

GRAHAM-NEWMAN CORPORATION

120 WALL STREET

NEW YORK 5, N. Y.

February 27, 1950

To the Stockholders of Graham-Newman Corporation:

Submitted herewith are the financial statements of the Corporation, covering the fiscal year ended January 31, 1950.

The appended balance sheet indicates a net asset value of \$106.57 per share on January 31, 1950, compared with \$97.56 on January 31, 1949.

During the fiscal year total dividends of \$10 per share were paid, of which \$7.63 has been designated as Capital Gain Dividends, pursuant to Section 362 of the Internal Revenue Code; \$0.28 per share represents a return of capital, and the balance of \$2.09 per share represents ordinary income.

The over-all gain for the year, including the net increase in unrealized appreciation, amounted to \$19.01 per share. Net realized profits for the year, without reflecting the increase in unrealized appreciation, amounted to \$9.12 per share.

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

During the year, the Corporation moved its offices to larger quarters at 120 Wall Street. This enabled us to effect a much needed increase in our personnel by the addition of Messrs. Edward E. Laufer and Howard A. Newman to the staff. During the year, also, a limited partnership was formed, known as Newman & Graham, with a present capital of \$2,570,000, to operate on a basis similar to that of Graham-Newman Corporation. Operating expenses are being shared between the two businesses in proportion to capital. As a result, we have been able to expand our organization without increase in the Corporation's overhead.

With deep regret we report the untimely death in December, 1949, of Seymour T. Cohn, our good friend and the Secretary of the Corporation since its inception. At a subsequent meeting of the Board of Directors, Mr. Laufer was elected Secretary to succeed Mr. Cohn and Mr. Howard A. Newman was elected Assistant Treasurer and Assistant Secretary.

The annual meeting of stockholders is scheduled to be held on Monday, April 10, 1950 at 2:00 P.M. Formal notice thereof, together with a proxy statement and request for proxies, will be sent to stockholders on or about March 31, 1950.

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, 1950 and the related statements of Profit and Loss and Changes of Net Assets for the fiscal year ended January 31, 1950, 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.

Pursuant to regulations of the Securities and Exchange Commission applicable to regulated investment companies, the Balance Sheet herein gives effect to the evaluation of investments in securities at their quoted market values as at the date thereof.

In our opinion, the accompanying Balance Sheet and related statements of Profit and Loss and Changes of Net Assets, subject however to the notes appended thereto, present fairly the position of Graham-Newman Corporation as at January 31, 1950 and the results of its operations for the fiscal year then ended, upon the basis of the accounting principles set forth hereinabove and 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 21, 1950

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GRAHAM-NEWMAN

B A L A N C E

JANUARY 31,

(ON BASIS OF QUOTED

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A S S E T S

CASH IN BANKS \$ 53,867.42

DEPOSITS WITH BROKERS 121,850.24

INVESTMENTS IN SECURITIES (See Note A) 5,568,145.00  
(Cost \$4,777,929.56)

OTHER ASSETS  
Dividends Receivable \$21,275.10  
Interest Accrued on Bonds 220.00  
Deposits and Sundry Receivables 963.59 22,458.69

FURNITURE AND FIXTURES 5,005.86

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\$5,771,327.21

CORPORATION

YORK

S H E E T

1950

MARKET VALUE OF SECURITIES)

