

**NINTH ANNUAL REPORT**

**of the**

**SECURITIES AND EXCHANGE COMMISSION**

**. FISCAL YEAR ENDED JUNE 30, 1943**

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LETTER OF TRANSMITTAL

SECURITIES AND EXCHANGE COMMISSION,  
*Philadelphia 3, Pa., January 28, 1944.*

Sir:

I have the honor to transmit to you the Ninth Annual Report of the Securities and Exchange Commission, required by 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.

We have followed the war-time policy that we initiated last year of presenting our report as concisely and economically as possible.

Respectfully,

Ganson Purcell,  
*Chairman.*

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

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

COMMISSIONERS

Ganson Purcell, *Chairman*  
Robert E. Healy  
Sumner T. Pike  
Edmund Burke, Jr. 1/  
Robert H. O'Brien

Orval L. DuBois, *Secretary*.

LOCATION OF REGIONAL OFFICES

Atlanta, Georgia	Palmer Building (Room 415)
Baltimore, Maryland	Baltimore Trust Building (Room 2410)
Boston, Massachusetts	Shawmut Bank Building (Room 426)
Chicago, Illinois	Bankers Building (Room 630)
Cleveland, Ohio	Standard Building (Room 1608)
Denver, Colorado	Midland Savings Building (Room 822)
Fort Worth, Texas	United States Courthouse (Room 103)
New York, New York	Equitable Building (Room 2006)
San Francisco, California	625 Market Street (Room 1301)
Seattle, Washington	1411 Fourth Avenue Building (Room 810)

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1/ Resigned October 19, 1943.

## PART I

### ADMINISTRATION OF THE SECURITIES ACT OF 1933

#### GENERAL SCOPE OF REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT OF 1933

The Securities Act of 1933 provides for full disclosure of pertinent information regarding securities publicly offered for sale in interstate commerce or through the mails, but does not confer 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. Issuers of securities to be publicly offered and sold in interstate commerce are required to file registration statements with the Commission. These registration statements must contain specified information on the proposed offering and are available for public inspection. An integral part of the requirements of each statement is a prospectus setting forth in condensed or summarized form the more essential information contained in the registration statement. The Act provides that the prospectus must be made available to all prospective purchasers of the security. The Commission's registration and examination procedures, and its power to issue stop-order proceedings to suspend the effectiveness of the registration statement have been described in previous annual reports.

#### NEW RULES, REGULATIONS AND FORMS FOR REGISTRATION UNDER THE SECURITIES ACT OF 1933

A material simplification of forms and reporting requirements under the Securities Act of 1933 was effected during the past fiscal year in connection with a general program which is discussed in the following section.

General simplification of registration and reporting requirements under various Acts.—The Commission announced on December 18, 1942, <sup>1/</sup> a comprehensive simplification of a number of registration and reporting requirements under various Acts which it administers, particularly 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. These changes incorporated many of the suggestions received from representatives of the securities industry which had been under consideration for some time. The Commission's study leading to these changes was accelerated by the proposed revision of its proxy rules, announced at the same time, and discussed elsewhere in this report. Subsequent experience shows that this general streamlining and coordination of registration and reporting forms has resulted in considerable savings of paper work without material lessening of the protection to investors afforded by the statutes. The principal revisions are:

1. A new general form has been adopted for registration of commercial and industrial companies under the Securities Act of 1933, permitting the filing of the prospectus as a principal part of the registration statement, thus eliminating much duplication between the prospectus and the registration statement proper.
2. A registration statement filed under the Securities Act of 1933 becomes a basic document under the simplification program so that securities covered by the statement may be listed on a stock exchange by filing copies of the registration statement. If a company is required to file annual reports with the Commission, these reports may consist principally of copies of its registration statement under the Securities Act of 1933, its annual report to stockholders, or a thirteen-months' prospectus. One result is that a company's annual report to stockholders, its proxy statement and its annual report to the Commission may, if the company so elects, be substantially the same document.
3. A number of changes have been effected in the requirements for financial statements designed to simplify the presentation of such data. <sup>2/</sup> These changes are discussed in more detail infra.

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<sup>1/</sup> Securities Act of 1933 Release No. 2887.

<sup>2/</sup> Securities Act of 1933 Release No. 2889.

4. Under the Securities Exchange Act of 1934, the procedure for registration of additional securities on an exchange and for registration on an additional exchange has been simplified by the revision of Forms 8-A and 8-C.
5. The Annual Supplement Form U5S for registered holding companies has been revised to eliminate 23 out of a total of 42 items or sub-items and 6 out of a total of 13 exhibits or sub-exhibits. In addition, many of the remaining items and instructions thereto have been amended to decrease the quantity of information required.
6. Two skeleton forms have been adopted for the use of public utility holding companies registered under the Public Utility Holding Company Act of 1935 in filing annual reports under Sections 13 and 15 (d) of the Securities Exchange Act of 1934. These forms permit such companies to file copies of their annual supplements in lieu of furnishing the information required in the forms heretofore used by such corporations. However, such companies must file the financial statements required by Form 10-K and the financial statements must be prepared in accordance with Regulation S-X.

The new program also includes simplified forms for the registration of securities of closed-end and open-end management investment companies and unit investment trusts which permit such companies to file a registration statement consisting of little more than a prospectus.

The use of the new forms included in the simplification program is entirely permissive, except that the new Form U5S under the Public Utility Holding Company Act of 1935 is intended to supplant the existing form until further notice. Any company may use them or may follow the procedure heretofore in effect. The Commission pointed out in its announcement that it will give careful consideration to any criticisms or suggestions with regard to the use of the new forms.

Amendments of rules under the Securities Act of 1933 resulting from simplification program.—A number of amendments were announced on December 22, 1942, <sup>1/</sup> to the rules under the Securities Act of 1933 as a part of the comprehensive revision of the reporting requirements. These are described later in this report.

Rules governing exempt issues amended.—Regulation A was amended to clarify the circumstances under which it is available for the exemption from the Securities Act of 1933 of an issue of securities which has once been effectively registered under that Act. Schedules A to F prescribed by Rule 330 of Regulation B were amended by eliminating the requirement that information regarding the maximum offering price be disclosed, and by substituting in the appropriate schedules the requirement of statements of the aggregate number of oil and gas interests offered for sale, and of the percentage of production which will be owned by the operating lessee or lessees, unencumbered, upon completion of the sale of the issue offered.

The Commission eliminated the requirement of a statement of the maximum offering price from the schedules because it had been informed that salesmen have sometimes used such statement as a representation to investors of a value approved by the Commission. The only function of this requirement was to disclose to the Commission that the aggregate offering price did not exceed \$100,000. The action taken makes no change in the Rules, and all the conditions upon which the exemption is based, including the \$100,000 limitation, remain unchanged.

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<sup>1/</sup> Securities Act of 1933 Release No. 2888.

DISCLOSURES RESULTING FROM EXAMINATION

As in previous years, through its examination procedure the Commission secured fair and accurate disclosure of material information required in registration statements and prevented the use in many of these documents of information which was misleading and inaccurate.

STOP-ORDER POWER NOT USED DURING YEAR

For the first time in the 10-year history of the administration of the Securities Act of 1933, during the entire fiscal year there occurred no instance wherein the sale of securities was prohibited by the Commission through the issuance of a stop or refusal order. 1/

STATISTICS OF SECURITIES REGISTERED UNDER THE SECURITIES ACT OF 1933

The following table indicates the disposition of registration statements filed under the Securities Act of 1933, as amended:

Disposition of Registration Statements

	To June 30, 1942	July 1, 1942, to June 30, 1943	Total
Statements filed . . . . .	5025	150 (a)	5175
Statements effective . . . . .	4006	115 (b)	4121
Statements withdrawn - net . . . . .	802	29 (c)	831
Stop or refusal orders - net . . . . .	182	0	182
In process of examination or awaiting amendments:			
At close of year ended June 30, 1942	35		
At close of year ended June 30, 1943			41

- a. Does not include one registration statement filed prior to this period but withdrawn and refiled during this period.
- b. Does not include 13 registration statements effective at the beginning or during this period, which were withdrawn.
- c. Does not include one registration statement withdrawn and refiled during this period.

A total of 471 amendments 2/ to registration statements were also filed and examined during the past fiscal year, compared with a corresponding total of 755 during the preceding year.

1/ During the succeeding 4-1/2 months of the current fiscal year, through November 15, 1943, likewise no stop or refusal order has been issued.

2/ These amendments include 308 classed as "pre-effective" and 163 as "post effective," and do not take into account 345 others of a purely formal nature classed as "delaying" amendments.

Certain registrants under the Securities Act of 1933 also filed during the year, pursuant to Section 15 (d) of the Securities Exchange Act of 1934, 327 1/ annual reports and 129 amendments thereto, and 241 1/ quarterly reports and 10 amendments thereto, all of which required examination.

In addition, the following supplemental prospectus material was filed during the past fiscal year under the Securities Act of 1933:

116 prospectuses were filed pursuant to Rule 800 (b) which required the filing of such information within 5 days after the commencement of the public offering.

115 sets of supplemental prospectus material were filed by registrants to show material changes occurring after the commencement of the offering.

314 sets of so-called 13-months prospectuses were filed pursuant to Section 10 (b) (1) of the Act.

Thus during the past fiscal year there were filed in the aggregate 545 additional prospectuses of these 3 classes.

At the same time, 113 supplementary statements of actual offering price were filed as required by Rule 970; and there were 20 instances where registrants voluntarily filed supplemental financial data.

#### SECURITIES EFFECTIVELY REGISTERED

During the fiscal year ended June 30, 1943, 123 statements covering 189 issues of securities of an aggregate value of \$659,480,000 were effectively registered under the Securities Act of 1933. Registrations were heaviest toward the end of the period, with the final six months accounting for about 68 percent of the number of issues and 72 percent of the value. Those registered for sale for accounts of the issuers (primary distributions) amounted to \$485,928,000, of which 3.8 percent was to be paid for cost of flotation. The major element in reported cost of flotation was compensation to distributors, amounting to 3.2 percent of gross proceeds. Other expenses amounted to only 0.6 percent.

A breakdown of the major component of compensation to distributors and a comparison with preceding years for comparable categories of securities indicates that there has been a gradual diminution in this major item of cost. Compensation to investment bankers on the issues handled by them, excluding issues of investment trusts on which costs are not reported in comparable manner, were as follows in terms of percent of gross proceeds:

Year Ended June 30	Bonds	Preferred Stock	Common Stock
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

Although the rate of compensation rose in 1943 for the aggregate of bonds registered for sale to the public through investment bankers, this was due to an increase in the proportion of lower quality bonds. Compensation was generally lower for those of comparable quality, as shown by the following breakdown:

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1/ 61 of the above annual reports and the 241 quarterly reports were filed pursuant to Section 30 of the Investment Company Act of 1940 also.



Quality Grades <sup>1/</sup>

<u>Year Ended June 30</u>	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>	<u>Fifth</u>	<u>Below Fifth</u>	<u>Unrated</u>
1939	1.3	2.0	2.1	2.3	3.1	4.7	6.0
1940	-	1.8	1.9	2.0	2.3	9.4	17.5
1941	1.7	1.6	1.8	2.0	3.1	-	5.5
1942	1.1	1.6	1.3	1.6	3.4	-	7.3
1943	0.6	1.3	1.2	2.0	2.8	-	12.1

The Commission's encouragement of competitive bidding apparently was responsible for some of the decline in this element of cost of flotation. Compensation on competitively bid bond issues ran less than the average compensation of their respective quality groups. Below are shown average rates of compensation to distributors in terms of percentage of gross proceeds for bond issues sold through competitive bidding compared with the average rates for the other issues in their respective quality groups.

<u>Year Ended June 30</u>	<u>Comp. Bidding</u>	<u>First Grade</u>	<u>Second Grade</u>	<u>Third Grade</u>	<u>Fourth Grade</u>	<u>Fifth Grade</u>
1941	Yes	-	-	-	1.8	-
	No	-	-	-	2.1	-
1942	Yes	0.8	0.5	1.1	1.2	3.2
	No	1.3	1.7	1.6	2.1	3.6
1943	Yes	0.6	-	0.9	1.8	-
	No	-	-	1.8	2.5	-

Publicity given to rates of compensation on issues registered under the Act may also have contributed to the general decline in the major component of cost of flotation.

A breakdown of the minor component of other expenses of flotation is shown below, based on those registration statements in which expenses were reported in sufficient detail to enable classification according to the possible effect of registration requirements. It may be noted that the types of expenses which would have been incurred in any event but which might have been partially affected by the Act—printing and engraving; legal, accounting, and engineering fees; and miscellaneous expenses—amounted to little more than half of one percent of gross proceeds. The SEC registration fee, which of course is entirely attributable to the Act, amounted to but one one-hundredth of one percent of gross proceeds.

<sup>1/</sup> The grades are according to the classification of the bonds by the investment rating services: First grade corresponds to Moody's Aaa, Standard and Poor's A1+, Fitch AAA; second grade to Aa, A1, AA; etc.

Breakdown of Expenses	% of Gross Proceeds for Years ended June 30				
	1939	1940	1941	1942	1943
<u>Not attributable to registration</u>					
Listing fees	.02	.01	.01	.01	.00
Federal taxes	.10	.09	.10	.10	.11
State taxes and fees	.04	.02	.02	.03	.05
Trustees, transfer agents, etc.	.13	.11	.09	.07	.10
Total	.29	.23	.22	.21	.26
<u>Partly attributable to registration</u>					
Printing and engraving	.13	.14	.12	.13	.17
Legal fees	.16	.17	.12	.13	.22
Accounting fees	.07	.07	.06	.07	.07
Engineering fees	.01	.01	.01	.00	.01
Miscellaneous	.06	.08	.06	.08	.06
Total	.43	.47	.37	.41	.53
<u>Wholly attributable to registration</u>					
SEC registration fee	.01	.01	.01	.01	.01
Total "other expenses"	.74	.71	.60	.64	.80

The minor component of other expenses than compensation varied considerably from the average as affected by the size of issue. The tabulation below of these expenses in percent of gross proceeds is based on the statements of all bonds registered for sale by investment bankers to the public (exclusive of investment trust issues).

Year Ended June 30	Size of Issue (\$000,000)				
	50 & over	20 - 50	5 - 20	1 - 5	Under 1
1939	0.4	0.5	0.8	1.1	2.2
1940	0.4	0.5	0.7	1.2	1.8
1941	0.4	0.5	0.6	1.2	2.2
1942	0.4	0.5	0.7	1.4	1.9
1943	0.5	0.4	0.8	1.5	3.2

The net proceeds accruing to the issuers after payment of cost of flotation aggregated \$467,609,000. The principal applications of these net proceeds were planned as follows: 61 percent for the retirement of indebtedness and preferred stock; 23 percent for purchase of securities for investment and affiliation, mostly the former; 9 percent for increase of working capital; and 5 percent for expansion of plant and equipment.

Electric light, power, heat, gas, and water utilities accounted for \$173,189,000 or 36 percent of the new issues of securities registered for sale. Registrations by financial and investment companies amounted to \$117,072,000 or 24 percent of the total. This was the highest proportion accounted for by this group in any fiscal year except one. Manufacturing companies and transportation and communication companies accounted for unusually low proportions, 18 percent and 2 percent respectively. Nearly two-thirds of the new issues registered for sale during the year were in the form of bonds, and all except 3 percent were planned for sale through investment bankers.

Detailed statistics on securities effectively registered under the Securities Act of 1933 are given in Appendix Tables 1 and 2 and on all new issues offered for cash sale in the United States (including those exempt from registration) in Appendix Tables 3 and 4.

EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933

The Commission's statutory power to exempt from the registration requirements of the Securities Act of 1933 security issues up to and including \$100,000, and its procedures and rules established thereunder, were described in its Seventh Annual Report, pages 175-179. In connection with such exempt issues, there were filed with the Commission during the past fiscal year a total of 353 Letters of Notification, pursuant to Regulation A, and 74 amendments thereto, representing an aggregate offering price of \$17,986,987. That part of these offerings which related to oil and gas leases and securities of companies engaged in various phases of the oil and gas business accounted for 54 of these Letters of Notification with an aggregate offering price of \$1,062,724. At the same time there were received and examined 532 Offering Sheets, pursuant to Regulation B, and 504 amendments to such Offering Sheets, relating to fractional undivided interests in oil and gas rights with an aggregate offering price of \$12,866,457.72. The following table indicates the action taken with respect to these Offering Sheets:

Various Actions on Filings under Regulation B

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Temporary suspension orders (Rule 340 (a)) . . . . .	92
Orders terminating proceeding after amendment. . . . .	67
Orders consenting to withdrawal of offering sheet and terminating proceeding . .	13
Orders terminating effectiveness of offering sheet (no proceeding pending) . . .	49
Orders consenting to amendment of offering sheet (no proceeding pending) . . .	366
Orders consenting to withdrawal of offering sheet (no proceeding pending). . . .	39
Total orders . . . . .	626

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In addition, the Commission received and examined during the year confidential written reports pursuant to Rules 320 (e) and 322 (d) of Regulation B in the total amounts of 3,627 on Form 1-G and 1,361 on Form 2-G.

INVESTIGATION OF OIL AND GAS SECURITIES TRANSACTIONS

During the year investigations were conducted with respect to a total of 187 oil and gas properties or proposed securities offerings. Where these investigations show evidence of a violation of the criminal provisions of the Securities Act of 1933, the results are transmitted by the Commission to the Department of Justice, and criminal proceedings are instituted in the discretion of the Attorney General of the United States. In the event such proceedings are instituted, the Commission's attorneys and engineers who participated in the investigation leading up to the proceedings assist the United States attorneys in the preparation of the cases for presentation to the grand jury and for trial.

A tabular summary of the Commission's oil and gas investigations follows:

PAUL GONSON  
 SECURITIES AND EXCHANGE COMM'N  
 WASHINGTON, DC 20549

Oil and Gas Investigations

Status	Preliminary	Informal	Formal
Pending 6/30/42 . . . . .	45	49	41
Initiated 7/1/42 to 6/30/43 . . . . .	19	28	5
Total to be accounted for. . . . .	64	77	46
Changed to informal or formal . . . . .	-	-	-
Closed or completed . . . . .	42	33	15
Total disposed of. . . . .	42	33	15
Pending June 30, 1943 . . . . .	22	44	31

CIVIL ACTIONS INSTITUTED BY THE COMMISSION 1/

The Commission during the past fiscal year brought a number of actions, either to enjoin violations of the registration or fraud provisions of the Securities Act of 1933 or to enforce compliance with subpoenas, where attempts were made to camouflage the real nature of the transactions by making it appear that the subject matter of the sale was real or personal property and hence not a security subject to the Act.

Typical of these cases was that involving Ocean Crab Pot Operators, Inc. 2/, in which the Commission obtained an injunction restraining the sale of crab pots coupled with a profit sharing agreement.

In another case, Securities and Exchange Commission v. Bourbon Sales Company 3/, the Commission filed an application with the United States District Court for the enforcement of a subpoena duces tecum issued by the Commission and directed to Bourbon Sales Company. In its opinion ordering compliance with the Commission's subpoena, the court determined that whiskey warehouse receipts coupled with bottling contracts were securities. Another subpoena enforcement case with similar facts was that involving The Penfield Company of California 4/.

Pending during the past year was an action involving C. M. Joiner, where both the District Court and the Circuit Court of Appeals upheld the contention of the defendants that they were selling merely real estate leases. They rejected the Commission's contention that the defendants were selling an investment contract by virtue of the representation that a test well would be drilled which might greatly enhance the value of the assignments 5/.

PROPOSED AMENDMENTS TO THE SECURITIES ACT OF 1933 AND THE  
SECURITIES EXCHANGE ACT OF 1934

Reference was made in the Commission's Eighth Annual Report, pages 4 and 5, to various proposals to amend the Securities Act of 1933 and the Securities Exchange Act of 1934. There were no hearings on these proposals during the past fiscal year.

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1/ Also see infra Part VIII, Litigation, Civil Proceedings and Appendix Table 22.

2/ Securities and Exchange Commission v. Ocean Crab Pot Operators, Inc., U.S.D.C. Wash. Defendants consented to entry of judgment.

3/ U.S.D.C. W. D. Ky.

4/ U.S.D.C. S. D. Cal.

5/ On November 22, 1943, the Supreme Court upheld the Commission's contention that the defendants were selling securities within the meaning of the Act and reversed the lower courts. Securities and Exchange Commission v. C. M. Joiner Leasing Corporation, 320 U. S. \_\_\_\_\_, 64 S.Ct. 120, 88 L.ed. 62.

PART II

ADMINISTRATION OF THE SECURITIES EXCHANGE ACT OF 1934

REGISTRATION OF SECURITIES ON EXCHANGES

Reference is made to the Sixth Annual Report, pages 100-102, and previous annual reports, for a description of the general purpose and nature of the statutory provisions for the registration of securities on exchanges and the Commission's procedure in examining applications and reports for compliance with the requirements of Sections 12 and 13 of the Securities Exchange Act of 1934. It may be noted that those provisions in general seek to make available to the public information regarding the condition of companies whose securities are traded on any national securities exchange and to keep such information up-to-date.

NEW RULES, REGULATIONS, AND FORMS FOR REGISTRATION OF SECURITIES ON EXCHANGES

Revisions of proxy rules.—When the Commission announced on December 18, 1942, a comprehensive simplification of registration and reporting requirements under various Acts administered by it, which is discussed above, it also announced a revision of certain of its rules applicable to all solicitations of proxies, pursuant to Regulation X-14, after January 15, 1943. The principal changes are summarized below:

1. More extensive information must be given on the compensation and dealings of corporate managers, as well as a brief statement of the principal occupation of all directors and a resume of the business experience of new candidates.
2. Regular annual reports to stockholders must accompany or precede proxy statements. These annual reports to stockholders are not considered part of the proxy material and need not be officially filed with the Commission.
3. Stockholders making proposals for action which are opposed by management must be given not more than 100 words in the proxy in which to state their position, provided the security holder gives the management reasonable notice of his intention.
4. The exemption previously granted corporations making proxy solicitations without use of the mails or interstate commerce was abolished.
5. An exemption from the rules was provided for certain types of solicitations through newspaper advertisements.

The additional information required about management includes a list of all directors and officers, except officers (not directors) receiving less than \$20,000 a year, together with a statement of the amounts received in cash as well as under pension or option plans. Information must also be given under the revised rules showing all loans to officers and directors not made in the ordinary course of business, together with a brief description of all material transactions of officers and directors and their associates with the company or its subsidiaries.

The Commission had previously authorized its staff to circulate the proposed revisions to its proxy rules for comments and suggestions. The revisions made by the Commission take into consideration the comments thus received. On the other hand, a number of the suggestions proposed by the staff were not adopted. They were: (1) that information of the type submitted in an annual report to stockholders including financial statements be included in the proxy statement; (2) that minority stockholders be given an opportunity to use the management's proxy material in support of their own nominees for directorships; (3) that persons soliciting proxies be denied the right to obtain discretionary authority where security holders have not marked ballots—while this proposal was not adopted, a requirement of a clearer statement concerning the solicitation

of discretionary authority was included in the new rules; and (4) that compensation of officers who are not directors and who receive \$20,000 or less be reported.

The Commission subsequently made public excerpts from letters of the Director of the Corporation Finance Division to officers of corporations who had asked for interpretations of certain provisions of the amended proxy rules. These interpretations are available in Securities Exchange Act of 1934 Release No. 3385, February 17, 1943.

The amendments of the Commission's proxy rules caused considerable discussion. Bills were introduced by Representatives Wolverton and Boren designed to reinstate the rules as they had existed before the revision. Hearings on these bills were commenced in June of 1943 before the House Committee on Interstate and Foreign Commerce. The hearings are presently in adjournment.

#### SOLICITATION OF PROXIES, CONSENTS, AND AUTHORIZATIONS

The Commission's Regulation X-14, adopted pursuant to the provisions of three of the statutes administered by it, 1/ requires that certain information be made available by companies to their security holders whose proxies, consents, or authorizations are solicited.

During the year the Commission received and examined both the preliminary and definitive material thus required with respect to 1,427 such solicitations. In addition, 307 items of amendatory or supplemental soliciting material were received and examined. The Commission also continued its practice of furnishing every assistance to persons who desired to obtain in advance of the filing date informal opinions or suggestions as to the preparation of required material.

Rule requiring report upon settlement of war contract renegotiations.—Rule X-13A-6, which requires the filing of a current report on Form 8 upon the occurrence of specified events, was amended in relation to companies having war contracts subject to renegotiation proceedings under Section 403 of the Sixth Supplemental National Defense Appropriation Act, as amended, so as to require a report upon the settlement of any such proceedings. No report is required, however, if effect was given to the settlement in the most recently filed financial statements or if financial statements for the period covered by the settlement have not been filed. In the latter case, it is assumed, of course, that effect will be given to the settlement when financial statements for the period are filed.

The financial instructions for a number of the annual report forms were amended where necessary to clarify the applicability of Regulation S-X thereto; and Rule X-3A12-1, no longer having practical application to the situation it was designed to relieve, was repealed.

#### STATISTICS OF SECURITIES REGISTERED ON EXCHANGES

Up to and including June 30, 1943, 2,965 issuers had filed a total of 5,651 applications for registration of securities under Section 12 of the Securities Exchange Act of 1934 and a total of 33,122 annual and current reports under Section 13 of the Act. As of June 30, 1943, the registration of the securities of 2,244 of the issuers was in effect, and the registration of the securities of the remaining 721 issuers had ceased to be effective.

The number of applications, reports, and amendments filed with the Commission during the past year relating to the listing and registration of securities on national securities exchanges is as follows:

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1/ See Sections 14 (a) of the Securities Exchange Act of 1934, 12 (e) of the Public Utility Act of 1935, and 20 (a) of the Investment Company Act of 1940.

Applications for registration . . . . .	96
Applications for "when issued" trading. . . . .	4
Exemption statements for issued warrants. . . . .	3
Annual reports. . . . .	2,073
Current reports . . . . .	2,344
Amendments to applications and annual and current reports. . . . .	721

More detailed statistics of securities registered on exchanges are contained in Appendix Tables 7-13, inclusive.

TERMINATION OF REGISTRATION UNDER SECTION 19 (a) (2)

There were pending at the beginning of the year 3 proceedings instituted under Section 19 (a) (2) of the Securities Exchange Act of 1934 which empowers the Commission, after appropriate notice and opportunity for hearing, to deny, to suspend the effective date of, to suspend for a period of not exceeding 12 months, or to withdraw, the registration of a security, if it finds that the issuer has failed to comply with any provision of the Act or the rules and regulations thereunder; and 16 proceedings were instituted during the year. The Commission ordered the securities of 11 of these issuers withdrawn and the proceedings with respect to securities of two issuers dismissed; and six proceedings were pending at the close of the year.

The withdrawal of registration was ordered in 10 of these cases because of the company's failure to file the annual report required under the Act, and, in one case, involving Class "A" stock of Associated Gas and Electric Company, <sup>1/</sup> because of "false and misleading" statements found by the Commission in the application for registration and certain annual reports filed by the company. With that exception and one other involving a medium-sized brewery concern, the companies whose securities were thus withdrawn from registration were small organizations consisting for the most part of inactive mining companies.

WITHDRAWAL OR STRIKING OF SECURITIES FROM LISTING AND REGISTRATION ON NATIONAL SECURITIES EXCHANGES

During the year ended June 30, 1943 there were filed with the Commission under Section 12 (d), by issuers or exchanges, applications for the withdrawal or striking of 56 issues from listing and registration on national securities exchanges. At the beginning of the year applications for the removal of 10 issues were pending. During the year the Commission granted applications involving 41 issues, dismissed without prejudice an application involving 1 issue, and permitted an application involving 1 issue to be withdrawn. Applications for the removal of 23 issues were pending as of June 30, 1943.

During the year the Commission received from national securities exchanges certifications of removal involving 105 issues stricken from listing and registration because of payment, redemption, or retirement.

AMENDMENT OF RULE X-12D2-2 (a)

Rule X-12D2-2 (a) was amended during the year to permit an exchange to remove, by certification, without the necessity of application and hearing, the entire class of a registered security when the instruments representing the security come to evidence other securities, as for example in an exchange or substitution resulting from a stock split-up, recapitalization, or merger.

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<sup>1/</sup> Securities Exchange Act Release No. 3285.

UNLISTED TRADING PRIVILEGES ON NATIONAL SECURITIES EXCHANGES

On June 30, 1943, 1,560 stock and 217 bond issues had unlisted trading privileges on the registered exchanges, counting each issue once if it enjoyed the privilege on one such exchange, twice if on two such exchanges, etc. The distribution of this count among exchanges is shown under Column U of Appendix Table 13.

These totals included 1,295 stock and 186 bond issues under Clause (1), 260 stock issues and 1 bond issue under Clause (2), and 5 stock and 30 bond issues under Clause (3), of Section 12 (f) of the Securities Exchange Act of 1934. 1/ The distribution of this count of issues under Clauses (2) and (3) among exchanges is shown in Appendix Table 14.

The total under Clause (1) shows a reduction of 46 stock and 6 bond issues since June 30, 1942, and a reduction of 379 stock and 406 bond issues (including 100 stock and 199 bond issues formerly on the New York Real Estate Exchange) since June 30, 1937, following upon the substantial reduction prior to that date discussed on pages 17-18 of the Third Annual Report of the Commission. This reduction is in line with original expectations 2/ as to this type of issue on exchanges.

Counting each issue but once, regardless of the number of registered exchanges upon which it has unlisted trading privileges, the total is 1,027 stock and 217 bond issues, as shown in Appendix Table 10. In particular, the exclusion of this duplication among exchanges reduces the count of 260 stock issues under Clause (2) to 155, the latter figure being the precise number of issues currently admitted to unlisted trading under that Clause. Many of the net 160 stock and 31 bond issues admitted to unlisted trading privileges under Clauses (2) and (3) are of companies whose issues, or whose predecessors' issues, were admitted to trading upon the applicant exchanges in the past.

Many of the issues under Clause (1) and all of those under Clause (2), are listed and registered on some registered exchange other than that upon which they enjoy unlisted trading privileges. Exclusion of such listed issues leaves a residue of issues which have only an unlisted exchange status. This residue includes 474 stock and 163 bond issues under Clause (1), and 5 stock (all preferred stocks) and 30 bond issues under Clause (3), representing a total of 479 stock and 193 bond issues, as shown in Columns (2) and (4) of Appendix Table 10. This total shows a reduction of 258 stock and 357 bond issues since June 30, 1937.

An application by the Chicago Rivet and Machine Company for the termination of unlisted trading privileges in its Common Stock, \$4 Par Value, on the New York Curb Exchange 3/ was denied by the Commission during the past fiscal year 4/. The Exchange,

1/ Clause (1) covers continuance of privileges enjoyed prior to March 1, 1934; Clause (2) covers extension of the privileges to issues listed on some other registered exchange; Clause (3) covers extension of the privileges to issues in respect of which there is available from a registration statement and periodic reports filed pursuant to the rules and regulations prescribed under the Securities Act of 1933 or the Securities Exchange Act of 1934 information substantially equivalent to that available on listed issues. In Clause (3) cases the statute requires the imposition of such terms and conditions as will subject the issuer, its officers, directors, and principal stockholders to duties substantially equivalent to those which would arise if the security were fully listed and registered, except where the public interest and the protection of investors would nevertheless best be served by extension of the privileges. In addition, under Clauses (2) and (3), certain conditions as to public distribution and public trading activity in the vicinity of the exchange must be satisfied.

2/ See "Report on Trading in Unlisted Securities upon Exchanges" and "Hearing before the Senate Committee on Banking and Currency", January 3 and February 11, 1936 respectively.

3/ Seventh Annual Report, p. 148.

4/ Securities Exchange Act Release Nos. 3083, 3088 and 3395.



upon the suggestion of the Commission, reduced the unit of trading in the security and conducted a six-month test of the character of trading with the reduced unit. Upon the expiration of this period the Commission found that the character of trading had improved and was not of such nature as to require the termination of unlisted trading privileges on that Exchange.

During the past fiscal year there were filed with the Commission by exchanges 17 applications under Rule X-12F-2 (b) seeking a determination that an altered or substituted security was substantially equivalent to a security theretofore admitted to unlisted trading privileges. Of these applications, 12 were granted, 3 were denied, and 2 were pending at the close of the year.

After the close of the fiscal year the National Association of Securities Dealers, Inc., in the first appeal to the courts from an order of the Commission in an unlisted trading case, filed a petition with the United States Circuit Court of Appeals for the Third Circuit for review of the Commission's order granting unlisted trading privileges to two bond issues upon application of the New York Curb Exchange. 1/

#### UNLISTED TRADING - EXEMPTED EXCHANGES

The Seattle Stock Exchange suspended operations on October 1, 1942. The total stock and bond issues admitted to unlisted trading on the 3 remaining exempted exchanges which permit unlisted trading were 56 and 4 respectively, on June 30, 1943. The stock issues included 53 under Clause (1) and 3 under Clause (2) of Section 12 (f) of the Securities Exchange Act of 1934.

#### AMENDMENT OF RULE X-10A-1

Rule X-10A-1, dealing with short sales effected on a national securities exchange, was revised to provide that in determining the price at which a short sale may be effected in a security that has gone ex-dividend, ex-right, or ex- any other distribution, all relevant sale prices for the security prior to the "ex" date may be reduced by the value of such distribution.

#### SPECIAL OFFERING PLANS

On February 6, 1942, the Commission amended its Rule X-10B-2 to permit special offerings of blocks of stock on national securities exchanges where such offerings are effected pursuant to a plan filed with and declared effective by the Commission, as related on page 9 of the Eighth Annual Report.

Pursuant to the amendment, three exchanges adopted special offering plans: the New York Stock Exchange, the New York Curb Exchange, and the San Francisco Stock Exchange. Briefly, these plans are exchange rules permitting the special offering of a block of stock through the facilities of the exchange and during the regular trading session when the regular market on the floor is believed incapable of assuring absorption of the block within a reasonable period of time and within a reasonable range of prices. The offering is made at a fixed price which is set within the framework of the existing auction market. Members acting as brokers for public buyers are paid a special commission by the seller which ordinarily exceeds the regular commission. Buyers obtain stock without paying any commission.

Special offerings on national securities exchanges numbered 105 in the year ended June 30, 1943. Of these, the New York Stock Exchange accounted for 93, with a total of 1,402,612 shares offered and 1,376,418 shares sold, the latter having a market value of \$38,342,000 and affording revenue to buyers' brokers which totaled \$717,000. On the New York Curb Exchange there were 10 special offerings totaling 50,661 shares, while the 42,311 shares sold were valued at \$693,000 and carried total commissions for buyers' brokers of nearly \$18,000. The San Francisco Stock Exchange had two special offerings

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1/ Securities Exchange Act Release No. 3452, July 5, 1943.

totaling 6,172 shares, with sales of the same amount having a value of \$58,600, and carrying special commissions of \$2,420.

The special offering plans of the three exchanges compete to some degree with secondary distributions of exchange stocks effected over the counter after the close of the exchange session — so-called "twilight offerings". Secondary distributions approved by the exchanges numbered 101 in the year ended June 30, 1943. They covered 4,830,698 shares of stock with a value of \$129,370,000. Those approved by the New York Stock Exchange totaled 39, with a total of 2,480,236 shares valued at \$61,995,000. New York Curb Exchange approvals numbered 40, comprising 2,227,778 shares valued at \$65,252,000. Other exchanges approved 22, covering 122,684 shares valued at \$2,123,000.

#### SPECIAL STUDIES

The Commission's staff continued its study of the problems of the regional exchanges which it undertook in the preceding fiscal year, and continued its study of characteristics of over-the-counter markets in exchange stocks, both, however, on a somewhat curtailed basis owing to loss of much of the personnel originally engaged in this work.

#### SAVING STUDY

The Commission in the fiscal year ended June 30, 1943 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' savings; i.e., the increase in their assets less the increase in their liabilities, exclusive of gains or losses from revaluation of assets: they show also the components contributing to this total, such as bank balances and currency holdings, insurance, securities, consumers' indebtedness, and consumers' durable goods.

In addition to the estimates of saving by individuals, after the close of the fiscal year, the Commission also made public for the first time estimates of a few selected components of corporate saving. In subsequent reports it is planned to present estimates of corporate saving in considerably more detail. It is intended in this manner to give a picture of the financial condition of corporations. In this way the volume and most significant components of all important segments of the national economy will be available.

#### MARKET SURVEILLANCE AND TRADING INVESTIGATIONS

The Commission's aim in its administration of the statutory prohibitions of the Securities Exchange Act of 1934 against stock market manipulation is a sufficient policing of the markets in order to accomplish the extinction of manipulation without interfering with the legitimate functioning of those markets. Its methods of market surveillance and its investigatory procedure are set forth at pages 91 et seq. of the Sixth Annual Report of the Commission.

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

Trading Investigations

	Flying quizzes a/	Formal Investigations
Pending June 30, 1942 . . . . .	4	12
Initiated July 1, 1942 to June 30, 1943 . . . . .	123	18
Total to be accounted for . . . . .	127	30
Changed to formal . . . . .	12	—
Closed or completed . . . . .	49 b/	8 b/
Total disposed of . . . . .	61	8
Pending June 30, 1943 . . . . .	66	22

a/ A flying quiz is a quick informal survey of the trading in a security to determine if additional investigation is warranted.

b/ Includes reference of cases to the Department of Justice and to various national securities exchanges.

PEGGING, FIXING, AND STABILIZING OF SECURITIES PRICES

During the fiscal year ended June 30, 1943, the Commission continued the administration of (a) Rule X-17A-2, which 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; and (b) Regulation X-9A6-1, governing 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.

Out of a total of 150 registration statements filed under the Securities Act of 1933 during the past fiscal year, 69 contained a statement of intention to stabilize to facilitate the offerings covered by such registration statements. Because of the fact that a registration statement in some cases covers more than one offering, there were a total of 77 offerings of securities in respect of which the statement required by Rule 827 of the Rules and Regulations under the Securities Act of 1933 was made to the effect that a stabilizing operation was intended to be undertaken. Stabilizing operations were actually conducted to facilitate 42 of these offerings. In the case of bonds, public offerings of \$142,750,000 principal amount were stabilized. Offerings of stock issues aggregating 2,658,344 shares and having an aggregate estimated public offering price of \$67,703,875 were also stabilized. Of the 42 stabilizing operations commenced during the past fiscal year, 35 had been completed and notices of termination of stabilization filed with the Commission and the remaining 7 were still in progress as of the close of the fiscal year.

Also during the past fiscal year, 7 notices of intention to stabilize were filed with the Commission on Form X-9A6-1 pursuant to the provisions of Rule X-9A6-3. The offerings described in these notices, to facilitate which stabilizing operations were conducted, involved stock issues aggregating 1,873,309 shares having an aggregate initial public offering price of \$25,826,310.

EXCHANGES REGISTERED AND EXEMPTED FROM REGISTRATION

During the past fiscal year there was no change in the number (19) of exchanges registered with the Commission as national securities exchanges. The Seattle Stock Exchange suspended operations as of October 1, 1942, for an indefinite period, or until the members should feel that the facilities of said exchange would again be needed; this reduced the number of active exempted exchanges to five.

OVER-THE-COUNTER REGULATION  
BROKER-DEALER REGISTRATION STATISTICS

The following tabulation relates to broker-dealer registration under Section 15 (b) of the Securities Exchange Act—Fiscal Year Ended June 30, 1943.

July 1, 1942 - June 30, 1943	
Effective registrations at close of preceding fiscal year . . . . .	5,557
Applications pending at close of preceding fiscal year . . . . .	39
Applications filed during fiscal year . . . . .	376
Total . . . . .	<u>5,972</u>
Applications withdrawn during year . . . . .	9
Registrations withdrawn during year . . . . .	959
Registrations cancelled during year . . . . .	39
Registrations denied during year . . . . .	4
Registrations suspended during year . . . . .	0
Registrations revoked during year 1/ . . . . .	22
Registrations made inactive during year 2/ . . . . .	2
Registrations effective at end of year (except those put on inactive status). . . . .	4,913
Applications pending at end of year . . . . .	24
Total . . . . .	<u>5,972</u>

BROKER-DEALER INSPECTIONS

A total of 830 broker-dealer inspections were reported by our regional offices during the fiscal year ended June 30, 1943. The following tabulation shows some of the more important findings in these inspections:

- 74 inspections reported unsatisfactory financial condition ranging from insolvency to a condition not presently serious but at least potentially dangerous.
- 94 inspections reported non-compliance with Regulation T.
- 63 inspections reported non-compliance with our rules relating to hypothecation of customers' securities. 40 of these involved firms whose financial condition was not in question.
- 28 inspections reported secret profits involving misrepresentations as to the prices at which customers' orders had been executed.
- 98 inspections reported transactions with customers in which pricing practices were questionable.

Infractions of a minor nature are called to the attention of the firm and compliance is generally promised. However, 53 inspections during the last year reported facts which required further investigation for the purpose of determining whether any of the sanctions under the Act should be applied. The Commission brought action to enjoin one

1/ 24 registrations were revoked during the year but 2 of them were under suspension at the beginning of the year and the net figure of 22 revocations is therefore reflected in the above tabulations.

2/ The registrations of 2 brokers and dealers whose whereabouts, despite careful inquiry, could not be ascertained, were placed on inactive status during the year. Registrations on inactive status June 30, 1943, are 81, and are not included in the total.

of these firms from further violations of our Acts and subsequently revoked the firm's registration as broker and dealer and as investment adviser and expelled the firm 1/ from membership in National Association of Securities Dealers, Inc. 2/ Against thirteen other firms of the 53 which required investigation, proceedings on the question of revocation of registration were ordered; seven of these were members of the National Association of Securities Dealers, Inc. and accordingly our proceedings in these cases included the question of suspension and expulsion from membership in that association.

ADMINISTRATIVE PROCEEDINGS

The following table contains statistics relating to administrative proceedings under Section 15 (b) of the Securities Exchange Act:

July 1, 1942 - June 30, 1943	
Revocation proceedings pending July 1, 1942 . . . . .	15
Denial proceedings pending July 1, 1942 . . . . .	1
Revocation proceedings ordered during year . . . . .	35
Denial proceedings ordered during year . . . . .	6
Total . . . . .	<u>57</u>
Revocation proceedings dismissed on withdrawal . . . . .	3
Revocation proceedings dismissed and not revoked . . . . .	1
Denial proceedings dismissed on withdrawal . . . . .	2
Denial proceedings dismissed and registration permitted . . . . .	0
Registrations denied 3/ . . . . .	4
Registrations revoked 4/ . . . . .	24
Revocation proceedings pending June 30, 1943 5/ . . . . .	22
Denial proceedings pending June 30, 1943 . . . . .	1
Total . . . . .	<u>57</u>

1/ In the Matter of Frances J. Lubbe - Securities Exchange Act, Release No. 3456  
Investment Advisers Act, Release No. 37

2/ The activities of this Association, which is the only national securities association registered pursuant to Section 15A of the Securities Exchange Act, are described infra.

3/ In the Matter of Jack Lewis Baker, doing business as J. L. Baker, Securities Exchange Act - Release No. 3311.  
In the Matter of William K. Archer and Edward G. Mader, doing business as Archer, Mader & Co., Securities Exchange Act - Release No. 3440.  
In the Matter of Foelber-Patterson, Inc., Securities Exchange Act - Release No. 3324.  
In the Matter of George Lewis Ohrstrom, doing business as G. L. Ohrstrom & Co., Securities Exchange Act - Release No. 3433.  
George L. Ohrstrom, doing business as G. L. Ohrstrom & Co. was later admitted to registration. See In the Matter of George L. Ohrstrom doing business as G. L. Ohrstrom & Co., Securities Exchange Act - Release No. 3498.

4/ In the Matter of H. Vaughan Clarke & Co., doing business as H. Vaughan Clarke & Co., Securities Exchange Act - Release No. 3442.  
In the Matter of Herbert L. Honohan, doing business as Larson, Honohan & Co. (Not Inc.), Securities Exchange Act - Release No. 3476. Since the close of the fiscal year this case has been re-opened and the matter is pending.  
In the Matter of Lawrence R. Leeby, doing business as Lawrence R. Leeby & Co., Securities Exchange Act - Release No. 3450.  
In the Matter of Daniel E. Knowles, Securities Exchange Act, Release No. 3400.

(continued)

5/ See following page.

In the Matter of Lawrence R. Leiby & Co.

One of the more significant proceedings involving revocation of registration as a broker and dealer related to dealings in oil royalties by Lawrence R. Leiby, doing

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In the Matter of Ernest S. Price, doing business as E. S. Price and Company, Securities Exchange Act - Release No. 3451.

In the Matter of Kimball, Ware & Co., Securities Exchange Act - Release No. 3401.

In the Matter of Samuel S. Alexander, Securities Exchange Act - Release No. 3398.

In the Matter of Brentlinger & Hosea, Inc., Securities Exchange Act - Release No. 3460.

In the Matter of Morris Lawrence Jacobs, doing business as M. L. Jacobs, Securities Exchange Act - Release No. 3437.

In the Matter of Arthur F. Bernstein, doing business as A. F. Bernstein & Co., Securities Exchange Act - Release No. 3357.

In the Matter of Duncan John MacGillivray, Jr., doing business as MacGillivray and Company, Securities Exchange Act - Release No. 3356.

In the Matter of Seybolt & Seybolt, Inc., Securities Exchange Act - Release No. 3335.

In the Matter of Wight & Company, Securities Exchange Act - Release No. 3336.

In the Matter of Superior Investment Co., Securities Exchange Act - Release No. 3307.

In the Matter of Blanchard Securities Company, Securities Exchange Act - Release No. 3312.

In the Matter of John L. McDaniel, Securities Exchange Act - Release No. 3448.

In the Matter of William T. Maloney, Securities Exchange Act - Release No. 3448.

In the Matter of Fischer & Company, Securities Exchange Act - Release No. 3277.

In the Matter of Sam B. Raitman, Securities Exchange Act - Release No. 3316.

In the Matter of Theodore T. Golden, Securities Exchange Act - Release No. 3404.

In the Matter of J. Morton Steiner, doing business as J. Morton Steiner Company, Securities Exchange Act - Release No. 3350.

In the Matter of Trost & Company, Inc., Securities Exchange Act - Release No. 3345.

In the Matter of Richard Mahoney Company, Incorporated, Securities Exchange Act - Release No. 3180.

In the Matter of Emmet R. Nawn, doing business as E. R. Nawn Company, Securities Exchange Act - Release No. 3286.

5/ In the Matter of Charles Hughes & Co., Inc., one of the proceedings pending at the close of the fiscal year, involved the sale of securities by that firm to customers at prices far in excess of prevailing market prices. In its findings and opinion issued on July 19, 1943 (Securities Exchange Act, Release No. 3464), the Commission held that the firm's sales of securities to certain customers at prices bearing no reasonable relation to current market prices, without disclosure of information with respect to the market prices, were fraudulent under 17 (a) of the Securities Act and Section 15 (c) (1) of the Securities Exchange Act, and ordered that its registration under Section 15 (b) be revoked. On petition for review the Circuit Court of Appeals, Second Circuit, in a sweeping opinion sustained the Commission's findings and affirmed the order, and also sustained the constitutionality of Section 15 (c) (1) of the Securities Exchange Act and the validity of Rule X-15 (c) (1). (\_\_\_\_ Fed. \_\_\_\_ (C.C.A. 2) December 10, 1943).

business as Lawrence R. Leebly & Co. 1/ Leebly had engaged in the practice of selling oil royalties to customers at prices as high as 150% over his concurrent cost. The two principal customers were women who were not well versed in investment matters and who depended exclusively upon Leebly's advice in all their securities transactions and relied upon him to act in their best interests at all times.

This is the first proceeding involving pricing practices in oil royalties. While the Commission's order revoking registration was based on the finding that Leebly, in his transactions with two women customers, was charged with the high fiduciary duties of an agent and that he violated these obligations repeatedly in taking secret profits at the expense of these customers and in acting in his own interest which was clearly in conflict with theirs, the Commission also determined that the duty of fair dealing rests on a dealer in oil royalties as it does on dealers in the more conventional types of securities. In long series of cases the Commission has held that a dealer in securities impliedly represents that he will treat all customers fairly, that he will not exploit their inexperience in securities matters or their reliance upon his integrity and that the price at which he sells a security to a customer is a fair one in relation to the prevailing market. A finding that any such representation is false is a finding of fraud. Since with respect to oil royalties there is no market such as exists for corporate securities, it was necessary to resort to other tests to determine the fairness of retail prices charged for oil royalties and the Commission concluded, with certain reservations, that "the least required of a dealer by the standards of fair dealing is that, unless special circumstances appear, he must charge a price bearing a fair relationship to the current wholesale price". The Commission held that in charging retail prices having no fair relation to the current wholesale prices, without disclosing the magnitude of his mark-ups, Leebly omitted to disclose material facts necessary to make his general representation as a dealer not misleading and that his conduct operated as a fraud on his customers.

The proceeding is also noteworthy because of related action by the Commission eliminating the disclosure of the maximum offering price from the offering sheets required under Regulation B. 2/ It was Leebly's practice to charge the maximum offering price in sales to customers, his defense being that this was the common practice among oil royalty dealers. He dealt with his customers as though the maximum offering price were an established price to the public. Such practice is obviously in disregard of the purpose of the maximum offering price, for its sole intended function is to determine whether the offering price of the entire issue is within the \$100,000 exemption from the registration requirements of the Securities Act. In order, therefore, to prevent misuse of the maximum offering price in the future, the Commission amended Rule 330 of Regulation B, striking the statement of the maximum offering price from the disclosures required. 3/

In the Matter of W. K. Archer and Co.

After extended hearings In the Matter of W. K. Archer and Co., the Commission on June 13, 1942 issued its findings and opinion and ordered revocation of the registration of this firm. The Commission held that certain of the firm's activities were fraudulent under Section 17 (a) of the Securities Act and Section 15 (c) (1) of the Securities Exchange Act, and that it had also violated Sections 7 (c) (2) and 15 (b) of the Securities Exchange Act. On petition for review the United States Circuit Court of Appeals, Eighth Circuit, on February 15, 1943, sustained the Commission's findings and affirmed the order. 4/ On June 7, 1943, the United States Supreme Court denied a petition for a writ of certiorari.

1/ In the Matter of Lawrence R. Leebly & Co., Securities Exchange Act - Release No. 3450.

2/ Regulation B of the Commission's Rules and Regulations under the Securities Act.

3/ Securities Act - Release No. 2925.

4/ 133 Fed. (2d) 795 (C.C.A. 8) (1943).

In the Matter of Guaranty Underwriters, Inc.

On August 7, 1942, the Commission ordered that proceedings be held on the question of revocation of the broker-dealer registration of Guaranty Underwriters, Inc. and on the question of suspension and expulsion of this firm from membership in the National Association of Securities Dealers, Inc. Hearings were commenced on August 20, 1942, and on the following day the company purported to withdraw its registration and consented to revocation of its registration. 1/ The Commission took the consent under advisement and moved to proceed with the hearing. The Company then made several attempts by court action to stop the hearing.

1. The first action, before Judge Waller of the United States District Court for the Southern District of Florida, sought to enjoin Edward C. Johnson, the Commission's trial examiner from holding further hearings under the Commission's order. The action was dismissed on the ground that the Circuit Court of Appeals had exclusive jurisdiction to review orders of the Commission. 2/ The company appealed to the Circuit Court of Appeals, Fifth Circuit, but later withdrew the appeal after stay of the hearing pending appeal had been denied both by Judge Waller and by one of the Circuit Court judges.

2. On the day the Commission's hearing was to be resumed the company, without notice to the Commission or the trial examiner, obtained an ex parte order from Judge McNeill of the Circuit Court of the Fourth Judicial Circuit of the State of Florida which purported to restrain the examiner and the individual Commissioners of the Securities and Exchange Commission from proceeding with the hearing. The Commission then brought suit, before Judge Waller of the United States District Court, to enjoin the enforcement of Judge McNeill's order; this was dismissed on the ground that Section 265 of the Judicial Code prohibits federal courts from enjoining state court proceedings. 3/ However, a writ of prohibition was obtained in the Supreme Court of Florida against Judge McNeill on the ground that he was without jurisdiction. 4/

3. The company then petitioned the Circuit Court of Appeals, Fifth Circuit, to review the Commission's refusal to terminate its proceedings. This action was dismissed on the ground that the Commission had not yet issued a reviewable order. 5/

4. The next action was before Judge Akerman, United States District Court for the Southern District of Florida, from whom the company obtained, without notice to the Commission or the examiner, a second ex parte order restraining the trial examiner from proceeding with the hearing. Judge Akerman subsequently vacated this order on the holding that Judge Waller's order (1, supra) was res judicata, 6/ and dismissed the complaint. The company appealed from the order dismissing the complaint and Judge Akerman ordered the Commission's hearing to be stayed pending appeal. The company also filed a new appeal from Judge Waller's order dismissing its original suit for injunction (1, supra). The Circuit Court of Appeals, Fifth Circuit, affirmed both orders, holding that

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1/ At the same time the company sent to the National Association of Securities Dealers, Inc. its written resignation from membership in that association.

2/ Guaranty Underwriters, Inc. v. Johnson, unreported (S.D. Fla., Sept. 4, 1942).

3/ Guaranty Underwriters, Inc. v. Johnson, unreported (S.D. Fla., Sept. 19, 1942).

4/ Johnson v. McNeill, \_\_\_\_\_ Fla. \_\_\_\_\_, 10 So. (2d) 143 (Oct. 23, 1942).

5/ Guaranty Underwriters, Inc. v. Securities and Exchange Commission, 131 F. (2d) (C.C.A. 5, Nov. 7, 1942).

6/ Guaranty Underwriters, Inc. v. Johnson, unreported (S.D. Fla., Nov. 12, 1942).



there was no legal basis for the actions and that there was no proper venue since the examiner was not an inhabitant of Florida. 1/ Subsequently, the Circuit Court denied petition for rehearing. 2/

RULE X-17A-5

During the summer of 1942, at the request of representatives of the industry, the Commission undertook to assist in formulating a form of uniform financial statement to be used by all brokers engaged in the securities industry for reporting their financial condition to regulatory bodies such as the Commission, the various state securities commissions, national securities exchanges, and the National Association of Securities Dealers, Inc. The demand for such a uniform statement came from the industry because regulatory bodies used different forms and different approaches for the purpose of obtaining financial information concerning brokers and dealers coming under their jurisdiction. It was the consensus of everyone who worked on the subject that the most feasible way to get a uniform statement would be for the Commission to promulgate a rule and adopt a form which others might also adopt. The Commission's representatives engaged in extended conferences with representatives of the various state securities commissioners, the National Association of Securities Dealers, Inc., the national securities exchanges and the Investment Bankers Association, and succeeded in clearing a form of financial report which was satisfactory to these agencies and organizations.

In November, 1942, the Commission announced the adoption of Rule X-17A-5 pursuant to which registered brokers and dealers, members of national securities exchanges and brokers and dealers who transact a business through the medium of a member are required to file each year, beginning in 1943, a report of financial condition. About 1,000 reports were filed from January 1 to June 30, 1943.

RULE X-15C3-1

On October 29, 1942, in announcing its decision not to approve the proposal of the National Association of Securities Dealers for an amendment to its by-laws which would have established certain minimum net capital requirements for members of that association, the Commission announced the adoption of its own rule, X-15C3-1, requiring every registered broker and dealer to maintain net capital of not less than 5% of its aggregate indebtedness. However, the effective date of this rule was deferred pending the adoption of appropriate definitions of net capital and aggregate indebtedness. 3/

In November 1942, the Commission's staff drafted proposed definitions of aggregate indebtedness and net capital which, in accordance with established policy, were submitted to the stock exchanges, state regulatory bodies, accounting societies and members of the industry for their comment. Following comments received from these various groups, it was decided that no definitive action should be taken until the subject had been studied in the light of the financial statements filed pursuant to Rule X-17A-5. 4/

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1/ Guaranty Underwriters, Inc. v. Johnson, 133 F. (2d) 54 (C.C.A. 5, Jan. 15, 1943).

2/ Hearings were resumed following denial of petition for rehearing and on September 11, 1943, the Commission issued an order revoking the company's registration on the basis of detailed findings of fraud. - Securities Exchange Act, Release No. 3481. The company did not appeal from this order.

3/ Securities Exchange Act Release 3322.

4/ The analysis of financial reports filed during the calendar year 1943 indicates that further conferences with the industry and state agencies will be necessary before a solution to the problem can be found.

## NATIONAL SECURITIES ASSOCIATIONS

The National Association of Securities Dealers, Inc. (NASD) continued, during the year under review, as the only national securities association registered as such with the Commission under the Maloney Act. Membership declined from approximately 2,593 on June 30, 1942 to approximately 2,227 on June 30, 1943.

### ENFORCEMENT AND DISCIPLINARY ACTIVITIES

During 1943 the NASD examined the business practices of its entire membership by a uniform questionnaire system. Each member was required to submit, at a date chosen by the Association, a transcript of fifty consecutive retail sales to customers, certain types of transactions and transactions in certain types of securities being specifically excluded. The returns were used for research purposes and were also individually considered by the appropriate District Business Conduct Committee to determine whether they supplied any basis for disciplinary action against the unidentified member.

The installation of this new method of inspection resulted in a temporary lag in the Association's enforcement program. Nevertheless, in the year ended June 30, 1943, fifty-three formal complaints against members were disposed of. These dispositions included sixteen expulsions, five suspensions, sixteen fines, various lesser penalties, and six withdrawals and eight dismissals of complaints. Included in these disciplinary actions were nine complaints which had their origin in facts disclosed in the course of broker-dealer inspections by the Commission's staff, which facts had been referred to the Association for appropriate action. Fifteen of the fifty-three cases had been passed on by the National Business Conduct Committee of the Board of Governors acting as an appellate body.

