

INVESTMENT COMPANY ACT

RELEASE NOS.

552 TO 596

SECURITIES AND EXCHANGE

COMMISSION

PHILADELPHIA. UNITED STATES.

1943

1943

For Release in MORNING Newspapers of Saturday, September 18, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT
Release No. 552-596

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 16th day of September, A. D., 1943.

In the Matter of	:	
	:	
BANK STOCK TRUST SHARES, SERIES C-1	:	NOTICE OF AND
	:	ORDER FOR HEARING
File No. 811-332	:	
	:	
Investment Company Act of 1940	:	
Section 8 (f)	:	

Bank Stock Trust Shares, Series C-1, a registered investment company, having filed an application pursuant to the provisions of Section 8 (f) of the Investment Company Act of 1940 for an order declaring that it has ceased to be an investment company within the meaning of said Act;

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on October 4, 1943, at 10:00 A.M., Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania.

IT IS FURTHER ORDERED that Willis E. Monty shall preside at the hearing on such application. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceedings may be in the public interest or for the protection of investors.

By the Commission.

Orval L. DuBois,
Secretary.

(SEAL)

For Release in MORNING Newspapers, Saturday, September 18, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT
Release No. 553 - 595

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 16th day of September, A. D., 1943.

In the Matter of	:	
GENERAL TRUSTEES COMPANY	:	
File No. 811-405	:	
Investment Company Act of 1940	:	FINDINGS AND ORDER
Section 8 (f)	:	

The Commission, having reasonable cause to believe that General Trustees Company has distributed its assets to its bondholders, has no remaining assets and has ceased to do business, ordered a hearing to be held to determine whether it should declare by order pursuant to Section 8 (f) of the Investment Company Act of 1940 that General Trustees Company has ceased to be an investment company within the meaning of said Act.

After appropriate notice, a public hearing was duly held before a Trial Examiner. The Commission having considered the record in the matter finds:

- (1) General Trustees Company, a management closed-end diversified investment company registered under the provisions of the Investment Company Act of 1940, was organized on August 31, 1931 under the laws of the State of Delaware.
- (2) As of the date of its registration under the Investment Company Act of 1940, General Trustees Company had total assets of a market value approximating \$10,000. These assets were pledged as collateral security with First Citizens Bank and Trust Company, Trustee, for \$179,000 principal amount of Income Bonds due December 1941.
- (3) On or about May 1, 1942, the assets of General Trustees Company were liquidated by First Citizens Bank and Trust Company and distributed to its bondholders.
- (4) General Trustees Company no longer maintains a resident agent in the State of Delaware as required by the Delaware Corporation Law and no longer maintains an office for the conduct of its business.

WHEREFORE General Trustees Company has ceased to be and is not now an investment company within the meaning of the Investment Company Act of 1940, it is hereby so declared; and

IT IS ORDERED that the registration of General Trustees Company under said Act shall forthwith cease to be in effect.

By the Commission.

Orval L. DuBois,
Secretary.

(SEAL)

For IMMEDIATE Release Tuesday, September 21, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 554

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 20th day of September, A. D., 1943.

In the Matter of	:	
	:	
THE UNITED GAS AND ELECTRIC CORPORATION	:	
	:	NOTICE OF AND ORDER
File No. 811-274	:	FOR HEARING
	:	
Investment Company Act of 1940	:	
Section 8 (f)	:	

An application having been filed by The United Gas and Electric Corporation pursuant to Section 8 (f) of the Investment Company Act of 1940 for an order declaring that the applicant has ceased to be an investment company within the meaning of said Act;

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on October 4, 1943 at 11:00 o'clock A. M., Eastern War Time, in Room 318, Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania;

IT IS FURTHER ORDERED that Willis E. Monty, or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearing on such matter. The officer so designated to preside at such hearing is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to trial examiners under the Commission's Rules of Practice.

NOTICE IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release Wednesday, September 22, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 555

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pennsylvania,
on the 21st day of September, A. D., 1943.

In the Matter of	:	
	:	
THE CHICAGO CORPORATION	:	ORDER OF
	:	DISCONTINUANCE
File No. 812-332	:	
	:	
Investment Company Act of 1940	:	
Section 17 (b)	:	

The Chicago Corporation, having filed an application under and pursuant to the provisions of Section 17 (b) of the Investment Company Act of 1940 on September 9, 1943 for an order exempting from the provisions of Section 17 (a) of said Act, a transaction in which the applicant proposed to purchase all or any part of the common stock of Adams Oil and Gas Company from other stockholders thereof at \$30.00 per share pursuant to a general offer of purchase by the applicant; the Commission having by order dated September 10, 1943 set the matter down for hearing on September 20, 1943; and

The Chicago Corporation having on September 16, 1943 requested withdrawal of such application;

The Commission hereby consents to such withdrawal, and

IT IS ORDERED that the proceedings upon said application be and the same hereby are discontinued.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release Wednesday, September 22, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 556

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 21st day of September, A. D., 1943.

In the Matter of	:	
	:	
ADMINISTRATIVE CORPORATION	:	
SOVEREIGN CORPORATION	:	
SOVEREIGN INVESTORS, INC.	:	
TRUSTEED AMERICAN BANK SHARES, SERIES "B"	:	ORDER CONSENTING
	:	TO WITHDRAWAL OF
File No. 812-271	:	APPLICATION
	:	
Investment Company Act of 1940 --	:	
Section 11 (a)	:	

Administrative Corporation, Sovereign Corporation, Sovereign Investors, Inc. and Trusteed American Bank Shares, Series "B", having filed on May 12, 1942 an application under and pursuant to Section 11 (a) of the Investment Company Act of 1940 for an order of the Commission approving the terms of a proposed offer to the shareholders of Trusteed American Bank Shares, Series "B", to exchange their shares for those of Sovereign Investors, Inc.; and

The applicants having, on September 4, 1943, requested withdrawal of such application,

The Commission hereby consents to such withdrawal, and to that effect

IT IS SO ORDERED.

By the Commission.

Orval L. DuBois,
Secretary.

(SEAL)

For IMMEDIATE Release Monday, September 27, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 557

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 25th day of September, A.D., 1943.

In the Matter of	:	
	:	
SCRIPPS-HOWARD INVESTMENT COMPANY	:	
	:	
File No. 812-178	:	NOTICE OF AND ORDER
	:	CONTINUING HEARING
	:	
Investment Company Act of 1940	:	
Sections 6 (b) and 6 (c)	:	

An application having been duly filed by Scripps-Howard Investment Company for an order, pursuant to Section 6 (b) and/or Section 6 (c) of the Investment Company Act of 1940, exempting the applicant from the provisions of said Act and the Rules and Regulations promulgated by the Commission thereunder; and

The hearing in this matter having been held, and the Commission, by an order dated August 26, 1943, having permitted the applicant to file a formal amendment to its application on or before September 15, 1943, and having ordered that the hearing in this matter be reconvened on September 28, 1943; and

The applicant having requested an extension of the time within which it might file a formal amendment to its application and also having requested a continuance of such hearing;

IT IS ORDERED that the applicant be permitted to file a formal amendment to its application on or before October 18, 1943; and

IT IS FURTHER ORDERED that the record in this matter be reopened and a hearing ordered by this Commission under Section 40 (a) of the Investment Company Act of 1940 be reconvened on October 28, 1943 at 10 A.M. Eastern War Time in Room 318, of the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania; and

IT IS FURTHER ORDERED that Robert P. Reeder, Esquire, or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearing so ordered. The officer so designated is hereby authorized to exercise all the powers granted in the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to trial examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant, to the American Newspaper Guild, and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

Orval L. DuRois,
Secretary.

(SEAL)

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For IMMEDIATE Release Thursday, September 30, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940,
Release No. 558

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 29th day of September, A.D., 1943.

In the Matter of	:	
	:	
THE ALEXANDER FUND	:	
	:	
File No. 811-451	:	NOTICE OF AND ORDER
	:	FOR HEARING
	:	
Investment Company Act of 1940 -	:	
Section 8 (f)	:	

An application having been filed on behalf of The Alexander Fund pursuant to Section 8 (f) of the Investment Company Act of 1940 for an order declaring that The Alexander Fund has ceased to be an investment company within the meaning of said Act;

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on October 11, 1943, at 10:00 A. M., Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania.

IT IS FURTHER ORDERED that Willis E. Monty, Esquire, or any other officer or officers of the Commission designated by it for that purpose, shall preside at such hearing. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release Friday, October 1, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 559

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 29th day of September, A. D., 1943.

In the Matter of	:	
	:	
THE TONOPAH MINING COMPANY OF NEVADA	:	
	:	ORDER EXTENDING
File No. 812-241	:	TEMPORARY EXEMPTION
	:	
Investment Company Act of 1940	:	
Section 3 (b) (2)	:	

An application under Section 3 (b) (2) of the Investment Company Act of 1940 having been duly filed with the Commission on December 4, 1941, and a supplemental application having been filed with the Commission on June 18, 1943, by The Tonopah Mining Company of Nevada for an order or orders adjudging it to be excepted from the provisions of the Investment Company Act of 1940 by virtue of Section 3 (b) (2) of said Act; and

It appearing that the previously granted extension of the temporary exemption of the applicant from the provisions of said Act provided by Section 3 (b) (2) thereof is about to expire; and

Sufficient cause having been shown to warrant a further extension of said exemption;

IT IS ORDERED, pursuant to the authority vested in this Commission by said Section 3 (b) (2), that the said temporary exemption of the applicant be, and the same hereby is, further extended until December 1, 1943, but, if during such period the Commission by order denies the aforesaid application, then such extension shall cease and terminate ten days after personal service or services by registered mail of a copy of said order on the applicant.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release Thursday, October 7, 1948

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 560

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 6th day of October, A. D., 1943.

In the Matter of	:	
	:	
THE UNITED GAS AND ELECTRIC CORPORATION	:	
	:	FINDINGS AND ORDER
File No. 811-274	:	
	:	
Investment Company Act of 1940 --	:	
Section 8 (f)	:	

The United Gas and Electric Corporation has filed an application under Section 8 (f) of the Investment Company Act of 1940 for an order declaring that it has ceased to be an investment company within the meaning of the said Act.

A public hearing having been duly held after appropriate notice, the Commission having examined the record in this matter finds:

1. The United Gas and Electric Corporation was organized under the laws of the State of Connecticut on July 20, 1923. It is registered under the Investment Company Act of 1940 as a closed-end, non-diversified, management company.
2. The applicant has outstanding 310,464 shares of capital stock, of which 309,749 shares are owned by Empire Power Corporation and the remaining 715 shares are owned by the public.
3. At a special meeting of stockholders held on June 25, 1943, an amendment to the applicant's charter was adopted providing for the termination of its existence on June 30, 1943. The directors were also authorized to wind up the applicant's corporate affairs and distribute the net assets to its stockholders pursuant to a plan adopted by the stockholders at the meeting. In accordance with the applicable laws of Connecticut, a certificate of amendment was filed with the Secretary of State of the State of Connecticut on June 25, 1943.
4. All of the applicant's liabilities and claims have been paid or provided for, and the net assets were distributed in cash or in kind pro rata to its stockholders on July 6, 1943 as follows:

The sum of \$76,333.20 was deposited with The Chase National Bank of the City of New York as paying agent for distribution to the owners of the 715 shares of common stock and the remaining assets of the applicant consisting of cash, securities and personal property were distributed to Empire Power Corporation upon surrender for cancellation of the balance of the 309,749 shares of common stock.

5. Empire Power Corporation has agreed to assume all of the liabilities, actual and contingent, of the applicant and its board of directors.

WHEREFORE IT IS ORDERED that The United Gas and Electric Corporation has ceased to be and is not now an investment company within the meaning of the Investment Company Act of 1940; and

IT IS FURTHER ORDERED that the registration of The United Gas and Electric Corporation under the said Act shall forthwith cease to be in effect.

By the Commission.

Orval L. DuBois,
Secretary.

(SEAL)

For IMMEDIATE Release Friday, October 9, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 561

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 7th day of October, A.D., 1943.

In the Matter of	:	
	:	
AMERICAN CAPITAL CORPORATION	:	
	:	
File No. 811-241	:	NOTICE OF AND
	:	ORDER FOR HEARING
	:	
Investment Company Act of 1940 --	:	
Section 8 (f)	:	

The Commission having reasonable cause to believe that American Capital Corporation, a registered investment company, has ceased to exist by reason of its merger into another corporation and that all of its assets are possessed by the surviving corporation subject to all debts, liabilities and duties of American Capital Corporation;

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing be held on October 18, 1943 at 10:00 a. m., Eastern War Time, in Room 318, Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania, to determine whether the Commission shall declare by order, pursuant to Section 8 (f) of said Act, that American Capital Corporation has ceased to be an investment company; and

IT IS FURTHER ORDERED that Robert P. Reeder, Esquire, or any other officer or officers of the Commission designated by it for that purpose, shall preside at such hearing. The officer so designated is hereby authorized to exercise all powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to trial examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to American Capital Corporation and to any other persons whose participation in such proceedings may be in the public interest or for the protection of investors.

By the Commission.

Orval L. DeLois,
Secretary.

(SEAL)

For IMMEDIATE Release Saturday, October 9, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 562

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 8th day of October, A. D., 1943.

In the Matter of	:	
	:	
METROPOLITAN ROYALTY CORPORATION	:	
	:	NOTICE OF AND ORDER
File No. 811-439	:	FOR HEARING
	:	
Investment Company Act of 1940 -	:	
Section 8 (f)	:	

An application having been filed by Metropolitan Royalty Corporation pursuant to Section 8 (f) of the Investment Company Act of 1940 for an order declaring that the applicant has ceased to be an investment company within the meaning of said Act;

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on October 25, 1943, at 10:00 A.M., Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 15th and Locust Streets, Philadelphia, Pennsylvania.

IT IS FURTHER ORDERED that Charles S. Lobingier, Esquire, or any officer or officers of the Commission designated by it for that purpose, shall preside at such hearing. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release Tuesday, October 12, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 363

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 11th day of October, A.D., 1943.

In the Matter of	:
Setay Company, Incorporated	:
Metropolitan Royalty Corporation	:
Associated Motion Picture Industries, Inc.	:
Consolidated Film Industries, Inc.	:
Cajo Company, Inc.	:
Frederick R. Ryan	:
Herbert J. Yates, Jr.	:
Walter W. Vincent	:
and	:
Morris Goodman	:
Files Nos. 812-333	:
811-329	:
Investment Company Act of 1940 - Sections	:
6 (c), 8 (f) and 17 (b)	:

NOTICE OF AND
ORDER FOR
HEARING

Setay Company, Incorporated ("Setay"), a registered investment company, has filed an application pursuant to Sections 6 (c) and 17 (b) of the Investment Company Act of 1940 for an order exempting from the provisions of Section 17 (a) of said Act the proposed transactions hereinafter set forth and for an order pursuant to Section 8 (f), after consummation of certain of the proposed transactions, declaring that Setay has ceased to be an investment company within the meaning of said Act.

