitle 18, U. S. C.	Case pending.
i. S. v. John H. Landberg	1	Esstern District of Pennsylvania	Aug. 24, 1944	Sec. 338, Title 18, U. S. C.	Landberg was found guilty upon his plea of noic contenders, Nov. 20, 1944. He was sentenced to 6 months imprisonment, execution of sentence was suspended, and defendant placed on probation for one year and directed to make complete restitution to all victims.
J. S. v. Florida Bond & Share, Inc., et al.	5	Scuthern District of Florida	Apr. 6, 1944	Secs. 17(a)(1) and (3) of 1933 Act; Secs. 88 and 338, Title 18, U.S.C.	Motions to dismise and to quash the indictment, and demorrer overruled Out. 9, 1944. Case pending.
. S. v. Amster Leonard, et al.	2	Western District of Michigan	Apr. 6, 1944	Secs. 88 and 338, Title 18, U. S. C.	Both defendants convicted after trial on April 18, 1945. Leonard was sentenced to 2 years imprisonment and Roberts to one year imprisonment.
Crow Oil & Refining Co. Ltd.)	3	Southern District of Dlinois	June 22, 1944	Secs. 17(a)(1) and 5(a)(2) of 1933 Act; Sec. 338, Title 18, U.S.C.	King and Wernes convicted after trial on they 26, 1945. Johnson was acquitted.
. S. v. Leslie G. Bowen, et al. (Bowen Industries, Inc.)	3	Western District of Missouri	July 12, 1944	8000. 5(a)(1) and 17(a)(1) of 1933 Act; Sec. 338, Title 18, U.S.C.	Bowen convicted after trial on Mar. 1, 1945, and was sentenced to 3 years; imprisonment. Notice of appeal filed. Two co-defendants were accultted.
. S. v. Rugh Greer Carruthers, et al. (Neological Foundation)	3	Northern District of Dilinois	Oct. 25, 1944	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Jury returned verdict of guilty as to each defendant on Febryary 20, 1945 but court set aside verdict as to Evelyn Eroel and Mary Murel and entered a finding of not guilty as to them. Carrothers was sentenced to 5 years' imprisonment and filled notice of appeal on March 9, 1945.
S. v. Roy E. Crummer, et al. (The Brown-Crummer Investment Co.)	12	Eanses -	Aug. 3, 1944	Sec. 338, Title 18, V. S. C.	Demurrers of all defendants to first indict- ment sustained on March 12, 1945. Appeal
	16	do	do	Sec. 17(a)(1) of 1933 Act; Sec. 338, Title 18, U. S. C.	to CCL-10 by Government pending. Trial on second indictment pending.

^{2/} Parenthetical reference is to name under which investigation was carried prior to indictment.

THEE 27 .- Indictments returned for violation of the Acts administered by the Commission, the mail-fraud statute (sec. 338, title 18, U. S. C.), and other related Federal statutes (where the Commission took part in the investigation and development of the case) which were pending during the fiscal year ended June 30, 1945.--Continued

Name of case	Number of do- fendants	United States District Court	Indictment returned	Charges	Status of case
J. S. v. Wilmington Fire Insurance Co., vt al.	8	Delawre	July 20, 1944	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Six defendants were found guilty on Nov. 10, 1944, one was acquitted and the indictment was abated as to one defendant who died. The 2 corporate defendants were fined \$25,000 and. Sentences on four individual defendants ranged from 6 to 15 menths imprisement, and 3 years probation.
7. S. v. Frank Exercicle, et al. (Control Securities Company, et al.)	Ħ	Western District of Texas	Aug. 8, 1944	Secs. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U.S.C.	All defendants were found guilty on April 25, 1945. Present sentences were imposed ranging from 3 years and 3 months to 5 years and 3 months, and ten of the defendants were fined \$1000 each. All of the defendants have ampealed.
J. S. v. The Penfield Company of California, et al.	6	Southern District of California	Sept. 29, 1944	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U.S.C.	on May 31, 1945 court directed verdict of acquittal ac to The Penfield Company of California, Black and Young, on the grounds of insufficiency of evidence. Indictment was dismissed as to the Penfield Company of Chio. Case pending as to Marlowe and Bourbon Sales Corporation.
. S. v. Maxwell Goldborg, et al. (Maxwell & Company, Inc.)	÷9:	District of Masschusetto	- Mar. 26, 1945	Secs. 88 and 338, Title 18, U.S.C.	Case pending.
. S. v. Edward J. Stell, et al. (Kalti Metals Corp., et al.)	2	Southern District of Icua	Nov. 30, 1944	Sec. 17(a)(1) of 1933 Act; Sec. 338, Title 18, U. S. C.	Case pending.
. 8. v. Eldridge 8. Price	1	District of Kansac	Mar. 9, 1945	Secs. 5(a)(2) and 17(a) of 1933 Act; Sec. 338, Title 18, U. S. C.	Pending.
. 8. v. Charles Gordon Stuart	1.	Weatern District of Washington	Dec. 20, 1944	Sec. 17(a)(1) of 1933 Act; Sec. 338, Title 18, U. S. C.	Indictment dismissed due to death of defendant.
s. v. Federal Fyr-Sx Company, Inc., et al.	4	Southern District of New York	Feb. 8, 1945	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Case pending.
, S. v. James F. Boyer, et al.	2	Southern District of Florida	Fob. 23, 1945	8ec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Case pending.
. S. v. George A. Earnbardt, et el. (Big Fond Realty & Development Co., Inc.)	2	Southern District of Indiana	Mar. 16, 1945	Sec. 17(a)(1) of 1933 Act; Secs. 88 and 338, Title 18, U. S. C.	Earnhardt and Schneider were found guilty on all counts on June 5, 1945; Earnhardt was sentenced to 5 years' imprisoment and fined \$1,000. Schneider was contenced to 23 years' imprisoment. Earnhardt filed notice of appeal on June 20, 1945.
. S. v. Hivin Paul Woodman, et al.	2	District of Massachusetts	16y 16, 1945	Sec. 17(a)(3) of 1933 Act, Sec. 15(c)(1) of 1934 Act and Rule X-1501-2.	Coso pending.
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V Paramthetical reference is to make under which investigation was carried prior to indictment.

TABLE 27.—Indictments returned for violation of the Acts administered by the Commission, the mail-fraud statute (sec. 338, title 18, U. S. C.), and other related Federal statutes (where the Commission took part in the investigation and development of the case) which were pending during the fiscal year ended June 30, 1945.—Continued

L/ Name of case	Humber of de- fendants	United States District Court	Indictment returned	' Charges	Status of case
U. S. v. W. R. Hempstead Company, et al.	4	Rhode Island	April 19, 1945	Sec. 17(a)(3) of 1933 Act; Sec. 15(c)(1) of 1934 Act and Rule X-15C1-2; Sec. 17(a) of 1934 Act and Rule X-17A-5; and Sec. 32(a) of 1934 Act; and conspiracy to violate these statutes.	Case pending.
U. S. v. Chemical Research Foundation, Inc., et al.	3	Dolaware	1 my 1, 1945	Sec. 17(a)(1) of 1933 Act, and Sec. 338, Title 18, U. S. C.	Pleas of guilty were entered on June 1, 1945 by Robert E. Carroll on behalf of himself and Chemical Research Foundation, Inc. Carroll was sentenced to 2 years' imprisonment and placed on probation for 3 years to commence at expiration of sentence. Case pending as to James W. Gilbert.
U. S. v. Liggett & Myere Tobacco Co., et al.	3	Eastern District of Pennsylvania	Apr. 27, 1945	Sec. 13 and 32 of 1934 Act; Section 88, Title 18, U.S. C.	Case pending.

^{1/} Parenthetical reference is to name under which investigation was carried prior to indictment.

TABLE 28.—Petitions for review of orders of Commission under the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, and the Investment Company Act of 1940, pending in circuit courts of appeals during the fiscal year ended June 30, 1945.

