

# 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

December 24, 1964

**HANNA MINING CO. RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-4112) authorizing The Hanna Mining Company to sell to Inland Steel Company and The Wheeling Steel Corporation a portion of its holdings of the capital stock of Butler Brothers, a Minnesota corporation. According to the application, Butler is engaged in owning, leasing and operating iron ore properties in Minnesota, and (pursuant to a 1959 agreement) Hanna Mining, Inland and Wheeling are required to purchase from Butler, respectively, 23.53%, 46.47% and 30% of its iron ore production. Inland proposes to purchase from Hanna Mining 16,532.09 of Butler shares and Wheeling intends to purchase 10,576.18 shares at \$38 per share. Such purchases will reduce Hanna Mining's equity interest in Butler to 37.5% and increase the equity interest held by Inland and Wheeling to 38% and 24.5%, respectively. Hanna Mining is 46.5% owned by The M. A. Hanna Company, a closed-end non-diversified investment company.

**EASTERN UTILITIES RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15166) authorizing Blackstone Valley Gas and Electric Company and Brockton Edison Company, electric subsidiaries of Eastern Utilities Associates, to sell to banks (and/or in Blackstone's case to EUA), from time to time during the period ending December 23, 1965, short-term, unsecured, promissory notes not exceeding \$4,900,000 outstanding at any one time. According to the application, Blackstone proposes to sell notes aggregating \$2,800,000 and Brockton \$2,100,000. The proceeds from the proposed note sales will be used in part by Blackstone to pay \$2,000,000 of outstanding short-term notes (including a \$1,000,000 note due EUA) and by Brockton to pay \$1,500,000 of notes. The balance will be used by the subsidiaries to finance construction expenditures, which through 1965 are expected to aggregate \$3,000,000.

**HOUSEHOLD FINANCE RECEIVES ORDER.** The SEC has issued an order under the Trust Indenture Act of 1939 (Release TI-216) finding that the trusteeship of The First National Bank of Chicago under two indentures covering securities of Household Finance Corporation (both qualified under the Act), and its trusteeship under a new 1964 indenture (not to be qualified under the Act) relating to the proposed issuance of \$85,000,000 of debentures by that company, are not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the bank from acting as trustee under the existing indentures or the new indenture.

**ARIZONA-NEW YORK HARNESS RACING FILES FOR OFFERING AND SECONDARY.** Arizona-New York Harness Racing, Inc., P. O. Box 745, Litchfield Park, Ariz., filed a registration statement with the SEC on December 22 seeking registration of \$4,300,000 of convertible subordinated debentures due 1980 (to be offered for public sale by the company) and 200,000 outstanding shares of capital stock (to be offered by the holder thereof). The debentures and 132,000 of the shares are to be offered for public sale through underwriters headed by Lee Higginson Corp., 20 Broad St., New York. The selling stockholder, James J. Dunnigan (president), has granted the underwriter an option to purchase an additional 13,200 shares from him. The remaining 54,800 shares are being offered directly by Dunnigan to persons acquainted with him. The public offering price of the debentures and stock (\$7 per share maximum\*) are to be supplied by amendment.

Organized under Arizona law in 1961, the company is in the process of completing Phoenix Trotting Park, a harness horse racing track, located 20 miles west of Phoenix, with the expectation of opening in January 1965. Net proceeds from its debenture sale will be applied to the construction cost, estimated at \$7,636,381. In addition to indebtedness, the company has outstanding 1,172,397 shares of capital stock, of which management officials own 83.8%. In 1961 and 1962 the company offered its capital stock to Arizona residents at a price of \$1.25 per share; and 86,280 shares were purchased pursuant to that offering. A 1-for-3 reverse stock split was effected in October 1964. Upon successful completion of his proposed sale of 200,000 shares, Dunnigan will own 720,000 of the company's outstanding shares. He acquired his shares of the company through the exchange of his ownership in Buffalo Trotting Association, Inc., which he owned and managed for 22 years. Norman S. Woolworth is board chairman of the company.