The transactions for which Setay seeks exemption are: (1) the purchase by Setay and the sale by Metropolitan Royalty Corporation, a registered investment company and an affiliated person of Setay, of 6,000 shares of Republic Pictures Corporation ("Republic") for \$30,000;

(2) the transfer by Setay to Associated Motion Picture Industries, Inc. ("Associated"), an affiliated person of affiliated persons of Setay, of all assets, property and rights of Setay, except 90,085 shares of Republic, 150 shares of Cajo Company, Inc. ("Cajo"), some secured notes receivable in the amount of \$200,000 and the 1,000 shares of Republic to be acquired from Metropolitan Royalty Corporation, in consideration of Associated issuing to Setay

94,735.8 shares of the total authorized and unissued capital stock of Associated and assuming all obligations and liabilities of Setay except some notes payable in the amount of \$200,000. As of September 11, 1943, Associated had no assets or liabilities and none of its stock was outstanding. Setay proposes to distribute the 94,735.8 shares of Associated to be received in this transaction to its stockholders on a share for share basis;

(3) the issuance by Setay to Consolidated Film Industries, Inc., an affiliated person of Setay, of 195,442 shares of its authorized and unissued stock in exchange for 317,800 shares of Republic and 150 shares of Cajo (the latter shares are the equivalent of a one-half interest in 225,000 shares of Republic);

(4) the purchase by Setay of an aggregate of 750 shares of Republic from Frederick R. Ryan, Herbert J. Yates, Jr., Walter W. Vincent and Morris Goodman at either \$5 per share or at the election of Setay on the basis of an exchange of .4542 share of the authorized and unissued stock of Setay for each share of Republic. The foregoing individuals are either affiliated persons or affiliated persons of affiliated persons of Setay; and

(5) upon consummation of the transaction in (3) above, Setay, as the sole stockholder of Cajo, proposes to acquire all of the assets of Cajo which consist of 225,000 shares of Republic. Setay and Cajo are affiliated persons of each other.

Setay plans to consummate the proposed transactions in the order in which they are set forth above.

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on October 21, 1943, at 10:00 A.M., Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania.

IT IS FURTHER ORDERED that Robert P. Reeder, Esquire, or any other officer or officers of the Commission designated by it for that purpose, shall preside at such hearing. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to Setay Company, Incorporated, Metropolitan Royalty Corporation, Associated Motion Picture Industries, Inc., Consolidated Film Industries, Inc., Cajo Company, Inc., Frederick R. Ryan, Herbert J. Yates, Jr., Walter W. Vincent, Morris Goodman, and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release Wednesday, October 20, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 564

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 19th day of October, A.D., 1943.

In the Matter of	:	
	:	
THE ALEXANDER FUND	:	
	:	
File No. 811-451	:	FINDINGS AND ORDER
	:	
Investment Company Act of 1940 -	:	
Section 8 (f)	:	

The Alexander Fund having filed an application and an amendment thereto under Section 8 (f) of the Investment Company Act of 1940 for an order declaring that it has ceased to be an investment company within the meaning of the said Act;

A public hearing having been duly held after appropriate notice, the Commission having considered the record in this matter, finds:

1. The Alexander Fund is an unincorporated investment company created on March 15, 1907 as an investment agency through which portfolio securities were purchased, held and sold on behalf of security holders of the fund. It is registered with the Commission under the Investment Company Act of 1940.

2. On August 2, 1941, an application was filed with the Commission on behalf of The Alexander Fund by W. Wallace Alexander Incorporated, Philadelphia, Pennsylvania, manager and sponsor of the fund, for an order pursuant to Section 22 (e) (3) of the Investment Company Act permitting the suspension of the right of security holders of the fund to compel redemption until such time as its assets had been converted into cash and its debts, taxes and other expenses had been provided for in order that an orderly liquidation of the fund might be accomplished and possible preferential treatment prevented. An order of the Commission to this effect was entered on August 8, 1941.

3. The assets of the fund were liquidated and the net amount of \$1,643,404 available for distribution to security holders was realized.

4. These proceeds of liquidation have been distributed to security holders except to the extent of \$5,065 as at October 9, 1943, which amount is on deposit with a bank in a special account and against which checks have been drawn in favor of security holders entitled thereto.

WHEREFORE IT IS DECLARED that The Alexander Fund has ceased to be and is not now an investment company within the meaning of the Investment Company Act of 1940 and it is so ordered; and

IT IS FURTHER ORDERED that the registration of The Alexander Fund under the said Act shall forthwith cease to be in effect.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release Wednesday, October 27, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 565

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 26th day of October, A. D., 1943.

In the Matter of	:	
	:	
AMERICAN INVESTMENT COMPANY	:	NOTICE OF AND ORDER
	:	FOR HEARING
File No. 811-287	:	
	:	
Investment Company Act of 1940	:	
Section 8 (f)	:	

An application having been filed by American Investment Company pursuant to Section 8 (f) of the Investment Company Act of 1940 for an order declaring that the applicant has ceased to be an investment company within the meaning of said Act;

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on November 3, 1943 at 10:15 o'clock A.M., Eastern War Time, in Room 318, Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania;

IT IS FURTHER ORDERED that Charles S. Lobingier, or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearing on such matter. The officer so designated to preside at such hearing is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to trial examiners under the Commission's Rules of Practice.

NOTICE IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release Thursday, October 28, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 566

The Securities and Exchange Commission today announced the issuance of orders granting further extension of the temporary exemptions of the following companies from the provisions of the Investment Company Act of 1940:

Case, Pomeroy & Company, Inc. (File 812-100)
United Chemicals, Inc. (File 812-107)

These companies previously filed exemption applications under Section 3 (b) (2) of the Act; and the orders extended the temporary exemptions until December 26, 1943, or until ten days after final decision by the Commission upon the respective applications, whichever date is earlier.

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For IMMEDIATE Release Friday, October 29, 1943

**SECURITIES AND EXCHANGE COMMISSION
Philadelphia**

INVESTMENT COMPANY ACT OF 1940
Release No. 567

The Securities and Exchange Commission today announced the issuance of an order granting a further extension of the temporary exemption of Ulen Realization Corporation (File 812-279) from the provisions of the Investment Company Act of 1940. Ulen previously filed an exemption application pursuant to Section 3 (b) (2) of the Act; and the Commission's action extended the temporary exemption until December 31, 1943, unless the application is otherwise disposed of during the interim.

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For IMMEDIATE Release Monday, November 1, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 563

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 30th day of October, A. D., 1943.

In the Matter of	:	
	:	
GENERAL CAPITAL CORPORATION and	:	
OLD COLONY INVESTMENT TRUST	:	
	:	NOTICE OF AND ORDER
File No. 812-336	:	FOR HEARING
	:	
Investment Company Act of 1940	:	
Sections 6 (c) and 22 (d)	:	

General Capital Corporation ("General"), a registered open-end investment Company, has filed an application pursuant to Section 6 (c) of the Investment Company Act of 1940 for an order exempting it from the provisions of Section 22 (d) of said Act to permit the consummation of a proposed transaction with Old Colony Investment Trust ("Old Colony"), a registered closed-end investment company, in which General proposes to issue its shares without the imposition of a sales load.

The proposed transaction is part of a proposed plan of reorganization of both investment companies, which, in effect, will result in their combination. Under the terms of the proposed plan of reorganization, Old Colony is to call for redemption all of its outstanding debentures and is to pay or make provision for the payment of all of its liabilities other than liabilities to its shareholders as such. Thereafter, all of Old Colony's remaining assets (except a small cash reserve) will be transferred to General in exchange for shares of General which, taken at net asset value, will equal the market value of the assets transferred. Old Colony will then liquidate and distribute the shares of General to its shareholders. Adjustments for fractional shares will be made from the cash reserve.

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on November 10, 1943, at 10:00 A. M., Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania.

IT IS FURTHER ORDERED that Willis E. Monty, Esquire, or any other officer or officers of the Commission designated by it for that purpose, shall preside at such hearing. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to General Capital Corporation, Old Colony Investment Trust and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

Orval L. DuBois,
Secretary.

(SEAL)

For IMMEDIATE Release Monday, November 1, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 569

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 1st day of November, A. D., 1943.

In the Matter of	:	
	:	
THE EQUITY CORPORATION	:	
AMERICAN GENERAL CORPORATION	:	NOTICE OF AND ORDER FOR
and	:	HEARING
FIRST YORK CORPORATION	:	
	:	
File No. 812-337	:	
	:	
Investment Company Act of 1940	:	
Section 17 (b)	:	

The Equity Corporation ("Equity") and American General Corporation ("American"), registered investment companies and affiliated persons of each other, have filed a joint application pursuant to Section 17 (b) of the Investment Company Act of 1940 for an order exempting from the provisions of Section 17 (a) of said Act a transaction in which Equity proposes to sell and American proposes to purchase 195 shares of common stock (representing 13% of the outstanding securities) of First York Corporation ("York"), a registered investment company. American now owns the remaining 87% of York's common stock. If the exemption for which the principals make application is granted, the purchase price to be paid for the 195 shares of York common stock is to be 13% of the net asset value of York on the date that the Commission's order is issued.

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on November 10, 1943, at 10:15 A. M., Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania.

IT IS FURTHER ORDERED that Willis E. Monty, Esquire, or any other officer or officers of the Commission designated by it for that purpose, shall preside at such hearing. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to The Equity Corporation, American General Corporation, First York Corporation and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

(SEAL)

Orval L. DuPois,
Secretary.

For IMMEDIATE Release Wednesday, November 3, 1943

**SECURITIES AND EXCHANGE COMMISSION
Philadelphia**

INVESTMENT COMPANY ACT OF 1940
Release No. 570

The Securities and Exchange Commission today announced the issuance of an order granting a further extension of the temporary exemption of Bankers Securities Corporation from the Investment Company Act of 1940. Bankers Securities Corporation previously filed an exemption application pursuant to Section 3 (b) (2) of the Act, on which hearings have been held and which is now under consideration by the Commission. The order extends the temporary exemption until January 1, 1944, or until ten days after Commission decision, whichever is earlier.

---oCo---

For IMMEDIATE Release Wednesday, November 10, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 571

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 9th day of November, A. D., 1943.

In the Matter of	:	
	:	
AMERICAN CAPITAL CORPORATION	:	
	:	FINDINGS AND ORDER
File No. 811-241	:	
	:	
Investment Company Act of 1940	:	
Section 8 (f)	:	

The Commission, having reasonable cause to believe that American Capital Corporation has ceased to exist by reason of its merger into another corporation and that all of its assets are possessed by the surviving corporation subject to all debts, liabilities and duties of American Capital Corporation, ordered a hearing to be held to determine whether it should declare by order, pursuant to Section 8 (f) of the Investment Company Act of 1940, that American Capital Corporation has ceased to be an investment company within the meaning of said Act;

A public hearing having been duly held after appropriate notice, the Commission having considered the record in this matter, finds:

(1) American Capital Corporation was organized under the laws of the State of Delaware on May 19, 1928. It is registered under the Investment Company Act of 1940 as a closed-end, management, investment company.

(2) An Agreement of Merger dated June 1, 1943 was signed by a majority of the members of the respective boards of directors of American Capital Corporation and Pacific Southern Investors, Inc. The said Agreement of Merger provides for the merger of American Capital Corporation into Pacific Southern Investors, Inc. and the transfer of all of the assets of American Capital Corporation to the surviving corporation, subject to all debts, liabilities and duties of American Capital Corporation.

(3) The said Agreement of Merger was approved by the requisite vote of the stockholders of the merging corporations and was thereupon executed by said corporations and filed with the Secretary of State of Delaware, whereby the said agreement became operative and American Capital Corporation ceased to exist.

WHEREFORE American Capital Corporation has ceased to be and is not now an investment company within the meaning of the Investment Company Act of 1940, and it is hereby so declared; and

IT IS ORDERED that the registration of American Capital Corporation shall forthwith cease to be in effect.

By the Commission.
(SEAL)

Orval L. DuBois,
Secretary.

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 572

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION
At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 10th day of November, A.D., 1943.

In the Matter of	:	
AMERICAN INVESTMENT COMPANY	:	
File No. 811-287	:	FINDINGS AND ORDER
Investment Company Act of 1940 --	:	
Section 8 (f)	:	

American Investment Company has filed an application under Section 8 (f) of the Investment Company Act of 1940 for an order declaring that it has ceased to be an investment company within the meaning of the said Act.

A public hearing having been duly held after appropriate notice, the Commission having examined the record in this matter, finds:

1. American Investment Company was organized under the laws of the State of Wisconsin on June 25, 1914. It is registered under the Investment Company Act of 1940 as a closed-end, diversified, management company.

2. At the adjourned annual meeting of the stockholders of the applicant held on May 10, 1943, it was voted to dissolve the company. In accordance with the applicable laws of Wisconsin, a certificate of dissolution was filed with the Secretary of State of the State of Wisconsin on May 13, 1943.

3. As of May 10, 1943, the applicant had outstanding 5,831 shares of Prior Preferred Stock, 586 shares of "B" Preferred Stock, and 22,226 shares of Common Stock. In liquidation, the Prior Preferred Stock is entitled to \$50 per share in preference to the "B" Preferred Stock and the Common Stock.

4. The assets were converted into cash and after providing for the sum of \$2,031.66 to cover outstanding liabilities and expenses of liquidation, the applicant deposited its remaining net assets in the amount of \$42,566.30 in a special bank account at the Marine National Exchange Bank in Milwaukee, Wisconsin for distribution to the holders of the 5,831 shares of its Prior Preferred Stock outstanding. Checks on this account were issued on July 16, 1943 to the holders of these shares as a first and final dividend in the amount of \$7.30 per share.

WHEREFORE IT IS DECLARED that American Investment Company has ceased to be and is not now an investment company within the meaning of the Investment Company Act of 1940; and

IT IS ORDERED that the registration of American Investment Company under the said Act shall forthwith cease to be in effect.

By the Commission.

Orval L. DuBois,
Secretary.

(SEAL)

For IMMEDIATE Release Thursday, November 11, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 573

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 11th day of November, A. D., 1943.

In the Matter of	:	
	:	
Filbert Corporation	:	
	:	
File No. 812-324	:	NOTICE OF AND
	:	ORDER FOR HEARING
	:	
Investment Company Act of 1940	:	
Section 3 (b) (2)	:	

An application having been duly filed by Filbert Corporation, a Minnesota corporation with its principal place of business in Minneapolis, Minnesota, for an order of the Commission under and pursuant to the provisions of Section 3 (b) (2) of the Investment Company Act of 1940, declaring it to be excepted from the definition of an investment company contained in said Act on the ground that it is primarily engaged in a business other than that of investing, reinvesting, owning, holding or trading in securities;

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on November 16, 1943, at 10:00 A. M., Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania;

IT IS FURTHER ORDERED, that Henry C. Lank, Esquire, shall preside at the hearing on such application. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Section 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceedings may be in the public interest or for the protection of investors.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release Friday, November 19, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 574

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 19th day of November A. D., 1943.

