

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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FOR RELEASE March 2, 1971

HOLDING COMPANY ACT RELEASES

FIRST CHICAGO RECEIVES ORDER. The SEC has issued an order under the Holding Company Act declaring that neither First Chicago Corporation nor BancOhio Corporation will become a holding company and neither First Chicago Leasing Corporation (a First Chicago subsidiary) nor The Ohio National Bank of Columbus (a BancOhio subsidiary) will become an electric utility company within the meaning of the Act as a result of certain transactions involving the assignment of the right of Columbus and Southern Ohio Electric Company, an electric utility company, to buy two gas turbine generating units and accessory equipment for \$11,700,000 to Ohio National as trustee for the benefit of First Chicago Leasing and certain institutional investors. (Release 35-17019)

VERMONT YANKEE SEEKS ORDER. The SEC has issued an order under the Holding Company Act giving interested persons until March 11 to request a hearing upon an application by Vermont Yankee Nuclear Power Corp., Rutland, Vt., indirect subsidiary of both Northeast Utilities and New England Electric System which is constructing a nuclear power plant costing \$135 million exclusive of the \$21 million cost of initial inventory of nuclear fuel. To obtain financing for such inventory Vermont Yankee sold notes to banks to mature March 15, 1971 and in contemplation of payment thereof, negotiated a loan agreement with Chase Manhattan Bank. Vermont Yankee proposes to issue and sell its promissory notes of up to \$21 million outstanding at any one time to Chase pursuant to the loan agreement, to mature December 31, 1971. (Release 35-17022)

PENNSYLVANIA ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act giving interested persons until March 23 to request a hearing upon an application of Pennsylvania Electric Company, Johnstown subsidiary of General Public Utilities Corporation, to increase from \$6,500,000 to \$7,750,000 the amount of promissory notes it is authorized to acquire from The Helen Mining Company, one of two non-affiliated mining companies engaged in developing coal mines for the Homer City Generating Station, in which station Pennsylvania Electric has a 50% interest. Such increase is due to an increase in Helen Mining's estimated cost of developing such mines. (Release 35-17023)

INVESTMENT COMPANY ACT RELEASES

INTL. AFRICAN AMERICAN REGISTRATION TERMINATED. The SEC has issued an order under the Investment Company Act declaring that International African American Corporation and International African American Corporation Voting Trust, both of New York, have ceased to be investment companies. (Release IC-6364)

INVESTORS TRADING REGISTRATION TERMINATED. The SEC has issued an order under the Investment Company Act declaring that Investors Trading Company, Denver, Colo. mutual fund, has ceased to be an investment company. (Release IC-6365)

COURT ENFORCEMENT ACTIONS

SEC COMPLAINT CITES UNITED PETROLEUM EXPLORATION. The SEC Fort Worth Regional Office announced February 19 the filing of a complaint in Federal court in Oklahoma City, Okla., seeking to enjoin violations of the registration and anti-fraud provisions of the Federal securities laws by United Petroleum Exploration, Inc., and its president, Orville L. Scott, Jr., both of Oklahoma City in the offer and sale of fractional undivided interests in oil and gas leases. (LR-4919)

1325 UNION, ROLLING INTL., ENJOINED. The SEC New York Regional Office announced February 25 that the Federal court in New York had entered a final judgment of default permanently enjoining 1325 Union Corporation, New York, and Rolling International, Inc., a Texas Corporation, from violating the registration and anti-fraud provisions of the Federal securities laws respecting securities of 1325 Union Corporation. (LR-4920)

SEC COMPLAINT NAMES GOLDEN GATE FUND, OTHERS. The SEC San Francisco Regional Office announced February 26 the filing of a complaint in Federal court in San Francisco seeking to enjoin violations of the anti-fraud provisions of the Federal securities acts by Golden Gate Fund, Inc., a registered investment company, John B. Licata & Co., investment adviser for the Fund, and John B. Licata, president, treasurer and director of the Fund, and president and director of the investment adviser. All are located in Menlo Park, Calif. (LR-4921)

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SECURITIES ACT REGISTRATIONS

WAGNER MINING FILES FOR OFFERING AND SECONDARY. Wagner Mining Equipment, Inc., 4424 N. E. 158th Ave., Portland, Ore. 97230, filed a registration statement with the SEC on February 25 seeking registration of 538,500 shares of common stock, of which 112,500 are to be offered for public sale by the company and 426,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Dean Witter & Co. Incorporated, 45 Montgomery St., San Francisco, Calif. 94106; the offering price (\$23 per share maximum*) and underwriting terms are to be supplied by amendment.