**GENESEE VALLEY RECEIVES ORDER.** Upon request of Genesee Valley Gas Company, Inc., of Genesco, N. Y., the SEC has issued an order revoking Genesee's exemption from the Holding Company Act (Release 35-15169). According to its application, Genesee now serves no useful purpose with respect to the operations of its subsidiary, the Pavilion Natural Gas Company (and the latter's subsidiary, Valley Gas Corporation); and Genesee has filed an application for its dissolution and liquidation which will be the subject of further proceedings under the Holding Company Act.

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**CONTINENTAL VENDING TRADING BAN CONTINUED.** The SEC has issued an order suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation for a further ten-day period, December 28, 1964 to January 6, 1965, inclusive.

**BEVERAGE FUND RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4111) declaring that Beverage Fund, Inc., 2216 N. Charles St., Baltimore, has ceased to be an investment company.

**ISRAEL FUND SEEKS ORDER.** The Israel Fund, Inc., 4200 Hayward Ave., Baltimore, Md., has applied to the SEC for an exemption order under the Investment Company<sup>Act</sup> with respect to the rendering of investment-advisory services to the Fund, election of its directors, and the acquisition of the Fund's shares by affiliated persons in exchange for State of Israel bonds. The Commission has issued an order (Release IC-4113) giving interested persons until January 8, 1965 to request a hearing thereon. According to the application, the Fund presently has no shareholders; however, it proposes to issue up to 500,000 shares of common stock when its registration statement under the Securities Act of 1933 becomes effective. The application indicates that the Fund intends to comply with provisions of the said Act relating to a proposed investment advisory contract with Multiple Securities Management Company, as well as the election of directors, upon the sale of its shares. Fund shares would be offered at the public offering price, except that directors or officers of the Fund, its investment adviser or principal underwriter and certain employees, would be permitted to purchase the shares without a sales load.

**THE FONTAINE CORP. PROPOSES OFFERING.** The Fontaine Corporation, 1111 W. Franklin St., Richmond, Va. filed a registration statement (File 2-23035) with the SEC on December 22 seeking registration of 500 shares of common stock. Of this stock, 290 shares have been subscribed for by company officials and others at \$1,000 per share; the remaining shares are to be offered for public sale at \$1,000 by company officers through personal solicitation on a selective basis. No underwriting is involved. The company was organized under West Virginia law in June 1964 for the purpose of acquiring and developing a tract of land in Monroe County, W. Va., for prime residential, recreational and resale purposes. It has acquired at a price of \$100,000 approximately 2,000 acres for such purpose. Net proceeds from its stock sale will be used for organizational expense, purchase of land and the development of same. Frank Philip Coleman is president and board chairman of the company.

**EUGENE WHITWORTH CITED.** The SEC Denver Regional Office announced December 22d (LR-3114) the filing of a criminal contempt action (USDC, Denver) against Eugene Whitworth of Pocatello, Idaho, for alleged violations of a September 1964 Federal court order restraining further violations of the registration and anti-fraud provisions of the Federal securities laws by Whitworth in the sale of stock of Paramount Holding Company and restraining the disbursing and dissipating of funds received as a result of such stock sales.

**VIRGINIA CAPITAL SEEKS ORDER.** Virginia Capital Corporation, Richmond investment company, has applied to the SEC for an exemption order under the ICA with respect to certain transactions with affiliated persons and the Commission has issued an order (Release IC-4116) giving interested persons until 12:30 P.M. January 11th to request a hearing thereon. According to the application, James F. Newcomb, Inc., a small business concern engaged in the printing business, is to be merged with and into Pandick Press, Inc. Virginia Capital and four individuals affiliated with it hold part of an issue of notes and attached common stock warrants previously issued by Newcomb. In connection with Newcomb's merger with Pandick Press, Virginia Capital and certain unaffiliated interests have agreed to provide the merged company with approximately \$900,000 of additional capital and to refund certain of its outstanding securities. As part of such program Pandick Press will issue \$300,000 of notes with accompanying stock purchase warrants, of which Virginia Capital will purchase \$200,000 and the four affiliated persons \$100,000. Previously issued notes and warrants held by Virginia Capital and such persons are to be modified.

**SECURITIES ACT REGISTRATION.** Effective December 24: Union Tank Car Co. (File 2-22999).

\* As estimated for purposes of computing the registration fee.

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