In the Matter of :
THE SIMSBURY COMPANY :
File No. 812-323 :
Investment Company Act of 1940 :
Sections 6 (c) and (d), and :
20 (a), 30 and 32 :

FINDINGS AND ORDER

The Simsbury Company, Simsbury, Connecticut, has filed an application pursuant to the provisions of Section 6 (c) and (d) of the Investment Company Act of 1940 for an order exempting it from all the provisions of said Act;

A public hearing having been held on the application, the Commission having considered the record, makes the following findings:

(1) The Simsbury Company; hereinafter referred to as applicant, registered on August 7, 1941 under the Investment Company Act of 1940, as a closed-end management investment company;

(2) Applicant was organized in 1929 as an investment medium for customers of The Simsbury Bank and Trust Company of Simsbury, Connecticut, with an authorized capital stock consisting of 8,000 shares of no par value stock of which there were outstanding as of December 31, 1942, 1891 shares held by 187 stockholders, all of whom, except for two persons, were residents of Simsbury, Connecticut or its immediate vicinity.

(3) Applicant had gross assets, as of December 31, 1942, of \$40,958.21, and had income for the years ended December 31, 1940, 1941 and 1942 of \$2,077.80, \$2,378.18 and \$1,978.64 respectively;

(4) Applicant's officers and directors have never received any compensation for their services;

(5) Applicant has not borrowed money for over four years; does not intend to issue senior securities or any other securities except its own stock which it has reserved the right to issue up to an aggregate amount of \$100,000; does not engage in the business of underwriting; does not propose to make loans to any persons except loans secured by real estate; does not

propose to concentrate its investments in a particular industry or group, and has reserved the right to purchase and sell real estate.

(6) It is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Investment Company Act of 1940 to grant the exemptive relief hereinafter set forth.

WHEREFORE IT IS ORDERED that The Simsbury Company be and hereby is exempted from the requirements of Sections 20 (a), 30 and 32 of the Investment Company Act of 1940 and the Rules promulgated under said sections, provided that nothing herein contained shall relieve The Simsbury Company of its obligation under Sec. 30 (d) and Rule N-30D-1 promulgated thereunder to transmit annual reports to stockholders, which reports need not be certified by independent public accountants, or its obligation under Sec. 30 (b) (2), to file copies thereof with this Commission not later than ten days after such transmission.

IT IS FURTHER ORDERED that this order may be revoked, suspended or modified after notice and opportunity for hearing.

By the Commission.

Orval L. DuBois,
Secretary.

(SEAL)

For IMMEDIATE Release Friday, November 19, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 575

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION
At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 19th day of November, A.D., 1943.

In the Matter of	:	
Bank Stock Trust Shares, Series C-1	:	FINDINGS AND
File No. 811-332	:	ORDER
Investment Company Act of 1940 - Section 8 (f)	:	

An application having been duly filed by Bank Stock Trust Shares, Series C-1, for an order under and pursuant to Section 8 (f) of the Investment Company Act of 1940 declaring that applicant has ceased to be an investment company:

A public hearing having been duly held after appropriate notice, the Commission having examined the record in this matter, finds:

1. Bank Stock Trust Shares, Series C-1, was organized under the laws of the State of New York as a common law trust by an agreement dated May 9, 1927. It has registered under the Investment Company Act of 1940 as a unit investment trust.
2. The trust agreement provided that the depository corporation could, by written instrument delivered to the Trustee, terminate the trust at any time that the number of Certificates of Trust Shares outstanding should aggregate less than 100,000.
3. On December 30, 1942, there were outstanding four units consisting of 4,000 Trust Shares. By reason thereof Investors Sponsor Corporation (New Jersey), as Successor Depository, served a Certificate of Termination upon The Continental Bank & Trust Company of New York, as Successor Trustee.
4. The liquidation of the assets of the trust has been completed by the Successor Trustee. After deducting expenses, charges and reserves for taxes a liquidating dividend of \$5.33 per share was declared. Payment thereof has been effected to the holders of 83% of the outstanding Trust Shares and the Successor Trustee holds for distribution cash sufficient for the payment of said dividend to the holders of the remaining certificates outstanding.

WHEREFORE Bank Stock Trust Shares, Series C-1 has ceased to be and is not now an investment company within the meaning of the Investment Company Act of 1940, and it is hereby so declared; and

IT IS ORDERED that the registration of Bank Stock Trust Shares, Series C-1 shall forthwith cease to be in effect.

By the Commission.

(SEAL)

Orval L. DuFois,
Secretary.

For IMMEDIATE Release Saturday, November 20, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 576

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 19th day of November, A. D., 1943.

In the Matter of	:	
	:	
The Guardian Investment Trust	:	
	:	
File No. 812-334	:	NOTICE OF AND ORDER
	:	FOR HEARING
Investment Company Act of 1940	:	
Sections 6 (c) and 30 (d)	:	

The Guardian Investment Trust, having filed an application under Section 6 (c) of the Investment Company Act of 1940 for an order exempting it from the provisions of Section 30 (d) of the Act and Rule N-30D-1 promulgated thereunder insofar as said Section and Rule require applicant to transmit semi-annual reports to stockholders;

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on December 1, 1943, at 10:00 A. M., Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 12th and Locust Streets, Philadelphia, Pennsylvania.

IT IS FURTHER ORDERED that Henry C. Lank, Esquire, or any other officer or officers of the Commission designated by it for that purpose, shall preside at such hearing. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release, Friday, November 26, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT
Release No. 577

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 24th day of November, A. D., 1943.

In the Matter of	:	
	:	
Consolidated Investment Trust	:	
Knott C. Rankin	:	
Ardrey E. Orff	:	NOTICE OF AND
	:	ORDER FOR HEARING
	:	
File No. 812-335	:	
	:	
Investment Company Act of 1940	:	
Sections 17 (a) and (b)	:	

An application having been filed by Consolidated Investment Trust, a registered investment company, for an order under and pursuant to the provisions of Section 17 (b) of the Investment Company Act of 1940 exempting from the provisions of Section 17 (a) of the Act, the proposed sale by it to Knott C. Rankin and Ardrey E. Orff, affiliated persons of an affiliated person of the applicant, of \$87,500 principal amount first mortgage six percent income bonds (due in 1955) and 1,655 shares of no par value common stock of the Rockland-Rockport Lime Co., Inc., an affiliated person of the applicant, for \$12,500 payable \$2,500 in cash and \$10,000 in 4% notes payable within five years,

IT IS ORDERED pursuant to Section 40 (a) of said Act that a hearing on the aforesaid application be held on December 6, 1943 at 10:00 A.M., Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania.

IT IS FURTHER ORDERED that Charles S. Lobingier, Esquire, or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearing of such matter. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the commission.

(SFAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release, Friday, November 26, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT
Release No. 578

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 24th day of November, A. D., 1943.

In the Matter of	:	
	:	
THE GUARDIAN INVESTMENT TRUST	:	
	:	
File No. 812-318	:	NOTICE OF AND
	:	ORDER FOR HEARING
	:	
Investment Company Act of 1940 -	:	
Section 23 (c) (3)	:	

An application having been filed by The Guardian Investment Trust under and pursuant to Section 23 (c) (3) of the Investment Company Act of 1940 for an order exempting it from the provisions of Rule N-23C-1 promulgated thereunder to the extent that paragraph (a) (1) of the said Rule prohibits the applicant from repurchasing its preferred shares which are in arrears on the payment of dividends;

IT IS ORDERED, pursuant to Section 40 (a) of the said Act, that a hearing on the aforesaid application be held on December 6, 1943 at 10:00 A.M., Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pa.

IT IS FURTHER ORDERED that Charles S. Lobingier, or any other officer or officers of the Commission designated by it for that purpose shall preside at such hearing is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceeding may be in the public interest and for the protection of investors.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release Wednesday, December 1, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 579

The Securities and Exchange Commission today announced a further extension to February 1, 1944, of the temporary exemption of The Tonopah Mining Company of Nevada from the provisions of the Investment Company Act of 1940. The temporary exemption was extended pending decision by the Commission on the question whether the Company's exemption application should be granted or denied.

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For Release in MORNING Newspapers of Thursday, December 2, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 580

In the Matter of	:	
	:	
GENERAL CAPITAL CORPORATION	:	
and	:	
OLD COLONY INVESTMENT TRUST	:	FINDINGS AND
	:	OPINION
File No. 812-336	:	
	:	
Investment Company Act of 1940	:	
Sections 6 (c) and 22 (d)	:	

EXEMPTIONS

Sale of Redeemable Securities of Investment Company at Net Asset Value as Part of Plan of Reorganization.

Where a registered open-end company proposes to sell its redeemable securities at net asset value to a registered closed-end company in consideration of the transfer of all the assets of the closed-end company at market value and where the redeemable securities received by the closed-end company will then be distributed as a liquidating dividend to its shareholders, held, that the open-end company be granted an exemption pursuant to Section 6 (c) of the Investment Company Act of 1940 from the provisions of Section 22 (d) of the Act.

APPEARANCES:

Patrick J. Griffin, Jr. for the Corporation Finance Division of the Commission.

General Capital Corporation (hereinafter referred to as "General"), a registered open-end investment company, has filed an application pursuant to Section 6 (c) of the Investment Company Act of 1940 for an order exempting it from the provisions of Section 22 (d) of the Act to permit the sale of its shares at net asset value without the imposition of a sales load to Old Colony Investment Trust (hereinafter referred to as "Old Colony"), a non-affiliated registered closed-end investment company, in connection with a plan of reorganization which, in effect, will result in a combination of the two companies.

After appropriate notice, a public hearing was held. The Commission, having considered the record, makes the following findings:

General, incorporated under the laws of the State of Delaware in 1929, is a diversified investment company. It had outstanding 187,195 shares of common stock as of June 30, 1943 with an aggregate net asset value of \$5,986,927. It is currently engaged in the sale of its stock for cash on the basis of net asset value plus a sales load of 7% of the public offering price or 7.527% of the asset value per share of stock. The stock is redeemable at the option of the holder at its liquidating value determined at the close of business on the Tuesday or Friday next following receipt of a request for redemption on the basis of net asset value less an amount estimated to represent the expense of liquidating sufficient assets on a pro rata basis to pay for the redeemed shares but in no event more than 1% of the liquidating value per share.

Old Colony is a common law trust organized pursuant to a Declaration of Trust, dated January 14, 1927, under the laws of the State of Massachusetts. It is registered under the Investment Company Act as a diversified, closed-end company. It has presently outstanding 4-1/2% Debentures, Series B, due December 15, 1952 in the principal amount of \$782,900 and 300,000 common shares of no par value. As at August 2, 1943, the aggregate net asset value of the common shares, after deducting the debentures at par, amounted to \$4,262,853.

General and Old Colony propose to effectuate a plan of reorganization which will result in a merger of Old Colony into General. Under the terms of the proposed plan of reorganization, Old Colony is to redeem all its outstanding debentures on December 15, 1943 and is to pay or provide for the payment or satisfaction in full of all its debts, obligations and liabilities other than obligations to its shareholders as such. Thereafter, all of Old Colony's remaining assets (except a cash reserve) is proposed to be transferred to General in exchange for shares of common stock of General which, taken at net asset value, will equal the market value of the assets transferred. Old Colony will then distribute the stock of General to its shareholders. Payments in lieu of fractional shares will be made from the cash reserve to be retained by Old Colony.

Under the terms of the plan, the trustees of Old Colony will terminate the trust prior to the transfer of assets. The Declaration of Trust specifically provides that upon termination of the trust, the trustees may convey the trust property to new trustees or to a corporation and may distribute the net proceeds in kind at valuations fixed by the trustees among the shareholders ratably or may in their discretion turn such proceeds received into money for the purpose of such distribution, or may distribute part in kind and part in money. It appears that the consent of shareholders to such termination and liquidation of the trust is not required by the trust instrument. Notice of the proposed transactions, however, is intended to be given to them.

Section 22 (d) of the Investment Company Act of 1940 provides in part, with certain exceptions not pertinent here, that no registered investment company shall sell any redeemable security issued by it except at a current public offering price described in the prospectus. Since the transfer of shares of General to Old Colony is proposed on the basis of respective net asset values of the two companies without the addition of the regular sales load included in the current public offering price of the stock of General as described in its prospectus, it would not meet the requirements of Section 22 (d)

literally applied. But there appears to be no reason in a transaction of this nature for the sale of the stock of General at a price equal to the current public offering price. On the contrary, the imposition of a sales load would disturb the relative net asset value basis of exchange, which the plan seeks to achieve, and consequently might introduce an element of unfairness.

In view of the facts and circumstances of this case, it is our opinion that the exemption requested from the provisions of Section 22 (d) of the Act is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

An appropriate order will issue.

By the Commission (Chairman Purcell and Commissioners Healy, Pike, and O'Brien).

(SEAL)

Orval L. DuBois,
Secretary.

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 29th day of November, A.D., 1943.

In the Matter of	:	
	:	
GENERAL CAPITAL CORPORATION	:	
	:	
and	:	ORDER OF EXEMPTION
	:	
OLD COLONY INVESTMENT TRUST	:	
	:	
File No. 612-336	:	
	:	
Investment Company Act of 1940	:	
Section 6 (c) and 22 (d)	:	

General Capital Corporation, a registered investment company, having filed an application pursuant to the provisions of Section 6 (c) of the Investment Company Act of 1940 for an order exempting it from the provisions of Section 22 (d) of said Act, to permit the sale of its shares at net asset value without the imposition of a sales load to Old Colony Investment Trust, another registered investment company, in connection with a plan of reorganization under which the shares of General Capital Corporation received by Old Colony Investment Trust will be distributed as a liquidating dividend to its shareholders;

A public hearing having been held on such application after appropriate notice; and the Commission having examined the record and having this day issued its Findings and Opinion in the matter;

IT IS ORDERED, on the basis of such Findings and Opinion that said General Capital Corporation be and hereby is exempted from the provisions of Section 22 (d) of the said Act to permit the sale of its shares in the manner and to the extent set forth in its application.

By the Commission.

Orval L. DuBois,
Secretary.

(SEAL)

For Release in MORNING Newspapers of Friday, December 3, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 581

In the Matter of	:	
SETAY COMPANY, INCORPORATED	:	
METROPOLITAN ROYALTY CORPORATION	:	
ASSOCIATED MOTION PICTURE INDUSTRIES, INC.	:	
CONSOLIDATED FILM INDUSTRIES, INC.	:	
CAJO COMPANY, INC.	:	FINDINGS AND
FREDERICK R. RYAN	:	OPINION
HERBERT J. YATES, JR.	:	
WALTER W. VINCENT	:	
and	:	
MORRIS GOODMAN	:	
File Nos. 811-329	:	
812-333	:	
Investment Company Act of 1940	:	
Sections 6 (c), 8 (f) and 17 (b)	:	

EXEMPTIONS

Transactions of Affiliated Persons

Sale of Securities by Investment Company to Affiliated Person

Proposed transactions between: affiliated registered investment companies; a registered investment company and its affiliated persons; and, a registered investment company and affiliated persons of its affiliated persons, held, in view of all the circumstances, to meet the standards of Section 17 (b) of the Investment Company Act of 1940.

