

GRAHAM-NEWMAN CORPORATION

120 WALL STREET
NEW YORK 5, N. Y.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

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To the Stockholders of Graham-Newman Corporation:

NOTICE IS HEREBY GIVEN THAT the Annual Meeting of Stockholders of Graham-Newman Corporation will be held at the office of the Corporation at 120 Wall Street, New York, N.Y., on Monday, April 9th, 1951, at 2:00 P.M., for the following purposes:

- (1) To elect seven Directors to hold office until the Annual Meeting of Stockholders next ensuing after their election and until their successors shall have been elected and shall have qualified.
- (2) To consider and vote upon a proposal to ratify the selection of Messrs. Stern, Porter, Kingston & Coleman as auditors of the Corporation for the Corporation's fiscal year ending January 31st, 1952.
- (3) To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

There will be laid before the meeting the Annual Report of the Corporation, including financial statements for the fiscal year ending January 31st, 1951, in the form in which it was mailed to the Stockholders of the Corporation on March 2, 1951. Stockholders will not be called upon to take any action in connection with the said Annual Report. The minute book of the Corporation, containing the minutes of all meetings of the Board of Directors since the last Annual Meeting of Stockholders, will be available at the meeting for inspection.

The stock transfer books of the Corporation will not be closed, but in lieu thereof, the Board of Directors has fixed the close of business on March 30, 1951, as the record date for the determination of Stockholders entitled to notice of, and to vote, at the meeting.

Each Stockholder who does not expect to attend in person is requested promptly to date, fill in, sign and return the enclosed Form of Proxy. This Proxy is solicited on behalf of the Management of the Company.

By Order of the Board of Directors,

EDWARD E. LAUFER,
Secretary.

New York, N.Y.
March 30, 1951.

PLEASE SIGN AND RETURN THE ENCLOSED PROXY PROMPTLY. A SELF-ADDRESSED, STAMPED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE.

PROXY STATEMENT

* * * * *

Annual Meeting of Stockholders

GRAHAM-NEWMAN CORPORATION

To be held April 9, 1951

* * * * *

This statement is furnished in connection with a solicitation by the management of Graham-Newman Corporation (hereinafter called the "Corporation") of proxies to be used at the Annual Meeting of Stockholders of the Corporation to be held at 2:00 P.M. on Monday, April 9, 1951, at the office of the Corporation at 120 Wall Street, in the City of New York, N.Y., for the purpose set forth in the accompanying Notice of Annual Meeting of Stockholders.

An Annual Report of the Corporation was mailed to Stockholders on March 2nd, 1951. This report included financial statements for the fiscal year ended January 31, 1951. Such report is not to be incorporated in this Proxy Statement by reference and is not to be deemed to be a part of the proxy soliciting material.

At the close of business on March 30, 1951, there were 5,000 shares of capital stock of the Corporation outstanding. Each of such shares held of record on March 30, 1951 is entitled to one vote.

If the enclosed Form of Proxy is executed and returned, it may, nevertheless, be revoked at any time in so far as it has not been exercised.

A. Election of Directors.

Seven Directors are to be elected, each to hold office until the annual meeting of Stockholders next ensuing after his election and until his successor shall have been elected and shall have qualified. It is the intention of the persons named in the enclosed Form of Proxy to nominate and vote such proxy for the election of the following persons, all of whom are candidates for re-election:

Benjamin Graham
Jerome A. Newman

Robert J. Marony
Elias Reiss
Sylvan E. Weil

William K. Jacobs, Jr.
David L. Dodd

In the event of the inability of any of such nominees to accept nomination or election, it is the intention of the persons named in the enclosed Form of Proxy to vote such proxy for the election of such other person as Director as they may in their discretion determine.

B. Information about Nominees for Election as Directors.

<u>Names</u>	<u>Principal Occupation or Employment</u>	<u>Served Continuously as a Director Since</u>	<u>Number of Shares Graham-Newman Corporation Common Stock Beneficially Owned Directly and/or Indirectly on March 5, 1951</u>	
Benjamin Graham	President, Graham-Newman Corp.	1936	(1)	92
Jerome A. Newman	Vice President and Treasurer, Graham-Newman Corporation	1936	(2)	207
Robert J. Marony	Consultant for Chicago, Milwaukee, St. Paul & Pacific RR	1936	(3)	61
Elias Reiss	President Reiss Factors Corp.	1936	(4)	87
Wm. K. Jacobs, Jr.	Financial Counsel	1940	(5)	None
David L. Dodd	Professor of Finance, Columbia University	1944	(6)	34
Sylvan E. Weil	Former Member of New York Stock Exchange Retired	1944	(7)	30

(1) Mrs. Graham owns 12 shares.