### APPEALS TO AND REVIEWS BY THE SECURITIES AND EXCHANGE COMMISSION

During the fiscal year hearings were completed and briefs were filed on the so-called "PSI" cases which had their origin in a public offering on December 7, 1939 of \$38,000,000 First Mortgage, 4% bonds due September 1, 1969 issued by Public Service Company of Indiana. After disciplinary decisions by the NASD against some seventy members, for alleged violations of the resale price maintenance provisions embodied in the syndicate agreement, the Commission on its own motion called certain of these cases for review. <sup>1/</sup>

The Commission had under advisement as of June 30, 1943 the record of a private hearing in the first case of its kind, that of a member who had appealed to the Commission for review of an adverse disciplinary decision by the NASD. Another such appeal was pending before the Commission on June 30, 1943 but was subsequently withdrawn, without being perfected.

### AMENDMENTS TO RULES

Substantial revision of existing By-Laws, Rules of Fair Practice and Code of Procedure became effective August 21, 1942, after the membership had voted approval and the Commission had not disapproved. These amendments, with one exception, were non-controversial in substance, and made changes for simplicity or to clarify ambiguities. One such proposal, however, which also had membership approval, would have established as a condition to membership a minimum capital requirement of \$5,000 for firms handling customers' funds or securities and \$2,500 for other firms. Because of its obligations under Section 15A of the Securities Exchange Act of 1934, the Commission held a public

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<sup>1/</sup> On December 30, 1943 the Commission, on application of the Attorney General of the United States, permitted the Department of Justice to intervene in this matter.

hearing on the questions raised by this proposal. In its opinion 1/ the Commission disapproved of this proposal as not conforming to the statutory standards, although it admitted that when it had been presented for informal consideration no objection had been raised by the Commission or its staff. The Commission at the same time adopted Rule X-15C3-1, 2/ discussed earlier in this report.

The Association also made a substantial revision in the method used to compute dues and assessments. In lieu of a classification system based on the number of employees and the assessment of a number of units corresponding to the classification, a three-factor method was substituted. All firms, regardless of size or activity, were assessed a basic membership fee of \$30 plus \$3 for each full time employee. In addition, underwriters were assessed .01% of underwriting participations in excess of \$100,000. A maximum fee of \$5,000 per member remained effective as did a fee of \$10 for each branch office outside the NASD district in which a member's principal office was maintained.

#### CIVIL ACTIONS INSTITUTED BY THE COMMISSION 3/

In Securities and Exchange Commission v. Edwin Paul Woodman, individually and d.b.a. Woodman & Co., 4/ and Securities and Exchange Commission v. Frances J. Lubbe, 5/ two actions brought by the Commission to enjoin further violations of the fraud provisions of the Securities Act of 1933 and of the Securities Exchange Act of 1934, the defendants, both registered broker-dealers, were charged, inter alia, with doing business while insolvent, and with failure to reveal this fact to their customers. In its complaints the Commission, in order to do everything possible to insure that the assets received as a result of fraudulent practices would ultimately be distributed to investors, asked for the appointment of receivers which the court in each case granted.

During the year the Commission for the first time filed complaints for mandatory injunctions against registered broker-dealers who refused to permit representatives of the Commission to examine the books and other records which they are required to keep pursuant to Rule X-17A-3 under the Securities Exchange Act of 1934. In each of these cases, Securities and Exchange Commission v. Harlow, Kays & Co., Inc. 6/ and Securities and Exchange Commission v. James W. Moonan, d.b.a. J. W. Moonan & Co. 7/ consent judgments in favor of the Commission were entered.

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1/ Securities Exchange Act Release 3322.

2/ Securities Exchange Act Release 3323.

3/ Also see infra Part VIII, Litigation, Civil Proceedings.

4/ D. Mass. Preliminary injunction entered February 23, 1943; decree appointing permanent receiver entered April 7, 1943; pending at close of fiscal year.

5/ S.D. Ill., So. Div. Decree of permanent injunction and order appointing receiver entered March 15, 1943.

6/ D. Mass. Consent judgment entered March 15, 1943.

7/ D. Mass. Consent judgment entered March 15, 1943.

PART III

ADMINISTRATION OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

INTEGRATION AND CORPORATE SIMPLIFICATION OF PUBLIC UTILITY HOLDING COMPANY SYSTEMS

New and significant advances were made, during the past fiscal year, in the enforcement of the integration and corporate simplification provisions of the Public Utility Holding Company Act (Sections 11 (b) (1) and 11 (b) (2) respectively). The pattern of enforcement has now reached the stage where the completion of the task of conforming the various public utility holding company systems to the standards of Section 11 is in sight. An encouraging development has been the apparent recognition by holding company executives of the practical business advantages of compliance with the Act and the increasing cooperation that has developed in the formulation and filing of plans for carrying out the requirements of the Act.

In the year ended June 30, 1943, the Commission instituted eight additional Section 11 (b) (1) and 19 Section 11 (b) (2) proceedings and at the close of the year 80 such proceedings were pending, 29 under Section 11 (b) (1) and 51 under Section 11 (b) (2). These 80 proceedings involve practically all of the 52 public utility holding company systems registered under the Act, although they do not necessarily cover all of the Section 11 problems existing in such systems. Hearings have been completed in 21 of the pending Section 11 (b) (1) cases and in 35 pending Section 11 (b) (2) cases. The records in nearly all of the remaining cases are approaching completion. As of November 1, 1943, final orders have been entered covering all or a major part of the issues involved in 21 Section 11 (b) (1) cases and in 26 Section 11 (b) (2) cases.

In steadily increasing numbers, the holding companies are filing applications and plans under Section 11 (e) and other appropriate sections of the Act to comply with Section 11 (b) and a large number of applications and plans for complete or partial compliance with Section 11 have been or are being consummated. The consummation of each such case is usually the culmination of many months of detailed analysis and fact-finding, generally involving complex issues. The momentum of bringing these proceedings to a successful conclusion will increase at an accelerated rate because both the industry and the Commission are now in a position to realize upon the time and effort already expended.

The filing, approval and consummation of these plans are major achievements in the financial and structural reorganization of the American utility industry. In the years to come, a financially sound utility industry will be a source of strength and a stabilizing influence for the whole economy. While there has been a steady improvement in the financial condition of a substantial part of the operating utility industry since enactment of the statute, a great many companies continue to be handicapped either by their own corporate structures or by the existence above them of uneconomic and unwieldy superstructures. The Commission has progressed so far in the task of unraveling burdensome complexities in holding company systems that there is a reasonable prospect of substantially completing the task in the near future. The experience of the Commission shows that the problem of undoing the speculative excesses of the 1920's can be solved only by constructive and forward-looking action. Steps already taken and yet to be undertaken to achieve corporate simplification and integration will result in a healthy utility industry, will protect investors, and will encourage the flow of new money into the industry, thus strengthening this important segment of our national economy.

In considering the progress that has been made in the financial and corporate reorganization of holding company systems, it is helpful to recall the poor financial condition of a large portion of the industry when the Commission commenced its duties under the Act. From September 1, 1929 to April 15, 1936, 53 holding companies went into receivership or bankruptcy. These companies had a funded debt of \$600,000,000, unfunded debt of \$230,000,000 and preferred and common stocks of \$860,000,000. An additional 23 holding companies were forced to default on interest or offer readjustment or extension

plans. These companies had a total funded debt of \$320,000,000, unfunded debt of \$15,000,000, and preferred and common stocks of \$200,000,000. Thirty-six operating public utility companies (all of them subsidiaries of holding companies) went into receivership or bankruptcy, with total funded debt of \$220,000,000, unfunded debt of \$17,000,000, and preferred and common stocks of \$108,000,000. In addition, 16 operating companies defaulted on interest or offered readjustment or extension plans; these companies had debt of \$120,000,000, and \$32,000,000 of stocks. Thus the holding and utility companies whose poor financial condition had reached the breaking point had approximately \$2,750,000,000 of securities in the hands of the public.

As of December 31, 1938, holding companies registered under the Holding Company Act had outstanding \$2,450,000,000 of preferred stocks. Of this total, more than half, or \$1,400,000,000, was in arrears in dividends, the total accumulated arrearages being some \$363,000,000. Even many utility operating companies were so overcapitalized that they could not meet their preferred dividends. Of \$1,750,000,000 of preferred stocks of operating companies, approximately \$500,000,000 were in default, the arrearages aggregating \$148,000,000. Of course both the industry and the Commission have been working actively to correct this situation. Substantial progress has been made in cleaning up the problem of arrearages and unsound capital structures. Not only have many companies been reorganized under the procedures made possible only by Section 11, but, as indicated above, the Commission and the companies are now in a position, through the vast amount of work that has been done, to bring to a successful conclusion pending reorganization proceedings involving some of the worst situations in the industry.

#### Status of Section 11 Proceedings Involving Major Holding Company Systems

The sixteen largest holding company systems registered under the Act have total assets of \$14,729,000,000 or nearly 88% of the total assets of all registered holding company systems. A brief summary of the status of the more important aspects of the Section 11 proceedings involving each of these major holding company systems at the close of the past fiscal year follows.

##### 1. Electric Bond and Share Company

Electric Bond and Share is the largest system registered under the Holding Company Act. The parent, Electric Bond and Share Company (Bond and Share), controls five major sub-holding companies: American & Foreign Power Company, Inc. (American Foreign), American Gas and Electric Company (American Gas), American Power and Light Company (American), Electric Power & Light Corporation (Electric), and National Power & Light Company (National).

On May 9, 1940, the Commission instituted Section 11 (b) (2) proceedings with regard to Bond and Share and certain of its subsidiaries. <sup>1/</sup> The order outlined a series of complex issues to be resolved including the question of the necessity of continuing the existence of one or more of the main sub-holding companies. On August 23, 1941, the Commission found that National served no useful function, that it served as the central tier in a pyramid that enabled Bond and Share to control the National system with practically no investment, and that it violated Section 11 (b) (2) because it constituted an undue and unnecessary complexity in the Bond and Share system. As a result, National was ordered to dissolve. <sup>2/</sup> Considerable progress has been made in getting National's affairs in shape for liquidation. As a preliminary step, cash on hand was used to retire all bonds. The next step was to eliminate the preferred stock. The major part of this stock was retired by a voluntary exchange of common stock of Houston Lighting & Power Company for it and by sale of the remainder of Houston stock and the use of the

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<sup>1/</sup> Holding Company Act Release No. 2051.

<sup>2/</sup> Holding Company Act Release No. 2962 (9 S.E.C. 978).

proceeds to retire the National preferred stock at \$100 per share, plus accumulated dividends. 1/ The principal assets remaining for disposition are the common stock of three operating companies: Birmingham Electric Company, Carolina Power & Light Company and Pennsylvania Power & Light Company.

The Commission instituted a Section 11 (b) (2) proceeding directed to Pennsylvania Power & Light Company on July 25, 1941 2/ but agreed to hold it in abeyance after National's president testified that the ultimate objectives sought by the Commission could best be accomplished, after National had disposed of its various portfolio assets, by a large contribution of cash from National to Pennsylvania 3/. On August 5, 1942 4/, the Commission, acting under Section 11 (c), granted National an extension of one year from August 22, 1942 for compliance with the order of dissolution but conditioned its action upon National's filing plans for resolution of the voting power and accounting problems of its subsidiaries. National filed such plans which were later amended. Subsequent to the end of the fiscal year the plan for Carolina Power & Light Company was approved by the Commission.5/

On August 22, 1942, American and Electric were ordered dissolved. 6/ These two companies appealed to the United States Court of Appeals for the First Circuit which heard argument on the petitions on June 1, 1943.

The Commission instituted proceedings under Section 11 (b) (2) and various other sections of the Act directed to American and its subsidiary, Florida Power & Light Company (Florida), on July 10, 1941. Issues were raised as to the distribution of voting power among the security holders of Florida, the existence of large amounts of write-ups in its accounts, and the validity and rank of the \$22,000,000 of its debentures held by American. On September 17, 1941 respondents filed a refinancing plan, in part to meet the allegations in the Commission's order for hearing. The matters were consolidated and hearings were held. After the end of the fiscal year the record was closed and briefs and requested findings of fact were submitted. Prior to the final determination of the matter by the Commission, however, American and Florida submitted amendments to their previous proposal. The proposal as so amended, which provided for substantial adjustments to the accounts of Florida, the surrender by American to Florida as a capital contribution of \$17,000,000 of the debentures held by it and certain other securities, and the retirement of all publicly-held securities at their contract prices from treasury cash and the proceeds of issuance of new securities, was approved by the Commission on December 28, 1943. 7/

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1/ On January 4, 1944, the Commission authorized the retirement of the last 12,000 shares of preferred. Holding Company Act Release No. 4811.

2/ Holding Company Act Release No. 2906.

3/ Holding Company Act Release No. 3107, November 3, 1941.

4/ Holding Company Act Release No. 3832.

5/ Holding Company Act Release No. 4746, December 11, 1943.

6/ Holding Company Act Release No. 3750. On September 1, 1943, the Commission approved the sale by Electric of its entire common stock interest in Idaho Power Company to underwriters for resale to the Public. Electric received \$10,361,250 for the stock. Holding Company Act Release No. 4527.

7/ Holding Company Act Release No. 4791.

In November 1942, American filed for permission to expend \$10,000,000 of treasury cash for the purchase of a portion of its outstanding debenture bonds at not to exceed \$100. While the plan was not filed under Section 11 or in purported compliance with the order of dissolution, since American was contesting the constitutionality of the former and the validity of the latter, it stated that the proposal would facilitate compliance with Section 11 and with the order of dissolution, if upheld by the courts. On February 24, 1943 the Commission gave its permission to such purchases if limited to the open market. 1/

United Gas Corporation, a subsidiary of Electric, filed an application on May 5, 1941 for permission to sell \$75,000,000 principal amount of 3-1/4% first mortgage bonds and to use \$52,925,000 of the proceeds to pay off its obligations to Bond and Share. On May 31, 1941, the Commission ordered hearings on this application and instituted proceedings pursuant to Section 11 (b) (2). 2/ The Section 11 (b) (2) proceedings raised issues as to the validity and rank of the \$52,925,000 debt claim held by Bond and Share, the resolution of which was vital to the determination of whether the application for refunding should be granted. 3/ Accordingly, a consolidated hearing was ordered in which testimony has been introduced bearing on all factors relevant to the status of the debt claim. The record was closed on this issue after the fiscal year-end and the matter is pending.

On March 8, 1943, Utah Power & Light Company, a subsidiary of Electric, filed a refinancing plan and the Commission instituted Section 11 (b) (2) proceedings and consolidated the two matters. 4/

## 2. The North American Company

The Commission instituted proceedings pursuant to Section 11 (b) (1) with regard to The North American Company (North American) and its subsidiaries on March 8, 1940. 5/ Section 11 (b) (2) proceedings were ordered on December 2, 1941, regarding North American Light & Power Company (Light & Power), a subsidiary of North American, and on December 30, 1941, the Commission ordered 6/ the liquidation and dissolution of Light & Power on the ground that its continued existence unnecessarily complicated the structure of the North American system.

On April 14, 1942, the Commission rendered a comprehensive opinion and order in the North American Section 11 (b) (1) proceedings. 7/ This order dealt not only with the holding company system of North American but also with the status under Section 11 (b) (1) of the properties of each registered holding company in the system, including the

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1/ Holding Company Act Release No. 4133.

In June 1943, American asked that the order be modified to allow it to make purchases at up to \$106 on the ground that such purchases would result in a net saving to it. Such permission was granted. Holding Company Act Release No. 4483.

2/ Holding Company Act Release No. 2790.

3/ Holding Company Act Release No. 3301, January 31, 1942.

4/ Holding Company Act Release No. 4157. The Commission's opinion approving the refinancing and providing for the recapitalization of Utah was issued on November 29, 1943. Holding Company Act Release No. 4716.

5/ Holding Company Act Release No. 1900.

6/ Holding Company Act Release No. 3233.

7/ Holding Company Act Release No. 3405.

holding company subsidiaries of Light & Power but excluding Light & Power itself because its liquidation had been previously ordered. The Commission's order required North American to divest itself of substantially all its assets other than securities of one integrated electric system, namely, that of Union Electric Company of Missouri. North American was allowed fifteen days within which to state the choice of another principal system but it did not do so. Instead it filed a petition requesting a modification of the order. This petition was denied on June 25, 1942. 1/ North American appealed to the United States Circuit Court of Appeals for the Second Circuit which affirmed the Commission's orders on January 12, 1943. 2/ On March 1, 1943, the Supreme Court agreed to review the constitutional aspects of the decision 3/ but on April 15, 1943 it indefinitely deferred hearing the case because of the lack of a quorum. 4/

North American has disposed of substantially all its holdings of Detroit Edison Company common stock and a portion of its holdings of Washington Railway and Electric Company (which controls Potomac Electric Power Company) and in Pacific Gas and Electric Company by paying shares of stock of those companies as regular dividends to North American's common stockholders. This policy enabled North American to use its cash earnings to reduce its outstanding debt from \$70,000,000 to about \$34,000,000. As a result, North American has been enabled to refund its entire debt with a 2% bank loan maturing serially over a five-year period, thus effecting important interest savings.

The formulation and effectuation of a fair plan of liquidation for Light & Power is dependent upon the disposition of certain claims asserted against it by Illinois Iowa Power Company, one of its indirect subsidiaries (through Illinois Traction Company). 5/ In the interim, however, steps have been taken toward the liquidation of Light & Power. On July 10, 1942, the Commission approved an application providing for the retirement of the \$3,376,500 publicly-held debentures of Light & Power at the principal amount thereof plus accrued interest, without the payment of a redemption premium. 6/ The City National Bank and Trust Company of Chicago, as Successor Trustee, appealed to the United States Circuit Court of Appeals for the Seventh Circuit contending that the debenture holders were entitled to the redemption premium. The court upheld the order of the Commission on March 5, 1943. 7/

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1/ Holding Company Act Release No. 3630.

2/ 133 F. (2d) 148.

3/ 63 S. Ct. 764.

4/ On August 4, 1943, North American submitted to the Commission a plan of reorganization, the purpose of which was stated to be the immediate divestment by North American of the major part of its utility investments and its subsequent liquidation and dissolution. Holding Company Act Release No. 4486.

5/ On August 22, 1941, the Commission instituted proceedings with respect to Illinois Iowa Power Company pursuant to Section 11 (b) (2). (Holding Company Act Release No. 2953). This proceeding has been retarded in view of the asserted claims of Illinois Iowa against Illinois Traction, Light & Power and North American.

6/ Holding Company Act Release No. 3658.

7/ 134 F. (2d) 65.



### 3. The United Gas Improvement Company

The Commission instituted proceedings with regard to The United Gas Improvement Company (U.G.I.) and its subsidiaries, pursuant to Section 11 (b) (1), on March 4, 1940. 1/ Pursuant to a request by U.G.I., the Commission issued, on January 18, 1941, a statement of tentative conclusions as to the application of the provisions of Section 11 (b) (1) to the holding company system of U.G.I. in which it stated tentatively that the system's single integrated public utility system was composed of the electric properties of its subsidiaries in the Pennsylvania-Delaware-Maryland area. 2/ Divestiture orders were issued on July 30, 1941 and May 7, 1942 3/ based upon this interpretation. U.G.I. appealed these orders to the United States Circuit Court of Appeals for the Third Circuit. The Court sustained the orders in a unanimous decision on November 17, 1943.

After argument before the Court but before its decision, U.G.I. and its subsidiary, Philadelphia Electric Company, filed applications under Section 11 (e) for the purpose of enabling the U.G.I. holding company system to effect partial compliance with Section 11 (b). 4/ The plan provided for the distribution to U.G.I.'s preferred and common stockholders of \$30,600,000 in cash and substantially all its stockholdings in Philadelphia Electric and Public Service Corporation of New Jersey, two subsidiaries with combined assets of \$1,200,000,000. The plan was filed in December 1942, was approved by the Commission March 18, 1943 5/, by the common stockholders April 19, 1943, and was declared effective as of June 18, 1943. By effecting the retirement in this manner of its preferred stock, U.G.I. made possible the further distribution of investments or cash to its common stockholders. 6/

Immediately prior to the filing of the plan, the market price of U.G.I. common stock was about \$4 per share and, like many other holding company stocks, represented a considerable discount from the interest of each holding company share in the market value of the underlying investments. The common stock rose to \$6 per share immediately after the filing of the plan, and just before the distribution of the securities to stockholders on August 19, 1943, it sold at \$9-7/8 per share. As noted, the plan provided for the transfer to stockholders of direct ownership in the two principal subsidiaries of U.G.I., eliminating the interposition of the holding company, with its attendant complexity and large expense.

### 4. The Commonwealth & Southern Corporation

Section 11 (b) (1) proceedings were started with respect to The Commonwealth & Southern Corporation and its subsidiaries on March 6, 1940. 7/ This proceeding was later consolidated with Section 11 (b) (2) proceedings instituted on April 8, 1941. 8/

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1/ Holding Company Act Release No. 1953.

2/ Holding Company Act Release No. 2500.

3/ Holding Company Act Release Nos. 2913 and 3511.

4/ Holding Company Act Release Nos. 4011 and 4043.

5/ Holding Company Act Release No. 4173.

6/ Subsequent to the distribution of its interest in Philadelphia Electric and Public Service, U.G.I. has effectuated a series of transactions which will enable it to distribute, on or about May 22, 1944, to its stockholders all its holdings of securities of Delaware Power & Light Company and subsidiaries, which have consolidated assets of \$52,334,642. Holding Company Act Release No. 4505.

7/ Holding Company Act Release No. 1956.

8/ Holding Company Act Release No. 2679.

On April 9, 1942 <sup>1/</sup>, the Commission, under Section 11 (b) (2), ordered Commonwealth to reduce its outstanding preferred and common stock to a single class of common stock. Commonwealth appealed the order to the Circuit Court of Appeals for the Third Circuit which, on March 31, 1943, upheld the Commission's order in all respects. <sup>2/</sup> Commonwealth filed a recapitalization plan on April 20, 1943, designed to comply with the order. The plan as originally filed provides for reclassifying the existing preferred and common stocks into a single class of new common stock and for the distribution to its stockholders (or earlier sale) of the common stock of one of its northern subsidiaries. The plan contemplates that the remaining subsidiaries would continue to be owned by Commonwealth, pending the outcome of the Section 11 (b) (1) proceedings. The plan was pending at the close of the fiscal year.

#### 5. Cities Service Company

On July 3, 1941, the Commission instituted a Section 11 (b) (1) proceeding with respect to Cities Service Company (Cities), the top company in this system, and all its subsidiaries. <sup>3/</sup> Hearings have been completed and Commission action on the case was pending at the close of the past fiscal year.

On March 4, 1940, the Commission started a proceeding under Section 11 (b) (1) with reference to the holding company systems of Cities Service Power & Light Company (Power & Light), principal holding company subsidiary of Cities, and Federal Light & Traction Company, principal holding company subsidiary of Power & Light. <sup>4/</sup> The Commission's decision in that case was rendered after the close of the past fiscal year. <sup>5/</sup>

By order dated August 29, 1942, a proceeding was instituted under Section 11 (b) (2) regarding Power & Light and certain of its subsidiaries. <sup>6/</sup>

On May 4, 1942, the Commission instituted a Section 11 (b) (2) proceeding with respect to Empire Gas and Fuel Company, a non-utility subsidiary of Cities <sup>7/</sup>, and on August 3, 1942, the Commission approved a comprehensive plan for recapitalizing Empire <sup>8/</sup>

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<sup>1/</sup> Holding Company Act Release No. 3432.

<sup>2/</sup> 134 F. (2d) 747.

<sup>3/</sup> Holding Company Act Release No. 2867.

<sup>4/</sup> Holding Company Act Release No. 1954.

<sup>5/</sup> By orders dated August 17, 1943 and September 10, 1943 (Holding Company Act Release Nos. 4489 and 4551), the Commission required Power & Light to limit the operations of its system to its Ohio properties. Since then, Power & Light has disposed of its interest in Public Service Company of Colorado and Durham Public Service Company, and Federal Light and Traction has disposed of its interest in Rawlins Electric Company. Power & Light filed a petition with the Circuit Court of Appeals for the Third Circuit to review the Commission's Section 11 (b) (1) orders, but subsequently withdrew the petition.

<sup>6/</sup> Holding Company Act Release No. 3769. In December 1943, Power & Light filed a Section 11 (e) plan designed to effect partial compliance with Section 11 (b) (2). The plan proposes to retire the publicly-held senior securities of Power & Light through the use of treasury cash and a \$20,000,000 short-term bank loan. The proceeding on the plan was consolidated with the Section 11 (b) (2) proceeding.

<sup>7/</sup> Holding Company Act Release No. 3498.

<sup>8/</sup> Holding Company Act Release No. 3711.

Approximately 24 percent of Empire's preferred stock was publicly-held, the balance of the preferred stock and all the common stock being held by Cities Service Company. No dividends had been paid on the preferred stock in more than ten years. Interest had been paid regularly, however, on approximately \$100,000,000 principal amount of inter-company debt owed by Empire and its subsidiaries to Cities. The approved plan provided for the exchange of the publicly-held preferred stock for 3-1/2% sinking fund debentures of Empire in an aggregate principal amount (over \$20,000,000) equal to the par value of the preferred plus accumulated dividends. The debts owed by Empire and its subsidiaries to the parent company were subordinated to the new debentures. On the day before the proceedings were instituted, the \$6 preferred stock of Empire with dividend arrearages of \$57.50 per share sold on the market at \$87 per share; three days after the plan was approved, on August 8, 1942, the stock was quoted at \$131.50 per share. On September 25, 1943, the equivalent market price of that stock in terms of 3-1/2% debentures was \$157 per share.

#### 6. Associated Gas and Electric Company

The Commission, on September 4, 1941, instituted a Section 11 (b) (1) proceeding with regard to the Trustees of Associated Gas and Electric Corporation (Agecorp) who controlled, directly or indirectly, 175 subsidiaries of which 68 were public utilities as defined by the Act. 1/ The Trustees stated that their aim was to create out of the system four groups of properties to be disposed of as units in the liquidation of Agecorp. One of these four groups of properties is located in Florida and Georgia, while the other three are in New York, Pennsylvania and New Jersey.

On August 13, 1942, the Commission issued an order requiring the Trustees to divest themselves of all interest in a long list of utility and non-utility companies, reserving for future consideration questions relating to the composition of the groups of properties as single integrated systems, additional systems, and permissible non-utility businesses. 2/

On February 3, 1941, the Commission initiated Section 11 (b) (2) proceedings against General Gas and Electric Corporation (Gengas), a registered holding company subsidiary of Agecorp. 3/ Subsequently, Section 11 (e) plans for the reorganization of Gengas were filed by Gengas 4/ and by Agecorp 5/, the hearings on which were consolidated with the Section 11 (b) (2) proceedings. The plan filed by Agecorp 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 proposed to turn in all their securities of, and claims against, Gengas and receive in exchange an entire issue of new common stock. The record in this proceeding was closed after the close of the fiscal year.

Section 11 (b) (2) proceedings were directed to Virginia Public Service Company, a subsidiary of Gengas, on August 12, 1941. 6/ For the purpose of fairly and equitably

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1/ Holding Company Act Release No. 2983.

2/ Holding Company Act Release No. 3729. By the end of the fiscal year the Trustees had divested themselves of all interest in 58 of the 113 companies (other than Utilities Investing Trust and New England Gas and Electric Association and its subsidiaries) listed in the Commission's order of August 13, 1942.

3/ Holding Company Act Release No. 2543.

4/ Holding Company Act Release No. 2598, March 7, 1941.

5/ Holding Company Act Release No. 4382, June 24, 1943.

6/ Holding Company Act Release No. 2933.

distributing voting power among its security holders, Virginia, on April 18, 1942, filed a Section 11 (e) plan which provided for the refunding of long-term debt, the dissolution of three subsidiaries, the elimination of certain inflationary items, and the substitution of new no par common stock for the outstanding preferred and common stock of the company. 1/ On May 22, 1942, dissolution of the three subsidiaries was authorized and the accounting adjustments and refunding program were approved. 2/

On February 10, 1943, the Commission instituted Section 11 (b) (2) proceedings with regard to Georgia Power & Light Company, another subsidiary of Gengas. 3/ Hearings were held in this case beginning in March 1943 and the matter was pending at the close of the fiscal year.

On June 14, 1943, a thoroughgoing reorganization plan was filed jointly by the Trustee of Associated Gas and Electric Company and the Trustees of Associated Gas and Electric Corporation. 4/ This plan, filed pursuant to Section 11 (f) of the Act, is designed to extricate these companies from bankruptcy proceedings which have been pending since January 10, 1940 in the United States District Court for the Southern District of New York under Chapter X of the Bankruptcy Act.

On June 4, 1943, Utilities Employees Securities Company (Uesco), a subsidiary of Ageco and Agecorp, entered into an agreement with the Trustees of Ageco and Agecorp, Gengas, Associated Utilities Corporation, New England Gas and Electric Association, and Trustees under Pension Trust Agreement dated December 14, 1937, as amended, for the voluntary liquidation and dissolution of Uesco. Uesco was an investment company, being at the same time the largest single creditor of the estates of Ageco and Agecorp. It had been organized by Howard C. Hopson in 1931 as an investment medium for employees of the companies in the Associated system. The investment of the employees was largely through coerced salary deductions, and system operating companies were also compelled to make contributions. The plan filed under Section 11 (e) of the Act provided for setting up voluntary pension funds by the various system companies, paying off employee and certain other security holders, and evolving a mechanism for participation in the reorganization proceedings of the parent companies. The Commission approved the plan on August 12, 1943.

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. Subsequent to the close of the hearings but prior to a final order of the Commission, the Trustees of Ageco and Agecorp and a subsidiary company in the Associated system instituted suits, in both a state court and a federal court, in Massachusetts against Negea. The suit in the state court involved consideration of the status of indebtedness, in the amount of \$14,583,290, which had been canceled in 1930 through the issuance by Negea of equity securities. The suit in the federal court involved an accounting for alleged profits received by Negea in, and resulting from, the transfer of certain stock and indebtedness of Electric Associates, Inc. from Agecorp to Negea in 1932.

It appeared to the Commission that the subject matter of the suits against Negea were relevant to any determination of a proper allocation of securities under any plan of recapitalization of Negea. Hence, on February 17, 1943, the Commission instituted

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1/ Holding Company Act Release No. 3454.

2/ Holding Company Act Release No. 3562. The Commission rendered its opinion on the remaining issues in this proceeding on October 16, 1943. Holding Company Act Release No. 4618.

3/ Holding Company Act Release No. 4111.

4/ Holding Company Act Release No. 4399. Hearings on this plan have recently been completed and the matter is now awaiting Commission decision.

further proceedings under various sections of the Act, including Section 11, for the purpose of determining (1) whether, and to what extent, the Trustees of Ageco and Agecorp and its subsidiary had valid claims against Negea, and (2) in the event that any claims were deemed to be valid, the rank of such claims in relation to the claims of publicly-held securities of Negea. 1/

The issues in this matter were subsequently broadened to include consideration of whether and to what extent the Trustees of Ageco and Agecorp, and their subsidiaries, have claims against Negea for unjust enrichment, if any, of Negea as the result of any transfers or diversions to Negea of assets of the Associated system. The hearings were in progress at the close of the fiscal year.

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

The Commission started proceedings on March 6, 1940, pursuant to Section 11 (b) (1), with regard to Standard Power and Light Corporation, Standard Gas and Electric Company (Standard Gas) and their subsidiaries. 2/ Standard Gas admitted that the electric utility operations of its holding company system were not confined to a single integrated system and agreed to dispose of all its holdings except the common stock of Philadelphia Company, which operates principally in and around Pittsburgh and from which Standard Gas received approximately 35 percent of its corporate income in 1940. Reserving for future consideration the question of whether the gas and non-utility properties of the Philadelphia Company may be retained with the electric, the Commission approved the retention of this company by Standard and ordered the disposition of all other subsidiaries, except the system service company. 3/

The Commission started proceedings on June 5, 1940, pursuant to Section 11 (b) (2), with regard to Standard Power and Light Corporation. 4/ At the hearings, counsel for Standard Power acknowledged that the company performed no useful functions. On June 19, 1942, the Commission ordered Standard Power to liquidate and dissolve. 5/ An extension of time has been granted for compliance with this order. 6/

On March 24, 1943, the Commission gave notice that Standard Gas had filed a comprehensive plan pursuant to Section 11 (e) for the purpose of enabling it to comply with the provisions of Section 11 (b). On the same date the Commission instituted a proceeding pursuant to Section 11 (b) (2) and consolidated the two hearings. 7/ Hearings on the plan have been completed and the plan is under consideration.

On June 30, 1942, Southern Colorado Power Company (Southern Colorado), a subsidiary of Standard Gas, filed a plan of recapitalization pursuant to Section 11 (e) and, on July 2, 1942, the Commission instituted Section 11 (b) (2) proceedings and consolidated the two. 8/

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1/ Holding Company Act Release No. 4124.

2/ Holding Company Act Release No. 1957.

3/ Holding Company Act Release No. 2929, August 8, 1941 (9 S.E.C. 862).

4/ Holding Company Act Release No. 2095.

5/ Holding Company Act Release No. 3607.

6/ Holding Company Act Release No. 4416.

7/ Holding Company Act Release No. 4198.

8/ Holding Company Act Release No. 3644, July 2, 1942. On August 23, 1943, the Commission approved Southern Colorado's plan with modifications. Amendments to meet the Commission's objections were filed on October 21, 1943. The Commission approved the amended plan on November 24, 1943 and the United States District Court in Colorado approved the plan on December 21, 1943.

8. Columbia Gas & Electric Corporation

Proceedings initiated by the Commission on August 25, 1941 1/, with regard to Columbia Gas & Electric Corporation (Columbia) and several of its subsidiaries, including Columbia Oil & Gasoline Corporation, pursuant to Sections 11 (b) (1) and 11 (b) (2), were consolidated with a Section 11 (e) plan by order dated July 14, 1942. 2/ The plan involved, among other things, the sale by Columbia Oil & Gasoline Corporation (Columbia Oil), a subsidiary of Columbia, of its interest in Panhandle Eastern Pipe Line Company (Panhandle), the transfer of its five oil and gasoline subsidiaries to Columbia Gas and the liquidation of Columbia Oil. The Commission in an order 3/ and opinion 4/ dated October 2, 1942, approved the plan. On March 23, 1943, the United States Circuit Court of Appeals, Third Circuit, affirmed the Commission's order 5/ and six days later the United States District Court for the District of Delaware entered its order approving the plan. 6/ Columbia's relationships with certain of its subsidiaries had involved it in a long series of legal difficulties. Among other results, consummation of Columbia's plan had the effect of divorcing Panhandle from the Columbia system, a step which the Commission had found to be necessary to effectuate the provisions of Section 11 (b) (1), extricated some of the companies and other interested parties from problems which they faced under the anti-trust laws and terminated a complex tangle of private litigation.

9. Niagara Hudson Power Corporation

The Commission instituted Section 11 (b) (2) proceedings in August 1942 with respect to Niagara Hudson Power Corporation, Buffalo Niagara and Eastern Power Corporation and their subsidiary companies. 7/ During the course of the hearings the Commission held a public conference to explore the means whereby dividend payments on the preferred stocks of the two holding companies in the system, which were discontinued in the fall of 1942, could be resumed. The management formulated an over-all plan of reorganization, filed in June 1943 under Section 11 (e) of the Act 8/, providing for the consolidation of the principal public utility companies in the system and Buffalo Niagara and Eastern Power Corporation into one operating company, and the dissolution of Niagara Hudson Power Corporation. The plan further provides for the payment in cash of all accrued and unpaid dividends. Hearings relating to certain aspects of the proposed reorganization were held from time to time before the New York Public Service Commission and completed toward the end of 1943. 9/

10. International Hydro-Electric System

Proceedings under Section 11 (b) (2) of the Act involving International Hydro-Electric System (IHES) were instituted on June 17, 1940. 10/ IHES is a Massachusetts trust which owns directly the equity in New England Power Association, also a registered holding company, and the equities in Gatineau Power Company, a Canadian public utility company, and in two wholesale electric utilities operating in the United States.

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1/ Holding Company Act Release No. 2963.

2/ Holding Company Act Release No. 3668.

3/ Holding Company Act Release No. 3829.

4/ Holding Company Act Release No. 3885.

5/ 134 F. (2d) 822.

6/ 50 F. Supp. 965.

7/ Holding Company Act Release No. 3754.

8/ Holding Company Act Release No. 4387.

9/ Hearings before this Commission are presently scheduled to commence on February 8, 1944.

10/ Holding Company Act Release No. 2122.

On January 17, 1941, the Commission ordered that all of the common stock and all of the Class B stock of IHES held by certain trustees for the benefit of International Paper Company and International Paper and Power Company be surrendered to IHES for cancellation, the Commission having found such stocks to be of no value. <sup>1/</sup> On June 18, 1941, this order was complied with by the trustees and the Class B and commong stocks were thereafter canceled.

On July 21, 1942 IHES itself was ordered to liquidate and dissolve, the Commission finding that IHES performed no useful function and constituted an unnecessary complexity in the system. <sup>2/</sup>

On March 17, 1943, the Commission, pursuant to Section 11 (b) (2), ordered that Massachusetts Utilities Associates Common Voting Trust be liquidated and dissolved and that Rhode Island Public Service Company, Massachusetts Utilities Associates, Massachusetts Power and Light Associates and North Boston Lighting Properties be eliminated as sub-holding companies in the New England Power Association and IHES system. <sup>3/</sup>

Paul H. Todd, a stockholder and director of IHES, filed petitions on September 19, 1942 and December 20, 1942, in the United States Circuit Court of Appeals for the Sixth Circuit, for the review of the Commission's order of July 21, 1942 directing the liquidation and dissolution of IHES and asking the court to remand the proceedings to the Commission for further investigation of certain alleged rights of action of IHES against International Paper Company. The Commission contended that dissolution was the appropriate action in the light of the applicable statutory standards and that the alleged claims against the Paper Company would be fully explored but that such exploration was not a necessary prerequisite to the issuance of the dissolution order. IHES intervened in the review proceeding and supported the validity of the Commission's order. The court denied the application to adduce additional evidence and dismissed the petition for review, thereby sustaining the Commission's order. <sup>4/</sup>

Shortly after the close of the past fiscal year, IHES notified the Commission that because of the asserted claims against International Paper Company and the imminence of the maturity of its bonds it would be impossible for it to comply with the Commission's order of July 21, 1942 without the aid of court enforcement. On August 12, 1943 the Commission instituted a proceeding pursuant to Section 11 (d) of the Act in the United States District Court for the District of Massachusetts to enforce compliance with its liquidation order and the District Court took jurisdiction over IHES. The investigation of the alleged claims against International Paper Company is now in progress.

#### 11. The Middle West Corporation

The Commission instituted Section 11 (b) (1) proceedings with regard to The Middle West Corporation (Middle West) and its subsidiaries on March 1, 1940. <sup>5/</sup> Hearings in this case have been completed and arguments have been presented. At the close of the past fiscal year, the Commission's findings, opinion and order were in preparation.

In February 1940, two subsidiaries of The Middle West Corporation, Central and South West Utilities Company (Central) and American Public Service Company (American), 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 in the two cases be consolidated. The major issue in the case centered around the question of whether the new corporation should issue any preferred stock. The proponents of the plan submitted by the companies contended that preferred

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<sup>1/</sup> 8 S.E.C. 485.

<sup>2/</sup> Holding Company Act Release No. 3679.

<sup>3/</sup> Holding Company Act Release No. 4168.

<sup>4/</sup> 137 F. (2d) 475 (CCA 6, 1943).

<sup>5/</sup> Holding Company Act Release No. 1950.

stock was necessary in the new company in order to preserve the priorities of the holders of the prior lien preferred stocks of Central and of the preferred stock of American. The Commission ruled that the new corporation could have only common stock. 1/ The respondents appealed to the United States Court of Appeals for the District of Columbia, which upheld the Commission on June 7, 1943. 2/

The Commission initiated proceedings on June 9, 1941, pursuant to Section 11 (b) (2), which raised issues as to the equitable distribution of voting power among the security holders of The North West Utilities Company (North West) system, and also as to the continued existence of North West. 3/ The proceeding was consolidated, on June 11, 1941, with a plan of recapitalization of North West which had been submitted by North West and Middle West. 4/

## 12. The United Light and Power Company

Three major Section 11 proceedings involving The United Light and Power Company (United Light) were consolidated in 1941, namely: a Section 11 (b) (1) proceeding instituted on March 8, 1940 5/, proceedings with respect to a recapitalization plan filed by United Light 6/ and Section 11 (b) (2) proceedings started December 6, 1940. 7/

United Light is the top holding company astride two subsidiary tiers of holding companies in an excessively pyramided holding company system. United Light performs no necessary or useful function. No dividends have been paid since the first quarter of 1932 on its outstanding \$60,000,000 preferred stock issue. Under the standards of Section 11, its liquidation was necessary and was ordered by the Commission. 8/ The company subsequently filed a number of applications covering action necessary to accomplish liquidation, now in its final stage. One of the most important steps involved the distribution by United Light of its principal asset, all of the common stock of a subsidiary holding company, The United Light and Railways Company (Railways), to the preferred and common stockholders of United Light on a fair and equitable basis. The original plan filed by the company provided that 91.2 percent of the common stock of Railways should be distributed to the preferred stockholders of United Light and 8.8 percent to the common stockholders. In an opinion rendered April 5, 1943, the Commission disapproved this distribution but approved the plan when it was amended to allow the preferred stockholders approximately 95 percent of Railways' common. 9/ Commissioner Healy dissented on the ground that the preferred stockholders were entitled to receive all the assets. The order of the Commission approving the plan of distribution was confirmed by Judge Leahy of the United States District Court of Delaware on July 30, 1943 and is now on appeal to the United States Circuit Court of Appeals, Third Circuit. 10/

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1/ Holding Company Act Release No. 3580, June 4, 1942.

2/ 136 F. (2d) 273. 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. Holding Company Act Release No. 4498.

3/ Holding Company Act Release No. 2806.

4/ Holding Company Act Release No. 2812. The Commission, in an opinion dated September 10, 1943, held that the proposed plan of recapitalization fell far short of effectuating the provisions of Section 11 (b) and ordered that North West be liquidated. Holding Company Act Release No. 4552.

5/ Holding Company Act Release No. 1961.

6/ Holding Company Act Release No. 2185, July 24, 1940.

7/ Holding Company Act Release No. 2407.

8/ Holding Company Act Release No. 2636, March 20, 1941 (8 S.E.C. 837).

9/ Holding Company Act Release No. 4215.

10/ See discussion of Litigation infra.



The United Light and Power system has made substantial progress in complying with the Section 11 (b) (1) order which the Commission issued with respect to this system on August 5, 1941. 1/ United Light and Railways Company, on September 12, 1941, sold its stock interest in Northern Natural Gas Company to underwriters for resale. Proceeds from the sale, \$10,533,000, were applied on the purchase from United Light of common stock of Iowa-Illinois Gas and Electric Company in order to facilitate the dissolution of United Light. A number of other divestments of properties by sub-holding companies in this system, including the sale on October 24, 1942 by American Light & Traction Company of its holdings in San Antonio Public Service Company, are summarized in Appendix Table 16.

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). 2/ The plan contemplated the elimination of several "second degree" holding company relationships, the continuance of which is forbidden under the terms of Section 11 (b) (2) of the Act. Its consummation was contingent upon the accomplishment of certain refinancing. No change in the actual physical utility properties of the system was involved. The Commission approved the plan on December 31, 1937, reserving for future consideration the question of adjustments of write-ups of system properties and investments. 3/ The refinancing was postponed because of changed market conditions, and the major simplification provisions of the plan have not been put into effect.

14. Engineers Public Service Company

Section 11 (b) (1) proceedings were instituted with regard to Engineers Public Service Company (Engineers) and its subsidiaries on February 28, 1940. 4/ 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 against The Western Public Service Company (a Maryland corporation), a subsidiary of Engineers. 5/ On December 29, 1941, the Commission approved the sale of Western's Nebraska and South Dakota properties. 6/ Western then redeemed its publicly-held securities and liquidated. Its remaining properties were acquired by The Western Public Service Company, a Delaware corporation (Western, Del.), a newly-formed subsidiary of Engineers, which also acquired the securities of Western's subsidiaries, The Northern Kansas Power Company and Missouri Service Company. Engineers accepted an order to divest itself of the properties owned by Western, Del. and by The Northern Kansas Power Company and Missouri Service Company. 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. 7/ Engineers appealed to the United States Court of Appeals for the District of Columbia. 8/

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1/ Holding Company Act Release No. 2923 (9 S.E.C. 833).

2/ Holding Company Act Release No. 793, August 25, 1937.

3/ Holding Company Act Release No. 949 (2 S.E.C. 972).

4/ Holding Company Act Release No. 1945.

5/ Holding Company Act Release Nos. 2897 and 2898.

6/ Holding Company Act Release Nos. 3230 and 3245.

7/ Holding Company Act Release No. 3796.

8/ For the court's opinion, rendered on November 22, 1943, see summary of litigation infra.

On March 16, 1943 and by supplemental order dated April 27, 1943, the Commission approved a Section 11 (e) plan which had been filed by Engineers providing for the recapitalization of Puget Sound Power & Light Company. 1/ Puget had a seriously unbalanced capital structure with two classes of preferred stock on which dividend arrearages of over \$18,000,000 had accumulated. The plan greatly simplified the company's capital structure and put Puget in position to pay dividends to all its stockholders. 2/ The plan was approved by the United States District Court of Massachusetts on June 10, 1943 3/ and became effective September 13, 1943.

15. Northern States Power Company

On June 5, 1942, Northern States Power Company (Delaware) filed a liquidation plan pursuant to Section 11 (e) for the purpose of enabling it to comply with the requirements of Section 11 (b) (2). On the same date the Commission instituted proceedings with respect to that company and each of its subsidiaries pursuant to Section 11 (b) (2), 15 (f) and 20 (a). 4/ Extensive hearings were held in the consolidated proceedings and the record was closed on August 5, 1943.

16. 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. 5/ 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 when such reduction would be advantageous in the opinion of its management. Pending such reduction, United proposed to refrain from voting the securities without the prior approval of the Commission. The predominant portion of United's portfolio comprises the common stocks of four holding company subsidiaries: The United Gas Improvement Company, Public Service Corporation of New Jersey, Niagara Hudson Power Corporation and Columbia Gas & Electric Corporation. 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. 6/

Statistical Summary of Enforcement of Section 11

In the Appendix to this report there is included a group of tables which indicate some of the progress that has been made in carrying out the objectives of Section 11 (b) of the Holding Company Act. The information given in Parts 1, 2 and 3 of Table 16 relating to the electric, gas and non-utility subsidiaries which have been divested by registered holding companies from December 1, 1935 to November 15, 1943 is summarized below:

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1/ Holding Company Act Release Nos. 4175 and 4255. Commissioner Healy dissented on the ground that he could not find that the plan was fair and equitable to the preferred stockholders of Puget.

2/ On September 25, 1943 the company announced that an initial dividend had been declared on the new common stock which under the plan had been distributed to the holders of the old preferred and common stocks.

3/ Civil Action No. 2308.

4/ Holding Company Act Release No. 3595.

5/ Holding Company Act Release No. 2907.

6/ Holding Company Act Release No. 4478.

SUMMARY  
ELECTRIC, GAS AND NON-UTILITY PROPERTIES SOLD OR OTHERWISE DIVESTED  
BY REGISTERED PUBLIC UTILITY HOLDING COMPANIES  
December 1, 1935 to November 15, 1943  
(See Appendix, Table 16 for details)

	<u>Number of Companies</u>				<u>Assets of Companies Divested (000,000 omitted)</u>			
	<u>Elec- tric</u>	<u>Gas</u>	<u>Non- Utility</u>	<u>Total</u>	<u>Elec- tric</u>	<u>Gas</u>	<u>Non- Utility</u>	<u>Total</u>
<u>Divested by Exchange or Dis- tribution of Securities to Security Holders</u>								
No longer subject to Hold- ing Company Act	6	5	0	11	\$ 646	\$145	\$ 0	\$ 791
Still subject to Holding Company Act	2	a/	0	2	1,216	a/	0	1,216
<u>Divested by Sale of Property or Securities b/</u>								
No longer subject to Hold- ing Company Act c/	63	44	69	176	783	182	123	1,088
Still subject to Holding Company Act	<u>21</u>	<u>11</u> a/	<u>2</u>	<u>34</u>	<u>104</u>	<u>15</u>	<u>19</u>	<u>138</u>
<b><u>TOTAL DIVESTED</u></b>	<b><u>92</u> d/</b>	<b><u>60</u> d/</b>	<b><u>71</u> d/</b>	<b><u>223</u> d/</b>	<b><u>\$2,749</u></b>	<b><u>\$342</u></b>	<b><u>\$142</u></b>	<b><u>\$3,233</u></b>
<u>Partial Sales of Property Not Included in above Totals</u>								
	Number of Companies				Sale Price			
	Making Such Sales							
Assets sold no longer subject to the Act c/	35	3	14	52	\$ 73	\$ 2	\$ 11 e/	\$ . 86
Assets sold still subject to the Act	<u>6</u>	<u>1</u>	<u>1</u>	<u>8</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
<b>Totals</b>	<b><u>41</u></b>	<b><u>4</u></b>	<b><u>15</u></b>	<b><u>60</u></b>	<b><u>\$ 74</u></b>	<b><u>\$ 3</u></b>	<b><u>\$ 12</u></b>	<b><u>\$ 89</u></b>

- a/ Northern Natural Gas Company, which was a subsidiary in three 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 Corporation distributed its common stock investment therein to its own stockholders and United Light and Power Company sold its holdings for \$10,533,612.
- b/ Includes all cases where total divestment was effected by sales of entire property to one or more than one buyer.
- c/ In the case of sales to more than one buyer, duplication was avoided by classifying the company in accordance with the disposition of the majority of the assets sold.
- d/ These totals, unlike the totals for assets divested which are stated on a consolidated basis, do not include an additional 87 companies which are subsidiaries of the electric, gas or non-utility companies enumerated above and in the detailed tables. Of these 87 companies, 52 are no longer subject to the Act and 35 are still subject to the Act.
- e/ There is a duplication of less than \$1,000,000 between this figure and the assets of electric or gas utilities divested as shown above.

It will be noted that 223 electric, gas and non-utility subsidiary companies with total assets of approximately \$3,233,000,000 have been divested in this period. This includes 92 electric utility companies with total assets of \$2,749,000,000, 60 gas utility companies with total assets of \$342,000,000 and 71 non-utility companies with total assets of \$142,000,000. Most of the electric utility companies and substantially all the gas and non-utility companies were divested for the purpose of, or with a view to, meeting the integration requirements of Section 11.

Of the total number of these divested companies, 187 companies, with total assets of \$1,879,000,000, are no longer subject to the Holding Company Act and 36 companies, with total assets of \$1,354,000,000, are still subject to the Act by reason of their relationship to other registered holding companies.

In addition to the divestment of companies, as such, the tables show that 60 other subsidiary companies have sold parts of their electric, gas and non-utility properties for a total consideration of \$89,000,000. The greater part of these properties are no longer subject to the Act.

Reference is made to Appendix Table 17 which lists the subsidiary utility and non-utility companies, the control of which must be divested by their respective parents under Section 11 (b) (1) orders outstanding as of November 15, 1943. By virtue of these orders, 14 holding company systems must divest themselves of their control over 211 subsidiary companies having aggregate total assets of \$3,368,000,000.

In a number of holding company systems, there are holding companies which are merely pyramiding devices and perform no useful function. Many of these have already been ordered dissolved after appropriate Section 11 (b) (2) proceedings. Table 18 in the Appendix lists the holding companies which are subject to dissolution or liquidation under Section 11 (b) (2) orders outstanding as of November 15, 1943. The tabulation includes 14 holding companies and shows that 10 of these companies have 159 utility or non-utility subsidiaries with total assets of approximately \$2,600,000,000.

#### CIVIL LITIGATION

(1) Cases involving the integration and corporate simplification requirements of Section 11 (b)

(a) Section 11 (b) (1) - Integration

During the past fiscal year 1/ the Circuit Court of Appeals for the Second Circuit in North American v. S.E.C. 2/, unanimously affirmed an order of the Commission designed to effectuate the requirements of Section 11 (b) (1) with regard to The North American Company.

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1/ Since the close of the fiscal year the Circuit Court of Appeals for the Third Circuit unanimously affirmed an integration order in United Gas Improvement Company v. S.E.C. F. (2d), November 7, 1943; and the United States Court of Appeals for the District of Columbia, by a divided court, reversed and remanded an integration order of the Commission in Engineers Public Service Co. v. S.E.C., F. (2d), U.S. App. D.C. \_\_\_\_\_, November 22, 1943, the reversal being confined to the Commission's construction of the "other business" clauses of Section 11 (b) (1).

2/ 133 F. (2d) 148. The Supreme Court granted certiorari March 1, 1943, 318 U.S. 750; briefs have been filed but argument has not been had because of the absence of a quorum.

(b) Section 11 (b) (2) - Corporate simplification and equitable distribution of voting power

All of the Commission's orders under Section 11 (b) (2) which were reviewed in the courts during the past fiscal year were unanimously affirmed. In Commonwealth & Southern Corp. v. S.E.C. 1/, the Circuit Court of Appeals for the Third Circuit upheld a Commission order under Section 11 (b) (2) requiring the Commonwealth & Southern Corporation to recapitalize so as to have outstanding but a single class of stock, namely, common stock. In Central and South West Utilities Company v. S.E.C. 2/, the United States Court of Appeals for the District of Columbia upheld a Commission order requiring Central and South West Utilities Company and its subsidiary, American Public Service Company, to wind up either of those two companies and recapitalize the remaining company on an all-common-stock basis. In Todd v. S.E.C. 3/, the Circuit Court of Appeals for the Sixth Circuit upheld a Commission order requiring International Hydro-Electric System, a Massachusetts company, to liquidate and dissolve.

(c) Constitutionality of Section 11 (b)

In the four cases involving Section 11 (b) orders decided in the past fiscal year and in the two cases subsequently decided, the constitutionality of Section 11 (b) of the Act has been unanimously upheld. The Circuit Court of Appeals for the Second Circuit reached this decision in North American Company v. S.E.C. 4/ (Judges Swan, A. N. Hand and Chase), the Third Circuit in Commonwealth & Southern Corp. v. S.E.C. 5/ (Judges Biggs, Maris and Goodrich) and in United Gas Improvement Company v. S.E.C. 6/ (Judges Biggs, Maris and Jones), the Sixth Circuit in Todd v. S.E.C. 7/ (Judges Weeks, Simons and Allen) and the Court of Appeals for the District of Columbia in Central and South-west Utilities Co. v. S.E.C. 8/ (Judges Miller, Edgerton and Arnold) and in Engineers Public Service Co. v. S.E.C. 9/ (Judges Soper, A. L. Stephens and Miller).

(2) Cases involving the fairness of the treatment of different classes of security holders under plans of compliance with Section 11 (b).

(a) Payment of debentures in cash

In two cases, holding companies required to liquidate under Section 11 (b) had outstanding unmatured debentures, and had cash available for their payment. Commission decisions approving the payment of such debentures without the payment of a voluntary call premium were affirmed in New York Trust Co. v. S.E.C. 10/, and in City National Bank and Trust Co. v. S.E.C. 11/

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1/ 134 F. (2d) 747.

2/ 136 F. (2d) 273, \_\_\_\_\_ U.S. App. D.C. \_\_\_\_\_.

3/ 137 F. (2d) 475.

4/ 133 F. (2d) 148.

5/ 134 F. (2d) 747.

6/ \_\_\_\_\_ F. (2d) \_\_\_\_\_, November 7, 1943.

7/ 137 F. (2d) 475.

8/ 136 F. (2d) 273, \_\_\_\_\_ U.S. App. D.C. \_\_\_\_\_.

9/ \_\_\_\_\_ F. (2d) \_\_\_\_\_, \_\_\_\_\_ U.S. App. D.C. \_\_\_\_\_, November 22, 1943.

10/ 131 F. (2d) 274 (C.C.A. 2d).

11/ 134 F. (2d) 65 (C.C.A. 7th).

(b) Allocation of securities and cash among classes of security holders

The Circuit Court of Appeals for the Third Circuit in Marquis v. S.E.C. 1/, un-  
animously affirmed a Commission decision approving as fair and equitable a plan for the  
liquidation of Columbia Oil and Gasoline Corporation; one of the considerations was the  
existence of claims on behalf of Columbia Oil against its parent company which also  
owned all of its preferred stock. The plan was subsequently approved and enforced by  
the United States District Court for the District of Delaware in Columbia Oil and Gas-  
oline Corporation. 2/ In Jacksonville Gas Company 3/, the District Court for the South-  
ern District of Florida approved and enforced a plan of reorganization for that company  
which allotted the bulk of the new securities to the company's bondholders and the re-  
mainder, because of a small amount of unpledged assets, to its debenture holders.

In Puget Sound Power & Light Company 4/, the District Court of Massachusetts ap-  
proved and enforced a reorganization plan for Puget Sound Power & Light Company, allot-  
ting the bulk of a new issue of common stock to the junior preferred stockholders of  
that company and a small amount thereof to the old common stockholders; the principle  
determining the allocations was that used in The United Light and Power Company 5/  
discussed above. 6/

A Commission decision in Federal Water Service Corporation 7/ limiting the partici-  
pation of officers and directors in a reorganization to the cost of shares of preferred  
stock acquired while efforts at reorganization were being made was reversed by a divided  
court in Chenery Corp. v. S.E.C. 8/. Upon review 9/, the Supreme Court (Justices Black,  
Reed and Murphy dissenting), held that the Commission had based its decision solely upon  
the application of principles of equity derived from judicial decisions and that such  
judicial decisions did not go as far as the Commission said they did; the Commission's  
action, therefore, was not allowed to stand since "an administrative order cannot be  
upheld unless the grounds upon which the Agency acted in exercising its powers were  
those upon which its action can be sustained." The matter was remanded.