Change in Business so as to Cease to be an Investment Company

Where an application by a registered investment company pursuant to Section 8 (f) of the Investment Company Act of 1940 is predicated upon consummation of a series of proposed transactions with affiliated persons exempted from the prohibitions of Section 17 (a) by order pursuant to Section 17 (b) of the Act, the Commission will retain jurisdiction over the registrant and will hold in abeyance its order pursuant to Section 8 (f) of the Act until such time as the registrant has filed formal proof in the proceedings that it has ceased to be an investment company.

- - - - -

APPEARANCES:

Samuel Adamson, for Setay Company, Incorporated.

Patrick J. Griffin, Jr., for the Corporation Finance Division of the Commission.

Setay Company, Incorporated ("Setay") has filed an application pursuant to Sections 6 (c) and 17 (b) of the Investment Company Act of 1940 for an order exempting the proposed transactions hereinafter set forth from the prohibitions of Section 17 (a) of the Act and for an order pursuant to Section 8 (f) of the Act, after consummation of certain of the proposed transactions, declaring that Setay has ceased to be an investment company within the purview of said Act

After appropriate notice a public hearing was held before a Trial Examiner. The Commission having considered the record makes the following findings:

I. THE PRINCIPALS AND THEIR AFFILIATIONS

Setay was incorporated under the laws of the state of New York in 1927. It is registered under the Investment Company Act of 1940 as a closed-end non-diversified investment company, and has assets consisting principally of the securities of four other companies. Metropolitan Royalty Corporation ("Metropolitan") was incorporated in Delaware in 1928 and is registered under the Act as a closed-end management investment company. Its assets are principally oil royalty interests but it also owns 6,000 shares of Republic Pictures Corporation. Consolidated Film Industries, Inc. ("Consolidated") was incorporated in 1928 in Delaware and, with its subsidiaries, is engaged in processing motion picture films, manufacturing motion picture advertising accessories, producing and distributing motion pictures, and manufacturing plastic molded product materials. Republic Pictures Corporation ("Republic") was incorporated in Delaware in 1937 and, with its subsidiaries, is engaged in producing and distributing motion pictures. Cajo Company, Inc. was incorporated in New York in 1934 and its only asset is 225,000 shares of Republic. Associated Motion Picture Industries, Inc. ("Associated") was incorporated in New York in 1943 for the purpose of acquiring all the assets of Setay except certain securities of Republic, and will upon conclusion of the transactions be a closed-end, non-diversified investment company.

Setay owns approximately 95% of the outstanding voting securities of Metropolitan, 20% of the outstanding voting securities of Consolidated, 50% of the outstanding voting securities of Cajo, and 14% of the outstanding voting securities of Republic. The record indicates that Associated and Setay have the same persons as officers and directors and that the two companies are under common control. 1/

1/ Samuel A. Adamson, Vice President of Associated and of Setay, testified at the hearing in this proceeding that Associated and Setay were under common control.

Setay proposes transactions with the other companies named above, and with four individuals who are directors of companies within the group. Frederick R. Ryan is a director of Setay and Republic; Herbert J. Yates, Jr. is a director of Consolidated; Walter W. Vincent is a director of Consolidated and Republic; and Morris Goodman is a director of Republic.

Because of the foregoing facts, each of the persons with whom Setay proposes to deal as a principal is either an affiliated person ^{2/} or an affiliated person of an affiliated person of Setay. Therefore the proposed transactions involving purchases and sales are prohibited by Section 17 (a) of the Act. ^{3/}

^{2/} Section 2 (a) (3) reads as follows:

"'Affiliated person' of another person means (A) any person directly or indirectly owning, controlling, or holding with power to vote, 5 per centum or more of the outstanding voting securities of such other person; (B) any person 5 per centum or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other person; (C) any person directly or indirectly controlling, controlled by, or under common control with, such other person; (D) any officer, director, partner, copartner, or employee of such other person; (E) if such other person is an investment company, any investment advisor thereof or any member of any advisory board thereof; and (F) if such other person is an unincorporated investment company not having a board of directors, the depositor thereof."

^{3/} Section 17 (a) reads as follows:

"It shall be unlawful for any affiliated person or promoter of or principal underwriter for a registered investment company (other than a company of the character described in Section 12 (d) (3) (A) and (B), or any affiliated person of such a person, promoter, or principal underwriter, acting as principal -

- (1) knowingly to sell any security or other property to such registered company or to any company controlled by such registered company, unless such sale involves solely (A) securities of which the buyer is the issuer, (B) securities of which the seller is the issuer and which are part of a general offering to the holders of a class of its securities, or (C) securities deposited with the trustee of a unit investment trust or periodic payment plan by the depositor thereof;
- (2) knowingly to purchase from such registered company, or from any company controlled by such registered company, any security or other property (except securities of which the seller is the issuer); or
- (3) to borrow money or other property from such registered company or from any company controlled by such registered company (unless the borrower is controlled by the lender) except as permitted in Section 21 (b).

NOTE:

The exceptions to paragraphs 1 and 2 and the provisions of paragraph 3 of Section 17 (a) are not pertinent with respect to the proposed transactions.

Consummation of all the proposed transactions, pursuant to an order of exemption under Section 17 (b) of the Act, will result in the following relationships of the companies involved. Consolidated will own approximately 37% of the voting securities of Setay which will own more than 99% of the voting securities of Republic. Associated will own approximately 95% of the outstanding voting securities of Metropolitan and 20% of the outstanding voting securities of Consolidated, but it will not own any voting securities of Setay or Republic.

II. THE PURPOSE OF THE PROPOSED TRANSACTIONS.

At a meeting of stockholders on September 2, 1943 Setay, by a vote of a majority of its outstanding voting securities, was authorized: (1) to increase its authorized capital stock from 100,000 to 500,000 shares of common stock of \$1 par value; (2) to change the nature of its business so as to cease to be an investment company ^{4/}; (3) to consummate a series of transactions designed to effect a voluntary reorganization of Setay, place it primarily in the business of producing motion pictures, and change the nature of its business so it will cease to be an investment company; and, (4) to file an application for an order declaring that Setay has ceased to be an investment company.

III. THE PROPOSED TRANSACTIONS AND SETAY'S REQUEST FOR AN ORDER DECLARING THAT IT HAS CEASED TO BE AN INVESTMENT COMPANY

The proposed transactions which were approved by the stockholders of Setay and which are before us in this application are as follows:

(1) The purchase by Setay and the sale by Metropolitan of 6,000 shares of stock of Republic for \$30,000;

(2) The transfer by Setay to Associated of all assets, property and rights of Setay, except 90,085 shares of Republic, 150 shares of Cajo, some secured notes receivable in the amount of \$200,000 and the 6,000 shares of Republic which Setay proposes to acquire from Metropolitan, in consideration of Associated issuing to Setay 94,735.8 shares of capital stock of Associated and assuming all obligations and liabilities of Setay except some notes payable in the amount of \$200,000;

(3) The issuance by Setay to Consolidated of 195,442 shares of Setay in exchange for 317,800 shares of Republic and 150 shares of Cajo;

(4) The acquisition by Setay of an aggregate of 750 shares of Republic from Frederick R. Ryan, Herbert J. Yates, Jr., Walter W. Vincent and Morris Goodman on the basis of an exchange of .4542 share of Setay for each share of Republic; and

^{4/} Section 13 (a) (4) prohibits a registered investment company from changing the nature of its business so as to cease to be an investment company unless it is so authorized by a vote of a majority of its outstanding voting securities.

(5) The receipt of 225,000 shares of Republic by Setay through the liquidation of Cajo.

Setay proposes to consummate the proposed transactions in the order in which they are listed above and requests that its application pursuant to Section 8 (f) of the Act, for an order declaring that it has ceased to be an investment company within the purview of the Act, be granted after consummation of the transaction with Associated or, at the latest, after consummation of the transaction with Consolidated.

IV. THE STANDARDS OF SECTION 17 (b) OF THE ACT

Even though proposed transactions may be prohibited by Section 17 (a), we are required under the provisions of Section 17 (b) of the Act to exempt transactions from the prohibitions of Section 17 (a) provided the evidence establishes that: (1) the terms of the proposed transactions, including the consideration to be paid and received, are reasonable and fair and do not involve overreaching on the part of any person concerned; (2) the proposed transactions are consistent with the investment policy of each investment company concerned as stated in its registration statement and reports filed under the Act; and, (3) the proposed transactions are consistent with the general purpose of the Act. We will now consider the proposed transactions in the light of these standards.

A. *Fairness of the Terms of Each Transaction*

1. *The Setay - Metropolitan Transaction*

Setay proposes to purchase 6,000 shares of Republic from Metropolitan for \$30,000.

A determination that the terms of this transaction are fair and reasonable necessarily involves a finding that the purchase price of \$5 per share to be paid for the stock of Republic is reasonable and fair. Therefore, various factors which have a bearing on the value of the stock will be considered.

A Balance sheet of Republic and its wholly-owned subsidiaries as of September 3, 1943 is as follows:

ASSETS

Current Assets:

Cash (including \$171,123.93 trusted to secure contra notes and accounts payable)	\$ 339,886.70
Notes and Accounts Receivable (pledged to secure contra notes and accounts payable)	427,050.12
Inventories (pledged to secure contra notes and accounts payable)	4,813,567.89
Total Current Assets	5,580,504.71

Assets subject to foreign governmental restrictions (pledged to secure contra notes and accounts payable)	16,134.22
Deposits	13,958.33
Investment in Canadian Government Bonds, at cost	50,000.00
Investment in Republic Films Argentine Corporation	250,000.00
Investment in capital stock (12-1/2%) of Western Costume Company (pledged to secure contra notes payable, \$46,875.00) at cost	1,252.78
Fixed Assets (subject to notes and mortgages of subsidiary company pledged to secure contra notes and accounts payable)	872,346.54
Prepaid and deferred charges to future operations	96,595.44
Goodwill, residual value of completely amortized released productions, etc.	1,250,000.00
	<u>\$8,210,792.02</u>

LIABILITIES, CAPITAL SHARES AND SURPLUS

Current Liabilities:

Notes, Accrued Interest and Accounts Payable (secured by contra cash, notes and accounts receivable, inventories and notes, mortgages and capital shares of subsidiary company)	\$4,067,350.94
Notes Payable and Accrued Interest	370,620.54
Accounts Payable	
Notes Payable, trade and current installments of serial notes payable, see below (\$12,500.00 secured by contra investment in capital stock of Western Costume Company)	280,911.29
Accounts Payable, Trade	288,787.27
Accrued Taxes - estimated Federal income and excess profits and other taxes	544,723.24
Accrued Liabilities and Reserves	<u>113,416.83</u>
Total Current Liabilities	5,665,810.11
Deposits by foreign distributors to secure fulfillment of contracts	42,748.19
Serial Notes Payable (quarterly and semi-annual installments due after September 3, 1944 - \$34,375.00 secured by contra investment in capital stock of Western Costume Company)	209,446.00
Reserve for Contingencies	300,000.00
Capital Shares, 642,239 shares, outstanding, par value \$1.00 per share	642,239.00
Surplus	<u>1,350,548.72</u>
	<u>\$8,210,792.02</u>

As of September 3, 1943, Republic's outstanding capital stock consisted of 642,239 shares of common of a par value of \$1 per share. As of the same date the stock had a book value of approximately \$3.10 per share of which approximately \$1.95 represents the value assigned to good-will, residual value of amortized productions and other intangible assets.

Republic earned \$765,256.71 in the fiscal year ended April 30, 1943 and its earnings from May 1 to September 3, 1943 amounted to \$287,385.90. Its per share earnings in its fiscal years ending April 30, 1939, 1940, 1941, 1942 and 1943 were \$.09, .06, .27, .025 (loss), and \$1.25. The per share earnings in the period from May 1 to September 3, 1943, amounting to approximately \$.45, indicates an annual rate of approximately \$1.28 per share. Thus, the average indicated earnings on the stock in the fiscal years 1939 through 1944 would be approximately \$.45 per share. A comparison of the indicated average earnings with the proposed selling price of \$5 per share results in a price-earnings ratio of 10.2. A similar comparison, using per share earnings at the indicated annual rate for the fiscal year ending April 30, 1944 results in a price-earnings ratio of 3.9.

However, it is noted that Republic lacks adequate working capital, that its current liabilities exceed its current assets and that substantially all of its assets are pledged or mortgaged.

The production and distribution of the motion pictures released by Republic are financed by means of relatively short term loans under agreements which provide, among other things, for the pledge of all motion pictures produced and to be produced, together with stories, copyrights, exhibition and distribution rights and all other rights incidental thereto, as security for the payment of principal of, and interest on, such loans. Under such agreements all cash receipts derived by, due and to become due to Republic from the distribution or other disposition of its motion pictures are pledged and are applied weekly, through the medium of trustee bank accounts, in reduction of the loans and payment of interest thereon, and on accounts payable for prints, film laboratory work, material and certain accessories. Since Republic lacks adequate working capital and its income is pledged for the payment of loans and current accounts payable, it is necessary to obtain new secured loans to finance its current productions.

In effect, the money for Republic's continued operation is provided by means of a revolving fund of short term loans obtained under the above-mentioned agreements. Assuming that the future growth of Republic will not require an increase over the current sum of the secured loans obtained under these agreements, it would require approximately six years before the earnings of Republic, at the rate experienced in its fiscal year ended April 30, 1943, would equal the sum of these secured loans and current secured accounts payable. While this condition exists, or at least until the loans have been substantially reduced, it is not probable that dividends may be paid on the Republic stock.

Republic's stock is not listed on a stock exchange nor is it traded on an over-the-counter market. Metropolitan purchased its holdings of Republic stock from Republic in 1938 at a price of \$5 per share and it carries this stock on its books at such value. Setay also values its holdings of 90,085 shares of Republic stock at \$5 per share.

In view of the facts and circumstances shown above, we find that the terms of the proposed Setay - Metropolitan transaction, including the consideration to be paid and received, are reasonable and fair and do not involve overreaching on the part of any person concerned.

2. *The Setay - Associated Transaction*

Associated was incorporated in Delaware on July 29, 1943 and was organized for the express purpose of consummating the proposed transaction with Setay and for the purpose of engaging in business of the same nature as that permitted to Setay under its articles of incorporation. The authorized capital stock of Associated consists of 100,000 shares of a par value of \$1 per share, none of which is outstanding. Associated has no assets or liabilities at the present time.

After consummation of the proposed transaction with Metropolitan, Setay proposes to transfer all of its assets, property and rights (except 90,085 shares of Republic, 150 shares of Cajo, some secured notes receivable of Republic in the amount of \$200,000 and the 6,000 shares of Republic to be acquired from Metropolitan) to Associated in consideration of Associated (1) issuing to Setay, as fully paid and non-assessable, 94,735.8 of the authorized shares of Associated and (2) assuming all obligations and liabilities of Setay, of every nature, except some promissory notes payable in the amount of \$200,000. Upon consummation of the proposed transaction, Setay proposes to make an immediate distribution of the 94,735.8 shares of Associated to the stockholders of Setay on a share for share basis.

