

# 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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**COBURN ASSOCIATES, WASHINGTON PLANNING REVOKED.** In a decision under the Securities Exchange Act announced today (Release 34-7501), the SEC revoked the broker-dealer registration of J. B. Coburn Associates, Inc., 150 Broadway, New York, Washington Planning Corporation, of the Broadway address, and Washington Planning Corporation of Maryland, Warner Bldg., Washington, D. C. Coburn is a controlling stockholder in the other two firms and Bernard W. Berger is president of all three. All of Coburn's stock is owned by Polequity Corporation; and Berger and James Cohen each own more than a 10% stock interest in Polequity. Myrna Goldman is a former cashier of Coburn.

The revocation order was based upon violations of the Securities Act registration requirements by Coburn and Polequity in the offer and sale of shares of Federated Electronics, Inc., and Champion Industries, Inc., as well as the failure of Coburn to comply with the record-keeping requirements of the Commission. Polequity, Berger, Cohen and Goldman were each found a cause of the revocation order.

**WALTER H. JOHNSON REGISTRATION REVOKED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-7502) revoking the broker-dealer registration of Walter H. Johnson, Sr., doing business as Walter H. Johnson and Son Co., 700 N. Seventh St., Monroe, La., for violations of the anti-fraud and record-keeping requirements of the Federal securities laws. According to the decision, Johnson during the period November 1958 to February 1963 made materially untrue and misleading statements in connection with the sale of common stocks of Noralyn Paper Mills, Inc., and International Aluminum Co., including claims as to the safety of investing in such stocks and increases in the value thereof. Johnson also failed to comply with the Commission's record-keeping rules.

**SEC JOINS CANANDAIGUA RACING PROCEEDING.** The SEC has joined in the Chapter X proceedings for the reorganization of Canandaigua Enterprises Corporation and its subsidiary, Finger Lakes Racing Association Inc., pending in the Federal court in Rochester, N. Y. (Release CR-222). Francis J. D'Amada serves as court-appointed trustee. The debtors operate a race track for thoroughbred horse racing in the Finger Lakes region of New York. The reorganization petition lists assets of \$7,025,109, including plant and equipment stated at \$4,732,761. Liabilities totaled \$6,460,941 and included current liabilities of \$846,269, secured indebtedness of \$1,500,000, and 7% Sinking Fund Convertible Debentures aggregating \$3,921,000. The debentures were issued in July 1961 and are held by approximately 2,800 public investors. The company has two classes of stock outstanding. The Class A stock is held by 3,200 public investors and there are 130 holders of the Class B stock. Canandaigua's officers and directors own approximately 6% of the Class A stock and 73% of the Class B stock. Almost all of the outstanding securities of Finger Lakes are held by Canandaigua.

**DEPOSITORS FUND OF BOSTON RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-4130), particularly Section 14(a) thereof, with respect to a proposal of Depositors Fund of Boston, Inc., of Boston, to exchange 1,999,999 shares of its common stock for certain securities held by investors who may accept the exchange offer.

**BAILEY SELBURN OIL & GAS DELISTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-7505) granting an application of the American Stock Exchange to delist the Class A stock of Bailey Selburn Oil & Gas Ltd., effective at the opening of business on January 11, 1965. According to the application, only 99,031 of the company's outstanding Class A shares were publicly held on November 30, 1964, the balance of 2,846,341 shares being held by Pacific Petroleum Ltd.

**RIEDEL TEXTILE FILES STOCK PLANS.** Riegel Textile Corporation, 260 Madison Ave., New York, filed a registration statement (File 2-23071) with the SEC on January 6 seeking registration of 136,474 shares of common stock, to be offered pursuant to its Stock Option Plans for Officers and Managerial Employees.

**INTERNATIONAL HARVESTER FILES STOCK PLAN.** International Harvester Company, 180 N. Michigan Ave., Chicago, filed a registration statement (File 2-23072) with the SEC on January 6 seeking registration of \$6,000,000 of participations in its Savings and Investment Program for Eligible Salaried Employees, together with 160,000 shares of common stock which may be acquired pursuant thereto.

**SEC ORDER CITES TWO MINING FIRMS.** The SEC has ordered administrative proceedings under the Securities Act of 1933 which question the adequacy and accuracy of informational disclosures contained in registration statements filed by the following: (1) White Caps Gold Mining Company, of 707 South 4th St., Las Vegas, Nev. This statement, filed in February 1964, covered an aggregate of 3,192,169 shares of White Caps common stock -- 1,350,839 to be offered for public sale by the company and 742,330 (being outstanding shares) by the company's president (William R. Noack) and three others, and the remaining 1,100,000 being reserved for the satisfaction of certain convertible notes. The public offering was to be made at the market price of outstanding shares on the San Francisco Mining Exchange at the time of offering (10¢ per share estimated, but not less than 8¢ net to the company), and (2) Hercules Mines Company of Nevada, also of the Las Vegas address. In its statement, filed in June 1964, Hercules proposed the public offering of 8,000,000 common shares, also at the market price (5¢ per share estimated, but not less than 4¢ net to the company).

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The Commission's order provides for a hearing on January 25, 1965, with respect to White Caps, which is said to be engaged in the mining business and related activities. Its principal asset is the "White Cap gold mine;" another mine, the Patriot silver mine, is said to be of only minor interest. According to the prospectus, there has been "no appreciable production from either mine since about 1941." Net proceeds of the company's proposed sale of additional stock, estimated at a minimum of \$108,067, would be applied primarily to the payment of current operating expenditures and indebtedness. Various informational disclosures in the company's statement and prospectus are questioned by the Commission, including (1) failure to disclose that a claimed exemption from registration with respect to the sale during the past ten years of a substantial portion of the 7,549,161 outstanding common shares was not in fact available; and (2) failure to make adequate disclosure with respect to the plan of distribution and use of the proceeds from the proposed offering.

The hearing on Hercules' registration statement is scheduled for January 27, 1965. In its prospectus, Hercules states that the primary purpose of its stock offering is to secure funds to assist in the exploration and possible development of the company's silver and related properties and for general operating expenses, in particular, to determine the feasibility of reopening a closed mining shaft known as the Union Mine and, if the presence of commercial ore deposits is indicated, to commence the development work necessary to effect possible production from this mine. The Commission's order challenges various disclosures in the statement and prospectus including (1) disclosures with respect to the company's mining properties and related matters, particularly the accuracy of various estimates of ore reserves and the value thereof reflected in the report of a mining engineer included as an exhibit to the statement and referred to in the prospectus and (2) failure to disclose that a claimed exemption from registration with respect to the sale during the past eight years of a substantial portion of the 4,443,500 outstanding common shares was not in fact available.

PORTUGAL FILES FOR BOND OFFERING. The Republic of Portugal today filed a registration statement (File 2-23073) with the SEC seeking registration of \$20,000,000 of 5-3/4% external loan bonds due 1985, to be offered for public sale through underwriters headed by Dillon, Read & Co. Inc., 46 William St., New York. The public offering price and underwriting terms are to be supplied by amendment. Net proceeds from the bond sale will be applied by Portugal to expenditures under its "Transitional Development Plan," which contemplates specified investments in Metropolitan Portugal and overseas and gives priority to investment in manufacturing.

SECURITIES ACT REGISTRATIONS. Effective January 6: Goodbody & Co. and Bache & Co. (File 2-22765); The Times Mirror Co. (File 2-22992).  
Effective January 7: Depositors Fund of Boston, Inc. (File 2-22982).

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