Potitioner	United States Circuit Court of Appeals	Initiating papers filed	Nature and history of case	Status of case
American Power & Light Co.; Klec- tric Power & Light Corp.	Firet	Oct. 20, 1942	Petitions to review Commission orders requiring dissolution of both companies under Sec. 11(b)(2) of the 1935 Act. Cases consolidated by stipulation. Constitutionality of Sec. 11(b)(2) challenged. Orders affirmed on March 17, 1944 (141 F. 2d 606).	Pending in Supreme Court.
			Rehearing denied April 18, 1944. Petition for certiorari (unopposed by Commission) filed June 16, 1944, and granted May 28, 1945 (65 Sup. Ct. 1400).	
American Power & Light Co.	Firet	Feb. 5, 1944	Petitioner, parent of Florida Power & Light Co., sought review of Commission order under 1935 Act requiring changes in Florida's accounts. CCA dismissed petition June 19, 1944 on ground that	Pending.
	, , , , , , , , , , , , , , , , , , ,	-	petitioner was not "person aggrieved" by order within meaning of Act and had no standing to one (143 F. 2d 250). CCA reversed by Supreme Court June 4, 1945, and case reinstated in CCA (65 Sup. Ct. 1254).	
Armansas Naturel Gas Corp.	Fifth	June 8, 1944	Petition to review order under Sec. 11(b)(1) of 1935 Act directing petitioner, a registered holding company in Cities Service Co. eystem, to divest itself of oil production, transportation.	Pending.
Bankers Securities Corp.	Third	May 26, 1944	refining, and marketing business as lacking necessary statutory relationship to its retainable gas utility business. Petition to review Commission order demying application under 600. 3(b)(2) of Investment Company Act of 1920 for declaratory	Order affirmed by CGA
	<u>,</u>		order that petitioner is not investment company within meaning of Act. First appellate court case involving Act.	Nov. 21, 1944 (146 F. 24 88). CCA's mandate lesued Mar. 8, 1945.
Maurice A. Bowers and Theren A. Woodsum (Central Maine Power Co.)	First	Feb. 16, 1945	Petition to review Commission order dated Dec. 19, 1944, under Section 11(e) of 1935 Act approving plan for liquidation and dissolution of Portland Railroad Company, a statutory sub- sidiary of Central Maine Power Company, on grounds of Com- mission's lack of jurisdiction, and invasion of petitioner's	Petition dismissed July 2, 1945.
,		,	property rights. Collateral litigation pending in Supreme Judicial Court of Maine involves similar attack upon Commission's jurisdiction, and seaks to set aside various transactions consummated under plan.	-
		* V*	Upon state court's refusal to consider case during pendency of federal action, petitioners agreed to withdraw petition for review. (See Auburn Savings Bank et al. v. Portland Railroad	
			Company, et al., noted in Appendix Table 28 where Commission was amious curies.) Petitioners' motion to dismiss filed June 26, 1945.	
Chemery Corp., et al.; Federal Water & Gas Corp.	District of Columbia	inr. 22, 1945	Plan of reorganisation of Federal Water Service Corporation under Sec. 11(e) of 1935 Act, approved by Commission March 24, 1941, provided preferred stock acquired by management during period it was proposing various plans of reorganization be limited in	Pending
			participation to cost plus 48 interest, in cash. Petition for review filed Oct. 24, 1941. Commission's order in this respect reversed by Court of Appeals for District of Columbia April 27, 1942 (128 F. 24 303). Supreme Court modified decision and remanded case Feb. 1, 1943 (318 U. S. 80). On remand,	
	,		Commission reaffirmed earlier decision, Feb. 7, 1945. Petitions for review of second order filed Mar. 22, 1945. Two petitions consolidated for hearing and determination, Aug. 3, 1945.	

TABLE 28.—Petitions for review of orders of Commission under the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, and the Investment Company Act of 1940, pending in circuit courts of appeals during the fiscal year ended June 30, 1945.—Continued

Petitioner	Omited States Circuit Court of Appeals	Initiating papers filed	Nature and history of case	Status of case
Engineers Public Service Co., et al.	District of Columbia	Nov. 14, 1942	Petition to review Commission orders, dated Sept. 16, 1942, and Oct. 6, 1942, under Sec. 11(b)(1) of 1935 Act, requiring divestment of certain Engineers' properties and interests. Constitutionality of Sec. 11(b)(1) challenged. Order upheld by District of Columbia Appellate Court except as to construction of "other businesses" clauses of Sec. 11(b)(1) on which order set aside and case remanded, Nov. 22, 1943 (138 F. 2d 936). Commission's petition for certiforari (filed Jan. 8, 1944), and Engineers' petition for certiforari (filed Jan. 27, 1944) both granted June 5, 1944 (322 U. S. 723).	Pending in Supreme Court.
Albert J. Fleischmann (Standard Cas & Electric Co.)	Fourth	Jen. 13, 1945	Petition for review of Commission order of Nov. 15, 1944, approving plan of recapitalization under Sec. 11(e) of 1935 Act. On Jan. 29, 1945, Commission moved to dismiss petition on ground that CCA lacked jurisdiction since proceedings for enforcement of plan were pending in U. S. District Court (Del.). On Mar. 12, 1945, petitioner filed motion to dismiss petition without prejudice.	Petition dismissed on motion of petitioner consented to by Commission Mar. 12, 1945.
Florida Power & Light Co.	Fifth	Feb. 25, 1944	Petition to review portions of Commission order under 1935 Act, requiring petitioner to make certain changes in its accounts.	Pending.
Daniel A. Cilbert, et al.; Bugene R. Pike, et al. (Midland United Co.; and Midland Utilities Co.)	Seventh	Oct. 26, 1944; Oct. 27, 1944.	Joint proceedings under Sec. 77B of Bankruptcy Act for reorganization of Midland United Company and its subholding company, Midland Utilities Company, in progress since 1934 and involving many litigated claims and cross claims. Commission's preliminary and supplemental final opinions and orders filed Sept. 27, 1944, and Oct. 5, 1944, approved under Sec. 11(f) of 1935 Act, a plan as according proper recognition to the relative litigation strengths of many conflicting claims and as providing "fair and equitable" treatment to all classes entitled to participate. Petitions for review filed Oct. 26 and 27, 1944.	Commission's motions to dismiss petitions granted Dec. 20, 1944 (146 F. 2d 513) on groun that CCA lacked jurisdiction to extertain petitions and proper forum was District Court in which Sec. 778 reorganization proceedings were pending. Rehearing denied Feb. 10, 1945.
The North American Co.	Second	Juna 12, 1942; Aug. 21, 1942.	Commission's orders under Sec. 11(b)(1) of 1935 Act required North American to confine itself to single integrated public utility electric system in St. Louis area, with certain related incliental businesses. North American petitioned for review on ground that Sec. 11(b)(1), if construed to permit such orders, was unconstitutional. Upon stipulation, two petitions consolidated by order of court. Orders affirmed by CCA, Jan. 28, 1943 (133 F. 2d 148). Certiorari granted Mar. 1, 1943 (318 U. S. 750). Briefs filed on merits, but argument delayed pending quorum of justices qualified to hear case. Quorum attained and case returned to docket, May 28, 1945.	Pending in Supreme Court.

TABLE 28.—Petitions for review of orders of Commission under the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1940, pending in circuit courts of appeals during the fiscal year ended June 30, 1945.—Continued