A balance sheet for Setay as at September 3, 1943 and a pro forma balance sheet for Setay, after giving effect to the transfer of assets and liabilities as shown to Associated and the distribution of the Associated stock to the Setay stockholders, are as follows:

ASSETS

	Balance Septem- ber 3, 1943	Balances trans- ferred to Asso- ciated Motion Picture Indus- tries, Inc.	Retained by Setay (Note 1)
Cash	\$ 41,369.75	\$ 41,369.75	\$
Cash reserved for purchase of 6,000 shares of Republic from Metropolitan	30,000.00		
Notes Receivable and Accrued Interest (from Republic)	588,128.28	388,128.28	200,000.00
Investments			
Consolidated Film Industries, Inc.			
154,173 Common and 31,250 Preferred	900,797.87 (a)	900,797.87	
Republic Pictures Corporation 90,000 Common	450,425.00 (b)		480,425.00
Cajo Company, Inc. (150 shares)	562,500.00 (c)		562,500.00
Metropolitan Royalty Cor- poration 35,218.2 shares	582,861.21 (d)	582,861.21	
Wilmer & Vincent Corporation 57 Fifteen Year Debs. (\$24,340)	10,953.00 (a)	10,953.00	
Chelsea Safe Deposit Co. (1 share)	85.00 (b)	85.00	
	<u>\$3,167,120.11</u>	<u>\$1,924,195.11</u>	<u>\$1,242,925.00</u>

LIABILITIES, CAPITAL SHARES AND SURPLUS

Notes Payable and Accrued In- terest (J. E. Erulatur, Inc.)	\$ 624,424.34	\$ 424,424.34	\$ 200,000.00
Accruals and Reserves	29,016.42	29,016.42	
Capital Stock, \$1.00 par	94,735.80	94,735.80	94,735.80
Surplus	<u>2,418,943.55</u>	<u>1,376,018.55</u>	<u>948,189.20</u>
	<u>\$3,167,120.11</u>	<u>\$1,924,195.11</u>	<u>\$1,242,925.00</u>

Note 1: Adjusted to state the financial condition of Setay after acquisition of 6,000 shares of Republic from Metropolitan and the distribution of Associated shares to Setay stockholders.

Note 2: Valuation basis -

- (a) at market prices
- (b) estimated by Board of Directors at \$5.00 per share
- (c) based on beneficial ownership of 112,500 shares of Republic at \$5.00. See (b).
- (d) at book value

Since Associated has no assets or liabilities and no outstanding stock at the present time, the value of the Associated stock to be received by Setay will equal the net value of the items transferred. Accordingly, we conclude that the terms of the proposed transaction, including the consideration to be paid and received, are reasonable and fair and do not involve overreaching on the part of any person concerned.

The net assets of Setay, after consummation of the transaction with Associated and the distribution of the Associated stock, will consist of its holdings of 96,085 shares of Republic and 150 shares of Cajo. These latter shares are the equivalent of 112,500 shares of Republic. Cajo's sole asset consists of 225,000 shares of Republic and it has no liabilities. Thus, Setay's net assets will be represented directly and indirectly by 208,585 shares of Republic and, on the basis of the 94,735.8 shares of Setay outstanding, .4542 share of Setay will be the equivalent of 1 share of Republic.

3. and 4. *The transactions in which Setay proposes to acquire stock of Republic on the basis of an exchange of .4542 share of the authorized stock of Setay for each share of Republic.*

Upon consummation of the transaction with Associated and the distribution of the Associated stock, Setay proposes to issue 195,442 shares of its authorized stock to Consolidated in exchange for 317,800 shares of Republic and 150 shares of Cajo. The shares of Cajo are treated as the equivalent of 112,500 shares of Republic for the purposes of this transaction. The proposed transaction will result in an exchange on the basis of .4542 share of Setay for each share of Republic.

Setay also proposes to acquire an aggregate of 750 shares of Republic from Frederick R. Ryan, Herbert J. Yates, Jr., Walter W. Vincent and Morris Goodman, who hold respectively 250, 300, 100 and 100 shares of Republic. Setay had the option to acquire the stock of Republic held by these individuals at either \$5 per share or on the basis of an exchange of .4542 share of the authorized stock of Setay for each share of Republic. Setay has elected to consummate the proposed transactions with these individuals on an exchange basis.

Since the equity represented by a share of Setay both prior to and after the consummation of the foregoing proposed transactions remains the same, we find that the terms of the proposed transactions, including the consideration to be paid and received, are reasonable and fair and do not involve overreaching on the part of any person concerned.

5. *The Setay-Cajo Transaction*

Setay will have acquired all of the outstanding capital stock of Cajo as a result of the consummation of the proposed transaction with Consolidated. As previously indicated, the sole asset of Cajo consists of 225,000 shares of Republic and it has no liabilities. Setay proposes to acquire direct ownership of the 225,000 shares of Republic by the receipt of such shares as the proceeds of liquidation of Cajo.

Paragraphs (1) and (2) of Section 17 (a) of the Act, subject to certain exceptions therein contained, prohibit any transaction between Setay and Cajo involving a purchase or sale of securities or other property. 2/ However, the receipt by Setay of the 225,000 shares of Republic as the proceeds of liquidation of Cajo will not involve a purchase or sale of the Republic shares. Therefore, the receipt by Setay of these shares does not come within the purview of Section 17 (a) and an order of exemption pursuant to Section 17 (b) of the Act, as requested by Setay, is unnecessary. Our findings on this point are limited to the particular circumstances of the instant transaction.

B. *Consistency of the Proposed Transactions with the Policies of Setay and Metropolitan and with the Purposes of the Investment Company Act of 1940.*

The proposed transactions are consistent with the policies of Setay and Metropolitan as recited in their respective registration statements filed pursuant to Section 8 (b) of the Act. Setay there states that it is a non-diversified investment company and that its policy with respect to investments places no limitation on the types of securities in which it may invest or upon the proportion of its assets it may invest in each type of security. Moreover, Setay has been authorized, by a vote of a majority of its outstanding securities, to consummate the entire series of transactions and to change the nature of its business so as to cease to be an investment company 5/. Metropolitan states that it is its policy to invest in securities of all types without restriction or limitation as to the proportion of its assets which it invests in any type of security. We also find that the proposed transactions are consistent with the general purposes of the Act 7/.

2/ See note 3, *supra*.

5/ See note 4, *supra*.

7/ See Section 1 (b) of the Act for the declared policies and purposes of the Investment Company Act of 1940.

*Conclusion with Respect to Application Pursuant to
Section 6 (c) and 17 (b).*

We find that the terms of each of the transactions prohibited by Section 17 (a), which constitute the basis of the application pursuant to Sections 6 (c) and 17 (b), are reasonable and fair and do not involve overreaching on the part of any person concerned; that the transactions are not inconsistent with the policy of each registered investment company concerned and that each transaction is consistent with the general purposes of the Investment Company Act of 1940. Accordingly, we conclude from the evidence presented that each of the proposed transactions prohibited by Section 17 (a) meets the standards of Section 17 (b) and that these transactions should be exempted from the prohibitions of Section 17 (a) of the Act. Setay makes no specific request for an order pursuant to Section 6 (c) and on the basis of the record it does not appear that facts therein stated require an order pursuant to that section.

The Application Pursuant to Section 8 (f).

Setay has requested an order pursuant to Section 8 (f), after consummation of the Transaction with Associated or, at least, after consummation of the transaction with Consolidated, declaring that it has ceased to be an investment company within the purview of the Act.^{8/}

After consummation of the transaction with Associated, Setay will have total assets of \$1,242,925 ^{9/} which will consist entirely of "investment

^{8/} Section 8 (f) of the Act reads as follows:

"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. *If necessary for the protection of investors, an order under this subsection may be made upon appropriate conditions. The Commission's denial of any application under this subsection shall be by order.*" (Italics supplied)

^{9/} See pro forma balance sheet for Setay after consummation of the transaction with Associated and the distribution of the Associated stock.

securities" as that term is defined in Section 3 (a) of the Act. Therefore, Setay would still be an investment company under the definition of an investment company contained in Section 3 (a) (3). 10/

Setay will have total assets of \$3,394,425 at the conclusion of the transaction with Consolidated 11/. These assets will consist of notes receivable in the amount of \$200,000, 413,885 shares of Republic valued at \$2,069,425 and 300 shares of Cajo valued at \$1,125,000. Setay's holdings of Republic will constitute this company a majority-owned subsidiary and the remaining investment securities of Setay will constitute approximately 30% of Setay's total assets. This fact, when considered in connection with the authorization given Setay by its stockholders to change the nature of its business so as to cease to be an investment company indicates that Setay would be entitled to an order pursuant to Section 8 (f) after consummation of the transaction with Consolidated. However, it is pointed out that the entire series of transactions are part of a plan for the voluntary reorganization of Setay and were designed as a whole to effect the change in the nature of its business so that Setay would cease to be an investment company. Therefore, we shall retain jurisdiction under the Act over Setay until the entire series of transactions are completed and shall hold in abeyance our order pursuant to Section 8 (f) of the Act 12/ until such time as Setay has filed in this proceeding formal proof, including financial statements, that it has ceased to be an investment company.

An appropriate order will issue.

By the Commission (Chairman Purcell and Commissioners Healy, Pike, and O'Brien).

(SEAL)

Orval L. DuBois,
Secretary.

10/ Section 3 (a) (3) reads as follows: "When used in this title, "investment company" means any issuer which -- "is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire investment securities having a value exceeding 40 per centum of the value of such issuer's total assets (exclusive of Government securities and cash items) on an unconsolidated basis.

"As used in this section, "investment securities" includes all securities except (A) Government securities, (B) securities issued by employees' securities companies, and (C) securities issued by majority-owned subsidiaries of the owner which are not investment companies."

11/ The computation of the total assets of Setay after consummation of the transaction with Consolidated is based upon the assumption that the stock of Republic and Cajo to be acquired in this transaction will be valued on the same basis as the stock of Republic and Cajo held by Setay on September 3, 1943

12/ See note 8, *supra*.

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 1st day of December, A.D., 1943.

In the Matter of	:	
SETAY COMPANY, INCORPORATED	:	
METROPOLITAN ROYALTY CORPORATION	:	
ASSOCIATED MOTION PICTURE INDUSTRIES, INC.	:	
CONSOLIDATED FILM INDUSTRIES, INC.	:	
CAJO COMPANY, INC.	:	
FREDERICK R. RYAN	:	
HERBERT J. YATES, JR.	:	
WALTER W. VINCENT	:	ORDER GRANTING EXEMPTION
and	:	
MORRIS GOODMAN	:	
File Nos. 812-333	:	
811-329	:	
Investment Company Act of 1940 Sections	:	
6 (c), 8 (f) and 17 (b)	:	

Setay Company, Incorporated ("Setay"), a registered investment company, has filed an application pursuant to Sections 6 (c) and 17 (b) of the Investment Company Act of 1940 for an order exempting from the provisions of Section 17 (a) of said Act the proposed transactions hereinafter set forth and for an order pursuant to Section 8 (f), after consummation of certain of the proposed transactions, declaring that Setay has ceased to be an investment company within the meaning of said Act.

The transactions for which Setay seeks exemption are: (1) the purchase by Setay and the sale by Metropolitan Royalty Corporation, a registered investment company, of 6,000 shares of Republic Pictures Corporation ("Republic") for \$30,000;

(2) the transfer by Setay to Associated Motion Picture Industries, Inc. ("Associated") of all assets, property and rights of Setay, except 90,085 shares of Republic, 150 shares of Cajo Company, Inc. ("Cajo"), some secured notes receivable in the amount of \$200,000 and the 6,000 shares of Republic to be acquired from Metropolitan Royalty Corporation, in consideration of Associated issuing to Setay 94,735.8 shares of the total authorized and unissued capital stock of Associated and assuming all obligations and liabilities of Setay except some notes payable in the amount of \$200,000;

(3) the issuance by Setay to Consolidated Film Industries, Inc., an affiliated person of Setay, of 195,442 shares of its authorized and unissued stock in exchange for 317,800 shares of Republic and 150 shares of Cajo (the latter shares are the equivalent of a one-half interest in 225,000 shares of Republic);

(4) the purchase by Setay of an aggregate of 750 shares of Republic from Frederick R. Ryan, Herbert J. Yates, Jr., Walter W. Vincent and Morris Goodman on the basis of an exchange of .4542 share of the authorized and un-issued stock of Setay for each share of Republic; and

(5) upon consummation of the transaction in (3) above, Setay, as the sole stockholder of Cajo, proposes to acquire 225,000 shares of Republic as the proceeds of liquidation of Cajo.

Setay plans to consummate the proposed transactions in the order in which they are set forth above.

A public hearing having been held on such application after appropriate notice and the hearing having been closed with respect to Sections 6 (c) and 17 (b) and continued subject to call by the Trial Examiner with respect to Section 8 (f); the Commission having examined the record and having this day issued its Findings and Opinion in the matter;

IT IS ORDERED on the basis of such Findings and Opinion that each of the aforesaid transactions involving a sale or purchase of securities or other property be and hereby is exempted from the provisions of Section 17 (a) of the Investment Company Act of 1940.

By the Commission.

Orval L. DuBois,
Secretary.

(SEAL)

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 582

In the Matter of	:	
	:	
WESTERN NEW YORK FUND, INCORPORATED	:	FINDINGS AND OPINION
	:	OF THE COMMISSION
File No. 612-306	:	
	:	
Investment Company Act of 1940 -	:	
Section 23 (c) (3)	:	

INVESTMENT COMPANIES - CLOSED-END. MANAGEMENT TYPE

Repurchase of Common Stock - Discrimination Among Holders

Application for permission to a registered closed-end management investment company to repurchase its common stock denied where it could not be found that such repurchases would be made in a manner or on a basis which does not unfairly discriminate among the holders of the stock.

- - - - -

APPEARANCES:

William D. Notman of Buffalo, New York, Vice President and Secretary of the applicant.

Robert H. Barnes, for the Corporation Finance Division of the Commission.

- - - - -

Western New York Fund, Incorporated, a registered management closed-end investment company, has filed an application pursuant to Section 23 (c) (3) of the Investment Company Act of 1940 1/ and Rule N-23C-1 promulgated

1/ Section 23 (c) of the Act provides:

"No registered closed-end company shall purchase any securities of any class of which it is the issuer except --

"(1) on a securities exchange or such other open market as the Commission may designate by rules and regulations or orders: Provided, That if such securities are stock, such registered company shall, within the preceding six months, have informed stockholders of its intention to purchase stock of such class by letter or report addressed to stockholders of such class; or

"(2) pursuant to tenders, after reasonable opportunity to submit tenders given to all holders of securities of the class to be purchased; or

"(3) under such other circumstances as the Commission may permit by rules and regulations or orders for the protection of investors in order to insure that such purchases are made in a manner or on a basis which does not unfairly discriminate against any holders of the class or classes of securities to be purchased."

thereunder ^{2/} for an order permitting said company to purchase shares of its outstanding stock at prices to be determined by the management.