(3) Cases involving the existence of control or controlling influence

In four cases, Circuit Courts of Appeals in the past fiscal year have affirmed  
Commission decisions denying applications of holding companies or subsidiary companies

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1/ 134 F. (2d) 822.

2/ 50 F. Supp. 965.

3/ 46 F. Supp. 852.

4/ Unreported, May 6, 1943.

5/ Holding Company Act Release No. 4215.

6/ After the close of the fiscal year, the liquidation plan of United Light and Power  
Company was approved and an order of enforcement was entered by the United States  
District Court for the District of Delaware, \_\_\_ F. Supp. \_\_\_. A reorganization  
plan similar to that involved in the Puget Sound case was approved by the United  
States District Court for the District of Colorado in Southern Colorado Power Com-  
pany, unreported, Oral Opinion, December 21, 1943.

7/ 8 S.E.C. 893.

8/ 128 F. (2d) 303, 75 U.S. App. D.C. 374 (1942).

9/ S.E.C. v. Chenery Corp., 318 U.S. 80.

for exemption on the ground of an alleged absence of control or controlling influence. 1/ Two of these cases were in the Court of Appeals for the District of Columbia: American Gas and Electric Company v. S.E.C. 2/ and Koppers United Company v. S.E.C. 3/. The Circuit Court of Appeals for the Second Circuit affirmed the Commission's decision in Hartford Gas Company v. S.E.C. 4/, and the Third Circuit affirmed a similar decision in Public Service Corporation of New Jersey v. S.E.C. 5/.

PUBLIC UTILITY FINANCING

In the fiscal year ended June 30, 1943, the Commission approved 93 applications and declarations pursuant to Sections 6 and 7 of the Act, pertaining to the issuance of securities totaling \$612,579,363. For the preceding year, 124 such applications were approved with respect to \$631,661,484 of securities. The following table classifies the securities involved in applications approved during the past fiscal year by type and purpose of issue:

Type of issue:	Amount	Percent
Bonds	\$169,894,000	27.7
Debentures	24,976,600	4.1
Notes	121,498,435	19.8
Preferred	15,247,200	2.5
Common	280,963,128*	45.9
Total	<u>\$612,579,363</u>	<u>100.0</u>

  

Purpose of issue:	Amount	Percent
Refunding	\$159,993,160	26.1
Reorganization	139,727,684	22.8
Exchange for other securities	216,881,016*	35.4
Acquisition of property or other assets	65,462,000	10.7
New financing	17,942,500	2.9
Miscellaneous	12,573,003	2.1
Total	<u>\$612,579,363</u>	<u>100.0</u>

\* Includes \$164,113,601 representing stock issued for the purpose of reclassifying existing common stock. The bulk of this amount is accounted for by 2,369,076 shares of \$1 Dividend Preference Common Stock and 8,160,154 shares of new common stock issued by Philadelphia Electric Company in exchange for its old common. The new securities had a combined stated value of \$137,816,005. An additional amount of \$23,686,062 represents the reclassification of United Light and Railways Company common stock, preliminary to its distribution among the preferred and common stockholders of its parent, The United Light and Power Company.

1/ In Pacific Gas and Electric Company v. S.E.C., \_\_\_\_ F. (2d) \_\_\_\_, after the close of the fiscal year, the Circuit Court of Appeals for the Ninth Circuit affirmed by an equally divided court a previous decision reported at 127 F. (2d) 378, affirming such a decision of the Commission.

2/ 77 U.S. App. D.C. 174, 134 F. (2d) 633, cert. den. 319 U.S. 763.

3/ \_\_\_\_ U.S. App. D.C. \_\_\_\_, \_\_\_\_ F. (2d) \_\_\_\_.

4/ 129 F. (2d) 794.

5/ 129 F. (2d) 899, cert. den. 317 U.S. 691.

There was a sharp increase over last year of the percentage of total financing comprising securities issued in exchange for other securities and in connection with reorganizations. The percentages in question rose from 9.0% to 35.4% and from 0.2% to 22.8%, respectively. A corresponding increase occurred in the proportion of total financing represented by common stock, the proportion in 1943 being 45.9% as contrasted with 10.5% in 1942. These increases are the direct result of refinancings stemming from Section 11 proceedings.

Continued 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 Seventh Annual Report, pages 90-98).

In passing on refinancing cases which came before it, the Commission gave further indication that it has not established a rigid formula for determining initial allowable limits of senior securities for public utility operating companies. The Commission's policy in this regard has heretofore been set forth in its opinion in the El Paso case early in 1941, where it was specifically stated that financial problems "must, of course, be considered in the light of the circumstances surrounding the particular transaction and we make no attempt here to lay down a hard and fast rule." <sup>1/</sup> In those cases in which it has not been feasible to limit senior securities initially to conform to long-range conservative standards of finance, it has been the Commission's policy to require the inclusion of safeguards which will result in the achievement of such objectives over as short a period of time as possible.

Speaking generally, the improvement in public utility capital structures, mentioned above, 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 existing reserves, from improved mortgage indenture provisions, from the elimination in many instances of preferred stock dividend arrearages, 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 \$140,582,128 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 \$570,681,134 the total amount thus sold from May 7, 1941, the date on which the rule became effective, to July 1, 1943. <sup>2/</sup> 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.

#### REGULATION OF SERVICE COMPANIES

Several important proceedings relating to service companies and their practices were successfully disposed of during the past fiscal year, resulting in annual savings

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<sup>1/</sup> Holding Company Act Release No. 2535.

<sup>2/</sup> Detailed information on each issue sold at competitive bidding is contained in a tabulation entitled "Competitive Bids Submitted for Security Issues Sold Pursuant to Rule U-50 under the Public Utility Holding Company Act of 1935" released by the Commission under date of September 8, 1943. Holding Company Act Release No. 4538.



of more than \$1,250,000 to the operating utility companies affected. These savings are in addition to those previously reported. Certain principles and standards as to holding company, service company and operating company relationships were crystallized in the Columbia Engineering Corporation case. The findings and opinion in this case (Holding Company Act Release No. 4166) established the following principles:

- (1) No operating company should be charged or have allocated to it, directly or through the medium of a service company or by any other arrangement, including treasurer's or agent's account, split-check system, or other devices, any portion of the salaries or expenses of any person or persons who are holding company officers or employees, or whose functions relate primarily to the functions of supervision of the holding company system and review of the activities of operating companies, their officials and staffs.
- (2) A corollary to the above principle is that no holding company officer or person or persons whose functions relate primarily to the holding company functions of supervision of the holding company system and review of the activities of operating companies, their officials and staffs, should receive any compensation or reimbursement of expenses from any operating company directly or through a service company or any other arrangement including treasurer's or agent's account and split-check systems.
- (3) Each service company should confine itself to functions which the operating subsidiaries cannot perform as efficiently and economically themselves. These services should be limited to services of an "operating nature" as distinguished from managerial, executive, or policy-forming functions.

These principles are directed towards preventing costs attributable to holding company functions from being passed on to operating companies by any means or device.

Following the termination of the Columbia Engineering Corporation case, proceedings were initiated with respect to Cities Service Company, its two public utility subsidiary holding companies, and four system mutual service companies. 1/ The respondents indicated that they would comply with the Columbia principles, and after the close of the fiscal year they submitted proposals which the Commission approved. 2/ The system's revised servicing methods substantially reduced service charges to the system's utility operating companies. A similar result was achieved in the American Gas and Power Company system 3/ and in the American Water Works and Electric Company system after appropriate action by the Commission. 4/

The case concerning American Water Works and Electric Company, et al, was initiated at the request of the New Jersey Board of Public Utility Commissioners. The holding company and two of its subsidiary service companies had been rendering services for a charge to system water operating companies. At the joint hearing held in Newark, New Jersey, respondents proposed a comprehensive reorganization of their system servicing arrangements to meet the issues raised by the New Jersey Board and the Commission. 5/

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1/ Holding Company Act Release No. 4197.

2/ Holding Company Act Release No. 4432.

3/ Holding Company Act Release No. 4395.

4/ Holding Company Act Release No. 4749.

5/ This was the second such proceeding which the Commission initiated at the request of a state public service commission. In August 1940 the Public Service Commission of the State of Vermont requested a similar investigation of the central servicing arrangements in the New England Power Association system resulting in a complete reorganization of the system's central servicing arrangements, with substantial savings to the Vermont operating companies and other system operating companies.

This proposed plan was reviewed at subsequent hearings at which the Connecticut and Pennsylvania state utility commissions were also represented. As a result of this cooperative proceeding, substantial annual savings will result to the system's water operating subsidiaries.

Other servicing company cases during the fiscal year resulted in the segregation of the servicing activities for foreign subsidiaries in the Electric Bond and Share Company system (Holding Company Act Release No. 4070) and the abandonment of system service arrangements in the Associated Gas and Electric Company system. With respect to the latter, the technical staff of the system service company formed an independent service company called Gilbert Associates, Inc. 1/ Any future servicing business with the companies in the Associated system will be on a competitive basis with other independent service companies. The remaining case involved a complete reorganization of the servicing arrangements in the New England Gas and Electric Association System. 2/

#### RULES AND REGULATIONS

Changes in the Commission's Rules and Regulations during the fiscal year were limited to five minor amendments of existing rules, three of these amendments relating to Rule U-70 exempting certain persons from the provisions of Section 17 (c) of the Act. An amendment to Rule U-40 extended the exemption from the requirements of Section 9 (a), while sub-paragraph (6) of Rule U-45 (b) was amended to meet changes in the Revenue Act of 1942 relating to consolidated tax returns.

As a war-time provision, a major revision was made in the Annual Supplement Form USS for registered holding companies eliminating many of the items and expenditures formerly required to be furnished. This simplification in the reporting requirements under the Act was described earlier in this report.

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1/ Holding Company Act Release No. 3735.

2/ Holding Company Act Release No. 3790.

PART IV

PARTICIPATION OF THE COMMISSION IN CORPORATE REORGANIZATIONS

UNDER CHAPTER X OF THE BANKRUPTCY ACT, AS AMENDED

SUMMARY OF ACTIVITIES

The Commission actively participated during the fiscal year in 139 reorganization proceedings involving the reorganization of 168 companies (139 principal debtor corporations and 29 subsidiary debtors). 1/ The aggregate stated assets of these 168 companies totalled \$2,046,442,000, and their aggregate indebtedness was \$1,319,058,000. For the first time the cases closed exceeded the new cases in which the Commission filed a notice of appearance, there having been 29 cases closed and 16 new cases in which the Commission filed a notice of appearance. 2/ As of June 30, 1943 the Commission was actively engaged in 110 reorganization proceedings involving the reorganization of 129 companies (110 principal debtor corporations and 19 subsidiary debtors). The aggregate stated assets of these 129 companies totalled \$1,745,156,000, and their aggregate indebtedness was \$1,103,698,000. Appendix Table No. 17 classifies these debtors, together with their assets and indebtedness, according to their respective industries, while Appendix Table No. 18 classifies them according to the size of their total indebtedness.

With respect to the 16 new cases in which the Commission participated during the year, its notice of appearance was filed at the request of the judge in two proceedings, while in the remaining 14 cases the Commission entered its appearance upon the approval by the judge of the Commission's motion to participate. Of these 16 new proceedings, 14 were instituted under Chapter X and two under Section 77B. The debtors involved in these 16 proceedings had aggregate stated assets and aggregate indebtedness of approximately \$93,777,000 and \$70,693,000, respectively.

THE COMMISSION AS A PARTY TO PROCEEDINGS

There have been no significant changes in the past fiscal year in the policies or practices of the Commission in performing its functions under Chapter X. Five years of experience by the Commission, the Federal courts and attorneys with the operation of Chapter X have produced a substantial number of precedents on nearly all important procedural and interpretive questions. From this store of experience through participation in many cases, the Commission has continued to afford substantial aid to parties, referees, special masters, and judges who frequently call upon the Commission for advice and suggestions. In this manner, the Commission has encouraged the development of uniformity in the interpretation of Chapter X and in the procedure thereunder. This work has also been of value in saving the court officers and parties to the proceeding much of the time, effort and expense that would be entailed in handling such questions *de novo*. In addition, the Commission has continued, primarily through the method of informal suggestion and conference, to call to the attention of parties to the proceeding any violations or lack of compliance with the procedural provisions of Chapter X,-- thereby avoiding technical and delaying objections at a later date.

It is, however, particularly with respect to substantive matters that the Commission has concentrated its efforts throughout the year. It has given increasing attention among other things to proposed corporate charters, by-laws, trust indentures, and similar instruments so that the rights of investors will be clearly defined and appropriately protected after the reorganization proceedings are consummated. Here, too, the

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1/ Appendix table 31 contains a complete list of reorganization proceedings in which the Commission participated as a party during the year ended June 30, 1943.

2/ Under Section 265a of the Bankruptcy Act, as amended, the Commission receives copies of every petition for reorganization filed under Chapter X and copies of other specified documents filed in the proceedings.

Commission has relied largely on informal conferences for the presentation of its views, and, where these methods have proved inadequate, the questions requiring revision have been brought to the attention of the court. At the same time the Commission has continued its efforts to assist the parties and the courts in achieving equitable, financially sound, expeditious and economic readjustments by furnishing detailed studies of economic factors affecting the debtor and competitive conditions affecting its particular industry.

#### PLANS OF REORGANIZATION UNDER CHAPTER X

The Act requires as a condition to confirmation of a plan of reorganization that the judge be satisfied that the plan is fair, equitable and feasible. The consummation of a plan which meets these requirements is the main objective of any reorganization proceeding. It may be recalled that the Commission's primary function under Chapter X is to aid the court in securing this objective.

In regard to appraisals of the fairness of plans, certain basic legal principles consistently urged by the Commission under Chapter X are now firmly established as a result of the Supreme Court decisions in the Los Angeles Lumber 1/ and the Consolidated Rock Products 2/ cases. These principles require that a plan provide full compensatory treatment for claims and interests of creditors and stockholders according to their legal and contractual priority either in cash or new securities or both.

The requirement of feasibility relates to the economic soundness or workability of the proposed financial structure. For that reason, in evaluating the feasibility of a plan, the Commission has been particularly concerned with the adequacy of working capital, the relationship of funded debt or capital structure to property values, the adequacy of corporate earning power in relation to interest and dividend charges, and the effect of the proposed new capitalization upon the company's prospective credit.

A frequent obstacle to the adoption of a feasible plan arises when the parties to the proceeding, in order to effect tax savings, refuse to reduce an excessive indebtedness even where a failure to do so would result in an unsound capital structure. Nevertheless, the full protection of security holders demands that the capital structure shall not be so inflated as to hamper subsequent operations or compel resort to another reorganization. It is also of paramount concern to the Commission that the new securities shall not by their terms or otherwise be deceptive to subsequent purchasers. In the light of the prior history of companies in reorganization, it is clear that the Commission's insistence that plans should comply with reasonable standards of feasibility is fully justified. Thus, of the new cases in which the Commission participated during the fiscal year 1942, 17 of a total of 34 cases (or 50%) had previously been in reorganization, and, during the fiscal year 1943, 7 out of 16 such cases (or about 44%) had a similar history.

#### ADVISORY REPORTS ON PLANS OF REORGANIZATION

Under the provisions of the Bankruptcy Act, as amended, the Commission may submit formal advisory reports on plans of reorganization referred to it by the courts. The purpose of an advisory report is to provide an impartial survey and critique of the plan not only for the use of the judge in determining whether or not to approve the plan but also for the assistance of security holders in reaching their decision with regard to the acceptance or rejection of the plan.

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1/ Case v. Los Angeles Lumber Products Co., Ltd., 308 U. S. 106.

2/ Consolidated Rock Products Co. v. DuBois, 312 U.S. 510.

During the fiscal year, the Commission prepared a formal advisory report with respect to a plan of reorganization in the proceeding involving the Philadelphia & Western Railway Company, and also a supplemental advisory report in the proceeding involving the Philadelphia & Reading Coal & Iron Company in which an initial advisory report had previously been filed.

#### APPEALS

Although the Commission may not appeal in a proceeding under Chapter X, it may participate in appeals taken by others, and it took part in 12 such appeals decided by the court during the past fiscal year. Questions raised and decided in 5 of these cases are indicated below.

In In re Plankinton Bldg. Co., 1/ an appeal was taken from an order in a proceeding under Chapter X for the reorganization of Plankinton Building Company, which had some years before gone through a Section 77B reorganization. The order denied participation in the Chapter X reorganization to holders of bonds of the debtor's predecessor corporation who had not exchanged their old bonds for securities of the present debtor in the prior 77B proceeding. The Commission urged that the old bondholders were entitled to participate as creditors in the Chapter X proceeding since their claims had been listed by the Section 77B trustee as fixed, liquidated in amount and not disputed, and had been so allowed in the 77B proceeding. The Circuit Court of Appeals for the Seventh Circuit upheld this position and reversed the order of the District Court.

In Brooklyn Trust Company v. R. A. Security Holdings, Inc., 2/ the Commission urged that Congress intended to give persons, holding claims only against the property of the debtor, the right to file an involuntary petition under Chapter X and that the institution of such proceeding did not deprive the debtor of property without due process in violation of the Fifth Amendment of the Constitution. The District Court sustained this position and the Circuit Court of Appeals for the Second Circuit affirmed.

In In re Cuyahoga Finance Co., 3/ there was involved the question whether the Bankruptcy Court had jurisdiction in a Chapter X proceeding to determine in a summary action set-offs against the debtor's obligation to a pledgee creditor, where such creditor had possession of the assets and where it declined to file a claim or otherwise consent to the jurisdiction of the court. The Circuit Court of Appeals for the Sixth Circuit held, as urged by the Commission, that the District Court had properly exercised summary jurisdiction in that case.

In In re Cosgrove-Meehan Coal Corporation, et al., 4/ the Circuit Court of Appeals for the Third Circuit upheld the contention of the Commission that Section 249 of the Bankruptcy Act which prohibits an allowance of compensation to those parties who purchase or sell claims against or stock of the debtor while acting in a representative capacity applies also to a person who traded in the debtor's securities prior to the reorganization proceeding while he was a member of a bondholders' committee.

In Abrams v. Cleveland Terminals Building Company 5/ the Circuit Court of Appeals for the Sixth Circuit affirmed an order of the court below which accepted the recommendation of the Commission with respect to an application of attorneys for allowances based upon services rendered in the reorganization proceedings, which recommendation urged a reduction of the amount sought from \$172,000 to \$18,000.

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1/ 135 F. (2d) 273 (C.C.A. 7th, May 3, 1943).

2/ 134 F. (2d) 164 (C.C.A. 2nd, March 4, 1943).

3/ 136 F. (2d) 18 (C.C.A. 6th, June 7, 1943).

4/ 136 F. (2d) 3 (C.C.A. 3rd, May 24, 1943) as amended on Denial of Rehearing June 17, 1943; cert. den. Oct. 25, 1943.

5/ 136 F. (2d) 537 (C.C.A. 6th, May 31, 1943); cert. den. Nov. 15, 1943.

PART V

ADMINISTRATION OF THE TRUST INDENTURE ACT OF 1939

The Trust Indenture Act of 1939 requires that bonds, notes, debentures, and similar 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 specific statutory requirements expressed in the Trust Indenture Act of 1939. The indenture is automatically "qualified" when registration becomes effective as to the securities themselves.

With one minor exception, no changes were made during the year in the Commission's rules and regulations under this Act. Rule T-7A-4 was amended merely to change the hour from which the time of the effective date of applications is computed from 4:30 P.M., E.S.T., to 5:30 P.M., E.S.W.T.

STATISTICS OF INDENTURES QUALIFIED

The following tables show the number of indentures filed with the Commission together with the disposition thereof and the amounts of indenture securities involved, not only for the past fiscal year but also cumulatively for the period February 4, 1940, through June 30, 1943.

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

	July 1, 1942, to June 30, 1943, inclusive		February 4, 1940, to June 30, 1943, inclusive	
	No.	Amount of Offering	No.	Amount of Offering
Indentures pending 6/30/42	8	\$293,234,800	—	—
Indentures filed	28 a/	357,494,800 b/	195 c/	\$3,960,971,000 d/
Indentures qualified	21	275,390,000	169	3,346,027,400 e/
Indentures withdrawn	2	122,392,500 f/	12	291,695,500 g/
Refusal orders issued	0	0	0	0
Indentures pending 6/30/43	12	238,839,600	12	238,839,600

a/ Reduced to 27 by amendment.

b/ Reduced to \$347,994,800 by amendments.

c/ Reduced to 192 by amendment.

d/ Reduced to \$3,559,578,000 by amendments.

e/ Reduced to \$3,305,634,900 by post-effective amendment and withdrawal.

f/ Reduced to \$2,642,500 by amendments.

g/ Reduced to \$15,103,500 by amendments.

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

	July 1, 1942, to June 30, 1943, inclusive		February 4, 1940, to June 30, 1943, inclusive	
	No.	Amount of Offering	No.	Amount of Offering
Applications pending 6/30/42	1	\$ 1,074,800	--	--
Applications filed	17	42,305,629 <u>a/</u>	70	\$297,135,982 <u>a/ b/</u>
Applications effective	16	36,845,429 <u>a/</u>	65	283,569,582 <u>a/</u>
Applications withdrawn	1	4,920,000	4	11,562,500
Refusal order issued	0	0	1	2,010,500 <u>c/</u>
Applications pending 6/30/43	1	1,615,000	1	1,615,000

a/ Includes one indenture of an indeterminate amount.

b/ Reduced by amendment to \$296,747,082.

c/ Refusal order rescinded and qualification made effective on July 6, 1940.

ADDITIONAL INFORMATION RELATING TO TRUST INDENTURES

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

- 12 indentures exempt from the Trust Indenture Act of 1939 but subject to the Public Utility Holding Company Act of 1935.
- 46 trustee statements of eligibility and qualification under the Trust Indenture Act of 1939 (41 on Form T-1 for corporations, and 5 on Form T-2 for individuals).
- 77 amendments to trustee statements of eligibility and qualification (62 "pre-effective," and 15 "post-effective").
- 25 Supplements S-T, covering special items of information concerning indenture securities registered under the Securities Act of 1933.
- 5 applications for findings by the Commission pursuant to Sec. 310 (b) (1) (ii).
- 5 applications, on Form T-4, for exemption pursuant to Sec. 304 (c).
- 185 annual reports of indenture trustees pursuant to Sec. 313.

During the period February 4, 1940 through June 30, 1943 an aggregate of 321 trustee statements (273 for corporations and 48 for individuals) and 180 Supplements S-T had been filed.

Under the Trust Indenture Act there has been no litigation and there have been only two refusal order proceedings initiated. In the first case, April 1940, the indenture was amended prior to the entry of an order and in the second case, July 1940, the refusal order was rescinded and the trust indenture qualified.

PART VI

ADMINISTRATION OF THE INVESTMENT COMPANY ACT OF 1940

During the past fiscal year the Commission in its administration of the Investment Company Act of 1940 <sup>1/</sup> concerned itself primarily with: (1) the registration of companies subject to the Act; (2) the disposition of applications filed pursuant to the provisions of the Act; (3) the promulgation of rules prescribing the type of periodic information and reports required to be filed with the Commission and the type of information and reports required to be transmitted to security holders; and (4) the promulgation of rules and forms to enable investment companies to use their registration statements under that Act as a basis for effecting registration of their securities under the Securities Act of 1933, thus avoiding a duplication in registration statements and of effort and expenses upon the part of investment companies.

Most investment companies registered with the Commission pursuant to Section 8 (a) of the Act during the fiscal year ended June 30, 1941. However, 14 companies filed notifications of registration during the past fiscal year. Two of these 14 companies were organized during the fiscal year and the others had not registered previously, either because they claimed an exemption from the provisions of the Act or for some other reason.

From the effective date of the Act to the close of the last fiscal year 481 investment companies of all types had registered under the Act. Ninety-one of these companies by the close of the last fiscal year had for one reason or another ceased to be investment companies, so that at the close of the fiscal year 390 investment companies were registered with the Commission under the Act. The total assets of these companies were well in excess of two billion dollars at the close of the fiscal year.

During the preceding fiscal year the Commission adopted rules which permit investment companies to file copies of information already filed under other Acts administered by the Commission in lieu of registration statements under the Investment Company Act of 1940, and thereby gave effect to the directive of the Congress as set forth in Section 8 (c) of the Act. The Commission also promulgated several rules and forms under which investment companies are enabled to use their registration statements filed under the Investment Company Act of 1940 as the basis for registration under the Securities Act of 1933. The purpose of these new rules and forms was to eliminate duplication of filings under the various Acts of material already filed under one Act. In this connection the Commission promulgated Form S-4 under the Securities Act of 1933 for registration under that Act by closed-end management investment companies registered on Form N-8B-1 under the Investment Company Act of 1940; Form S-5 for registration under the Securities Act of 1933 of open-end management investment companies registered on Form N-8B-1; and Form S-6 for registration under the Securities Act of 1933 of unit investment trusts registered on Form N-8B-2 under the Investment Company Act of 1940. In addition, rules were adopted to enable investment companies to file their annual reports under the Investment Company Act of 1940 as their annual reports under all Acts administered by the Commission pursuant to which the companies were required to file annual reports.

PERIODIC REPORTS TO THE COMMISSION AND TO SECURITY HOLDERS

Section 30 (a) of the Investment Company Act of 1940 provides that registered investment companies must file annually with the Commission such information, documents, and reports as companies having securities registered on a national securities exchange are required to file with the Commission pursuant to Section 13 of the Securities Exchange Act of 1934. Section 30 (b) of the Investment Company Act of 1940 authorizes the Commission to require registered investment companies to file reports on a semi-annual or quarterly basis so as to keep reasonably current the information contained in the registration statements of such companies. During the preceding fiscal year the Commission promulgated two periodic report forms applicable to management investment

<sup>1/</sup> For a description of this Act see Seventh Annual Report page 1.



companies. During the last fiscal year the Commission promulgated annual report forms for unit investment trusts and other types of investment companies.

The annual report forms are designed to bring up to date, as of the close of each fiscal year of the registrant, the information originally furnished by the registrant in its detailed registration statement.

During the past fiscal year 215 annual reports and 911 quarterly reports were filed by registered investment companies of all types.

Section 24 (b) of the Act requires the filing with the Commission, within ten days after the use thereof, of copies of the full text of all sales literature employed by various types of investment companies registered under the Act. During the past fiscal year 1,069 pieces of sales literature were filed with the Commission.

Section 30 (d) of the Act provides that every registered investment company shall transmit to its stockholders, and file with the Commission, at least semi-annually, reports containing certain prescribed information and financial statements. During the fiscal year ended June 30, 1943, 1,078 periodic reports to security holders were filed with the Commission.

#### APPLICATIONS FOR EXEMPTIONS OR EXCEPTIONS

Applications under Section 3 (b) (2) of the Act.—A company which comes within the quantitative definition of an "investment company" as contained in Section 3 (a) (3) of the Act may apply to the Commission for an order, pursuant to Section 3 (b) (2) of the Act, declaring it to be primarily engaged in a business other than that of an investment company. Such other business may be conducted either directly or through majority-owned subsidiaries or controlled companies conducting similar types of businesses. During the past fiscal year two such applications were denied, and one such application was withdrawn. The Commission granted 6 applications pursuant to this section during the fiscal year, and at June 30, 1943, 6 applications were pending.

Other applications for exemptions.—Section 6 (c) of the Act confers upon the Commission general exemptive powers if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of this title.

Thirty-nine applications under this section were pending before the Commission during the last fiscal year. Of these 39 applications, 21 were filed during the last fiscal year and 22 were disposed of by the Commission during that period.

Section 6 (d) of the Act authorizes the Commission to exempt small closed-end investment companies from any and all provisions of the Act if the securities of such companies are not sold outside the States of incorporation and provided the exemption is not contrary to the public interest or inconsistent with the protection of investors.

Three applications under this section were pending before the Commission during the past fiscal year. All of these applications were filed during the year and were pending at the close of the fiscal year.

#### DISSOLUTION OF INVESTMENT COMPANIES AND WITHDRAWAL OF REGISTRATION STATEMENTS

Eleven registered investment companies filed applications with the Commission during the fiscal year seeking orders of the Commission declaring that such companies had ceased to be investment companies within the meaning of the Act. These applications were filed pursuant to Section 8 (f) of the Act, which provides that whenever the Commission, on its own motion or upon application, finds that a registered investment company has ceased to be an investment company, it shall so declare by order, and upon the taking effect of such order the registration of such company shall cease to be in effect.

The Commission had pending before it approximately 21 Section 8 (f) applications during the fiscal year. Of these 21 applications, 11 were granted and 10 were pending at the close of the fiscal year. The applications that were granted involved companies which had formally dissolved and distributed all of their assets to their security holders, companies which had merged with other companies and transferred all of their assets to such other companies, and companies whose outstanding securities were owned by less than 100 persons and which were not making and did not presently propose to make a public offering of their securities. The last category of companies mentioned is excepted from the definition of "investment company" by the provisions of Section 3 (c) (1) of the Act.

#### AFFILIATED PERSONS OF INVESTMENT COMPANIES

Transactions between investment companies and their affiliated persons.—Section 17 of the Act makes it unlawful for any affiliated person or promoter of or principal underwriter for a registered investment company to sell to, or purchase securities or other property or borrow money or other property from, the investment company or any company controlled by it. However, authority is given to the Commission to exempt, by order, any proposed transaction if evidence establishes that the terms of such transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching by any person concerned, and that it is consistent with the policies of the investment company as recited in its registration statement and with the general purposes of the Act.

For the fiscal year ending June 30, 1943, there were filed or pending from the preceding year 25 applications to exempt proposed transactions between affiliated persons and investment companies, or companies controlled by them. The Commission disposed of 11 of such applications after hearings; one was withdrawn without hearing, and 13 were pending at the close of the year. While these applications ostensibly sought exemption of a proposed transaction involving the purchase and sale of securities, the disposition of such applications often included such matters as reorganizations and recapitalizations of investment companies as well as affiliated non-investment companies.

#### CIVIL ACTIONS INSTITUTED BY THE COMMISSION

During this fiscal year the Commission instituted two actions to restrain violations of the Investment Company Act of 1940 and to secure the appointment of a receiver under Section 42 (e) of that Act.

The first case, Securities and Exchange Commission v. United Funds Management Corporation, 1/ sought to enjoin the named officers and directors of United Funds Management Corporation from acting in that capacity and to have a receiver appointed. Shortly after the commencement of the Commission's action, the corporation filed a petition of voluntary bankruptcy in the adjudication of which the Commission appeared as amicus curiae. The Commission's action has been continued pending the disposition of this bankruptcy proceeding.

In Securities and Exchange Commission v. Fiscal Funds, Inc. 2/ the Commission's complaint alleged violation of Section 22 (e) of the Investment Company Act of 1940 and asked for the appointment of a receiver. An injunction was granted and a receiver was appointed by the court on January 12, 1943. 3/

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1/ U.S.D.C. Western Dist. of Mo.

2/ U.S.D.C. District of Delaware.

3/ The final distribution of assets was ordered on October 28, 1943. The amount of the assets at this time was in excess of the amount at the time of the commencement of the action.

The Commission obtained an injunction against James S. Gladish <sup>1/</sup> from further violation of the registration provisions of the Investment Company Act of 1940. In its complaint, the Commission alleged that Gladish had been using the mails and instrumentalities of interstate commerce in selling, purchasing, redeeming or otherwise acquiring face-amount certificates of Guaranty Income and Trust and effecting securities transactions for the trust without having the trust registered pursuant to the provisions of the Investment Company Act of 1940.

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<sup>1/</sup> Securities and Exchange Commission v. Guaranty Income Trust and James S. Gladish,  
U.S.D.C. Dist. of Okla. Defendants consented to entry of judgment.

PART VII

ADMINISTRATION OF THE INVESTMENT ADVISERS ACT OF 1940

ENFORCEMENT

As was pointed out in the last annual report, the Investment Advisers Act of 1940 does not confer upon the Commission the authority or duty to make periodic inspections of the records of registered investment advisers such as is conferred upon the Commission by Section 17 (a) of the Securities Exchange Act with respect to registered brokers and dealers. The Commission has, to be sure, investigatory powers under Section 209 (a) of the Investment Advisers Act, but these powers may be employed only when it appears that the provisions of the Act have been or are about to be violated and the Commission's enforcement work under the Act is therefore necessarily limited. The Commission is making a special report to Congress with recommendations in this matter.

INVESTMENT ADVISERS' REGISTRATION STATISTICS

The following tabulation relates to investment advisers' registrations:

July 1, 1942 - June 30, 1943	
Effective registrations at close of preceding fiscal year . . . . .	732
Applications pending at close of preceding fiscal year. . . . .	7
Applications filed during fiscal year . . . . .	79
Total . . . . .	<u>818</u>
Applications withdrawn during year. . . . .	1
Registrations withdrawn during year . . . . .	104
Registrations cancelled during year . . . . .	5
Registrations denied during year. . . . .	0
Registrations suspended during year . . . . .	0
Registrations revoked during year <sup>1/</sup> . . . . .	1
Registrations effective at end of year. . . . .	698
Applications pending at end of year . . . . .	9
Total . . . . .	<u>818</u>

On June 30, 1943 there were 698 registered investment advisers consisting of 398 sole proprietors, 128 partnerships, 170 corporations and 2 others.

PART VIII

OTHER ACTIVITIES OF THE COMMISSION UNDER THE VARIOUS STATUTES

LITIGATION

Civil Proceedings

At the beginning of the fiscal year ended June 30, 1943, 11 civil proceedings instituted by the Commission were pending; during the year, the Commission instituted 37 additional proceedings, including 28 injunctive actions brought against 71 persons to restrain them from fraudulent and otherwise illegal practices in the sale of securities. Of this total of 48 proceedings, 26 were disposed of during the fiscal year, including 23 cases which resulted in the entry of injunctions against 54 persons. Twenty-two civil proceedings were pending at the end of the year.

Since its inception, the Commission has instituted a total of 477 civil proceedings and disposed of 455. Permanent injunctions have been obtained against 994 firms and individuals.

Data with respect to civil cases and appellate proceedings, including a brief description of all civil 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 20 to 30. Some of the more important of these civil cases have been summarized in the preceding parts of this report.

Criminal Proceedings

The statutes administered by the Commission provide for the transmission to the Department of Justice of evidence of violations of the criminal provisions of those statutes. The Attorney General determines whether criminal proceedings shall be instituted. It is the Commission's policy to make a thorough investigation of alleged violations before referring a case to the Department of Justice, and to furnish to the Department the results of such investigations as in the Commission's opinion appear to warrant prosecution. Thereafter, if criminal proceedings are instituted, the members of the Commission's staff who participated in the investigation assist the United States attorneys in the preparation of the cases for the grand jury and for trial, and in the writing of briefs on appeal.

During the fiscal year the enforcement of the federal securities laws became increasingly important by reason of the continued rise in national income, the accelerated accumulation of savings, and the concomitant scarcity of consumer goods. In the absence of vigorous policing activities, economic conditions such as these would be highly favorable to the operation of fraudulent securities promotions.

During a period of war when industrial activity is greatly expanded, when individual savings are at a high level and when war bond selling campaigns introduce security investments to millions of new investors, conditions are conducive to an increase in fraudulent securities practices. The Commission is, therefore, applying extra and unusual vigilance to prevent a rise in fraudulent securities activities. So far as we are able to discover they have been held in check.

Up to July 1, 1943, a total of 2,223 defendants have been indicted in cases developed by the Commission. During the past year indictments were returned against 189 defendants. Convictions have been obtained against 1,013 <sup>1/</sup> defendants. Of these, 126 defendants were convicted during the past year. This includes two defendants held in criminal contempt for violating decrees of injunction obtained in actions prosecuted by the Commission. Of these convicted defendants, almost two-thirds had pleaded guilty or no defense. Only one-third of the defendants stood trial.

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<sup>1/</sup> Includes an adjustment of convictions for prior years reported late.

During the past fiscal year, in over 98% of the cases developed by the Commission, the main defendants either were found guilty by a jury or pleaded guilty or no defense. If minor defendants are included, the figures for the year are 126 convicted and 13 acquitted. In almost one-third of the cases disposed of during the past year, the indictment was returned and the case tried within the same fiscal period.

The nationwide character of the Commission's investigations is shown by the fact that during the past year, as in previous years, the investors affected resided in each of the forty-eight states. Cases were instituted or tried in approximately forty of the federal district courts.

The status of all of the cases pending during the year and the major events in each of the cases are set forth in Appendix Table 23. Most of the cases fell into the following general classifications: frauds on the part of certain broker-dealers, industrial loan company frauds, stock market manipulations, miscellaneous investment company frauds, vending machine promotions, whiskey warehouse receipt promotions, exploitation of natural resources, and promotions of inventions.

An unusually high number of small loan companies were involved in the cases prosecuted during the year. They were U. S. v. Dewitt T. Simpson, et al (Standard System Investment Corp., Savannah, Georgia); U. S. v. Jesse Michael (Industrial Loan Company, Inc., Columbus, Ohio); U. S. v. Carl A. Schroeder, et al (Continental Finance Company, Jersey City, New Jersey); U. S. v. Charles R. Beall, et al (Carolina Industrial Securities Corp., Columbia, South Carolina); U. S. v. Clifton M. Bisele, et al (Southeastern Industrial Bankers, Inc., District of Columbia); U. S. v. Joseph M. Lydon, et al (Brokers Acceptance Corp., Boston, Massachusetts).

The first of these cases is illustrative of some of the practices. Standard System was a holding company which had obtained control of a number of industrial loan companies operating in various cities in Georgia. Prominent business and professional men who were not aware of the scheme were persuaded to serve on the board of directors, thus furnishing Standard System with a respectable facade. Actually, control of the corporation was exercised by Dewitt T. Simpson, Alonzo P. Ricks and Edward W. Brandon, who paid dividends out of capital, made fictitious book entries, and acted freely with the corporate funds. They were indicted in February, 1943 in Savannah, Ga., for violations of the fraud provisions of the Securities Act of 1933, and for other statutory offenses. All were convicted, and varying prison terms were imposed.

Charges of frauds by broker-dealers and stock market manipulation charges figured prominently in the cases prosecuted during the year. The manipulation cases were U. S. v. Norman W. Mimuse, et al (Trading on the New York Curb Exchange in the stock of Tastyeast, Inc.); U. S. v. Raymond R. Taylor (Trading on the Detroit Stock Exchange in the stock of Midwest Abrasive Co.); U. S. v. Edmond B. Bronson, et al (Trading over-the-counter in the stock of Bagdad Copper Corp.); U. S. v. Henry Lieberman, et al (Trading on the New York Stock Exchange in the stock of Julian & Kokenge, Inc.).

In the first of these cases, Norman W. Mimuse and Joseph E. H. Pelletier were convicted of conspiracy to violate the anti-manipulation provisions of the Securities Exchange Act of 1934. The defendants were charged with operating a stock "jiggle" in the Class A capital stock of Tastyeast, Inc., a security listed on the New York Curb Exchange, and during the period of their activities the price of Tastyeast had risen from 1-5/8 to 4-1/8. The proceeding during the fiscal year constituted the second trial for the defendants, a prior conviction for the same offense having been reversed on appeal. A second appeal is pending.

Fraud perpetrated by broker-dealers on their customers were involved in U. S. v. Russell W. McDermott, Indianapolis, Indiana; U. S. v. Ray O. Braden, et al., Parkersburg, West Virginia; U. S. v. E. E. Morrison, et al. (Morrison Bond Company, Ltd., Oakland, Calif.); U. S. v. Phillip J. Liuzza, New Orleans, La.; U. S. v. E. T. Kongsberg, et al. (E. T. Kongsberg & Co., Chicago, Ill.).

In the McDermott case, one of the most important decided during the year, the constitutionality of the margin requirement provisions of the Securities Exchange Act of 1934 was upheld by the U. S. Court of Appeals for the Seventh Circuit. The determination is also noteworthy because it is the first court case predicated on excessive trading by a broker in a customer's discretionary account. In 1939, the Commission learned of the impending dissolution of a Chicago stock brokerage firm, and reports were received of irregularities in the firm's Indianapolis office. An investigation followed, and it was discovered that Russell W. McDermott, manager of the Indianapolis office, had been guilty of serious violations of the margin rules, by means of a deceptive system of "kited" checks and "free-riding." He had also engaged in certain fraudulent practices. The Circuit Court of Appeals sustained his conviction (131 F. (2d) 313 (C.C.A. 7, 1942)), and certiorari was denied by the U. S. Supreme Court (318 U. S. 765).

The Morrison Bond Company case was the first instance of a conviction for hypothecation of customers' securities in contravention of Section 8 (c) of the Securities Exchange Act of 1934. E. E. Morrison and H. C. Stone, who specialized in street improvement bonds, with offices in California, had sold bonds on a "when, as, and if issued" basis, and thereafter, despite full payment by the purchasers, they had hypothecated the bonds with an Oakland bank, in violation of regulations promulgated by the Commission. They were indicted in San Francisco on September 16, 1942, convicted on pleas of nolo contendere and sentenced on April 13, 1943.

Oil and gas leases were the underlying basis for investment in the following cases: U. S. v. Roy E. Wilson (Wilson Drilling Company, Danville, Illinois); U. S. v. Eugene M. Shirley, et al, Indianapolis, Indiana; U. S. v. E. Randall Henderson, Memphis, Tennessee; U. S. v. Todd M. Pettigrew, et al (Western Plains Oil Corp., Rochester, New York); U. S. v. Joshua F. Simons, et al (Peoples Gas & Oil Corp., State of Washington); U. S. v. Gabriel Diaz, et al (Plaquemines Land Co., New Orleans, La.); U. S. v. W. H. Koch, et al (Patmin Production Co., Casey, Illinois); U. S. v. H. R. Edwards 1/ (Edwards Petroleum Co., Oklahoma City, Okla.); U. S. v. George L. Green (Midwest Petroleum, Wichita, Kansas).

The vending machine cases included U. S. v. A. B. Block (National Automatic Vendors, Dallas, Texas); U. S. v. Maurice A. Levine, et al (Paymaster Plan, Inc., Boston, Mass.); U. S. v. Albert Janis (Parking Meter Corp., Cleveland, Ohio).

In the usual vending machine case, the promoter undertakes to sell vending machines to the investor under an arrangement whereby the investor will immediately lease the machine back to the promoter, who is to operate it for the new owner on a profit-sharing basis. Thereafter, periodic payments, purporting to be profits, are made to the investor. Actually, such payments are made out of capital. The purpose is to induce the purchase of additional machines. This fraudulent pattern was the subject of the indictment in the Levine case, which involved the sale of cigarette and peanut vending machines. Additional frauds were also charged. One of the defendants, Alfred D. Cohen, has been convicted and sentenced on a plea of guilty. The others are awaiting trial. The Commission's interest in these cases arises from the fact that the transactions, under the Securities Act of 1933, are essentially securities investments rather than mere sales of personal property.

Mining company stocks were often involved in the fraud cases. In a number of these, the securities were sold by residents of Canada operating from across the border without compliance with the statutes of this country. The Commission has been cooperating with the State Department and the Department of Justice in efforts to obtain ratification of a pending treaty with Canada in order to permit extradition from Canada of those who violate our securities laws and other cognate statutes. The treaty was ratified by the United States Senate in 1942.

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1/ 113 F. (2d) 286; 312 U.S. 473; 131 F. (2d) 198; 317 U.S. 689.

The cases involving promotion of mines in this country were: U. S. v. Patrick T. Henry, et al. (Rainbo Gold Mines, Marysvale, Utah); U. S. v. Edmond B. Bronson, et al. (Bagdad Copper Company, New York); U. S. v. Phillip Suetter (Suetter Placer Mines, Josephine County, Oregon); U. S. v. Amos Downs, George Hawley, et al., 133 F. (2d) 966 (Humbolt Consolidated Mines Co., Clear Creek County, Colo.); U. S. v. Simon C. Hedrick, et al. (Desert Gold & Aluminum, Alaska and Imperial County, Calif.).

Promotion of mines in Canada were involved in U. S. v. John Herck (LaReine Gold Mines, Ontario, Canada); U. S. v. Edward S. Harrison, et al. (Pilot Molybdenite Mines, Ltd., Ontario, Canada); U. S. v. George Reynolds, et al. (Avon Gold Mines, Ltd., Montreal, Canada); U. S. v. J. Samuel Wacker, et al. ("The Financial Indicator", Toronto, Canada).

Among the cases involving charges of fraudulent transactions in whiskey warehouse receipts were U. S. v. Edward A. Sloane, et al. (A. D. Lowe & Associates, Chicago, Illinois); U. S. v. Mark A. Freeman, et al. (Consolidated Associates, Inc., Chicago, Illinois); U. S. v. Frank J. Ryan, et al. (Research and Investment Co., Wilmington, N. Carolina); U. S. v. John Factor, et al. (United Bottling & Distributing Company, Chicago, Illinois, and Cedar Rapids, Iowa).

Factor (Jake the Barber) and a group of confederates, operating through the United Bottling and Distributing Company, a Delaware corporation, defrauded some 250 investors to the extent of \$1,000,000. The owners of whiskey warehouse receipts were induced to exchange them for bottling contracts, by the terms of which United Bottling was to hold the whiskey until it matured, see to its bottling and distribution, and transmit the profits, less a stated service fee, to the investors. Actually, United Bottling was a mere paper organization, and the confidence ring sold or hypothecated the whiskey warehouse receipts as soon as possession was obtained. Owing to the destruction of corporate records, an intensive, two-year investigation was necessary to secure evidence sufficient to convict. An indictment was returned in Cedar Rapids, Iowa, many of the victims of the fraud being Iowa residents. Eleven defendants pleaded guilty and received substantial prison sentences. Factor was sent to the Federal penitentiary at Leavenworth for a term of ten years.

Other cases during the year involved a social and fraternal organization (the Mantle Club), companies promoting inventions, purported investment programs in assets of one kind or another (such as land, mortgages, building and loan securities, or stocks and bonds), a newspaper, a reference library, the so-called front-money racket, a stock-market tipster, sale of ship-shares, and promotion of a pinless diaper.

The Mantle Club was organized by Hugh B. Monjar and was a nationwide fraternal organization with 30,000 members, devoted to moral betterment and other high ideals. A deep sense of personal loyalty to Monjar was fostered among the membership. Monjar was represented as a financially astute individual, who could and would extend pecuniary benefits to persons proving themselves worthy. A large number of the club's members were induced to make personal loans to Monjar. The sum of \$1,340,000 was raised in this manner.

The Commission's investigation resulted in the indictment of Monjar and a number of his confederates. It was charged that Monjar had converted most of the money to his own use, and that he had obtained the \$1,340,000 loans by falsely representing that he would assure the financial independence of those who put up their money. It was also charged that Mantle Club members were induced to deal, to their disadvantage, with enterprises controlled by Monjar and his associates. Monjar and ten co-defendants were convicted, and received jail sentences totaling over twenty-three years, and fines totaling more than \$81,000. Appeals are pending at the present time.

In a front-money case (U. S. v. Edward Hill, et al.), the scheme, as alleged in the indictment, involved getting small business men who needed additional capital to make an initial payment on account of the expenses incident to the obtaining of private financing



or the floating of securities. The defendants made a pretense of financing operations, it was charged, although actually there was no intention of rendering the services promised. Eleven of the twelve defendants have been convicted on pleas of guilty or nolo contendere, the most recent of them being one Samuel J. Lewis. The twelfth defendant has not been apprehended.

In the ship-shares case (U. S. v. Mark L. Gilbert, et al.), the inventor of a new type boat, called the "Sea Hydro No. 1", which was supposed to operate on an entirely new principle, sold shares to the investing public on the false pretenses that a previously promoted vessel was in successful operation, and that the new ship was in process of construction as a \$4,000,000 liner which would attain a speed of 80 to 100 miles per hour. The four defendants in this case pleaded guilty.

In the tipster case, a railroad bond trader named John Hession, who had been the author of the newspaper column, "Streaks of Steel", was convicted for violations of the fraud provisions of the Securities Act of 1933. The indictment charged that he had pretended to have inside information derived from a government source as to action to be taken by the Interstate Commerce Commission in connection with the reorganization of a certain railroad. It was also charged that the dissemination of this and other false information induced widespread purchases and a marked rise in the price of the bonds. Hession has taken an appeal.

In U. S. v. Harvey H. Hevenor, et al. (General Ordnance Co.) an indictment returned in New York City charged that in the sale of General Ordnance preferred stock, Hevenor represented that a new type of mechanical fuse, designed for use on anti-aircraft projectors, had been developed by the company and was ready for testing, whereas it was charged that the development work had been abandoned before completion. This case had not been tried.

COMPLAINTS AND INVESTIGATIONS

The Commission, during the fiscal year ended June 30, 1943, received approximately 12,840 items of mail classified as "complaint-enforcement." This correspondence dealing with alleged securities violations constitutes one of the Commission's chief sources of information concerning possible securities violations. Investigations made by the Commission's own staff and contacts maintained by the staff with other governmental (Federal, State and local) or private agencies provide additional information concerning alleged violations. The following table indicates the extent of the Commission's investigatory activities:

Investigations and Legal Cases Developed Therefrom under the Securities Act of 1933, the Securities Exchange Act of 1934, Section 12 (h) of the Public Utility Holding Company Act of 1935, the Investment Company Act of 1940, and the Investment Advisers Act of 1940 for the Fiscal Year Ended June 30, 1943

Investigations	Investigation cases pending July 1, 1942	Investigations initiated or docketed July 1, 1942, to June 30, 1943	Investigations and legal cases closed (or changed to docketed cases) July 1, 1942 to June 30, 1943	Investigation cases pending June 30, 1943
Preliminary a/	119	88	126	81
Docketed b/	541	199	174	566
Total	660	287	300	647

a/ Investigations carried on through correspondence and limited field work.

b/ Investigations assigned to field investigators.

The Commission's Securities Violation Files, consisting of a clearing house of information concerning fraudulent securities transactions, and established in connection with enforcement and registration activities, have been maintained and expanded during the year through the continued cooperation of State securities commissions and other public agencies, members of the National Association of Better Business Bureaus, Inc., and members of the United States Chamber of Commerce. As of June 30, 1943, the Commission had assembled in these files data concerning an aggregate of 43,382 persons against whom Federal or State action had been taken in connection with securities violations. During the past fiscal year alone additional items of information relating to 6,004 such persons were added to these files, including information concerning 2,317 persons not previously identified therein.

#### ACTIVITIES OF THE COMMISSION IN THE FIELD OF ACCOUNTING AND AUDITING

##### Effect of the War

One of the most important problems confronting accountants during the past year has been that of determining the proper approach to be taken toward the special uncertainties which are inherent in the presentation of financial statements under existing wartime conditions. Accountants have been obliged to face situations in which the entire business done is novel, is subject to abnormal business and economic risks, and is conducted under novel legal and contractual arrangements of uncertain incidence.

The Commission has cooperated with the accounting profession and with particular registrants in exploring these problems and in developing appropriate techniques, procedures, and interpretations for dealing with them. One of the most important and pervasive of these uncertainties has resulted from the statutory provision for the renegotiation of war contracts of companies engaged in war production. The Commission has followed a policy of requesting that the financial statements of registrants disclose the pertinent facts about the company's position with respect to renegotiation. In addition the Commission, during the past year, amended its requirements for filing interim reports on Form 8-K so as to require the filing of this form upon the settlement of any renegotiation proceeding. Inasmuch as the settlement of renegotiation proceedings eliminates a material uncertainty relative to the financial statements, it was felt that the fact of settlement called for prompt disclosure in an interim report. The provision of war and post-war reserves for the special expenses and losses attributable to wartime production has in the case of many registrants been a most difficult accounting problem. The Commission has not attempted to issue general rules governing the provision of such reserves. However, in Accounting Series Release No. 42 attention was called to the disclosures that should be made in financial statements with respect to such reserves and the charges made in establishing them.

Accounting firms and business organizations have continued to be faced with critical shortages of personnel. The seriousness of the situation prompted the Commission during the past year to undertake a comprehensive revision of its reporting requirements designed to facilitate the furnishing of financial information with a minimum burden and expense. 1/ One such change permitted the omission or partial omission, under certain circumstances, of particular schedules supporting the financial statements of registrants. Also, money figures in financial statements were permitted to be stated in even thousands with zeros omitted. It was expected that these changes would permit substantial time saving in the final preparation of schedules and financial statements. Furthermore, it was provided that financial statements included in annual reports to stockholders might, in some cases, be filed in lieu of the financial statements required to be filed under certain annual report forms of the Commission. Financial statements so filed must, however, substantially comply with the requirements of Regulation S-X. The concept of "substantial conformity" was clarified by an interpretative opinion of the Chief Accountant in Accounting Series Release No. 41. These several changes have in all cases been made permissive so as to avoid any possible hardship to registrants for whom the pre-existing requirements would, because of special circumstances, be simpler.

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1/ Securities Act of 1933 Release No. 2888.

### Cooperation With Professional Societies and Others

The Commission has sought to cooperate with the accounting profession and to add its full influence to that of the professional societies and others in a joint effort to maintain and raise accounting and auditing standards. As heretofore, the Commission, in its promulgation of rules or opinions on accounting matters, has, wherever practicable, invited the comments or suggestions of other Federal and State agencies interested in accounting, of committees of professional societies, and of other interested persons. Reciprocally, the Commission has been invited to offer suggestions or comments on proposed actions or bulletins of these organizations. The benefits accruing from such cooperation have continued to be quite substantial.

### Professional Conduct

Independent status is requisite for a professional accountant if his certification is to accomplish its intended purpose of providing an impartial and expert review of the financial statements of a particular company. The Commission in its regulations and published releases has previously indicated particular relationships or conditions that might destroy independence. However, during the past year the Commission amended its rules to codify the principles to be applied in considering questions of independence. It appeared to be desirable to incorporate these principles in the published rules and regulations in view of cases in which substantial amounts due from officers and directors were shown separately in balance sheets filed with the Commission but, in the balance sheet contained in the annual report to stockholders, were included without disclosure under the caption "Accounts and notes receivable, less reserves." Accounting Series Release No. 37 amended the Commission's rules to make explicit what was previously implicit — that in "determining whether an accountant is in fact independent with respect to a particular company, appropriate consideration shall be given to the propriety of the relationships and practices involved in all services performed for the company by such accountant. . . ." This amendment resulted in inquiries from the accounting profession as to whether the Commission's intention was to seek to determine the "propriety" of these relationships in and of themselves. To avoid any possible misinterpretation of its policy, the Commission, in Accounting Series Release No. 44, amended the rule in question to provide that in determining whether an accountant is in fact independent with respect to a particular registrant "the Commission will give appropriate consideration to all relevant circumstances including evidence bearing on all relationships between the accountant and that registrant . . .".

### Accounting and Auditing

During the past year the Commission revised its Uniform System of Accounts for Public Utility Holding Companies. The original system of accounts prescribed for public utility holding companies became effective January 1, 1937 and continued in effect without change until these revisions which were announced in Accounting Series Release No. 39 issued December 19, 1942. Among other things the new system of accounts provided that a dividend received on stock of a paying company of the same class as the stock on which such dividend was paid should not be treated as income. <sup>1/</sup> Previously it had been provided that such dividends could, within certain limits, be included in income or earned surplus at the option of the recipient. The other principal substantive changes related to the showing of income taxes in the income statement, and the handling of discount and repurchase premiums on capital stock, and "basket" investment accounts in which several investments are carried at an unsegregated book amount.

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<sup>1/</sup> In September 1941, a bulletin was issued by the Committee on Accounting Procedure of the American Institute of Accountants indicating that a dividend of common stock declared on common stock was not income. On October 14, 1943, the Board of Governors of the New York Stock Exchange issued a statement on stock dividends in which the same position was taken.

The Commission also amended Regulation S-X to prescribe the manner in which original cost data and other components of utility plant are to be shown in the balance sheets of public utility companies and consolidated balance sheets of public utility holding companies which file financial statements subject to this regulation. These amendments, announced in Accounting Series Release No. 43, were predicated on the belief that the segregation of original cost, historical cost and other components of book amounts of utility plant is, in the light of present trends of rate regulation, of great concern to investors.

More general questions of accounting principles or practices were dealt with in several releases issued during the past year in the Accounting Series. Release No. 45 dealt with the accounting treatment to be accorded premiums paid upon the redemption of preferred stock. This release, issued on June 21, 1943, concluded that such premiums should ordinarily be charged to earned surplus. Subsequently a committee of the American Institute of Accountants raised a number of objections to the position taken. These objections, which were first urged as to preliminary drafts of the release, are nevertheless being given further consideration by the Commission. Release No. 35 dealt with the proper disclosure to be given in financial statements to provisions and conditions that limit the availability of surplus for dividend purposes. Release No. 36 discussed the treatment by an investment company of interest collected on defaulted bonds applicable to a period prior to the date on which such bonds and defaulted interest were purchased, while Release No. 38 discussed the proper accounting treatment of the post-war refund of federal excess profits taxes provided for in Section 250 of the Revenue Act of 1942.

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

The greatest part of the Commission's accounting and auditing activities stems from the examination of financial statements filed by particular registrants. Memoranda issued for the purpose of citing deficiencies or making suggestions for future reports continue to play an important role in securing satisfactory financial statements for investors. Also accounting and auditing problems have been the subject of innumerable informal conferences between the Commission's staff and representatives of particular registrants. These conferences have proved to be an expeditious means of resolving difficult or unusual questions with respect to which no specific rules have been issued or the application of existing rules is uncertain.