Petitionar ·	United States Circuit Court of Appeals	Initiating papers filed	Nature and history of case	Status of case
Semuel Okin (Electric Bond and Share Co., Florida Power & Light Co., and American Power & Light Co.).	Second	Feb. 26, 1944	Petitioner, minority stockholder of Electric Bond & Share Co., sought review of order under 1935 Act, involving American Power & Light Co. and Florida Power & Light Co., both part of Bond & Share system. Commission moved to dismiss on ground petitioner had no standing to sue unless he could show compliance with rules governing stockholders' derivative actions, and on further ground petition frivolous and moot.	Notion to dismiss granted July 10, 1944 (143 F. 2d 943). Ention to amount petition for review denied Aug. 7, 1944, and petition- or's motion for leave to reargue motion to dismiss denied Sept. 21, 1944.
Samel Ckin (American & Foreign Power Co., Inc., and Electric Bond and Share Co.)	Second	Har. 22, 1944	Petitioner, minority stockholder of Electric Bond & Share Co., sought review of order under 1935 Act, involving Bond & Share and American & Foreign Power Co., Inc., its subsidiary. Countssion's motion to dismiss, on grounds petitioner had no standing to sue unless he could show compliance with rules governing stockholders' derivative actions and that petition was frivolous, demied July 10, 1944 (143 F. 24 945). Rehearing demied, July 22, 1944. Commission's second motion to dismiss demied without opinion, Dec. 2, 1944. Certiorari grented Mar. 12, 1945 (65 Sup. Ct. 856). CGA affirmed by Suprems Court, June 4, 1945 (65 Sup. Ct. 1254), apinion ascended	Pending
Samuel Okin (Electric Bond & Share Co., and American Power & Light Co.)	Second 	May 29, 1944	on June 18, 1945. Petitioner, minority stockholder of Electric Bond & Share Co., had been granted privilege of limited participation in a 1935 Act proceeding involving Bond & Share and certain of its subsidiaries. On May 23, 1944, Commission denied petitioner's motions that trial examiner be removed, that proceeding be stayed, and that trial examiner's revocation of his privilege of limited participation be overruled. Petitioner sought review of rulings on motions and requested stay of Commission	Stay denied and motion to dismiss granted July 14, 1944 (143 F. 2d 960). Order dismissing petition filed Oct. 17, 1944.
Sammal Okin (Electric Power & Light Corp.)	Second	July 12, 1944	proceedings. Petition to review order of Eay 13, 1944, under 1935 Act, approving application by Electric Power & Light Corp. for paralasion to purchase preferred shares of its subsidiary, Hississippi Power & Light Company, conditioned on conversion of acquired shares to common shares. Commission cought dismissal or summary affirmance on ground petition was frivolous.	Order affirmed, Dec. 1, 1944. (145 F. 2d 913)
Samuel Ckin (Electric Bond & Share Co., Electric Power & Light Corp., and United Gas Corp.)	Second	Sept. 20, 1944	Petition to review order of Sept. 7, 1944, approving reorganization plan, under Sec. 11(e) of 1935 Act, of United Gas Corp., in which petition Electric Power & Light Corp. and Electric Bond & Share Co. joined. Commission, sought dismissal on ground that order approving Sec. 11(e) plan may not be reviewed by COA where plan is subject to district court enforcement. Petition dismissed (145 F. 2d 206). On Okin's petition for certiorari, Commission conceded that COA might have jurisdiction with respect to portion of order relating to Bond & Share's use of proceeds from reorganization plan - this ground for review having previously been obscured by prelimity of petitionar's papers. On June 18, 1945, writt of certiorari granted limited to question whether that part of Commission's order which licensed Bond & Share's use of proceeds can be reviewed only under Sec. 24(a) of 1995 Act. Judgment vacated and cause remanded for that purpose. (65 Sup. Ct. 1569)	Pending.

TABLE 28. Petitions for review of orders of Commission under the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, and the Investment Company Act of 1940, pending in circuit courts of appeals during the fiscal year ended June 30, 1945. —Continued

Potitioner	United States Circuit Court of Appeals	Initiating papers filed	Nature and history of case	Status of case
Sammal Ckin (Electric Power & Light Corp., and Mississippi Power & Light Co.)	Second.	0et. 20, 1944	Petition to review order under the 1935 Act, of Aug. 21, 1945, approving joint application and declaration by Electric Power & Light Corp. and its subsidiary, Mississippi Power & Light Company, insofar as such approval related to cancellation of certain preferred shares of Mississippi theretofore acquired by Electric. Order under review is related to order of Commission dated May 13, 1944, involving same parties, affirmed by CCA, Dec. 1, 1944, in Okin v. S.E.C. (145 F. 2d 913).	Pending.
Samel Orin (Electric Power & Light Corp., and Arkansae Power & Light Co.)	Second	Nov. 15, 1944	Petition to review orders under 1935 Act, issued Sept. 16 and 26, 1944, approving joint application and declaration by Electric Power & Light Corp. and its subsidiary, Arkanas Power & Light Co., involving capital contribution from parent to subsidiary and recapitalisation of subsidiary. Petitioner is common stockholder of Electric Bond & Share Company, parent of Electric Power & Light Corp.	Pending.
Sammal Ckin (American and Foreign Power Co., Inc., and Electric Bond and Share Co.)	Second	June 23, 1945	Petition to review order under 1935 Act, dated April 25, 1945, permitting six-months postponement of maturity date of a \$3,000,000 note owing from American & Foreign Power Company, Inc., to its parent, Electric Bond and Share Company. Note is one of series approved by Commission under order of January 22, 1944, also before court for consideration pursuant to decision of Supreme Court in Sec. v. Okin on June 4, 1945 (65 Sup. Ct. 1254) as smeaded on June 18, 1945.	Pending.
Pacific Gas & Electric Co.	Hinth	Sept. 18, 1941	Petition to review order demying application of petitioner under Sec. 2(a)(8) of 1935 Act to be declared not a subsidiary of the North American Co. Order affirmed April 14, 1942, one justice dissenting. (127 F. 2d 378). Petition for rehearing granted June 6, 1942. On rehearing, Commission's order affirmed by equally divided court, Nov. 22, 1943 (139 F. 2d 298). Petition for certiforari granted May 24, 1944 (322 U. S. 720).	Judgment of CCA sustaining order of Commission affirmed by equally divided Supreme Court, Mar. 12, 1945 (65 Sup. Ct. 855). Petition for rehearing demied April 9, 1945 (65 Sup. Ct. 1010).
Randolph Phillips (The United Corp.)	Second	Dec. 4, 1944	Plan of reorganization of United Corp. under Sec. 11(e) of the 1935 Act, involving exchange of Philadelphia Electric Company common stock and cash for certain preferred stock of United Corp. approved by Commission in orders dated Nov. 24, 1944, and Nov. 29, 1944, challenged by petitioners, inter alia, on grounds: (1) failure of plan to provide for stockholder approval or district court enforcement; (2) application of "fair and equitable" standards governing compulsory reorganizations to plan involving valuntary exchange; and (3) failure to provide adequate representation on board of directors to minority stockholders.	Pending.

TABLE 28.—Petitions for review of orders of Commission under the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, and the Investment Company Act of 1940, pending in circuit courts of appeals during the fiscal year ended June 30, 1945.—Continued

Petitioner	United States Circuit Court of Appeals	Initiating papers filed	Nature and history of case	Status of case
Randolph Phillips (The United Corp.)	Second:	June 15, 1945	Flan of reorganisation of United Corp. under Sec. 11(e) of the 1935 Act, involving exchange of Delaware Fower and Light Co. common stock and cash for certain preforence stock of United Corp. approved by the Commission in orders dated May 22, 1945 and June 9, 1945, challenged by petitioners, inter alia, on grounds: (1) failure of plan to provide for stockholder approval or district court enforcement; (2) application of "fair and equitable" standards governing compulsory recognizations to a plan involving a voluntary exchange; and (3) failure to provide adequate representation on board of directors to minority stockholders.	Pending.
Sanford L. Shams (Standard Gas & Electric Co.)	Second.	Jan. 16, 1945	Petition to review order dated Nov. 15, 1944, approving plan of recapitalization under Sec. 11(e) of 1935 act. On Jan. 31, 1945, Commission moved to dismiss petition, inter alia, on ground CCA lacked jurisdiction to entertain petition since proceedings for enforcement of plan were pending in U. S. District Court (Del.).	Petition dismissed Mar. 13, 1945.
Shawaut Association	Piret .	July 11, 1944	Petition to review order under Sec. 12(d) of the 1934 Act, entered May 12, 1944, granting petitioner's application to withdraw shares from listing and registration on Boston Stock Exchange, subject to retification of application by petitioner's shareholders. Potitioner challenged power of Commission to make such condition, and also appropriateness of order. First court review of Commission order under Sec. 12(d) of 1934 Act.	Order affirmed Jam. 15, 1945 (146 F. 2d 741).
Washington Railway & Electric Co., et al.	District of Columbia	June 12, 1942	On April 14, 1942, Commission, under Sec. 11(b)(1) of 1935 Act, ordered North American Co. to divest itself of interest in certain-named subsidiaries, including petitioners, and ordered petitioners to divest themselves of certain-named subsidiaries. On June 12, 1942, North American filed petition for review in Second Circuit and petitioners filed petition for review in Court of Appeals for District of Columbia. On Aug. 8, 1942, Commission filed certified transcript of record in Second Circuit. To avoid review of order by two courts, Commission on Aug. 20, 1942, filed notion to dismiss petition in Court of Appeals for District of Columbia.	Oct. 7, 1942, notice to dississ desired and order stayed pending disposition of Borth American's petition.