(2) Mrs. Newman owns 159 shares.

(3) Mrs. Marony owns 21 shares.

(4) Through a corporation wholly owned by Mr. and Mrs. Reiss, Mrs. Reiss, individually, owns 16 shares.

(5) Mrs. Jacobs owns 50 shares and is a life tenant of a trust owning 60 shares in which Mr. Jacobs has a contingent beneficial interest. Trust funds of which Mr. Jacobs is co-trustee, a charitable corporation of which he is an officer and director, and various clients (including Mrs. Weil) own in the aggregate in excess of 15% of the outstanding stock.

(6) Mrs. Dodd owns 56 shares.

(7) Mrs. Ruth Alice N. Weil (Mrs. Sylvan E. Weil) owns 150 shares.

192
56
750
1509

16
5425

20.5

C. Remuneration and Other Transactions with Directors,
Nominees, Officers and Others

<u>Name of Individual</u>	<u>Capacity in which Remunera- tion was Received</u>	<u>Salaries for Fiscal Year ended Jan. 31, 1951</u>	<u>Shares in Profits</u>	<u>Pension Retire- ment and Similar Payments</u>
Benjamin Graham	President, Graham-Newman Corporation.	\$25,000	\$55,214.85 (1)	None
Jerome A. Newman	Vice President and Treasurer, Graham-Newman Corporation.	\$25,000	\$55,214.85 (1)	None

No other Director or Officer of the Graham-Newman Corporation received remuneration in excess of \$25,000. for the fiscal year ending January 31, 1951.

All persons, as a group, who were Directors or Officers of the Corporation:

Salaries of Directors and Officers as such	\$ 69,607.31
Additional compensation based on profits	<u>110,429.70</u>
	\$180,037.01 (2)

- (1) Of these amounts \$88,343.76 is payable after January 31, 1952. Total amount shown is \$23,242.30 more than that received in the previous fiscal year.
- (2) Represents an increase of \$55,591.92 over preceding year.

D. Selection of Independent Public Accountants.

Pursuant to the Investment Company Act of 1940, those members of the Board of Directors of the Corporation who are not Officers or employees thereof have selected Messrs. Stern, Porter, Kingston & Coleman as the firm of independent public accountants to audit the accounts and to report on the financial statements of the Corporation for or during the year ended January 31, 1952. This firm has been the independent public accountants for the Corporation since January 31, 1939. This selection will be submitted for ratification or rejection at the Annual Meeting.

E. Other Matters.

The management knows of no other matters which are to be brought before the meeting. However, if any other matters, not now known or determined, properly come before the meeting, it is the intention of the persons named in the enclosed Form of Proxy to vote such proxy in accordance with their judgment on such matters.

All proxies received will be voted in accordance with the instructions and specifications contained therein, as regards selection of auditors and other matters.

F. Expenses.

The cost of preparing, assembling and mailing material in connection with this solicitation of proxies will be borne by the Corporation, and will not exceed \$100.

Very truly yours,

Benj. Graham,
President.

March 30, 1951.

GRAHAM-NEWMAN CORPORATION

**120 WALL STREET
NEW YORK 5, N. Y.**

March 2, 1951

To the Stockholders of Graham-Newman Corporation:

Submitted herewith are financial statements of the Corporation covering the fiscal year ended January 31, 1951.

The appended balance sheet indicates a net asset value of ~~\$1,232.48 per share on January 31, 1951, compared with~~ \$1,065.73 per share on January 31, 1950.

As approved by the stockholders on April 10, 1950, the number of authorized and issued shares of the Corporation ~~was reduced from 50,000 to 5,000 by the issuance of one~~ new share for ten old shares.

A final dividend of \$27.14 per share out of the earnings for this fiscal year was declared on February 21, 1951, payable on March 28, 1951. The total amount of dividends declared applicable to the earnings for the fiscal year ended January 31, 1951, aggregated \$147.14 per share, consisting of the quarterly dividends of \$12.50 per share paid in April, July and October 1950 and in January 1951, a dividend of \$70.00 per share paid in December, 1950, and the dividend of \$27.14 payable March 28, 1951.

Of the total dividends of \$147.14 per share, \$127.28 per share has been designated as capital gain dividends, pursuant to Section 362 of the Internal Revenue Code, and \$19.86 per share represents ordinary income.

In the future, the Corporation will follow the practice of taking regular dividend action in March, June, September and December.