REPORTS OF OFFICERS, DIRECTORS, PRINCIPAL SECURITY HOLDERS  
AND CERTAIN OTHER AFFILIATED PERSONS

The general purpose and scope of the ownership reporting requirements, prescribed by Sections 16 (a) of the Securities Exchange Act of 1934, 17 (a) of the Public Utility Holding Company Act of 1935 and 30 (f) of the Investment Company Act of 1940 and the Commission's rules, regulations, and forms promulgated thereunder, as well as the Commission's procedures for obtaining the filing of required reports, examining them for compliance with the statutes and the rules, obtaining amended reports where necessary, and the publication of information contained in the reports, have been described in the Sixth Annual Report, pages 180-182, Eighth Annual Report, page 47, and other previous annual reports.

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

<u>Description of Report</u>	<u>Fiscal Year 1943</u>
<b>Securities Exchange Act of 1934:</b>	
Original reports—Form 4, 10,657; Form 5, 125; Form 6, 576 . . . . .	12,358
Amended reports—Form 4, 911; Form 5, 32; Form 6, 62 . . . . .	1,005
<b>Public Utility Holding Company Act of 1935:</b>	
Original reports—Form U-17-1, 87; Form U-17-2, 333. . . . .	420
Amended reports—Form U-17-1, 3; Form U-17-2, 22 . . . . .	25
<b>Investment Company Act of 1940:</b>	
Original reports—Form N-30F-1, 265; Form N-30F-2, 841 . . . . .	1,106
Amended reports—Form N-30F-1, 19; Form N-30F-2, 39. . . . .	58

At the close of the past fiscal year, when the security ownership reporting requirements had been operative under Section 16 (a) for more than 8 years, under Section 17 (a) for more than 7 years, and under Section 30 (f) for nearly 3 years, an aggregate of more than 200,000 original and amended reports had been filed by 33,815 persons closely identified with the management or control of industrial, utility, and investment enterprises.

CONFIDENTIAL TREATMENT OF APPLICATIONS, REPORTS, OR DOCUMENTS

The Commission has power, as described in its Seventh Annual Report, page 234, and previous annual reports, to provide for the confidential treatment, upon application by registrants, of information contained in reports, applications, or documents such as prospectuses, proxy statements and registration statements, required to be filed under a number of the acts which it administers.

In addition, as set forth in the Eighth Annual Report, page 6, rules have been adopted by the Commission pursuant to the Securities Act of 1933, the Securities Exchange Act of 1934, and the Public Utility Holding Company Act of 1935 which provide for the omission or confidential treatment, either on the Commission's own motion or upon application, of any such information which is inconsistent with the standards of the Code of Wartime Practices promulgated by the United States Office of Censorship. Since copies of the documents filed with the Commission under Sections 12 and 13 of the Securities Exchange Act of 1934, the not inconsiderable volume and the nature of which are indicated earlier on this report, must also be filed with the securities exchanges, the Commission has continued to obtain the cooperation of the exchanges in temporarily withholding from public inspection their copies of these documents until the Commission has completed its preliminary examination of this material and the exchanges have had an opportunity to delete from any document such information as is specifically authorized or directed by the Commission. Immediately thereafter these documents are made available for public inspection. While the general type of information which the Office of Censorship in the Code of Wartime Practices deems adversely to affect the war program and which thus, under the Commission's additional rules, is to be omitted or treated confidentially in documents filed under the three statutes mentioned above, was summarized in Securities Act of 1933 Release No. 2781, members of the Commission's staff have rendered every possible assistance to registrants, in advance of filing dates, in the preparation of documents in accordance with the objectives sought by these rules.

The following table indicates the number of applications—including thereunder any action taken by the Commission on its own motion under these new rules—received and acted upon during the past year, together with the number pending at its close:

Applications for Confidential Treatment--Fiscal Year Ended June 30, 1943

Act under which filed	Number pending July 1, 1942	Number received	Number granted	Number denied or withdrawn	Number pending June 30, 1943
Securities Act of 1933 a/	0	25	22	2 b/	1
Securities Exchange Act of 1934 c/	47	58	43	36	26
<b>Total</b>	<b>47</b>	<b>83</b>	<b>65</b>	<b>38</b>	<b>27</b>

a/ These figures represent applications filed under Rule 171 and Rule 580.

b/ Both of these were withdrawn.

c/ These figures represent applications filed under Rule X-24b-2 and Rule X-6.

PUBLICATIONS

Public Announcements

Under the various Acts it is the Commission's duty to publish its decisions and generally to inform Congress and the public of its activities. Its releases are classified into various categories so that a person may receive the material relating only to those phases of the Commission's work in which he is interested. The Commission has made an exhaustive check of its mailing lists to eliminate those no longer desiring specified material.

The announcements issued during the past fiscal year included 78 releases under the Securities Act of 1933; 187 under the Securities Exchange Act of 1934; 756 under the Public Utility Holding Company Act of 1935; 143 under the Investment Company Act of 1940; and 5 under the Investment Advisers Act of 1940. In addition, three releases were issued concerning the Commission's activities in corporate reorganizations and three releases were issued under the Trust Indenture Act of 1939.

The Commission also continued the daily publication of its Registration Record, which presents a brief description of data filed under the Securities Act of 1933 and the Trust Indenture Act of 1939.

The following is a partial classification by subject matter:

Opinions and Orders	857
Reports on court actions	126
Statistical data	34
Survey series	22
Accounting series	12

Other Publications

Decisions and Reports of the Commission:

Buckram-Bound:

Volume 9 -- April 1, 1941 to August 31, 1941

(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.

An alphabetical List of Companies Registered under the Investment Company Act of 1940.

An alphabetical List of Investment Advisers Registered pursuant to Section 203 of the Investment Advisers Act of 1940.

An alphabetical List of Over-the-Counter Brokers and Dealers registered with the Commission as of July 31, 1942.

List of Securities Traded on Exchanges under the Securities Exchange Act of 1934, as of December 31, 1942, together with Supplements thereto.

(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, Pa.)

#### INSPECTION OF REGISTERED INFORMATION BY THE PUBLIC

Copies of all public information on file with the Commission, appearing in registration statements, applications, reports, declarations, and other public documents, are available for inspection in the Public Reference Room of the Commission at Philadelphia, Pa. During the past fiscal year more than 7,327 members of the public visited this Public Reference Room seeking such information, and thousands of letters and telephone calls were received requesting registered information. (This is exclusive of requests for releases, etc.) The Commission, through the facilities provided for the sale of public registered information, filled more than 1,757 orders for photocopies of material, involving 148,468 pages.

Insofar as practicable, the Commission has sought to make some of the public registered information filed with it available in its regional offices. In the New York Regional Office at 120 Broadway, facilities are provided for the inspection of certain public information on file with the Commission. This includes copies of (1) such applications for permanent registration of securities on all national securities exchanges, except the New York Stock Exchange and the New York Curb Exchange, as have received final examination in the Commission, together with copies of supplemental reports and amendments thereto, (2) annual reports filed pursuant to the provisions of Section 15 (d) of the Securities Exchange Act of 1934, as amended, by issuers that have securities registered under the Securities Act of 1933, as amended. During the past fiscal year 8,051 members of the public visited the New York Office Public Reference Room, and more than 3,701 made telephone calls to this office, seeking registered public information, forms, releases, and other material.

In the Chicago Regional Office, which is located at 105 West Adams Street, there are available for public inspection copies of applications for permanent registration of securities on the New York Stock Exchange and the New York Curb Exchange, which have received final examination in the Commission, together with copies of all supplemental reports and amendments thereto. During the fiscal year ended June 30, 1943, more than 2516 members of the public visited the Chicago Public Reference Room, and approximately 652 telephone calls were received there and 2338 requests were made for registered information, forms, releases, and other material.

In each of the Commission's regional offices there are available for inspection copies of 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-the-counter markets, together with supplemental statements thereto, filed under the Securities Exchange Act

of 1934, are also available for public inspection in the regional office having jurisdiction over the zone in which the principal office of the broker or dealer 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 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 it is filed.

During the past fiscal year duplicate copies of applications for registration of investment advisers, together with supplemental statements thereto filed under the Investment Advisers Act of 1940, have been made available for public inspection in the regional offices having jurisdiction over the zone in which the principal office of the investment adviser is located.

There are available for inspection in the Commission's San Francisco and Cleveland Regional Offices, in which are provided complete facilities for such registration and qualification, copies of registration statements and applications for qualification of indentures filed at those regional offices.

Copies of all applications for permanent registration 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, 1935 to June 30, 1943:

	<u>7-1-35</u> <u>6-30-40</u>	<u>7-1-40</u> <u>6-30-41</u>	<u>7-1-41</u> <u>6-30-42</u>	<u>7-1-42</u> <u>6-30-43</u>	<u>Totals</u>
Securities Act of 1933	339	11	5	10	365
Securities Exchange Act of 1934	507	98	84	83	772
Public Utility Holding Company Act of 1935	1018	199	170	183	1570
Trust Indenture Act of 1939	3	5	0	1	9
Investment Advisers Act of 1940	0	5	5	0	10
Investment Company Act of 1940	<u>0</u>	<u>84</u>	<u>133</u>	<u>53</u>	<u>270</u>
Total	1867	402	397	330	2996

PERSONNEL

Commissioner Ganson Purcell was reelected Chairman of the Commission on June 24, 1943, for the period ending June 30, 1944.

On June 6, 1943, Commissioner Sumner T. Pike was reappointed as Commissioner for the term expiring on June 5, 1948.

The Commissioners as of the close of the past fiscal year were as follows:

- Purcell, Ganson, Chairman
- Healy, Robert E.
- Pike, Sumner T.
- Burke, Edmund Jr.
- O'Brien, Robert H.

As of the close of the past fiscal year the personnel of the Commission was comprised of 5 Commissioners and 1,283 employees, of which 321 were assigned to the Regional Offices. This is exclusive of 354 employees who were then in the military service and were carried on the payrolls on a furlough status.



As of January 1, 1944, the number of employees in the military service increased to 397. This does not include 13 employees who have received honorable discharges from the military service and have returned to duty with the Commission; and one employee whose name was dropped from the rolls of the Commission because of his death while in the military service.

Reorganization of the Divisions of the Headquarters Office

A rather broad reorganization of the operating divisions of the Commission's headquarters office was put into effect on August 24, 1942. The Legal Division, the Reorganization Division and the Investment Company Division were then abolished. The functions and personnel of the Reorganization Division and the Investment Company Section of the Investment Company Division were combined with those of the Registration Division and transferred to a new division known as the Corporation Finance Division. The personnel and functions of the Investment Advisers Section of the Investment Company Division were transferred to the Trading and Exchange Division. A certain portion of the investigative and interpretative staff of the Legal Division were transferred to the Counsel's Office of the Corporation Finance Division. Two new organizational units were created, i.e., the Solicitor's Office and the Opinion Writing Office. The remainder of the personnel of the Legal Division was transferred to those offices.

The immediate effects of this were substantial money savings in that it was then possible to abolish many vacant positions without impairment to the Commission's work. During the fiscal year, further savings of man-power resulted because the new arrangement of divisions and offices allowed greater use of experienced supervisors and key-personnel and provided for the consolidation in one division of certain examination and analytical work that previously had been performed in three divisions.

FISCAL AFFAIRS

<u>Appropriations</u>		<u>Obligations</u>	<u>Unobligated Balance</u>
<u>Title</u>	<u>Amount</u>		
Salaries and Expenses	\$4,850,000	\$4,768,148	\$ 81,852
Printing and Binding	60,000	20,121	39,879
	<u>\$4,910,000</u>	<u>\$4,788,269</u>	<u>\$121,731</u>

Receipts for the Fiscal Year 1943

<u>Character of Fee</u>	<u>Amount</u>
Fees for Registration of Securities	\$ 68,627.28
Fees under Trust Indenture Act	1,600.00
Fees from Registered Exchanges	111,404.21
Fees for the Sale of Photo duplicates	11,606.72
Miscellaneous	127.46
TOTAL	<u>\$193,365.67</u>

APPENDIX TABLES FOLLOW



Table 1.—Registrations under the Securities Act of 1933 effective<sup>1/</sup> during the fiscal year ended June 30, 1943

Part 1.—Monthly registrations  
(Amounts in thousands of dollars<sup>2/</sup>)

Year and month	All effectively registered			Proposed for sale for account of issuers		
	Number of statements	Number of issues	Amount	Number of statements	Number of issues	Amount
1942						
July	10	12	22,620	5	6	8,571
August	7	7	29,353	5	5	9,825
September	10	17	67,204	8	14	64,270
October	10	11	36,877	7	7	32,762
November	4	5	19,857	4	5	19,857
December	8	9	11,530	3	4	1,996
1943						
January	5	10	90,162	1	3	89,700
February	7	28	26,005	3	23	22,247
March	22	24	57,435	15	17	54,073
April	9	10	90,578	8	9	85,913
May	18	41	133,907	12	33	71,424
June	13	15	73,955	9	9	25,290
<b>Total fiscal year 1943</b>	<b>123</b>	<b>189</b>	<b>659,480</b>	<b>80</b>	<b>135</b>	<b>485,928</b>

Table 1. Part 2.—Method of distribution and type of security proposed for sale for the account of issuers  
(Amounts in thousands of dollars)

Method of distribution and group to whom offered	Type of security					
	All types	Secured bonds	Unsecured bonds	Preferred stock	Common stock	Other <sup>3/</sup> types
<b>All methods of distribution</b>	<b>485,928</b>	<b>182,372</b>	<b>134,061</b>	<b>32,215</b>	<b>64,744</b>	<b>72,536</b>
<b>To general public</b>	<b>460,532</b>	<b>182,372</b>	<b>133,635</b>	<b>28,532</b>	<b>48,697</b>	<b>67,296</b>
<b>To security holders</b>	<b>16,700</b>	<b>-</b>	<b>417</b>	<b>3,683</b>	<b>12,101</b>	<b>500</b>
<b>To other special groups</b>	<b>8,696</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>3,946</b>	<b>4,740</b>
<b>Through investment bankers</b>	<b>470,701</b>	<b>182,372</b>	<b>133,485</b>	<b>30,619</b>	<b>56,930</b>	<b>67,296</b>
<b>By purchase and resale</b>	<b>361,840</b>	<b>182,357</b>	<b>132,485</b>	<b>28,095</b>	<b>18,904</b>	<b>-</b>
<b>To general public</b>	<b>349,085</b>	<b>182,357</b>	<b>132,485</b>	<b>26,568</b>	<b>7,675</b>	<b>-</b>
<b>To security holders</b>	<b>12,755</b>	<b>-</b>	<b>-</b>	<b>1,527</b>	<b>11,228</b>	<b>-</b>
<b>To other special groups</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>On best efforts basis</b>	<b>108,861</b>	<b>15</b>	<b>1,000</b>	<b>2,524</b>	<b>38,026</b>	<b>67,296</b>
<b>To general public</b>	<b>107,861</b>	<b>15</b>	<b>1,000</b>	<b>1,524</b>	<b>38,026</b>	<b>67,296</b>
<b>To security holders</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>
<b>To other special groups</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>By issuers</b>	<b>15,227</b>	<b>-</b>	<b>576</b>	<b>1,595</b>	<b>7,814</b>	<b>5,240</b>
<b>To general public</b>	<b>3,586</b>	<b>-</b>	<b>150</b>	<b>440</b>	<b>2,996</b>	<b>-</b>
<b>To security holders</b>	<b>2,945</b>	<b>-</b>	<b>417</b>	<b>1,155</b>	<b>872</b>	<b>500</b>
<b>To other special groups</b>	<b>8,696</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>3,946</b>	<b>4,740</b>

<sup>1/</sup> All data are shown as of the effective date of registration with the exception of issues subject to competitive bidding, which are included in the period during which the results of the bidding were made known to the Commission by post-effective amendment.

<sup>2/</sup> Rounding off figures has resulted in slight differences between the totals and the actual sums of the components.

<sup>3/</sup> Includes certificates of participation, certificates of beneficial interest, and warrants.

Note.—For earlier data see First to Eighth Annual Reports of the Commission.

Table 1. Part 3.—Purpose of registration and industry of all securities registered

(Amounts in thousands of dollars)

Purpose of registration and use of proceeds	Industry							
	All industries	Extractive	Manufacturing	Financial and investment	Merchandising	Transportation and communication	Electric light, power, heat, water and gas	Miscellaneous
Number of statements	123	4	40	36	8	2	10	23
Number of issues	189	5	50	78	9	3	15	29
For all purposes of registration (estimated value)	699,480	6,192	211,012	121,776	12,738	11,411	191,272	105,078
Less: Not for sale	103,685	731	82,394	3,841	9,886	655	550	5,627
For account of issuers	90,835	731	80,699	3,688	174	655	550	4,378
Reserved for conversion	6,616	-	5,961	-	-	655	-	-
Reserved for option	2,414	-	2,414	-	-	-	-	-
For substitution 1/	6,492	731	3,345	-	-	-	-	2,415
For exchange for other securities	75,264	-	68,999	3,688	125	-	550	1,963
For claims against issuer	49	-	-	-	49	-	-	-
For account of others	12,851	-	1,736	153	9,713	-	-	1,249
For sale (estimated gross proceeds)	555,795	5,461	128,618	117,935	2,852	10,755	190,722	99,451
Less: For account of others than issuers	69,867	3,065	41,203	863	1,276	-	17,533	5,928
For sale for account of issuers	485,928	2,396	87,415	117,072	1,576	10,755	173,189	93,523
Less: Cost of flotation	18,319	481	3,652	8,424	18	238	4,122	1,384
Compensation to distributors	15,648	371	2,728	8,272	-	163	2,855	1,260
Expenses	2,671	110	924	152	18	76	1,267	124
Expected net proceeds from sales for account of issuers	467,609	1,915	83,763	108,648	1,559	10,517	169,067	92,140
New money	64,195	1,904	37,217	2,751	793	10,297	10,936	297
Plant and equipment	21,653	401	2,321	-	-	9,900	8,734	297
Working Capital	41,153	115	34,896	2,751	793	397	2,201	-
Other new money purposes	1,389	1,389	-	-	-	-	-	-
Repayment of indebted. and retirement of stock	287,208	-	43,996	-	20	220	151,144	91,828
Bonds and notes	268,056	-	30,676	-	-	-	145,553	91,828
Other debt	2,506	-	613	-	20	220	1,653	-
Preferred stock	16,646	-	12,707	-	-	-	3,938	-
Purchase of securities	107,935	-	2,000	105,897	-	-	38	-
For investment	105,897	-	-	105,897	-	-	-	-
For affiliation	2,038	-	2,000	-	-	-	38	-
Purchase of other assets	8,203	-	550	-	744	-	6,909	-
Miscellaneous and unaccounted for	68	11	-	-	2	-	40	15

1/ Includes voting trust certificates and certificates of deposit.

Note.—For earlier data see First to Eighth Annual Reports of the Commission.

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 1943.

Part 1.--Of number of issues and aggregate value.

(Values in millions of dollars)

Fiscal year ended June 30	Size of issue (\$'000,000)	Bonds 1/															Preferred stock		Common stock		
		First grade		Second grade		Third grade		Fourth grade		Fifth grade		Below fifth		Unrated		All bonds		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				
1939	50 and over	1	52.0	3	194.1	0	-	1	51.6	0	-	0	-	0	-	5	297.7	0	-	0	-
	20 - 50	3	109.4	6	210.7	14	439.5	2	52.6	0	-	0	-	0	-	25	792.2	0	-	0	-
	5 - 20	2	17.8	3	38.0	5	54.8	8	78.8	4	37.4	0	-	0	-	22	226.9	2	11.6	0	-
	1 - 5	0	-	2	5.9	4	12.9	0	-	5	13.2	1	2.5	1	1.3	13	35.9	11	21.5	12	26.9
	Under 1	0	-	0	-	1	0.4	1	0.4	5	1.5	5	2.8	3	0.7	15	5.7	23	8.7	56	13.8
	All sizes	6	179.2	14	448.7	24	487.6	12	183.4	14	52.2	6	5.3	4	2.1	80	1,358.4	36	41.8	68	40.7
1940	50 and over	0	-	1	83.1	2	175.2	0	-	0	-	0	-	0	-	3	258.3	0	-	0	-
	20 - 50	0	-	5	135.4	5	180.1	6	194.1	0	-	0	-	0	-	16	509.5	0	-	0	-
	5 - 20	0	-	2	29.6	9	93.8	11	104.1	4	33.2	0	-	0	-	26	260.7	2	13.3	1	6.4
	1 - 5	0	-	1	3.7	3	9.8	7	20.3	4	8.0	0	-	0	-	15	41.7	15	44.6	9	18.5
	Under 1	0	-	0	-	1	0.7	1	0.7	5	2.2	2	0.8	1	0.5	10	5.0	25	10.3	51	20.4
	All sizes	0	-	9	251.8	20	459.5	25	319.2	13	43.4	2	0.8	1	0.5	70	1,075.3	42	68.1	61	45.3
1941	50 and over	3	170.2	3	251.8	2	132.5	0	-	0	-	0	-	0	-	8	554.6	0	-	0	-
	20 - 50	1	47.9	3	82.4	4	133.5	5	177.3	0	-	0	-	0	-	13	441.1	0	-	0	-
	5 - 20	1	12.4	8	87.2	13	162.6	9	82.9	1	6.5	0	-	0	-	32	351.6	7	72.5	1	5.9
	1 - 5	0	-	0	-	1	1.5	9	20.9	6	14.0	0	-	1	1.5	17	37.9	21	48.1	7	11.0
	Under 1	0	-	1	0.7	0	-	0	-	5	3.3	0	-	3	0.7	9	4.8	29	13.3	42	15.3
	All sizes	5	230.5	15	422.2	20	430.1	23	281.1	12	23.8	0	-	4	2.3	79	1,390.0	57	133.9	50	32.2
1942	50 and over	0	-	1	100.0	0	-	1	81.4	0	-	0	-	0	-	2	181.4	0	-	0	-
	20 - 50	3	66.8	1	26.3	3	106.4	2	62.6	0	-	0	-	0	-	9	262.0	0	-	0	-
	5 - 20	2	30.6	2	17.1	4	47.0	8	105.3	2	15.7	0	-	0	-	18	215.7	7	52.4	1	5.9
	1 - 5	0	-	0	-	2	5.0	6	18.1	3	4.4	0	-	0	-	11	27.5	17	41.4	6	13.1
	Under 1	0	-	0	-	0	-	0	-	2	1.3	0	-	5	2.3	7	3.5	8	3.9	13	4.0
	All sizes	5	97.4	4	143.4	9	158.4	17	267.4	7	21.4	0	-	5	2.3	47	690.1	32	97.7	20	23.1
1943	50 and over	0	-	0	-	0	-	1	54.2	0	-	0	-	0	-	1	54.2	0	-	0	-
	20 - 50	0	-	3	89.7	2	42.1	2	60.4	0	-	0	-	0	-	7	192.2	0	-	0	-
	5 - 20	1	5.7	1	6.2	1	13.4	2	17.5	0	-	0	-	0	-	5	42.8	3	19.0	0	-
	1 - 5	0	-	0	-	1	3.1	4	8.1	5	12.0	0	-	1	1.7	11	24.8	3	7.6	2	5.5
	Under 1	0	-	0	-	0	-	0	-	1	0.7	0	-	4	1.1	5	1.8	2	1.4	5	2.2
	All sizes	1	5.7	4	95.9	4	58.6	9	140.2	6	12.7	0	-	5	2.8	29	315.9	8	28.1	7	7.7

1/ The grades are according to the classification of the bonds by the investment rating services: First grade corresponds to Moody's Aaa, Standard and Poor's A1, Fitch AAA; second grade to Aa, A1, Aa; etc.

Table 2. Part 2.--Of compensation to distributors

(Compensation as per cent of value)

Fiscal year ended June 30	Size of issue (\$000,000)	Bonds <sup>1/</sup>								Preferred stock	Common stock
		First grade	Second grade	Third grade	Fourth grade	Fifth grade	Below fifth	Unrated	All bonds		
1939	50 and over	0.4	1.9	-	2.3	-	-	-	1.7	-	-
	20 - 50	1.7	2.0	2.1	2.5	-	-	-	2.1	-	-
	5 - 20	1.9	1.9	2.1	2.1	2.7	-	-	2.1	2.9	-
	1 - 5	-	1.9	2.2	-	4.2	3.5	4.0	3.1	6.2	15.2
	Under 1	-	-	1.7	3.5	4.1	5.8	10.0	5.4	11.8	20.3
	All sizes	1.3	2.0	2.1	2.3	3.1	4.7	6.0	2.0	6.4	16.9
1940	50 and over	-	1.5	1.6	-	-	-	-	1.6	-	-
	20 - 50	-	1.8	2.0	1.9	-	-	-	1.9	-	-
	5 - 20	-	2.0	2.0	2.1	1.7	-	-	2.0	3.3	10.5
	1 - 5	-	1.9	2.2	2.7	4.0	-	-	2.8	7.5	14.0
	Under 1	-	-	3.2	6.0	5.3	9.4	17.5	7.0	11.1	20.7
	All sizes	-	1.8	1.9	2.0	2.3	9.4	17.5	1.9	7.2	16.4
1941	50 and over	1.8	1.7	1.9	-	-	-	-	1.7	-	-
	20 - 50	1.4	1.9	2.0	2.1	-	-	-	2.0	-	-
	5 - 20	1.6	1.1	1.4	1.7	3.5	-	-	1.5	2.6	7.4
	1 - 5	-	-	2.5	2.3	3.0	-	5.0	2.7	5.0	16.9
	Under 1	-	1.9	-	-	2.8	-	6.4	3.2	9.3	15.2
	All sizes	1.7	1.6	1.8	2.0	3.1	-	5.5	1.8	4.1	14.4
1942	50 and over	-	1.8	-	1.3	-	-	-	1.6	-	-
	20 - 50	1.2	1.7	1.2	1.7	-	-	-	1.4	-	-
	5 - 20	0.8	1.0	1.4	1.7	3.4	-	-	1.6	3.7	10.1
	1 - 5	-	-	1.7	2.1	3.5	-	-	2.3	4.1	8.6
	Under 1	-	-	-	-	2.7	-	7.3	5.6	9.7	14.9
	All sizes	1.1	1.6	1.3	1.6	3.4	-	7.3	1.5	4.1	10.1
1943	50 and over	-	-	-	2.1	-	-	-	2.1	-	-
	20 - 50	-	1.3	1.2	1.9	-	-	-	1.5	-	-
	5 - 20	0.6	1.7	1.0	1.7	-	-	-	1.3	3.0	-
	1 - 5	-	-	1.8	2.8	2.8	-	15.5	3.5	4.1	8.3
	Under 1	-	-	-	-	3.5	-	6.8	5.5	6.3	13.0
	All sizes	0.6	1.3	1.2	2.0	2.8	-	12.1	1.7	3.6	9.7

<sup>1/</sup> The grades are according to the classification of the bonds by the investment rating services: First grade corresponds to Moody's Aaa, Standard and Poor's A1, Fitch AAA; second grade to Aa, A1, AA; etc.

Table 3 -Offerings for cash sale of all new issues of securities in the United States 1/

## Part 1.-Type of offering

(Estimated gross proceeds in thousands of dollars) 2/

Year and month	All Types of Offerings	Public 3/		Private			Intrastate and Unascertained
		Registered	Exempt 4/	Registered	Exempt 4/	Other 5/	
July 1934 to June 1935	3,553,976	497,705	2,709,898	0	80,568	261,508	4,298
July 1935 to June 1936	11,060,996	3,206,549	7,430,781	67,161	19,499	325,493	11,514
July 1936 to June 1937	7,601,506	2,993,117	4,258,687	8,666	20,869	302,590	17,577
July 1937 to June 1938	3,454,156	891,614	2,196,440	2,953	7,219	350,838	5,092
July 1938 to June 1939	6,817,226	1,661,366	4,346,625	61,304	69,182	670,988	7,756
July 1939 to June 1940	5,511,591	1,298,026	3,415,341	14,712	45,659	731,322	6,532
July 1940 to June 1941	9,842,273	1,682,442	7,142,634	111,866	57,800	337,526	10,005
July 1941 to June 1942	15,875,057	1,280,345	14,059,228	5,375	7,886	520,098	2,125
July 1942 to June 1943	39,406,616	419,943	38,685,102	0	0	300,970	603
1942							
July	3,107,444	36,242	3,048,781	0	0	22,418	0
August	2,059,116	150	2,018,481	0	0	40,485	0
September	2,549,911	44,909	2,469,779	0	0	35,223	0
October	5,003,481	4,900	4,966,984	0	0	31,297	300
November	786,246	711	751,565	0	0	33,970	0
December	6,958,367	14,120	6,928,486	0	0	15,761	0
1943							
January	1,388,955	89,700	1,290,755	0	0	8,500	0
February	994,433	1,578	952,986	0	0	39,869	0
March	1,092,142	48,496	1,008,947	0	0	34,700	0
April	10,278,675	79,070	10,191,344	0	0	8,261	0
May	1,454,622	58,782	1,394,070	0	0	1,770	0
June	3,733,227	41,285	3,662,923	0	0	28,716	303

Note.—Earlier data appearing in the Commission's Annual Reports included securities with terms to maturity of exactly one year; such securities have been excluded, in addition to routine revisions.

1/ These statistics cover substantially all such securities offered in amounts of more than \$100,000 and with terms to maturity of more than one year. Excluded are open-end investment company issues sold through continuous offering, intercorporate transactions, interagency sales of United States Government issues, and notes issued exclusively to commercial banks. Figures are rounded to thousands of dollars and therefore may not add exactly to the totals shown. All figures are subject to revision as new data are received.

2/ Gross proceeds are derived by multiplying principal amounts or numbers of units by offering prices, except for municipal issues where principal amount is used.

3/ Issues sold by competitive bidding directly to ultimate investors are included as publicly offered issues.

4/ Includes offerings of Federal, state, and local governments; banks; issuers subject to regulation by the Interstate Commerce Commission; and eleemosynary and other non-profit institutions.

5/ Securities for which registration under the Securities Act of 1933 would be required if they were publicly offered.

Table 3. Part 2.—Type of security  
(Estimated gross proceeds in thousands of dollars) 1/

Year and month	All Types of Securities			Bonds			Preferred stock	Common stock
	All Issuers	Non-corporate	Corporate	All Issuers	Non-corporate	Corporate		
July 1934 to June 1935	3,553,976	2,658,791	895,184	3,534,933	2,658,791	876,142	12,161	6,881
July 1935 to June 1936	11,060,996	6,853,177	4,207,819	10,765,721	6,853,177	3,912,544	188,752	106,524
July 1936 to June 1937	7,601,506	3,896,145	3,705,361	6,772,299	3,896,145	2,876,154	410,020	419,188
July 1937 to June 1938	3,454,156	2,165,081	1,289,075	3,207,377	2,165,081	1,042,296	186,029	60,749
July 1938 to June 1939	6,817,226	4,371,626	2,445,601	6,636,832	4,371,626	2,265,206	106,650	73,745
July 1939 to June 1940	5,511,591	3,189,573	2,322,017	5,280,499	3,189,573	2,090,926	135,681	95,411
July 1940 to June 1941	9,842,273	6,811,670	3,030,603	9,604,238	6,811,670	2,792,568	172,313	65,721
July 1941 to June 1942	15,875,057	13,887,932	1,987,124	15,574,974	13,887,932	1,687,042	184,270	115,813
July 1942 to June 1943	39,406,616	38,673,011	728,606	39,344,163	38,673,011	666,152	33,312	29,144
1942								
July	3,107,442	3,046,291	61,151	3,107,025	3,046,291	60,734	0	417
August	2,059,116	2,016,482	42,634	2,059,116	2,016,482	42,634	0	0
September	2,549,911	2,468,400	81,510	2,536,112	2,468,400	67,712	10,613	3,187
October	5,003,481	4,957,508	45,973	5,000,781	4,957,508	43,273	2,500	200
November	786,246	751,565	34,681	785,885	751,565	34,320	0	361
December	6,958,367	6,924,541	33,826	6,958,367	6,924,541	33,826	0	0
1943								
January	1,388,955	1,380,455	8,500	1,388,955	1,380,455	8,500	0	0
February	994,433	945,150	49,282	994,105	945,150	48,955	0	328
March	1,092,142	994,043	98,099	1,077,588	994,043	83,545	6,793	7,762
April	10,278,675	10,188,137	90,538	10,273,815	10,188,137	85,678	4,440	420
May	1,454,622	1,371,497	83,125	1,439,803	1,371,497	68,306	1,025	13,794
June	3,733,227	3,633,942	99,286	3,722,612	3,633,942	88,670	7,941	2,675

Note.—Earlier data appearing in the Commission's Annual Report included Federal agency issues not guaranteed by the Government in the corporate category; such securities are now classified as non-corporate.

1/ See footnote 2 of table 2, part 1.



Table 3. Part 3.-Type of issuer  
(Estimated gross proceeds in thousands of dollars) 1/

Year and month	Corporate					Non-corporate					
	Total Corporate	Industrial	Public Utility	Rail	Real Estate and Financial	Total Non-corporate	United States Government (including agency issues guaranteed)	Federal Agency (issues not guaranteed)	State and municipal 2/	Foreign government	Eleemosynary and other non-profit
July 1934 to June 1935	895,184	328,948	377,605	137,404	51,228	2,658,791	1,572,410	60,109	1,020,326	4,978	968
July 1935 to June 1936	4,207,819	1,340,552	2,008,143	659,857	199,268	6,853,177	5,354,660	94,827	1,248,675	130,538	24,477
July 1936 to June 1937	3,705,361	1,203,865	1,637,526	501,036	362,934	3,896,145	2,589,372	25,446	1,060,212	163,239	57,877
July 1937 to June 1938	1,289,075	659,730	577,281	41,428	10,636	2,165,081	1,206,754	81,670	863,794	3,250	9,613
July 1938 to June 1939	2,445,601	954,950	1,365,540	106,351	18,759	4,371,626	2,904,127	63,269	1,322,048	66,797	15,385
July 1939 to June 1940	2,322,017	691,039	1,108,325	297,935	224,719	3,189,573	2,140,357	47,258	952,491	27,939	21,527
July 1940 to June 1941	3,030,603	1,047,929	1,530,509	375,026	77,139	6,811,670	5,411,505	73,742	1,295,248	4,120	27,055
July 1941 to June 1942	1,987,124	779,472	977,422	174,202	56,029	13,887,932	13,163,575	35,172	679,851	0	9,334
July 1942 to June 1943	728,606	290,628	319,147	106,265	12,565	38,678,011	38,126,798	0	457,454	89,700	4,058
1942											
July	61,151	52,992	5,668	2,491	0	3,046,291	2,998,140	0	47,318	0	833
August	42,634	2,400	38,235	1,999	0	2,016,482	1,969,286	0	47,196	0	0
September	81,510	38,822	41,310	1,379	0	2,468,400	2,444,422	0	23,195	0	783
October	45,973	6,825	29,672	9,476	0	4,957,508	4,919,432	0	38,076	0	0
November	34,681	17,450	17,231	0	0	751,565	734,549	0	17,016	0	0
December	33,826	2,698	27,182	3,945	0	6,924,541	6,905,826	0	18,393	0	322
1943											
January	8,500	8,500	0	0	0	1,380,455	1,240,444	0	49,300	89,700	1,011
February	49,282	2,578	38,869	7,835	0	945,150	887,195	0	57,236	0	719
March	98,099	61,056	22,140	14,904	0	994,043	944,276	0	49,616	0	151
April	90,538	27,670	59,221	3,207	440	10,188,137	10,165,489	0	22,648	0	0
May	83,125	18,049	38,903	14,048	12,125	1,371,497	1,334,984	0	36,513	0	0
June	99,286	51,588	716	46,981	0	3,633,942	3,582,755	0	50,947	0	240

1/ See footnote 2 of table 3, part 1.

Table 3. Part 4.—Private placements <sup>1/</sup> of corporate securities(Estimated gross proceeds in thousands of dollars) <sup>2/</sup>

Year and month	Types of Securities			Type of Issuers			
	All Private Placements	Bonds Notes and Debentures	Stocks	Industrial	Public Utility	Railroad	Real Estate and Financial
July 1934 to June 1935	261,508	259,459	2,050	158,469	77,700	0	25,340
July 1935 to June 1936	412,152	409,264	2,889	165,324	215,530	19,499	11,800
July 1936 to June 1937	327,625	324,061	3,564	121,638	151,905	13,386	40,695
July 1937 to June 1938	357,759	357,158	601	226,698	123,343	7,219	500
July 1938 to June 1939	749,128	748,729	399	360,771	364,232	23,432	693
July 1939 to June 1940	756,819	747,890	8,927	138,703	418,614	9,592	189,909
July 1940 to June 1941	996,392	994,094	2,298	361,090	563,160	24,142	48,000
July 1941 to June 1942	531,458	523,188	8,270	272,472	221,017	5,986	31,984
July 1942 to June 1943	300,970	298,920	2,050	133,243	149,727	18,000	0
1942							
July	22,418	22,418	0	16,750	5,668	0	0
August	40,485	40,485	0	2,250	38,235	0	0
September	35,223	33,173	2,050	33,998	1,225	0	0
October	31,297	31,297	0	1,925	29,372	0	0
November	33,970	33,970	0	17,100	16,870	0	0
December	15,761	15,761	0	2,000	13,761	0	0
1943							
January	8,500	8,500	0	8,500	0	0	0
February	39,869	39,869	0	1,000	38,869	0	0
March	34,700	34,700	0	34,700	0	0	0
April	8,261	8,261	0	3,250	5,011	0	0
May	1,770	1,770	0	1,770	0	0	0
June	28,716	28,716	0	10,000	716	18,000	0

<sup>1/</sup> Excludes issues sold by competitive bidding directly to ultimate investors.<sup>2/</sup> See footnote 2 of table 2, part 1.

Table 4.--Proposed uses of net proceeds from the sale of new corporate issues of securities offered for cash sale in the United States

Part 1.--All corporate

(Amounts in thousands of dollars)

Year and month	Total gross proceeds	Total net <sup>1/</sup> proceeds	New money			Retirements				All other purposes
			Total new money	Plant and equipment	Working capital	Total retirements	Funded debt	Other debt	Preferred stock	
July 1934 to June 1935	895,184	872,204	112,067	55,796	56,272	728,959	628,633	99,661	665	31,178
July 1935 to June 1936	4,207,819	4,080,791	419,055	260,586	158,469	3,637,122	3,167,120	253,312	216,691	24,613
July 1936 to June 1937	3,705,361	3,589,334	1,195,768	561,909	633,859	2,332,519	1,986,784	91,786	253,949	61,047
July 1937 to June 1938	1,289,075	1,255,763	650,750	412,191	238,559	599,720	453,021	129,247	17,452	5,294
July 1938 to June 1939	2,445,601	2,391,738	587,503	379,369	208,133	1,790,275	1,489,212	174,461	126,602	13,961
July 1939 to June 1940	2,322,017	2,267,785	292,377	184,099	108,278	1,948,865	1,695,787	182,657	70,420	26,543
July 1940 to June 1941	3,030,603	2,970,499	782,268	616,578	165,691	2,167,477	1,923,831	99,685	143,961	20,753
July 1941 to June 1942	1,987,124	1,954,957	862,499	589,342	273,157	1,061,176	800,818	206,535	53,824	31,283
July 1942 to June 1943	728,606	714,368	231,721	122,609	109,112	451,624	395,365	21,827	34,433	31,021
1942										
July	61,151	59,784	20,447	16,791	3,656	39,040	30,603	8,143	294	297
August	42,634	42,464	38,129	32,975	5,154	4,333	4,333	0	0	1
September	81,510	79,747	31,018	12,010	19,008	29,030	23,539	3,780	1,711	19,699
October	45,973	45,255	3,965	1,508	2,457	41,290	41,052	53	185	0
November	34,681	34,218	4,916	702	4,214	29,300	28,006	1,097	198	2
December	33,826	33,220	15,852	15,103	748	17,295	12,863	140	4,293	73
1943										
January	8,500	8,415	693	0	693	7,722	5,732	1,990	0	0
February	49,282	48,859	11,852	9,919	1,933	37,007	34,020	2,987	0	0
March	98,099	95,936	38,564	6,085	32,479	49,042	41,532	1,000	6,510	8,330
April	90,538	88,354	9,424	3,190	6,234	78,804	73,919	2,517	2,369	125
May	83,125	81,389	32,083	14,443	17,640	48,811	48,811	0	0	494
June	99,286	96,727	24,778	9,882	14,896	69,949	50,955	121	18,873	2,000

<sup>1/</sup> Total estimated net proceeds are equal to total expected gross proceeds less cost of flotation.

Table 4. Part 2.-Industrial  
(Amounts in thousands of dollars)

Year and month	Total gross proceeds	Total net <sup>1/</sup> proceeds	New money			Retirements				All other purposes
			Total new money	Plant and equipment	Working capital	Total retirements	Funded debt	Other debt	Preferred stock	
July 1934 to June 1935	328,948	321,656	49,900	19,500	30,400	251,652	239,139	11,847	665	20,104
July 1935 to June 1936	1,340,552	1,295,398	191,242	96,764	94,478	1,092,997	809,426	151,178	132,392	11,159
July 1936 to June 1937	1,203,865	1,150,608	602,828	239,994	362,833	507,499	334,333	57,772	115,394	40,282
July 1937 to June 1938	659,730	642,079	461,609	268,473	193,136	177,228	114,241	45,993	16,993	3,243
July 1938 to June 1939	954,950	933,170	444,029	253,524	190,505	478,368	328,521	126,882	22,966	10,773
July 1939 to June 1940	691,039	666,063	118,932	50,408	68,524	532,202	455,255	44,203	32,745	14,929
July 1940 to June 1941	1,047,929	1,021,150	184,436	98,553	85,883	822,631	676,337	60,309	85,986	14,082
July 1941 to June 1942	779,472	762,093	401,354	157,220	244,135	337,521	130,170	164,111	43,240	23,217
July 1942 to June 1943	290,628	282,968	126,551	31,658	94,894	134,108	91,940	14,269	27,899	22,310
1942										
July	52,992	51,747	14,963	12,359	2,604	36,608	28,314	8,000	294	175
August	2,400	2,342	2,113	344	1,768	229	229	0	0	0
September	38,822	38,352	23,433	4,582	18,850	3,117	100	3,017	0	11,802
October	6,825	6,463	3,813	1,400	2,413	2,650	2,466	0	185	0
November	17,450	17,277	4,034	0	4,034	13,241	12,466	775	0	2
December	2,698	2,638	1,988	1,244	744	650	650	0	0	0
1943										
January	8,500	8,415	693	0	693	7,722	5,732	1,990	0	0
February	2,578	2,420	1,933	0	1,933	487	0	487	0	0
March	61,056	59,335	32,664	1,339	31,325	18,342	11,832	0	6,510	8,330
April	27,670	26,983	5,418	0	5,418	21,565	19,528	0	2,037	0
May	18,049	17,352	10,730	515	10,215	6,622	6,622	0	0	0
June	51,588	49,644	24,770	9,874	14,896	22,874	4,002	0	18,873	2,000

<sup>1/</sup> See footnote 1 of table 3, part 1.

Table 4. Part 3.-Public Utility

(Amounts in thousands of dollars)

Year and month	Total gross proceeds	Total net <sup>1/</sup> proceeds	New money			Retirements				All other purposes
			Total new money	Plant and equipment	Working capital	Total retirements	Funded debt	Other debt	Preferred stock	
July 1934 to June 1935	377,605	366,611	10,351	4,673	5,678	348,489	316,537	31,952	0	7,792
July 1935 to June 1936	2,008,143	1,955,387	63,863	43,300	20,563	1,888,828	1,786,965	33,169	68,694	2,697
July 1936 to June 1937	1,637,526	1,595,666	73,207	64,923	8,284	1,508,983	1,388,098	12,342	108,543	13,476
July 1937 to June 1938	577,281	563,894	151,898	114,885	37,013	410,704	327,027	83,219	458	1,292
July 1938 to June 1939	1,365,540	1,337,126	86,882	77,017	9,864	1,249,107	1,105,117	47,579	96,411	1,138
July 1939 to June 1940	1,108,325	1,086,454	65,275	54,556	10,719	1,012,482	939,338	35,738	37,407	8,697
July 1940 to June 1941	1,530,509	1,504,828	306,804	280,971	25,834	1,194,029	1,129,516	13,390	51,122	3,995
July 1941 to June 1942	977,422	966,212	307,830	305,421	2,408	655,354	609,805	34,966	10,583	3,028
July 1942 to June 1943	319,147	313,964	58,103	51,621	6,481	247,770	233,679	7,558	6,534	8,093
1942										
July	5,668	5,559	3,005	1,953	1,051	2,432	2,290	143	0	122
August	38,235	38,137	34,032	30,646	3,386	4,104	4,104	0	0	1
September	41,310	40,025	6,216	6,057	158	25,912	23,439	762	1,711	7,697
October	29,672	29,427	152	108	44	29,275	29,222	53	0	0
November	17,231	16,941	882	702	180	16,059	15,540	322	198	0
December	27,182	26,668	9,950	9,945	4	16,645	12,213	140	4,293	73
1943										
January	0	0	0	0	0	0	0	0	0	0
February	38,869	38,720	2,201	2,201	0	36,520	34,020	2,500	0	0
March	22,140	21,840	1,154	0	1,154	20,686	19,686	1,000	0	0
April	59,221	57,743	504	0	504	57,239	54,390	2,517	332	0
May	38,903	38,197	0	0	0	38,197	38,197	0	0	0
June	716	708	8	8	0	700	579	121	0	0

<sup>1/</sup> See footnote 1 of table 3, part 1.

Table 4. Part 4.-Railroad  
(Amounts in thousands of dollars)

Year and month	Total gross proceeds	Total net 1/ proceeds	New money			Retirements				All other purposes
			Total new money	Plant and equipment	Working capital	Total retirements	Funded debt	Other debt	Preferred stock	
July 1934 to June 1935	137,404	133,871	31,540	31,323	217	101,186	63,429	37,758	0	1,145
July 1935 to June 1936	659,857	637,588	122,603	120,522	2,080	514,986	452,073	62,913	0	0
July 1936 to June 1937	501,036	489,861	265,753	256,654	9,099	224,108	203,891	16,480	3,738	0
July 1937 to June 1938	41,428	40,815	29,328	28,827	500	11,487	11,487	0	0	0
July 1938 to June 1939	106,351	104,352	48,778	48,778	0	55,574	55,574	0	0	0
July 1939 to June 1940	297,935	293,481	80,585	79,136	1,450	212,896	212,683	212	0	0
July 1940 to June 1941	375,026	368,981	236,711	236,711	0	131,981	110,942	18,099	3,000	289
July 1941 to June 1942	174,202	171,726	126,699	126,699	0	45,027	45,027	0	0	0
July 1942 to June 1943	106,265	105,082	39,330	39,330	0	65,754	65,754	0	0	0
1942										
July	2,491	2,478	2,478	2,478	0	0	0	0	0	0
August	1,999	1,985	1,985	1,985	0	0	0	0	0	0
September	1,379	1,370	1,370	1,370	0	0	0	0	0	0
October	9,476	9,365	0	0	0	9,365	9,365	0	0	0
November	0	0	0	0	0	0	0	0	0	0
December	3,945	3,914	3,914	3,914	0	0	0	0	0	0
1943										
January	0	0	0	0	0	0	0	0	0	0
February	7,835	7,718	7,718	7,718	0	0	0	0	0	0
March	14,904	14,760	4,746	4,746	0	10,015	10,015	0	0	0
April	3,207	3,190	3,190	3,190	0	0	0	0	0	0
May	14,048	13,928	13,928	13,928	0	0	0	0	0	0
June	46,981	46,374	0	0	0	46,374	46,374	0	0	0

1/ See footnote 1 of table 3, part 1.

Table 4. Part 5.-Real estate and financial

(Amounts in thousands of dollars)

Year and month	Total gross proceeds	Total net 1/ proceeds	New money			Retirements				All other purposes
			Total new money	Plant and equipment	Working capital	Total retirements	Funded debt	Other debt	Preferred stock	
July 1934 to June 1935	51,228	50,046	20,276	300	19,976	27,632	9,528	18,104	0	2,137
July 1935 to June 1936	199,268	192,418	41,348	0	41,348	140,313	118,655	6,052	15,605	10,758
July 1936 to June 1937	362,934	353,199	253,981	338	253,643	91,928	60,462	5,191	26,275	7,290
July 1937 to June 1938	10,636	8,976	7,916	6	7,910	301	266	35	0	759
July 1938 to June 1939	18,759	17,090	7,813	50	7,763	7,226	0	0	7,226	2,051
July 1939 to June 1940	224,719	221,787	27,585	0	27,585	191,284	88,511	102,504	269	2,917
July 1940 to June 1941	77,139	75,540	54,317	343	53,974	18,837	7,036	7,948	3,853	2,386
July 1941 to June 1942	56,029	54,927	26,616	2	26,614	23,274	15,816	7,458	0	5,037
July 1942 to June 1943	12,565	12,349	7,737	0	7,737	3,992	3,992	0	0	619
1942										
July	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0
1943										
January	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0
April	440	437	312	0	312	0	0	0	0	0
May	12,125	11,912	7,425	0	7,425	3,992	3,992	0	0	125
June	0	0	0	0	0	0	0	0	0	494

1/ See footnote 1 of table 3, part 1.

Table 5--Brokers and dealers registered under Section 15 of the Securities Exchange Act of 1934 <sup>1/</sup>--Effective registrations as of June 30, 1943, classified by type of organization and by location of principal office

Location of Principal Office	Number of Registrants				Number of Proprietors, Partners, Officers, etc. <sup>2/</sup>				Number of Employees				Number of Branch Offices			
	Total	Sole Proprietorships	Partnerships	Corporations <sup>3/</sup>	Total	Sole Proprietorships	Partnerships	Corporations <sup>3/</sup>	Total	Sole Proprietorships	Partnerships	Corporations <sup>3/</sup>	Total	Sole Proprietorships	Partnerships	Corporations <sup>3/</sup>
Alabama	22	9	5	8	52	9	14	29	63	11	20	32	4	1	2	1
Arizona	5	2	2	1	11	2	6	3	7	1	6	0	0	0	0	0
Arkansas	17	7	3	7	40	7	7	26	41	11	6	24	0	0	0	0
California	236	89	68	79	776	89	245	442	1,124	162	255	707	153	3	62	88
Colorado	69	41	6	22	149	41	16	92	185	49	40	96	4	0	3	1
Connecticut	55	20	16	19	175	20	37	98	572	51	263	258	23	4	7	12
Delaware	7	3	2	2	34	3	22	9	243	1	234	8	6	0	5	1
District of Columbia	74	31	12	31	241	31	47	163	620	37	237	346	7	0	4	3
Florida	33	17	4	12	73	17	12	44	86	34	5	47	8	1	0	7
Georgia	27	13	5	9	62	13	14	35	200	10	105	85	13	0	7	6
Idaho	14	5	3	6	33	5	6	22	39	6	5	28	1	0	0	1
Illinois	303	102	80	121	979	102	264	613	1,786	186	761	839	150	10	90	50
Indiana	72	38	10	24	156	38	20	98	266	132	22	112	1	1	0	0
Iowa	30	8	3	19	97	8	8	81	147	17	14	116	6	0	0	6
Kansas	58	41	5	12	128	41	10	77	137	25	18	94	8	0	1	7
Kentucky	14	4	4	6	43	4	17	22	95	11	52	32	0	0	0	0
Louisiana	88	61	19	8	151	61	61	29	189	50	110	29	10	0	8	2
Maine	29	12	1	16	75	12	4	59	93	22	17	54	0	0	0	0
Maryland	59	33	17	9	144	33	68	43	581	21	488	72	13	0	12	1
Massachusetts	242	120	46	76	763	120	202	441	1,433	314	849	270	106	4	63	39
Michigan	63	14	19	30	222	14	70	138	572	45	248	279	13	0	9	4
Minnesota	57	18	10	29	219	18	31	170	2,093	47	112	1,934	16	1	6	9
Mississippi	8	4	1	3	15	4	2	9	8	5	0	3	3	0	0	0
Missouri	113	32	28	53	402	32	119	251	1,120	44	494	582	48	1	16	31
Montana	9	5	0	4	23	5	0	18	50	6	0	44	0	0	0	0
Nebraska	33	17	2	14	89	17	4	68	94	18	3	73	2	0	0	2
Nevada	7	5	1	1	12	5	2	5	3	3	0	0	0	0	0	0
New Hampshire	7	4	1	2	13	4	2	7	16	5	1	10	0	0	0	0
New Jersey	168	103	18	47	355	103	43	209	374	123	43	206	37	9	6	22
New Mexico	11	11	0	0	11	11	0	0	4	4	0	0	0	0	0	0

See footnotes end of table.



Table 5. (Continued) - Brokers and dealers registered under Section 15 of the Securities Exchange Act of 1934 <sup>1/</sup>—Effective registrations as of June 30, 1943, classified by type of organization and by location of principal office

Location of Principal Office	Number of Registrants				Number of Proprietors, Partners, Officers, etc. <sup>2/</sup>				Number of Employees				Number of Branch Offices			
	Total	Sole Proprietorships	Partnerships	Corporations <sup>3/</sup>	Total	Sole Proprietorships	Partnerships	Corporations <sup>3/</sup>	Total	Sole Proprietorships	Partnerships	Corporations <sup>3/</sup>	Total	Sole Proprietorships	Partnerships	Corporations <sup>3/</sup>
New York (excluding New York City)	382	304	33	45	560	304	92	164	617	190	213	214	18	2	7	9
North Carolina	14	5	1	8	59	5	2	52	92	10	0	82	9	0	0	9
North Dakota	7	4	1	2	15	4	2	9	9	1	0	8	0	0	0	0
Ohio	153	36	50	67	509	36	156	317	1,238	96	490	652	46	2	15	29
Oklahoma	159	140	3	16	222	140	6	76	553	102	0	451	5	2	0	3
Oregon	24	7	5	12	79	7	11	61	93	23	10	60	3	0	0	3
Pennsylvania	238	88	91	59	722	88	344	290	1,539	167	902	470	101	3	66	32
Rhode Island	33	16	10	7	73	16	29	28	117	20	84	13	0	0	0	0
South Carolina	24	9	6	9	52	9	17	26	60	10	10	40	4	0	0	4
South Dakota	5	4	0	1	8	4	0	4	5	3	0	2	0	0	0	0
Tennessee	43	19	7	17	123	19	16	88	224	16	42	166	18	0	5	13
Texas	229	163	26	40	441	163	99	219	375	92	66	217	23	1	4	18
Utah	25	11	4	10	75	11	17	47	178	9	137	32	11	1	9	1
Vermont	2	0	0	2	12	0	0	12	12	0	0	12	0	0	0	0
Virginia	27	13	7	7	69	13	23	33	101	15	51	35	1	0	0	1
Washington	115	71	10	34	247	71	23	153	412	82	13	317	5	0	0	5
West Virginia	10	5	4	1	27	5	14	8	20	4	13	3	2	0	2	0
Wisconsin	75	27	5	43	260	27	11	222	444	31	17	396	10	1	0	9
Wyoming	5	5	0	0	5	5	0	0	1	1	0	0	0	0	0	0
Total (excluding New York City)	3,500	1,796	654	1,050	9,101	1,796	2,195	5,110	18,331	2,323	6,456	9,552	888	50	409	429
New York City	1,450	651	573	226	4,261	651	2,560	1,050	3,396	672	1,750	974	718	18	547	153
Total (including New York City)	4,950	2,447	1,227	1,276	13,362	2,447	4,755	6,160	21,727	2,995	8,206	10,526	1,606	68	956	582

<sup>1/</sup> Domestic registrants only, excludes 44 foreign.

<sup>2/</sup> Includes directors, officers, trustees, and all other persons occupying similar status or performing similar functions.

<sup>3/</sup> Includes all forms of organizations other than sole proprietorships and partnerships.

Table 6. Market Value and Volume of Sales on all Registered Securities Exchanges

(In thousands)

For 12 Months Ended June 30, 1943

Exchange	Total Market Value (Dollars)	Stocks <sup>1/</sup>		Bonds <sup>2/</sup>		Rights and Warrants	
		Market Value (Dollars)	Number of Shares	Market Value (Dollars)	Principal Amount (Dollars)	Market Value (Dollars)	Number of Units
All Registered Exchanges	9,075,470	7,299,372	413,196	1,772,988	3,730,676	3,110	3,866
Baltimore Stock Exchange	6,191	4,825	294	1,366	2,480	—	—
Boston Stock Exchange	116,216	115,746	3,717	470	739	—	—
Chicago Board of Trade	19	19	15	0	0	—	—
Chicago Stock Exchange	139,141	139,141	8,648	0	0	—	—
Cincinnati Stock Exchange	5,756	5,680	310	76	75	—	—
Cleveland Stock Exchange	8,829	8,794	548	35	34	—	—
Detroit Stock Exchange	22,628	22,628	3,089	—	—	—	—
Los Angeles Stock Exchange	42,616	42,612	3,637	0	0	4	8
New Orleans Stock Exchange	678	599	109	79	77	—	—
New York Curb Exchange	744,007	587,124	61,302	154,445	220,042	2,438	3,034
New York Stock Exchange	7,849,813	6,234,470	315,222	1,614,703	3,504,731	640	753
Philadelphia Stock Exchange	54,020	54,010	3,221	10	10	—	—
Pittsburgh Stock Exchange	13,475	13,449	853	3	2	23	60
St. Louis Stock Exchange	3,863	3,526	222	337	412	—	—
Salt Lake Stock Exchange	817	817	5,025	—	—	—	—
San Francisco Mining Exchange	54	54	1,163	—	—	—	—
San Francisco Stock Exchange	66,148	64,845	4,862	1,298	1,922	5	11
Standard Stock Exch. of Spokans	241	241	933	—	—	—	—
Washington Stock Exchange	958	792	26	166	152	—	—

## Breakdown of 12-month Totals by Months

1942	July	382,487	302,173	14,011	80,306	155,111	8	22
	August	336,939	253,087	12,522	83,842	173,629	10	31
	September	409,070	284,987	15,368	124,075	316,526	8	13
	October	600,708	465,902	24,724	134,771	303,127	35	29
	November	509,825	411,287	22,024	98,513	207,712	25	28
	December	744,346	629,370	33,504	114,942	233,873	34	146
1943	January	652,177	507,407	27,952	144,736	329,565	34	115
	February	749,198	614,523	38,091	134,433	276,381	242	366
	March	1,260,291	998,016	62,046	261,519	581,923	756	1,078
	April	1,227,658	1,012,268	58,314	214,979	439,701	411	389
	May	1,187,229	969,857	60,701	216,442	429,012	930	1,340
	June	1,015,542	850,495	43,939	164,430	284,116	617	309

<sup>1/</sup> "Stocks" includes voting trust certificates, American depository receipts, and certificates of deposit for stocks.