Table 29.—Civil Contempt Proceedings pending during the fiscal year ended June 30, 1945

Principal defendants	Hunber of defendants	United States District Court	Initiating papers filed	Status of case
Artemisa Mines, Ltd., and Oliver O. Kendall	. 2	Ārī soņa	June 28, 1943	Order entered November 15, 1943 adjudging Oliver O. Hendall, president of Artemisa Hines, Ltd., an Arisona Corporation, in contempt for failure to comply with order of court dated May 18, 1943 requiring the corporation to produce certain documents and papers. Pending. (See Table 33 - Action to Enforce Subposma)
Brower, W. R.	1	Southern District of California	May 10, 1944	Bearing Set for June 9, 1944 on order to show cause why Brewer should not be held in contempt of court for violating March 31, 1944 order to produce documentary evidence. Court continued contempt hearing to November 6, 1944, pending determination of appeal taken by Brewer contesting validity of order to produce. For curtam order granting
		·	, ,	Commission's motion to affirm CCa-9, Cotober 31, 1944. November 27, 1944 contempt order dismissed and Brewer ordered by court to comply with order to produce. (See Table 33 - Action to Enforce Subposma.)
The Penfield Company of California	1	Southern Histrict of California	Jan. 24, 1945	Order February 8, 1945 directing A. W. Young, Secretary-Treasurer of Fenfield Company of California, to appear before Hall, J. and show cause why an order should not be made holding him in contempt of court for failure to comply with order dated June 1, 1943. Young appeared on February 26, 1945 and waived personal service. On July 2, 1945 Young was held in contempt and fixed \$50. On September 13,
				1945 order entered by CCA-9 denying Commission's application for leave to file a petition for a writ of mundumus. On September 26, 1945 notice of appeal by Commission to CCA-9. Pending on appeal. (See Table 33 - Subpoena Proceedings.)

Table 30.—Actions against Commission or employees of the Commission to enjoin enforcement under the Acts administered by the Commission, fiscal year ended June 30, 1945

Home of case	United States District Court	Initiating papers filed	Hature of case	Status of case
Bankers Securities Corporation v. Canson Percell, Chairman of Securities and Exchange Com- mission, et al.	Bastern District of Pennsylvania	Nay 18, 1944	Complaint filed May 18, 1944, for declaratory judgment that plaintiff is not investment company within meaning of Sec. 3 (a) of 1940 Act and is excepted from statutory definition of investment company by Sec. 3 (a) (6) and (7) of Act, and for injunction barring Commission and Commissioners from invoking sanctions of Act against plaintiff. On June 9, 1944, Commission moved to dismiss complaint on grounds that suit was against Government, and therefore, not maintainable without consent of Government, and that complaint falled to state a case or controversy.	Stipulation for withdrawal of complaint approved by court and complaint dismissed Feb. 14, 1945.

TABLE 31.—Cases (other than reorganization cases under Chapter X) in which the Commission participated as intervener or as anicus curiae, pending during the fiscal year ended June 30, 1945.

Name of Case	Court	Brief filed	History and Nature of Case	Status of Case
The American Distilling Company, et al. v. Bussell R. Brown	N. Y. Supreme Court; Appellate Division of N. Y. Supreme Court; and N. Y. Court of Appeals.	October 5, 1944; March 1945; and September 1945.	Motion to dismiss action in N. Y. Supreme Court for recovery of "short term" trading profits under Sec. 16(b) of 1934 act on ground that Sec. 27 of act vests federal courts with "exclusive jurisdiction" of all actions under act. Sec. 16(b) refers to "court of competent jurisdiction". On Oct. 5, 1944, Commission filed brief as amicus curiae construing jurisdictional language in Sec. 16(b) in light of qualifying provisions of Sec. 27 and supporting exclusive jurisdiction of federal courts. Motion to dismiss granted Dec. 12, 1944 (51 N.Y.S. 2d 614). In May 1945, Commission filed brief as amicus curiae in appeal to Appellate Division of N. Y. Supreme Court. Judgment affirmed, May 4, 1945 (54 N.Y.S. 2d 855). On May 25, 1945, plaintiffs appealed to N. Y. Court of Appeals. In September 1945, Commission filed brief as amicus curiae in support of the judgment	Pending in New York Court of Appeals.
Auburn Savings Bank, et al. v. Portland Railroad Company, et al.	Supreme Judicial Court of Maine	June 25, 1945	of the Appellate Division. Stockholders' suit in state court, filed Feb. 3, 1945, collaterally attacked order of Commission under Section 11(e) of 1935 Act, dated Dec. 19, 1944, approving plan for liquidation and dissolution of Portland Railroad Company, a statutory subsidiary of Central Maine Fewer Co. Plaintiffs seek to set aside various transactions consummated under the plan and enjoin consummation of others. On June 25, 1945, Commission filed brief as amicus curias noting subsequent filing (on Feb. 16, 1945) of petition for review of Commission's order in C.C.A. 1, and taking position that, under 1935 Act, state court lacked jurisdiction to enjoin or set aside transactions involved, or to issue decree inconsistent with Commission's order. Petition for review in C.C.A. dismissed on motion of	Pending.
Clarence F. Avery, individually and as liquidating partner of Avery & Co. v. Fred C. Moffatt, Acting President of the New York Curb Exchange.	H. Y. Supreme Court	Feb. 20, 1945	petitioners, July 2, 1945 (See Marrice A. Rowers and Theron A. Woodsum, noted in Appendix Table 25, Petitions for Review). Plaintiff, individually and as liquidating partner of Avery & Co., former member of New York Curb Exchange, sued acting president of Exchange for alleged wrongful dissolution of firm, illegal suspension of two partners from Exchange, and refusal of Exchange to permit member firm to employ plaintiff individually as its representative. Action had been taken by Board of Covernors, pursuant to Exchange's constitution, after hearing on charges of improper trading activity by firm. Commission filed brief as amious curies only on issue of whether certain members of Board of Governors who had brought charges were necessarily disqualified from participating in Board's determination, arguing against disqualification	Judgment for defendant entered April 16, 1945 (55 H.Y.S. 2d 215).

TABLE 31.—Cases (other than reorganisation cases under Chapter I) in which the Commission participated as intervener or as amicus curiae, pending during the fiscal year ended June 30, 1945.—Continued

Name of Case	Court	Brief filed	History and Nature of Case	Status of Case
Continental Bank and Trust Company of New York v. The First National Petroleum Trust (Sadie L. Aberson, et al., Interveners).	U. S. District Court (D. R. I.).	July 16, 1945 and Sept. 28, 1945	On Oct. 18, 1944, trustee under indenture qualified under Trust Indenture Act of 1939, instituted action against debtor business trust for accumulated overdue interest. Defense raised that, pursuant to permissive indenture provision taken from Section 316(a)(1) of the 1939 Act, authorizing majority to direct indenture trustee as to "time, method and place of conducting any proceeding", majority debenture holders had directed action be instituted on July 1, 1947, and not before. July 16, 1945, Commission filed brief as amigus curiae supporting action on ground that disputed provision did not authorize majority to defeat enforcement nor effect postponement of interest payment for period sought. On September 28, 1945, Commission filed supplemental reply brief. Oral argument held October 1, 1945. First	Pending.
C. E. droesbeek, et al. v. Dora Coldstein	U. S. Supreme Court	August 1944	court case involving construction of 1939 Act. Derivative suit by shareholder of American Fower and Light Company on behalf of four subsidiary operating companies, against parent, Electric Bond and Share Company and certain subsidiaries of the latter, for accounting of profits under service and construction contracts with operating companies in violation of Sec. 4(a)(2) of the 1935 Act. District Court (S.D.N.Y.) dismissed complaint on procedural grounds. C.C.A. 2 reversed and upheld suit notwithstanding agreement between Commission, Attorney General, Postmaster General, and Electric Bond and Share Company and its subsidiaries (made before decision in Electric Bond and Share Company and its subsidiaries (made before decision in Electric Bond and Share Company v. S. E. C., on March 28, 1938, 303 U. S. 419, upholding constitutionality of registration provisions of 1935 Act), that no civil or criminal proceedings be brought on account of violations of Act committed prior to adjudication of constitutionality	Cert. demied Oct. 9, 1944 (323 U.S. 737).
Guaranty Trust Company of New York v. Grace W. Iork	U. S. Supreme Court	Jan. 3, 1945	C.C.A. held agreements did not ber private suit, 142 F. 2d 422 (April 7, 1944). On petition for certiorari, United States and Commission filed brief as amici curiae supporti holding of C.C.A. Suit against indenture trustee for breach of trust. Defens of laches based on application of state statute of limitations. District Court (S.D.N.Y.) entered summary judgment for defendant. On March 2, 1944, C.C.A. 2 reversed and remanded case, holding state statute of limitations, whether or not it would ber suit in the state courts, could be disregarded by Federal court sitting in equity. Rehearing denied and revised opinion filed by C.C.A. on May 25, 1944 (143 F. 2d 503). Petitic for certiorari granted Oct. 9, 1944 (323 U. S. 693). On Jan. 3, 1945, S.E.C. filed a brief as amicus curiae in support of the decision of C.C.A., case being important precedent in cases arising under statutes administered by S.E.C.	e On June 18, 1945, Supreme Court revers C.C.A. (55 Sup. Ct. 1464), holding feder equity court bound b state law governing limitation of action Two justices dissent