The overall gain for the fiscal year, including the net increase in unrealized appreciation was \$286.75 per share, or 26.9% on the asset value of the shares at the beginning of the fiscal year. Net realized profits for the year, without reflecting the increase in unrealized appreciation, amounted to \$128.34 per share. The total distributions made for the year exceed such net realized profit for the following reasons:

- (a) a net amount of \$15.11 per share representing reserve for officers' compensation is not tax deductible until paid; and
- (b) a net amount of \$3.49 per share represents an adjustment between dividend income accrued and received during the year.

The indicated asset value on February 17, 1951, was approximately \$1257.00 per share.

The financial statements have been reviewed by Messrs. Stern, Porter, Kingston and Coleman, independent public accountants, whose certificate is set forth herein.

The proxy statement for the annual meeting of stockholders which will be held on April 9, 1951 will be mailed to the stockholders on or about April 1, 1951.

By Order of the Board of Directors,

Benj. Graham,
President

Jerome A. Newman,
Vice-President & Treasurer

STERN, PORTER, KINGSTON & COLEMAN

CERTIFIED PUBLIC ACCOUNTANTS

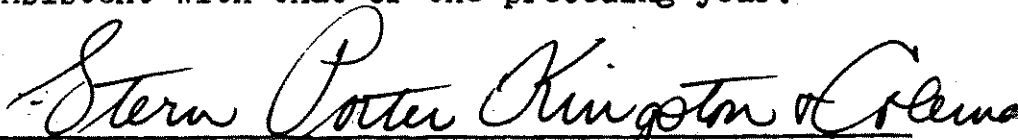
551 Fifth Avenue, New York 17, N. Y.

MURRAY HILL 2-8075

To the Board of Directors and Stockholders
of Graham-Newman Corporation:

We have examined the Balance Sheet of Graham-Newman Corporation as at January 31, 1951 and the related statements of Profit and Loss and Changes in Net Assets for the fiscal year ended January 31, 1951, have reviewed the system of internal control and the accounting procedures of the company and, without making a detailed audit of the transactions, have examined or tested accounting records of the company and other supporting evidence by methods and to the extent we deemed appropriate and in accordance with generally accepted standards applicable in the circumstances.

In our opinion, the accompanying Balance Sheet and related statements of Profit and Loss and Changes in Net Assets, subject however to the notes appended thereto, present fairly the position of Graham-Newman Corporation as at January 31, 1951 and the results of its operations for the fiscal year then ended, applied, except for the change noted in Note D to the Financial Statements, which change we approve, on a basis consistent with that of the preceding year.


STERN, PORTER, KINGSTON & COLEMAN
Certified Public Accountants

New York, N. Y.
February 23, 1951.

GRAHAM-NEWMAN
NEW
B A L A N C E
JANUARY 31,

A S S E T S

CASH IN BANKS		\$ 74,250.11
DEPOSITS WITH BROKERS	\$212,206.12	
DUE FROM BROKERS FOR SECURITIES PURCHASED	<u>28,426.13</u>	240,632.25
INVESTMENTS IN SECURITIES-AT MARKET VALUE (Note A) (Cost \$5,391,381.77)		7,204,634.00
OTHER ASSETS		
Dividends receivable	3,825.01	
Interest receivable	1,750.00	
Deposits and sundry receivables	2,942.60	
Furniture and fixtures	<u>4,492.43</u>	13,010.04

\$7,532,526.40

CORPORATION
YORK
S H E E T
1951

LIABILITIES AND CAPITAL

NOTE PAYABLE - BANK (secured)		\$ 525,000.00
SECURITIES SHORT - AT COVER VALUE (Note A) (Net proceeds of sales \$222,145.85)		240,989.00
DUE TO BROKERS		
Deposit to cover securities loaned	\$ 44,000.00	
For securities purchased	<u>32,440.00</u>	76,440.00
SUNDRY PAYABLES AND ACCRUALS		11,883.43
DUE TO OFFICERS (Benjamin Graham and Jerome A. Newman) for additional compensation (Note B)		161,585.78
of which-payable currently	34,874.96	
payable in annual installments (1952 to 1955)	<u>126,710.82</u>	
PROVISION FOR ADDITIONAL CONTINGENT COMPENSATION OF OFFICERS (Benjamin Graham and Jerome A. Newman) On increase in unrealized appreciation of investments subsequent to January 31, 1948 (Note B)		354,230.10
NET ASSETS APPLICABLE TO OUTSTANDING CAPITAL STOCK		6,162,398.09
Capital Stock:		
Authorized, issued and outstanding- 5,000 shares of no par value- stated value \$500.00 per share	2,500,000.00	
Capital Surplus	2,180,500.31	
Earned Surplus	<u>41,718.80</u>	
Total Capital Stock and Surplus	4,722,219.11	
Unrealized appreciation of investments after deducting provision for related additional contingent compensation of officers	<u>1,440,178.98</u>	
Total, as above (equivalent to \$1,232.48 per share)	<u>\$6,162,398.09</u>	
		<u>\$7,532,526.40</u>