<sup>2/</sup> "Bonds" includes mortgage certificates and certificates of deposit for bonds.

Note: Value and volume of sales on registered securities exchanges are reported in connection with fees paid under Section 16 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 Eighth Annual Report of the Commission, page 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 7.-Basic forms used by issuers in registering securities on national securities exchanges and, for each form, the number of securities registered and issuers involved as of June 30, 1942, and June 30, 1943

Form	Description	As of June 30, 1942		As of June 30, 1943	
		Securities Registered	Issuers Involved	Securities Registered	Issuers Involved
7	Provisional registration form.....	9	5	8	4
10	General corporations.....	2,554	1,711	2,476	1,666
11	Unincorporated issuers.....	21	13	22	13
12	Issuers making annual reports under Section 20 of the Interstate Commerce Act, as amended, or under Section 219 of the Communications Act of 1934.....	637	185	621	178
12-A	Issuers in receivership or bankruptcy and making annual reports under Section 20 of the Interstate Commerce Act, as amended, or under Section 219 of the Communications Act of 1934.....	100	21	89	21
13	Insurance companies other than life and title insurance companies.....	15	15	15	15
14	Certificates of deposit issued by a committee.....	46	24	35	23
15	Incorporated investment companies.....	87	54	86	53
16	Voting trust certificates and underlying securities.....	27	23	22	20
17	Unincorporated issuers engaged primarily in the business of investing or trading in securities.....	8	5	8	5
18	Foreign governments and political subdivisions thereof.....	199	82	205	82
19	American certificates issued against foreign securities and for the underlying securities.....	9	8	8	7
20	Securities other than bonds of foreign private issuers.....	2	1	2	1
21	Bonds of foreign private issuers.....	80	47	79	47
22	Securities of issuers reorganized in insolvency proceedings or their successors.....	100	52	98	54
23	Securities of successor issuers other than those succeeding insolvent issuers.....	87	56	88	57
24	Bank holding companies.....	4	4	4	4
	Total.....	3,985	(1) 2,306	3,866	(2) 2,250

(1) Includes 5 issuers having securities registered on 2 basic forms and 1 issuer having securities registered on 3 basic forms.

(2) Includes 4 issuers having securities registered on 2 basic forms and 1 issuer having securities registered on 3 basic forms.

Table 8.-Classification, by industries, of issuers having securities registered on national securities exchanges as of June 30, 1942 and June 30, 1943

Industry	Number of Issuers	
	As of June 30, 1942	As of June 30, 1943
Transportation and communication (railroads, telephone, etc.).....	300	291
Mining, other than coal.....	244	226
Transportation equipment (automobiles, aircraft, parts, accessories, etc.).....	165	171
Machinery and tools.....	196	187
Merchandising (chain stores, department stores, etc.).....	156	160
Financial and investment (investment trusts, fire insurance, etc.).....	126	141
Food and related products.....	99	107
Utility operating (electric, gas and water).....	86	85
Chemicals and allied products.....	73	82
Building and related companies (including lumber, building materials and construction).....	75	81
Iron and steel (excluding machinery).....	54	69
Miscellaneous manufacturing.....	76	59
Oil and gas wells.....	76	59
Textiles and their products.....	55	59
Beverages (breweries, distilleries, etc.).....	49	48
Services (including advertising, amusements, hotels, etc.).....	48	44
Utility holding (electric, gas and water).....	45	41
Paper and paper products.....	37	38
Oil refining and distributing.....	39	37
Rubber and leather products (tires, shoes, etc.).....	34	32
Coal mining.....	26	26
Real estate.....	25	23
Printing, publishing and allied industries.....	24	21
Tobacco products.....	19	19
Utility operating-holding (electric, gas and water).....	15	17
Agriculture.....	20	7
Foreign private issuers, other than Canadian and Cuban.....	55	54
Foreign governments and political subdivisions.....	82	80
Total.....	2,299	2,244

Table 9.-Number and amount of securities, separately for stocks and bonds, classified according to basis for admission to dealing, on all exchanges as of June 30, 1943.

## S T O C K S

Basis for admission to dealing	Column I (1)			Column II (2)		
	Issues	Number of shares	Number of shares authorized for addition to list on notice of issuance	Issues	Number of shares	Number of shares authorized for addition to list on notice of issuance
Registered.....	2,607 (3)	2,276,747,739	191,844,733	2,607 (3)	2,276,747,739	191,844,733
Temporarily exempted from registration.....	40 (5)	7,102,687	843,935	40 (5)	7,102,687	843,935
Listed on exempted exchanges.....	119	33,388,468	342,737	161	100,530,361	1,201,680
Admitted to unlisted trading privileges on national exchanges.....	462	351,680,719	----	1,027	1,607,666,666	----
Admitted to unlisted trading privileges on exempted exchanges.....	53	8,104,799	----	71	41,064,304	----
Total.....	3,281 (3)	2,677,024,612	193,031,405	----	----	----

## B O N D S

Basis for admission to dealing	Issues	Principal amount	Principal amount authorized for addition to list on notice of issuance	Column II (2)		
				Issues	Principal amount	Principal amount authorized for addition to list on notice of issuance
Registered.....	1,299 (4)	\$21,777,951,570	\$1,050,418,809	1,299 (4)	\$21,777,951,570	\$1,050,418,809
Temporarily exempted from registration.....	26 (5)	363,642,447	----	26 (5)	363,642,447	----
Listed on exempted exchanges.....	8	13,203,500	----	8	13,203,500	----
Admitted to unlisted trading privileges on national exchanges.....	193	2,288,873,898	----	217	2,712,059,998	----
Admitted to unlisted trading privileges on exempted exchanges.....	4	656,000	----	4	656,000	----
Total.....	1,490 (4)	\$24,446,329,415	\$1,050,418,809	----	----	----

(1) Duplications in this column have been eliminated both as to exchanges and bases for admission to dealing, e. g., if a security is registered on more than one national securities exchange, listed on an exempted exchange and also unlisted on another national securities exchange, it is counted only once under "Registered." Thus, the totals for this column are the totals of securities admitted to trading on all exchanges after elimination of all duplications.

(2) Duplications in this column have been eliminated only as to exchanges, e. g., if a security is listed on more than one exempted exchange, it is counted only once under each status.

(3) Includes 1 stock issue in pounds sterling in the amount of £336,890 listed. This amount is excluded from the number of shares shown above.

(4) Includes 8 bond issues in pounds sterling and 2 bond issues in French francs in the amounts of £30,724,540 and 64,988,180 French francs listed. These amounts are excluded from the principal amount in dollars shown above.

(5) Includes certain securities resulting from modifications of previously listed securities, securities of certain banks, and securities of certain issuers in bankruptcy or receivership or in the process of reorganization under the Bankruptcy Act. These securities have been temporarily exempted from the operation of Section 12(a) of the Securities Exchange Act of 1934 upon specified terms and conditions and for stated periods pursuant to rules and regulations of the Commission.

Table 10.-Number of securities, separately for stocks and bonds, registered and admitted to unlisted trading privileges on one, or more than one, national securities exchange as of June 30, 1943

S T O C K S									
Classification	(See footnote for explanation of column headings)					(6)	(7)	(8)	
	(1)	(2)	(3)	(4)	(5)				
Total stock issues registered.....	2,607	1,722	0	337	0	253	146	64	85
Total stock issues admitted to unlisted trading privileges on national exchanges.....	1,027	0	463	0	16	253	146	64	85
B O N D S									
Total bond issues registered.....	1,259	1,109	0	126	0	24	0	0	0
Total bond issues admitted to unlisted trading privileges on national exchanges.....	217	0	193	0	0	24	0	0	0

Unduplicate total of stock issues registered and admitted to unlisted trading privileges on national exchanges..... 3,086  
 Unduplicated total of stock issues registered and admitted to unlisted trading privileges on national exchanges which were admitted to dealings on more than 1 such exchange..... 901 — 29.2% of unduplicated total  
 Unduplicated total of bond issues registered and admitted to unlisted trading privileges on national exchanges..... 1,452  
 Unduplicated total of bond issues registered and admitted to unlisted trading privileges on national exchanges which were admitted to dealings on more than 1 such exchange..... 150 — 10.3% of unduplicated total

- (1) Registered on 1 exchange only
- (2) Admitted to unlisted trading privileges on 1 exchange only
- (3) Registered on more than 1 exchange
- (4) Admitted to unlisted trading privileges on more than 1 exchange
- (5) Registered on 1 exchange and admitted to unlisted trading privileges on 1 exchange
- (6) Registered on 1 exchange and admitted to unlisted trading privileges on more than 1 exchange
- (7) Registered on more than 1 exchange and admitted to unlisted trading privileges on 1 exchange
- (8) Registered on more than 1 exchange and admitted to unlisted trading privileges on more than 1 exchange

Table 11.-Number of issuers having securities admitted to dealings on all exchanges as of June 30, 1943, classified according to basis for admission of their securities to dealings

Basis of admission of securities to dealing	Column I (1) Number of issuers	Column II (2) Number of issuers
Issuers having securities registered.....	2,244	2,244
Issuers having securities temporarily exempted from registration.....	34	43
Issuers having securities listed on exempted exchanges.....	90	142
Issuers having securities admitted to unlisted trading privileges on national exchanges.....	419	973
Issuers having securities admitted to unlisted trading privileges on exempted exchanges.....	43	62
Total issuers.....	2,830	---

- (1) Duplications in this column have been eliminated both as to exchanges and bases for admission of the issuers' securities to dealing, e.g., if an issuer has securities registered on more than one national exchange, listed on an exempted exchange, and also admitted to unlisted trading privileges on other exchanges, the issuer is counted only once as having securities registered. Thus, the total of this column is the total number of issuers having securities admitted to trading on all exchanges after elimination of all duplications.
- (2) Duplications in this column have been eliminated only as to exchanges, e.g., if an issuer has securities admitted to unlisted trading privileges on more than one exchange, the issuer is counted only once under each status.

Table 12.—Number of issuers having stocks only, bonds only, and both stocks and bonds, admitted to dealings on all exchanges as of June 30, 1943

Classification	Number of Issuers	% of Total Issuers
1. Issuers having only stocks admitted to trading on exchanges.....	2,108	74.49
2. Issuers having only bonds admitted to trading on exchanges.....	399	14.10
3. Issuers having both stocks and bonds admitted to trading on exchanges.....	323	11.41
<b>Total Issuers.....</b>	<b>2,830</b>	<b>100.00</b>
4. Issuers having stocks admitted to trading on exchanges (Classification 1 plus 3).....	2,431	85.90
5. Issuers having bonds admitted to trading on exchanges (Classification 2 plus 3).....	722	25.51

Table 13.—Number of issuers and securities, basis for admission to dealings, and the percentage of stocks and bonds, for each exchange, admitted to dealings on one or more other exchanges as of June 30, 1943

Name of Exchange	Total Issuers	Total Issues	STOCKS							% traded on 1 or more other exchanges	BONDS					Total	% traded on 1 or more other exchanges
			R	X	U	XL	XU	Total	R		X	U	XL	XU			
Baltimore.....	69	102	45	3	23	...	...	71	52.13	22	...	9	...	...	31	48.39	
Boston.....	337	425	150	...	204	...	...	358	80.17	67	...	...	...	...	67	65.67	
Chicago Board of Trade.....	35	39	33	...	5	...	...	38	52.63	1	...	...	...	...	1	—	
Chicago Stock Exchange.....	269	353	292	13	20	...	...	325	61.54	17	11	...	...	...	28	39.29	
Cincinnati.....	64	96	86	1	6	...	...	93	25.81	2	1	...	...	...	3	100.00	
Cleveland.....	79	93	73	1	18	...	...	92	56.52	1	...	...	...	...	1	—	
Colorado Springs (1).....	14	15	...	...	...	15	...	15	26.67	...	...	...	...	...	—	—	
Detroit.....	156	166	108	...	58	...	...	166	76.51	...	...	...	...	...	—	—	
Honolulu (1).....	95	120	...	...	...	58	51	109	22.94	...	...	...	7	4	11	—	
Los Angeles.....	179	209	122	1	75	...	...	198	82.83	11	...	...	...	...	11	90.91	
Minneapolis-St. Paul (1).....	14	18	...	...	...	16	2	18	66.67	...	...	...	...	...	—	—	
New Orleans.....	14	30	1	...	16	...	...	17	17.68	10	...	3	...	...	13	30.77	
New York Curb.....	891	1,202	454	1	513	...	...	968	25.41	30	...	204	...	...	234	8.12	
New York Stock.....	1,421	2,386	1,249	1	...	...	...	1,250	50.56	1,119	17	...	...	...	1,136	11.8	
Philadelphia.....	421	526	66	2	385	...	...	453	95.36	72	1	...	...	...	73	67.12	
Pittsburgh.....	106	123	60	2	59	...	...	121	71.90	2	...	...	...	...	2	—	
Richmond (1).....	25	34	...	...	...	33	...	33	15.15	...	...	...	1	...	1	—	
St. Louis.....	49	82	71	...	...	...	...	71	23.94	11	...	...	...	...	11	72.73	
Salt Lake.....	96	98	91	...	7	...	...	98	10.20	...	...	...	...	...	—	—	
San Francisco Mining.....	42	42	...	...	...	...	...	42	14.29	...	...	...	...	...	—	—	
San Francisco Stock.....	279	345	163	4	156	...	...	323	69.35	21	...	1	...	...	22	90.91	
Seattle (1) (2).....	32	34	...	...	...	19	15	34	61.76	...	...	...	...	...	—	—	
Spokane.....	30	32	21	...	11	...	...	32	53.13	...	...	...	...	...	—	—	
Washington, D. C.....	33	53	29	12	...	...	...	41	9.76	12	...	...	...	...	12	33.33	
Wheeling (1).....	23	24	...	...	...	21	3	24	41.67	...	...	...	...	...	—	—	

(1) Exempted from registration as a national securities exchange

(2) Operations were suspended on October 1, 1942

R, registered; X, temporarily exempted from registration; U, admitted to unlisted trading privileges on a national securities exchange; XL, listed on an exempted exchange; and XU, admitted to unlisted trading privileges on an exempted exchange

Table 14, Part 1.-Report for period beginning May 27, 1936 (date on which Section 12(f) of the Act was amended) and ending June 30, 1943

Disposition of applications filed by national securities exchanges for the extension of unlisted trading privileges to securities pursuant to Clause (2) of Section 12(f) of the Securities Exchange Act of 1934, as amended

Exchange	Stocks								Bonds				
	Number filed	Granted odd lots and round lots	Granted odd lots only	Granted round lots only	Denied	Decision reserved	With-drawn	Pending	Number filed	Granted	Denied	With-drawn	Pending
Baltimore Stock	1	0	0	0	1	0	0	0	0	0	0	0	0
Boston Stock	59	20	15(a)	6(b)	13	2	2	1	0	0	0	0	0
Chicago Stock	20	20	0	0	0	0	0	0	0	0	0	0	0
Cincinnati Stock	7	6	0	0	1(f)	0	0	0	0	0	0	0	0
Cleveland Stock	19	18	0	0	0	0	0	1	0	0	0	0	0
Detroit Stock	47	43	0	0	4	0	0	0	0	0	0	0	0
Los Angeles Stock	54	30	0	0	4	17	3	0	0	0	0	0	0
New York Curb	7	4	0	0	1	0	0	2	5	3(o)	2	0	0
Philadelphia Stock	59	36	4(d)	3(b)	10	0	5	1	0	0	0	0	0
Pittsburgh Stock	78	37	8(e)	0	32	0	1	0	6	0	4	2	0
Salt Lake Stock	1	1	0	0	0	0	0	0	0	0	0	0	0
San Francisco Stock (g)	39	24	0	0	15	0	0	0	0	0	0	0	0
	391	239	27	9	81	19	11	5	11	3	6	2	0

- (a) Two of these issues were subsequently removed. Six of the remaining thirteen issues were granted round lot trading privileges on July 17, 1939.  
 (b) Odd-lot trading privileges were previously granted to these issues.  
 (c) Two of these issues were subsequently removed.  
 (d) Three of these issues were granted round-lot trading privileges on September 7, 1939.  
 (e) Four of these issues were subsequently removed.  
 (f) Unlisted trading privileges were subsequently granted in this issue.  
 (g) San Francisco Curb Exchange merged with San Francisco Stock Exchange on April 30, 1938. Seven applications filed by the San Francisco Curb Exchange prior to that date are included herein.

Table 14, Part 2.-Report for period beginning May 27, 1936 (date on which Section 12(f) of the Act was amended) and ending June 30, 1943

Disposition of applications filed by national securities exchanges for the extension of unlisted trading privileges to securities pursuant to Clause (3) of Section 12(f) of the Securities Exchange Act of 1934, as amended

Exchange	Stocks								Bonds				
	Number filed	Granted odd lots and round lots	Granted odd lots only	Granted round lots only	Denied	Decision reserved	With-drawn	Pending	Number filed	Granted	Denied	With-drawn	Pending
New York Curb	6	5	0	0	0	0	1	0	53	39(h)	6	5	3

- (h) Nine of these issues were subsequently removed.

Table 15, Part 1.—Reorganization cases instituted under Chapter X and Section 77B in which the Commission filed a notice of appearance and in which the Commission was actively interested in the proceedings as of June 30, 1943—Distribution of principal debtors and their subsidiaries if any by type of industry

Industry	Number of debtors		Total assets		Total indebtedness	
	Principal	Subsidiary	Amount (thousands of dollars)	Percent of grand total	Amount (thousands of dollars)	Percent of grand total
Agriculture	1	-	1,100	0.1	100	- (a)
Mining and other extractive	8	8	122,948	7.0	84,377	7.6
Manufacturing	14	-	88,959	5.1	62,624	5.7
Financial and investment	11	1	107,182	6.2	68,851	6.2
Merchandising	3	-	5,624	0.3	4,625	0.4
Real estate	49	2	234,726	13.5	231,440	22.8
Construction and allied	2	-	28,377	1.6	13,851	1.3
Transportation and communication	5	1	90,985	5.2	88,625	7.9
Service	6	-	26,344	1.5	12,467	1.1
Utilities: light, power and gas	11	7	1,038,731 (b)	59.5	318,738 (b)	47.0
Grand total	110	19	1,745,156	100.0	1,103,698	100.0

(a) Less than 0.05 percent.

(b) Approximately \$800,000,000 of assets and \$400,000,000 of indebtedness were accounted for by 2 large utility companies, one a subsidiary of the other.

Table 15, Part 2.—Reorganization cases instituted under Chapter X and Section 77B in which the Commission filed a notice of appearance and in which the Commission was actively interested as of June 30, 1943—Distribution of debtors by amount of indebtedness

Amount of indebtedness of principal debtor and its subsidiaries if any (dollars)	Number of debtors		Total indebtedness	
	Principal	Subsidiary	Amount (thousands of dollars)	Percent of grand total
Less than 100,000	1	-	50	- (a)
100,000 - 249,999	12	1	2,176	0.2
250,000 - 499,999	10	1	4,031	0.4
500,000 - 999,999	13	-	10,060	0.9
1,000,000 - 1,999,999	18	-	25,267	2.3
2,000,000 - 2,999,999	8	-	19,047	1.7
3,000,000 - 9,999,999	32	12	171,629	15.6
10,000,000 - 24,999,999	9	1	162,312	14.7
25,000,000 - 49,999,999	4	2	148,291	13.4
\$50,000,000 and over	3	2	560,835 (b)	50.8
Grand total	110	19	1,103,698	100.0

(a) Less than 0.05 percent.

(b) Approximately \$400,000,000 was accounted for by 2 large utility companies, one a subsidiary of the other.



Table 16, Part 1. - ELECTRIC UTILITY PROPERTIES DIVESTED BY REGISTERED HOLDING COMPANIES  
December 1, 1935 to November 15, 1943

System Company	Total Assets of Divested Subsidiary	Details of Divestment	Consideration if Sold	Date	Comments	Source of Information
American Power & Light Company Florida Power & Light Company		Sale of electric properties at Tavernier, Florida to Florida Keys Electric Cooperative Ass'n., Inc.	\$ 6,230	1942	Property sold no longer subject to the Act.	File No. 30-144-2
Northwestern Electric Company		Sale of distribution system serving North Bonneville, Washington to Skamania County P.U.D. No. 1	68,000	1942	" " " "	" " "
Pacific Power & Light Company		Sale of distribution system in Skamania County, Washington to Skamania County P.U.D. No. 1	32,000	1942	" " " "	" " "
Texas Electric Service Company		Sale of distribution system in Grand Falls, Texas to Red Bluff Water Power Control District	15,887	1942	" " " "	" " "
Texas Power & Light Company		Sale of electric utility property at Eagle Pass, Texas to Central Power and Light Company	350,000	Oct. 1943	Property sold continues subject to the Act.	Release No. 14621
		Sale of electric properties in sixteen counties to Lower Colorado River Authority	5,000,000	Sept. 1939	Property sold no longer subject to the Act.	File No. 30-144-2
American States Utilities Corporation Dearborn-Ripley Light & Power Company	\$ 137,944	Sale of all physical assets to Public Service Company of Indiana	65,000	Dec. 1938	Property sold continues subject to the Act.	Release No. 1367
Horniston Light and Power Company	168,166	Sale of note and common stock to International Utilities Corp. and Ralph Elman, Liquidating Trustee	110,000	July 1939	Property resold in 1940 to Pacific Power & Light Company.	Release No. 1632
Plains Light and Water Company	N. A.	Sale of physical assets and franchises to an unknown purchaser	31,000	Aug. 1937	Property sold prior to parent's registration under the Act.	File No. 30-136-1
Bathrum Electric Company, Ltd.	62,044	Sale of physical assets to Washington Water Power Company.	N. A.	March 1938	Property sold continues subject to the Act.	File No. 30-136-1
American Utilities Service Corporation Louisiana Public Service Corporation	815,904	Sale of electric utility assets in Oak Grove, Louisiana to E. J. Haugh	56,000	Feb. 1940	Property sold no longer subject to the Act.	File No. 30-71-2
		Sale of stand-by generating plant in Montegut, Louisiana to Maringouin Ice Factory	N. A.	1940	" " " "	" " "
Minnnesota Utilities Company		Sale of remaining assets to Louisiana Power and Light Co.	437,156	July 1942	Property sold continues subject to the Act.	Release No. 3653
		Sale of electric utility assets in Twin Valley and Wheaton, Minn. to Otter Tail Power Co.	520,000	Oct. 1941	Property sold no longer subject to the Act.	Release No. 3055
		Sale of electric utility assets in Grey Eagle District to Minnesota Power and Light Company	88,469	July 1942	Property sold continues subject to the Act.	File No. 54-57
		Sale of electric utility assets in Root River Division to Tri-County Electric Cooperative and Dairyland Power Cooperative	378,000	Nov. 1942	Property sold no longer subject to the Act.	Release No. 3916
		Sale of electric plant and distribution system in Pine River, Minnesota District to Minnesota Power and Light Company	200,000	Feb. 1943	Property sold continues subject to the Act.	Release No. 4687
Northwestern Wisconsin Electric Company Ripley Utilities Company	776,068 250,094	Sale of all stock of company to a group of individuals.	264,365	April 1943	Property sold no longer subject to the Act.	Release No. 14645
		Sale of electric transmission and distribution system to Tippah County Electric Power Association	70,000	April 1938	" " " "	File No. 54-57
Roberts County Power Company	82,431	Sale of electric distribution system to Otter Tail Power Company	35,000	April 1940	" " " "	" " "
Southern Public Service Company		Sale of electric utility assets to Kentucky & West Virginia Power Co., Inc.	70,000	Nov. 1939	Property sold continues subject to the Act.	" " "
Southern Utilities Company	221,122	Sale of electric utility assets to Appalachian Electric Power Co.	80,000	Nov. 1939	" " " "	" " "
Wisconsin Central Utilities Company	471,269	Sale of electric utility assets in Galesville, Wisconsin to Mississippi Valley Public Service Company	67,787	June 1939	Property sold no longer subject to the Act.	" " "
		Sale of electric utility assets in Augusta and Osseo, Wisconsin to Northern States Power Co.	80,711	Aug. 1941	Property sold continues subject to the Act.	" " "
		Sale of assets in LaParge and Viola, Wisconsin to the respective villages	87,157	March 1942	Property sold no longer subject to the Act.	" " "
American Water Works and Electric Co., Inc. West Penn Power Company		Sale of distribution plant to Borough of Tarentum, Pa.	2,070	1942	Property sold no longer subject to the Act.	File No. 30-75-2
		Sale of distribution plant to Western Penitentiary, Bellefonte, Pa.	6,902	1942	" " " "	" " "
Associated Gas and Electric Corporation Arkansas General Utilities Co.	1,003,864	Sale to Walton Sullivan and Company of all outstanding common stock and certain indebtedness	325,000	Dec. 1941	Property sold no longer subject to the Act.	Release No. 3219
Associated Maryland Electric Power Co.		Sale of all facilities except one transmission line to Potomac Edison Co.	85,000	Aug. 1941	Property sold continues subject to the Act.	Trustees' Report
Brookville Electric Company	254,220	Included in sale of Northeastern Water & Electric Corp. to Penn-Jersey Water and John H. Ware		Nov. 1942	Property sold no longer subject to the Act.	Release No. 3898
Caribou Water, Light & Power Company	831,787	All common stock plus \$6,071,000 in cash given to The United Gas Improvement Company in exchange for stock of Erie County Electric Company		Aug. 1943	Eastern Shore continues to be subject to the Act.	Release No. 14505
Eastern Shore Public Service Company (Del.)	17,788,343	Sale of certain facilities in Gadsden and Leon Counties, Florida to Talquin Electric Co-Op., Inc.	128,559	May 1942	Property sold no longer subject to the Act.	Release No. 3569
Florida Power Corporation		Sale of all assets of the three companies to City of Lodi, Ohio and eight rural electric cooperatives	1,100,000	Dec. 1942	Property sold no longer subject to the Act.	Release No. 4006
General Utilities Company	1,139,517					
New London Power Company	120,193					
Western Reserve Power and Light Company	698,894					
Kentucky-Tennessee Light & Power Company		Sold Southwestern Kentucky properties to T.V.A.	3,535,000	May 1942	" " " "	Release No. 3569

Table 16, Part 1. (Continued) - ELECTRIC UTILITY PROPERTIES DIVESTED BY REGISTERED HOLDING COMPANIES  
December 3, 1935 to November 15, 1943

System Company	Total Assets of Divested Subsidiary	Details of Divestment	Consideration if Sold	Date	Comments	Source of Information
<b>Associated Gas and Electric Corporation (Cont'd.)</b>						
The Litchfield Electric Light and Power Company	\$ 1,206,716	Sale of common stock to Connecticut Light and Power Company	\$ 485,000	Sept. 1943	Property sold no longer subject to the Act.	Release No. 4673
Louisiana Public Utilities Co., Inc.	6,621,448	Sale of certain electric facilities to Claiborne Electric Co-Op., Inc.	90,000	Nov. 1942	" " " "	Trustees' Report
		Sale of all securities and claims against the company to a group of individuals.	3,000,000	Dec. 1942	" " " "	Release No. 4031
Maryland Public Service Company		Sale of ten miles of distribution facilities to an unknown purchaser	14,675	May 1940	" " " "	Trustees' Report
New York State Electric & Gas Corp.		Sale of distribution facilities in Plattsburg to City of Plattsburg, New York	180,000	April 1941	" " " "	" "
		Sale of facilities in Sullivan and Orange Counties, New York to Rockland Light & Power Co.	25,984	April 1941	" " " "	" "
Ohio Northern Public Service Company	587,588	Sale of entire interest in company to City of Bowling Green, Kentucky	549,000	Nov. 1942	" " " "	" "
Ohio River Power Company	1,018,541	Sale of all assets to Fall City and Cammerton, Indiana	600,000	Dec. 1941	" " " "	" "
Pennamile Public Service Company	389,828	Sale of electric and ice properties to Northwestern Electric Cooperative, Inc.	175,000	July 1943	" " " "	Release No. 4422
Texas General Utilities Company		Sale of all facilities except certain transmission lines to Universal Electric Construction Co.	44,630	Aug. 1941	" " " "	Trustees' Report
Tri-City Utilities Company		Sale of certain properties to Kentucky Utilities Co. and exchange of other properties.	175,870	Aug. 1942	Property disposed of continues to be subject to the Act.	Release No. 3744
		Sale of Ohio River electric distribution system to Green River Electric Cooperative Corp. and Meade County Electric Cooperative Corp. of Kentucky	190,922	Dec. 1942	Property sold no longer subject to the Act.	Release No. 3951
		Sale of Frankfort electric and water system to City.	1,200,000	Aug. 1943	" " " "	Trustees' Report
		Sale of electric properties in Jellico, Tennessee to the City.	60,000	Aug. 1943	" " " "	Trustees' Report
Tucumcari Light & Power Company	445,889	Sale of all facilities to City of Tucumcari, New Mexico	H. A.	July 1939	" " " "	File No. 30-126-2
Central New Hampshire Power Company	1,888,171	All assets transferred to bondholders and noteholders and holding company dissolved		Aug. 1937	Property sold no longer subject to the Act.	File No. 30-31-1
Central Public Utility Corporation Hoosier Public Utility Company	1,332,091	Sale of all securities to Public Service Company of Indiana, Inc.	1,100,000	April 1942	Property sold continues subject to the Act.	Release No. 3426
Central States Edison, Inc. Blue Valley Electric Company		Sale of electric distribution system at Steele City, Nebraska to City of Fairburg	7,705	June 1940	Property sold no longer subject to the Act.	File No. 30-28-2
Geoscene Power Company		Sale of electric distribution system at Owensville, Missouri to City	36,000	July 1939	" " " "	File No. 30-28-2
North Kansas Power and Light Company	50,451	Sale of physical properties to City of Alma, Kansas	24,000	Jan. 1939	" " " "	" "
<b>Cities Service Company</b>						
Citizens Electric Company	2,147,085	Sale of all securities of company to Gus B. Walton	1,533,000	July 1943	" " " "	Release No. 4425
Citizens Light and Power Company, The	4,163,942	Sale of all facilities to Consumers Power Company	3,200,000	Dec. 1938	Property sold continues subject to the Act.	Release No. 1373
Grays Harbor Railway & Light Company	5,130,989	Sale of electric facilities to Public Utility District No. 1 of Grays Harbor County, Washington	2,842,000	Jan. 1940	Property sold no longer subject to the Act.	File No. 30-109-2
Lake Shore Power Company (Indiana)	72,309	Sale of all facilities to Indiana & Michigan Electric Co.	H. A.	Aug. 1938	Property sold continues subject to the Act.	File No. 30-108-2
Public Service Company of Colorado	104,784,732	Sale of all outstanding common stock to the public.	20,453,125	Nov. 1943	No longer a member of the system.	Release No. 1699
New Brunswick Power Company	7,935,911	Sale of investment to United Service Corp., Ltd.	H. A.	April 1943	Property sold no longer subject to the Act.	File No. 30-411
Willapa Electric Company	766,234	Sale of electric facilities to P.U.D. No. 2 of Pacific County, Washington	189,000	Jan. 1940	" " " "	File No. 30-129-2
		Sale of transmission facilities to Somerville Dam	156,000	Jan. 1940	" " " "	" "
Citizens Utilities Company Central America Power Corporation	769,993	Sale of all assets of the company to Ferrocarril del Pacifico de Nicaragua	319,385	1941	Property sold no longer subject to the Act.	File No. 30-59-2
Citizens Utilities Company		Sale of electric distribution system in Goodland, Kansas to the City	54,379	1938	" " " "	" "
		Sale of electric transmission and distribution system in Brewster, Elmer and Levan, Kansas to Inland Utilities Co.	26,500	1939	" " " "	" "
Newport Electric Corporation		Sale of electric utility assets in Sherborn and St. Armand, Quebec to two Canadian companies	3,501	1938	" " " "	" "
Commonwealth & Southern Corporation, The Alabama Power Company		Sale of properties in eleven Alabama Counties to T.V.A. and other public groups	4,866,848	1940	Property sold no longer subject to the Act.	File No. 30-115-2
Mississippi Power Company		Sale of properties in Northern Mississippi to T.V.A.	2,022,000	1939	" " " "	" "
Southern Tennessee Power Company Tennessee Electric Power Company	511,781 110,061,418	Transfer of electric properties to Tennessee Utilities Corporation for sale to T.V.A. and others	78,521,000	1939	" " " "	" "
Crescent Public Service Company Coney Electric Company	157,589	Sale of all outstanding securities to G. M. Dums and D. E. Dums	80,500	May 1942	No longer subject to the Act.	Release No. 3457
Empire Southern Service Company		Sale of electric properties to the City of Bridgeport, Texas	65,000	1941	Property sold no longer subject to the Act.	File No. 30-56-2
East Coast Public Service Company Northwest Carolina Utilities, Inc.	1,505,968	Sale of certain properties to Blue Ridge Electric Membership Corp.	170,000	June 1941	Property sold no longer subject to the Act.	Release No. 2840
		Sale of remaining properties to French Broad Electric Membership Corp.	340,000	Nov. 1942	" " " "	Release No. 3920

Table 16, Part 1. (Continued) - ELECTRIC UTILITY PROPERTIES DIVESTED BY REGISTERED HOLDING COMPANIES  
December 1, 1935 to November 15, 1943

System Company	Total Assets of Divested Subsidiary*	Details of Divestment	Consideration If Sold	Date	Comments	Source of Information
Electric Power & Light Corporation Idaho Power Company	\$50,123,896	Sale of all common stock to the public	\$10,361,000	Aug. 1943	No longer subject to the Act.	Release No. 4527
Engineers Public Service Company Key West Electric Company Northern Kansas Power Company	1,255,592	Sale of all stock to City of Key West, Florida Sale of Woodruff, Kansas properties to an electric cooperative corporation	660,000 2,500	April 1943 Aug. 1943 April 1943	No longer subject to the Act. " " " " " " " "	Correspondence File No. 59-4 Release No. 4255
Puget Sound Power & Light Company	130,217,950	Old common and preferred stock of Puget exchanged for new common leaving Engineers with less than a controlling interest in the company				
Western Public Service Company (M.A.)		Electric distribution system in Cosad, Nebraska sold to the City	60,000	1938	Property sold no longer subject to the Act.	File No. 30-105-2
		Electric utility assets in Auburn, Nebraska sold to the City.	342,000	1939	" " " "	" "
		Electric distribution system in Bayard, Nebraska sold to the City	78,102	1940	" " " "	" "
		Electric utility assets in Las Animas, Colorado sold to the City	275,000	1941	" " " "	" "
		Sale of Nebraska and South Dakota properties to Consumers Public Power District of Nebraska	6,587,500	Jan. 1942	" " " "	Release No. 3215
Western Public Service Company (Del.)		Sale of Burus, Hawk Springs, Huntley and LeGrange, Wyoming properties to Town of Burus and an electric cooperative corporation	55,044	1942-1943	" " " "	File No. 59-4
International Hydro-Electric System (Trustees) Oconto River Power Company	68,703	Sale of all properties to Wisconsin-Michigan Power Company	90,000	Nov. 1939	Property sold continues subject to the Act.	File No. 30-166-2
International Utilities Corporation	3,746,210 1/2	Sale of securities of virtually all directly owned electric and gas utility subsidiaries to Walnut Electric and Gas Corporation	2,215,000	1937	" " " "	Release No. 712
Middle West Corporation, The Central Power & Light Company		Sale of property located in Sealy, Texas to Houston Lighting & Power Co.	57,605	1941	Property sold continues subject to the Act.	File No. 30-48-2
		Sale of property located in Colorado River Valley to Lower Colorado River Authority	1,388,534	1941	Property sold no longer subject to the Act.	" "
		Sale of certain Texas properties to Bandera County Cooperative	125,067	1941	" " " "	" "
		Sale of property located in Harper, Texas to Federal Electric Cooperative	25,053	1941	" " " "	" "
Central Power Company	8,894,640	Sale of electric utility properties in Nebraska to Consumers Public Power District	6,000,000	1941	" " " "	Release No. 2471
Kansas Electric Power Company Kentucky Utilities Company	14,305,384	Sale of all common stock to the Kansas Power and Light Co. Sale of distribution facilities in Booneville, Kentucky to Jackson County Rural Electric Co-Op.	2,500,000 7,500	Aug. 1943 1941	Continues to be subject to the Act. Property sold no longer subject to the Act.	Release No. 4532 File No. 30-48-2
Missouri Public Service Corporation	9,429,328	Transfer of certain properties and cash for properties of Tri-City Utilities Company		Dec. 1942	Property sold continues subject to the Act.	Release No. 3744
Mount Horeb Electric Company	111,033	Sale of Middle West holdings of approximately 3 1/2% of the common stock to Ralph J. Green	279,352	June 1940	No longer subject to the Act.	Release No. 2138
Public Service Co. of Oklahoma		Sale of all property and assets located in Mount Horeb, Wisconsin to City	175,000	1939	Property sold no longer subject to the Act.	File No. 30-48-2
Wisconsin Power & Light Company		Sale of certain Texas properties to Northwestern Electric Cooperative	175,000	Sept. 1943	" " " "	Moody's
		Sale of transmission line to Wisconsin Michigan Power Co.	45,206	1941	Property sold continues subject to the Act.	File No. 30-48-2
Midland United Company Public Service Company of Indiana, Inc.		Sale of distribution system in Lebanon, Indiana to the City	352,000	Oct. 1943	Property sold no longer subject to the Act.	File No. 2-4893
Montana Dakota Utilities Company	34,074,865	Merged with two of its operating subsidiaries, Montana-Dakota Power Company and Montana Cities Gas Company		1936	Operating company no longer subject to the Act.	Release No. 124
National Power & Light Company Houston River Electric Company Houston Lighting & Power Company	280,147 67,116,400	Sale of all electric properties to F.V.A. Common held by National was partially exchanged for National's preferred stock and the balance sold to the public	87,500 12,982,128	Sept. 1938 May 1943	No longer subject to the Act. "	File No. 30-114-2 Release No. 4257
The Mauch Chunk Heat, Power & Electric Light Company		Sale of National's investment in preferred and common stock to Mauch Chunk	30,000	April 1943	Continues as a subsidiary of Republic Service Corporation	Release No. 4253
Memphis Power & Light Company		Sale of electric and gas properties in Memphis, and Shelby County, Tennessee, to F.V.A. and the City of Memphis	17,300,000	June 1939	Property sold no longer subject to the Act.	Release No. 12344
Tennessee Public Service Company	20,548,076	Sale of certain transmission lines to the Appalachian Electric Power Company	1,898,013	June 1938	Property sold continues subject to the Act.	File No. 30-114-2
		Sale of remaining electric properties to Knoxville, Tennessee and F.V.A.	8,035,000	June 1938	Property sold no longer subject to the Act.	" "
West Tennessee Power & Light Company	5,905,479	Sale of substantially all electric, gas, water and railway properties to the Cities of Jackson, Ripley, Brownsville and Humboldt, Tennessee, and F.V.A.	1,774,965	Nov. 1938	" " " "	" "

Table 16, Part 1. (Continued) - ELECTRIC UTILITY PROPERTIES DIVESTED BY REGISTERED HOLDING COMPANIES  
December 1, 1935 to November 15, 1945

System Company	Total Assets of Divested Subsidiary	Details of Divestment	Consideration if Sold	Date	Comments	Source of Information
Nevada-California Electric Corporation, The	\$95,126,787	Merged with its electric utility subsidiaries		Dec. 1936	Operating company no longer subject to the Act.	Release No. 472
New England Gas and Electric Association Middlesex County Electric Company	199,976	Sale of all assets to Massachusetts Utilities Associates for cash and other considerations		1939	Continues to be subject to the Act.	Release No. 1985
New England Public Service Company The Twin State Gas & Electric Company		Sale of assets in Town of Hoosick and Village of Hoosick Falls, New York to the New York Power & Light Corp.	\$ 207,899	April 1943	Property sold continues subject to the Act.	Release No. 4285
North American Company Detroit Edison Company	580,391,771	Common stock held by the North American Company representing 19% of the total outstanding, was distributed as dividends on the North American Company common stock		1941-1943	No longer subject to the Act.	Release No. 4148
Des Moines Electric Light Company } Iowa Power and Light Company }	10,766,189	Sale by Illinois Iowa Power Company of its investments in Des Moines and Iowa Power to Continental Gas and Electric Corporation and Iowa Power and Light Company	15,220,000	Aug. 1943	Continues to be subject to the Act.	Release No. 4497
North American Gas and Electric Company Washington Gas & Electric Company		Sale of Longview and Rydewood, Washington properties to Cowlitz Public Utility District	5,900,844	Nov. 1940	Property sold no longer subject to the Act.	File No. 30-37-2
North Centinast Utilities Corporation Blk River Power & Light Company Southern Arizona Public Service Company		Sale of distribution system in Princeton, Minnesota to City Sale of distribution system at Bovi, Arizona to Sulphur Springs Valley Electric Co-Op., Inc.	25,000 16,000	March 1939 1941	Property sold no longer subject to the Act.	File No. 30-194-2 File No. 30-194-2
Northern States Power Company (Del.) Northern States Power Company (N.J.)	295,512	Sale of electric properties to South Dakota Public Service Company	45,000	Sept. 1941	Property sold continues subject to the Act.	Release No. 3004
Ogden Corporation (Successor to Utilities Power & Light Corporation) Canada Electric Co., Ltd. Eastern Electric & Development Co., Ltd. Moncton Electric & Gas Co., Ltd. Central Light & Power Company Central States Power & Light Corp.	2,897,977 } 280,577 } 2,239,504 } 1,188,504 }	Sale of entire interest in companies to F. B. McDurdy	3,198,438	Sept. 1939	No longer subject to the Act.	Release No. 1713
		Sale of all securities to Otter Tail Power Co.	656,106	May 1941	" " " "	Release No. 2751
		Sale of distribution system at Benton, Kentucky to City of Benton	90,000	March 1941	Property sold no longer subject to the Act.	File No. 30-67-2
		Sale of distribution system at Bordwell, Kentucky to City of Bordwell	55,166	Sept. 1941	" " " "	File No. 30-67-2
		Sale of distribution systems at Arlington and Milburn, Kentucky to West Kentucky Electric Co-Op. Ass'n.	10,000	Sept. 1941	" " " "	File No. 30-67-2
		Sale of distribution system at Osage, Iowa to City of Osage, Iowa	46,642	Dec. 1941	" " " "	" "
		Sale of distribution system at Stonewall, Oklahoma to Oklahoma Gas & Electric Corp.	89,500	Oct. 1941	Property sold continues subject to the Act.	" "
		Sale of distribution systems at Allen, Atwood and Galvin, Oklahoma to Public Service Co. of Oklahoma	95,838	Dec. 1941	" " " "	" "
Indianapolis Power & Light Co. Interstate Power Company	85,263,652 } 4,539,163 }	Sale of all common stock to the public	14,211,560	April 1940	No longer subject to the Act.	Release No. 2001
		Sale of all electric properties in Nebraska to Consumers Public Power District	2,625,987	Nov. 1940	Property sold no longer subject to the Act.	Release No. 2395
Interstate Power Co. of North Dakota Newport Electric Corporation	169,746 } 5,976,917 }	Sale of all securities to Otter Tail Power Company	125,000	July 1943	No longer subject to the Act.	Release No. 4440
		Sale of all common stock to the public	1,607,850	May 1939	No longer subject to the Act.	Release No. 1548
Peoples Light and Power Company Texas Public Service Company		Electric and water properties in Smithville, Texas sold to the City.	210,000	1939	Property sold no longer subject to the Act.	File No. 30-88-2
		Electric properties in Weimar, Texas sold to the City	30,000	1939	" " " "	" "
		Property in Cascade Locks, Oregon sold to the City	144,000	1939	" " " "	" "
		Stevensen electric properties sold to F.U.D. No. 1 of Skamania County, Washington	40,000	1940	" " " "	" "
		Lower Columbia River properties in Washington sold to two Public Utility Districts and Bonneville Dam Authority	575,000	1940	" " " "	" "
		Electric property in Shelton, Washington sold to Public Utility District	275,000	1941	" " " "	" "
		Sale of property in Clatskanie District to Clatskanie Public Utility District	150,000	1943	" " " "	File No. 54-67
		Sale of Oregon Coast properties to Central Lincoln Public Utility District	735,000	1943	" " " "	" "

Table 16, Part 1. (Continued) - ELECTRIC UTILITY PROPERTIES DIVESTED BY REGISTERED HOLDING COMPANIES  
December 1, 1935 to November 15, 1943

System Company	Total Assets of Divested Subsidiary	Details of Divestment	Consideration if Sold	Date	Comments	Source of Information
Peoples Light and Power Company (Cont'd.) Western States Utilities Company	\$ 958,392	Sale of Utah property to Utah Power & Light Co. Sale of all common stock to Gerald L. Schlesman	\$ 5,000 112,500	1941 Aug. 1943	Property sold continues subject to the Act. No longer subject to the Act.	File No. 30-65-2 Release No. 1506
St. Louis City Gas and Electric Company Iowa Public Service Company Nebraska Public Service Company		Sale of distribution system in Manning, Iowa to City Sale of distribution system in Gracettinger, Iowa to City Sale of electric system to Consumers Public Power District	109,916 N. A. 318,000	1937 1941 1941	Property sold no longer subject to the Act. " " " " " "	File No. 30-77-2 " " " " " "
Southwestern Public Service Company (Successor to Community Power and Light Company)		Sale of all outstanding securities to Gus B. Walton Sale of all outstanding securities to James G. Fudner	1,725,000 775,000	Sept. 1943 March 1943	No longer subject to the Act. No longer subject to the Act.	Release No. 1526 Release No. 1529
Arkansas Utilities Company Arizona Electric Power Company Flagstaff Electric Light Company Black Hills Power & Light Company	2,601,119 603,814 180,866 4,839,187 2/	Sale to the public of securities of Black Hills, which was a new company created to take over certain properties of General Public Utilities, Inc. Sold to the Nebraska Power Authority	4,345,000 N. A.	Oct. 1941 1941	" " " " " "	Release No. 3096 File No. 70-651
Gothenburg Light and Power Company Nebraska Light and Power Company The Holbrook Light & Power Company Kansas Utilities Company	805,000 541,604 151,514 2,639,193	Sold to the Town of Holbrook, Arizona Sold to Eastern Kansas Utilities, a subsidiary of Continental Gas & Electric Corp. Transfer to Missouri of the "Paragould-Marmaduke" Division of Arkansas Utilities Company and sale of all securities of Missouri to the public	86,938 2,300,000 6,095,875	Nov. 1942 Sept. 1942 Oct. 1941	" " " " " " Eastern Kansas Utilities is subject to the Act. No longer subject to the Act.	Release No. 3476 Release No. 3466 Release No. 3041
Missouri Utilities Co.	7,407,144 4/					
Standard Power and Light Corporation San Diego Gas & Electric Company	49,220,187	Common stock owned by Standard Gas representing 99% of the total was partially distributed to note and debenture holders and balance sold to the public	7,929,006	1941	No longer subject to the Act.	Release No. 2816
United Gas Improvement Company, The Connecticut Light & Power Company Connecticut Railway and Lighting Co. Erie County Electric Company	122,708,469 35,428,565 7,222,286	Sale to the public of U.G.I.'s holdings of common stock Sale of all equity securities held by U.G.I. to Charles U. Bay All stock given to Pennsylvania Electric Co. in exchange for securities of Eastern Shore Public Service Co. (Del.) plus cash	27,698,783 1,815,000	April 1941 March 1943 Aug. 1943	No longer subject to the Act. " " " " " " Erie County continues to be subject to the Act.	Release No. 2687 Release No. 1288 Release No. 1505
Philadelphia Electric Company Public Service Corporation of N. J.	473,914,107 741,962,221	Securities of Philadelphia and Public Service held by U.G.I. were distributed to stockholders of U.G.I. as a partial liquidating dividend.		March 1943	Both Philadelphia and Public Service continue to be subject to the Act as subsidiaries of United Corporation.	Release No. 4175
United Illuminating Trust, The United Illuminating Company, The	43,898,924	Exchange of United Illuminating Company common stock for stock of The Illuminating Shares Company		1941	No longer subject to the Act.	Release 2582
United Light and Power Company, The Cimarron Utilities Company Penhandle Power & Light Company Iowa Nebraska Light and Power Company	1,396,538 7,835,368	Sale of system investment to Community Power and Light Company Sale of electric, heat and ice properties located in Nebraska to Consumers Public Power District	7,500,000 19,539,922	1942 1941	Properties sold continue subject to the Act. Property sold no longer subject to the Act.	Release No. 3667 File No. 30-102-2
Kansas Power Transmission Co., Inc. Point Pleasant Water and Light Company San Antonio Public Service Company	312,955 639,586 39,723,591	Sale of electric properties to Western Light and Telephone Company Sale of electric properties to Appalachian Electric Power Company Sale of common stock to the City of San Antonio, Texas	99,900 400,000 10,000,000	1941 1942 Oct. 1942	No longer subject to the Act. Property sold continues subject to the Act. No longer subject to the Act.	File No. 30-102-2 Release No. 3688 Release No. 3870
United Utilities, Incorporated Southern Nebraska Power Company	1,979,819	Sale of electric system to Consumers Public Power District	898,000	1940	No longer subject to the Act.	File No. 30-183-2
Walnut Electric & Gas Corporation New Mexico Public Utilities Corp. South Carolina Utilities Company	500,921 1,009,436	Sale of investment in company to City of Gallup, New Mexico Sale of all physical assets to South Carolina Public Service Authority and City of Myrtle Beach	500,000 N. A.	1939 May 1941	No longer subject to the Act. " " " " " "	File No. 30-84-2 " " " " " "

1/ Pro forma assets of States Electric and Gas Corporation (predecessor of Walnut Electric and Gas) at December 31, 1936.

2/ Assets of Interstate Power Company of Nebraska.

3/ Pro forma assets as of June 30, 1941.

4/ Assets as of December 31, 1941.