TABLE 31.—Cases (other than reorganization cases under Chapter I) in which the Commission participated as intervener or as amicus curiae, pending during the fiscal year ended June 30, 1945.—Continued

Name of case	Court	Brief filed	History and Nature of Case	Status of Case
Illinois Iowa Power Co. v. North American Light & Power Co.	U. S. District Court (D. Del.)	Feb. 13, 1943 (Motion to intervene)	Suit egainst plaintiff's perent, Light & Power, alleging overreaching by perent. Commission moved for leave to intervene and for stay, on ground, inter alia, that Section 11 pro-	Pending.
			ceedings pending before it under 1935 Act with respect to Light & Power involved the same parties and same claim and would dispose of issues in case. Intervention permitted and	-
Earry E. Kaledner, U. S. District Judge for the Eastern District of Penna. v. Webster Risemlohr, Inc.	U. S. Supreme Court	May 18, 1945	stay granted, Aug. 27, 1943. In pending stockholders' representative suit District Court savised that holdings of plaintiff and sub- stantial portion of stockholders represented had been improperly purchased by defendant corporation. District Court appointed special master to investigate	Cert. denied May 28, 1945 (65 Sup. Ct. 1404).
			circumstances surrounding purchase to determine exis- tence of freud or misconduct in contravention of Rule of Procedure relating to dismissal or compromise of class suits and of anti-freud regulations of Securities Exchange Act of 1934. On petition of defendant corpo- ration, on May 28, 1945, C.C.A. 3 issued writ of mandams requiring the district judge to vacate his order of reference (145 F. 26 316). Two judges dissembed. In April 21, 1945 the district judge filed petition for	
Marjorie D. Kogan v, David A. Schulte et al.	U. S. District Court (S.D.N.Y.)	March, 1945, and April 16, 1945	certiorari. On May 18, 1945, Commission filed brief as anicus curiae in support of petition. Action instituted Sept. 12, 1944 under Sec. 16(b) of the 1934 Act to recover profits received by officer and director on "short term" trading in company's securities in contravention of the Act. On Mar. 14, 1945, plaintiff moved for	Pending.
			partial summary judgment for profit realised on sale of common stock acquired on option to convert shares of preferred stock. Commission filed briefs as saious curiae on proper construction of Section 16(b). District Court, although denying motion for partial summary judgment due to difficulty of determining recoverable profit on available swidence, held that exercise of conversion option was non-exempt "purchase" and that such construction did not render statutory provision unconstitutional.	
The Hew York Eacht Club v. Arthur H. Franklin; and Hary Stevens Baird v. Arthur H. Franklin (consolidated actions).	Court of Appeals for the Second Carcuit, and U.S. Supreme Court.	Dec. 8, 1943	Civil action against New York Stock Exchange for damages allegedly sustained by failure to take disciplinary action against Richard Whitney, a member, notwithstanding knowledge of his defalacations. The Commission filed brief as amigus curise, taking position that registered exchange is under statutory duty to enforce its own rules and that failure to do so, resulting in legal injury, renders exchange liable for damages under 1934 act. On Feb. 25, 1944, CCA concurred in this view but found no damages had been shown. Plaintiff petitioned for certificart.	Cert. demicd, Oct. 9, 1944 (323 U. S. 737).

TABLE 31 .- Cases (other than reorganization cases under Chapter I) in which the Commission participated as intervener or as amicus curiae, pending during the fiscal year ended June 30, 1945.--Continued

Name of case	Court	Brief filed	History and nature of case	Status of case
Louis Oppenheimer et al. v. F. J. Toung & Co. Inc. et al.	Court of Appeals for the Second Circuit	Mar. 31, 1944	Class action by former holders of bonds of foreign municipality, charging defendants with damages arising out of alleged violations of 1934 Act in connection with repurchases of bonds. District court held complaint did not state class action within Federal rules of civil procedure and dismissed complaint insofar as it sought relief for class. On appeal in Second Circuit, the Commission filed brief as amicus curiae taking position that use of class action was necessary and proper for effective prosecution of civil actions under 1934 Act and that criteria for determining whether requirements for class action exist should be based upon various considerations	Case argued Eny 8, 1944. Pending.
Alfonse Salomone v. Knowyille Gas Co., et al.	U. S. District Court (N. D. Tenn.)	June 19, 1945	set forth in Commission's brief. In compliance with Commission's order under Section 11(b)(1) of 1935 Act, dated Aug. 17, 1943, requiring Cities Service Power & Light Co. to divest itself of holdings in Knoxville Gas Co., on Jan. 2, 1945, latter agreed to sell its assets to City of Knoxville, Tenn. Flaintiff, preferred stockholder of Knoxville Gas Co., brought suit for injunction against sale, for appointment of receiver, and for judicial determination, inter alia, of relative rights of creditors and stock- holders. Commission petitioned for leave to intervene on ground that judicial determination sought would affect Commission's administrative functions under Sec. 11(d) and (e) of Act. Supporting brief filed June 19, 1945. On June 28, 1945, injunction against sale denied, proceeds of sale ordered paid into Registry of Court, and Commission granted leave to intervene, but decision reserved on question of whether, under 1935 Act, Commission or District Court has primary jurisdiction to determine relative rights of parties	Pending.
United Funds Management Corp., Bankrupt, In re	U. S. District Court (W.D.Mo.)	March 19, 1945	to proceeds of sale. Corporation filed voluntary petition in bankruptcy Sept. 30, 1942, and adjudicated bankrupt Oct. 1, 1942. Debtor is investment company which, prior to investment Company Act of 1940, issued several series of face amount certificates pursuant to separate collateral trust indentures neurring payment thereof. Commission is participating in proceedings as anicus curiae by invitation of the Court. Hearing to determine nature and extent of certificate holders' claims and security therefor held March 8, 1945. Commission filed comprehensive brief on these issues. On Apr. 20, 1945, court issued memorandum opinion and order directing partial distribution. Final distribution of cash surrender values, as determined by court, and interim payments, directed by July 21, 1945 orders, amended August 25, 1945. Final decrees incorporating orders issued August 27, 1945. In addition to brief dealing with problems of distribution, Commission has filed briefs to assist Court on other questions.	Pending.

TABLE 32:-Action to carry out voluntary plans to comply with Sec. 11(b) of the Holding Company Act of 1935.

Name of Case	United States District Court	Initiating papers filed	Hature of Cage	Status of Case
American Utilities Service Corp.	Delumre No. 535	Har. 14, 1945	Application to enforce and carry out plan to effectuate provisions of Sec. 11(b) and to enjoin interference.	Order April 21, 1945, approving plan as fair.
Central States Pener & Light Corp., In Ro	Delaware No. 354	Dec. 14, 1945	Application to enforce and carry out plan to effectuate provisions of Sec. 11(b).	equitable and appropriate. Order Jan. 5, 1944, approving plan as fair, equitable and appropriate. Opinion filed Oct. 30, 1944, approving plan as feir, equitable and appropriate. (56 F. Supp. 877) Supplemental order entered
Company	Delaware No. 382	Feb. 27, 1945	Supplemental application to enforce and carry out plan to effectuate provisions of Sec. 11(b) and to enjoin interference.	Dec. 27, 1944. Supplemental order Mar. 20, 1945, approving plan as fair,
Georgia Pawer & Light Co.	M.D. Ga. No. 133	Jan. 30, 1945	Application to enforce and carry out plot to effectuate provisions of Sec. 11(b) and to enjoin interference.	oquitable and appropriate. Order Mar. 6, 1945, approving plan as fair, equitable and
The Laclede Gas Light Co., In Re	R.D. Hiscouri No. 2756	1607 31, 1944	Application to enforce and carry out plan to effectuate provisions of Sec. 11(b).	appropriate. Opinion Aug. 25, 1944, approving plan as fair, equitable and appropriate. (57 F. Supp. 997) Order entered Dec. 4, 1944. Appeal filed March 2, 1945 by
Ennescia Pover & Light Co.,	Mimerote	3-ma 17 1015		Mossohnsetts Motual Life Insurance Co., CCA-8. Pending.
et al., In Re		June 7, 1945	application to enforce and carry out plan to effectuate provisions of Sec. 11(b) and to enjoin interference.	Pending.
Republic Service Corp., et al., In Re	Delaware No. 569	April 18, 1945	Application to enforce and carry out plan to effectuate provisions of Sec. 11(b) and to enjoin interference.	Order May 18, 1945, approving plan as fair, equitable and
Southern Coloredo Fower Company, In Re	Colorado No. 670	Nov. 24, 1943	Application to enforce and carry out plan of recepitalization to effectuate provisions of Sec. 11(b).	appropriate, Order Jam. 19, 1944, approving plan as fair, equitable and appropriate.
		, ,		Appeal filed by Batler Disman, CCA-lo. Order of District Court affirmed Feb. 21, 1945. (147 F. 2d 679) Petition for certiorari demied
Standard Gas and Electric Co., in Re	Delaware No. 489	Bov. 18, 1944	Application to enforce and carry out plan to effectuate provisions of Sec. 11(b) and to enjoin interference.	May 21, 1945. Opinion and decree filed March 29, 1945 adjudging that the treatment accorded the noteholders is not fair, but that the plan is fair in all other respects. (59 f. Supp. 274) Appeal filed by SEC March 29, 1945. Appeal filed by Stundard Gae & Electric Co. April 24, 1945. Appeal filed by Guaranty Trust Co. of New York, et al. April 12, 1945. CCA-3. Pending.