GRAHAM-NEWMAN CORPORATION
NEW YORK
PROFIT AND LOSS STATEMENT
FOR THE FISCAL YEAR ENDED JANUARY 31, 1951

STATEMENT OF INCOME AND EXPENSES

(excluding gain or loss on investments)

<u>Income</u>		
Dividends		\$218,182.30
Interest on investments		6,304.10
Total		224,486.40
<u>Expenses</u>		
Salaries of officers:		
Benjamin Graham (Note B)	\$ 25,000.00	
Jerome A. Newman (Note B)	25,000.00	
Other	19,607.31	
Other:		
Office salaries	13,191.25	
Executive committee fees	8,850.00	
Directors' fees	1,225.00	
Rent and light	3,146.90	
Telephone and telegraph	1,382.28	
Insurance	315.35	
Taxes (other than Federal income tax)	7,580.85	
Legal and auditing	8,625.00	
Custodian fees	2,989.57	
General expense	5,235.68	
Depreciation	1,555.42	
Payment to widow of deceased officer	7,500.00	
Total	131,204.61	
Interest paid	4,650.80	
Total Expenses (exclusive of additional compensation of officers)		135,855.41
<u>Net Income</u> , excluding gain or loss on investments- before deducting additional compensation of officers and provision for Federal income tax		88,630.99
<u>NET REALIZED GAIN ON SALE OF INVESTMENTS</u>		663,517.51
Amount realized	2,566,555.09	
Cost	1,903,037.58	
<u>NET INCOME</u> , before deducting additional compensation of officers and provision for Federal income tax		752,148.50
<u>Deduct</u>		
Additional Compensation of Officers (Note B)		
Benjamin Graham	\$55,214.85	
Jerome A. Newman	55,214.85	110,429.70
Provision for Federal income tax (Note C)	None	110,429.70
<u>NET INCOME FOR THE FISCAL YEAR ENDED JANUARY 31, 1951</u>		641,718.80
<u>ADD-INCREASE IN UNREALIZED APPRECIATION</u> (Note A)		990,030.99
At January 31, 1950	804,378.09	
At January 31, 1951	1,794,409.08	
Deduct-Provision for related additional compensation of officers	198,006.20	792,024.79
<u>NET INCOME FOR YEAR</u> - including increase in unrealized appreciation		\$1,433,743.59
Equivalent to (on 5,000 shares new stock) to \$286.75 per share		

GRAHAM-NEWMAN CORPORATION
NEW YORK
STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JANUARY 31, 1951

		PER SHARE*
<u>NET ASSETS AT JANUARY 31, 1950</u>	\$5,328,654.50	\$1,065.73
<u>ADD:-</u>		
Net Income for fiscal year ended January 31, 1951:		
Net Income, excluding gain or loss on investments	\$ 88,630.99	
(before deducting additional compensation of officers)		
Net Realized Gain on sales of investments	663,517.51	
Total	752,148.50	
Deduct-Additional compensation of officers (Note B)	110,429.70	
Net Income for year		128.34
Increase in Unrealized Appreciation of Investments	990,030.99	
Deduct-Provision for related additional contingent compensation of officers (Note B)	198,006.20	
	792,024.79	158.41
<u>TOTAL</u>	6,762,398.09	1,352.48

DEDUCT-DIVIDENDS PAID

	Per Share	No. of shares		
April 15, 1950	\$ 1.25	on 50,000 shares(x)	62,500.00	
July 28, 1950	12.50	" 5,000 "	62,500.00	
October 28, 1950	12.50	" " "	62,500.00	
December 27, 1950	70.00	" " "	350,000.00	
January 26, 1951	12.50	" " "	62,500.00	
Total			600,000.00	120.00

<u>NET ASSETS AT JANUARY 31, 1951</u>	<u>\$6,162,398.09</u>	<u>\$1,232.48</u>
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* per share amounts have been computed on basis of 5,000 shares new stock outstanding at January 31, 1951

(x) 50,000 shares old stock outstanding prior to recapitalization.