A hearing was held and memorandum briefs were filed. No request for oral argument was made.

The applicant, a New York corporation, is the successor by consolidation of two securities companies organized and formerly sponsored by Liberty Bank of Buffalo. One of these predecessors, Liberty Share Corporation, was formed in April 1929 and operated for several years as the Bank's securities department. The other predecessor, Western New York Securities Corporation, was organized in September 1929 and operated as a subsidiary of Liberty Share until the consolidation which took place in 1941. The two securities companies were under common management, predominantly composed of officers of Liberty Bank until the Banking Act of 1933 required the separation of the securities business from commercial banking. Leon G. Ruth, president of the applicant, was president of the two predecessor companies for several years and before that was a vice president of Liberty Bank. ^{3/}

^{2/} Rule N-23C-1 (as amended December 11, 1942; See Investment Company Act Release No. 415) provides in part as follows:

"(a) A registered closed-end company may purchase for cash a security of which it is the issuer, subject to the following conditions:

* * * * *

"(2) If the security is a stock not entitled to cumulative dividends, at least 90% of the net income of the issuer for the last preceding fiscal year, determined in accordance with good accounting practice and not including profits or losses realized from the sale of securities or other properties, was distributed to its shareholders during such fiscal year or within 60 days after the close of such fiscal year.

* * * * *

"(9) The purchase is not made in a manner or on a basis which discriminates unfairly against any holders of the class of securities purchased.

* * * * *

"(c) This rule does not apply to purchases of securities made pursuant to Section 23 (c) (1) or (2) of the Act. A registered closed-end company may file an application with the Commission for an order under Section 23 (c) (3) of the Act permitting the purchase of any security of which it is the issuer which does not meet the conditions of this rule and which is not to be made pursuant to Section 23 (c) (1) or (2) of the Act."

^{3/} See our report on the plan of consolidation and reorganization, *Liberty Share Corporation, et al.*, S.E.C. 1008 (1941), and the reports therein cited.

The applicant has an authorized capital of \$350,000 consisting of common stock of the par value of \$1 per share. In connection with the 1941 consolidation 237,860 shares were issued or subject to issuance in exchange for the stock of the predecessors. As of December 31, 1942, 202,421 shares were outstanding or subject to issuance in such exchange, and the applicant had about 6,000 shareholders. Its officers and directors beneficially owned an aggregate of 11,384 shares (5.6% of the total) as of that date, and Liberty Bank beneficially owned 17,535 shares (8.66%). 3a/

The stock is not listed on any exchange and it does not appear to be active in the over-the-counter market. In recent years the company has been practically the sole bidder for its stock, having maintained a customary bid of \$1. 4/ Before the adoption of our present Rule N-23C-1 the applicant, during the period June 4, 1941, to December 11, 1942, purchased 35,439 shares of its own stock. 5/ With the exception of a few fractional interests (for which payment at the rate of \$1.50 per share was made) applicant reacquired its stock at prices ranging from \$1 to \$1.10. 6/ During the period in which purchases were made the net asset coverage per share varied from \$2.30 to \$2.84. At December 31, 1942 it was \$2.72; at May 31, 1943, \$3.44.

It is admitted that no dividends have been declared or paid for the years 1941 or 1942, so that the purchase program does not meet the requirements of paragraph (a) (2) of Rule N-23C-1. Applicant nevertheless seeks permission to continue its program of purchasing. We cannot grant the application unless we can find the existence of circumstances "to insure that such purchases are made in a manner or on a basis which does not unfairly discriminate against any holders of the class ... of securities to be purchased."

3a/ The record indicates that the Bank also holds shares of the applicant as collateral security for outstanding loans, but the number of shares so held is not shown.

In addition, the applicant owns a substantial amount of the common stock of Liberty Bank -- 15,918 shares as of June 30, 1943.

4/ There was no disclosure that the bid, quoted in Buffalo newspapers, was made by the company itself.

While Liberty Bank and the applicant's two senior officers have increased their holdings in recent years, the record does not show whether their acquisitions were made on the market or through private transactions.

5/ For rules in effect at the time, see Investment Company Act Release No. 78, March 4, 1941. The prior, like the existing, rules required that the purchase be not made "in a manner or on a basis which discriminates unfairly against any holders of the class of securities purchased." While we have considerable doubt whether the past purchases were in compliance with the rules, we do not at this point pass on the existence of a violation.

6/ 15,000 shares were purchased from a securities dealer at \$1.10 pursuant to permission granted by the Commission by order dated February 27, 1942.

Neither the application nor the record contains a definite commitment to pay any fixed price or to adhere to any formula for determining purchase price. It is indicated, however, that applicant contemplates paying about \$1 per share. 7/ Mere indication is not enough. Unless we know what price is to be paid, or what method will be used in fixing price, it is impossible for us to determine whether or not discrimination would result.

Asset coverage for these shares has ranged from over 200% to over 300% of the indicated price. If we assume that the applicant has committed itself to a repurchase price of \$1 per share we must conclude that the proposal is discriminatory, and disapprove the application. 8/ An applicant which desires to pay a price so far out of the range of asset values as that indicated here, assumes the burden of justifying the deviation in the light of the particular facts of its case. 9/

No justification has been made here. In fact the applicant has sought to support its case by pointing directly to the discriminatory result of its purchases. In a memorandum filed with us it states:

"The purchase price of the Corporation has been lesser than the net asset value per share so that such differential has been added to the surplus and has thus enhanced the value of all the remaining shares of stock."

7/ The application states:

"No definite relationship between the asset value of the stock to be repurchased and the purchase price is contemplated. It is expected that a nominal amount will be paid primarily so that some market may exist for its stock. Likewise, the size of the corporation's bid for stock is to be limited and subject to withdrawal if the corporation so elects."

Applicant's vice president, on being asked whether he knew if applicant had any price in mind, stated: "I do not, and I say that would be entirely up to the board of directors, but in my own opinion it would be a nominal price of \$1.00 a share. However, as I say, I can't state that officially and I am merely indicating as an individual with no authority."

8/ See our discussion of a similar problem as related to a public-utility holding company in *Engineers Public Service Company*, S.E.C. (1943). Holding Company Act Release No. 4114.

9/ If an applicant with a fluctuating portfolio proposes to engage in a long-term repurchase program there is substantial doubt whether a fixed price can be approved. There is no time limit proposed in this case and it might well be that a fixed price which we could approve as fair when the program begins may be discriminatory before the program ends.

The applicant's further reasons are irrelevant to the issue of whether its purchase would discriminate. It points to the fact that by keeping an open bid it provides a market; and one of the benefits claimed to result from the existence of this market is that it enables stockholders "to establish a tax loss" which "is or may be of more value to the holder than the stock itself."

The applicant's vice president admitted that the purchase price of \$1 was not selected as a result of any method, but that it was arrived at in "an arbitrary way." Arbitrariness was justified on the ground that there is "any number of stocks selling on the big board and many other places that have a book value considerably in excess of market value." But in this case it cannot be fairly said that there is a "market value" for the stock. In past transactions the applicant has been practically the only buyer.

The fact that stockholders have been willing to sell out to the applicant at a sacrifice is directly traceable to the management's policy of not paying dividends despite the availability of earnings and cash for the purpose. The management does not contend here that the company is unable to declare or pay dividends. Apart from a desire to build up asset values, its chief reason for not paying dividends seems to be the expense which it says would be incurred in making such payment. We do not pass on the validity of these reasons. The point is that if the management adheres to such policy, the natural result will be to discourage a considerable body of stockholders as to their prospects, and tend to induce them to sell to the applicant at a sacrifice. ^{10/} The applicant cannot be permitted to take advantage of its own policies to acquire its stock at prices well below asset value for the benefit of those stockholders who are able and willing to outlast the others, in an endurance contest wholly lacking in rules of fair play.

^{10/} Letters to the company from some of its stockholders evidence the kind of attitude which leads to sales at depressed prices brought about by management policies. One stockholder wished to know -- "Does Western New York stock ever pay any dividends? Is there any market for these stocks and if so what price." Another stockholder, who had been advised by a broker to sell, stated -- "I am taking a loss on these shares but wish to dispose of them as I do not believe we will ever receive our original investment as so much of the earnings of this Corporation are paid out in high salaries at the present time." Another noted that even though officers' salaries "absorb over 41% of total income" the board of directors voted to "compensate Mr. Ruth [president of the company] by the differential existing between the salary he would have received with the corporation and his remuneration [as a major] . . . in the army." Another, after noting the salaries paid, asked "Is this a milking machine, or is it run on a legitimate basis?" Another stated: "The Fund is now and has been for a long time past but a custodian account and it should not be burdened with unnecessary salaries, directors' fees and office expenses; it should be immediately liquidated for the benefit of its stockholders or turned over to a custodian."

We cannot find that the proposed purchases would be made in a manner or on a basis which does not unfairly discriminate against holders of the class of securities purchased, and we observe no sound basis for granting the application.

An appropriate order will issue.

By the Commission (Chairman Purcell and Commissioners Healy, Pike, and O'Brien).

Orval L. DuBois,
Secretary.

(SEAL)

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 3rd day of December, A.D., 1943.

In the Matter of	:	
	:	
WESTERN NEW YORK FUND, INCORPORATED	:	ORDER DENYING APPLICATION
	:	FOR PERMISSION TO PURCHASE
File No. 912-306	:	OUTSTANDING STOCK
	:	
Investment Company Act of 1940 -	:	
Section 23 (c) (3)	:	

Western New York Fund, Incorporated, having filed an application pursuant to Rule N-23C-1 as amended, promulgated under Section 23 (c) of the Investment Company Act of 1940, for an order permitting it to purchase its common stock at prices to be fixed by its board of directors;

A hearing having been held after appropriate notice and the Commission being fully advised, and having this day entered its findings and opinion herein; on the basis of said findings and opinion it is

ORDERED that the application be and the same hereby is denied.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release Friday, December 3, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 583

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 2nd day of December, A. D., 1943.

In the Matter of	:	
	:	
THE GUARDIAN INVESTMENT TRUST	:	FINDINGS AND ORDER
	:	
File No. 812-334	:	
	:	
Investment Company Act of 1940 --	:	
Sections 5 (c) and 30 (d)	:	

The Guardian Investment Trust has filed an application pursuant to Section 6 (c) of the Investment Company Act of 1940 for an order exempting it from the provisions of Section 30 (d) of the said Act and Rule N-30D-1 promulgated thereunder in so far as the said Section and Rule require the transmittal of semi-annual reports to shareholders.

A public hearing having been duly held after appropriate notice, the Commission having considered the record in the matter, finds:

1. The Guardian Investment Trust is a common law trust organized under the laws of the State of Connecticut pursuant to a declaration of trust dated June 15, 1927. It has registered under the Investment Company Act of 1940 as a closed-end, diversified, management company.

2. The applicant was originally sponsored by F. E. Kingston and Company, investment dealers and brokers of Hartford, Connecticut. In 1931, members of that firm were criminally prosecuted. While the prosecution was pending, an application for the appointment of a receiver of the applicant was filed in the Superior Court for Hartford County. The receivership action was settled by agreement of all parties and with the informal approval of the court. Under the terms of the settlement, the original trustees resigned and four of the present five trustees were appointed.

3. The policy of the trustees since taking office in 1931 has been to effect over a period of years a gradual liquidation of the trust by the repurchase and retirement of its preferred shares. The applicant has not offered its securities since 1931, and no further public offering is intended. In accordance with the recitals of policy contained in its registration statement,

the applicant will not borrow money, will not act as underwriter, will not concentrate its investments in any particular industry, will not engage in the purchase and sale of real estate, will not engage in the purchase and sale of commodities or commodity contracts, and will not loan money to any person.

4. As of May 31, 1943, the applicant had total assets of \$1,174,186 and had outstanding 35,339 preferred shares and 270,472 common shares. At that date, the preferred shares were entitled in liquidation to \$30 per share plus \$7.23 in accrued dividends in preference to the common shares, or a total liquidating preference of \$1,352,901. Neither the preferred shares nor the common shares are a voting security.

5. The applicant has approximately 4,500 shareholders of whom by far the greater majority are holders of common shares. The cost of semi-annual reports and the expense of transmitting the same to its shareholders are estimated by the applicant at \$2,000 as compared to a total annual compensation of \$2,500 to its five trustees.

6. It is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act to grant the applicant the exemptive relief herein after set forth.

WHEREFORE IT IS ORDERED that the applicant be granted an exemption from the requirement of transmitting reports to its shareholders semi-annually as prescribed by Section 30 (d) of the said Act and Rule N-30D-1 thereunder, provided that the applicant transmit to its shareholders, at least annually, the reports prescribed by that Section and Rule; and further provided that this order may be revoked, suspended or modified after notice and opportunity for hearing.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 584

In the Matter of	:	
	:	
EXECUTIVES INVESTMENT TRUSTS	:	
	:	
File No. 813-3	:	FINDINGS AND
	:	OPINION
ELFUN TRUSTS	:	
	:	
File No. 813-4	:	
	:	
Investment Company Act of 1940	:	
Section 6 (b)	:	

EXEMPTION OF EMPLOYEES' SECURITIES COMPANIES

Applications having been filed by employees' securities companies pursuant to Section 6 (b) of the Investment Company Act of 1940 for exemptions from certain provisions of that Act; upon appropriate findings the exemptions granted.

APPEARANCES:

William J. Brown, for the Investment Company Division (now the Corporation Finance Division) of the Commission.

Richard McAvoy, for the Applicants.

Executives Investment Trusts and Elfund Trusts filed applications under the provisions of Section 6 (b) of the Investment Company Act of 1940 for orders exempting them from all of the provisions of the Act. Section 6 (b) ^{1/} provides, among other things, that this Commission, upon the application of

^{1/} The language of Section 6 (b) is as follows:

"Upon application by an employees' security company, the Commission shall by order exempt such company from the provisions of this title and of the rules and regulations thereunder, if and to the extent that such exemption is consistent with the protection of investors. In determining the provisions to which such an order of exemption shall apply, the Commission shall give due weight, among other things, to the form of organization and the capital structure of such company, the persons by whom its voting securities, evidences of indebtedness, and other securities are owned and controlled, the prices at which securities issued by such company are sold and the sales load thereon, the disposition of the proceeds of such sales, the character of the securities in which such proceeds are invested, and any relationship between such company and the issuer of any such security."

an employees' securities company, 2/ shall exempt such a company from the provisions of the Act and from the rules and regulations under it, to the extent that such exemption is consistent with the protection of investors. The applications were consolidated for hearing and after appropriate notice a hearing was held. Thereafter the applicants filed amendments to their respective applications limiting their requests *nunc pro tunc* to exemptions from certain specified provisions hereinafter discussed.