The company designs and manufactures heavy duty rubber tired vehicles for use in underground mines. Net proceeds of its sale of additional stock will be added to the company's working capital to be used primarily for financing an inventory of completed vehicles and increased inventories of major components and replacement parts. In addition to indebtedness, the company has outstanding 1,162,500 common shares, of which Eddie B. Wagner, president and board chairman, Richard T. Wagner, secretary, and Mary A. Wagner, a director, own 19.95% each. They propose to sell 139,999, 140,002 and 139,999 shares, respectively, and two others the remaining shares being registered. (File 2-39479)

GIBLALTAR FINANCIAL PROPOSES EXCHANGE OFFER. Gibraltar Financial Corporation of California, 9111 Wilshire Blvd., Beverly Hills, Calif. 90213, filed a registration statement with the SEC on February 25 seeking registration of 207,145 shares of common stock. It is proposed to offer these shares in exchange for the shares of guarantee stock of Silverado Savings and Loan Association, at the rate of 1.8 shares for each Silverado share. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 90% of outstanding Silverado shares; if at least 80% of such shares are tendered, effectiveness will be at the option of Gibraltar.

Gibraltar acts as an insurance agent, principally for fire, extended coverage property and mortgage life insurance, and, through subsidiaries, as escrow agent in real estate transactions and as trustee under deeds of trust. In addition to indebtedness, the company has outstanding 2,553,181 common shares, of which management officials as a group own 10%. Herbert J. Young is board chairman and president. (File 2-39480)

FORD MOTOR CREDIT CO. PROPOSES OFFERING. Ford Motor Credit Company, The American Rd., Dearborn, Mich. 48121, filed a registration statement with the SEC on February 25 seeking registration of \$125,000,000 of notes, due 1978, and \$75,000,000 of subordinated debentures, due 1991, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 135 South LaSalle St., Chicago, Ill. 60603. The interest rates, offering prices and underwriting terms are to be supplied by amendment.

A wholly-owned subsidiary of Ford Motor Company, the company provides wholesale financing to and purchases retail installment sales paper from franchised Ford vehicle dealers. Net proceeds of its financing will be added to the company's general funds and will be available for the purchase of receivables and for loans. Robert S. Olson is board chairman and John C. Dean is president. (File 2-39481)

DELL DRILLING FUND PROPOSES OFFERING. Dell Drilling Fund--1971 (the "Partnership"), 25 Broadway, New York, N. Y. 10004, filed a registration statement with the SEC on February 25 seeking registration of \$2,000,000 of limited partnership interests, to be offered for public sale in minimum amounts of \$2,500. The offering is to be made by First Harvard Co., 217 Broadway, New York, N. Y., which will receive a 7½% commission; it may realow a 7% selling commission to participating NASD members. The Partnership proposes to engage in the exploration and development of oil and gas interests. Herbert J. Pfeifer, Stewart L. Krug and Harry K. Nadell are the general partners. (File 2-39482)

DOVER CORP. FILES FOR SECONDARY. Dover Corporation, 277 Park Ave., New York, N. Y. 10017, filed a registration statement with the SEC on February 25 seeking registration of 162,500 outstanding shares of common stock, to be offered for public sale through underwriters headed by Smith, Barney & Co., Incorporated, 1345 Avenue of the Americas, New York, N. Y. 10019. The offering price (\$45 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures specialized industrial products which are primarily marketed to the building and petroleum industries. In addition to indebtedness and preferred stock, it has outstanding 4,641,349 common shares. Fred D. Durham is board chairman and Thomas C. Sutton president. George L. Ohrstrom and Ricard R. Ohrstrom, vice presidents, propose to sell 40,000 and 55,000 shares respectively, of 217,661 and 216,989 shares held respectively, and three others the remaining shares being registered. (File 2-39483)

SANTA FE DOWNS TO SELL STOCK. Santa Fe Downs, Inc., 227 East Palace, Santa Fe, New Mex. 87501, filed a registration statement with the SEC on February 25 seeking registration of 800,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a best efforts basis by American Money Management Corporation, 7524 East Progress Place, Denver, Colo. 80201, which will receive a 50¢ per share selling commission. The company has agreed to pay the underwriter up to \$10,000 for expenses and to issue to it five-year warrants to purchase shares equal to 5% of the shares sold, exercisable after one year at \$5.50 per share. Also included in the statement are 200,000 shares of common stock issuable pursuant to the exercise of options, which were issued as partial inducement to guarantors of certain bank loans.