ANALYSIS OF CHANGES IN NET ASSETS

	Total	Capital Stock	Capital Surplus	Earned Surplus	Unrealized Appreciation(x)
<u>NET ASSETS AT JANUARY 31, 1950</u>	\$5,328,654.50	\$2,500,000	\$2,180,500.31	-0-	\$ 648,154.19
<u>ADD:-</u>					
Net Income for year	641,718.80			\$641,718.80	
Increase in unrealized appreciation for year, less provision for related additional con- tingent compensation of officers	792,024.79				792,024.79
<u>TOTAL</u>	6,762,398.09	2,500,000	2,180,500.31	641,718.80	1,440,178.98
<u>DEDUCT - Dividends Paid</u>	600,000.00			600,000.00	
<u>BALANCE-NET ASSETS AT JANUARY 31, 1951</u>	<u>\$6,162,398.09</u>	<u>\$2,500,000</u>	<u>\$2,180,500.31</u>	<u>\$ 41,718.80</u>	<u>\$1,440,178.98</u>

(x) the amounts shown in this column represent the balance of unrealized appreciation, after deducting the provision for related additional contingent compensation of officers.

GRAHAM-NEWMAN CORPORATION
NEW YORK
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 1951

NOTE A - VALUE OF INVESTMENTS-UNREALIZED APPRECIATION OF INVESTMENTS

Investments have been evaluated at their quoted market values as at January 31, 1951.

The unrealized appreciation of investments at January 31, 1951 is represented as follows:

	<u>Cost</u>	<u>Value at Jan. 31, 1951</u>	<u>Unrealized Appreciation</u>
Investments in securities	\$5,391,381.77	\$7,204,634.	\$1,813,252.23
Securities short	<u>222,145.85(a)</u>	<u>240,989.(b)</u>	<u>18,843.15</u>
Net securities position	<u>\$5,169,235.92</u>	<u>\$6,963,645.</u>	<u>1,794,409.08</u>

(a) proceeds of sales (b) cover value

The unrealized appreciation at January 31, 1950 was 804,378.09
and the increase in unrealized appreciation for the year was \$ 990,030.99

The investment in Atlantic Gulf & West Indies Steamship Lines (AGWI) common stock has been valued at its quoted market value on the New York Stock Exchange as at January 31, 1951 and upon that basis shows an unrealized appreciation at that date of \$932,697.50, of which \$424,763. represents appreciation during the current year. Unrealized appreciation is therefore represented as follows:

	<u>Increase in Unrealized Appreciation during year</u>	<u>Total Unrealized Appreciation at Jan. 31, 1951</u>
AGWI Common Stock	\$424,763.00	\$ 932,697.50
Other Securities	<u>565,267.99</u>	<u>861,711.58</u>
Total	<u>\$990,030.99</u>	<u>\$1,794,409.08</u>

Effective control of AGWI was acquired by Jerome A. Newman, by virtue of the control by him or power to influence a majority of the outstanding stock of that company, including the holdings of Graham-Newman Corporation. There have recently been only occasional transactions in AGWI common stock on the New York Stock Exchange.

Current values of investments at January 31, 1951 are based upon market quotations, and are not intended as representations of the amounts which may actually be realizable upon sale of these securities.

NOTE B - COMPENSATION OF OFFICERS

The President and Treasurer each receive a salary at the rate of \$25,000. per annum and additional compensation, computed upon an annual basis, of 10% of the excess of the net realized income (less the net unrealized depreciation, if any, in value of investments) over an amount equivalent to \$10.00 per share per quarter (equivalent to \$1.00 per share per quarter on the old stock outstanding prior to the change in capitalization) - such additional compensation as to each being limited to 12½% of the excess of dividends actually paid over an amount equal to \$10.00 per share per quarter. The additional compensation is cumulative from February 1, 1948 and is payable in five equal annual installments within 60 days of the close of the

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 1951

(CONTINUED)

NOTE B - COMPENSATION OF OFFICERS (Continued)

respective years. In the event of death of either officer or the termination of his tenure of office, additional compensation will be payable to such officer, or to his estate, in an amount equal to 10% of the increase in unrealized appreciation subsequent to January 31, 1948, less an amount equal to \$10.00 per share per quarter on the stock presently outstanding (or the equivalent thereof on the old stock), to the extent that such amounts had not previously been taken into consideration in computing additional compensation.

NOTE C - TAX STATUS

The company is a "regulated investment company" under the Internal Revenue Code, and as such is subject to Federal income tax at 25% of the excess of its net long term capital gain (less its net short term capital loss, if any) over the amount distributed as dividends which are designated by it as "capital gain dividends", and, in respect of the excess of its other net income over the amount of the dividend distributions therefrom - at 23% of such undistributed net income up to \$25,000. and 42% of the excess over that amount. By reason of the fact that deduction is taken on the company's tax return of additional compensation to officers only to the extent that such additional compensation is currently payable (see Note B) the net income to be shown on the company's tax return will be substantially in excess of the amount of dividends paid during the year. The company has however the right under the Internal Revenue Code to offset against this amount the first dividend to be declared during the current year. The company has in prior years paid dividends in an amount which resulted in leaving no corporate taxable income, and intends to follow this practice in the future. No provision for Federal income taxes has therefore been made either in respect of the net income for the current year or in respect of unrealized appreciation at January 31, 1951.