Both of the applicants fall within the scope of Rule N-6C-3 (b), subsequently superseded by Rule N-6B-1, and accordingly have been exempt from the provisions of the Act pending the final disposition of the applications. 3/

Executive Investment Trusts is an inter vivos common law trust created under a trust agreement dated December 20, 1928. The purpose of its organization was to provide to certain employees of General Electric Company 4/ and its affiliated companies an investment vehicle which would continue in existence until each individual participant would revoke his interest therein. The question of whether this applicant is an investment company for the purposes of the Act is not in issue. It operates as a form of diversified, open-end, management, common law trust. 5/

2/ An employees' securities company is defined in Section 2 (a) (13), as follows: "Employees' securities company' means any investment company or similar issuer all of the outstanding securities of which (other than short-term paper) are beneficially owned (A) by the employees or persons on retainer of a single employer or of two or more employers each of which is an affiliated company of the other, (B) by former employees of such employer or employers, (C) by members of the immediate family of such employees, persons on retainer, or former employees, (D) by any two or more of the foregoing classes of persons, or (E) by such employer or employers together with any one or more of the foregoing classes of persons."

3/ Rule N-6B-1 provides as follows:

"Any employees' securities company which files an application for an order of exemption under Section 6 (b) of the Act shall be exempt, pending final determination of such application by the Commission, from all provisions of the Act applicable to investment companies as such."

4/ The Trust Agreement (paragraph 38) specifically provides as follows: "It is hereby expressly declared that General Electric Company is not a party to this instrument and shall have no responsibility whatever for the administration of the trust funds."

5/ Section 5 (b) (1) of the Act provides: "'Diversified company' means a management company which meets the following requirements: At least 75 per centum of the value of its total assets is represented by cash and cash items (including receivables), Government securities, securities of other investment companies, and other securities for the purposes of this calculation limited in respect of any one issuer to an amount not greater in value than 5 per centum of the value of the total assets of such management company and to not more than 10 per centum of the outstanding voting securities of such issuer."

Farkers Trust Company, as trustee, holds and conducts all transactions in the assets of the trust but a committee of persons associated with General Electric Company and its affiliated companies in fact manages the fund. The trustee may resign or be removed by a majority of the committee and a successor trustee shall be designated by a majority of the committee. The committee is self perpetuating.

The committee has the power under the trust agreement of Executives Investment Trusts to determine who may invest in the securities (designated as Parts and all being of the same class) of the trust and may at any time direct a participant to surrender all or a part of his certificates for redemption. Such certificates are non-transferable although the right of a holder to redeem, for the value of his share of the underlying assets of the trust less 1%, is assignable and passes by inheritance. No sales load or underwriting commission was paid with respect to the issuance of the securities of this applicant and no such securities have been issued since the effective date of the Securities Act of 1933. 6/ The 1% redemption fee is retained by the trust.

All of the outstanding securities of the Executive Investment Trust are beneficially owned by employees or persons on retainer (or members of the immediate families of any such group) of the General Electric Company or its affiliated companies. It is therefore an "employees' securities company" as defined in Section 2 (a) (13) of the Act and thus entitled to apply for exemption pursuant to Section 6 (b).

Executives Investment Trusts had net assets on September 30, 1943, having a value of \$5,909,826.47 of which \$5,472,078.75 represented securities at market value. 7/ Common and preferred stocks of industrial companies (with some emphasis upon utility issues) predominate in the portfolio. 8/ Expenses of administration, including compensation for services performed, are paid out of the trust funds. The trust agreement provides that the committee shall, within a reasonable time after the completion of each annual audit, render a statement to the participants showing the actual value of each Part as of the preceding December 31st.

5 cont'd/

Section 5 (a) (1) of the Act provides: "'Open-end company' means a management company which is offering for sale or has outstanding any redeemable security of which it is the issuer."

Section 4 (3) of the Act provides: "'Management company' means any investment company other than a face-amount certificate company or a unit investment trust."

6/ It is asserted in the application (p.5) that Executives Investment Trusts is "virtually on a liquidating basis."

7/ These securities were carried at a cost of \$9,969,288.08.

8/ As of September 30, 1943 Executive Investment Trusts possessed 6,000 shares of General Electric Company common stock representing 3.93% of applicant's net assets at market and .021% of the outstanding common stock of General Electric Company. It owned no other securities issued by General Electric Company or its affiliated companies.

Elfun Trusts was created under a trust agreement dated May 27, 1935 to continue the program of Executives Investment Trusts which had ceased offering its securities after the effective date of the Securities Act of 1933, and on June 17, 1935, Elfun Trusts filed its first registration statement under the Securities Act of 1933. The organization of Elfun Trusts is similar to that of Executives Investment Trusts hereinbefore discussed. The principal organic differences between the two trusts are, (1) the functions undertaken by the Committee of Executives Investment Trusts are more or less assigned in Elfun Trusts to a like group designated as Trustees, and (2) the functions of the corporate trustee of Executives Investment Trusts are more or less assigned to Bankers Trust Company as Agent. Like Executives Investment Trusts, Elfun Trusts is an "employees' securities company" and is also entitled to apply for exemption pursuant to Section 6 (b) of the Investment Company Act of 1940.

Unlike Executives Investment Trusts, however, Elfun Trusts currently issues securities. These securities, which are registered under the Securities Act of 1933, are sold under a prospectus which must meet the requirements of Section 10 of that Act, and annual reports are filed by this applicant pursuant to its undertaking under Section 15 (d) of the Securities Exchange Act of 1934. 9/ No sales load or underwriting commission is charged with respect to the issuance of the securities of this applicant and the 1% redemption fee is retained by the trust. The trust agreement provides that the trustees shall mail a copy of the annual report of the auditor, as well as quarterly reports showing the actual value of each "Unit", to each participant in the trust. In all other respects the characteristics and purposes of Executives Investment Trusts and Elfun Trusts are essentially the same.

On September 30, 1943, Elfun Trusts had net assets having a value of \$6,632,658.33, of which \$5,982,480.75 represented diversified securities at market values. 10/ Its investment policy appears to have been the same as that of Executives Investment Trusts and it may also be classified as a diversified, open-end, management, common law trust. 11/

The amended applications limit the requests for exemptions as follows:

Both applicants request exemptions from Section 8 (b) (except with respect to the "Policy" items of Form N-8B-1), Section 20 (a), Section 22 (f), Section 30 (b) (1) and Section 32 (a) of the Act.

Executives Investment Trusts also requests exemption from Section 30 (a) (except with respect to the "Policy" items of Form N-30A-1), Section 30 (d) (to the extent that reports are required to be sent to participants more than once a year), and Section 32 (b) of the Act.

9/ Form N-30A-1 which is prescribed by Rule N-30A-2 for reports by such companies pursuant to Section 30 (a) of the Investment Company Act of 1940, is also prescribed by Rule X-15D-2 for reports by such companies pursuant to Section 15 (d) of the Securities Exchange Act of 1934.

10/ These securities were carried at a cost of \$5,342,222.83.

11/ As of September 30, 1943, Elfun Trusts possessed 2,000 shares of General Electric Company common stock representing 1.17% of applicant's net assets at market and .007% of the outstanding common stock of General Electric Company. It owned no other securities issued by General Electric Company affiliated companies.

Elfun Trusts also requests exemption from Section 16 (b) of the Act.

Applicants are employees' securities companies, a peculiar type of company which Section 6 (b) requires to be exempted from the provisions of the Act if and to the extent that such exemption is consistent with the protection of investors. ^{12/} Section 6 (b) also contains certain standards to be considered by the Commission in determining the provisions of the Act to which its order of exemption shall apply.

It appears that the protection of the rights and interests of investors will not be prejudiced by the granting of the exemptions sought. Furthermore, the nature and activities of these trusts have been tested against the standards contained in Section 6 (b) of the Act and the exemptions sought appear to be justified thereby. Accordingly, on the basis of the existing record we find it consistent with the protection of investors and the standards of Section 6 (b) of the Act to grant to the applicants the exemptions requested as above set forth.

An order will issue in accordance with this opinion.

By the Commission (Chairman Purcell and Commissioners Healy and Pike),
Commissioner O'Brien being absent and not participating.

(SEAL)

Orval L. DuBois,
Secretary.

^{12/} Section 6 (b) quoted in Note 1, *supra*, contrasts with Section 6 (c) reading as follows:

"The Commission, by rules and regulations upon its own motion, or by order upon application, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of this title or of any rule or regulation thereunder, 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."

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 2nd day of December, A.D., 1943.

-----	In the Matter of	:	
		:	
	EXECUTIVES INVESTMENT TRUSTS	:	
		:	ORDER GRANTING
	File No. 813-3	:	APPLICATION
		:	
	Investment Company Act of 1940	:	
	Section 6 (b)	:	

An application having been filed by Executive Investment Trusts under Section 6 (b) of the Investment Company Act of 1940 for an exemption from all the provisions of that Act;

A public hearing on the matter having been held after appropriate notice; the applicant having thereafter amended its application limiting its request for exemption *nunc pro tunc* to exemption from the provisions hereinafter specified;

The Commission having duly considered the record and having this day issued and filed its findings and opinion herein:

IT IS ORDERED that Executives Investment Trusts be and hereby is exempted from the following provisions of the Act to the extent and upon the conditions hereinafter set forth:

Sections 20 (a), 22 (f), 30 (b) (1), 32 (a) and 32 (b);

Section 6 (b), to the extent that the filing with the Commission of the required number of copies of the answers to Items 35 to 47, inclusive, of Form N-25-1 will be deemed to satisfy the requirements of that section;

Section 30 (a) to the extent that the annual filing with the Commission pursuant to Rule N-3CA-1 of the required number of copies of the answers to Items 35 to 47 inclusive of Form N-3CA-1 will be deemed to satisfy the requirements of that section.

Section 30 (d) to the extent that the transmitting of annual reports to stockholders containing the information prescribed by the rules and regulations of the Commission will be deemed to satisfy the requirements of that section.

IT IS FURTHER ORDERED that this order shall be subject to modification or revocation on motion of the Commission or otherwise at any time when it appears that the facts disclosed with respect to Executives Investment Trusts in the findings and opinion of the Commission issued this day become materially changed.

By the Commission.

(SEAL)

Orval L. DuFois,
Secretary.

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 2nd day of December, A.D., 1943.

In the Matter of	:	
	:	
ELFUN TRUSTS	:	ORDER GRANTING
	:	APPLICATION
File No. 813-4	:	
	:	
Investment Company Act of 1940	:	
Section 6 (b)	:	

An application having been filed by Elfun Trusts under Section 6 (b) of the Investment Company Act of 1940 for an exemption from all of the provisions of that Act;

A public hearing on the matter having been held after appropriate notice; the applicant having thereafter filed another amendment to its application limiting its request *nunc pro tunc* to exemption from the provisions herein- after specified;

The Commission having duly considered the record and having this day issued and filed its findings and opinion herein:

IT IS ORDERED that Elfun Trusts be and hereby is exempted from the following provisions of the Act to the extent and upon the conditions herein- after set forth:

Section 8 (b), to the extent that the filing with the Commission of the required number of copies of the answers to items 35 to 47, inclusive, on Form N-EB-1 will be deemed to satisfy the requirements of that section;

Sections 16 (b), 20 (a), 22 (f), 30 (b) (1) and 32 (a).

IT IS FURTHER ORDERED that this order shall be subject to modification or revocation on motion of the Commission or otherwise at any time when it appears that the facts disclosed with respect to Elfun Trusts in the findings and opinion of the Commission issued this day become materially changed.

By the Commission.

Orval L. DuFois,
Secretary.

(SFAL)

For IMMEDIATE Release Tuesday, December 7, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 585

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 7th day of December, A. D., 1943.

In the Matter of	:	
	:	
STANDARD EQUITIES CORPORATION	:	
	:	
Now known as	:	NOTICE OF AND ORDER
	:	FOR HEARING
SHERATON CORPORATION	:	
	:	
File No. 811-442	:	
	:	
Investment Company Act of 1940	:	
Section 8 (f)	:	

An application having been filed by Standard Equities Corporation, now known as Sheraton Corporation, pursuant to Section 8 (f) of the Investment Company Act of 1940 for an order declaring that the applicant has ceased to be an investment company within the meaning of said Act;

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on December 13, 1943, at 10:00 A.M., Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania.

IT IS FURTHER ORDERED that Charles F. Deeder, Esquire, or any other officer or officers of the Commission designated by it for that purpose, shall preside at such hearing. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceedings may be in the public interest or for the protection of investors.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

For IMMEDIATE Release Thursday, December 9, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 586

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 8th day of December, A.D., 1943.

In the Matter of	:	
	:	
The Chicago Corporation	:	
and	:	
	:	
The Lehman Corporation	:	NOTICE OF AND ORDER FOR HEARING
	:	
File No. 812-331	:	
	:	
Investment Company Act of 1940	:	
Section 17 (b)	:	

The Chicago Corporation has filed an application pursuant to Section 17 (b) of the Investment Company Act of 1940 for an order exempting from the provisions of Section 17 (a) of said Act a transaction in which applicant proposes to sell to The Lehman Corporation a voting trust certificate for 321 shares of common stock of Gulf Plains Corporation and first mortgage 6% notes of Gulf Plains Corporation in the principal amount of \$87,500. The proposed sale price for the voting trust certificate is \$16,050 and that for the notes is the principal amount plus unpaid interest to the date of sale. The principals in the proposed transaction are registered investment companies and are affiliated persons with respect to Gulf Plains Corporation within the purview of Section 17 (a) of the Act.

IT IS ORDERED pursuant to Section 40 (a) of the said Act that a hearing on the aforementioned application be held on December 16, 1943 at 10:00 A.M. Eastern War Time in Room 318, Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania; and

IT IS FURTHER ORDERED that Richard Townsend and any other officer or officers of the Commission designated by it for that purpose shall preside at such hearing. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to trial examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to The Chicago Corporation, The Lehman Corporation and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

Orval L. DuEois,
Secretary.

(SEAL)

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For IMMEDIATE Release Monday, December 13, 1943.

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 587

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 11th day of December, A. D. 1943.

In the Matter of	:	
	:	
ALLIANCE INVESTMENT CORPORATION	:	NOTICE OF AND ORDER
	:	FOR HEARING
File No. 811-37	:	
	:	
Investment Company Act of 1940--Section 8 (f)	:	

An application having been filed by Alliance Investment Corporation pursuant to Section 8 (f) of the Investment Company Act of 1940 for an order declaring that the applicant has ceased to be an investment company within the meaning of said Act;

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on December 20, 1943 at 10:00 o'clock A. M., Eastern War Time in Room 318, Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania; and

IT IS FURTHER ORDERED that Charles S. Lobingier, Esq., or any other officer or officers of the Commission designated by it for that purpose shall preside at such hearing. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to trial examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 588

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 13th day of December, A. D., 1943.