Table 16, Part 2. (Continued) - GAS UTILITY PROPERTIES DIVESTED BY REGISTERED HOLDING COMPANIES  
December 1, 1935 to November 15, 1943

System Company	Total Assets of Divested Subsidiary	Details of Divestment	Consideration if Sold	Date	Comments	Source of Information
Lone Star Gas Corporation Council Bluffs Gas Company Northern Natural Gas Company	\$ 2,928,400	Sale of all outstanding securities to Raymond A. Smith Common stock amounting to 1/3 of the shares outstanding were distributed as a dividend on the common stock of Lone Star	\$ 1,325,000	Oct. 1942 Dec. 1942	No longer subject to the Act. Continues subject to the Act as a registered holding company	Release No. 4010 Release No. 3865
Lone Star Gas Corporation	127,985,313	Plan of merger with certain of its operating subsidiaries		1943	No longer subject to the Act (certain reservations of jurisdiction)	Release No. 3865
Middle West Corporation, The Southwestern Gas & Electric Company		Sale of all gas utility assets in Mississippi to the United Gas Corporation	812,500	Sept. 1942	Property sold continues subject to the Act.	Release No. 4585
Midland United Company Public Service Company of Indiana, Inc.		Sale of Greenfield, Indiana gas properties to Greenfield Gas Company, Inc.	25,304	Aug. 1941	Property sold no longer subject to the Act.	File No. 2-4893
National Gas & Electric Corporation The Greeley Gas and Fuel Company	375,095	Sale of all outstanding securities to Keith Kindred	200,000	Aug. 1942	No longer subject to the Act.	Release No. 3781
National Power and Light Company West Tennessee Gas Company	1,052,751	Sale of investment in company to Equitable Securities Company	712,500	April 1943	No longer subject to the Act.	Release No. 4200
North American Company, The Hebrens Natural Gas Company	1,832,428	Sale of North American Light & Power Company's investment to Kansas Pipe Line and Gas Company	1,700,000	April 1941	No longer subject to the Act.	Release No. 2688
Ogden Corporation (Successor to Utilities Power & Light Corporation) Central States Power & Light Corp. (Del.)		Sale of all gas properties located in Oklahoma to Oklahoma Natural Gas Company	1,900,000	May 1941	Property sold no longer subject to the Act.	Release No. 2771
		Sale of all gas properties located in Texas to Texas Gas & Power Corporation	600,692	June 1941	" " " "	Release No. 2813
Central States Power & Light Corp. of Okla. Central States Production Company Utilities Production Corporation	5,001,504 869,469 8,394,951	Sale of physical assets to Oklahoma Natural Gas Company Sale of all gas properties to Oklahoma Natural Gas Company Sale of all outstanding securities to Oklahoma Natural Gas Company	1,500,000 500,000 1,000,000	May 1941 Feb. 1941 Feb. 1941	No longer subject to the Act. " " " "	Release No. 2771 " " " "
Peoples Light and Power Company Kansas Public Service Company Mississippi Public Service Company	922,578 1,515,481	Sale of investment in securities to D. B. Dunne, Jr. Sale of investment in common stock to Federal Water and Gas Corporation	410,000 420,000	Aug. 1939 Dec. 1942	No longer subject to the Act. Property sold continues subject to the Act.	Release No. 1452 Release No. 3557
Republic Electric Power Corporation Apache Gas Company	397,723	Sale of Perry, Oklahoma system to Northern Oklahoma Gas Company Sale of Marshall and Lovett, Oklahoma properties to Oklahoma Natural Gas Company Sale of Apache, Oklahoma properties to Consolidated Gas Utilities Corporation	103,390 6,000 16,000	1939 1939 1939	Property sold no longer subject to the Act. " " " " " " " "	File No. 47-19 " " " "
Southern Union Gas Company Arkansas Western Gas Company	2,006,444	Investment distributed to the stockholders of the Southern Union Gas Company		Oct. 1943	No longer subject to the Act.	Release No. 4207
United Gas Improvement Company Concord Gas Company	963,017	Sale of investment representing approximately 50% of the common stock		1943	No longer subject to the Act.	Moody's
United Light and Power Company Chattanooga Gas Company Cleveland Gas Company Fayetteville Natural Gas Company Common Gas Company Northern Natural Gas Company	3,070,043 60,739 65,700 37,700	Sale of securities to Federal Water Service Corporation Sale of all common stock to A. J. Goss Sale of all outstanding securities to A. J. Goss Sale of securities to Community Power and Light Company Sale to the public of investments amounting to 1/3 of the common stock	810,000 17,000 5,000 10,535,612	Jan. 1940 Jan. 1940 Jan. 1940 Sept. 1942 Sept. 1941	Property sold continues subject to the Act. No longer subject to the Act. " " Continues to be subject to the Act. Northern Natural continues subject to the Act as a registered holding company	Release No. 1291 " " " " Release No. 3667 Release No. 5991
Waco Electric & Gas Corporation Peoples Gas Company (Wis.) St. Johnsbury Gas Company Vermont Lighting Corporation Waco Associates	60,839 154,816 201,920 369,959	Sale of common stock to G. A. Davis Sale of common stock to Joseph M. Nelson Sale of common stock to Joseph M. Nelson Sale of all outstanding securities to J. Leroy Underhill, Waco controlled North Attleboro Gas Company and Ware Gas Co.	5,000 24,000 6,000 135,000	Jan. 1939 Dec. 1939 Dec. 1939 May 1940	No longer subject to the Act. " " " " " " " "	Release No. 1362 Release No. 1253 Release No. 1253 Release No. 2049
Washington & Suburban Companies Washington Gas Light Company	39,592,620	Sale to the public by Washington and Suburban of 294,420 shares of common stock Distribution to Washington & Suburban stockholders of remaining holdings consisting of 66,459 shares. The stockholders sold this stock to the public in 1940.	8,202,000	1939 1940	Washington & Suburban owned 362,000 shares out of a total of 423,000 No longer subject to the Act.	File No. 1-1483 " "

Table 16, Part 3. - NON-UTILITY PROPERTIES DIVESTED BY REGISTERED HOLDING COMPANIES  
December 1, 1933 to November 13, 1943

System Company	Total Assets of Divested Subsidiary	Details of Divestment	Consideration if Sold	Date	Comments	Source of Information
American Power & Light Company Texas Public Utilities Corporation		Sale of ice and water properties at Eagle Pass, Texas to Central Power and Light Company	\$ 330,000	Oct. 1943	Property sold continues subject to the Act.	Release No. 1421
American States Utilities Corporation Kellogg Power & Water Company	\$ 267,065	Sale of note and common stock to General Water, Gas and Electric Company	165,000	1939	Property sold continues subject to the Act.	Release No. 1632
American Utilities Service Corporation Federal Ice Company	264,050	Sale of investment to T. W. Hodge, Ashland, Kentucky	40,000	Aug. 1939	No longer subject to the Act.	File No. 34-57
Jefferson County Telephone Company	891,890	Sale of investment to Central Electric and Telephone Co.	120,000	May 1941	" " " "	" " " "
Lexington Water Company (Mo.)	473,958	Sale of investment to John M. Lancaster, Chicago, Ill.	177,826	Sept. 1942	" " " "	" " " "
Northwestern Illinois Utilities Company		Sale of telephone properties at Lanark, Illinois to Lanark Mutual Telephone Company	18,197	May 1942	Property sold no longer subject to the Act.	" " " "
Florida Service Company	1,104,406	Sale of investment to E. J. Shag	5,500	Feb. 1941	No longer subject to the Act.	" " " "
Southeastern Telephone Corporation		Sale of telephone properties at Glenville, Georgia to Dewey Adams	6,500	July 1937	Property sold no longer subject to the Act.	" " " "
		Sale of 4 parcels of telephone property in Georgia to 4 individuals	1,320	1939	" " " "	" " " "
		Sale of 5 parcels of telephone property in South Carolina to 3 individuals, and 1 parcel in Alabama to Standard Telephone & Telegraph Company	50,634	1940	" " " "	" " " "
Southern Public Service Company		Sale of 7 parcels in Georgia to 6 individuals.	33,340	1940	" " " "	" " " "
		Water plant and distribution system at Paintsville, Kentucky sold to the City	123,000	June 1940	" " " "	" " " "
Southern Utilities Company		Sale of ice property at W. Liberty, Kentucky to an individual	700	1939	" " " "	" " " "
		Sale of water property in Emelin, West Virginia to West Virginia Water Service Company	20,000	Aug. 1939	" " " "	" " " "
Wisconsin Central Utilities Company		Sale of telephone property at Augusta, Wisconsin to Commonwealth Telephone Company	2,500	May 1942	" " " "	" " " "
American Water Works & Electric Company, Inc. Steubenville Bridge Company	817,359	Sale of system investment in common stock to non- affiliated interests	N. A.	1941	No longer subject to the Act.	File No. 30-73-2
Wheeling Bridge Company	713,121	Sale of physical properties to City of Wheeling, West Virginia	N. A.	1941	" " " "	" " " "
Associated Gas and Electric Corporation Associated Utilities Corporation Florida Public Service Company		Sale of tracts of miscellaneous real estate	169,604	1941-1942	Property sold no longer subject to the Act.	Trustees' Report.
		Sale of water properties to Leddy, Wheeler & Co.	800,000	Oct. 1943	" " " "	" " " "
Hopkinsville Water Company	1,000,962	Sale of water properties in Eustis, Florida to the City	120,000	1942	" " " "	File No. 30-124-2
Newport News Distilled Ice Company		Sale of physical assets to City of Hopkinsville	590,000	June 1940	No longer subject to the Act.	Release No. 2131
Northwestern Water and Electric Corp.	19,217,070 1/2	Sale of ice properties to E. H. Holt, Jr. and others	210,000	June 1942	" " " "	Trustees' Report
Rochester Transit Corporation and Subs.	7,918,019	Sale of investment to John H. Ware and Penn-Jersey Water Co.	3,224,666	Nov. 1942	" " " "	Release No. 3898
Staten Island Coach Company	979,506	Sale of investment to a group of individuals.	803,580	1943	" " " "	Trustees' Report
Syracuse Transit Corporation and Subsidiary	4,379,177	Sale of investment to Stone & Webster, Inc.	100,000	Jan. 1942	" " " "	" " " "
Tri-City Utilities Company		Sale of investment to an unknown purchaser	271,023	1943	" " " "	" " " "
		Sale of Murray Water System to City of Murray, Kentucky	175,000	Sept. 1942	Property sold no longer subject to the Act.	File No. 30-122-2
		Sale of water system at Mayfield, Kentucky to City of May- field	400,000	June 1942	" " " "	" " " "
Triple Cities Fraction Company	1,106,245	Sale of all stock to George E. Schreiber	276,000	Jan. 1942	No longer subject to the Act.	Trustees' Report
Virginia Northern Ice Corporation		Sale of ice plant and properties to an unknown purchaser	35,000	1942	" " " "	" " " "
York Railways Company		Sale of investment in York Bus Company and certain other assets to George A. Stevens	220,000	Dec. 1941	York Bus Company no longer subject to the Act.	" " " "
Central Public Utility Corporation Portsmouth Public Service Company	529,136	Sale of all physical property to National City Lines, Inc.	20,000	Dec. 1939	No longer subject to the Act.	File No. 30-133-2
Princeton Water and Lighting Company	355,763	Sale of all physical property to City of Princeton, Ind.	299,596	Sept. 1940	" " " "	" " " "
Wheeling Public Service Company	215,855	Sale of investment to Fred J. McCoy	150,000	1941	" " " "	" " " "
Cities Service Company Hot Springs Water Company Hot Springs Street Railway Company	1,504,809 } 1,089,825 }	Sale of all securities of the companies to Gus B. Walton	2,213,672	July 1943	No longer subject to the Act.	Release No. 1425



Table 16, Part 3. (Continued) - NON-UTILITY PROPERTIES DIVESTED BY REGISTERED HOLDING COMPANIES  
December 1, 1935 to November 15, 1943

System Company	Total Assets of Divested Subsidiary	Details of Divestment	Consideration if Sold	Date	Comments	Source of Information
Commonwealth & Southern Corporation Akron Transportation Company Youngstown Municipal Railway Company Columbus Transportation Company Galtsport & Mississippi Coast Traction Co.	\$ 4,920,956 2,808,950 123,707 394,244	Sale of all capital stock to A. C. Allyn & Co. and Equitable Securities Corporation Sale of all securities to Clement A. Evans & Co., Inc. Sale of investment to Equitable Securities Corporation of Nashville, Tennessee Sold to Greyhound Corporation of New York Sale of investment to Harry Warshawsky and Bernard Shatakin Sale of common stock to A. C. Allyn & Co. and Equitable Securities Corporation	\$ 3,500,000 471,320 7,500 1,350,000 279,534 950,000	Sept. 1943 1943 1943 July 1943 July 1943 1943	No longer subject to the Act. "	File No. 70-676 "
Penn-Ohio Coach Lines Company Shenango Valley Transportation Company Springfield Transportation Company	2,007,723 892,559 1,618,660					
East Coast Public Service Company Heritage Ice & Storage, Inc. East Coast Water Company	827,683 55,318	Sale of all securities to an unknown purchaser Sale of common stock to Garland B. Synder and T. Austin Synder	86,816 6,966	1942 1941	No longer subject to the Act. " " " " " "	File No. 30-57-2 " " " " " "
Federal Water and Gas Corporation Alabama Water Service Company		Sale of Decatur, Alabama plant to City of Decatur Sale of Bridgeport, Alabama plant to municipality Sale of Jasper, Alabama properties to the City of Jasper Sale of water works system in Albertville, Alabama to the City Sale of water distribution system in Town of Boas, Alabama to Town of Boas, Alabama Sale of water works system in Town of York, Alabama to Town of York, Alabama	885,116 70,029 350,035 170,000 65,000 60,000	1939 1939 Dec. 1942 Oct. 1943 Oct. 1943 Oct. 1943	Property sold no longer subject to the Act. "	File No. 30-44-2 " " " " " " " " " " " " Release No. 1587 " " " " " "
California Water Service Company Chester Water Service Company Clear Springs Water Service Company	19,238,273 6,396,858 1,279,784	Sale of common stock to General Water, Gas and Electric Co. Sale of common stock to City of Chester, Pa. Sale of entire investment in the securities of the company to a water authority of Northampton, Pa.	3,202,000 800,000 200,000	June 1939 Dec. 1939 Mar. 1940	Continues subject to the Act. No longer subject to the Act. " " " " " "	File No. 30-44-2 " " " " " " " " " " " "
Illinois Water Service Company Peoples Water & Gas Company	5,199,071	Sold its investment to Northern Illinois Water Corporation Sale of Hillsboro, Oregon property to the City Sale of Washington property to a public utility district Sale of all common stock to Borough of West View, Pa.	635,000 160,000 300,000 475,000	1938 Feb. 1940 Nov. 1939 Nov. 1942	Property sold no longer subject to the Act. " " " " " " " " " " " " No longer subject to the Act.	" " " " " " " " " " " " " " " " " " Release No. 4113
Pittsburgh Suburban Water Service Company Union Water Service Company	3,865,756 5,198,950	Sale of all preferred and common stock	1,200,000	Feb. 1943		
Engineers Public Service Company Baton Rouge Bus Company	558,047	Sale of stock to Inter-City Transit Company	355,000	July 1943	No longer subject to the Act.	File No. 59-4
International Utilities Corporation Securities Corporation General Sedalia Water Company Pinebluffs Water Company Southern Water Company	1,161,970 1,761,115 3,011,883 117,921	Sale of International's investment to Cecil F. Stewart Sale of securities to an unknown purchaser Sale of physical property to City of St. Petersburg, Fla.	125,788 169,000 1,832,187	Jan. 1942 Aug. 1943 Dec. 1940	No longer subject to the Act. " " " " " " " " " " " "	Release No. 1089 File No. 70-666 File No. 30-165-2 " " " " " "
Middle West Corporation City Ice Company of Kansas City Western Ice Service Company Southern United Ice Company	2,344,757 2,685,857 3,033,031	Sale to Atlantic Company of Atlanta of system investment Sale to Atlantic Company of Atlanta of system investment	670,000 130,000	Nov. 1942 Nov. 1942	No longer subject to the Act. " " " " " "	File No. 30-18-2 " " " " " " Release No. 3943
National Power and Light Company East Penn Transportation Company Hummelstown Water Supply Company South Texas Utilities Company Tennessee Public Service Company Wrightsville Water Supply Company Valley Transportation Company	186,503 379,315 346,842 119,963 199,589	Sale of National's common stock holdings to Eckley B. Markle Sale of investment to a non-affiliated person Sale of all physical property to unknown purchasers. Sale of transportation property to Knoxville Transit Lines Sale of investment to unknown purchaser Sale of common stock to Alvin R. Bush and John G. Snowden	90,300 71,181 250,000 18,579 122,300	May 1939 1942 1941-1942 1938 1942 1939	No longer subject to the Act. "	File No. 30-116-2 "
North American Company, The Western Illinois Ice Company	639,031	Sale of investment to Union Service Corporation	95,000	Aug. 1943	No longer subject to the Act.	Release No. 4516
Ogden Corporation (Successor to Utilities Power & Light Corporation) Bentley Woods Product Company Electric Building Corporation Illinois and Missouri Pipe Line Company Newport Water Corporation	220,650 888,516 434,363	Investment in company sold to D. J. Jordan Investment in company sold to Renee Realty Corporation Properties sold to several purchasers Properties of Newport Division sold to City Properties of Jameson Division sold to E. H. Davenport	115,500 265,500 251,522 3,100,000 95,000	Oct. 1940 Jan. 1940 1940 June 1936 May 1940	No longer subject to the Act. No longer subject to the Act. " " " " " " Property sold no longer subject to the Act. " " " " " "	File No. 30-188-2 " " " " " " " " " " " " File No. 30-44-2 File No. 30-188-2
Universal Gear Corporation United Fuels Corporation	75,000 949,266	Sale of investment in company Sale of investment to United Collieries (Ohio)	53,100 79,995	May 1941 Feb. 1943	No longer subject to the Act.	File No. 30-188-2 Moody's
Peoples Light and Power Company Iowa Water Service Company Texas Public Service Company	1,107,475	Sale of investment in common stock to an unknown purchaser Sale of certain water and sewer properties to City of McKinney, Texas Sale of Austin ice and cold storage properties to City of McKinney, Texas Sale of Beaumont irrigation and water properties to the Lower Neches Valley Authority	110,000 178,000 50,000 3,055,000	Nov. 1942 Oct. 1941 June 1941 1943	No longer subject to the Act. Property sold no longer subject to the Act. " " " " " " " " " " " "	File No. 30-88-2 " " " " " " " " " " " " " " " " " "

Table 16, Part 3. (Continued) - NON-UTILITY PROPERTIES DIVESTED BY REGISTERED HOLDING COMPANIES  
December 1, 1935 to November 15, 1943

System Company	Total Assets of Divested Subsidiary*	Details of Divestment	Consideration if Sold	Date	Comments	Source of Information
Southwestern Public Service Company (Successor to Community Power and Light Company) Royal Palm Ice Company	\$ 1,046,370	Sale of all physical properties to a subsidiary of Southeastern Gas & Water Company Sale of physical property to Town of Holbrook, Arizona	\$ 556,667	Oct. 1943	No longer subject to the Act.	Release No. 4605
Southwestern Ice Company	20,912			1942	" " "	File No. 30-29-2
United Gas Improvement Company	5,000	Sale by Commonwealth Utilities Corporation, a subsidiary of United Gas Improvement Company, of its ice and cold storage investments.		1941	No longer subject to the Act	File No. 30-129-2
Arctic Ice Company	644,836					
Arizona Ice and Cold Storage Company	174,167					
Crystal Ice Company	2,069,591					
Crystal Ice & Cold Storage Company	756,709					
Galveston Ice & Cold Storage Company	170,103					
Hans Ice Company	2,079,692					
Merchants Ice & Cold Storage Company	340,743					
National Ice & Service Company	997,396					
New State Ice Company	888,727					
Springfield Ice and Refrigerating Company	12,095,395	Sale of all common stock to a private purchaser	3,260,000	April 1942	No longer subject to the Act.	Release No. 3433
United Light and Power Company, The	884,934	Sale of system investment to John L. Wilson, a non-affiliated interest	375,000	Sept. 1942	No longer subject to the Act.	File No. 30-102-2 Moody's
The Lincoln Traction Company		Sale of system investment to an unknown purchaser		April 1943		
South Texas Ice Company	390,846					
United Public Utilities Corporation	166,787	Sale of all common stock to Walter Moorman and Ross Tankersley	50,000	Oct. 1943	No longer subject to the Act.	Release No. 4605
Cap. F. Bourland Ice Company		Sale of notes and common stock to John W. Harding		525,000		
Texas Ice & Refrigerating Company	1,377,663					

1/ Consolidated assets excluding Brookville Electric Company and Carbon Water, Light & Power Company which are included under electric utility divestments.

\* Total assets of each divested subsidiary are the assets as of December 31 of the year preceding such divestment. Where 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 17 - UTILITY AND OTHER PROPERTIES SUBJECT TO DIVESTMENT UNDER SECTION 11(b)(1) ORDERS OUTSTANDING AS OF NOVEMBER 15, 1943

System Company	Total Assets as of December 31, 1942 of Companies Ordered Divested		Nature of Business	State of Operation	Holding Company Act Release Number	Date of Order
	Individual Companies	System Totals				
American Gas and Power Company		\$ 21,847,220	Holding Company		1395	7-2-43
American Utilities Associates	\$ 5,341,651*		Gas	Maine		
Bangor Gas Company	1,160,975		Gas	Alabama		
Birmingham Gas Company	12,506,714		Gas	Massachusetts		
Lowell Gas Light Company	4,049,332		Gas	Georgia		
Savannah Gas Company	3,998,514		Gas	Florida		
St. Augustine Gas Company	531,687		Gas			
Associated Gas and Electric Corporation, Trustees		299,306,660			3729	8-13-42
Associated Electric Company:						
Arizona General Utilities Company	952,283		Electric	Arizona		
Associated Utilities Investing Corporation			Inactive			
Eastern Land Corporation	252,306		Real Estate	Delaware-Maryland		
Escondido Electric Service Company	N. A.		Electric	Philippines		
Manila Electric Company	N. A.		Elec. - Ry. - Bus - Ice	Philippines		
Missouri General Utilities Company	2,003,395		Electric - Water	Missouri		
Missouri Southern Public Service Company	219,382		Electric	Missouri		
New Matamoras Electric Company	55,881		Electric	Ohio		
Ohio-Midland Light and Power Company	3,372,994		Electric - Railway	Kentucky		
Owensboro Gas Company	520,735		Gas	Oklahoma		
Panhandle Public Service Company	389,828		Electric-Ice	Ohio		
Portsmouth Gas Company	966,342		Gas			
Texas General Utilities Company	81,830		Inactive			
Tri-City Utilities Company	3,968,157		Electric - Gas - Water	Kentucky		
Union Gas and Electric Company	2,396,139		Gas	Illinois		
West Virginia Light, Heat & Power Company	812,340		Electric	West Virginia		
General Gas & Electric Corporation:						
Citizens Rapid Transit Corporation	1,287,516		Bus	Virginia		
Harpers Ferry Paper Company	444,061		Hydro - Owns and Leases	West Virginia		
Lexington Water Power Company	310,502		Electric (Wholesale)	South Carolina		
Sanford Gas Company	350,546		Gas	Florida		
Santa Fe Land Company			Inactive			
South Carolina Electric & Gas Company	36,131,079		Electric - Gas - Bus	South Carolina		
Tide Water Power Company	13,991,021		Elec. - Gas - Bus - Water	North Carolina		
Virginia Public Service Company	61,031,623		Electric - Gas - Ry.	Va., W. Va., & D.C.		
NY PA NJ Utilities Company:						
Granville Electric Company	238,156		Electric	Vermont		
Jersey Central Power & Light Company and Subs.	93,221,220		Electric - Gas	New Jersey		
Long Island Water Corporation	8,668,063		Water	New York		
Pelchogue Electric Light Company	1,603,058		Electric	New York		
Richmond Light and Railroad Company			Inactive			
Spring Brook Water Company	895,737		Water	New York		
Staten Island Edison Corporation	20,137,195		Electric	New York		
Other Subsidiaries:						
Associated Real Properties, Inc.	N. A.		Real Estate	Delaware		
Brooms Electric Corporation	N. A.		Inactive			
Gas and Electric Associates			Holding Company			
Lockport Light, Heat and Power Company			Inactive			
Massachusetts Northeastern Transportation Company	246,683 1/2		Bus	Massachusetts		
New Jersey and Staten Island Ferry Company	N. A.		Ferry - Owns and Leases	New Jersey-New York		
Paul Smith's Electric Light and Power and Railroad Co.	N. A.		Electric	New York		
Paul Smith's Hotel Company	N. A.		Hotel	New York		
Railway and Bus Associates	N. A.		Holding Company			
Reading and Southwestern Street Railway Company	225,000 1/2		Railway - Owns and Leases	Pennsylvania		
Reading Street Railway Company	N. A.		Railway - Bus	Pennsylvania		
Reading Traction Company	N. A.		Railway - Leases	Pennsylvania		
Richmond Railway, Inc.	N. A.		Inactive			
Schenectady Rapid Transit, Inc.	N. A.		Bus	New York		
Utilities Investing Trust	15,083,230 1/2		Investing Company	Massachusetts		
Valley Public Service Company	N. A.		Bus	Ohio		
Cities Service Power & Light Company		285,036,627			1489	8-17-43
Albuquerque Gas and Electric Company	7,537,465		Electric - Gas	New Mexico		
Benton County Utilities Corporation	233,324		Electric - Water	Arkansas		
Citizens Gas Fuel Company	662,450		Gas	Michigan		
City Light and Traction Company	4,046,510		Electric - Gas - Ice	Missouri		
Community Traction Company	6,453,825		Transit	Ohio		
Danbury & Bethel Gas and Electric Light Company	3,821,489		Electric - Gas	Connecticut		
Deming Ice and Electric Company	875,373		Electric - Gas	New Mexico		
Douphan County Light & Power Company	24,630		Electric - Ice	Kansas		
Durham Public Service Company	4,453,032		Electric - Ice - Transit	North Carolina		
East Tennessee Light and Power Company	12,024,370		Electric - Gas	Tennessee-N.C.-Va.		
Electric Building Company	17,182		Realty	Ohio		
Empire District Electric Company	32,298,971		Electric - Water	Mo.-Iowa.-Ohio.		
Federal Light & Traction Company	14,722,697		Holding Company			
Federal Realty Company	112,237		Realty			
Knoxville Gas Company	1,822,998		Gas	Arizona		
Lakeshore Coach Company	451,689		Transit	Tennessee		
Las Vegas Light and Power Company	619,045		Electric	Ohio		
Lawrence County Water, Light & Cold Storage Company	1,151,508		Electric - Water - Ice	New Mexico		
Mammoth Valley Transportation Company	89,078		Transit	Missouri		
New Mexico Power Company	4,326,519		Electric - Water	Ohio		
Olympic Public Service Company	127,817		Electric	New Mexico		
Basilia Electric Company	625,616		Electric	Washington		
St. Joseph Railway, Light, Heat & Power Company	15,977,915		Electric - Trans. - Steam	Wyoming		
Sheridan County Electric Company	1,744,170		Electric	Missouri		
Spokane Gas and Fuel Company	3,156,856		Gas	Washington		
Springfield Gas and Electric Company	7,739,644		Elec. - Gas - Steam - Trans.	Missouri		
Stark Transit Company, Inc.	175,873		Transit	Ohio		
Stonewall Electric Company	456,257		Elec. Lines Leased	Arizona-Colorado		
Toledo and Indiana Realty Company	18,268		Realty	Ohio		
Trinidad Electric Transmission, Railway and Gas Co.	4,469,963		Electric - Gas	Colorado		
Tucson Gas, Electric Light & Power Company	9,124,896		Electric - Gas	Arizona		
Tucson Rapid Transit Company	367,747		Transit	Arizona		

Table 17. (Continued) - UTILITY AND OTHER PROPERTIES SUBJECT TO DIVESTMENT UNDER SECTION 11(b)(1) ORDERS OUTSTANDING AS OF NOVEMBER 15, 1943

System Company	Total Assets as of December 31, 1942 of Companies Ordered Divested		Nature of Business	State of Operation	Holding Company Act Release Number	Date of Order		
	Individual Companies	System Totals						
<b>Engineers Public Service Company</b>		\$ 118,185,931						
El Paso and Juarez Traction Company	\$ 642,258		Railway-Bridge	Texas	3230 3796	12-29-41 9-16-42		
El Paso Electric Company (Delaware)	14,967,638		Holding Company	Texas				
El Paso Electric Company (Texas)	17,492,902		Elec.- Ry.- Bus	Texas-New Mexico				
Gulf States Utilities Company	68,531,613		Elec.- Gas- Steam- Ice- Water	Texas-Louisiana				
Missouri Service Company	1,576,254		Elec.- Ice- Water	Missouri-Iowa				
Northern Kansas Power Company	26,362		Electric	Kansas				
Savannah Electric and Power Company	17,180,761		Electric- Railway- Bus	Georgia				
Virginia Electric and Power Company (Gas and Transportation Properties Only)	10,751,062		Electric- Gas- Ry.- Bus	Virginia-North Carolina				
Western Public Service Company	1,684,319		Electric	Wyoming				
<b>Federal Water and Gas Corporation</b>		124,099,998					4113	2-10-43
Alabama Water Service Company	9,827,366		Electric- Water	Alabama				
New York Water Service Corporation	32,091,353		Water- Holding Company	New York				
Ohio Water Service Company	8,380,825		Water	Ohio				
Seranton-Spring Brook Water Service Company	61,620,315		Water- Gas- Holding Company	Pennsylvania				
West Virginia Water Service Company	12,174,099		Water- Holding Company	West Virginia				
<b>North American Company</b>		1,840,410,036					3405	4-14-42
Badger Auto Service Company	101,928		Parking and Gas Stations	Wisconsin				
Blue River Power Company	251,591		Electric	Kansas				
Braddock Light & Power Company, Inc.	949,946		Electric	Virginia				
Cahokia Manufacturers Gas Company	80,669		Gas (Leased)	Illinois				
Cairo City Gas Company			Inactive					
Capital Transit Company	68,605,708		Transportation	D.C.-Maryland				
Celco Company	64,214		Metering	Ohio				
Central Terminal Company	7,189,919		Warehouse	Missouri				
Champaign and Urbana Gas Light and Coke Co.			Inactive					
Cleveland Electric Illuminating Company	182,795,403		Electric- Heat	Ohio				
Danville Gas Light Company			Inactive					
Decatur Electric Company			Inactive					
Glen Echo Park Company	171,434		Amusement Park	Maryland				
Great Falls Power Company	512,521		Land Company	Virginia				
Hevi-Duty Electric Company	1,318,395		Electric Furnace Construction	Wisconsin				
Illinois Iowa Power Company	116,825,456		Elec.- Gas- Heat- Water- Ice- Trans.- Holding Co.	Illinois				
Illinois Terminal Railroad Company	55,536,202		Railroad	Missouri-Illinois				
Illinois Traction Company	23,588,528		Holding Company					
Jacksonville Gas Light & Coke Company			Inactive					
Jacksonville Railway and Light Company			Inactive					
Kansas Power and Light Company	70,512,337		Elec.- Gas- Heat- Water- Ice- Trans.	Kansas				
Kansas Public Service Company	2,450,470		Electric- Gas	Illinois				
Milwaukee Electric Railway & Transport Company	51,225,319		Transportation	Wisconsin				
Milwaukee Light, Heat & Traction Company	574,985		Land Company	Wisconsin				
Missouri Power & Light Company	21,086,981		Elec.- Gas- Heat- Water- Ice	Missouri				
Montgomery Bus Lines, Inc.	27,826		Transportation	Maryland				
Motor Transport Company	805,894		Freight Transportation	Wisconsin				
Northern Natural Gas Company and Subs.	63,178,222		Holding Company- Pipelines	Iowa-Nebr.-S. Dak.-Minn.				
North American Utility Securities Corporation	5,042,655		Investment					
Pacific Gas and Electric Company and Subs.	855,460,584		Elec.- Gas- Heating- Water- Trans.	California				
Peoples Coal Company	15,779		Coal Sales					
Potomac Electric Power Company	112,044,651		Electric	D.C.-Maryland				
St. Bernard Coal Company	10,000		Coal Sales					
St. Louis Electric Terminal Railway Company			Inactive					
Union Electric Land and Development Company	1,791,526		Land Company	Missouri				
Venice Gas Company			Inactive					
Washington and Rockville Ry. Co. of Montgomery County	213,399		Holding Company					
Washington Railway and Electric Company	37,728,666		Holding Company					
West Kentucky Coal Company (Delaware)	158,169		Coal Sales					
West Kentucky Coal Company (New Jersey)	18,045,506		Coal	Kentucky				
Wisconsin Electric Power Company	138,888,737		Elec.- Heat- Holding Company	Wisconsin				
Wisconsin Gas & Electric Company	33,213,537		Electric- Gas- Heat	Wisconsin				
Wisconsin Michigan Power Company	31,473,572		Electric- Gas	Wisconsin-Michigan				
<b>Ogden Corporation</b>		151,367,329			4307	5-20-43		
Central States Power & Light Corporation	6,444,135		Electric- Holding Company	Iowa-Minnesota				
Central States Utilities Corporation	26,810		Holding Company					
Derby Gas & Electric Company	5,915,444		Electric- Gas- Steam	Connecticut				
Derby Gas & Electric Corporation	7,575,927		Holding Company					
East Dubuque Electric Company	176,819		Electric- Bus	Illinois				
Eastern Iowa Electric Company	467,333		Electric	Iowa				
Interstate Power Company	54,899,401		Elec.- Gas- Heat- Water- Bus- Holding Co.	Iowa-Minn.-S. Dak.				
Interstate Power Company of Wisconsin	2,195,603		Electric	Wisconsin				
LaSalle Gas Light Company	63,793,565		Gas	Missouri				
LaSalle Power & Light Company	10,855,132		Electric	Missouri				
Missouri Electric Power Company	5,385,850		Electric- Ice- Water	Missouri				
Missouri Natural Gas Company	878,444		Gas	Missouri				
Wallingford Gas Light Company	431,623		Gas	Connecticut				
<b>Republic Service Corporation</b>		3,604,174					4128	2-19-43
Holston River Power Company	951,499		Electric	Virginia				
Madison Power Company	318,807		Electric	Virginia				
Massachusetts Power Corporation	345,711		Electric	Virginia				
Massachusetts Water Corporation	65,735		Water	Virginia				
Page Power Company	1,904,392		Electric	Virginia				
<b>Southwestern Public Service Company</b>		8,643,874			3676	7- 8-42		
Gulf Public Service Company	8,643,874		Elec.- Gas- Water- Ice	Louisiana				
<b>Standard Gas and Electric Company</b>		377,372,019					2929	8- 8-41
California Oregon Power Company	40,599,478		Electric- Water	California-Oregon				
Empres de Servicios Publicos de los Estados Mexicanos, S. A.	3,073,960		Electric- Ice- Water	Mexico				
Horve Shoe Lake Oil and Gas Company	11,812		Oil and Gas Leases	Alabama				
Louisville Gas and Electric Company (Delaware)	24,270,769		Holding Company					
Louisville Gas and Electric Company (Ky.) and Subs.	89,800,372		Elec.- Gas- Holding Company	Kentucky				
Market Street Railway Company	43,510,790		Railway- Bus	California				
Mountain States Power Company	25,164,955		Elec.- Gas- Heat- Water- Telephone	Wash.-Ore.-Idaho- Montana-Wyo.-S. Dak.				
Oklahoma Gas and Electric Company	90,693,047		Electric	Oklahoma-Arkansas				
Southern Colorado Power Company	19,672,545		Elec.- Ry.- Bus	Colorado				
Wisconsin Public Service Corporation	64,495,060		Elec.- Gas- Bus	Wisconsin-Michigan				

Table 17, (Continued) - UTILITY AND OTHER PROPERTIES SUBJECT TO DIVESTMENT UNDER SECTION 11(b)(1) ORDERS OUTSTANDING AS OF NOVEMBER 15, 1945

System Company	Total Assets as of December 31, 1942 of Companies Ordered Divested		Nature of Business	State of Operation	Holding Company Art Release Number	Date of Order
	Individual Companies	System Totals				
United Gas Improvement Company		\$ 12,703,634			2913-3511	7-30-41
Arizona Power Corporation	\$ 6,223,543		Electric- Gas	Arizona		5- 7-42
Bridgeport Gas Light Company	8,795,524		Gas	Connecticut		
Commonwealth Utilities Corporation	1,426,706		Holding Company			
Hartford Gas Company	9,260,431		Gas	Connecticut		
Manchester Gas Company	2,750,479		Gas	New Hampshire		
Nashville Gas and Heating Company	4,976,746		Gas	Tennessee		
New Haven Gas Light Company	10,669,211		Gas	Connecticut		
United Light and Power Company		247,399,780			2923-3189	8- 5-41
American Coal Company	99,034		Owns Coal Lands	Texas	3242	12-15-41
American Michigan Pipe Line Company	1,218,069		Gas Transmission	Michigan		12-31-41
American Production Company	269,751		Gas Production	Ohio		
Columbus and Southern Ohio Electric Company	74,802,944		Elec.- Heat- Transportation	Ohio		
Consolidated Building Company	78,220		Real Estate	Wisconsin		
Hillsboro Ice and Coal Company	35,617		Ice	Ohio		
La Porte Gas and Electric Company	3,818,967		Elec.- Gas- Heat	Indiana		
Madison Gas and Electric Company	13,025,736		Electric- Gas	Wisconsin		
Mason City and Clear Lake Railroad Company	919,744		Railway- Bus	Iowa		
Mason City Brick and Tile Company	1,049,004		Brick and Tile	Iowa		
Michigan Consolidated Gas Company	104,650,333		Gas	Michigan		
Milwaukee Gas Light Company	34,150,113		Gas	Wisconsin		
Milwaukee Solvay Coke Company	13,244,248		Coke	Wisconsin		
United Public Utilities Corporation		2,993,447			3568	3- 4-42
Fort Smith Gas Company	1,811,592		Gas	Arkansas		
Louisiana Ice Service, Inc.	1,090,721		Ice	Louisiana		
Southern Gas Producing Company	30,834		Gas Production	Arkansas		
Utilities Stock & Bond Corporation		5,536,267			3863	10-20-42
Empire Southern Gas Company	2,539,936		Gas	Texas-La.-Ark.		
Louisiana Ice & Electric Company	2,997,231		Elec.- Water- Ice Mfg.	Louisiana		
Total Properties Subject to Divestment		\$3,368,440,856				

\* Corporate assets only. Since these assets are largely investments in subsidiary companies, they are excluded from the aggregate amounts ordered divested.

\*\* Corporate assets less investment in subsidiary companies whose assets are listed separately.

✓ Assets as of December 31, 1941.

Table 18 - PUBLIC UTILITY HOLDING COMPANIES SUBJECT TO DISSOLUTION OR LIQUIDATION UNDER SECTION 11(b)(2) ORDERS OUTSTANDING AS OF NOVEMBER 15, 1943, TOGETHER WITH THE SUBSIDIARIES WHICH WILL BE DIVESTED THROUGH THE CARRYING OUT OF SUCH ORDERS 1/

System Company	Total Assets as of December 31, 1942		Nature of Business	State of Operation	Holding Company Act Release Number	Date of Order
	Individual Companies	System Totals				
American Power & Light Company	\$ 272,986,486*	\$866,358,447	Holding Company	-	3750	8-22-42
Big Bend Transit Company	524,234		Inactive	-		
Central Arizona Light and Power Company	18,095,727		Electric- Gas	Arizona		
Florida Power & Light Company	140,922,889		Electric- Gas	Florida		
Consumers Water Company	1,179,993		Water	Florida		
Kansas Gas and Electric Company	43,022,151		Electric	Kansas		
Minnesota Power & Light Company	85,562,391		Electric- Heating	Min.-Wisconsin		
Montana Power Company, The	150,662,198**		Elec.- Gas- Heat- Water	Montana		
Glacier Production Company	10,537,318		Gas (Wholesale)- Oil	Montana		
Inland Empire Refineries, Inc.	2,614,070		Oil refining	Montana		
Moen-Leisk Industries, Inc.	207,591		Petroleum	Montana		
Chief Petroleum Company, Inc.	96,395		Petroleum	Montana		
Great Falls Townsite Company	1,959,067		Real estate	Montana		
Nebraska Power Company	444,131,174		Electric	Nebraska-Iowa		
New Mexico Electric Service Company	1,780,726		Electric	New Mexico		
Northern Power Company 2/	739,302		Electric	Wisconsin		
Northwestern Electric Company	23,644,993		Electric- Heat	Oregon-Washington		
Pacific Power & Light Company	48,958,544		Elec.- Water- Ht.- Holding Co.	Washington-Oregon		
R. S. & C., Tr. Co., Inc.	N. A.		Irrigation	Washington		
Pike Rapids Power Company, The	52,079		Inactive	-		
Portland Gas & Coke Company	26,217,474		Gas	Oregon-Washington		
Superior Water, Light and Power Company	6,753,769		Elec.- Gas- Water	Wisconsin		
Texas Electric Service Company	84,597,054		Electric	Texas		
Texas Power & Light Company	89,896,140		Electric	Texas		
Texas Public Utilities Corporation	3,232,706		Elec.- Ice- Water	Texas		
Topeka Land Company	324,308		Inactive	-		
Utilities Land Company	1,320,648		Real Estate	Florida		
Washington Irrigation & Development Company	346,135		Inactive	-		
Columbia Highlands Company	123,508		Inactive	-		
Limestone Company, The	123,004		Inactive	-		
Washington Water Power Company, The	76,846,728**		Electric- Water- Heat	Washington-Idaho		
Chelan Valley Credit Corporation	N. A.		Financing Fruit	Washington		
Spokane United Railways	1,835,381		Transportation	Washington		
American States Utilities Corporation	4,003,521*	13,465,765	Holding Company	-	4230	4-9-43
Edison Sault Electric Company	3,072,967		Electric	Michigan		
Southern California Water Company	10,392,798		Electric- Water	California		
Electric Power & Light Corporation	193,646,135*	745,364,314	Holding Company	-	3750	8-22-42
Arkansas Power & Light Company	71,177,442**		Electric- Gas- Heat	Arkansas		
Capital Transportation Company	734,537		Transportation	Arkansas		
White River Power Company	1,311,993		Hydro-heat	Arkansas		
Dallas Power & Light Company	39,407,325		Electric	Texas		
Dallas Railway & Terminal Company	44,709,335		Transportation	Texas		
Gentilly Development Company, Inc.	1,454,234		Real Estate	Louisiana		
Louisiana Power & Light Company	43,785,277		Elec.- Gas- Transp.	Louisiana		
Mississippi Power & Light Company	39,325,842		Elec.- Gas- Water	Mississippi		
New Orleans Public Service, Inc.	80,639,307		Elec.- Gas- Transp.	Louisiana		
United Gas Corporation	39,706,251**		Gas- Holding Company	La.-Miss.-Texas		
Compania Mexicana de Gas, S. A.	3,262,314		Gas (Wholesale)	Mexico		
Duval Texas Sulphur Company	4,100,463		Sulphur	Texas		
Houston Gas Securities Company	5,881,767		Inactive	-		
Union Producing Company	116,717,594		Gas (Wholesale)- Oil	Texas-La.-Miss.		
United Gas Pipe Line Company	141,052,832**		Gas (Wholesale)- Gasoline	Texas-La.-Miss.- Ala.- Fla.		
Houston Gulf Gas Company	19,175,096		Gas (Wholesale)- Oil	Texas		
United Oil Pipe Line Company	1,880,847		Oil Transmission	La.- Texas- Miss.		
Utah Power & Light Company	91,729,100**		Elec.- Ht.- Holding Co.	Utah-Idaho-Wyo.		
Utah Light and Traction Company	20,168,149		Transp.- Elec. Facilities (Leased)	Utah		
Western Colorado Power Company, The	9,444,619		Electric	Colorado		
Great Lakes Utilities Company 2a/	872,511*	1,894,636	Holding Company	-	3419	3-31-42
Ohio Gas, Light & Coke Company, The	1,332,721		Gas	Ohio		
Parxon Gas Company	283,398		Gas	Illinois		
Rochelle Gas Company	278,517		Gas	Illinois		
International Hydro-Electric System	86,252,273*	184,036,991	Holding Company	-	3679	7-21-42
Gatineau Power Company	147,112,607**		Electric- Holding Company	Canada		
Gatineau Electric Light Company, Ltd.	1,292,661		Electric	Canada		
Gatineau Transmission Company	1,219,794		Electric Transmission	Canada		
Saint John River Storage Company	853,793		Water Storage	Canada		
Gatineau Bus Company, Ltd.	214,837		Transportation	Canada		
Saint John River Power Company	1,400		Inactive	-		
Ottawa River Development Company	39,566		Inactive	-		
Saint John Realty Company	441,000		Inactive	-		
Corinth Electric Light & Power Company	120,201		Electric	New York		
Hudson River Power Corporation	27,623,812		Electric- Real Estate	N.Y.-N.H.-Maine		
System Properties, Inc.	4,894,852**		Electric- Real Estate	New York-Maine		
Indian River Company, The	143,186		Water Storage	New York		
Ran Island Power Company	100		Inactive	-		
Winnipeg Lake Cotton & Woolen Mfg. Co.	81,182		Water Storage	New Hampshire		
International Utilities Corporation	13,669,811*	59,519,752	Holding Company	-	4270	4-27-43
Dominion Gas and Electric Company	11,549,489*		Holding Company	-		
Canadian Western Natural Gas, Light, Heat & Power Company, Ltd.	12,106,391 3/		Gas- Natural	Canada		
Vegreville Gas Utilities, Ltd.	11,413 2/		Inactive	-		
Canadian Utilities, Ltd.	5,722,406 2/		Electric	Canada		
Domata Petroleum, Ltd.	402,352 2/		Exploration	Canada		
Altoona Gas Exploration Company, Ltd.	165,096 2/		Exploration	Canada		
Northwestern Utilities, Ltd.	7,003,183 2/		Gas- Natural	Canada		
North West Fidelity Trust Company, Ltd.	115,616 2/		Investments	Canada		
General Water, Gas & Electric Company	10,092,429*		Holding Company	-		
Boise Water Corporation	1,525,229**		Water	Idaho		
Kellogg Power and Water Company	190,850		Water	Idaho		
Hatatorium Company	260,043		Hot Water	Idaho		
California Water Service Company	19,617,339		Water	California		
Capital City Water Co.	1,105,070		Water	Missouri		

Table 18.- (Continued) - PUBLIC UTILITY HOLDING COMPANIES SUBJECT TO DISSOLUTION OR LIQUIDATION UNDER SECTION 11(b)(2) ORDERS OUTSTANDING AS OF NOVEMBER 15, 1943, TOGETHER WITH THE SUBSIDIARIES WHICH WILL BE INVESTED THROUGH THE CARRYING OUT OF SUCH ORDERS <sup>1/</sup>

System Company	Total Assets as of December 31, 1942		Nature of Business	State of Operation	Holding Company Act Release Number	Date of Order
	Individual Companies	System Totals				
International Utilities Corporation						
General Water, Gas & Electric Company (Cont'd.)						
Presport Water Company	\$ 370,267		Water	Pennsylvania		
Indiana Water Works Company	182,850		Water	Indiana		
Jersey Shore Water Company	621,611		Water	Pennsylvania		
Lloydell Water Company	162,135		Water	Pennsylvania		
Rockland Gas Company, Inc.	1,182,067		Gas	New York		
San Jose Water Works	7,028,616		Water	California		
Walnut Electric & Gas Corporation	191,002*		Holding Company	-		
Oklahoma Electric & Water Company	798,766		Electric	Oklahoma		
Winchester Water Works Company	618,116		Water	Kentucky		
National Power & Light Company	125,728,250*	126,565,016	Holding Company	-	2962	8-23-41
Birmingham Electric Company	35,565,653		Elec.- Transp.- Heat	Alabama		
Carolina Power & Light Company	91,400,375		Elec.- Transp.	N.C.-S.C.		
Capitan Corporation	67,855		Real Estate	Tennessee		
Easton Transit Company	662,065		Leases Transp.	Pennsylvania		
Eastern and South Bethlehem Transportation Co.	53,470		Transportation	Pennsylvania		
Freemansburg Land Company, The	10,365		Real Estate	Pennsylvania		
Edison Illuminating Company of Easton, The	145,305		Leases electric property	Pennsylvania		
Lehigh Valley Transit Company	19,757,301**		Electric- Transp.	Pennsylvania		
Allentown Bridge Company	577,869		Toll Bridge	Pennsylvania		
Lehigh Valley Realty Company	25,118		Real Estate	Pennsylvania		
Lehigh Valley Transportation Company	817,619		Transportation	Pennsylvania-N.J.		
Norristown Transit Company	208,310		Leases transportation	Pennsylvania		
Memphis Generating Company	5,186,902		Electric (Wholesale)	Tennessee		
Pennsylvania Power & Light Company	266,609,518**		Electric- Gas- Heat	Pennsylvania		
Hasle Township Water Company	36,161		Water	Pennsylvania		
Pennsylvania Realty & Investment Company	750,550**		Real Estate	Pennsylvania		
West Pittston-Easton Railroad Company	795,274		Rail Road	Pennsylvania		
Susquehanna Gas Company	1,312,383		Non-Operating	-		
Roanoke River Power Company	1,634,606		Devel. & Transm. Line	Virginia		
New England Public Service Company <sup>1/</sup>	16,680,816*	258,379,232	Holding Company	-	2737	5-2-41
Bucksport Water Company	184,136		Water	Maine		
Central Maine Power Company	119,289,665**		Electric- Gas	Maine		
Cumberland Securities Corporation	93,537		Real Estate Securities	Maine		
Kennebec Water Power Company	N. A.		Water Storage	Maine		
New England Pole and Treating Company	141,703		Pole treating - Sales	Maine		
Portland Railroad Company	5,766,030		Transportation	Maine		
Saborg Improvement Company	62,218		Stream Flow Control	Maine		
Skowhegan Water Power Company	271,520		Water Rights - Real Estate	Maine		
Central Vermont Public Service Corporation	16,156,133		Electric- Gas	Vt.- N.H.		
Nepaco Appliance Finance Corporation	392,141		Mutual Service Company	-		
Nepaco Services, Inc.	67,553		Subsidiary Service Company	-		
New England Industries, Inc.	18,809,772*		Holding Company	-		
Androsoggin Mills	4,117,874		Rayon Fabrics	Maine		
Bates Manufacturing Company	9,203,635		Cotton and Rayon Fabrics	Maine		
Bates Fabrics, Inc.	982,980		Selling Agent	-		
Edwards Manufacturing Company, The	4,594,721		Cotton Fabrics	Maine		
Hill Manufacturing Company	5,191,219		Cotton Fabrics	Maine		
Keyes Fibre Company	5,166,801		Molded Pulpwood Products	Maine		
Maine Seaboard Paper Company	16,034,998**		Newsprint	Maine		
Machias Log Driving Company	N. A.		Log Driving	Maine		
Mitchell Lumber Company, Ltd.	188,355		Timberlands	Canada		
Mopang Dam & Improvement Company	N. A.		Log Driving	Maine		
Wright Company, The	756,479		Selling Agent	-		
Union Water Power Company, The	746,559**		Water Storage	Maine		
Androsoggin Reservoir Company	1,021,164		Water Storage	Maine		
York Manufacturing Company	5,381,113		Cotton Fabrics	Maine		
Public Service Company of New Hampshire	16,918,907**		Electric- Gas- Transp.	N.H.-Vt.-Canada		
Amoskeag Industries, Inc.	N. A.		Real Estate	New Hampshire		
Herrinack Power Company	155,657		Undeveloped Water Power Sites	New Hampshire		
Pemacook Electric Light Company	66,130		Undeveloped Water Power Sites	New Hampshire		
Profile Falls Power Company	38,922		Undeveloped Water Power Sites	New Hampshire		
Properties, Inc.	43,275		Real Estate	New Hampshire		
Keene Development Company	N. A.		Real Estate	New Hampshire		
Sumpsea Dam Corporation	N. A.		Water Storage	New Hampshire		
Swans Falls Company	199,951		Electric Generation	New Hampshire		
Weare Improvement & Reservoir Association	N. A.		Water Storage	New Hampshire		
Salmon Falls Water Company	91,086		Water	New Hampshire		
Twin State Gas & Electric Company, The	14,153,087		Electric- Gas	Vt.-N.Y.-N.H.		
Missisquoi Syndicate	N. A.		Real Estate Management	N. A.		
North American Gas and Electric Company	265,519*	2,578,785	Holding Company	-	1092	2-3-43
Colonial Ice Company	2,187,109		Ice- Coal	North Carolina		
Loeb & Knass, Incorporated	91,376		Service Company	-		
North West Utilities Company (Middle West Corporation System)	1,516,873*	101,704,252	Holding Company	-	1652	9-10-43
Lake Superior District Power Company	15,519,391		Electric- Gas	Wis.-Mich.		
Northwestern Public Service Company	14,217,373		Electric- Gas- Heat	S.D.-Nebraska		
Wisconsin Power and Light Company	70,782,281**		Elec.- Gas- Wt.- Bus- Heat	Wisconsin-Iowa		
Beloit Water Power Company	81,861		Inactive	-		
South Beloit Water, Gas and Electric Co.	1,074,016		Electric- Gas- Water	Wisconsin-Illinois		
<b>Total Assets of Subsidiary Companies</b>		<b>\$2,659,869,190</b>				

\* Corporate assets only. Since these assets are largely investments in subsidiary companies, they are excluded from the system totals.  
 \*\* Corporate assets less investments in subsidiary companies whose assets are listed separately.

<sup>1/</sup> The following additional holding companies have been ordered to liquidate:

Holding Company	Corporate Assets December 31, 1942	Holding Co. Act Release No.	Date of Order
Community Gas and Power Company	\$ 78,701	1395	7-2-43
North American Light & Power Co.	19,047,336	3233	12-30-41
Standard Power and Light Corp.	138,056,831	3407	6-19-42
United Corporation	157,233,663	1478	8-11-43

The United Corporation was ordered to recapitalize on a one-stock basis and cease to be a holding company. The status of its present sub-holding companies will be separately determined.

This table excludes 117 name-saving subsidiaries and inactive subsidiaries having no assets.

<sup>2/</sup> Merged into Superior Water, Light and Power Company in April 1943.

<sup>2a/</sup> 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).

<sup>2/</sup> Amounts in Canadian currency.

<sup>1/</sup> 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.

Table 19.—Number of applications and declarations received and disposed of during the fiscal year ended June 30, 1943 under the Public Utility Holding Company Act of 1935

Section and description	Period	Number filed	Number approved	Number withdrawn or dismissed	Number denied	Number pending at close of fiscal year
Sections 2 and 3 Exemptions from provisions of the Act	To June 30, 1942	534*	115	306	40	43
	July 1, 1942 to June 30, 1943	24*	14	9	10	34
	Total	558*	159	315	50	
Sections 6 and 7 Issuance and sale of securities, alterations of rights, assumptions of liability	To June 30, 1942	932	742	95	12	83
	July 1, 1942 to June 30, 1943	120	107	17	1	78
	Total	1,052	849	112	13	
Section 10 Acquisition of securities or other assets	To June 30, 1942	685	480**	82	12	111
	July 1, 1942 to June 30, 1943	149	137**	20	0	103
	Total	834	617**	102	12	
Section 11(e) Plans for the simplification of registered holding companies or subsidiaries thereof	To June 30, 1942	66	22	11	2	31
	July 1, 1942 to June 30, 1943	27	10	3	0	45
	Total	93	32	14	2	
Sections 11(g) and 12(e) Reorganization and simplification	To June 30, 1942	87	39	23	5	20
	July 1, 1942 to June 30, 1943	18	15	5	1	17
	Total	105	54	28	6	
Section 12(b) and Rule U-45 Loans, extensions of credit, donations and capital contributions to associate companies	To June 30, 1942	71	48	2	2	19
	July 1, 1942 to June 30, 1943	47	41	5	0	20
	Total	118	89	7	2	
Section 12(e) and Rule U-46 Payment of dividends out of capital or unearned surplus	To June 30, 1942	89	65	2	5	17
	July 1, 1942 to June 30, 1943	37	34	4	0	16
	Total	126	99	6	5	
Section 12(e) and Rule U-42 Acquisition, retirement and redemption of securities by issuer	To June 30, 1942	359	263**	30	6	60
	July 1, 1942 to June 30, 1943	129	109**	12	1	67
	Total	488	372**	42	7	
Sections 12(d), 12(f) and Rules U-43, U-44 Sale of securities and utility assets	To June 30, 1942	605	428	49	11	117
	July 1, 1942 to June 30, 1943	234	182	22	0	147
	Total	839	610	71	11	
Section 13 Service company regulation	To June 30, 1942	65*	39**	7	1	18
	July 1, 1942 to June 30, 1943	8*	3**	1	0	22
	Total	73*	42**	8	1	

\* Number filed or reopened.

\*\* Number approved or exempted by rule.



Table 20.--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 Company Act of 1940 and the Investment Advisers Act of 1940

Types of cases	Total cases instituted prior to July 1, 1942	Total cases pending as of June 30, 1942	Total cases instituted during fiscal year ended June 30, 1943	Total cases pending during fiscal year ended June 30, 1943	Total cases instituted prior to July 1, 1943	Total cases closed prior to July 1, 1942	Total cases closed during fiscal year ended June 30, 1943	Total cases closed prior to July 1, 1943	Total cases pending as of June 30, 1943
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	397	10	28	38	425	387	23	410	15
Actions by Commission involving the enforcement of subpoenas pursuant to Securities Act and the Securities Exchange Act	34	0	4	4	38	34	2	36	2
Miscellaneous Proceedings brought by Commission	7 <sup>a/</sup>	0	2	2	9	7	0	7	2
Actions to carry out voluntary Plans to comply with Sec. 11(b) of the Holding Company Act	2 <sup>a/</sup>	1	3	4	5	1	1	2	3
<b>Total</b>	<b>440</b>	<b>11</b>	<b>37</b>	<b>48</b>	<b>477</b>	<b>429</b>	<b>26</b>	<b>455</b>	<b>22</b>

<sup>a/</sup> adjusted figure

Table 21.--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, 1942	Total cases pending as of June 30, 1942	Total cases instituted during fiscal year ended June 30, 1943	Total cases pending during fiscal year ended June 30, 1943	Total cases instituted prior to July 1, 1943	Total cases closed prior to July 1, 1942	Total cases closed during fiscal year ended June 30, 1943	Total cases closed prior to July 1, 1943	Total cases pending as of June 30, 1943
Actions to enjoin enforcement of Securities Act, Securities Exchange Act, and Public Utility Holding Company Act, with the exception of subpoenas issued by the Commission	67	2	0	2	67	65	2	67	0
Actions to enjoin enforcement of or compliance with subpoenas 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 Securities Act, Securities Exchange Act, and Public Utility Holding Company Act	70	16	19	35	89	56	21	75	14
Miscellaneous actions against Commission or officers of Commission	7	3	4	7	11	4	4	8	3
<b>Total</b>	<b>151</b>	<b>21</b>	<b>23</b>	<b>44</b>	<b>174</b>	<b>130</b>	<b>27</b>	<b>157</b>	<b>17</b>

Table 22.-Injunctive proceedings brought by the 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 or closed during the fiscal year ended June 30, 1943.

Principal defendants	Number of defendants	United States District Court	Initiating papers filed	Alleged violations	Status of case
Cooley, C. M., et al. (United Tung Oil Corp.)	2	Northern District of Florida	Feb. 20, 1943	Secs. 5 (a) (1) and (2) and 17 (a) (2) and (3) of 1933 Act	Final judgment by consent as to both defendants Mar. 2, 1943.
Ferguson, (Julian H.), Inc., et al.	6	Eastern District of Pennsylvania	Jan. 27, 1938	Secs. 5 (a) and (b) and 17 (a) of 1933 Act	Final judgment by consent, Jan. 27, 1938, against all defendants except J. H. Ferguson. Pending as to him.
Fiscal Fund, Inc.	1	Delaware	Dec. 18, 1942	Sec. 22 (a) of Investment Company Act of 1940	Permanent injunction and receiver appointed Jan. 12, 1943. Order directing final distribution of assets Oct. 28, 1943.
Gibson, (R. J.) & Co., et al.	2	Western District of Washington	June 4, 1943	Secs. 5 (a) (1) and (2) and 5 (b) (1) and (2) of 1933 Act	Final judgment by consent as to Jerry T. O'Brien June 4, 1943. Final judgment by consent as to E. J. Gibson & Co. June 9, 1943.
Guaranty Income Trust, et al.	2	Western District of Oklahoma	May 6, 1943	Secs. 17 (a) (2) and (3) of 1933 Act and Sec. 7 (b) of Investment Company Act of 1940	Final judgment by consent June 19, 1943.
Harlow Kays & Co., Inc. Idaho Power Company	1 1	Massachusetts Idaho	Jan. 26, 1943 Feb. 26, 1943	Sec. 17 (a) of 1934 Act Sec. 12 (h) (1) of 1935 Act	Final judgment by consent Mar. 15, 1943. Defendant's motion for a more definite statement or a bill of particulars filed June 15, 1943. Pending.
C. M. Joiner Leasing Corporation and C. M. Joiner	2	Northern District of Texas	Feb. 16, 1942	Secs. 5 (a) (1) and (2) and 17 (a) (2) and (3) of 1933 Act	Commission instituted action to enjoin defendants from selling unregistered securities in violation of Sec. 5 (a) of 1933 Act and from violating anti-fraud provisions of Secs. 17 (a) (2) and (3) of Act. On May 21, 1942 injunction was denied on ground that transactions involved did not constitute sales of a "security" within meaning of Sec. 2 (1) of 1933 Act, because the oil and gas leases here involved are not securities in the nature of investment contracts. Commission appealed to 5th Circuit which affirmed judgment on Feb. 1, 1943. Commission filed petition for certiorari on Mar. 15, 1943. Certiorari granted on Apr. 19, 1943. Pending in U. S. Supreme Court.
Lexington, (Norman) et al.	5	Southern District of Florida	Mar. 4, 1943	Secs. 5 (a) (1) and (2) and 17 (a) (1) and (2) of 1933 Act	Final consent judgment June 30, 1943 as to Norman Lexington and Tung Oil and Subsistence Farms, Inc. Case continued as to Charles v. Bailey, Julia Seton and Tung Grove Development Co.
Lexington Mining Company, et al.	2	Western District of Washington	June 4, 1943	Secs. 5 (a) (1) and (2) and 5 (b) (2) of 1933 Act.	Final judgment by consent June 4, 1943.
Labbe, Frances J.	1	Southern District of Illinois	Mar. 5, 1943	Secs. 17 (a) (2) and (3) of 1933 Act, Secs. 15 (c) (1) and 10 (b) of 1934 Act and Sec. 206 (2) of Investment Advisers Act of 1940.	Permanent consent injunction and order appointing receiver Mar. 15, 1943.
Meagher, (George E.), et al. (George Washington Memorial Park Cemetery Association)	9	New Jersey	Mar. 18, 1942	Sec. 5 (a) of 1933 Act	Final judgment by consent as to 8 defendants, April 8, 1942. Pending as to Cemetery Sales, Inc.
Monjar, (Hugh B.), et al.	6	Massachusetts	Feb. 27, 1942	Sec. 5 (a) of 1933 Act	Bill of particulars filed Apr. 2, 1942. Joint answer of defendants filed Apr. 11, 1942. Case taken off the pre-trial list, Dec. 22, 1942, pending disposition of criminal case. (See Table 23 for criminal proceedings.)
Moonan, James W. Parker, Clark W.	1 1	Massachusetts Southern District of New York	Jan. 26, 1943 May 7, 1943	Sec. 17 (a) of 1934 Act Secs. 5 (a) and 17 (a) of 1933 Act.	Final judgment by consent, Jan. 26, 1943. Final judgment by consent May 8, 1943.
The Parker Methods, Inc., et al.	13	Western District of Louisiana	May 14, 1941	Secs. 5 (a) (1) and (2) and 17 (a) (1), (2) and (3) of 1933 Act	Final judgment Dec. 8, 1941 against defendants except Joseph E. Parker whose trial on the merits began June 23, 1942. Final judgment as to Joseph E. Parker, Aug. 26, 1942 enjoining violations of Secs. 5 (a) and 17 (a) (1), (2) and (3) of 1933 Act.
Parquay Royalty Company, Inc., et al.	5	New Mexico	Nov. 5, 1942	Secs. 5 (a) (2) and 17 (a) (1), (2) and (3) of 1933 Act	Order Nov. 16, 1942 dismissing first 2 counts of complaint (violations of Sec. 5 (a) (2)) on motion of Commission. Final judgment by consent as to all defendants enjoining violations of Secs. 17 (a) (1), (2) and (3) of 1933 Act.
Plumbe, Richard E. Smith, (Levan Grant), et al.	1 2	Colorado Southern District of New York	Nov. 12, 1942 Sept. 9, 1942	Sec. 5 (a) (1) of 1933 Act Sec. 17 (a) of 1933 Act	Final judgment by consent Mar. 8, 1943. Final judgment by consent Sept. 9, 1942.
Stamm, Paul	1	Southern District of New York	Jan. 23, 1943	Secs. 9 (a) (1) (B) and (C) and 9 (a) (2) of 1934 Act	Final judgment by consent Jan. 25, 1943.