NOTE D - INCOME FROM DIVIDENDS

Under the company's present accounting practice dividends received are taken into income as of the dates upon which the related stocks are quoted ex-dividend. In the prior fiscal year (ended January 31, 1950) the amount reported as income from dividends included also dividends of approximately \$18,000. which were actually received during that year but which, upon the ex-dividend basis representing the company's present accounting practice, would have been included as income for the preceding year.

NOTE E - CHANGE IN CAPITALIZATION

Pursuant to resolution of the board of directors adopted March 15, 1950 and approved by the stockholders at their annual meeting April 10, 1950, the authorized capital stock of the company was changed

from 50,000 shares of no par value, with a stated value
of \$50.00 per share

to 5,000 shares of no par value, with a stated value
of \$500.00 per share

the newstock being issued in exchange for the old stock in the ratio of 1 share of new stock for each 10 shares of old stock. Suitable provisions were made for the acquisition and re-sale of fractional shares of the new stock.

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 1951

(CONTINUED)

NOTE F - SUPPLEMENTARY INFORMATION

The aggregate dollar amounts of purchases and sales of investment securities, other than United States Government securities, made during the year were as follows:

Cost of securities purchased	\$2,590,045.57
Proceeds of sales of securities	2,741,676.07

GRAHAM-NEWMAN CORPORATION

NEW YORK

INVESTMENTS IN SECURITIES

JANUARY 31, 1951

S U M M A R Y

MARKET VALUE AT
JANUARY 31, 1951

INVESTMENT COMPANIES

Common Stocks	\$ 26,000
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HOLDING COMPANIES

Preferred Stocks	422,750
Common Stocks	227,084

OTHER SECURITIES

Bonds

Railroads	284,923
Utilities	46,314

Preferred Stocks

Utilities	57,987
Industrial	505,988

Common Stocks

Railroads	909,950
Utilities	136,973
Banks	25,000
Insurance companies	104,997
Industrial	4,456,668

TOTAL

\$7,204,634

GRAHAM-NEWMAN CORPORATION
NEW YORK
INVESTMENTS IN SECURITIES
JANUARY 31, 1951

NO. OF SHARES	DESCRIPTION OF SECURITIES	MARKET VALUE AT JANUARY 31, 1951
<u>INVESTMENT COMPANIES</u>		
<u>Common Stocks</u>		
1,000	American Research & Development Corporation	\$ 26,000
<u>HOLDING COMPANIES</u>		
<u>Preferred Stocks</u>		
+ 1000	2,000 American & Foreign Power Co. Inc. \$6.00 Cumulative Preferred	154,000
+ 3300	25,000 Electric Bond & Share Co. \$6.00 Preferred (stubs)	268,750
		<u>\$422,750</u>
<u>Common Stocks</u>		
	3,405 Engineers Public Service Company (stubs)	579
	5,000 General Tin Investments, Ltd.- American Certificates for Ordinary Capital	7,800
+ 600	800 Georgia Railroad & Banking Company	109,600
	2,000 Marine Midland Corporation	19,500
	10,000 Middle West Corporation	2,500
+ 2500	18,500 Pacific American Investors, Inc.	77,700
	500 Transamerica Corporation	9,405
		<u>\$227,084</u>
<u>OTHER SECURITIES - BONDS</u>		
<u>Face Amount</u>		
<u>Railroads</u>		
Boston Terminal Company:		
+ 114M	\$294 M First Mortgage 3½% 2/1/1947)	270,000
	6 M First Mortgage 4% 7/1/1950)	
Denver & Rio Grande Western Railroad:		
- 402M	\$250 M 5% 8/1/1955 (stubs)	2,187
	443 M 5% 4/1/1978 (stubs)	12,736
		<u>\$284,923</u>
<u>Utilities</u>		
	\$100 M Chicago City Railway Company First	
Chicago Rapid Transit Company:		
	\$ 89 M First and Refunding Mortgage) Series A 6% 7/1/1953(stubs)	7,500
	311 M First and Refunding Mortgage) Series A 6½% 7/1/1944(stubs)	
	\$1,131 M Metropolitan West Side Elevated Railway Co. (Chicago) Extension Mortgage 4% 7/1/1938 (stubs)	26,861
Forward		\$ 38,861