LIABILITIES AND CAPITAL

NOTE PAYABLE - BANK (secured)		\$ 100,000.00
SECURITIES SHORT (see Note A)		106,418.00
(Net proceeds of sales \$120,580.65)		
DUE TO BROKERS - for securities purchased		9,577.64
ACCOUNTS PAYABLE AND ACCRUALS		
Benjamin Graham-		
Additional compensation (see Note B)	\$ 31,972.55	
Jerome A. Newman-		
Additional compensation (see Note B)	31,972.55	
Other	<u>6,508.07</u>	70,453.17
PROVISION FOR ADDITIONAL CONTINGENT COMPENSATION OF OFFICERS (on increase in unrealized appreciation of investments subsequent to January 31, 1948) (see Note B)		156,223.90
NET ASSETS APPLICABLE TO OUTSTANDING CAPITAL STOCK		5,328,654.50
Capital Stock:		
Authorized, issued and outstanding:		
50,000 shares of no par value -		
at stated value of \$50.00 per share	2,500,000.00	
Capital Surplus	2,180,500.31	
Earned Surplus	<u>-</u>	
Total Capital Stock and Surplus	4,680,500.31	
Unrealized Appreciation of Investments (after deducting provision for related additional contingent compensation of officers)	<u>648,154.19</u>	
Total, as above	<u>\$5,328,654.50</u>	
Equivalent to \$106.57 per share		
		<u>\$5,771,327.21</u>

GRAHAM-NEWMAN CORPORATION  
PROFIT AND LOSS STATEMENT  
FOR THE FISCAL YEAR ENDED JANUARY 31, 1950

STATEMENT OF INCOME AND EXPENSES

(excluding gain or loss on investments)

Income

Dividends (see Note D)	\$199,574.50
Interest on Investments	<u>13,598.05</u>
Total	213,172.55

Expenses

Salaries of Officers:

Benjamin Graham (see Note B)	\$ 25,000.00
Jerome A. Newman (do)	25,000.00
Other	10,499.99

Other:

Office salaries	18,820.57
Executive committee fees	5,550.00
Directors' fees	1,075.00
Rent and light	3,459.32
Telephone and telegraph	1,700.47
Insurance	467.50
Taxes (other than Federal income tax)	2,924.41
Legal and accounting	6,536.23
Custodian fees	2,436.83
General expense	3,268.83
Depreciation	359.05
Payment to widow of deceased officer	<u>3,500.00</u>
Total	110,598.20
Interest Paid	<u>1,927.22</u>

Total Expenses (exclusive of  
additional compensation of officers)

112,525.42

Net Income, excluding gain or loss on investments-

before deducting additional compensation of  
officers and provision for Federal income tax

100,647.13

Add-Expenditures for office fixtures, etc.  
written off in prior year-capitalized

1,643.15 \$102,290.28

NET REALIZED GAIN ON SALES OF INVESTMENTS

417,435.25

Amount realized	2,301,654.90
Cost	<u>1,884,219.65</u>

NET INCOME, before deducting additional compensation

of officers and provision for Federal income tax

519,725.53

Deduct-Additional compensation of officers (see Note B):

Benjamin Graham	31,972.55
Jerome A. Newman	<u>31,972.55</u>

63,945.10

Provision for Federal income tax (see Note C)

- 63,945.10

NET INCOME FOR YEAR

455,780.43

ADD:-

Increase in Unrealized Appreciation (see Note A)

618,274.91

Unrealized Appreciation-at January 31, 1949 186,103.18

-at January 31, 1950 804,378.09

Deduct-Provision for additional contingent

compensation of officers (see Note B)

123,654.98 494,619.93

NET INCOME FOR YEAR - including increase in unrealized

appreciation of investments (see Notes A and B)

\$950,400.36

Equivalent (on 50,000 shares outstanding during year) to \$19.01 per share.

GRAHAM-NEWMAN CORPORATION  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JANUARY 31, 1950

			PER SHARE*
<u>NET ASSETS AT JANUARY 31, 1949</u>		\$4,878,254.14	\$ 97.56
<u>ADD-NET INCOME FOR YEAR</u>			
Net Income, excluding gain or loss on investments	\$102,290.28		
(before deducting additional compensation of officers)			
Net Realized Gain on Sales of Investments	417,435.25		
Total	519,725.53		
Deduct-Additional Compensation of Officers	63,945.10		
Net Income for year		455,780.43	9.12
Increase in Unrealized Appreciation of Investments	618,274.91		
Deduct-Provision for related additional contingent compensation of officers	123,654.98	494,619.93	9.89
Total		5,828,654.50	116.57
Deduct-Dividends Paid (on 50,000 shares)			
	Per share		
April 25, 1949	\$ 1.25	62,500.00	
July 20, 1949	1.25	62,500.00	
October 21, 1949	1.25	62,500.00	
January 31, 1950	6.25	312,500.00	
Total	\$10.00	500,000.00	10.00
<u>NET ASSETS AT JANUARY 31, 1950</u>		<u>\$5,328,654.50</u>	<u>\$106.57</u>