Table 22.—Injunctive proceedings brought by the 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 or closed during the fiscal year ended June 30, 1943.—Continued

Principal defendants	Number of defendants	United States District Court	Initiating papers filed	Alleged violations	Status of case
Southwest Reserve Mutual Life Insurance Company, et al.	12	Eastern District of Texas	May 6, 1942	Sec. 17 (a) of 1933 Act	Complaint dismissed Mar. 6, 1943 as to 4 defendants for the reason that the United States Marshal was unable to serve processes on them. Final judgment Apr. 6, 1943 as to remaining 8 defendants, including two corporate defendants.
Nature Food Centers, Inc., et al.	3	Massachusetts	May 27, 1942	Secs. 5 (a) and 17 (a) of 1933 Act	Final judgment by consent Sept. 22, 1942.
Nelson, Roy E.	1	Western District of Washington	June 7, 1943	Secs. 5 (a) (1) and (2) and 5 (b) (1) and (2) of 1933 Act	Final judgment by consent June 7, 1943.
Ocean Crab Pot Operators, Inc., et al.	2	Western District of Washington	May 1, 1943	Secs. 5 (a) (1) and (2) of 1933 Act.	Final judgment by consent as to W. R. Frenzel May 1, 1943 and final judgment by consent as to Ocean Crab Pot Operators, Inc. June 2, 1943.
Samuel Okin	1	Southern District of New York	Nov. 18, 1942	Sec. 12 (e) of 1935 Act	On Nov. 9, 1942 Okin, a stockholder of Electric Bond and Share Co., filed with Commission a proposed letter and form of proxy addressed to stockholders. Commission filed complaint charging that November letter contained false and misleading statements and otherwise violated proxy rules and asked for injunction against mailing of this letter containing similar misstatements. On Jan. 7, 1943 the Court entered preliminary injunction which in part prohibited circulation of specified types of false and misleading statements. Okin appealed to Second Circuit Court. On Jan. 11, 1943 he filed with Commission proxy soliciting material and mailed it to stockholders. This letter was held by District Court on Mar. 1, 1943 to violate preliminary injunction, and hence a contempt of court. Okin appealed. On May 12, 1943, final judgment was entered in favor of Commission, from which Okin appealed. Pending in Second Circuit Court. On Sept. 24, 1942 Okin, a stockholder of Electric Bond and Share Co., 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 (3) of 1935 Act. Commission appealed to Second Circuit Court. Jan. 1, 1943. Reversed on ground that letter is subject to proxy rules and contains false and misleading statements. Final judgment by consent July 3, 1942.
Samuel Okin	1	Southern District of New York	Oct. 2, 1942	Sec. 12 (e) of 1935 Act	Final judgment by consent July 3, 1942.
Salt Brothers, Inc.	1	Northern District of Indiana	July 3, 1942	Sec. 15 (a) of 1934 Act	Final judgment by consent Dec. 3, 1942
Winkel, B. V.	1	Northern District of California	Dec. 3, 1942	Sec. 5 (a) of 1933 Act	
Timetrust, Inc., et al.	8	Northern District of California	Apr. 5, 1939	Secs. 17 (a) (1) and (2) of 1933 Act	Action to enjoin defendants from violating Sec. 17 (a) of 1933 Act. Complaint alleged that object of Timetrust, organized and operated by other defendants, was to aid in sale of Bank of America stock owned by Transamerica, that device and scheme to defraud was employed by defendants and that false statements were made. On Jan. 17, 1942, District Court granted permanent injunction. On Appeal, the Ninth Circuit Court on July 31, 1942 remanded case to trial court for specific finding of fact as to whether or not defendants devised fraudulent scheme such as is denounced by the statute. On Oct. 24, 1942, trial court returned its Additional Finding of Fact in which it found that all of the defendants employed Timetrust as a device, scheme and artifice to defraud. Supplemental briefs were filed. Argument in Ninth Circuit Court scheduled for May 25, 1943. Pending. Final judgment by consent as to all defendants Nov. 19, 1942.
Underwriters Group Incorporated, et al.	7	Southern District of New York	Oct. 26, 1942	Sec. 15 (a) of 1934 Act	Motion for temporary restraining order filed Mar. 17, 1943. Argument had same date. Answer of The United Corporation, John J. Burns, George L. Burr and George H. Howard filed in April 1943.
The United Corporation, et al.	8	Delaware	Mar. 17, 1943	Secs. 14 (a) of 1934 Act and 12 (e) of 1935 Act	

Table 22.—Injunctive proceedings brought by the 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 or closed during the fiscal year ended June 30, 1943.—Continued

Principal defendants	Number of defendants	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, 1943	Secs. 36 and 44 of 1940 Act	Temporary restraining order and order designating trustee Sept. 9, 1942; order Oct. 1, 1942 continued temporary restraining order; answer filed by trustee in bankruptcy Nov. 1942; stipulation Jan. 8, 1943 agreed that cause set for trial Jan. 11, 1943 be continued generally.
Universal Aircraft Corporation, et al.	4	Western District of Washington	May 1, 1941	Secs. 5 (a) (1) and (2) of 1933 Act	Final judgment by consent May 8, 1941 as to 3 defendants. Pending as to R. H. Goodwin.
Victory Petroleum, Inc., et al.	4	Eastern District of Oklahoma	Oct. 13, 1942	Secs. 5 (a) (1) and (2) and 17 (a) (1), (2) and (3) of 1933 Act	Final judgment by consent as to Victory Petroleum, Inc., J. L. Dahl and M. L. Dahl, Oct. 13, 1942. Final judgment by consent as to R. L. Shoemaker, Oct. 23, 1942.
Wight, (John), et al. (Montakota Development Company)	11	Montana	Dec. 16, 1941	Secs. 5 (a) (1) and (2) and 17 (a) of 1933 Act	Preliminary injunction and findings of fact and conclusions of law against all defendants, Mar. 6, 1943.
Woodman, Edwin Paul d.b.a. (Woodman & Company)	1	Massachusetts	Feb. 23, 1943	Secs. 17 (a) (2) and (3) of 1933 Act and Secs. 15 (c) (1) and 10 (b) of 1934 Act	Preliminary injunction Feb. 23, 1943 and decree April 7, 1943 appointing a permanent receiver.
Columbia Oil & Gasoline Corp., In Re		Delaware No. 280	Dec. 8, 1942	Application of Commission under Sec. 11 (d) of 1935 Act to enforce compliance with Commission's orders of Mar. 31, 1942, and Oct. 2, 1942, and for injunctive relief.	Temporary restraining order Dec. 8, 1942. Preliminary injunction issued Dec. 15, 1942, restraining all persons from interfering with the provisions of the orders.
Standard Power and Light Corp., In Re		Delaware	Oct. 8, 1942	Application under Secs. 11 (d), 18 (f) and 25 of 1935 Act to enforce compliance with order requiring liquidation issued under Sec. 11 (b) of 1935 Act and to enjoin interference with the enforcement of the order under the Holding Company Act.	Opinion rendered Jan. 22, 1943 enjoining interference by the intervener, Irma W. Jackson, and refusing the intervener's request that Court take possession of assets and appoint a trustee or receiver.

Table 23.—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, 1943

1 Name of case	Number of de- fendants	United States District Court	Indictment returned	Charges	Status of case
U. S. v. Robert E. Knox, et al. (Surety Investment and Finance Company, Inc.)	74	Southern District of New York	Sept. 30, 1938	Sec. 338, Title 18, U. S. C., and conspiracy to violate this statute.	Convictions obtained as to 52 defendants; indictment dismissed as to 5; nolle prossed as to 2; and 2 defendants were acquitted; the indictment is pending as to 13 defendants. Notice of appeal filed Mar. 16, 1942 from judgment entered Mar. 8, 1942 against Joseph Cohen, of 7 years, \$5,000 fine, and 3 years' probation thereafter.
U. S. v. Henry L. Baker	1	Southern District of California	Mar. 25, 1939	Secs. 17 (a) (1) and (3) of 1933 Act and Sec. 338, Title 18, U.S.C.	Baker has not been apprehended. Pending.
U. S. v. Frederick E. Beckmeier, et al. (Sontenal Corporation)	6	Southern District of Ohio	Feb. 2, 1942	Sec. 17 (a) of 1933 Act, Sec. 338, Title 18, U.S.C.	Beckmeier pleaded guilty on Apr. 28, 1942. After trial, other defendants were found guilty as to certain counts. Sentences were imposed as follows: Scheffel, Malison and May each to serve a total imprisonment of 5 years with probation for 5 years; Aecker, 3 years' imprisonment, probation for 5 years; Woolums, 18 months' imprisonment, probation for 5 years. Beckmeier died before sentence was imposed. The remaining defendants have filed notice of appeal. Bill of exceptions and assignment of errors filed in October 1942. Pending.
U. S. v. Charles Beaden, et al.	2	Massachusetts	Oct. 16, 1941	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C. and conspiracy to violate these statutes.	Defendants apprehended. Pending.
U. S. v. Charles R. Beall, et al. (Carolina Industrial Securities Corporation)	4	Eastern District of South Carolina	Mar. 17, 1942	Sec. 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C., and con- spiracy to violate these statutes.	Trial began Nov. 4, 1942. Langley pleaded nolo contendere and was sentenced Nov. 16, 1942 to 4 years; execution of sentence suspended. Langley was also fined \$2,000. Charles R. Beall and C. R. Beall & Co., Inc., were found guilty. Beall was sentenced to 4 years and C. R. Beall & Co., Inc. was fined \$12,000. The indictment was nolle prossed as to Carolina Industrial Secur- ties Corporation.
U. S. v. E. Leroy Blessing, et al. (Albatross Gold Mines, Inc.)	9	Western District of New York	Nov. 2, 1940	Sec. 338, Title 18, U.S.C.	Blessing pleaded guilty Apr. 7, 1941; sentenced to 2 years' imprisonment. Walker has been apprehended. Reed has not been apprehended. Pending.
U. S. v. A. B. Block (National Automobile Venders)	1	Northern District of Texas	Feb. 2, 1943	Sec. 17 (a) (1) of 1933 Act, Sec. 338, Title 18, U.S.C.	June 14, 1943 Block pleaded guilty and was sentenced to 2 years to be served in addition to a 3-year sentence imposed in another case.
U. S. v. Ray O. Braden, et al. (Braden, Piggott and Company)	2	Northern District of West Virginia	Nov. 19, 1941	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	On July 9, 1942, Braden and Piggott pleaded guilty and each defendant was sen- tenced to serve 4 years. The Court imposed probation of 5 years as to each defendant to begin at termination of their sentences.
U. S. v. Spencer Brainard, et al. (Tri-Chemical Corporation)	3	Southern District of New York	Mar. 27, 1942	Secs. 17 (a) (1) and (2) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	In March 1943, Koota and Schreiber pleaded guilty and were sentenced to 1 year and 1 day, each. On May 3, 1943, these sentences were suspended and each defendant was placed on probation for 2 years. Brainard was found guilty on April 30, 1943 and was sentenced to 18 months.
U. S. v. Edmund E. Bronson, et al. (Bagdad Copper Corporation)	8	Southern District of New York	Mar. 8, 1939	Secs. 5 (a) (1) and (2) and 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Severance was granted as to Thomas. Indictment dismissed as to Hart. On May 13, 1943 the following defendants were found guilty: Bronson, Ward, Phillips, Coronado Development Corporation, Wetherbee Process Corporation. Sentences were as follows: Bronson 18 months, fined \$5,000. Bronson has appealed. Phillips and Ward 18 months each; \$1,000 each; Wetherbee Process Corporation fined \$13.00 (corporation no longer in existence); Coronado Development Corporation fined \$5,009.
U. S. v. Archie H. Carpenter, et al.	4	Southern District of New York	Mar. 6, 1942	Sec. 17 (a) (1) of 1933 Act, Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Carpenter pleaded guilty to all counts of first indictment on Mar. 6, 1942. Sentence postponed indefinitely. Other three defendants found not guilty after trial. Second indictment was nolle prossed as to 4 defendants, Mar. 22, 1943; it is still pending as to Carpenter.
	5	do	Apr. 6, 1942	Sec. 338, Title 18, U.S.C., and conspiracy to violate Sec. 17 (a) of 1933 Act, and Sec. 338, Title 18, U.S.C.	
U. S. v. James H. Collins, et al. (Union Associated Mines Company)	5	Southern District of California	Feb. 4, 1942	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Pending.
U. S. v. William R. Corey, et al.	2	Rhode Island	Sept. 19, 1941	Secs. 17 (a) (1) and (2) of 1933 Act, and conspiracy to violate this statute.	Demurrer of Peterson overruled Apr. 1, 1942. Pending.
	2	do	do	Sec. 338, Title 18, U.S.C., and conspiracy to violate this statute.	
U. S. v. Otto B. Dagg, et al. (Dagg & Company, Inc.)	5	Western District of Washington	June 29, 1942	Secs. 17 (a) (1) and (3) of 1933 Act, and Sec. 338, U.S.C., and conspiracy to violate these statutes.	Defendants apprehended. Pending.

1 Parenthetical reference is to name under which investigation was carried prior to indictment.

Table 23.—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, 1943—Continued

1 Name of case	Number of defendants	United States District Court	Indictment returned	Charges	Status of case
U. S. v. Jacob Harris Danner, et al. (Trinidad International Petroleum, Ltd.)	6	Southern District of California	Dec. 30, 1941	Secs. 5 (a) (2) and 17 (a) (1) of 1933 Act, Sec. 338, Title 18, U.S.C., and conspiracy to violate those statutes.	Pending.
U. S. v. Morris Davidow, et al. (McLean Company)	2	Eastern District of Pennsylvania	Aug. 28, 1940	Sec. 17 (a) (1) and (2) of 1933 Act, and Sec. 338, Title 18, U.S.C.	On Mar. 16, 1942, Davidow was found guilty and was sentenced to serve 2 years' imprisonment. Case pending as to Melhuish.
U. S. v. G. Franklin Davis, et al. (Universal Service Association, Inc. and Universal Order of Plenostrate, et al.)	6	Northern District of Illinois	May 1, 1940	Secs. 5 (a) (2) and 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	After trial, the following defendants were found guilty and sentenced as follows: G. Franklin Davis, 1 year and 1 day; Claude H. Carter, probation for 3 years; Fred E. Bennett, 2 years; and Charles E. Oldenburg, 1 year and 1 day. Justus Chancellor was found not guilty. Indictment was dismissed as to Danner, deceased. Oldenburg appealed and on May 18, 1943 the CCA-7 affirmed the judgment as to Oldenburg.
U. S. v. Victor deVilliers, et al. (Mineral Mining Company)	11	Northern District of Illinois	July 22, 1938	Secs. 5 (a) and 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Upon the motion of U.S. Attorney the indictment was nolle prossed on Oct. 8, 1942, as to all defendants.
U. S. v. Gabriel Dias, et al. (Plaquemine Land Company)	13	Eastern District of Louisiana	Sept. 4, 1942	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Case awaiting trial.
U. S. v. Amos Downs, et al. (Humbolt Consolidated Mining Company)	3	Colorado	Nov. 6, 1942	Sec. 338, Title 18, U.S.C. and conspiracy to violate this statute.	After trial, defendants were all found guilty and sentenced as follows: Amos Downs, 2 years, J. B. Hemri, 1 year, which sentence was subsequently changed to 2 years probation, and \$2,500 fine; G. A. Hawley, 18 months. On Feb. 3, 1943, judgment as to Hawley affirmed by CCA-10.
U. S. v. Hiram E. Edwards, et al. (Edwards Petroleum Company)	2	Western District of Oklahoma	Nov. 15, 1938	Secs. 5 (a) (1) and (2) and 17 (a) (1) and (2) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate Secs. 5 (a) and 17 (a) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Indictment dismissed as to Binger on Jan. 29, 1940. Edwards was found guilty on Jan. 29, 1940, upon his plea of nolo contendere and was sentenced to serve 3 years. He appealed from this judgment and on June 29, 1940, the judgment was affirmed by CCA-10. On Mar. 3, 1941, the United States Supreme Court reversed the judgment. On Sept. 25, 1941, the second trial as to Edwards opened and in October 1941, Edwards was found guilty on certain counts and sentenced to serve 5 years. On Oct. 28, 1942, judgment as to Edwards imposed under the second trial was affirmed by CCA-10. On Dec. 8, 1942, petition for writ of certiorari was denied. Case set over until October 1943 term of Court.
U. S. v. Clifton M. Hisele, et al. (Southeastern Industrial Bankers, Inc.)	7	District of Columbia	Nov. 10, 1942	Sec. 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Trial set for Oct. 6, 1943.
U. S. v. John J. Eagle, et al. (Continental Finance Corporation)	5	Eastern District of New York	Jan. 5, 1943	Sec. 17 (a) (1) and (2) of 1933 Act and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Pleas of guilty entered by 11 defendants. Indictment dismissed as to 1 defendant. Sentences ranged from 18 months, suspended sentence, to 10 years; and fines ranged from \$500 to \$10,000.
U. S. v. John Factor, et al. (United Bottling and Distributing Company)	12	Northern District of Iowa	Aug. 21, 1942	Sec. 338, Title 18, U.S.C., and conspiracy to violate this statute.	Clarke, Godfrey and Feinberg were found guilty by jury on 6 counts charging violation of Sec. 338, Title 18, U.S.C., and on the conspiracy count, but were acquitted on the count charging violation of Sec. 17 (a) (1) of the 1933 Act. The indictment was nolle prossed as to Prandargast-Davies Company, Ltd.
U. S. v. Irving Feinberg, et al. (American Beverage Corporation)	4	Eastern District of New York	Nov. 19, 1941	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Feinberg was sentenced to serve 1 year and 6 months; Godfrey 90 days, Clarke 90 days and each of these 3 defendants was fined \$1,000. The defendants have appealed and have been granted an extension of time to Sept. 1, 1943 to file the record and the assignment of errors.
U. S. v. Fidelity Investment Association, et al.	18	Eastern District of Michigan	Dec. 1, 1941	Sec. 17 (a) (1) of 1933 Act, Sec. 338, Title 18, U.S.C.; and conspiracy to violate these statutes.	Five defendants apprehended. Carmi A. Thompson deceased June 22, 1942. Pending.
U. S. v. John Woolcott Forbes, et al. (A. E. Dawson, et al.)	2	Southern District of New York	Dec. 4, 1942	Sec. 15 (a) of 1934 Act.	Forbes and Dawson pleaded guilty to all counts of both indictments on March 1, 1943, and were sentenced to serve 5 years and 4 years respectively.
	5	do	do	Sec. 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	
U. S. v. Mark A. Freeman, et al. (Consolidated Associates, Inc.)	13	Northern District of Illinois	Feb. 26, 1943	Sec. 338, Title 18, U.S.C. and conspiracy to violate this statute.	All defendants apprehended. Pending.
U. S. v. Philip A. Freer, et al. (Pidlax Incorporated)	3	District of Columbia	Sept. 11, 1942	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Demurrer to indictment filed on behalf of Freer and Bouton; motion to strike filed on behalf of Mitchell. Hearing date not set. Pending.

1 Parenthetical reference is to name under which investigation was carried prior to indictment.

Table 23.—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, 1943—Continued

1 Name of case	Number of defendants	United States District Court	Indictment returned	Charges	Status of case
U. S. v. Gordon A. Gants (G. A. Gants & Company)	1	Eastern District of Missouri	Jan. 17, 1941	Sec. 17 (a) (1) of the 1933 Act, and Sec. 338, Title 18, U.S.C.	Gants found guilty June 20, 1941, as to certain counts charging 17 (a) (1) violations and mail fraud and was sentenced to serve four years. On April 28, 1942, OCA-8 affirmed judgment of District Court. On Oct. 12, 1942, petition for writ of certiorari denied by U.S. Supreme Court. Application for probation denied in November, 1942.
U. S. v. Louis C. George, et al. (Automatic Products Corporation)	3	Southern District of New York	Apr. 30, 1940	Secs. 9 (a) (1) (B) and (C) and 9 (a) (2) of 1934 Act; Sec. 338, Title 18, U.S.C.; and conspiracy to violate these statutes.	Louis C. George was sentenced in 1941 upon his plea of guilty. Case awaiting trial as to Isaacs and Kirby.
U. S. v. E. L. Gibbons, et al. (The Republic Corporation)	2	Utah	Mar. 27, 1943	Sec. 338, Title 18, U.S.C.	E. L. Gibbons was found guilty on May 10, 1943, and was sentenced to serve 3 years. Ruth Gibbons acquitted.
U. S. v. Mark L. Gilbert, et al.	4	Southern District of Ohio	Apr. 8, 1942	Secs. 5 (a) and 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C. and conspiracy to violate Sec. 17 (a) (1) and Sec. 338, Title 18, U.S.C.	Beck and Sinter and West pleaded guilty in June of 1942, and were sentenced to serve 2 years, 1 year and 1 day, and 2 years, respectively. On Jan. 29, 1943, Gilbert was sentenced 1 year and 1 day upon his plea of guilty.
U. S. v. Hector Gomez, et al. (Kinas Del Plazo, S. A.)	4	Southern District of New York	June 18, 1941	Secs. 5 (a) (1) and 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C.; and conspiracy to violate these statutes.	Robinson and Gomez were sentenced July 14, 1941, upon their pleas of guilty, to serve 9 months and 15 months respectively. The 2 remaining defendants have not been apprehended.
U. S. v. Henry R. Gomer (Record Publishing Company)	1	Northern District of Iowa	Jan. 15, 1943	Secs. 5 (a) and 17 (a) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Gomer pleaded guilty Jan. 16, 1943, and was placed on probation for 5 years on condition that he make restitution.
U. S. v. George L. Green, et al.	2	Kansas	May 2, 1942	Sec. 17 (a) of 1933 Act and conspiracy to violate this statute.	On Dec. 7, 1942 each defendant pleaded guilty; on Apr. 12, 1943 a sentence of 3 years imprisonment and 2 years probation was imposed as to George L. Green; Donald L. Green was sentenced to 3 years. Sentence suspended and this defendant was placed on probation for 3 years on count one and for 2 years on remaining counts, consecutive thereto.
U. S. v. W. G. Hallon	1	Kansas	Nov. 3, 1942	Secs. 17 (a) (1), (2) and (3) of 1933 Act, and Sec. 5 (a) (1) of 1933 Act; Sec. 15 (a) of 1934 Act, and Sec. 338, Title 18, U.S.C.	Hallon pleaded guilty on June 1, 1943 and was sentenced to serve 5 years. Execution of sentence suspended.
U. S. v. Edgar G. Hamilton, et al. (Great States Life Insurance Co.)	2	Nevada	Apr. 8, 1942	Sec. 17 (a) (2) of 1933 Act, Sec. 338, Title 18, U.S.C. and conspiracy to violate these statutes.	Pending.
U. S. v. Earnest S. Hensberger	1	Western District of Oklahoma	July 8, 1941	Sec. 338, Title 18, U.S.C.	Hensberger found guilty on all counts Mar. 13, 1942, but imposition of sentence was deferred indefinitely.
U. S. v. Arnold E. Hession, et al. (Hession, et al.)	3	Southern District of New York	Feb. 1, 1943	Secs. 17 (a) (1) and (2) of 1933 Act; Sec. 338, Title 18, U.S.C. and conspiracy to violate these statutes.	Hession found guilty May 27, 1943. Arnold E. Hession and Sven Hession were acquitted. Hession was sentenced to one year and one day on counts 1 to 17 and to 3 years on counts 18 to 29. Execution of sentence of 3 years suspended and Hession placed on probation for 3 years. He filed notice of appeal on June 9, 1943.
U. S. v. C. M. Hargrove, et al. (Teachers Annuity Life Insurance Company)	3	Western District of Texas	May 4, 1942	Secs. 17 (a) (1) and (2) of 1933 Act; Sec. 338, Title 18, U.S.C. and conspiracy to violate these statutes.	All three defendants found guilty Jan. 19, 1943. Hargrove, the principal defendant, was sentenced to serve one year and fined \$5,000. Cavett and Leigh were sentenced to one year, each. Execution of sentence suspended as to each of these two defendants for 3 years. Hargrove filed notice of appeal. Pending.
U. S. v. Carey Judson Harper, et al. (St. Louis Oil Producing & Refining Company)	3	Eastern District of Missouri	June 29, 1942	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate Sec. 17 (a) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Trial began Mar. 22, 1943. Harper and Baumgart waived trial by jury. These 2 defendants were found guilty and were sentenced to serve 10 years and 2 years respectively. Rapier was found guilty upon his plea of nolo contendere and sentenced to serve 18 months, but on May 1, 1943, was placed on probation of 3 years. Harper and Baumgart have appealed.
U. S. v. John Harris	1	Maryland	Apr. 5, 1943	Sec. 338, Title 18, U.S.C.	Trial opened June 4, 1943. John Harris was found guilty and sentenced to 4 years. He filed notice of appeal and was granted an extension of time to July 26, 1943 to perfect his appeal.
U. S. v. Floyd E. Harvey, et al. (Commercial Investment Corporation)	6	Southern District of Iowa	Nov. 5, 1941	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	As of July 1, 1942, the case was pending only as to Harner, who was awaiting trial. In April, 1943 the case was dismissed as to Harner.
U. S. v. Joseph L. Hassett, et al. (W. H. Koch Company)	9	Eastern District of New York	Mar. 2, 1943	Secs. 17 (a) (1) and (2) of 1933 Act, and Sec. 338, Title 18, U.S.C. and conspiracy to violate 17 (a) (2) and Sec. 338, Title 18, U.S.C.	Hassett pleaded guilty May 3, 1943. Pending.
U. S. v. Malvan D. Haynes, et al. (Bommers, Omnes & Company)	7	Eastern District of Michigan	Oct. 19, 1936	Secs. 17 (a) (1) and (2) of 1933 Act; Sec. 338, Title 18, U.S.C. and conspiracy to violate these statutes.	Before trial Goldman and Haynes pleaded nolo contendere and were sentenced to 15 months' and 18 months' imprisonment, respectively. After trial, Bommers, Wiseman and Wood pleaded nolo contendere; Bommers was sentenced to 4 years' imprisonment. Wiseman and Wood to 15 months each. Fraino surrendered Jan. 6 1941 and Brooks is still a fugitive in Canada. Pending.

1 Parenthetical reference is to name under which investigation was carried prior to indictment.

Table 23.—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, 1943—Continued

1 Name of case	Number of de- fendants	United States District Court	Indictment returned	Charges	Status of case
U. S. v. Arthur Hays, et al.	2	District of Columbia	Dec. 29, 1939	Sec. 338, Title 18, U.S.C. and conspiracy to violate this statute.	Hays withdrew his plea of guilty to the conspiracy count and on June 15, 1943 entered a plea of nolo contendere. He was found guilty upon this plea and was fined \$500. The indictment was nolle prossed as to Machlan. Trial set for Sept. 7, 1943.
U. S. v. Simon G. Hedrick, et al. (Desert Gold and Aluminum Corporation)	4	Western District of Washington	Aug. 27, 1942	Secs. 17 (a) (1) and (3) of 1933 Act, and Sec. 338, Title 18, U.S.C. and conspiracy to violate these statutes.	
U. S. v. Theodore P. Heider, et al. (American Trusteed Funds, Inc.)	4	Southern District of New York	June 10, 1941	Sec. 24 of 1933 Act and con- spiracy to violate this statute.	On July 10, 1941 American Trusteed Funds, Inc. pleaded nolo contendere to both indictments and was placed on probation for a period of 3 years, its execu- tive officers to report to the probation officer during the ensuing 3 year period. Case pending as to Heider, Kane, Auslander and Mournd. Pending.
	4	do	do	Sec. 338, Title 18, U.S.C.; and conspiracy to violate this statute.	
U. S. v. Theodore P. Heider, et al. (Tribblemont Sisco Mining, Inc.)	9	Southern District of New York	June 10, 1941	Sec. 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C.; and conspiracy to violate Sec. 338, Title 18, U.S.C.	Pending.
U. S. v. Randall Henderson, et al.	3	Eastern District of Missouri	June 23, 1941	Secs. 17 (a) (1) and (2) of 1933 Act, and Sec. 338, Title 18, U.S.C. and conspiracy to violate Sec. 17 (a) and Sec. 338, Title 18, U.S.C.	The 3 defendants were found guilty in May, 1942, and were sentenced on June 4, 1942, as follows: Henderson, 5 years, fined \$5,000; Kay, 2 years, fined \$1,000; Robbins, 3 years, fined \$1,000. These defendants appealed but on Aug. 24, 1942, an order was entered by OCA-8 dismissing the appeals for failure to comply with rules governing criminal appeals.
U. S. v. Patrick T. Henry, et al. (Rainbo Gold Mines, Inc.)	5	Utah	Oct. 23, 1942	Sec. 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C.; and conspiracy to violate these statutes.	On Sept. 8, 1942, Kay was placed on probation for 2 years. Trial opened Nov. 23, 1942 concluded Dec. 15, 1942. Louis G. Deluke, Henry and Estep found guilty as to certain counts. The following sentences were imposed: Henry and Estep 18 months each; Louis G. Deluke, 2 years. Darry Deluke and Gull were found not guilty by directed verdict. Louis Deluke, Estep and Henry appealed. Transcript of record filed June 15, 1943.
U. S. v. John Herok, et al.	6	Eastern District of Michigan	July 20, 1942	Sec. 17 (a) (1) of 1933 Act, and 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.	Pending
	1	do	do	Sec. 15 (a) of 1934 Act.	
	5	do	do	Secs. 5 (a) (1) and (2) of 1933 Act, and conspiracy to violate this statute.	
U. S. v. Harvey H. Hevener	1	Southern District of New York	Aug. 19, 1942	Sec. 338, Title 18, U.S.C.	Case awaiting trial.
U. S. v. Edward M. Hill, et al.	12	Northern District of Ohio	May 21, 1940	Sec. 338, Title 18, U.S.C., and conspiracy to violate this statute.	Trial opened Feb. 6, 1941. After trial commenced, Barth, W. H. Gould, Gross, Hill, Mott, Rose, Reinhardt, Scholtz and deVilliers pleaded guilty and Harvey pleaded nolo contendere. Sentences ranged from a suspended sentence to 5 years' imprisonment. Samuel J. Lewis pleaded guilty on Sept. 9, 1942 and was given a suspended sentence of 3 years and placed on probation for that period. Case pending as to G. Wayne Gould who has not been apprehended.
U. S. v. Leo S. Holmes, et al. (George M. Hauser, et al.)	3	Nebraska	July 27, 1939	Sec. 17 (a) (1) of 1933 Act, Sec. 338, Title 18, U.S.C. and conspiracy to violate these statutes.	Hauser and McCormack were sentenced in 1940 upon their pleas of nolo contendere to six years and \$1,000 fine, and 15 months respectively; Holmes was found guilty and sentenced on May 14, 1940 to 15 years and fined \$25,000. Judgment as to Holmes was affirmed on Nov. 27, 1940 by OCA-8. On government's consent, petition of Holmes for writ of certiorari was granted Dec. 8, 1941 by U. S. Supreme Court; judgment vacated and case remanded to OCA-8. On Mar. 4, 1943 OCA-8, upon second hearing, affirmed the judgment as to Holmes. On June 14, 1943 petition for writ of certiorari was denied by the Supreme Court.
U. S. v. Albert Edward Janis, et al. (Parking Meter Corp. of America)	3	Northern District of Ohio	May 6, 1941	Sec. 17 (a) (1) of 1933 Act and Sec. 338, Title 18, U.S.C.	Bolden and Kraus pleaded guilty June 1, 1942, and each was sentenced to serve 1 year and 1 day. Execution of sentences suspended. Albert Janis was sen- tenced on May 17, 1943, upon his plea of nolo contendere, to serve 1 year and 1 day; sentence suspended and defendant placed on probation for that period.
U. S. v. Arnold Joerns, et al. (Resources Corporation Inter- national)	9	Northern District of Illinois	Dec. 13, 1940	Sec. 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C.; and conspiracy to violate these statutes.	Trial opened Jan. 12, 1942. Indictment dismissed as to Hofheins, Jennings, and Durland. On March 17, 1942, the jury was discharged, having failed to reach a verdict. Trial set for Oct. 18, 1942.
U. S. v. A. B. Jones, et al. (Colonial Trading Company)	11	Nevada	July 16, 1935	Secs. 5 (a) and 17 (a) of 1933 Act; Sec. 338, Title 18, U.S.C. and conspiracy to violate these statutes.	Indictment was nolle prossed as to Nelson J. Syss, deceased, and dismissed Sept. 30, 1940, as to 8 defendants. A. B. Jones and M. J. Jones, principal defendants, have not been apprehended. Case pending as to them.

1 Parenthetical reference is to name under which investigation was carried prior to indictment.



Table 23.—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, 1943—Continued

1 Name of case	Number of defendants	United States District Court	Indictment returned	Charges	Status of case
U. S. v. Kalamazoo Land Company, et al.	6	Southern District of New York	July 7, 1941	Secs. 17 (a) (1) and (2) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	On May 6, 1943, the following defendants were found guilty on all counts; Kalamazoo Land Company, Independent Marketing Corporation, Frank H. Hibberd, Jr., Louise H. G. von Lens Nields. Wisner was acquitted and the jury disagreed as to Swanson. The corporate defendants were each fined \$5,000. Hibberd was sentenced to serve 5 years and was placed on probation for 2 years after completion of sentence. Mrs. Nields was sentenced to serve 2 years and was placed on probation for 2 years after completion of sentence. Pending.
U. S. v. Philip J. Dealy, et al. (Campana Gold Mine, Inc.)	7	Northern District of Illinois	Apr. 15, 1940	Sec. 338, Title 18, U.S.C.	Pending.
U. S. v. Robert H. Kells, et al. (National Reference Library Corp.)	4	District of Columbia	Feb. 16, 1943	Sec. 17 (a) of 1933 Act; Sec. 338, Title 18, U.S.C.	Pending.
U. S. v. S. O. Kennedy, et al. (re counterfeit certificates—Coco-Cola Bottling Company)	3	Eastern District of Tennessee	Mar. 3, 1941	Secs. 338 and 339, Title 18, U.S.C., and conspiracy to violate these statutes.	Kennedy pleaded guilty June 19, 1941, and was sentenced on July 8, 1941 to 2 years to be served concurrently with sentence imposed in case of U. S. v. John G. Anderson, et al. Trial as to Clanny opened Dec. 12, 1941, but jury was unable to agree and a mistrial was entered. On May 29, 1942, Clanny entered a plea of nolo contendere and was sentenced on June 8, 1942, upon this plea, to serve a total imprisonment of 2 years. On Dec. 23, 1942, an order was entered retiring the case as to L. G. Raby, subject to reinstatement for sufficient cause. On Nov. 24, 1942, Kohnberg and Hilquist entered pleas of guilty as to certain counts. On Jan. 15, 1943, sentence was suspended as to these 2 defendants and each was placed on probation for 2 years. Indictment was dismissed as to Sobeld (deceased), and as to Breesman.
U. S. v. Edgar T. Kohnberg, et al.	4	Northern District of Illinois	May 1, 1941	Sec. 17 (a) (1) of 1933 Act, and Sec. 8 (b) of 1934 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	As of July 1, 1942, this indictment was pending only as to Anthony Leopold Novak, the other defendants having been disposed of.
U. S. v. Kopold-Quinn & Company, et al.	29	Northern District of Georgia	July 14, 1936	Secs. 17 (a) (1), (2) and (3) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	On Dec. 21, 1942, these two indictments were nolle prossed as to Novak. On Mar. 16, 1943, Alfred D. Cohen pleaded guilty to both indictments. He was sentenced to serve 1 year and 1 day on each indictment, sentences to run concurrently. Remaining defendants awaiting trial.
U. S. v. Maurice A. Levine, et al. (Paymaster Plan, Inc.)	1 7 7	do Massachusetts do	Jan. 12, 1938 July 16, 1940 do	Sec. 338, Title 18, U.S.C. Secs. 17 (a) (1), (2) and (3) of 1933 Act, and conspiracy to violate this statute. Sec. 338 Title 18, U.S.C., and conspiracy to violate this statute.	On Dec. 21, 1942, these two indictments were nolle prossed as to Novak. On Mar. 16, 1943, Alfred D. Cohen pleaded guilty to both indictments. He was sentenced to serve 1 year and 1 day on each indictment, sentences to run concurrently. Remaining defendants awaiting trial.
U. S. v. Philip Lichtenstein (Lichtenstein Estate, Inc.)	3	Eastern District of Missouri	March 12, 1943	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Trial postponed to fall of 1943.
U. S. v. Harry Lieberman, et al. (Julian & Kokerge Co.)	2	Southern District of New York	July 14, 1942	Sec. 9 (a) of 1934 Act and conspiracy to violate this statute.	Lieberman pleaded guilty Jan. 26, 1943 and Shapiro pleaded guilty on Feb. 26, 1943. Each defendant was fined \$500, and Lieberman was placed on two years' probation.
U. S. v. Philip J. Linsse, et al.	1	Eastern District of Louisiana	Aug. 6, 1942	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Linsse pleaded guilty to both indictments on Apr. 7, 1943, and was sentenced to serve a total imprisonment of 7 years. Mistrial was entered as to Duggan.
U. S. v. Harry Low, et al. (Trouton Valley Distillers Corporation)	2	do	do	Sec. 338, Title 18, U.S.C.	Low surrendered on Feb. 24, 1939, and was later released on bail. He failed to appear at the pre-trial hearing set for June 23, 1941, and his bond was forfeited. Walter H. Hardie is a fugitive in Canada. Pending.
U. S. v. Joseph H. Lydon, et al.	2	Eastern District of Michigan	Feb. 3, 1939	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Trial began on Apr. 6, 1943 as to both indictments. Lydon, Jacobs, Lipssett, Jones and Falty entered pleas of guilty; Coehnear pleaded nolo contendere but later withdrew that plea and entered a plea of guilty; sentences ranged from 18 months' imprisonment to three years' probation.
	6	Massachusetts	Nov. 15, 1939	Secs. 17 (a) (1) and (2) of 1933 Act and conspiracy to violate this statute.	
	6	do	Nov. 15, 1939	Sec. 338, Title 18, U.S.C. and conspiracy to violate this statute.	
U. S. v. Bart Cecil Lucas	1	Southern District of New York	Aug. 19, 1942	Sec. 338, Title 18, U.S.C.	Defendant not apprehended.
U. S. v. R. A. McArthur	1	Western District of Arkansas	Aug. 20, 1941	Sec. 338, Title 18, U.S.C.	Pending.
U. S. v. Russell W. McDermott	1	Southern District of Indiana	Mar. 25, 1942	Secs. 17 (a) (1) and (2) of 1933 Act, 7 (c) of the 1934, and Sec. 338, Title 18, U.S.C.	McDermott found guilty May 22, 1942, and was sentenced to serve 5 years. Judgment affirmed by CGA-7 on Nov. 11, 1942. Petition for writ of certiorari denied Feb. 15, 1943.
U. S. v. James R. Macon, et al. (Macon & Company)	2	Northern District of Ohio	Feb. 2, 1940	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Macon was convicted on all counts on Feb. 7, 1941; motion for new trial granted Nov. 24, 1942. Schlay was acquitted.

1 Parenthetical reference is to name under which investigation was carried prior to indictment.

Table 23.—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, 1943—Continued

1 Name of case	Number of defendants	United States District Court	Indictment returned	Charges	Status of case
U. S. v. Harry J. Mallen (Santa Cruz Mining Company)	1	Northern District of Illinois	Mar. 15, 1940	Sec. 17 (a) (1) of 1933 Act and Sec. 338, Title 18, U.S.C.	Mallen has been apprehended. Case awaiting trial.
U. S. v. Kenneth B. Martin, et al. (Memorial Estates)	7	District of Columbia	Sept. 16, 1941	Sec. 17 (a) (1) of 1933 Act, Sec. 338, Title 18, U.S.C.; and conspiracy to violate these statutes.	Simon, Sarehik, Arlen, Herman and Mohr pleaded guilty. Their sentences ranged from 4 months to 2 years. Martin who also pleaded guilty later withdrew that plea. Sarehik, after sentence was imposed, was permitted to withdraw his plea of guilty. Sarehik is presently incarcerated at the U. S. Penitentiary at Terre Haute, Indiana on another charge. A detainer has been placed against him. Case pending as to Sarehik and Martin; and as to Levant who is a fugitive.
U. S. v. Norman W. Mims, 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).	Trial opened Jan. 8, 1940. Stuart pleaded guilty, was given a suspended sentence and placed on probation. Mims and Pelletier were found guilty, sentenced to 2 years and fined \$5,000, and to 18 months and \$1,000, respectively. On appeal, the Circuit Court of Appeals for the Second Circuit reversed the judgments of the district court as to these two defendants. Mims and Pelletier were found guilty after retrial Feb. 19, 1943 and were sentenced to 15 months, and one year and one day, respectively. Defendants have appealed from this sentence.
U. S. v. Hugh B. Monjar, et al. (The Muzzle Club)	5	Delaware	May 26, 1942	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Trial began Feb. 8, 1943; concluded May 27, 1943. Jury returned a verdict of guilty, with respect to the first indictment, against Hugh B. Monjar, Cook, Jones and Drew on various counts, but found Josephine T. Monjar guilty on conspiracy count only.
	12	do	Sept. 22, 1942	Conspiracy to violate Sec. 338, Title 18, U.S.C.	Seven defendants were found guilty under the second indictment and 3 were acquitted. Indictment dismissed as to 2 defendants.
U. S. v. Morrison Bond Company, Ltd., et al.	3	Northern District of California	Sept. 16, 1942	Sec. 17 (a) (3) of 1933 Act and Sec. 8 (a) and 17 (a) of the 1934 Act, and conspiracy to violate these statutes.	All defendants who were convicted have appealed. Morrison and Stone were sentenced upon their pleas of nolo contendere, entered Apr. 12, 1943, to 1 year, fine of \$1500; and 6 months, \$500 fine respectively; prison sentence suspended as to both defendants, subject to payment of fines.
U. S. v. Jennings B. Hese	1	Colorado	May 27, 1942	Sec. 338, Title 18, U.S.C.	Indictment dismissed as to corporate defendant. Hese pleaded nolo contendere on Sept. 29, 1942, and was sentenced Oct. 15, 1942 to serve 10 months on count 1, and placed on probation for 3 years on the remaining 7 counts.
U. S. v. Samuel J. Mustain, et al. (Continental Securities Corporation)	15	Southern District of New York	Dec. 3, 1937	Sec. 17 (a) of 1933 Act; Sec. 338, Title 18, U.S.C.; and conspiracy to violate Sec. 338, Title 18, U.S.C.	Trial opened Oct. 8, 1940. H. W. and J. H. Williams, Goodman and Colonial Securities Corporation pleaded guilty. The indictment was dismissed as to Feinberg, Casala, Collins, Martin, Mustain, Continental Securities Corp., Dealers Royalty Co., Inc. and Standard Dealers Co., Inc. were found guilty. Sentences ranged from a suspended sentence to 3 1/2 years' imprisonment. The four corporations were each fined \$10,000. Indictment nolle prossed as to Johnson. Case pending as to Silver and Cohen.
U. S. v. J. Overton Paine, et al. (Paine Statistical Corporation)	6	New Jersey	Jan. 12, 1940	Sec. 338, Title 18, U.S.C.	On Jan. 14, 1942, Paine was convicted under both indictments and sentenced to serve 3 years; execution of sentence suspended, and Paine placed on 3 years' probation.
	6	do	do	Sec. 15 (a) of 1934 Act.	Indictment was nolle prossed on June 25, 1942, as to the remaining defendants named in both indictments.
U. S. v. Jacob Perlman	1	Southern District of New York	Nov. 5, 1942	Secs. 80 and 231, Title 18, U.S.C.	Pending.
U. S. v. Todd M. Pettigrew, et al. (Western Plains Oil Corporation)	2	Western District of New York	Dec. 12, 1940	Sec. 17 (a) (1) and (2) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Indictment dismissed as to Edwards in April of 1943, on motion of United States Attorney. Pettigrew entered a plea of nolo contendere; imposition of sentence deferred.
U. S. v. Jesse P. Michael (Industrial Loan Co.)	1	Southern District of Ohio	Feb. 4, 1943	Sec. 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C., conspiracy to violate Sec. 338, Title 18, U.S.C.	Michael pleaded guilty on March 15, 1943. Sentence was deferred due to his physical disability.
U. S. v. Lloyd T. Moore, et al. (Pitman Mining Co.)	3	Montana	June 18, 1943	Secs. 5 (a) (1) and (2) and 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C.; and conspiracy to violate Secs. 5 (a) and 17 (a) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Pending.
U. S. v. Jesse H. Morrow, et al. (Grayson K. Rodgers)	3	Northern District of New York	June 19, 1941	Sec. 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C.; and conspiracy to violate Sec. 17 (a) of 1933 Act and Sec. 338, Title 18, U.S.C.	Grayson K. Rodgers and Marshall C. Rodgers died during Sept. 1941. Case pending as to Morrow.
U. S. v. William Mark Mchrow (U. S. Chromium, Inc.)	1	Northern District of Illinois	June 28, 1940	Secs. 5 (a) (2) and 17 (a) (1) of 1933 Act; and Sec. 338, Title 18 U.S.C.	Denurrer to indictment sustained Oct. 28, 1941 and first indictment dismissed. Motion to quash indictment of Dec. 11, 1941, overruled. Case awaiting trial.

1 Parenthetical reference is to name under which investigation was carried prior to indictment.

Table 23.--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, 1943--Continued

1 Name of case	Number of defendants	United States District Court	Indictment returned	Charges	Status of case
	1	do	Dec. 11, 1941	Secs. 5 (a) (2) and 17 (a) (1) of 1933 Act; and Sec. 338, Title 18, U.S.C.	
U. S. v. Morris J. Newman, et al. (Bureka Petroleum Company)	8	Southern District of California	May 27, 1942	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Indictment dismissed as to Eischoff, Faber, Negley, Horvitz and Merrill B. Newman. Turley, Nathan Newman and Morris J. Newman were acquitted.
U. S. v. Frank Anthony Chlman, et al. (A. J. Harris, et al.)	4	Southern District of Mississippi	May 5, 1943	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Pending.
U. S. v. William S. Patterson (Patterson Oil Company)	1	New Mexico	Sept. 21, 1942	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Patterson pleaded guilty to 2 counts on Jan. 14, 1943, and was sentenced to serve 2 years and fined \$1,000.
U. S. v. George D. Peter (Investments, Inc.)	1	Western District of Washington	Aug. 27, 1942	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	On Sept. 14, 1942, Peter pleaded guilty to certain counts; sentence deferred.
U. S. v. George A. Reynolds, et al. (Avon Gold Mines, Limited)	6	Northern District of New York	Feb. 24, 1942	Secs. 5 (a) (2) and 17 (a) (2) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate Secs. 5 and 17 of 1933 Act, and Sec. 338, Title 18, U.S.C.	Pleas of guilty were entered by 5 defendants on Jan. 11, 1943, and the indictment was nolle prosequi to Elman. Reynolds, Thomas, Haber and McCallife were sentenced to 3 months each; execution of sentence suspended. In addition, Reynolds, Thomas and Avon Securities, Inc. were fined \$2,000, \$500 and \$2,500, respectively.
U. S. v. Frank J. Ryan, et al. (Research and Investment Company)	4	Eastern District of North Carolina	Sept. 24, 1942	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Two defendants not yet apprehended. Trial continued to October Term of Court.
U. S. v. Herbert C. Schelsel, et al.	4	Eastern District of Michigan	June 20, 1940	Sec. 338, Title 18, U.S.C. and conspiracy to violate this statute.	On July 26, 1940, Schelsel sentenced upon his plea of guilty to 15 months. Indictment nolle prosequi on Jan. 1, 1943 as to the remaining defendants.
U. S. v. Robert E. Scott, et al.	21	Western District of Louisiana	Oct. 17, 1934	Sec. 17 (a) of 1933 Act; Sec. 338, Title 18, U.S.C.; and conspiracy to violate Sec. 338, Title 18, U.S.C.	Eighteen defendants had previously been convicted and sentenced. W. J. Morris pleaded guilty Oct. 12, 1942 and was sentenced to 5 years. Latimer was found guilty on Feb. 23, 1943 upon his plea of nolo contendere and was fined \$500. Indictment dismissed as to Gladstone on Feb. 23, 1943.
U. S. v. William Jackson Shaw, et al. (Consolidated Mines of California)	2	Southern District of California	Dec. 13, 1939	Sec. 5 (a) (2) of 1933 Act; Sec. 338, Title 18, U.S.C.; and conspiracy to violate these statutes.	Frank S. Tyler pleaded nolo contendere and on July 28, 1941 was placed on five years' probation (on Sec. 5 (a) (2) violations). Shaw was found guilty as to Sec. 5 (a) (2) violations and was sentenced to six months. On Oct. 26, 1942, CGA-9 reversed the judgment of the District Court and remanded the case for new trial. Petition for rehearing on behalf of Government denied by CGA-9 on Dec. 18, 1942. Mandate of CGA-9 issued Dec. 26, 1942.
U. S. v. Eugene M. Shirley, et al.	2	Southern District of Indiana	Sept. 24, 1942	Sec. 5 (a) (2) and 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	Trial began May 13, 1943, during which McBride pleaded guilty to both indictments and was sentenced to 2½ years, while Shirley was found guilty as to both indictments and was sentenced to 5 years.
	2	do	do	Secs. 5 (a) (2) and 17 (a) (1) of 1933 Act, Sec. 338, Title 18, U.S.C., and conspiracy to violate these statutes.	
U. S. v. Joshua F. Simons, et al. (Peoples Gas & Oil Corporation)	11	Western District of Washington	Oct. 20, 1937	Sec. 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C.; and conspiracy to violate Sec. 17 of 1933 Act and Sec. 338, Title 18, U.S.C.	William Markovits and J. F. Simons were each sentenced to 8 years' imprisonment and fined \$10,000; Samuel Markovits to 3 years; Milton Simons was given a suspended sentence. Judgments affirmed Apr. 21, 1941; petition for rehearing denied. Petition for certiorari denied. The first and second indictments are pending. Upon retrial which began Oct. 5, 1942, H. Harry Meyers was found guilty as to 10 mail fraud counts, under third indictment. He was sentenced to serve 5 years. Meyers' appeal pending.
	10	do	June 25, 1938	do	
	9	do	Dec. 3, 1938	do	
U. S. v. DeWitt T. Simpson, et al. (Standard System Investment Corporation)	3	Southern District of Georgia	Feb. 10, 1943	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate Sec. 338, Title 18, U.S.C.	Ricks pleaded guilty on May 11, 1943 and Simpson and Brandon were found guilty on May 15, 1943. Ricks was sentenced to 4 years; Simpson and Brandon to 5 years each.
U. 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 not yet apprehended. Pending.
U. S. v. P. W. Sloan, et al. (First Security Trustee)	2	Southern District of Florida	Oct. 12, 1938	Sec. 338, Title 18, U.S.C.	P. W. Sloan pleaded guilty on June 20, 1942. He was sentenced to serve four years, sentence suspended and defendant placed on probation for four years.
U. S. v. Edward A. Sloane, et al. (A. D. Lowe & Associates)	2	Northern District of Illinois	May 28, 1941	Sec. 15 (a) of 1934 Act.	On July 25, 1942 the indictment was dismissed as to E. P. Harris.
	4	do	do	Sec. 338, Title 18, U.S.C.	On Feb. 24, 1942, Edward A. Sloane and Edward P. Tuber pleaded guilty to both indictments. Albert Tuber pleaded guilty to the one indictment returned against him. Edward Sloane and Albert A. Tuber were each placed on probation for 2 years while Edward P. Tuber was placed on probation until Feb. 20, 1943. Trial as to Gets set for Sept. 24, 1942. Harold I. Gets was found guilty Nov. 19, 1942 upon his plea of nolo contendere; he was sentenced to one hour in custody of U. S. Marshal.

1 Parenthetical reference is to name under which investigation was carried prior to indictment.

Table 23.—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, 1943—Continued

1 Name of case	Number of de- fendants	United States District Court	Indictment returned	Charges	Status of case
U. S. v. G. Milton Smith, et al. (North Penn Oil Lands, Inc.)	4	Southern District of New York	Nov. 7, 1941	Secs. 5 (a) (2) and 17 (a) (3) of 1933 Act, Sec. 338, Title 18, U.S.C.; and conspiracy to violate these statutes.	Pending.
U. S. v. Joseph H. Sidha (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.	Pending.
U. S. v. Robert Speyer, et al. (U. S. Postal Notes Corporation)	2	Northern District of New York	Sept. 29, 1942	Sec. 17 (a) (2) of 1933 Act, and Sec. 338, Title 18, U.S.C., and conspiracy to violate Sec. 17 of 1933 Act and Sec. 338, Title 18, U.S.C.	Case awaiting trial.
U. S. v. Max Strahl, et al. (C. G. Blackwell)	11	Southern District of New York	Apr. 26, 1938	Sec. 17 (a) (1) of 1933 Act; Sec. 338, Title 18, U.S.C.; and con- spiracy to violate Sec. 338, Title 18, U.S.C.	Ezell and Strahl pleaded guilty on Nov. 16, 1938 and on April 29, 1942 Strahl was sentenced to one year and one day to be served concurrently with sentence imposed in another case. Ezell has not been sentenced. Indictment nolle prosec as to Lichthlau on June 2, 1943. Case pending as to remaining defendants.
U. S. v. Phillip Suetter	1	Oregon	May 23, 1942	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Trial opened Aug. 31, 1942; concluded Sept. 8, 1942. Suetter was found guilty and was sentenced to serve 2½ years. Defendant appealed. Transcript of record served May 18, 1943. Appellant's brief filed June 21, 1943.
U. S. v. Raymond E. Taylor (Mid West Abrasive Company)	1	Eastern District of Michigan	June 9, 1942	Secs. 9 (a) (1) (A), (B), (C), and 9 (a) (2) of 1934 Act.	On July 10, 1942, Taylor was sentenced upon his plea of guilty to 1 year and 3 months, to run concurrently with sentence imposed in another case.
U. S. v. Arthur C. Thurman, et al.	3	Massachusetts	Jan. 19, 1939	Sec. 17 (a) (2) of 1933 Act; Sec. 338, Title 18, U.S.C.; and con- spiracy to violate these statutes.	Lincoln pleaded guilty May 6, 1941, and was sentenced to 2 years, suspended, and placed on probation. Levinson is incarcerated on a State charge; Thurman has not been apprehended; case pending as to them.
U. S. v. Union Electric Company of Missouri, et al.	2	Eastern District of Missouri	Jan. 17, 1941	Sec. 12 (h) of 1935 Act (political contributions by public utility holding company or subsidiary) and conspiracy to violate this statute.	Trial opened Jan. 12, 1942. On Feb. 22, 1942, Union Electric Company of Missouri was found guilty on all counts and fined \$80,000; while Egan was found guilty on the conspiracy count only, fined \$10,000 and sentenced to serve 2 years' imprisonment. Both defendants have appealed. Argument on appeal held May 7, 1943. Reply briefs for appellants filed. Pending.
U. S. v. Philip Cornelius Walsh, et al. (El Canada Mines, Inc.)	21	Southern District of New York	Sept. 26, 1940	Secs. 17 (a) (1) and (2) of 1933 Act; Sec. 338, Title 18, U.S.C.; and conspiracy to violate these statutes.	Thirteen defendants have been apprehended and pleaded not guilty. Pending.
U. S. v. Morris Frank Whealton, et al. (Whealton Company, Inc.)	14	New Jersey	June 23, 1936	Sec. 338, Title 18, U.S.C., and conspiracy to violate this statute.	On Nov. 12, 1941, after previous convictions had been reversed, Commonwealth Trust Company, Philip Coffin and Morris Frank Whealton pleaded guilty to the conspiracy count. Coffin was fined \$1,000; Commonwealth Trust Company was fined \$1.00 (the com- pany had a \$36,000 deficit).
U. S. v. Roy E. Wilson (Wilson Drilling Company)	1	Eastern District of Illinois	Sept. 10, 1942	Sec. 17 (a) (1) of 1933 Act, and Sec. 338, Title 18, U.S.C.	Whealton was sentenced to one year and one day, execution of which was suspended and defendant placed on probation for five years, on condition that he is not to deal in securities in any manner. Pending. Case awaiting trial.