In the Matter of	:	
METROPOLITAN ROYALTY CORPORATION	:	
File No. 811-439	:	FINDINGS AND ORDER
Investment Company Act of 1940	:	
Section 8 (f)	:	

Metropolitan Royalty Corporation having filed an application under Section 8 (f) of the Investment Company Act of 1940 for an order declaring that it has ceased to be an investment company within the meaning of the said Act;

A public hearing having been duly held after appropriate notice, the Commission having considered the record in this matter, finds:

(1) Metropolitan Royalty Corporation was incorporated in the State of Delaware on March 28, 1928 primarily for the purpose of buying, selling, owning, holding and investing in oil and gas royalties. Having subsequently purchased and held other securities, it registered under the Investment Company Act of 1940 on May 10, 1941 as a management closed-end company.

(2) At a meeting of the stockholders of Metropolitan Royalty Corporation held on September 29, 1941 more than a majority of the issued and outstanding shares voted (a) to change the nature of the business of the Corporation so that it should cease to be an investment company within the meaning of the said Act and (b) to dispose of certain of the investments of the Corporation so as to effectuate the change in the character of its business.

(3) On April 1, 1942 and on April 1, 1943 more than a majority of the issued and outstanding shares of the Corporation voted to ratify and approve steps taken by the management of the Corporation to dispose of its investments other than in oil and gas royalties and to reaffirm the vote previously taken to change the character of the Corporation's business so that it shall cease to be an investment company within the meaning of the Act.

(4) The Corporation is not engaged, has never been engaged, and does not propose to engage in the business of issuing face amount certificates of the installment type.

(5) As of June 30, 1943 the total assets of the Corporation, including cash, amounted to \$644,561.22. At that date the sole investment of the Corporation, other than in oil and gas royalties, consisted of 6,000 shares of Republic Pictures Corporation which the Corporation values at \$30,000. The value of these shares represents less than 5% of the total assets of the Corporation. By order, dated December 3, 1943, the Commission authorized the sale by the Corporation of said 6,000 shares of Republic Pictures Corporation to Setay Company, Incorporated, an affiliated person of the Corporation.

(6) Substantially all of the Corporation's business consists of acquiring, owning, holding, selling, or disposing of oil, gas and other mineral royalties or leases or interests therein, or certificates of interest or participation in, or investment contracts relative to such royalties or interests. Therefore the Corporation is excepted from the definition of an investment company by virtue of the provisions of Section 3 (c) (11) of the Act.

WHEREFORE Metropolitan Royalty Corporation has ceased to be and is not now an investment company within the meaning of the Investment Company Act of 1940, and it is hereby so declared; and

IT IS ORDERED that the registration of Metropolitan Royalty Corporation under the said Act shall forthwith cease to be in effect.

By the Commission.

Orval L. DuFois,
Secretary.

(SEAL)

For IMMEDIATE Release Wednesday, December 15, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 589

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 14th day of December, A. D., 1943.

In the Matter of :
:
CONSOLIDATED INVESTMENT TRUST :
KNOTT C. RANKIN :
ARDREY E. CRFF : ORDER OF DISCONTINUANCE
:
File No. 812-335 :
:
Investment Company Act of 1940 :
Sections 17 (a) and (b) :

An application having been filed by Consolidated Investment Trust, a registered investment company, for an order pursuant to the provisions of Section 17 (b) of the Investment Company Act of 1940 exempting from the provisions of Section 17 (a) of the Act, the proposed sale by it to Knott C. Rankin and Ardrey E. Crff, affiliated persons of an affiliated person of the applicant, of \$87,500 principal amount First Mortgage 6% Income Bonds (due in 1955) and 1,655 shares of no par value common stock of the Rockland Rockport Lime Company, Inc., an affiliated person of the applicant, for \$12,500 payable \$2,500 in cash and \$10,000 in 4% notes payable within five years; and

A hearing having been convened on December 6, 1943 pursuant to an order of the Commission dated November 24, 1943, and such hearing having thereafter been adjourned subject to call of the Trial Examiner; and

Consolidated Investment Trust having on December 9, 1943 requested withdrawal of such application,

The Commission hereby consents to such withdrawal, and

IT IS ORDERED that the proceedings on such application be and the same hereby are discontinued.

By the Commission,

Orval L. DuBois,
Secretary.

(SEAL)

For IMMEDIATE Release Wednesday, December 15, 1948

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 590

The Securities and Exchange Commission today announced an extension to February 18, 1944, of the temporary exemption of Filbert Corporation from the provisions of the Investment Company Act of 1940. The temporary exemption will terminate ten days after final decision by the Commission on the company's application for permanent exemption.

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For IMMEDIATE Release Thursday, December 16, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
release No. 591

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pennsylvania,
on the 15th day of December, A. D., 1943.

In the Matter of	:	
	:	
Investors Syndicate	:	
and	:	
Investors Syndicate of America, Inc.	:	NOTICE OF AND
	:	ORDER FOR HEARING
	:	
File No. 812-340	:	
	:	
Investment Company Act of 1940	:	
Sections 6 (c) and 17 (b)	:	

An application has been filed by Investors Syndicate and Investors Syndicate of America, Inc., registered investment companies, for an order exempting from the provisions of Section 17 (a) of the Investment Company Act of 1940 until November 14, 1945, certain transactions between the applicants. By order dated November 13, 1941 the Commission granted to the applicants a similar exemption which expired on November 14, 1943.

The transactions as to which the applicants seek exemption are the continued sale or assignment by Investors Syndicate to Investors Syndicate of America, Inc., its wholly-owned subsidiary, of certain mortgages and other first liens on real estate at prices representing 101-1/2% of principal amount or cost of the mortgage or other first lien to Investors Syndicate, whichever is the lesser amount; and the servicing of said mortgages or other first liens at a service fee equal to 1/24 of 1% per month of the unpaid principal balance of such mortgages or other first liens.

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on Monday, December 20, 1943 at ten o'clock, A. M., Eastern War Time, in Room 318, Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania; and

IT IS FURTHER ORDERED that Robert P. Reeder, Esq., or any other officer or officers of the Commission designated by it for that purpose shall preside at such hearing. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to trial examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

Orval L. DuBois,

(SEAL)

Secretary.

For Release in MORNING Newspapers of Tuesday, December 21, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 592

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia 3, Pa.,
on the 18th day of December, A. D., 1943.

In the Matter of	:	
	:	
AFFILIATED FUND, INC.	:	
	:	
File No. 812-325	:	NOTICE OF AND
	:	ORDER FOR HEARING
Investment Company Act of 1940	:	
Section 6 (c)	:	

Affiliated Fund, Inc., a registered, open-end, investment company having filed an application pursuant to the provisions of Section 6 (c) of the Investment Company Act of 1940 for an order exempting it from the provisions of Section 18 of said Act so as to permit the refunding of outstanding debentures by the issuance of new debentures bearing the same maturity dates; and

The Commission having heretofore, on June 26, 1943, ordered a hearing in this matter to be held on July 8, 1943, and said hearing having been duly convened and thereafter closed on said date, and the applicant having thereafter filed an amendment to its application substantially changing the proposed method of refunding to provide, among other things, that such refunding shall be by bank loans; and

It appearing to the Commission that it is appropriate to reconvene the hearing in this matter upon the application, as amended;

IT IS ORDERED that the record in this matter be reopened and that the hearing ordered by this Commission under Section 40 (a) of the Investment Company Act of 1940 be reconvened on January 7, 1944, at 10:00 A.M. Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia 3, Pennsylvania;

IT IS FURTHER ORDERED that Willis E. Monty, Esquire, or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearing so ordered. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant, to Lord, Abbett & Co. and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

Orval L. DuBois,
Secretary.

(SEAL)

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 593

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia 3, Pa.,
on the 21st day of December, A.D., 1943.

In the Matter of	:	
EQUITY FUND INCORPORATED	:	
and	:	
SHAREHOLDERS CORPORATION	:	NOTICE OF AND ORDER FOR HEARING
File No. 812-339	:	
Investment Company Act of 1940	:	
Section 17 (b)	:	

Equity Fund Incorporated (Equity) has filed an application pursuant to Section 17 (b) of the Investment Company Act of 1940 for an order exempting from the provisions of Section 17 (a) of said Act a transaction in which Equity, pursuant to a resolution of its Board of Directors, proposes to purchase and Shareholders Corporation (Shareholders) pursuant to the majority approval of its stockholders, proposes to sell all of the net assets of Shareholders in exchange for such number of shares of Equity's common stock taken at net asset value and without the imposition of a sales load as will equal the market value of the assets transferred. It is contemplated that Shareholders will thereupon dissolve and distribute the shares of Equity to its stockholders in liquidation. Equity and Shareholders are registered open-end investment companies and are affiliated persons of each other within the purview of Section 17 (a) of the Act.

IT IS ORDERED pursuant to Section 40 (a) of the said Act that a hearing on the aforementioned application be held on January 3, 1944, at 10:00 A.M. Eastern War Time, in Room 318, Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia 3, Pennsylvania; and

IT IS FURTHER ORDERED that Robert P. Peeder, Esq., and any other officer or officers of the Commission designated by it for that purpose shall preside at such hearing. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to trial examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to Equity Fund Incorporated, Shareholders Corporation and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

(SEAL)

Orval L. Dubois,
Secretary.

For IMMEDIATE Release Thursday, December 23, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 594

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia 3, Pa.,
on the 21st day of December, A.D., 1943.

In the Matter of	:	
	:	
AMERICAN SECURITIES SHARES	:	
	:	
File No. 811-186	:	NOTICE OF AND ORDER
	:	FOR HEARING
	:	
Investment Company Act of 1940	:	
Section 8 (f)	:	

An application having been filed by American Securities Shares pursuant to Section 8 (f) of the Investment Company Act of 1940 for an order declaring that the applicant has ceased to be an investment company within the meaning of said Act;

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on January 3, 1944 at 10:00 a.m., Eastern War Time, in Room 318, Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia 3, Pennsylvania;

IT IS FURTHER ORDERED that Robert P. Reeder, or any other officer or officers of the Commission designated by it for that purpose shall preside at such hearing. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to trial examiners under the Commission's Rules of Practice.

NOTICE IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

Crval L. DuBois,
Secretary.

(SEAL)

For IMMEDIATE Release Monday, December 27, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT OF 1940
Release No. 595

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia 3, Pa.,
on the 23rd day of December, A. D., 1943.

In the Matter of	:	
ALLIANCE INVESTMENT CORPORATION	:	FINDINGS AND ORDER
File No. 811-37	:	
Investment Company Act of 1940 -	:	
Section 8 (f)	:	

An application having been filed by Alliance Investment Corporation for an order pursuant to Section 8 (f) of the Investment Company Act of 1940 declaring that applicant has ceased to be an investment company:

A public hearing having been duly held after appropriate notice, the Commission having examined the record in this matter, finds:

1. Alliance Investment Corporation, the applicant, was organized on March 27, 1925, under the laws of the State of Delaware. It is registered under the Investment Company Act of 1940 as a closed-end, diversified, management investment company.

2. On February 19, 1943, as a result of appropriate action of its board of directors and stockholders, applicant was formally dissolved in accordance with the laws of the State of Delaware.

3. All applicant's assets were reduced to cash and, except for \$17,604, applied to the payment of expenses and debts, 1/ have been distributed among stockholders. Holders of applicant's 187,537 shares of common stock, (having no par value and a stated value of \$2.00 per share) have been paid three liquidating dividends, totaling \$3.95 per share and aggregating \$740,771. Holders of common stock also received approximately \$.42 per share and

1/ Expenses incidental to the liquidation amounted to \$7,037, including counsel fees of \$1,529. A tax liability on which interest of \$7,797, was paid is briefly explained in footnote 2.

aggregating \$78,628 in the form of a deficiency dividend. 2/

4. Previously and on February 15, 1943, applicant's 4,426 outstanding shares of preferred stock were retired at par of \$100 per share plus accrued dividends of \$2.25 per share, aggregating a payment of \$452,558.

5. Applicant states that it now has no assets and no liabilities other than for such outstanding checks for the deficiency dividend and/or refund of corporate loans tax, as may not yet have been cashed by any persons entitled thereto but for the aggregate of which the exact funds are on deposit in Tradesmens National Bank and Trust Company, Philadelphia, which funds as of December 16th, 1943 do not exceed \$15,200.

WHEREFORE Alliance Investment Corporation has ceased to be and is not now an investment company within the meaning of the Investment Company Act of 1940: and

IT IS ORDERED that the registration of Alliance Investment Corporation under said Act shall forthwith cease to be in effect.

By the Commission.

Orval L. DuBois,
Secretary.

(SEAL)

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2/ The Commissioner of Internal Revenue sought to assess additional taxes against applicant for the years 1940 and 1941 on the ground that applicant was a personal holding company. Applicant contended it was not. In order to obtain a final adjudication of the tax liability during the current calendar year, applicant authorized its counsel to enter into a stipulation under which a decision was entered on November 16, 1943, determining deficiencies for the calendar years 1940 and 1941 of personal holding company surtax in the respective amounts of \$18,813.34, and \$45,614.85, placing applicant in a position, pursuant to Sections 115 (a), Section 506 (a) and 506 (g) of the Internal Revenue Code to pay a deficiency dividend to stockholders equal to the net income on which the tax was reckoned, and thereby obtain credit for the tax liability and relieve applicant from any payment to the Commissioner of Internal Revenue other than interest of \$7,797 on the liability.

For IMMEDIATE Release Tuesday, December 28, 1943

**SECURITIES AND EXCHANGE COMMISSION
Philadelphia**

INVESTMENT COMPANY ACT OF 1940
Release No. 596

The Securities and Exchange Commission today announced a further extension to February 24, 1944, of the temporary exemption of Case, Pomeroy & Company, Inc., from the provisions of the Investment Company Act of 1940, pending final decision by the Commission on the company's application under Section 3 (b) (2) of the Act for a permanent exemption.

For Release in MORNING Newspapers of Saturday, September 18, 1943

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

INVESTMENT COMPANY ACT
Release No. 552-596

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

At a regular session of the Securities and Exchange Commission,
held at its office in the City of Philadelphia, Pa.,
on the 15th day of September, A. D., 1943.

In the Matter of	:	
	:	
BANK STOCK TRUST SHARES, SERIES C-1	:	
	:	NOTICE OF AND
File No. 811-332	:	ORDER FOR HEARING
	:	
Investment Company Act of 1940	:	
Section 8 (f)	:	

Bank Stock Trust Shares, Series C-1, a registered investment company, having filed an application pursuant to the provisions of Section 8 (f) of the Investment Company Act of 1940 for an order declaring that it has ceased to be an investment company within the meaning of said Act;

IT IS ORDERED, pursuant to Section 40 (a) of said Act, that a hearing on the aforesaid application be held on October 4, 1943, at 10:00 A.M., Eastern War Time, in Room 318 of the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania.

IT IS FURTHER ORDERED that Willis E. Monty shall preside at the hearing on such application. The officer so designated is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 (b) of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

NOTICE OF SUCH HEARING IS HEREBY GIVEN to the applicant and to any other persons whose participation in such proceedings may be in the public interest or for the protection of investors.

By the Commission.

(SEAL)

Orval L. DuBois,
Secretary.