ANALYSIS OF CHANGES IN NET ASSETS

	Total	Capital Stock	Capital Surplus	Earned Surplus	Unrealized Appreciation(x)
Net Assets At					
January 31, 1949	\$4,878,254.14	\$2,500,000.	\$2,224,719.88	\$ -0-	\$153,534.26
Add-Net Income					
for year	455,780.43			455,780.43	
Increase in un- realized appre- ciation less provision for related addi- tional contin- gent compensa- tion of officers	494,619.93				494,619.93
Total	5,828,654.50	2,500,000.	2,224,719.88	455,780.43	648,154.19
Deduct-Dividends Paid	500,000.00		44,219.57	455,780.43	
Net Assets at					
January 31, 1950	<u>\$5,328,654.50</u>	<u>\$2,500,000.</u>	<u>\$2,180,500.31</u>	<u>\$ -0-</u>	<u>\$648,154.19</u>

\* Capital Stock - 50,000 shares of no par value-stated value \$50. per share  
(x) Unrealized Appreciation of Investments, after deducting provision for  
related additional contingent compensation of officers.

GRAHAM-NEWMAN CORPORATION  
NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JANUARY 31, 1950

NOTE A - VALUE OF INVESTMENTS-UNREALIZED APPRECIATION OF INVESTMENTS

Investments have been evaluated at their quoted market values as at January 31, 1950 except for an investment (American Maracaibo Co. participation note) of \$43,752.60 for which no market quotation was obtainable and which has been included at cost, being the fair value thereof as determined by the management.

The unrealized appreciation of investments at January 31, 1950 is represented as follows:

	<u>Cost</u>	<u>Value at January 31, 1950</u>	<u>Unrealized Appreciation</u>
Investments in securities	\$4,777,929.56	\$5,568,145.	\$790,215.44
Securities short	<u>120,580.65</u>	<u>106,418.</u>	<u>14,162.65</u>
Net Securities position	<u>\$4,657,348.91</u>	<u>\$5,461,727.</u>	<u>804,378.09</u>
The unrealized appreciation at January 31, 1949 was			<u>186,103.18</u>
and the increase in unrealized appreciation for the year was			<u>\$618,274.91</u>

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, 1950, and upon this basis shows an unrealized appreciation at that date of \$507,934.50 of which \$341,592. represents appreciation during the year. Unrealized appreciation is therefore represented as follows:

	<u>Increase in Unrealized Appreciation during year</u>	<u>Total Unrealized Appreciation at January 31, 1950</u>
AGWI Common Stock	\$341,593.00	\$507,934.50
Other Securities	<u>276,681.91</u>	<u>296,443.59</u>
Total	<u>\$618,274.91</u>	<u>\$804,378.09</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, 1950 are based upon market quotations, except as noted above, and are not intended as representations of the amounts which may actually be realizable upon sale of these securities.

NOTE B - COMPENSATION OF OFFICERS

Pursuant to resolution of the board of directors at March 24, 1949 the President and Treasurer of the company 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 net realized income (less the net unrealized depreciation if any in value of investments) over an amount equivalent to \$1.00 per share per quarter, - such additional compensation as to each being limited to 12½% of the excess of dividends actually paid over an amount equal to \$1.00 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 respective years.



## NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 1950

(CONTINUED)

### NOTE B - COMPENSATION OF OFFICERS (continued)

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 \$1.00 per share per quarter, 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 at 38% of the excess of its other net income over the amount of dividend distributions therefrom. Dividends have been paid during the year in an amount in excess of net income, and no provision for Federal income tax for the year is therefore required. The company likewise intends in the future to distribute its entire realized net income each year as dividends, and if this practice is followed, it will not under the present Federal Internal Revenue Code be liable to income tax on the presently unrealized appreciation, as and when realized.

