

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

Washington 25, D.C.

FOR RELEASE : June 14, 1957

Securities Act Release No. 3801

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration with respect to a public offering of securities by Co-Em-Co Mining and Exploration Company, Inc. of Salt Lake City, Utah. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration under the Securities Act for public offerings of securities not exceeding \$300,000 in amount. In its Regulation A notification, filed February 9, 1956, Co-Em-Co Mining and Exploration Company, Inc. proposed the public offering of 50,000 shares of its Common \$1 par value at \$1. per share, pursuant to such an exemption. The Commission in its suspension order asserts that it has reasonable cause to believe that the terms and conditions of Regulation A have not been complied with by Co-Em-Co Mining and Exploration Company, Inc., in that its offering circular failed to contain the required financial statements; contained financials which extended dollar amounts for non-cash transactions which were thereby rendered misleading; and the company had failed to file the required semi-annual reports of stock sales.

In addition, the suspension order alleged that the Commission had reason to believe that the filing was misleading concerning the number of shares of stock issued by Co-Em-Co Mining and Exploration Company, Inc. prior to the filing and the consideration received by the company for the issuance of such shares. Furthermore, it was alleged that the use of the circular without disclosure whether necessary assessment work had been performed on the company's unpatented mining claims would be improper.

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National Securities & Research Corporation, of New York, filed an amendment on June 13, 1957 to its registration statement (File 2-11745) seeking registration of an additional 10,000,000 shares in National Securities Series (Bond Series, Balanced Series, Preferred Stock Series, Income Series, Stock Series, Dividend Series and Growth Stocks Series).

Investment Company Act Release No. 2545

Baker Industries, Inc., of Newark, N. J., has filed an application with the SEC for an order declaring Baker not to be an investment company, and the Commission has issued an order giving interested persons an opportunity to request a hearing in the matter by July 2, 1957.

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

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In April, 1956 Baker sold its domestic fire extinguishing equipment assets and invested the proceeds in marketable securities. As a result Baker came within the definition of an investment company. In the early part of 1957, Baker acquired 40% of the stock of L. A. Young Spring & Wire Corporation, a Michigan corporation, and approximately 78% of the outstanding common stock and 54% of the outstanding preferred stock of U. S. Bobbin & Shuttle Corporation, a Rhode Island Corporation. Both companies, it is stated, are engaged in the manufacturing business. Baker states that its representatives are active in the control, policymaking, and direction of the affairs of Young and Bobbin.

Baker avers that, although it may meet the technical definition of an investment company, it is actually engaged in the manufacturing business directly and through its controlled companies.

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Texas Electric Service Company, of Fort Worth, Texas, filed a registration statement (File 2-13430) today with the SEC seeking registration of \$10,000,000 of first mortgage bonds ___% Series due July 1, 1987, and 100,000 shares of \$_____ cumulative, no par preferred stock. The bonds are to be offered for competitive bidding and the last date for the receipt of bids is set for July 15, 1957. The interest, public offering price, and underwriting terms for both the bonds and preferred stock will be supplied by later amendment.

Texas Electric Service Company was incorporated under the laws of Texas in 1929 and is a public utility engaged in the generation, purchase, transmission and distribution of electricity wholly within the State of Texas. It is a subsidiary of Texas Utilities Company.

The net proceeds from the sale of the bonds and the preferred stock together with a \$6,000,000 contribution to the common stock equity of Texas Electric by its parent, Texas Utilities, and other funds derived from the company's operations, will be used for the remainder of the company's construction program in 1957 and, in part, of 1958, including the repayment of \$4,400,000 borrowed from Texas Utilities for such program.

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