TABLE 32.—Action to carry out voluntary plans to comply with Sec. 11(b) of the Holding Company Act of 1935.—Continued

Name of Case	United States District Court	Initiating papers filed	Nature of Case	Status of Case
United Cas Corporation	Delaware No. 271	Sept. 8, 1944	Application to enforce and carry out plan to effectuate provisions of Sec. 11(b) and to enjoin interference.	Order Nov. 20, 1944; approving plan as fair, equitable and appropriate. (58 F. Supp. 501) Appeal filed by Samuel Okin Feb. 20, 1945. CC4-3.
United Light and Power Company, In Re	Delaware No. 303	April 16, 1943	Application for approval of distribution plan resulting in dissolution of holding company and for injunction against interference with enforcement of the plan.	Order Aug. 4, 1943, approving plan as fair, equitable and appropriate. (51 F. Supp. 217) Appeal filed by Otis & Co. CCA-3. Order of District Court afframed April 20, 1944. (142 F. (24) 41) Certiorari granted by U. S. Supreme Court June 12, 1944.
		. ~		Order affirmed by U. S. Supreme Court, Jan. 29, 1945. (323 U.S. 624) Petition for rehearing denied March 5, 1945.
York County Cas Company, In Re	M.D. Pa. No. 1652	Dec. 19, 1944	application to enforce and carry out plan to effectuate provisions of Sec. 11(b) and to enjoin interference.	Order February 7, 1945, approving plan as fair, equitable and appropriate.

Table 33.—Proceedings by Commission, pending during the fiscal year ended June 30, 1945, to enforce subpoens under the Securities act of 1933 and the Securities Exchange Act of 1934.

Principal defendants	hunber of de- fendants	United States District Court	Initiating papers filed	Section of Act involved	Status of cess
Artamisa Mines, Itd., et al.	2	Arisona	April 8, 1943	Sec. 22(b) of 1933 Act	Order May 18, 1943 required Artemias Mines, Ltd. to appear before an efficer of the Consission on June 28, 1943 and produce the records described in subpoeme duces tecum. Order May 18, 1943 directs application as to respondent Minas de Artemias, S.A., upon the pleadings, etc. be submitted for further order of the Court. Sept. 19, 1944 Court dismissed application with respect to Minas de Artemias, S.A. for lack of jurisdiction. June 26, 1945 reversed CCA-9. Aug. 1, 1945 order entered requiring Minas de Artemias, S.A. to respond to subpoeme duces tecum. [Soe Table 29 - Civil Contempt Proceedings.]
Axton-Fisher Tobacco Company	ı	Western District of Kentucky	Sept. 1, 1944	Sec. 21(a) of 1934 Act	Order Sept. 1, 1944 directing compliance with subpoena to produce documentary evidence.
Brewer, (W.R.) (Petroleum Pinance Corp.)	1	Southern District of California	Mar. 14, 1944	Sec. 22(b) of 1933 Act	Order March 31, 1944 directing respondent to produce documents as set forth in subpoens ducas terms with certain exceptions. May 13, 1944 notice of appeal by respondent. October 31 order granting Commission's motion to affirm CCA-9. [See Table 29 - Civil Contempt Proceedings.]
McCarry, (W. E.) et al. (Industrial Loan Corp.)	3	Col.orado	June 14, 1944 _.	Sec. 22(b) of 1933 Act.	Order July 29, 1944 requiring respondents to produce documents described in subpoons duces tecum. Aug. 19, 1944 notice of appeal by respondents to CCA-10. Feb. 7, 1945 order affirmed. March 22, 1945 order by District Court enforcing subpoens duces tecum.
The Penfield Company of Californ	nia 1	Southern District of California	April 13, 1943	Sec. 22(b) of 1933 Act.	Order June 1, 1943 required respondent to produce books and records on June 1, 1943. Ordinion rendered June 30, 1944 by CCA-9 affirming the judgment of June 1, 1943. Cert. den. United States Supreme Court Nov. 6, 1944. (See Table 29 - Contempt Proceedings.)