### NOTE D - INCOME FROM DIVIDENDS

Income from dividends includes both (a) dividends received during the year on stocks which were selling ex-dividend at the close of the prior year in the amount of \$18,100.01 (which had not been set up as an asset in the balance sheet as of that date, except for a special dividend of \$11,182.50 which had been included in the evaluation of investments) and (b) dividends in the amount of \$21,275.10 on stocks which were selling ex-dividend at the close of the year, which latter amount has been set up as an asset in the balance sheet herein.

### NOTE E - 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	\$1,712,875.80
Proceeds of sales of securities	2,417,537.96

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GRAHAM-NEWMAN CORPORATION

NEW YORK

INVESTMENTS IN SECURITIES

JANUARY 31, 1950

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S U M M A R Y

	QUOTED MARKET VALUE AT JANUARY 31, 1950
<u>INVESTMENT COMPANIES</u>	
Preferred Stocks	\$ 27,169
Common Stocks	94,912
<u>HOLDING COMPANIES</u>	
Preferred Stocks	192,067
Common Stocks	148,965
<u>OTHER SECURITIES</u>	
<u>Bonds and Notes</u>	
Railroads	221,945
Utilities	162,889
Industrials	43,753
<u>Preferred Stocks</u>	
Utilities	190,000
Industrials	176,263
<u>Common Stocks</u>	
Railroads	303,488.
Utilities	238,483
Banks	33,750
Insurance Companies	123,857
Industrials	3,610,604
<u>TOTAL</u>	<u>\$5,568,145</u>

GRAHAM-NEWMAN CORPORATION

NEW YORK

INVESTMENTS IN SECURITIES

JANUARY 31, 1950

NO. OF SHARES	DESCRIPTION OF SECURITIES	QUOTED MARKET VALUE AT JANUARY 31, 1950 Amount
<u>INVESTMENT COMPANIES</u>		
<u>Preferred Stocks</u>		
525	Railway & Light Securities Co. 4% Cumulative Convertible Preferred	\$ 27,169.
<u>Common Stocks</u>		
1,000	American Research & Development Corporation	24,500.
2,200	Carriers & General Corporation	17,600.
14,500	Pacific American Investors, Inc.	47,125.
242	Railway & Light Securities Co.	5,687.
		<u>\$ 94,912.</u>
<u>HOLDING COMPANIES</u>		
<u>Preferred Stocks</u>		
800	American & Foreign Power Co. \$6.00 Cumulative Preferred	48,400.
12,400	Electric Bond & Share Co. \$6.00 Preferred (stubs)	106,950.
3,405	Engineers Public Service Company ex distributions (stubs)	647.
987	Federal Light & Traction Co. \$6.00 Cumulative Preferred (stubs)	9,870.
400	Queens Borough Gas & Electric Co. 6% Cumulative Preferred	26,200.
		<u>\$192,067.</u>
<u>Common Stocks</u>		
1,000	Amerex Holding Corporation	34,000.
5,000	General Tin Investments, Ltd.- American Certificate for Ordinary Capital	5,938.
155	Georgia Railroad & Banking Company	21,002.
2,000	Marine Midland Corporation	18,000.
10,000	Middle West Corporation	26,250.
500	Mission Corporation	23,250.
400	Mission Development Company	4,150.
1,000	Transamerica Corporation	16,375.
		<u>\$148,965.</u>
<u>OTHER SECURITIES - BONDS</u>		
<u>Face Amount</u>		
<u>Railroads</u>		
Boston Terminal Co.:		
\$21,000.	(First Mortgage 3 1/2% 2/1/1947	109,500.
\$123,000.	{ do do (Registered)	
\$6,000.	(First Mortgage 4% 7/1/50 { do	
\$96,000.	Chicago, Terre Haute & Southeastern Railway Co. Income Mortgage 2-3/4% 1/1/1994	<u>75,840.</u>
Forward		\$185,340