INVESTMENTS IN SECURITIES

JANUARY 31, 1951

<u>DESCRIPTION OF SECURITIES</u>		<u>MARKET VALUE AT JANUARY 31, 1951</u>
<u>OTHER SECURITIES-BONDS (Continued)</u>		
<u>Face Amount</u>		
<u>Utilities (continued) - Forward</u>		\$ 38,861
\$145 M Northwestern Elevated Railroad Company First Mortgage 5% 9/1/1941 (stubs)		3,988
\$126 M Union Elevated Railroad Company First Mortgage 5% 10/1/1945 (stubs)		3,465
		<u>\$ 46,314</u>
<u>No. of Shares</u>		
<u>OTHER SECURITIES-PREFERRED STOCKS</u>		
<u>Utilities</u>		
987 Federal Light & Traction Company \$6.00 Cumulative Preferred		10,487
10,000 Market Street Railway Company 6% Cumulative Prior Preferred (X)		47,500
		<u>\$ 57,987</u>
<u>Industrial</u>		
+ 200 200 American Woolen Co., Inc. \$4.00 Cumulative Convertible Preferred		18,000
Autocar Company:		
609 5% Cumulative Convertible } Preferred-Series A		15,125
291 5% Convertible Preferred } Series B		
100 5% Cumulative Convertible } Preferred-Series C		
1,200 Avco Manufacturing Corporation \$2.25 Cumulative Convertible Preferred		59,400
300 Cluett Peabody & Co. 4% Cumu- lative Convertible Second Preferred		27,375
+ 250 2,500 Edison Oil Company Preferred		250,000
200 Gar Wood Industries, Inc. 4½% Cumulative Convertible Preferred		6,450
500 General Cable Corporation 4% Cumulative Convertible Second Preferred		16,875
500 Murray Corporation of America 4% Cumulative Preferred		24,563
+ 100 100 Thomas G. Plant Corporation 7% Cumulative First Preferred		3,000
Forward		\$420,788

INVESTMENTS IN SECURITIES

JANUARY 31, 1951

NO. OF SHARES	DESCRIPTION OF SECURITIES	MARKET VALUE AT JANUARY 31, 1951
<u>OTHER SECURITIES-PREFERRED STOCKS (Continued)</u>		
	<u>Industrial (continued) - Forward</u>	
+ 500	500 United Air Lines, Inc. 4½% Cumulative Convertible Preferred	\$420,788 58,500
+ 400	400 United States Leather Company \$3.00 Class A Convertible Preferred	26,700
		<u>\$505,988</u>
<u>OTHER SECURITIES-COMMON STOCKS</u>		
	<u>Railroads</u>	
- 2400	4,000 Montgomery & Erie Railway Company (3¼-guaranteed by Erie Railroad Company) (X)	32,000
	22,600 Northern Pacific Railway Company	807,950
	1,000 Southwestern Railroad Company	70,000
		<u>\$909,950</u>
	<u>Utilities</u>	
+ 1500	7,000 Boston Elevated Railway Company	44,625
	3,500 Eastern Utilities Associates- Convertible	30,188
	300 International Ocean Telegraph Company	25,500
	2,000 Puget Sound Power & Light Company	36,000
	400 United Public Utilities Corporation	660
		<u>\$136,973</u>
	<u>Banks</u>	
	5,000 Continental Bank & Trust Company (N. Y.)	\$ 25,000
	<u>Insurance Companies</u>	
+ 300	400 American Surety Company	22,500
	800 Employers Group Associates	29,000
	1,000 Standard Accident Insurance Company	34,375
	725 Universal Insurance Company	19,122
		<u>\$104,997</u>