1. Parenthetical reference is to name under which investigation was carried prior to indictment.

Table 24.-Petitions for review of orders of the Commission under the Securities Act of 1933, the Securities Exchange Act of 1934 (other than confidential treatment cases), and the Public Utility Holding Company Act of 1935 pending in circuit courts of appeals during the fiscal year ended June 30, 1943

Petitioner	United States Circuit Court of Appeals	Petition for Review filed	History and Nature of case	Status of case
American Gas and Electric Company	District of Columbia	June 27, 1941	Petition to review order of Commission denying application under Sec. 2 (a) (8) of 1935 Act to be declared not to be a subsidiary of Electric Bond & Share Company. Order affirmed, one justice dissenting, on February 1, 1943. The majority found that the inferences drawn by Commission from past relationships and other evidences of influence to find a personnel and tradition which make petitioner responsive to Bond & Share's desires are not unreasonable. Petitioner filed petition for certiorari on April 28, 1943.	Certiorari denied June 1, 1943.
American Power & Light Company, Electric Power & Light Corporation	First	October 20, 1942	Petitions to review orders of Commission requiring dissolution of both companies under Sec. 11 (b) (2) of 1935 Act. Two cases consolidated by stipulation. Constitutionality of Sec. 11 (b) (2) challenged. Argued on June 1, 1943.	Pending.
Archer, W. K., and Ersell G. Westfall (W. K. Archer and Company)	Eighth	June 16, 1942	Commission revoked registration of petitioners as broker-dealers and expelled company from National Association of Securities Dealers, Inc., and from Chicago Stock Exchange because of violations of Sec. 17 (a) of 1933 Act and Secs. 7 (c) (2), 15 (b), 15 (c) (1) of 1934 Act. Order affirmed February 15, 1943. Petition for rehearing denied March 11, 1943. Petitioners filed Petition for Certiorari.	Certiorari denied June 7, 1943.
Brockton Gas Light Company	First	November 24, 1942	On September 28, 1942 Commission denied application of Koppers United Company, Fuel Investment Associates, Eastern Gas and Fuel Associates and Brockton under Sec. 2 (a) (8) of 1935 Act for order declaring Brockton to be not a subsidiary of said companies. Brockton filed petition to review order. In January, 1943, Petitioner filed motion to dismiss its petition, to which Commission consented.	January 26, 1943 Petition dismissed.
Central and South West Utilities Company, American Public Service Company and The Middle West Corporation	District of Columbia	August 1, 1942	Commission's orders required petitioners to end corporate existence of either Central or American and to substitute a single common stock for the present capitalization of Central and American pursuant to Sec. 11 (b) (2) of the 1935 Act. Petitioners filed petition to review orders and challenged constitutionality of Sec. 11 (b) (2).	June 7, 1943 Orders affirmed and motion for leave to introduce additional evidence denied.
Chenery Corporation, et al., Federal Water Service Corp., Intervenor	District of Columbia	October 22, 1941	Officers, directors and controlling stockholders of Federal petitioned for review of order of Commission, entered September 24, 1941, approving plan of reorganization for Federal under 1935 Act. The plan provided that the preferred stock acquired by petitioners during period in which successive reorganization plans proposed by management of company were before Commission should not be permitted to participate in reorganization on equal footing with other preferred stock. Order was reversed, one justice dissenting, on April 27, 1942. Commission petitioned for certiorari, which was granted October 12, 1942.	February 1, 1943. Supreme Court (Black, Reeb and Murphy, J. J. dissenting) neither reversed nor affirmed but remanded case to Court of Appeals for District of Columbia with directions to remand to Commission for further proceedings not inconsistent with opinion of Court.
City National Bank and Trust Company of Chicago, as successor Trustee under a Debenture Agreement between North American Light & Power Company and Central Trust Company of Illinois	Seventh	September 8, 1942	Petition to review order of Commission approving application filed by Light & Power, pursuant to order of dissolution under Sec. 11 (b) (2) of 1935 Act for the retirement of its outstanding publicly held debentures at principal amount plus interest accrued to a designated date, without redemption premium.	March 5, 1943 Commission's order affirmed on ground that Light & Power is not obligated by contract to pay premium on redemption where retirement is involuntary and results from supervening Congressional mandate.

Table 24.-Petitions for review of orders of the Commission under the Securities Act of 1933, the Securities Exchange Act of 1934 (other than confidential treatment cases), and the Public Utility Holding Company Act of 1935 pending in circuit courts of appeals during the fiscal year ended June 30, 1943--Continued

Petitioner	United States Circuit Court of Appeals	Petition for Review filed	History and Nature of case	Status of Case
Clarke, Stanley, Trustee of Associated Gas and Electric Company, et al.	Second	March 24, 1943	On October 16, 1942, after Commission instituted proceedings against New England Gas & Electric Association ("Negas") under Secs. 11 (b) (1) and 11 (b) (2) of the 1935 Act, petitioners instituted equity suit against Trustees of Negas in State court and in U. S. District Court of Massachusetts. On November 22, 1942 Negas moved for stay of issuance of any decision by Commission on ground, inter alia, of pendency of said two suits. On February 17, 1943 Commission denied motion and consolidated proceedings under Secs. 11 (b) (1) and (2); named plaintiffs in court actions parties to the consolidated proceedings; and directed that in the event Commission deems claims to be valid, it will determine rank of such claims in relation to publicly held securities of Negas for purpose of arriving at fair and equitable plan of reorganization of Negas. On March 8, 1943 Commission denied petitioners' motion to set aside order of February 17, 1943. Petitioners filed petition to review orders of February 17, 1943 and March 8, 1943 on ground of lack of jurisdiction under 1935 Act to determine validity of the claims or their rank. On March 30, 1943 Commission filed motion to dismiss petition on ground that orders are purely procedural and interlocutory and are not reviewable under Sec. 24 (a) of Act.	April 20, 1943 Petition dismissed.
Columbia Oil & Gasoline Corporation	Third	May 14, 1942	Petition to review Commission order dated March 31, 1942, requiring that petitioner and Columbia Gas & Electric Corp. divest themselves of security and property holdings of Panhandle Eastern Pipe Line Co. pursuant to Sec. 11 (b) (1) of 1935 Act and that voting power of Class B Preferred Stock of Panhandle, all of which is beneficially owned by petitioner, be cancelled pursuant to Sec. 11 (b) (2) of Act.	April 1, 1943. Case dismissed on stipulation.
Columbia Oil & Gasoline Corporation	Third	December 1, 1942	Petition to review order of Commission entered October 2, 1942 which approved Sec. 11 (e) plan under 1935 Act submitted by petitioner and Columbia Gas & Electric Corp., but ordered petitioner's present stock capitalisation changed into a single class of common stock.	April 1, 1943 Case dismissed on stipulation.
Commonwealth & Southern Corporation, The	Third	June 6, 1942	On April 9, 1942 Commission under Sec. 11 (b) (2) of 1935 Act, ordered Commonwealth to change its capitalisation, other than its funded debt, to one class of stock, viz. Common stock. On May 13, 1942, Commission entered order denying petition for rehearing. Commonwealth filed petition to review both orders. Constitutionality of Sec. 11 (b) (2) challenged.	March 31, 1943. Affirmed.
Engineers Public Service Company, et al.	District of Columbia	November 14, 1942	Petition to review Commission's orders, dated September 16, 1942 and October 6, 1942, under Sec. 11 (b) (1) of 1935 Act, requiring Engineers to divest itself of certain properties and interests. Constitutionality of Sec. 11 (b) (1) challenged. Case argued May 17, 1943.	Pending.
Hartford Gas Company, The	Second	April 25, 1941	Petition to review order of Commission denying petitioner's application under Sec. 2 (a) (8) of 1935 Act to be declared not to be a subsidiary of The United Corporation, The United Gas Improvement Company, or The Connecticut Gas & Coke Securities Company.	July 16, 1942. Affirmed.
Howard, Emma and Walter, common stockholders of The United Gas Improvement Co.	Third	May 17, 1943	Petition to review order of Commission dated March 18, 1943, as supplemented by order of March 30, 1943, approving Sec. 11 (e) plan under 1935 Act for U. G. I., which was approved also by majority of stockholders. Petitioners asked for reduction in amount of cash to be distributed to preferred stockholders under plan.	Pending.

Table 24.--Petitions for review of orders of the Commission under the Securities Act of 1933, the Securities Exchange Act of 1934 (other than confidential treatment cases), and the Public Utility Holding Company Act of 1935 pending in circuit courts of appeals during the fiscal year ended June 30, 1943--Continued

Petitioner	United States Circuit Court of Appeals	Petition for Review filed	History and Nature of case	Status of case
Koppers United Company, Koppers Company, Eastern Gas and Fuel Associates	District of Columbia	November 25, 1942	Petition by Koppers United to review order of Commission denying application under Sec. 2 (a) (8) of 1935 Act to declare Brooklyn Union Gas Company not to be its subsidiary. Petition by Koppers Company to review order denying application under Sec. 2 (a) (7) of Act to be declared not a holding company with reference to Brooklyn or Eastern. Petition by Eastern (filed in First Circuit Court, then transferred to Court of Appeals for District of Columbia) to review order denying application under Sec. 2 (a) (8) of Act to be declared not a subsidiary of Koppers Company. All applications were denied by Commission on September 28, 1942. Argued June 3, 1943.	Pending.
Marquis, L. J., & Co., et al.	Second	November 16, 1942	Petition by common stockholders of Columbia Oil & Gasoline Corp. to review order of Commission, issued October 2, 1942, approving Sec. 11 (e) plan under 1935 Act filed by Columbia Gas & Electric Corp. and Columbia Oil. Petition dismissed December 28, 1942, pursuant to Sec. 24 (a) of Act, because same order under review in Third Circuit Court on petition of Columbia Oil. On January 4, 1943 motion for rehearing denied without prejudice to right of petitioners to renew motion in event Third Circuit Court refused to entertain jurisdiction of petition. On January 25, 1943 Third Circuit Court denied application.	February 1, 1943. Dismissal vacated and petition for review reinstated and transferred to Third Circuit Court.
Marquis, L. J.; & Co., et al.	Third	(Transferred from Second Circuit February 3, 1943.)	Petition by common stockholders of Columbia Oil & Gasoline Corp. to review order of Commission issued October 2, 1942, approving plan filed by Columbia Gas & Electric Corporation and Columbia Oil under Sec. 11 (e) of 1935 Act.	March 23, 1943. Affirmed.
New York Trust Company, The, as the Trustee under the Debenture Agreements between it and The United Light and Power Company, et al. v. S.E.C. and The United Light and Power Company	Second	April 17, 1942	Petition to review order entered by Commission February 25, 1942 denying right claimed by debenture holders to be paid, upon dissolution of United under a plan approved by the Commission under Sec. 11 (b) (2) of 1935 Act, redemption premium in addition to principal and accrued interest on the bonds. Order affirmed November 12, 1942 on ground that further performance of contract, having been rendered impossible by reason of an unforeseeable and new concept of public policy, was excused. Petition for certiorari was denied April 12, 1943. Petition for rehearing with alternative motion to defer consideration was filed May 4, 1943.	May 10, 1943, Petition denied.
North American Company, The	Second	August 21, 1942	Commission's orders under Sec. 11 (b) (1) of 1935 Act required North American, whose system comprises 80 companies in 17 states, to confine itself to control of a single integrated public utility electric system in the area of St. Louis together with certain related incidental businesses. North American petitioned for review of orders on ground that Sec. 11 (b) (1), if construed to permit such orders, is in violation of commerce clause and due process clause. Orders were affirmed on January 28, 1943. North American filed Petition for Certiorari, in which Commission joined, and certiorari was granted March 1, 1943. Briefs have been filed on the merits, but argument has been delayed until quorum of Justices, qualified to hear case, can be obtained. On August 22, 1942 Commission entered 2 orders under Sec. 11 (b) (2) of 1935 Act, one directing dissolution of American Power & Light Company and the other of Electric Power and Light Corporation. Okin, a common stockholder of Electric Bond & Share Co., parent of the two companies, filed petition to review both orders. The two companies filed petitions to review orders in First Circuit. Commission filed transcript of record in First Circuit, and on December 7, 1942 filed motion in Second Circuit to dismiss Okin's petition.	Pending in Supreme Court.
Okin, Samuel	Second	October 20, 1942	Petition to review order of Commission approving sale by National Power & Light Company of all the outstanding securities of its wholly owned subsidiary, West Tennessee Gas Company, to Equitable Securities Corporation. Okin is a common stockholder of Electric Bond and Share Co., parent of National.	December 10, 1942. Petition dismissed.
Okin, Samuel	Second	March 27, 1943		Pending.

Table 24.—Petitions for review of orders of the Commission under the Securities Act of 1933, the Securities Exchange Act of 1934 (other than confidential treatment cases), and the Public Utility Holding Company Act of 1935 pending in circuit courts of appeals during the fiscal year ended June 30, 1943—Continued

Petitioner	United States Circuit Court of Appeals	Petition for Review filed	History and Nature of case	Status of case
Pacific Gas and Electric Company	Ninth	September 18, 1941	Petition to review order of Commission denying application under Sec. 2 (a) (8) of 1935 Act to be declared not to be a subsidiary of North American Company. Order affirmed, one Justice dissenting, on April 14, 1942. Opinion contains new interpretation of portion of section dealing with "public interest". On May 4, 1942, petitioner filed petition for rehearing which was granted on June 6, 1942.	Argued on rehearing December, 1942. Pending.
Public Service Corporation of New Jersey	Third	November 5, 1941	Petition to review order of Commission denying application under Sec. 2 (a) (8) of 1935 Act to be declared not to be a subsidiary of United Corporation and The United Gas Improvement Company. Order affirmed August 12, 1942. Petitioner filed petition for certiorari on November 12, 1942.	December 14, 1942. Certiorari denied.
Sisto, Joseph A., and Charles J. Sisto (J. A. Sisto & Co.)	Second	August 29, 1940 October 24, 1940	On July 1, 1940 Commission denied application of Sisto pursuant to Sec. 15A (b) (4) of 1934 Act for order approving or directing its admission to membership in the National Association of Securities Dealers, Inc. On July 31, 1940 Sisto filed petition for rehearing which was denied on August 29, 1940. Petition for review of first order and then of both orders filed.	October 13, 1942 Stipulation dismissing case filed.
Todd, Paul H., International Hydro-Electric System, Intervenor	Sixth	September 18, 1942	Commission on July 21, 1942 ordered International to liquidate and dissolve pursuant to Sec. 11 (b) (2) of 1935 Act. Petitioner is stockholder and director of International. International intervened to support liquidation order. On December 30, 1942 Todd filed application for leave to adduce additional evidence, which application was consolidated with his petition for review.	June 22, 1943. Petition dismissed. Application to introduce additional evidence denied.
United Gas Improvement Company, The	Third	November 25, 1941 May 29, 1942	Petitions to review orders of divestiture issued by Commission under Sec. 11 (b) (1) of 1935 Act on July 30, 1941 and May 19, 1942. U. G. I. challenges constitutionality of Sec. 11 (b) (1). Case argued October, 1942.	Pending.
Washington Railway and Electric Company, et al.	District of Columbia	June 12, 1942	On April 14, 1942 Commission, under Sec. 11 (b) (1) of 1935 Act, ordered The North American Company to divest itself of its 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 to review order in Court of Appeals for District of Columbia. On August 8, 1942 Commission filed certified transcript of record in Second Circuit. To avoid review of order by two courts, Commission on August 20, 1942 filed motion to dismiss petition in Court of Appeals for District of Columbia.	October 7, 1942. Motion denied and stay entered pending disposition of North American's petition.
Wright, Charles C.	Second	October 13, 1942	In <i>Wright v. SEC</i> , 112 F. (2d) 89 (C. C. A. 2d, 1940) Court held there was substantial evidence to support Commission's findings that Wright had manipulated market in violation of Sec. 9 (a) (2) of 1934 Act, but that there was no such evidence to support finding that he had matched orders to create a false appearance of active trading in a security in violation of Sec. 9 (a) (1) of Act. Court remanded case to Commission to determine, in its discretion, whether or not to modify its order expelling Wright from national security exchanges to one of suspension. Commission held a further hearing and on September 16, 1942 again issued expulsion order. Wright filed petition for review.	Order of Commission affirmed April 3, 1943. On April 15, 1943, Court entered order based on stipulation staying expulsion order until July 19, 1943 to permit filing of petition for certiorari prior to that date. Petition not filed as of close of fiscal year.



Table 25.--Miscellaneous action against Commissioners or employees of the Commission pending during fiscal year ended June 30, 1943

Name of case	Court	Initiating papers filed	Nature of case	Action and status
Guaranty Underwriters, Inc. v. Edward C. Johnson	<p>United States District Court for the Southern District of Florida</p> <p>Circuit Court of the Fourth Judicial Circuit of the State of Florida</p> <p>Supreme Court of Florida</p> <p>United States Circuit Court of Appeals for the Fifth Circuit</p>	August 25, 1942	<p>Injunctive Action to prevent Edward C. Johnson, Trial Examiner, from holding further hearings.</p> <p>For a complete history of this case, please refer to page 39 under heading, "Miscellaneous Litigation against the Commission."</p>	<p>Complaint for injunction filed August 25, 1942 in USDC, SD Florida; action dismissed September 4, 1942. Plaintiff appealed to CCA-5 from this order. A stay of Commission's hearing pending appeal denied by USDC, September 8, 1942 and by CCA-5. Appeal withdrawn September 30, 1942. Ex parte order by Judge McNeill, Florida Circuit Court, Fourth Judicial Circuit, entered September 14, 1942 to restrain examiner from proceeding with the hearing. Petition filed September 19, 1942 for injunction against enforcement of ex parte order; this injunction denied by USDC, September 19, 1942. Writ of prohibition against Judge McNeill, Florida Circuit Court, obtained October 23, 1942 in the Supreme Court of Florida. Petition for review of Commission's alleged order refusing to terminate revocation proceedings filed by plaintiffs in CCA-5, October 5, 1942; this petition dismissed November 7, 1942. Another ex parte order obtained from USDC, restraining hearing; order later vacated. A new appeal from Judge Waller's order of September 4, 1942 was filed by plaintiff. CCA-5 on January 15, 1943 affirmed both orders of dismissal. Petition for rehearing denied, January 27, 1943 and mandate issued same date.</p>
J. Edward Jones v. Joseph P. Kennedy, et al.	United States District Court for the District of Columbia	May 23, 1938	Action at law for damages against individual Commissioners for conspiring to maliciously prosecute and defame the character of the plaintiff.	<p>Amended complaint dismissed June 14, 1939; second amended complaint dismissed September 6, 1939. Order of October 6, 1939 dismissed action and plaintiff appealed. On March 17, 1941, Court of Appeals for the District of Columbia affirmed judgment. Certiorari denied October 20, 1941. Plaintiff appealed from order of February 15, 1942 denying him leave to file third amended complaint. This appeal dismissed July 27, 1942. Motion for reconsideration of order of July 27, 1942, denied September 30, 1942; mandate stayed. On February 19, 1943, order entered authorizing the transmittal to the Clerk of Supreme Court of original transcript of record for use in connection with petition for certiorari. Petition never filed.</p>

Table 26, Part 1.-Criminal Contempt proceeding pending during the fiscal year ended June 30, 1943

Principal defendants	Number of defendants	United States District Court	Initiating papers filed	Status of case
Little, H. M.	1	Colorado	August 3, 1942	Petition for rule to show cause why H. M. Little should not be held in contempt of court for violation of decree of May 15, 1941 enjoining violations of Sec. 5 (a) (1) of 1933 Act. Defendant found guilty of contempt of court. No sentence imposed. Defendant placed on good behavior. Findings of fact and conclusions of law by Judge Rice, filed November 9, 1942. Shoemaker adjudged guilty of contempt for violation of decree of November 17, 1939, permanently enjoining him from violations of Secs. 5 (a) and 17 (a) of 1933 Act. Court sentenced Shoemaker to serve three months' imprisonment.
Shoemaker, R. L.	1	Eastern District of Oklahoma	April 14, 1942	

Table 26, Part 2.-Civil Contempt Proceedings pending during the fiscal year ended June 30, 1943

Principal defendants	Number of defendants	United States District Court	Initiating papers filed	Status of case
Artemisa Mines, Ltd. and Oliver O. Kendall	2	Arizona	June 28, 1943	Motion for order to adjudge Artemisa Mines, Ltd., a corporation, and Oliver O. Kendall, its President, in contempt of order entered by court May 18, 1943 directing respondent to appear before an officer of the Commission and to produce documentary evidence. Hearing set for July 26, 1943. Application for order to show cause why defendant should not be held in contempt of court for violation of a decree for preliminary injunction entered by the court January 7, 1943. Order entered May 11, 1943 holding defendant in contempt of court with notice of settlement. Notice of appeal from contempt order filed May 14, 1943.
Okin, Samuel	1	Southern District of New York	January 20, 1943	

Table 27.-Actions against Commission or employees of the Commission to enjoin enforcement of the Securities Act of 1933, the Securities Exchange Act of 1934, and the Public Utility Holding Company Act of 1935 - Fiscal year ended June 30, 1943

Name of case	United States District Court	Initiating papers filed	Nature of case	Action and status
Bank of America, National Trust and Savings Association v. William O. Douglas, et al. Samuel Okin v. Securities and Exchange Commission	District of Columbia Southern District of New York	January 16, 1939; amended complaint filed January 7, 1942 May 13, 1942	Injunction and declaratory relief under the 1934 Act.  Complaint by petitioner, stockholder of Electric Bond and Share Company, to enjoin Commission from preventing the purchase by Electric Bond and Share Company of its own preferred stock, to enjoin enforcement of Rule U-42 as applied to company, and to obtain declaration that Rule U-42 is void and beyond powers of Commission under 1935 Act.	Commission's motion to dismiss for lack of jurisdiction granted March 13, 1942. Order entered March 20, 1942, and appeal taken April 15, 1942. Pending. Court denied plaintiff's motion for a temporary injunction on June 24, 1942, and granted Commission's cross-motion for a dismissal of the action for lack of jurisdiction. Final judgment filed June 29, 1942. Second Circuit Court affirmed judgment October 24, 1942, without opinion. Certiorari denied January 18, 1943.

Table 28.—Cases (other than under the Bankruptcy Act) in which the Commission was permitted to file briefs as amicus curiae pending during the fiscal year ended June 30, 1943

Name of case	Court	Brief filed	History and nature of case	Status of case
Paul O. Buckley, Petitioner v. Ross W. Judson	U.S. Court of Appeals for 2nd Circuit	August 5, 1942	<p>Judson sued Buckley in U. S. District Court (S.D.N.Y.) asking to be adjudged owner of 18,000 shares of stock of Bath Iron Works Corporation, registered in name of Buckley, and for an accounting from Buckley, as agent for Judson. A registration statement had been filed with Commission under 1933 Act by Buckley stating that 72,000 shares of Bath, issued to Judson as a result of a recapitalization, were offered to public for Judson's account, when as a matter of fact, by agreement between Judson and his agent, Buckley, 18,000 of these shares were in fact offered for account of Buckley, who was to return same amount of shares, also received in the recapitalization, to Judson. After sale of 18,000 shares to Buckley's account, Buckley failed to return his shares to Judson. Lower court refused to order delivery of 18,000 shares to Judson, on ground that while agreement not a violation of 1933 Act, the false statements in registration statement were a violation and that secret agreement and false statements were part of scheme to deceive Commission and public, and therefore agreement was illegal and unenforceable. On appeal to 2d Circuit, Commission filed Brief as <u>amicus curiae</u> arguing that agreement should not be enforced, there being no countervailing investor or public interest requiring enforcement. Circuit Court disagreed with Commission's conclusion which was based on lower court's findings, since findings were incorrect. Contract held to be enforceable because</p> <ol style="list-style-type: none"> <li>1. Parties not <i>in pari delicto</i></li> <li>2. Wrong done was collateral to cause of action, and relation of illegality to relief sought was indirect and remote.</li> <li>3. <u>Res</u> is held in escrow under what is in effect an order of interpleader so that refusal to act in favor of Judson will amount to affirmative action in favor of Buckley.</li> </ol> <p>On October 3, 1942 Buckley filed petition for certiorari.</p>	November 9, 1942. Petition for certiorari denied.
Herbert J. Cooney v. Sigmund Janis, et al.	Supreme Court of New York, City of New York		<p>Plaintiff and defendants agreed to cause a market rise in certain stock so that stock would reach its "true value". Market price rose, but defendant Janis failed to perform agreement to deliver stock to plaintiff and plaintiff brought suit. Janis claimed that contract violated Sec. 9 (a) (2) of 1933 Act, and therefore contract was illegal and void by virtue of Sec. 29 (b) (1) of Act. Commission agreed with this contention and prepared <u>amicus curiae</u> brief in support thereof.</p>	Commission's brief not filed because plaintiff failed to appear at hearing on March 3, 1943 and case dismissed on motion of defendant.
William M. Dederick, suing on behalf of himself and all other stockholders of North American Light & Power Company v. The North American Company and North American Light & Power Company	U.S. District Court (S.D.N.Y.)	August 8, 1942	<p>Derivative suit in U. S. District Court (S.D.N.Y.) October 1941 to have The North American Company declared agent and trustee of its subsidiary, Light &amp; Power, in the acquisition by former of debentures and preferred stock of its subsidiary at prices below principal amount and liquidation value, to compel parent to sell and subsidiary to reacquire stock at their cost price to parent, and for an accounting. Light &amp; Power moved for dismissal of action. Commission filed Brief as <u>amicus curiae</u> (in support of dismissal) to show that Commission has primary jurisdiction to hear and determine the issues, and why court should not take jurisdiction thereof. On March 8, 1940, Commission had instituted proceedings under 11 (b) (1) of 1935 Act with respect to North American and subsidiaries, including Light &amp; Power. On December 2, 1941, Commission had instituted proceedings under 11 (b) (2) of 1935 Act with respect to Light &amp; Power. On December 30, 1941, Commission ordered winding up of Light &amp; Power.</p>	January 12, 1943. Motion to dismiss denied on ground that complaint does not seek liquidation of Light & Power but action is stayed until determination of the proceeding before Commission.

Table 28.—Cases (other than under the Bankruptcy Act) in which the Commission was permitted to file briefs as amicus curiae pending during the fiscal year ended June 30, 1943—continued

Name of case	Court	Brief filed	History and nature of case	Status of case
Helene Ballgarten v. Stewart J. Lee, doing business under the firm name and style of Stewart J. Lee Company	U.S. District Court (S.D.N.Y.)	October 27, 1942	Action for rescission of contract of sale to plaintiff of certain securities at price far in excess of market price without disclosing such market price to plaintiff. Commission filed memorandum as <u>amicus curiae</u> to show that failure to disclose market price is a fraudulent act under Sec. 15 (a) (1) of 1934 Act and therefore that defendant's second defense, that he acted solely as principal, is insufficient and plaintiff's motion to strike it should be granted. On November 17, 1942, court ruled that issues were fairly raised by denials in defendant's first defense, and that second defense is surplusage and should be stricken.	April, 1943. Judgment for defendant on the merits.
Leland Stanford Junior University and Elmer H. Shine, Petitioners v. The National Supply Company, a corporation, Respondent	U.S. District Court (N.D.Cal.) Court of Appeals for the 9th Circuit	March 24, 1941 January 22, 1943	University owned preferred stock in National. These shares, with back dividends, were cancelled by consolidation of National with one of its subsidiaries. University refused to accept new securities and sued to recover value of its cancelled stock and back dividends thereon in N. D., Cal. Commission filed brief as <u>amicus curiae</u> , contending that (1) plaintiff cannot maintain causes of action asserted under Sec. 12 (1) and 12 (2) of 1933 Act applicable with respect to persons who "sell" a security because the consolidation did not involve a "sale" within the meaning of Sec. 2 (3) of 1933 Act; (2) even if a sale were involved, defendant is protected against liability under Sec. 12 (1) if it relied on Commission's Note to Rule 5 as to the use of Form E-1 as a reason for failing to register the securities involved; (3) if a sale was involved defendant is not protected from liability under Sec. 12 (2) by virtue of the Note to Rule 5. On June 25, 1942 Court ordered judgment for plaintiffs on ground that director of National failed to advise stockholders who might not wish to assent to plan, that they must under laws of Delaware dissent within certain time and demand value of their stock or be bound by majority, and therefore there was breach of trust in depriving University of opportunity of timely exercising its right to dissent. Decision is ambiguous on Commission's Note to Rule 5 for use of Form E-1, the so-called "no sale" theory, although two of its findings may indicate Court's belief that a sale is involved. Defendant appealed to 9th Circuit, and Commission filed brief as <u>amicus curiae</u> . On April 1, 1943 Circuit Court reversed lower court on ground that plan did contain references to the legal right of withdrawal and payment and University was not misled since it thought plan unfair from beginning. Court agrees with Commission's view that consolidation did not involve a "sale" of securities, or an exchange amounting to a sale, hence the civil liability provisions of 1933 Act. Secs. 12 (1), (2), have no application.	Pending for purpose of filing petition for certiorari.
Massachusetts Mutual Life Insurance Company, et al. v. Indiana Service Corporation	U.S. District Court (N.D.Ind.)	October 6, 1942	On September 25, 1942 two bondholders of Indiana, a subsidiary of Trustees of Midland Utilities Company, sued to enjoin Indiana from filing with Commission proposed plan under Sec. 11 (e) of 1935 Act, alleging Sec. 11 (e) is unconstitutional. On question whether application for temporary injunction should be made to 3-judge court under Sec. 3 of Chapter 754 of Judiciary Act of 1937 (28 U.S.C. Sec. 380a), Commission submitted memorandum at Court's request, contending that constitutional issues are insubstantial and complaint should be dismissed. On October 14, 1942, court held complaint did not challenge constitutionality of 1935 Act.	On November 4, 1942 before hearing, case dismissed without prejudice by stipulation of parties.

Table 28.—Cases (other than under the Bankruptcy Act) in which the Commission was permitted to file briefs as amicus curiae pending during the fiscal year ended June 30, 1943—continued

Name of case	Court	Brief filed	History and nature of case	Status of case
Merger Mines Corporation, a corporation, Morris Pearson and Ebba Pearson, his wife, Appellants v. J. V. Grismer, et al. Appellees	U.S. Court of Appeals for the 9th Circuit	April 12, 1943	Stockholders' derivative action to compel the Pearsons (president of Merger and his wife) to perform contract between company and the Pearsons requiring issuance of certain stock to Pearsons. District Court found for plaintiffs and decreed that the stock to be offered to the Pearsons and the other stockholders need not be registered with the Commission. Commission filed brief as <u>amicus curiae</u> to show that this stock is not exempt from registration under 1933 Act and that Sections 3 (a) (10) and 4 (1) of 1933 Act are inapplicable and do not support Court's ruling.	Pending.
The People of the State of New York v. Stanley Grayson	Supreme Court Erie County (N. Y.)	September 11, 1942	Proceeding for permanent injunction instituted February 25, 1942 under Martin Act of New York to restrain defendant from engaging in sale of securities in New York. Defendant sold an oil royalty interest at a 100% mark-up. The Official Referee of New York Court of Appeals, to whom case was referred, was of the opinion that, since the security was registered for sale with Commission and was sold at no higher price than had been fixed by wholesaler as the maximum retail selling price as listed on the applicable schedules filed with the Commission, judgment would have to be granted in defendant's favor. Commission filed memorandum as <u>amicus curiae</u> to show that mere fact that price charged was less than maximum price specified is of no assistance in determining whether the price charged was under the circumstances fraudulent.	September 14, 1942. Official Referee filed report, concluding (1) Maximum retail selling price fixed by registrant in his application for registration is not proof of value of securities but does indicate his opinion as to maximum possible value. (2) Since no fraud established, judgment directed to be entered for defendant.
Philip Smolow and M. William Levy, Plaintiffs-Appellees v. Delendo Corporation, I. J. Seskis and Henry C. Kaplan, Defendants-Appellants	U.S. District Court (S.D.N.Y.) Court of Appeals for 2nd Circuit.	March 2, 1942 February 16, 1943 (with United States)	Action in U. S. District Court (S.D.N.Y.) under Sec. 16 (b) of 1934 Act by stockholders of Delendo, against it and two directors of Delendo, to recover profits realized by directors from trading in securities of Delendo. U. S. allowed to intervene to uphold constitutionality of Sec. 16 (b). Commission filed brief as <u>amicus curiae</u> on measure of damages. District Court found for plaintiffs and Delendo, and all defendants appealed to 2d Circuit.	June 8, 1943 affirmed.

Table 29.-Actions 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	Nature of Case	Status of Case
Columbia Oil & Gasoline Corp. and Columbia Gas & Electric Corp., In Re	Delaware No. 288	January 15, 1943	Application to carry out Plan for distribution of proceeds of sale of assets resulting in dissolution of Company.	Order March 29, 1943, approved the Plan as fair, equitable and appropriate. Notice of appeal filed March 29, 1943, by William H. Danforth. Case pending on appeal.
Jacksonville Gas Company, In Re	Southern District of Florida	May 29, 1942	Application for approval of comprehensive reorganization Plan and for injunction against interference with enforcement of Plan.	Supplemental application filed by Commission for approval of Plan with modifications filed January 13, 1943. Order January 28, 1943, approving the Plan with modifications as fair, equitable and appropriate.
Puget Sound Power & Light Company and Engineers Public Service Company, In Re	Massachusetts No. 2308	May 6, 1943,	Application to enforce reorganization plan and to enjoin interference with enforcement of Plan.	Order June 10, 1943, approving the Plan as fair, equitable and appropriate.
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 Plan.	Order entered April 16, 1943 directing that hearing be held on June 15, 1943. Memorandum on behalf of Commission filed June, 1943. Memorandum in re motion of Otis & Company, filed June 22, 1943. Supplemental memorandum on behalf of Commission as to the status of Otis & Company as a participant in this proceeding, filed June 23, 1943. Pending.

Table 30.-Proceedings by Commission, pending during the fiscal year ended June 30, 1943, to enforce subpoenas under the Securities Act of 1933 and the Securities Exchange Act of 1934.

Principal defendants	Number of defendants	United States District Court	Initiating papers filed	Section of Act involved	Status of Case
Artemisa Mines, Ltd., et al.	2	Arizona	April 8, 1943	Sec. 22 (b) of 1933 Act.	Order May 18, 1943, required Artemisa Mines, Ltd. to appear before an officer of the Commission on June 28, 1943 and there produce records. Order of May 18, 1943 further directed that the application as to Minas De Artemisa, S. A., upon the pleadings be submitted for further order of the court.
Bourbon Sales Corporation	1	Western District of Kentucky	August 7, 1942	Sec. 22 (b) of 1933 Act.	October 15, 1942 opinion rendered sustaining Commission's application for an order to require witness to appear before an officer of the Commission and to produce documentary evidence.
Penfield Company of California, The	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. Notice of appeal filed. Pending.
Southwest Reserve Mutual Life Insurance Company	2	Eastern District of Texas	November 2, 1942	Sec. 22 (b) of 1933 Act.	Order November 27, 1942 directed respondents to appear before an officer of the Commission and produce documentary evidence.

Table 31—Reorganization proceedings in which the Commission participated during the fiscal year ended June 30, 1943

Debtor	District Court	Proceedings instituted under-	Petition		Participation <sup>1</sup>	Securities and Exchange Commission notice of appearance filed
			Filed	Approved		
Adam Block Corporation	N. D. Ill.	Ch. X	Nov. 28, 1939	Dec. 29, 1939	Request	Sept. 27, 1940
Albany Hotel Corp.	N. D. N. Y.	do	Mar. 20, 1943	Mar. 20, 1943	Motion	Apr. 1, 1943
Allied Properties Co. (The)	N. D. Ohio	do	Jan. 26, 1939	Mar. 13, 1939	Request	May 13, 1939
Buckeye Sheriff St. Realty Co. (The)	do	do	do	Mar. 9, 1939	do	Do.
Amach Realty Corp.	S. D. N. Y.	do	May 14, 1943	May 14, 1943	Motion	May 27, 1943
American Fuel & Power Co.	E. D. Ky.	Sec. 77-B	Dec. 6, 1935	Dec. 20, 1935	Request	May 1, 1940
Buckeye Fuel Co. (The)	do	Ch. X	Nov. 28, 1939	Nov. 28, 1939	do	Do.
Buckeye Gas Service Co.	do	do	do	do	do	Do.
Carbreath Gas Co.	do	do	do	do	do	Do.
Inland Gas Distributing Corporation	do	do	do	do	do	Do.
Arrowhead Lake Corporation	S. D. Calif.	do	Mar. 1, 1940	Mar. 1, 1940	Motion	Mar. 19, 1940
Associated Gas & Electric Co.	S. D. N. Y.	do	Jan. 10, 1940	Jan. 10, 1940	do	Jan. 15, 1940
Associated Gas & Electric Corporation	do	do	do	do	do	Do.
Atlas Pipeline Corporation	W. D. Ia.	do	Sept. 20, 1939	Sept. 20, 1939	do	Oct. 3, 1939
Barclay Hotel Corporation	S. D. N. Y.	do	May 29, 1942	June 10, 1942	do	June 10, 1942
Barnett Petroleum Corporation	E. D. Texas	do	Aug. 31, 1940	Aug. 31, 1940	do	Jan. 15, 1941
Bellevue-Stratford Co.	E. D. Pa.	Sec. 77-B	Oct. 30, 1936	Oct. 31, 1936	Request	Feb. 24, 1939
Bennett Oil Corporation	N. D. Texas	Ch. X	Oct. 31, 1940	Nov. 2, 1940	do	Aug. 29, 1941
Southern Crude Oil Purchasing Co.	do	do	do	do	do	Do.
Brand's Restaurant Control Corporation	S. D. N. Y.	do	Aug. 2, 1939	Aug. 10, 1939	Motion	Aug. 30, 1939
Broadway-Exchange Corporation	do	do	Apr. 9, 1942	Apr. 9, 1942	do	Apr. 11, 1942
Brown Co.	D. Maine	Sec. 77-B	Sept. 4, 1935	Sept. 4, 1935	do	Mar. 14, 1939
Camden Rail & Harbor Terminal Corp.	D. N. J.	do	July 16, 1937	July 16, 1937	Request	Nov. 2, 1938
Central States Electric Corporation	E. D. Va.	Ch. X	Feb. 26, 1942	Feb. 27, 1942	do	Mar. 11, 1942
Century Capital Corp.	D. N. J.	do	Mar. 31, 1943	Mar. 31, 1943	Motion	Apr. 7, 1943
Cenwest Corporation	S. D. N. Y.	do	Mar. 17, 1942	Apr. 3, 1942	do	Mar. 21, 1942
Chicago, North Shore & Milwaukee R.R. Co.	N. D. Ill.	do	Apr. 7, 1942	July 29, 1942	do	Mar. 8, 1943
Childs Co.	S. D. N. Y.	do	June 18, 1943	(2)	do	June 23, 1943
Coast & Valley Properties, Inc.	S. D. Calif.	do	Aug. 10, 1939	Aug. 19, 1939	Request	Sept. 11, 1939
Colonial Utilities, Inc.	D. Del.	Sec. 77-B	Aug. 4, 1937	Aug. 4, 1937	Motion	Aug. 8, 1939
Colonial Utilities Corporation	do	do	do	do	do	Do.
Commonwealth Light & Power Co. (The)	N. D. Ill.	do	Oct. 9, 1934	Oct. 15, 1934	Request	June 21, 1940
Inland Power & Light Corporation	do	do	Oct. 10, 1934	do	do	Do.
Consolidated Associates, Inc.	do	Ch. X	Sept. 4, 1941	Sept. 15, 1941	do	Sept. 15, 1941
Consolidated Rock Products Co.	S. D. Calif.	Sec. 77-B	May 24, 1935	May 24, 1935	Motion	July 22, 1940
Consumers Rock & Gravel Co., Inc.	do	do	do	do	do	Do.
Union Rock Co.	do	do	do	do	do	Do.
Cosgrove-Meehan Coal Corporation	D. Del.	do	June 22, 1937	June 22, 1937	do	June 22, 1939
Cosgrove & Co., Inc.	do	do	do	do	do	Do.
Cosgrove-Meehan Coal Co. of Pennsylvania	do	do	do	do	do	Do.
Lenox Coal Co.	do	do	do	do	do	Do.

<sup>1</sup> "Request" denotes participation at the request of the judges; "motion" refers to participation upon approval by the judge of the Commission's motion to participate.

<sup>2</sup> Petition dismissed August 26, 1943.

Table 31—Reorganization proceedings in which the Commission participated during the fiscal year ended June 30, 1943—Continued

Debtor	District Court	Proceedings instituted under—	Petition		Participation <sup>1</sup>	Securities and Exchange Commission notice of appearance filed
			Filed	Approved		
Covered Wagon Co.	E. D. Mich.	Ch. X	Aug. 29, 1940	Aug. 30, 1940	Request	Sept. 27, 1940
Cuyahoga Finance Co.	N. D. Ohio	do	Apr. 11, 1941	Apr. 25, 1941	do	Apr. 28, 1941
Detroit Harbor Terminal, Inc.	E. D. Mich.	Sec. 77-B	Feb. 9, 1935	Mar. 9, 1935	do	Oct. 19, 1942
Detroit Paper Products Corporation	do	Ch. X	Jan. 16, 1941	Jan. 16, 1941	do	Jan. 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 Bankers Corporation	D. Del.	do	May 16, 1941	May 16, 1941	Request	July 16, 1941
Eastern Building Corp.	S. D. N. Y.	do	May 3, 1943	May 20, 1943	Motion	May 25, 1943
Eleven Park Place Corporation	do	do	Dec. 5, 1940	Dec. 19, 1940	do	Dec. 27, 1940
Elm Street Trust	N. D. Ill.	do	July 22, 1941	July 23, 1941	do	Aug. 21, 1941
Emporium of St. Paul, Inc.	D. Minn.	do	Feb. 2, 1942	May 7, 1942	do	Aug. 12, 1942
Equitable Office Building Corporation	S. D. N. Y.	do	Apr. 10, 1941	Apr. 10, 1941	do	Apr. 14, 1941
Evard Co., Inc.	do	do	Apr. 4, 1942	Apr. 15, 1942	do	Apr. 15, 1942
Federal Facilities Realty Trust	N. D. Ill.	Sec. 77-B	Dec. 26, 1934	Apr. 25, 1935	do	Oct. 29, 1940
Fidelity Assurance Association	S. D. W. Va.	Ch. X	June 6, 1941	June 7, 1941	Request	June 13, 1941
51-04 Skillman Ave., Inc.	S. D. N. Y.	do	Dec. 18, 1942	Dec. 28, 1942	do	Dec. 31, 1942
Fort Shelby Hotel Co.	E. D. Mich.	Sec. 77-B	Dec. 7, 1934	Dec. 7, 1934	do	Nov. 6, 1940
Garland Manufacturing Co.	W. D. Pa.	Ch. X	Mar. 26, 1940	Mar. 26, 1940	do	May 3, 1940
Globe Industrial Loan Corp.	D. N. J.	do	Mar. 20, 1943	Mar. 20, 1943	Motion	Apr. 7, 1943
Gobel (Adolf) Inc.	S. D. N. Y.	do	Sept. 29, 1941	Sept. 30, 1941	do	Oct. 1, 1941
Guardian Investors Corporation	do	do	Mar. 18, 1941	May 14, 1941	do	Apr. 4, 1941
Higbee Co. (The)	N. D. Ohio	Sec. 77-B	Aug. 9, 1935	Aug. 9, 1935	do	Jan. 23, 1940
Hotel Philadelphia, Inc.	E. D. Pa.	do	Oct. 30, 1936	Oct. 30, 1936	Request	Feb. 15, 1939
Hotel Sylvania Co. (Delaware Corp.)	do	do	Nov. 24, 1936	Nov. 24, 1936	Motion	June 16, 1942
Hotel Sylvania Co. (Penna. Corp.)	do	do	do	do	do	Do.
Hotels Majestic, Inc.	do	do	Oct. 30, 1936	Oct. 31, 1936	do	Feb. 26, 1942
Hun School (The)	D. N. J.	Ch. X	Nov. 29, 1940	Nov. 29, 1940	Request	Dec. 16, 1940
Hupp Motor Car Corporation	E. D. Mich.	do	Oct. 29, 1940	Nov. 7, 1940	do	Nov. 7, 1940
Industrial Loan Co. (The)	S. D. Ohio	do	Aug. 21, 1941	Aug. 28, 1941	do	Sept. 25, 1941
Inland Gas Corporation	E. D. Ky.	Sec. 77-B	Oct. 14, 1935	Nov. 1, 1935	do	Mar. 28, 1939
International Mining & Milling Co.	D. Nev.	Ch. X	June 29, 1939	June 29, 1939	Motion	Aug. 7, 1939
Mount Gaines Mining Co.	do	do	do	do	do	Do.
International Power Securities Corporation	D. N. J.	do	Feb. 24, 1941	Feb. 24, 1941	do	Mar. 3, 1941
Isham Garden Apts.	S. D. N. Y.	do	Apr. 7, 1943	Apr. 8, 1943	do	Apr. 13, 1943
Joliet Elks Building Association	N. D. Ill.	do	Jan. 10, 1939	Feb. 2, 1939	Request	Feb. 6, 1939
Karcher Hotel Co.	do	do	Feb. 20, 1942	Feb. 20, 1942	Motion	May 20, 1942
Kentucky Fuel Gas Corporation	E. D. Ky.	Sec. 77-B	Oct. 25, 1935	Nov. 1, 1935	Request	Mar. 28, 1939
Keystone Realty Holding Co.	W. D. Pa.	Ch. X	Feb. 10, 1939	Feb. 11, 1939	do	Mar. 8, 1939
Kings County Postal Building Corporation	E. D. Mo.	do	Nov. 7, 1938	Nov. 7, 1938	Motion	Mar. 17, 1939

<sup>1</sup> "Request" denotes participation at the request of the judges; "motion" refers to participation upon approval by the judge of the Commission's motion to participate.



Table B—Reorganization proceedings in which the Commission participated during the fiscal year ended June 30, 1943—Continued

Debtor	District Court	Proceedings instituted under—	Petition		Participation <sup>1</sup>	Securities and Exchange Commission notice of appearance filed
			Filed	Approved		
LaFrance Industries	E. D. Pa.	Sec. 77-B	July 24, 1936	July 24, 1936	Motion	Jan. 19, 1939
Pendleton Manufacturing Co.	do	do	Sept. 24, 1936	Sept. 24, 1936	do	Do.
La Salle Hotel Co.	E. D. Wis.	Ch. X	Apr. 2, 1942	Apr. 20, 1942	do	May 4, 1942
Los Angeles Lumber Products Co., Ltd.	S. D. Calif.	Sec. 77-B	Jan. 28, 1938	Jan. 28, 1938	do	Jan. 29, 1940
Lower Broadway Properties, Inc.	S. D. N. Y.	Ch. X	Nov. 24, 1942	Nov. 24, 1942	do	Dec. 2, 1942
Mahlstedt Materials, Inc.	do	do	Aug. 11, 1941	Aug. 13, 1941	Request	Aug. 14, 1941
Maier Brewing Co.	S. D. Calif.	do	Dec. 4, 1940	Dec. 20, 1940	do	Aug. 4, 1941
Mara Villa Realty Co.	E. D. Mich.	Sec. 77-B	Feb. 16, 1937	Feb. 18, 1937	do	Dec. 6, 1938
Marine Harbor Properties, Inc.	S. D. N. Y.	Ch. X	Sept. 17, 1941	Sept. 17, 1941	Motion	Oct. 14, 1941
Mar-Tex Oil Co. (The)	N. D. Texas	do	Oct. 31, 1940	Nov. 1, 1940	do	Dec. 5, 1940
Mar-Tex Pipeline Co.	do	do	Nov. 1, 1940	do	do	Do.
Willard Pipe Co.	do	do	do	do	do	Do.
Martin Co. of Utica (Hotel)	N. D. N. Y.	Sec. 77-B	June 6, 1935	June 19, 1935	do	June 24, 1939
Mason Block Realty Corporation	S. D. Texas	Ch. X	Jan. 11, 1941	Jan. 15, 1941	do	Mar. 1, 1941
Maxfield-Wilton & Associates, Inc.	S. D. Calif.	Sec. 77-B	Aug. 11, 1938	Aug. 11, 1938	Request	May 23, 1939
Residential Income Properties, Inc.	do	do	Aug. 22, 1938	Aug. 22, 1938	do	do.
Wilton-Maxfield Management Co.	do	do	do	do	do	Do.
Mayfair Hotel Co.	E. D. Mo.	Ch. X	Oct. 20, 1941	Oct. 21, 1941	Motion	Nov. 18, 1941
McKesson & Robbins, Inc.	S. D. N. Y.	do	Dec. 8, 1938	Dec. 8, 1938	do	Dec. 8, 1938
Kedimah Building Corporation	N. D. Ill.	do	June 4, 1941	July 28, 1941	Request	July 28, 1941
Metropolitan Holding Co.	E. D. Mich.	Sec. 77-B	Mar. 25, 1937	Apr. 3, 1937	do	Dec. 6, 1938
Midland United Co.	D. Del.	do	June 9, 1934	June 9, 1934	Motion	Jan. 10, 1940
Midland Utilities Co.	do	do	do	do	do	Do.
Minnesota & Ontario Paper Co.	D. Minn.	do	June 11, 1934	July 11, 1934	do	Feb. 10, 1939
Moorhead Knitting Co.	N. D. Pa.	Ch. X	June 19, 1941	June 24, 1941	do	Aug. 6, 1941
Mortgage Guarantee Co.	D. Md.	do	Sept. 16, 1939	Sept. 16, 1939	do	Sept. 27, 1939
Druid Park Apartments Co. (The)	do	do	Dec. 8, 1939	Dec. 8, 1939	do	(2).
Saratoga Building & Land Corporation (The)	do	do	Sept. 25, 1939	Sept. 25, 1939	do	Sept. 27, 1939
Wyman Park Apartments Co. (The)	do	do	Dec. 8, 1939	Dec. 8, 1939	do	(2).
Mt. Forest Fur Farms of America, Inc.	E. D. Mich.	Sec. 77-B	Aug. 15, 1938	Aug. 15, 1938	Request	Sept. 28, 1938
Mutual Creamery Co.	D. Utah	Ch. X	Mar. 11, 1939	Mar. 11, 1939	Motion	Apr. 4, 1939
National Realty Trust	N. D. Ill.	Sec. 77-B	Dec. 26, 1934	Apr. 25, 1935	do	Oct. 29, 1940
1934 Realty Corporation	S. D. N. Y.	Ch. X	Dec. 23, 1938	Dec. 21, 1940	do	Jan. 8, 1941
Northern Redwood Lumber Co.	N. D. Calif.	Sec. 77-B	Apr. 4, 1936	Apr. 4, 1936	do	Apr. 13, 1939
Northwest Carolina Utilities Co.	N. D. N. C.	Ch. X	July 8, 1942	July 8, 1942	do	Mar. 3, 1943
Northwest Cities Gas Co.	E. D. Wash.	Sec. 77-B	Jan. 13, 1938	Jan. 15, 1938	do	June 26, 1939
Ommer Fare Register Co.	S. D. Ohio	do	Dec. 29, 1937	Dec. 29, 1937	Request	May 16, 1939
Oklahoma Railway Co.	N. D. Okla.	Ch. X	Sept. 27, 1939	Sept. 27, 1939	Motion	Oct. 13, 1939
188 Randolph Building Corporation	N. D. Ill.	Sec. 77-B	Aug. 5, 1935	Dec. 30, 1935	do	Jan. 17, 1939
P-R Holding Corporation	S. D. N. Y.	Ch. X	Apr. 24, 1942	May 21, 1942	do	May 21, 1942
Paloma Estates, Inc.	do	do	June 18, 1941	(8)	Request	June 23, 1941
Penfield Distilling Co. (The)	N. D. Ky.	do	Apr. 5, 1939	Apr. 5, 1939	do	May 15, 1939
Penn Timber Co.	D. Oreg.	Sec. 77-B	Feb. 18, 1938	Feb. 18, 1938	do	Jan. 5, 1939
Philadelphia & Reading Coal & Iron Co.	E. D. Pa.	do	Feb. 26, 1937	Feb. 26, 1937	Motion	Jan. 27, 1939
Philadelphia & Western Ry.	do	do	July 2, 1934	July 3, 1934	do	Dec. 17, 1940
Pine Hill Collieries Co.	do	Ch. X	May 16, 1939	May 16, 1939	Request	May 19, 1939
Pine Hill Coal Co.	do	do	do	do	do	Do.

1 "Request" denotes participation at the request of the judge; "motion" refers to participation upon approval by the judge of the Commission's motion to participate.

2 Order approving petition also consolidated the proceedings with those involving Mortgage Guarantee Company and the Saratoga Building and Land Corporation.

3 Order dismissing petition being appealed.

Table 31- Reorganization proceedings in which the Commission participated during the fiscal year ended June 30, 1943—Continued

Debtor	District Court	Proceedings instituted under-	Petition		Participation <sup>1</sup>	Securities and Exchange Commission notice of appearance filed
			Filed	Approved		
Pittsburgh Railways Co.	W. D. Pa.	Sec. 77-B	May 10, 1938	May 10, 1938	Request	Jan. 4, 1939
Pittsburgh Motor Coach Co.	do	do	do	do	do	Do.
Pittsburgh Terminal Coal Corporation	do	Ch. X	Dec. 4, 1939	Jan. 2, 1940	do	Jan. 6, 1940
Plankinton Building Co.	E. D. Wis.	do	June 25, 1940	June 27, 1940	do	July 16, 1940
Portland Electric Power Co.	D. Oreg.	do	Apr. 3, 1939	Apr. 3, 1939	do	Apr. 18, 1939
Quaker City Cold Storage Co.	E. D. Pa.	do	Dec. 17, 1941	Feb. 13, 1942	Motion	Jan. 28, 1942
R. A. Security Holding, Inc.	E. D. N. Y.	do	May 7, 1942	July 22, 1942	do	May 22, 1942
Real Estate Mortgage Guaranty Co.	E. D. Pa.	do	July 11, 1940	Nov. 12, 1940	do	Nov. 12, 1940
Reb Holding Co.	E. D. Wis.	do	Apr. 20, 1939	Apr. 20, 1939	Request	July 29, 1940
Rentals Building Corporation	S. D. Ohio	do	July 31, 1939	Nov. 1, 1939	Motion	Apr. 23, 1940
Reynolds Investing Co., Inc.	D. N. J.	Sec. 77-B	May 18, 1938	June 22, 1938	Request	Dec. 6, 1938
Ritz-Carlton Restaurant & Hotel Co. of Atlantic City (The)	do	Ch. X	Jan. 17, 1939	Jan. 20, 1939	do	Jan. 23, 1939
Roach (W. R.) & Co.	W. D. Mich.	do	Jan. 9, 1941	Jan. 9, 1941	Motion	Feb. 1, 1941
Roberts & Oake, Inc.	N. D. Ill.	do	Apr. 19, 1941	Apr. 19, 1941	do	May 28, 1941
Saltex Looms, Inc. (The)	D. Conn.	do	Nov. 10, 1939	Nov. 10, 1939	do	Dec. 2, 1939
Sayre & Fisher Brick Co.	D. N. J.	Sec. 77-B	Aug. 20, 1934	Aug. 20, 1934	Request	Feb. 2, 1940
Silesian American Corporation	S. D. N. Y.	Ch. X	July 29, 1941	July 29, 1941	Motion	Aug. 1, 1941
640 South Main Corporation	S. D. Calif.	do	Nov. 26, 1941	Nov. 26, 1941	do	Dec. 3, 1941
South State St. Building Corporation	N. D. Ill.	do	Oct. 17, 1938	Oct. 18, 1938	do	Nov. 29, 1938
Sponsor Realty Co.	S. D. N. Y.	do	July 17, 1942	Mar. 19, 1943	do	Sept. 25, 1942
Straus Building Corporation	E. D. Wis.	do	Nov. 14, 1941	Nov. 14, 1941	Request	Dec. 3, 1941
Thomas Allec Corporation (The)	N. D. Calif.	do	May 12, 1939	May 13, 1939	Motion	June 26, 1939
Transportation Building Corporation of Chicago	N. D. Ill.	do	Jan. 16, 1941	Feb. 13, 1941	Request	Feb. 21, 1941
Turnbow Petroleum Corporation (W. C.)	E. D. Texas	do	Feb. 21, 1940	Feb. 21, 1940	Motion	Apr. 18, 1940
263 West 38th St. Corporation	S. D. N. Y.	do	Dec. 26, 1940	Dec. 26, 1940	do	Jan. 29, 1941
Ulen & Co.	do	do	June 14, 1940	June 14, 1940	do	June 17, 1940
Universal Bond & Mortgage Corporation	D. Ore.	do	Aug. 25, 1938	Sept. 16, 1938	do	Jan. 5, 1939
Utilities Power & Light Corporation	N. D. Ill.	Sec. 77-B	Jan. 4, 1937	Jan. 4, 1937	Request	May 31, 1940
Valier-Montana Land & Water Co.	S. D. Mont.	Ch. X	Jan. 15, 1942	Jan. 15, 1942	Motion	Mar. 5, 1942
Van Rensselaer 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 Bldg. Co. (The)	do	do	do	do	do	Do.
Warner Sugar Corporation	S. D. N. Y.	Ch. X	June 7, 1940	July 9, 1940	Request	July 9, 1940
Warren Brothers Co.	D. Mass.	Sec. 77-B	Feb. 1, 1937	Feb. 1, 1937	Motion	Jan. 30, 1939
Washington Gas & Electric Co.	S. D. N. Y.	Ch. X	Sept. 29, 1941	Sept. 29, 1941	do	Oct. 14, 1941
Watson Realty Co.	E. D. Mich.	Sec. 77-B	Apr. 28, 1936	Apr. 28, 1936	Request	Jan. 7, 1939
Webster Apartments Co.	do	do	May 4, 1935	May 4, 1935	do	Nov. 27, 1939
Westover, Inc.	S. D. N. Y.	Ch. X	Mar. 18, 1943	Mar. 24, 1943	Motion	Mar. 24, 1943
William Jameson & Co.	do	do	Apr. 21, 1941	Apr. 21, 1941	Request	Dec. 3, 1941
Windsor-Wilson Liquidation Trust	N. D. Ill.	do	Mar. 18, 1941	May 28, 1941	do	June 12, 1941
York Railways Co.	E. D. N. Y.	Sec. 77-B	Nov. 30, 1937	Nov. 30, 1937	Motion	Jan. 5, 1943

<sup>1</sup> "Request" denotes participation at the request of the judge; "motion" refers to participation upon approval by the judge of the Commission's motion to participate.