

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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SIERRA PACIFIC POWER PROPOSES OFFERING. Sierra Pacific Power Company, 220 South Virginia St., Reno, Nev., filed a registration statement (File 2-16635) with the SEC on May 26, 1960, seeking registration of \$3,500,000 of Debentures due July 1, 1985, to be offered for public sale at competitive bidding.

Net proceeds of the sale of the bonds will be used to pay some \$2,300,000 of outstanding bank loans and for construction expenditures. The company's 1960 construction program is estimated at \$6,888,900.

NEWTON FUND PROPOSES OFFERING. Newton Fund, Inc., 759 N. Milwaukee St., Milwaukee, Wis., filed a registration statement (File 2-16636) with the SEC on May 26, 1960, seeking registration of 245,000 shares of capital stock, to be offered for sale at an initial offering price of \$20 per share. The Fund was organized on May 9, 1960, by Newton & Company, investment counselors, which will act as its manager and investment adviser. The latter is a subsidiary of The Jacobus Company by virtue of the fact that 85% of its stock is owned by Jacobus. Jacobus is primarily involved in commercial and residential fuel and building supply business in Milwaukee. Delwin C. Jacobus, president of the Fund, owns 50.6% of the outstanding Jacobus stock, and his immediate family owns an additional 30.8%. Shares of the Fund will be sold directly by the Fund itself.

KINGS ELECTRONICS PROPOSES OFFERING. Kings Electronics Co., Inc., 40 Marbledale Rd., Tuckahoe, N. Y., filed a registration statement (File 2-16637) with the SEC on May 26, 1960, seeking registration of 200,000 shares of common stock and 100,000 common stock purchase warrants. The company proposes to offer these securities for public sale in units, each consisting of one share of common stock and one-half common stock purchase warrant, at \$4 per unit. Ross, Lyon & Co., Inc., and four other firms will serve as underwriters for the underwriting and will receive a commission of \$.40 per unit. Morton R. Weissman, president, and William V. Frankel, principal stockholders, have sold 29,000 shares of Class B stock to members of the underwriting group and a director of the company at \$1.33 per share, which shares were converted on a share-for-share basis into common shares of the company. The company has sold to the underwriting group 10,000 warrants for \$100.

The company is engaged in the design, development and manufacture of radio frequency coaxial connectors, electronic testing equipment, aircraft intercommunication systems and components and other electronic equipment. It now has outstanding 38,187 shares of common stock, 711,813 shares of Class B capital stock, 10,000 warrants, and certain indebtedness. Of the net proceeds of this financing, \$165,000 will be applied to the repayment of certain loans, \$75,000 for development and design work by a subsidiary in the field of infra-red instrumentation, \$100,000 for continued research in the design, development and production of components for microwave instruments, and the balance for working capital.

According to the prospectus, 532,563 Class B shares (74.82%) are held by Weissman and the balance by Frankel, of Riverdale, N. Y. There are 38,187 common shares outstanding, of which 25,000 shares are owned by members of the underwriting group and 4,000 by J. Norman Lewis, a director.

DETROIT TRACTOR PROPOSES OFFERING. Detroit Tractor, Ltd., 1221 E. Keating Ave., Muskegon, Mich., filed a registration statement (File 2-16638) with the SEC on May 26, 1960, seeking registration of 1,375,000 Class A common shares. Of this stock, 1,125,000 shares are to be offered for public sale by the company at a price now estimated at not to exceed \$3 per share. The offering will be made on a best efforts basis by underwriters whose names are to be supplied by amendment. The selling commission also is to be supplied by amendment.

The remaining 250,000 Class A shares are now owned by management officials and are to be offered for sale by them. The largest blocks are held by A. Forbes Crawford, president, 125,000 shares, and Claude Casady, vice president, 67,500 shares. The company has outstanding 400,000 Class A shares and 330,300 Class B shares. Management officials own all of the Class B shares and 250,000 of the Class A shares (of which 40,000 shares are held of record only).

The company manufactures tractors and components at a leased plant in Muskegon. It is said to have designed and engineered four-wheel drive tractors which the management believes can be sold in competition with two-wheel drive tractors. Net proceeds of this financing will be applied to the purchase of machine tools, payment of \$95,000 of notes and accounts payable, and for general corporate purposes, including the production of tractors, buying materials, processing parts, administrative, engineering and sales overhead, officers' salaries, dealer floor-plan financing and consumer financing received from dealers.