•	•	Proceedings instituted under	rem	tion	Participation 2/	Securities and Exchange Commission notice of ap- pearance filed
Debtor	Metrict Court		Filod	, Approved		
Adam Block Corporation	N. D. 111	Ob. X	Nov. 28, 1939	Doc. 29, 1939	Request	Sept. 27, 1940
Albany Hotel Corporation American Ruel and Power Company	N. D. N. Y. B. D. Ky.	do Seo. 77-8	Mar. 20, 1943	Mar. 20, 1943	Motion	Apr. 1, 1943
Buckeye Fuel Company	do do	Ch. X	Dec. 6, 1935 Nov. 28, 1939	Dec. 20, 1935 Nov. 28, 1939	Request do	May 1, 1940
Buckeye Gas Service Company	46	do	do	Nov. 28, 1939 do	do l	do do
Carbreath Gos Company	do	do	do	1 40	do	do
Inland Gas Distributing Company	do	do	do .	do	i do	do
Arrowhead Lake Corporation	8. D. Calif.	do	Mar. 1, 1940	Mar. 1, 1940	Motion	Mar. 19, 1940
Associated Gas & Electric Company	. S. D. N. Y.	do	Jan. 10, 1940	Jan. 10, 1940	do	Jan. 15, 1940
Associated Cas & Blectric Corporation	S. D. N. Y.	do	do	do	do	do
Bankers Building, Inc.	N. b. 111.	do	Sept. 21, 1943	Oct. 5, 1943	do	Oct. 19, 1943
Barolay Hotel Corporation	S. D. N. Y.	do	May 29, 1942	June 10, 1942	do	June 10, 1943
Barlum Realty Company Bellevue-Stratford Company	E. D. Rich.	do Sec. 77-8	Aug. 17, 1943	Dec. 14, 1943	Request	Oot. 19, 1943
Bennett Oll Corporation	B. D. Pa. N. D. Tex.	Sec. 7/≠8	Oct. 30, 1936	Oct. 31, 1936 Nov. 2, 1940	do	Feb. 24, 1939 Aug. 29, 1941
Southern Crude Oil Purchasing Co.	do	do	do	do 1940	do	Aug. 29, 1941 do
Brand's Rostaurent Control Corporation	. S. D. N. Y.	do	Aug. 2, 1939	Aug. 10, 1939	Motion (-	Aug. 30, 1939
Broadway Exchange Corporation	8. D. N. T.	do	Apr. 9, 1942	Apr. 9, 1942	Request	Apr. 11, 1942
Brown Company	D. Maine	Sec. 77-23	Sept. 4, 1935	Sopt. 4, 1935	Motion	Mar. 14, 1939
Burton Coal Company	N. D. 111.	Ch. X	Sept. 7, 1938	Sept. 9, 1938	Request	Oct. 11, 1943
Freeman Coal Mining Company	do	do	do .	do	do	do \
Seymour Coal Mining Company	do	do	do	do	do	do
Calumet and South Chicago Railway Co. Central States Electric Corporation	B. D. Ve-	do	June 29, 1944	Sept. 18, 1944	Kot1an	Oct. 20, 1944
Cenwest Corporation	B. D. V. Y.	do i	Feb. 26, 1942 Mar. 17, 1942	Fab. 27, 1942	Request	Har. 11, 1942
Chicago, Aurora and Elgin Railroad Co.	N. D. 111.	do	Mar. 17, 1942 Mar. 22, 1945	Apr. 3, 1942 Apr. 30, 1945	Kotion de	Mar. 21, 1942 May 16, 1945
Chicago City Railway Company	N. D. 111.	do	Nov. 27, 1939	Sept. 18, 1944	do ·	May 16, 1945 Oct. 20, 1944
Chicago, North Shore and Milwaukee Railron		do	Apr. 7, 1942	July 29, 1942	do	Mar. 8, 1943
Chicago Railways Company	N. D. 111.	do	Oct. 15, 1938	Sept. 18, 1944	40	Oct. 20, 1944
Childs Company	- S. D. N. Y.	do	Aug. 26, 1943	Aug. 27, 1943	đo	Aug. 26, 1943
Commonwealth Light & Fower Co.	H. D. Ill.	8eo. 77-B	Oct. 9, 1934	Oct. 15, 1934	Request	June 21, 1940
Inland Power & Light Corporation	H. D. Ill.	, <u>d</u> o	Oct. 10, 1934	do	, do	do
Coney Island Theatre Company Congress and Senate Company	B. D. H. Y.	Ch. X	Мау 1, 1944	May 1, 1944	do	May 31, 1944
Consolidated Rock Products Company	8. D. Calif.	do	Nov. 20, 1944	Nov. 20, 1944	Kotion	Jan. 31, 1945
Consumers Rock & Gravel Co., Inc.	do do catti.	do do	May 24, 1935 do	May 24, 1935	do do	July 22, 1940
Union Rock Company	do	do -	do	do	do	do
Covered Wagon Company	E. D. Mich.	Ch. X	Aug. 29, 1940	Aug. 30, 1940	Request	Sept. 27, 1940
Cuyahoga Finance Company	N. D. Ohio	do	Apr. 11, 1941	Apr. 25, 1941	do .	Apr. 28, 1941
Diversified Royalties of America	S. D. Calif.	do	Oct. 4, 1940	Oct. 7, 1940	Motion	Nov. 12, 1940
Diversified Royalties, Ltd.	- do	do	do	do	· do	do .
Eastern Building Corporation Eleven Park Place Corporation	8. D. N. Y.	do	May 3, 1943	May 20, 1943	do	Nay 25, 1943
Enbassy Company	S. D. N. Y. B. D. No.	do	Dec. 5, 1940	Dec. 19, 1940	do ,	Dec. 27, 1940
Emporium of St. Paul, Inc.	D. Minn.	do do	Nov. 20, 1944 Pab. 2, 1942	Nov. 20, 1944 May 7, 1942	do do	Feb. 7, 1945
Equitable Office Building Corporation	S. D. N. Y.	do	Apr. 10, 1941	Apr. 10, 1941	do	Aug. 12, 1942 Apr. 14, 1941
Byard Company	S. D. N. Y.	do	Apr. 4, 1942	Apr. 15, 1942	do	Apr. 14, 1941 Apr. 15, 1942
Rederal Facilities Realty Trust	H. D. Ill.	Sec. 77-3	Dec. 26, 1934	Apr. 25, 1935	Motion	Oct. 29, 1940
Foundation Properties, Inc.	5. D. N. Y.	Ch. I	Oct. 11, 1943	Oct. 11, 1943	do	Oct. 18, 1943
Carland Manufacturing Company	W. D. Pa.	đo	Mar. 26, 1940	Mar. 26, 1940	Request	May 3 1940
Olobe Industrial Loan Corporation	D. N. J.	do	Mar. 20, 1943	Mar. 20, 1943	Motion	Apr. 7, 1943
Century Capital Corporation	D. N. J.	do	Mar. 31, 1943	Mar. 31, 1943	do	do -
Gobel (Adolf) Inc.	S. D. H. T.	do	Sept. 29, 1941	Sept. 30, 1941	do	Oct. 1, 1941
Hotel Hartin Company of Utics Hotel Sylvania Co. (Delaware Corp.)	N. D. N. Y. E. D. Pa.	Sec. 77-B	June 6, 1935	June 19, 1935	do	June 24, 1939
Hotel Sylvania Corp. (Penna. Corp.)	B. D. Pa.	đo đo	Nov. 24, 1936	Nov. 24, 1936	do do	June 16, 1942 do
			ao ::			

[&]quot;Request" denotes participation at the request of the judge; "motion" refers to participation upon approval by the judge of Commission's motion to participate in proceedings.

Table 34 .- Reorganization proceedings in which the Commission participated during the fiscal year ended June 30, 1945-Continued