# INVESTMENTS IN SECURITIES

JANUARY 31, 1950

FACE AMOUNT	DESCRIPTION OF SECURITIES	QUOTED MARKET VALUE AT JANUARY 31, 1950 Amount
<u>OTHER SECURITIES - BONDS (Continued)</u>		
<u>Railroads (continued)</u>		
	Forward	\$185,340.
\$50,000.	The New York, New Haven & Hartford R.R.Co.General Mortgage Series "A" Income 4½% 7/1/2022	23,375.
63,000.	Rio Grande & Western Railway Co. First Consolidated Mortgage Series A 4% 4/1/1949 (stubs)	13,230.
		<u>\$221,945.</u>
<u>Utilities</u>		
\$100,000.	Chicago City Railway Company First Mortgage 5% 2/1/1927 (C/D) (Stubs)	9,750.
400,000.	Chicago Rapid Transit Company: First and Refunding Mortgage Series "A" 6% 7/1/1953(stubs) First and Refunding Mortgage 6½% 7/1/1944 (stubs)	15,000.
1,131,000.	Metropolitan West Side Elevated Railway Co. (Chicago): Extension Mortgage 4% 7/1/1938 (stubs) Extension Mortgage 4% 7/1/1938 (stubs)(C/D)	57,964.
145,000.	Northwestern Elevated Railway Company: First Mortgage 5% 9/1/41(stubs) First Mortgage 5% 9/1/41 (stubs)(C/D)	8,881.
65,000.	Southern Traction Company: First & Collateral 5% 10/1/1950 First & Collateral 5% 10/1/1950 Stamped	58,988.
126,000.	Union Elevated Railroad Company First Mortgage 5% 10/1/1945 (stubs)	7,718.
5,000.	Washington & Cannonsburg Railway Co. First Mortgage 5% 7/1/1932 Stamped First Mortgage 5% 7/1/1932 Stamped Registered	4,588.
		<u>\$162,889.</u>
<u>Industrials</u>		
	American Maracaibo Company 50% Participation in Note for \$109,381.49	\$ 43,753.(x)

# INVESTMENTS IN SECURITIES

JANUARY 31, 1950

NO. OF SHARES	DESCRIPTION OF SECURITIES	QUOTED MARKET VALUE AT JANUARY 31, 1950 Amount
<u>OTHER SECURITIES - PREFERRED STOCKS</u>		
<u>Utilities</u>		
10,000	Market Street Railway Company Cumulative Prior Preferred 6%	<u>\$190,000.</u>
<u>Industrials</u>		
	Autocar Company:	
609	Cumulative Convertible Preferred Series A - 5%	10,500.
100	Cumulative Convertible Preferred Series C - 5%	
291	Convertible Preferred Series B 5%	
1,200	Avco Manufacturing Corporation \$2.25 Cumulative Convertible Preferred	51,150.
300	Cluett Peabody & Co. 4% Cumulative Convertible 2nd Preferred	23,850.
800	Gar Wood Industries, Inc. 4 1/2% Cumulative Convertible Preferred	20,600.
500	General Cable Corp. 4% Cumulative Convertible 2nd Preferred	14,000.
100	Mansfield Tire & Rubber Company \$1.20 Cumulative Convertible Preferred	1,800.
500	Murray Corporation of America 4% Cumulative Preferred	18,313.
700	Willys-Overland Motors Incorporated \$4.50 Cumulative Convertible Preferred Series A	<u>36,050.</u>
		<u>\$176,263.</u>
<u>OTHER SECURITIES - COMMON STOCKS</u>		
<u>Railroads</u>		
4,000	Montgomery & Erie Railway Company 3 1/2%* (Guaranteed by Erie Railroad Company)	29,000.
13,500	Northern Pacific Railway Company	254,813.
200	Vicksburg, Shreveport & Pacific Railway Company 5% (Guaranteed by Illinois Central Railroad Company)	<u>19,675.</u>
		<u>\$303,488.</u>