The company is engaged in the construction of a horse racing track, grandstand and related facilities located near Santa Fe. Net proceeds of its stock sale will be applied to repayment of a bank loan (\$1,800,000), loan costs and individual loans and to the cost of construction of stables, a grandstand and related expenses. The company has outstanding 712,138 common shares (with a 37¢ per share book value), of which management officials as a group own 32%. W. C. Kruger is board chairman and J. W. Eaves president. Purchasers of the shares being registered will sustain an immediate dilution of \$2.31 in per share book value from the offering price (File 2-39484)

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DAYCO TO SELL DEBENTURES. Dayco Corporation, 333 West First St., Dayton, Ohio, filed a registration statement with the SEC on February 25 seeking registration of \$20,000,000 of convertible senior subordinated debentures, due 1996, to be offered for public sale through underwriters headed by Lehman Brothers Inc., One William St., New York, N. Y. 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

Dayco is a diversified company utilizing rubber, plastics and chemical technology for the manufacture of a variety of engineered industrial products, plastic and chemical products, consumer products and automotive products. Of the net proceeds of its debenture sale, \$14,500,000 will be used to reduce the company's short-term borrowings and the balance will be added to working capital. In addition to indebtedness and preferred stock, the company has outstanding 3,172,123 common shares. (File 2-39485)

DESERET PHARMACEUTICAL SHARES IN REGISTRATION. Deseret Pharmaceutical Company, Inc., 9450 South State St., Sandy, Utah 84070, filed a registration statement with the SEC on February 25 seeking registration of 32,398 outstanding shares of common stock. Such shares are part of the 191,334 shares issued to seven individuals by the company in exchange for all of the capital stock of Chemplast, Inc. and its subsidiary. They may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$24.50 per share maximum*). (File 2-39486)

NORTH-WEST TELEPHONE PROPOSES OFFERINGS. North-West Telephone Company, 901 Kilbourn Ave., Tomah, Wisc. 54660, filed a registration statement with the SEC on February 25 seeking registration of 161,650 shares of common stock, of which 100,000 are to be offered for public sale by the company and 61,650 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by The Milwaukee Company, 207 E. Michigan St., Milwaukee, Wis. 53202; the offering price (\$14.50 per share maximum*) and underwriting terms are to be supplied by amendment. (File 2-39487)

In a separate registration statement, the company seeks registration of 32,500 shares of common stock. It is proposed to offer such shares for subscription by common stockholders, at the rate of one share for each 10 shares held. The record date and subscription price (\$14.50 per share maximum*) are to be supplied by amendment. A public utility, the company will use the net proceeds of both offerings to repay short-term notes payable (\$715,000 at February 15) with the balance to be used for construction expenditures. Construction expenditures are estimated at \$2,500,000 for 1971. (File 2-39488)

DAYLIN FILES FOR OFFERING AND SECONDARY. Daylin, Inc., 9606 Santa Monica Blvd., Beverly Hills, Calif. 90210, filed a registration statement with the SEC on February 25 seeking registration of 1,000,000 shares of common stock, of which 20,000 are to be offered for public sale by the company and 280,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., and S. G. Warburg Securities Corporation, 640 Fifth Ave., both of New York. The offering price (\$22 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily a volume retail merchandiser of drug products, soft goods and hard goods. Of the net proceeds of its stock sale, \$12,000,000 will be used to repay revolving borrowings incurred under its bank credit agreement primarily to finance new retail locations, and the balance will be available for general corporate purposes. In addition to indebtedness, the company has outstanding 4,188,675 common shares, of which management officials as a group own 25.9%. Ammon Barnes, board chairman, proposes to sell 48,402 of 196,276 shares held, Max Candiotty, president, 48,401 of 193,544 and 15 others the remaining shares being registered. (File 2-39489)

SECURITIES ACT REGISTRATIONS. Dayton Power & Light Co., 2-39387; Fluor Corp., 2-39403; New York State Electric & Gas Corp., 2-39356; Rapid Shop Corp., 2-37406 (90 days); Rochester Telephone Corp., 2-39420; Royal Palm Beach Colony, Inc., 2-38670; Southwest Gas Corp., 2-39255; State of Israel, 2-39279 & 2-39280; Vickers Petroleum Corp., 2-39234.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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