	District Court	Proceedings instituted under	Petit	t1on	1/ Participation	Securities and Exchange Commission notice of ap- pearance filed
Debtor			Filed	Approved		
otels Hajestic, Inc.	E. D. Pa.	do	Oct. 30, 1936	Oct. 31, 1936	do	Feb. 26, 194
ndiana Limestone Corporation	S. D. Ind.	Ch. X	Apr. 7, 1944	Apr. 21, 1944	do	May 12, 194
ndustrial Loan Company	8. D. Chio	· do	Aug. 21, 1941	Aug. 28, 1941	Request	Sept. 25, 194
nland Cas Corporation	E. D. Ky.	~ Sec. 77-B	Oct. 14, 1935	Nov. 1, 1935	do	Mar. 28, 193
nternational Mining & Milling Co.	D. Nev.	Ch. X	June 29, 1939	June 29, 1939	Motion	Aug. 7, 19;
Hount Caines Mining Co.	do	do	do	do	do	do
nternational Power Securities Corp.	D. N. J.	do	Feb. 24, 1941	Feb. 24, 1941	do]	Mar. 3, 19
sham Carden Apartments	- S. D. N. Y.	do	Apr. 7, 1943	Apr. 8, 1943	do	Apr. 13, 19
ackson Hamlin Building Corporation	n. p. 111.	ďο	Aug. 2, 1943	Aug. 13, 1943	Request	Oct. 15, 19-
effery Terrace Building Corporation	N. D. 111.	do	Oct. 11, 1943 Jan. 10, 1939	Nov. 10, 1943 Pab. 2, 1939	do l	Nov. 15, 19 Feb. 6, 19
oliet Elks Building Association	<u>do</u>	Sec. 77-B		Nov. 1, 1935	do	Mar. 28, 19
entucky Ruel Cas Company	R. D. Ky.			Feb. 11, 1935	do	Mar. 8. 19
systems Realty Holding Corporation	W. D. Pa.	Ch. I	Feb. 10, 1939 Nov. 30, 1944	Nov. 30, 1944	do 1	Feb. 10, 19
Ingaton Homes Building Corporation	N. D. III. N. D. III.	do do	Apr. 7, 1942	May 5 1942	do l	July 22, 19
orraine Castle Apartmente Building Corp.		Sec. 77-B	Jan. 28, 1938	Jan. 28, 1938	MotLon	Jan. 29, 19
os Angeles Lumber Products Co., Ltd.	S. D. Calif. S. D. N. Y.	Ch. K	Nov. 24, 1942	Nov. 24, 1942	do	Dec. 2, 19
ower Broadway Properties, Inc.	do	da da	Aug. 11, 1941	Aug. 13, 1941	Request	Aug. 14, 19
aior Brewing Company	S. D. Calif.	do	Dec. 4, 1940	Dec. 20, 1940	do	Aug. 4, 19
ara Villa Realty Company	B. D. Kich.	Sec. 77-B	Peb. 16, 1937	Feb. 18, 1937	i do	Dec. 6, 19
edinah Building Corporation	N. D. 111.	Ch. I	June 4 1941	July 28, 1941	do	July 28, 19
iddle States Utilities Company (Dela.)	W. D. No.	do	Apr. 30, 1943	May 1, 1943	Motion	July 16, 19
Middle States Utilities Company (Iowa)	do	do "	do	do	do	do
Middle States Utilities Company (Mo.)	do	do	do	do	do '	· do ~
idland United Company	D. Dela.	Sec. 77-B	June 9, 1934	June 9, 1934	do	Jan. 10, 19
Midland Utilities Company	do	do	do	do	do	do
corhead Kmitting Company	M. D. Ps.	Ch. I	June 19, 1941	June 24, 1941	do j	Aug. 6, 19
ount Forest Fur Farms of America, Inc.	E. D. Mich.	Sec. 77-B	Aug. 15, 1938	Aug. 15, 1938	Request	Sept. 28, 19
ational Realty Trust	N. D. 111.	do	Dec. 26, 1934	Apr. 25, 1935	Motion	Oct. 29, 19
934 Realty Corporation	S. D. N. Y.	Ch. I	Dec. 23, 1938	Dec. 21, 1940	do	Jan. 8, 19
forthern Redwood Lumber Company	N. D. Calif.	Sec. 77-8	Apr. 4, 1936	Apr. 4, 1936	do	Apr. 13, 19
forthwest Carolina Utilities Company	W. D. N. C.	Ch. X	July 8, 1942	July 8, 1942	_ do _,	Mar. 3, 19
Ammer Fara Register Company	S. D. Ohio	do	Dec. 29, 1937	Dec. 29, 1937	Request	May 16, 19
klahoma Railway Company	W. D. Okla.	Ch. X	Sept. 27, 1939	Sept. 27, 1939	Mottlen	Oct. 13, 19
88 Randolph Building Corporation	N. D. Ill.	Sec. 77-B	Aug. 5, 1935	Dec. 30, 1935	do	Jan. 17, 19
-R Holding Corporation	S. D. N. Y.	do	Apr. 24, 1942	May 21, 1942	do	- May 21, 19
enn Timber Company	D. Oreg.	Sec. 77-B	Feb. 18, 1938	Feb. 18, 1938	Request Motion	Jan. 5, 19 Jan. 27, 19
hiladelphia & Reading Coal & Iron Co.	E. D. Pa.	do n	Feb. 26, 1937	Feb. 26, 1937 July 3, 1934	Notion -	Jan. 17, 19
hiladelphia & Western Railway Company	E. D. Pa.	Sec. 77-B	July 2, 1934 May 16, 1939	July 3, 1934 Hay 16, 1939	Request	May 19, 19
ine Hill Collieries Company	do	do	do do	do 10, 1939	do	da da
Pine Hill Coal Company	W. D. Pa.	Sec. 77-8	May 10, 1938	May 10, 1938	do	Jan. 4, 19
Pittsburgh Motor Coach Co.	do	do	do do	do	do	do
ittsburgh Terminal Coal Corp.	do '	Ch. X	Dec. 4, 1939	Jan. 2, 1940	do	Jan. 6, 19
ittsburgh Terminal Warehouse & Trans. Co.	do	do .	Dec. 10, 1943	Dec. 10, 1943	do	Jan. 6, 19
lankinton Building Corporation	E. D. Wis.	do	June 25, 1940	June 27, 1940	do	July 16, 19
ortland Electric Power Company	D. Oreg.	do	Apr. 3, 1939	Apr. 3, 1939	do	Apr. 16, 19
maker City Storage Company	E. D. Pa.	do	Dec. 17, 1941	Feb. 13, 1941	Motion	Jan. 28, 19
. A. Security Holding, Inc.	E. D. N. Y.	do	May 7, 1942	July 31, 1942	i do i	мау 22, 19
eal Estate Mortgage Guaranty Co.	E. D. Pa.	do	July 11, 1940	Nov. 12, 1940) do	Nov. 12, 19
Realty Associates Securities Corporation	E. D. N. Y.	do '	Sept. 28, 1943	Sept. 28, 1943	do	Oct. 4, 19
Espade Realty Corporation	do '	do	MBF. 17, 1944	Mar. 20, 1944	do	Apr. 19, 19
Rentale Building Corporation	S. D. Ohlo	do	July 31, 1939	Nov. 1, 1939	do	Apr. 23, 19
teynolds Investing Co., Inc. Hits-Carlton Restaurant & Hotel Co. of	D. N. J.	Sec. 77-8	May 18, 1938	June 22, 1938	Request	Dec. 6, 19
Atlantic City	S. D. N. J.	Ch. X	Jan. 17, 1939	Jan. 20, 1939	do	Jan. 23, 19

^{1/ &}quot;Request" denotes participation at the request of the judge; "motion" refers to participation upon approval by the judge of Commission's motion to participate in proceedings.

Table 34.-Reorganization proceedings in which the Commission participated during the fiscal year ended June 30, 1945-Continued

	District Court	Proceedings instituted under	Peti	ion .	Participation 1/	Securities and Exchange Commission notice of ap- pearance filed
Debtor			Filed	Approved		
Roberts and Cake, Inc.	N. D. III.	do	Apr. 19, 1941	Apr. 19, 1941	Motion	May 23, 1941
Rocky Hountain Fuel Company	D. Col.	do	Feb. 12, 1944	Feb. 12, 1944	do	Apr. 3, 1944
Saint Charles Hotel Company	S. D. N. J.	do	Dec. 8, 1944	Dec. 8, 1944	Request	Dec. 16, 1944
Sheridan Melrose Building Corporation	N. D. 111.	do	July 1, 1943	July 7, 1943	Motion	Aug. 23, 1943
Silesism American Corporation	S. D. N. Y.	do	July 29, 1941	July 29, 1941	do	Aug. 1, 1941
South State Street Building Corporation	N. D. Ill.	đo	Oct. 17, 1938 ·	Oct. 18, 1938	do	Nov. 29, 1938
Sponsor Realty Company	S. D. N. Y.	do	July 17, 1942	Mar. 19, 1943	do	Sept. 25, 1942
32-36 North State Street Building Corp.	N. D. Ill.	. do	Mar. 14, 1944	Apr. 24, 1944	Request	June 7 1944
Thomas Allec Corporation	N. D. Calif.	· do	May 12, 1939	May 13, 1939	Motion	June 26, 1939
Transportation Building Corporation of		-				
Chicago	N. D. III.	do	Jan. 16, 1941	Feb. 13, 1941	Request	Feb. 21, 1941
Trinity Building Corporation of New York	S. D. N. Y.	- do	Jan. 18, 1945	Jan. 18, 1945	Motion	Feb. 19, 1945
Turnbow, W. C. Petroleum Corporation	E. D. Tex.	do	Feb. 21, 1940	Feb. 21, 1940	do-	Apr. 18, 1940
263 West 38th Street Corporation	S. D. N. Y.	do .	Dec. 26, 1940	Mar. 5, 1941	do	Jan. 29, 1941
Ulen and Company	S. D. N. Y.	i do	June 14, 1940	June 14, 1940	do	June 17, 1940
U. S. Realty and Improvement Company	do	do	Feb. 1, 1944	Feb. 1, 1944	Request	Feb. 7. 1944
Valier-Montana Land & Water Company	S. D. Mont.	do	Jan. 15, 1942	Jan. 15, 1942	Motion	Mar. 5, 1942
Van Ransselaer Estates, Inc.	S. D. N. Y.	Sec. 77-B	July 12, 1935	July 12, 1935	. do	July 22, 1941
Van Sweringen Corporation	N. D. Ohio	do	Oct. 13, 1936	Oct. 15, 1936	do	Jan. 23,-1940
Cleveland Terminals Building Corp.	do	do	do	do	do	do d
Warner Sugar Corporation	S. D. N. Y.	Ch. X .	June 7, 1940	July 9, 1940	Request	July 9, 1940
Washington Gas & Electric Corporation	do	do	Sept. 29, 1941	Sept. 29, 1941	<u>Hotion</u>	Oct. 14, 1941
Wateon Realty Company	E. D. Kich.	Sec. 77-B	Apr. 28, 1936	Apr. 28, 1936	Request	Jan. 7, 1939
Westover, Inc.	5. D. N. Y	Ch. X	Mar. 18, 1943	Mar. 24, 1943	<u>Hotaon</u>	Mar. 24, 1943
-Wilkes_Barre Railways-Corporation	M. D. Pa.	do '	July 1, 1943	July 1, 1943	do	July 15, 1943
Wilkes-Barre Railway Company	do ·	do do	do	do	do	do
Wilkes-Barre Trackless Trolley Company	do	đo	do `	do	do´	, do
Wyoming Valley Autobus Company	do	do	, do	do	, d o	do
Myoming Valley Public Service Company	qó	do	do	do ·	do) do
Windsor Wilson Liquidation Trust	N. p. 111.	do	Mar. 18, 1941	May 28, 1941	Request	June 12, 1941
York Railways Company	E. D. N. Y.	Sec. 77-B	Nov. 30, 1937	Nov. 30, 1937	Motion	Jan. 5, 1943

^{1/ &}quot;Request" denotes participation at the request of the judge; "motion" refers to participation upon approval by the judge of Commission's motion to participate in proceedings.