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

MODEL FINANCE SERVICE FILES FINANCING PROPOSAL. Model Finance Service, Inc., 202 Dwight Bldg., Jackson, Mich., filed a registration statement (File 2-16639) with the SEC on May 26, 1960, seeking registration of 100,000 shares of second cumulative preferred stock - 65¢ convertible series, \$5 par, and \$1,000,000 of 6½% Junior Subordinated Debentures, due 1975, to be offered for public sale by a group of underwriters headed by Paul C. Kimball & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the small loan business and in discounting installment receivables. It has outstanding sundry indebtedness and preferred stock, together with 118,865 shares of common stock and 143,530 shares of Class B common. Net proceeds of this financing will be added to the company's general working funds; and it is intended to utilize about \$1,000,000 for the repurchase of all of the discount and wholesale receivables of one of its offices which have been sold to a bank under an agreement for the sale of receivables. The balance of the proceeds will be used initially to reduce outstanding collateral trust notes.

The prospectus lists Robert S. Taggard as president and owner of 15,000 shares of common (13%) and 113,954 shares of Class B common (79%).

NORTHERN ILLINOIS GAS PROPOSES BOND OFFERING. Northern Illinois Gas Company, 50 Fox St., Aurora, Ill., today filed a registration statement (File 2-16640) with the SEC seeking registration of \$30,000,000 of First Mortgage Bonds due 1985, to be offered for public sale at competitive bidding. Net proceeds will be applied to the retirement of not to exceed \$5,000,000 of bank loans to be obtained for temporary financing of part of the company's new construction and to increase working capital for application to construction expenditures. The company's five year 1960-64 construction program is estimated at \$200 million.

LEE FILTER CORP. PROPOSES OFFERING. Lee Filter Corp., 191 Talmadge Rd., Edison, N. J., today filed a registration statement (File 2-16641) with the SEC seeking registration of 110,000 shares of capital stock, to be offered for public sale on an all or none basis by Myron A. Lomasney & Co., which will receive a commission of \$1.25 per share. The underwriter also will receive or have the right to purchase 24,500 warrants, at 1¢ per warrant, for the purchase of a like number of shares at \$8.75 a share during a five-year period. These shares also are included in the registration statement, as are an additional 77,000 shares reserved for issuance upon exercise of restricted stock options.

The company is engaged in the manufacture and sale of air, oil and gasoline filters for automobile, aircraft and other vehicles, machinery and equipment. It has outstanding 360,066 shares of stock and sundry indebtedness. Of the net proceeds of the sale of additional stock, about \$250,000 will be used to discharge bank loans the proceeds of which were used to provide additional working capital and to discharge other short term indebtedness; \$100,000 for construction and purchase of additional tools, dies and machinery and additions to raw material inventory; and the balance for general corporate purposes.

The prospectus lists Leo W. Weiss as president and board chairman. He owns 133,308 shares (37.02%) of the outstanding stock; and an additional 20.52% each is owned by Martin Weiss, vice president, and the estate of Benjamin Weiss, deceased.

BANK SALE OF GUILD FILM STOCK ENJOINED. The U. S. Court of Appeals in New York on May 19, 1960, affirmed a lower court ruling against the sale of stock of Guild Films Company, Inc., by two California banks without prior registration of the stock under the Securities Act. The stock was held as collateral for a loan of \$120,000 originally made by the banks to Hal Roach, Jr., who defaulted on the loan. The court held that the banks were "underwriters" and rejected their contention that they were bona fide pledgees and that their "good faith" in accepting the stock as security for the loan entitled them to sell the stock free of the registration requirements on Roach's default. (Lit Rel 1688).

ARTHUR DAMON OF RENO PLEADS GUILTY. The SEC San Francisco Regional Office announced May 24th (Lit Rel 1689) that Arthur L. Damon of Reno pleaded guilty to two counts of a 16-count indictment (USDC SD Cal.) charging fraud in the sale of Nev-Tah Oil & Mining Company stock.

CORRECTION. The release number of the amendment to the "insider trading" Rule 16b-3 listed in the May 26th News Digest should have been 34-6275).

INCOME FUND OF BOSTON SEEKS ORDER. The Income Fund of Boston, Inc., Boston investment company, has applied to the SEC under the Investment Company Act for an exemption to the extent necessary to permit it to make borrowings from time to time from foreign banking firms; and the Commission has issued an order (Release 40-3037) giving interested persons until June 9, 1960, to request a hearing thereon.