INVESTMENTS IN SECURITIES

JANUARY 31, 1951

NO. OF SHARES	DESCRIPTION OF SECURITIES	MARKET VALUE AT JANUARY 31, 1951
<u>OTHER SECURITIES-COMMON STOCKS (Continued)</u>		
<u>Industrials</u>		
+ 700	700 Adam Hat Stores, Inc.	\$ 3,325
	500 Allied Kid Company	11,562
	3,550 American Arch Company (Delaware)	
	3,550 American Arch Company, Inc. (New York)	19,525
	500 American Hardware Corporation	10,500
	5,000 American Hawaiian Steamship Company	230,000
+ 2500	2,500 American La France Foamite Corporation	33,125
+ 300	800 American Laundry Machinery Company	20,000
	23,763 Atlantic Gulf & West Indies Steamship Lines (X)	2,061,440
- 2900	1,800 Baldwin-Lima-Hamilton Corporation	25,650
	12,600 Brewster Aeronautical Corporation	
+ 1900	1,000 Brunswick Balke Collander Co.	22,500
	4,000 Buda Company	54,000
+ 600	2,100 Bunte Brothers	24,938
	1,250 Cleveland Worsted Mills Company	162,500
	5,000 Consolidated Liquidating Corporation	13,125
+ 700	4,700 De Vilbiss Company	78,138
- 1900	1,700 Diamond T. Motor Car Co.	31,663
+ 300	500 Easy Washing Machine Corporation-Class B	6,438
+ 2,300	2,300 Edison Oil Company	2,300
	5,700 Equitable Office Building Corporation	39,900
	11,500 Fajardo Sugar Company	294,688
	600 Foster Wheeler Corporation	27,450
	1,200 Franklin Railway Supply Company	15,750
+ 300	700 Gisholt Machine Company	13,825
+ 200	300 Grinnell Corporation	13,275
	800 Harnischfeger Corporation	26,400
	600 Hercules Motors Corporation	12,900
	1,000 Howe Scale Company	4,750
	500 Jenkins Brothers (non-voting)	10,062
+ 300	1,300 Jones & Lamson Machine Co.	43,550
Forward		\$3,313,279

INVESTMENTS IN SECURITIES

JANUARY 31, 1951

NO. OF SHARES	DESCRIPTION OF SECURITIES	MARKET VALUE AT JANUARY 31, 1951
<u>OTHER SECURITIES-COMMON STOCKS (Continued)</u>		
	<u>Industrials (continued) - Forward</u>	\$3,313,279
- 100 + 250	400 Kearney & Trecker Corporation	7,350
	2,500 Kingan & Co., Inc.	10,938
	300 J.B.Kleinert Rubber Company	4,313
	2,700 Lamson Corporation	27,000
+ 150 + 600	1,500 Lawrence Portland Cement Company	30,562
+ 10 - 1000	400 Lee Rubber & Tire Corporation	25,500
	1,000 Lit Brothers	13,750
	200 Lukens Steel Company	7,550
	1,500 Mandel Bros., Inc.	17,062
+ 150 - 30	1,400 Manhattan Shirt Company	36,050
	250 Marshall-Wells Company	50,750
	1,900 Maryland Drydock Company	34,200
	2,000 Merchants & Miners Transporta- tion Company	15,500
+ 120 - 600	1,200 Miami Copper Co.	24,150
	2,000 Mohawk Rubber Company	41,500
	400 Montgomery Ward & Co., Inc.	28,000
	2,000 Namm's Incorporated	9,250
	1,300 Nathan Straus-Duparquet, Inc.	13,650
	2,800 National Department Stores Corporation	62,300
	6,000 Nesco, Inc.	56,250
	500 New Britain Machine Company	16,625
	4,500 New York Merchandise Co., Inc.	52,313
	New York Shipbuilding Corporation:	
	3,000 Participating	58,875
	1,000 Founders	18,625
	800 Niles-Bement-Pond Company	12,700
	1,800 Pullman, Inc.	82,800
	2,300 Pyrene Manufacturing Company	22,713
	1,600 Real Silk Hosiery Mills, Inc.	27,600
	500 Reliable Stores Corporation	13,875
	900 Rice-Stix, Inc.	31,725
	300 Skuman Optical Company, Inc.	10,512
	300 United States Industrial Chemicals, Inc.	16,200
	4,595 Utica Knitting Company (X)	194,139
	100 White Motor Company	2,812
	900 R.C.Williams & Company, Inc.	8,775
<u>TOTAL</u>		<u>\$4,456,668</u>

(X) Represents investment in a non-controlled affiliate as defined in Investment Company Act of 1940, under which an issuer is an affiliate of one who owns 5% or more of its outstanding voting securities.

STERN, PORTER, KINGSTON & COLEMAN

GRAHAM-NEWMAN CORPORATION

NEW YORK

SECURITIES SHORT

JANUARY 31, 1951

NO. OF
SHARES

COVER VALUE
JANUARY 31, 1951

PREFERRED STOCKS

Holding Companies

4,000 American & Foreign Power Co. Inc.
\$7.00 Cumulative Second
Preferred-Series A

\$ 62,000

COMMON STOCKS

Railroads

+150 1,500 New York, New Haven &
Hartford Railroad Co.

34,687

Industrials

400 American Woolen Co., Inc.
3,800 Avco Manufacturing Corpora-
tion
600 Gar Wood Industries, Inc.
1,700 United Air Lines, Inc.
1,200 United States Leather Company
400-7/10 Utah Fuel Co.-
When Issued

17,200

31,350

4,050

47,388

27,300

17,014

\$240,989