# INVESTMENTS IN SECURITIES

JANUARY 31, 1950

NO. OF SHARES	DESCRIPTION OF SECURITIES	QUOTED MARKET VALUE AT JANUARY 31, 1950 Amount
<u>OTHER SECURITIES - COMMON STOCKS (Continued)</u>		
<u>Utilities</u>		
5,653	Boston Elevated Railway Company	\$ 82,675.
3,000	Federal Water & Gas Corporation (stubs)	22,125.
300	International Ocean Telegraph Company	23,250.
1,230	Monongahela Street Railway Company	55,965.
100	Pittsburgh & Birmingham Traction Co.	4,750.
106	Pittsburgh Incline Plane Company*	17,384.
1,000	Portland General Electric Company	24,875.
155	Suburban Rapid Transit Street Railway Company	6,859.
400	United Public Utilities Corporation	600.
		<u>\$238,483.</u>
<u>Banks</u>		
5,000	Continental Bank & Trust Company	\$ 33,750.
<u>Insurance Companies</u>		
800	American Surety Company	48,400.
800	Employers Group Associates	29,200.
700	Standard Accident Insurance Company	26,863.
725	Universal Insurance Company	19,394.
		<u>\$123,857.</u>
<u>Industrials</u>		
4,600	A. D. F. Company	6,325.
500	A. T. F. Incorporated	6,875.
500	Allied Kid Company	10,063.
3,550	American Arch Company Delaware	74,106.
3,550	American Arch Company, Inc. New York	
5,000	American Hawaiian Steamship Company	207,500.
500	American Laundry Machinery Co.	10,188.
23,763	Atlantic Gulf & West Indies Steamship Lines*	1,636,677.
1,200	Baldwin Locomotive Works	14,550.
200	Bates Manufacturing Company	5,925.
12,600	Brewster Aeronautical Corporation	1,008.
4,000	Buda Company	45,000.
1,500	Bunte Brothers	14,438.
100	Burd Piston Ring Company	800.
500	Colts Manufacturing Co.	21,750.
5,000	Consolidated Liquidating Corporation	23,750.
557	Cramp Shipbuilding Company	13,925.
1,000	Crowley Milner & Company	6,500.
		<u>\$2,099,380.</u>
	Forward	

INVESTMENTS IN SECURITIES

JANUARY 31, 1950

<u>NO. OF SHARES</u>	<u>DESCRIPTION OF SECURITIES</u>	<u>QUOTED MARKET VALUE AT JANUARY 31, 1950 Amount</u>
<u>OTHER SECURITIES - COMMON STOCKS (Continued)</u>		
<u>Industrials (continued)</u>		
	Forward	\$3,287,900.
1,500	Rice Stix Inc.	37,875.
321-6/10	Shuron Optical Company, Inc.	9,648.
3,000	Stewart-Warner Corporation	43,500.
600	Todd Shipyards Corporation	24,450.
250	Tyer Rubber Company	5,500.
4,595	Utica Knitting Company*	178,056.
1,000	White Motor Company	16,250.
1,100	R. C. Williams & Company, Inc.	7,425.
		<u>\$3,610,604.</u>

\*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.

(x) Evaluation by management.

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GRAHAM-NEWMAN CORPORATION

NEW YORK

SECURITIES SHORT

JANUARY 31, 1950

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<u>NO. OF SHARES</u>	<u>DESCRIPTION OF SECURITIES</u>	<u>COVER VALUE JANUARY 31, 1950 Amount</u>
<u>PREFERRED STOCKS-RAILROADS</u>		
500	New York, New Haven & Hartford R.R. Co. 5% Series A	\$ 15,875.
<u>HOLDING COMPANIES-PREFERRED STOCKS</u>		
3,200	American & Foreign Power Co. 2nd Preferred Series A (\$7.) Cumula- tive	56,800.
<u>COMMON STOCKS - INDUSTRIALS</u>		
2,800	Avco Manufacturing Corporation	19,600.
2,000	Gar Wood Industries, Inc.	9,750.
400-70/100	Utah Fuel Co. When Issued	4,393
		<u>\$106,418.</u>