

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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FOR RELEASE January 21, 1960

WHEELABRATOR PROPOSES BONUS PAYMENTS. Wheelabrator Corporation, Mishawaka, Indiana, has applied to the SEC for an exemption order under the Investment Company Act permitting bonus payments to certain officials and employees under its key man profit-sharing plan; and the Commission has issued an order (Release 40-2966) giving interested persons until February 3, 1960, to request a hearing thereon. Wheelabrator is a subsidiary of Bell Aircraft Corporation which in turn is controlled by The Equity Corporation, a registered investment company. The president and another participant under the plan are directors of Development Corporation of America, which is controlled by Equity General Corporation which in turn is controlled by The Equity Corporation.

MERRIMACK-ESSEX ELECTRIC BORROWINGS APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14144) authorizing Merrimack-Essex Electric Company, Boston, Mass., subsidiary of New England Electric System, to issue and sell \$3,750,000 of notes due March 31, 1960, to a bank and to use the proceeds to prepay an equal amount of notes held by the parent. At December 31, 1959, the company had outstanding short-term notes aggregating \$9,775,000, of which \$7,000,000 face amount was held by NEES and \$2,775,000 by banks.

ADDITIONAL INVESTMENT COMPANY ACT SHARES IN REGISTRATION. Two investment companies, The Chase Fund of Boston and Affiliated Fund, Inc., of New York, have filed amendments to their registration statements (Files 2-14069 and 2-10638, respectively), seeking registration of 1,000,000 additional shares of beneficial interest in Chase Fund and 7,500,000 additional Affiliated Fund shares.

DUQUESNE LIGHT FILES FOR DEBENTURE OFFERING. Duquesne Light Company, Pittsburgh, Pennsylvania, today filed a registration statement (File 2-16033) with the SEC seeking registration of \$20,000,000 of sinking fund debentures, due March 1, 2010, to be offered to the public at competitive bidding.

Proceeds from the sale of the debentures will be used, together with other funds of the company, to finance construction expenditures, including the payment of short-term bank loans incurred or to be incurred for construction purposes and expected to aggregate between \$12,000,000 and \$13,000,000 on the date of the issuance of the debentures. Construction expenditures for the 1960-1962 period are expected to aggregate between \$75,000,000 and \$88,000,000.

CHARLOTTE MOTOR SPEEDWAY PROPOSES OFFERING. Charlotte Motor Speedway, Inc., 108 Liberty Life Building, Charlotte, N. Car., today filed a registration statement (File 2-16034) with the SEC seeking registration of 304,000 shares of common stock. The company proposes to offer these shares for subscription at \$2 per share by common stockholders of record January 1, 1960, and at the rate of two shares for each three shares then held. After expiration of fifteen days from the date of initial offering, the underwriter (Morrison and Company of Charlotte) will offer unsubscribed shares to purchasing shareholders for an additional ten days, after which unsubscribed shares will be offered for public sale. The offering by the underwriter will be on a best efforts basis, for which it will receive a selling commission of 20¢ per share.

The company was organized in August 1959 to engage in the business of operating a motor speedway and to conduct (or lease its premises to others for the purpose of conducting) other events. The speedway, now under construction, is located on U. S. Highway #29 about ten miles north of Charlotte. Three of the promoters received a total of 50,000 shares of common stock in consideration of their services as promoters and an additional 406,421 shares were sold for cash at \$1.00 per share. The officers and directors of the company have purchased additional shares of common stock for cash, so that the officers and directors owned 11.9% of the outstanding shares as of January 1, 1960. J. Richard Phillips, who received 12,750 of the 50,000 shares issued to promoters, is no longer an officer or director of the company. The promoters include Curtis M. Turner, president, and O. Bruton Smith, Executive vice-president and secretary.

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Net proceeds of the sale of additional stock, together with the net proceeds realized from the sale of stock to the initial subscribers and loans now being negotiated, will be applied to the construction of the speedway and its accessories, estimated to cost \$1,406,729. The company expects to stage its first stock car race in May 1960.

DAYTON RUBBER FILES FOR DEBENTURE OFFERING. The Dayton Rubber Co., Dayton, Ohio, today filed a registration statement (File 2-16035) with the SEC seeking registration of \$7,500,000 of convertible subordinated debentures due August 1, 1980, to be offered to the public through underwriters headed by Lehman Brothers. The interest rate, offering price, and underwriting terms will be supplied by amendment.

No definite allocation of the proceeds from the sale of the debentures has been made although the company estimates that \$5,000,000 of additional working capital is required to finance increased inventory requirements and accounts receivable accompanying present and anticipated increases in production and sales, and the balance to finance expansion of its warehouse and other distribution facilities. A portion of the proceeds will be used temporarily to reduce the company's borrowings under its unsecured lines of credit from banks.

SEC TO PARTICIPATE IN KENTUCKY JOCKEY CLUB, INC. PROCEEDINGS. The SEC has filed a notice of appearance in the proceedings under Chapter X of the Bankruptcy Act for the reorganization of Kentucky Jockey Club, Inc., pending in the U. S. District Court for the Western District of Kentucky.

On December 4, 1959, Kentucky Jockey Club filed a voluntary petition for reorganization which was approved on December 9, 1959. Judge Henry L. Brooks appointed John M. Robsion, Jr., as Trustee.

The Debtor owns and operates a race track near Florence, Kentucky. Its business offices are in Louisville. According to the petition, the assets total approximately \$4,970,000. The racing plant is carried at \$4,400,000. Liabilities total approximately \$4,760,000, and include \$2,300,000 of 6% first mortgage bonds, a 10% \$500,000 second mortgage note, \$893,000 of 6% subordinated debenture notes and \$368,000 of secured and unsecured short-term notes. The first mortgage bonds are held in small lots by several thousand investors. There are outstanding 340,000 shares of \$1 par value common stock, held by approximately 1,400 persons.

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