

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**NEW ENGLAND ELECTRIC SYSTEM SEEKS ORDER.** New England Electric System, Boston registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing the sale by its utility subsidiary, New England Power Company of certain substation facilities to its industrial customer, Crocker, Burbank & Company, of Fitchburg, Mass. at the original cost thereof (less accrued depreciation to the date of sale); and the Commission has issued an order (Release 35-14893) giving interested persons until June 26, 1963 to request a hearing thereon. The original cost of the facilities and the related accrued depreciation as at March 31, 1963 were reflected in New England Power's books at \$204,778 and \$53,311, respectively.

**MADISON SQUARE GARDEN CORP. SEEKS ORDER.** Madison Square Garden Corporation, New York closed-end investment company, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-3714) giving interested persons until July 2, 1963 to request a hearing thereon. According to the application, since 1960 the company has been principally engaged in the operation of Madison Square Garden arena in New York City and in real estate businesses. With the exception of the company's interest in Royal American Industries, Inc., representing 22% of its assets (at December 1962), about 5% of the company's assets at that date was represented by other investment securities and miscellaneous assets. The company intends to dispose of its interest in Royal when practicable to provide necessary additional capital for its sports arena and real estate operations.

**EQUITY CORP. SEEKS ORDER.** The Equity Corporation, New York closed-end investment company, and William S. Stuhr have applied to the SEC for an order under the Investment Company Act authorizing the proposed sale of certain securities to Equity by Stuhr in exchange for certain securities to be transferred to Stuhr; and the Commission has issued an order (Release IC-3715) giving interested persons until June 27, 1963 to request a hearing thereon. According to the application, Equity owns about 46% of the outstanding common stock (300,000 shares) of United Board & Carton Corporation, of which Stuhr is president and (together with his family) beneficial owner of 33,275 shares of its stock. In order to increase its holdings of common stock of United to over 50%, Equity proposes to acquire 12,500 additional shares from Stuhr in exchange for 15,000 shares of The Capital City Products Company, a Delaware company.

**SAMSON FUNDS SEEK ORDER.** Samson Fund, Inc. and Samson Convertible Securities and Capital Fund, Inc., New York open-end investment companies, have applied to the SEC for an order under the Investment Company Act authorizing the proposed exchange of assets of Samson Convertible for capital shares of Samson Fund on the basis of the respective net asset value of the two Funds; and the Commission has issued an order (Release IC-3716) giving interested persons until June 27, 1963 to request a hearing thereon. According to the application, the respective boards of both Funds have approved the agreement, which is subject to approval by the holders of two-thirds of outstanding shares of Samson Convertible at a meeting to be called in June 1963. It is proposed that Samson Convertible be liquidated and dissolved; and its shareholders will receive pro rata, shares of Samson Fund together with any cash remaining in the hands of Samson Convertible after payment of all costs and expenses.

**KEY FINANCE FILES FOR STOCK OFFERING.** Key Finance Corporation, Rio Piedras, Puerto Rico, filed a registration statement (File 2-21480) with the SEC on June 7 seeking registration of 80,000 shares of common stock, to be offered for public sale through underwriters headed by Morris Cohon & Co., 19 Rector St., and Street & Co., Inc., 30 Broad St., both of New York. The public offering price (maximum \$5 per share\*) and underwriting terms are to be supplied by amendment. The statement also includes 15,000 shares underlying 5-year warrants to be sold to the principal underwriters for \$150, exercisable at a price to be supplied by amendment. Subsidiaries of the company have paid to Alfred J. Roach, prior to his election as the company's board chairman, \$10,000 for financial consultation services in connection with this offering. The underwriters will receive \$12,000 for expenses.

The company is engaged in the operation of a small loan business in Puerto Rico. Of the net proceeds from the stock sale, \$80,000 will be used to repay loans made by stockholders of the company and others (currently bearing interest at the annual rate of 10% to 15%), and the balance will be used for making additional loans at existing locations, for establishing new offices at new locations if such offices are opened, and for general corporate purposes. The loans from stockholders and others were incurred to expand business at the company's five offices in Puerto Rico. In addition to certain indebtedness, the company has outstanding 200,000 shares of common stock, of which Alfred J. Roach and Quing N. Wong own 18% and 18.89%, respectively, and management officials as a group 28.34%. Gonzalo Cordova is president. Book value of stock now outstanding is 80¢ per share.

**SECURITIES ACT REGISTRATIONS.** Effective June 10: Southern Union Gas Co. (File 2-21349).  
Effective June 11: Public Service Electric & Gas Co. (File 2-21444); Safran Printing Co. (File 2-21370).  
Withdrawn June 10: T-A Development Co. (File 2-20717).

\*As estimated for purposes of computing the registration fee.

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