

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 October 11, 1965

SKAGGS DRUG FILES FOR OFFERING AND SECONDARY. Skaggs Drug Centers, Inc., 1467 S. Main St., Salt Lake City, Utah, filed a registration statement (File 2-24110) with the SEC on October 8 seeking registration of 200,000 shares of cumulative convertible preferred stock and 335,374 shares of outstanding common stock. Of this stock, 180,000 preferred shares are to be offered for public sale by the company and the common stock by the present holders thereof. The company is to offer the remaining 20,000 preferred shares to its employees, other than officers, at the public offering price less underwriting discount. Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005, is listed as the principal underwriter. The public offering price (\$22 per share maximum* for each class), interest rate on the preferred stock, and underwriting terms are to be supplied by amendment.

The company operates retail drug stores in the intermountain and midwestern areas. Net proceeds from its sale of preferred stock will be applied to the repayment of \$7,000,000 of borrowings incurred to finance in part the purchase of inventory, fixtures and equipment of 22 retail drug stores from Safeway Stores, Inc., at an estimated aggregate price of \$8,000,000. In addition to indebtedness, the company has outstanding 335,374 common and 1,560,858 Class B common shares, of which management officials own 254,046 and 1,221,350, respectively (77.8% of the combined classes). The prospectus lists 11 selling stockholders, including L. S. Skaggs (president and board chairman), offering 65,000 common shares; Vivian Skaggs Armstrong (director), 156,000; and Tracy-Collins Bank and Trust Co., trustee for Skaggs Drug Centers, Inc., Employee Profit Sharing Trust, 58,838. The remaining sellers are offering shares ranging in amounts from 3,250 to 11,440. The selling stockholders are offering their entire common stock holdings.

INVESTMENT ANNUITY PROPOSES OFFERING. Investment Annuity, Inc., 1504 Pennsylvania Bldg., Philadelphia, Pa. 19102, filed a registration statement (File 2-24111) with the SEC on October 8 seeking registration of 300,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through underwriters headed by Suplee, Yeatman, Mosley Co. Inc., 1500 Walnut St., Philadelphia, Pa. 19102, which will receive a \$.85-per-share commission.

Organized under Pennsylvania law in 1963, the company holds all of the outstanding stock of its insurance subsidiary, First Investment Annuity Company of America ("FIAC"). The intended business of FIAC is to offer an annuity insurance which "provides a new method to help resolve the post-retirement financial dilemma of the person who wants assurance that his capital will not be consumed prior to his death and who also wants some hedge against inflation." A small portion of the net proceeds from the company's stock sale may be retained by the company for its working capital needs, and the balance will be invested in the capital and surplus of FIAC and used in the conduct of the subsidiary's insurance business. The company has outstanding 223,200 common shares, of which management officials own 25.7% (including 16% owned by W. Thomas Kelly, president). Kelly's holdings represent an investment of \$30,000 at the inception of the company. Donald W. Hedges (secretary) purchased 24,800 of the 31,000 shares owned by him shortly after the formation of the company for a total consideration of \$160,000.

JERSEY CENTRAL POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15320) authorizing Jersey Central Power & Light Company, of Morristown, N. J., to sell \$20,000,000 of first mortgage bonds, due 1995, at competitive bidding. Net proceeds from the bond sale will be used to reimburse the company's treasury for construction expenditures, estimated at \$56,000,000 for 1965. Out of treasury funds as thus reimbursed, the company will prepay \$20,000,000 of bank loans.

NADALINE ENJOINED. The SEC announced October 8 (LR-3340) that Frank Nadaline, Jr., had been permanently enjoined (USDC SDNY) from further sale of stock of Fotochrome, Inc., in violation of the Securities Act registration requirement, and from violating the ownership-reporting requirements of the Securities Exchange Act. Nadaline consented to the court order without admitting or denying the allegations of violations.

CHEVWAY CORP. PROPOSES OFFERING. Chevway Corporation, 230 N. Michigan Ave., Chicago, Ill. 60601, filed a registration statement (File 2-24112) with the SEC on October 8 seeking registration of 987,000 shares of common stock. The stock is to be offered for public sale in maximum units of 2,500 shares to Chevrolet dealers at \$10 per share. Francis I. duPont & Co., One Wall St., New York 10005, will serve as dealer manager. The offering is conditioned upon the sale of at least 87,000 shares.

The company was organized under Delaware law in 1965 for the purpose of (1) franchising Chevrolet dealers to use the proposed Chevway System for their own automobile rental and leasing operations and (2) engaging in fleet leasing of cars and trucks, primarily Chevrolet. Net proceeds from the company's stock sale will be used to purchase vehicles to lease. In addition, a portion of the proceeds will be used to pay organization expenses; to repay \$21,000 of indebtedness; to pay \$25,000 for the assets of Fleetway System, Inc., and Sam Lee Associates, Inc.; and to pay operating expenses for the first year. In addition to indebtedness, the company has outstanding 13,000 common shares, which were purchased at \$10 per share by management officials (all of whom are Chevrolet dealers). William H. Mitchell, Jr., is president.

OVER

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the October 1 News Digest.

Mordon Corp Ltd March 1964 (3,11)	1-547-2	Pubco Petroleum Corp April 1964 (11)	0-879-2
Philips Electronics & Pharmaceutical Industries Corp April 1965 (11,13)	1-4272-2	April 1965 (11)	0-879-2
Transcontinental Gas Pipe Line Sept. 1965 (7)	0-656-2	Universal Leaf Tobacco Co Inc Sept. 1965 (13)	1-652-2
Alabama Tennessee Natural Gas Company Sept. 1965 (7)	0-775-2	Ward Foods, Inc Sept. 1965 (6)	1-1042-2
Thomasville Furniture Industries Sept. 1965 (7,13)	1-4920-2	Work Wear Corp Sept. 1965 (4,7,8,13)	1-4784-2
Cott Corporation Sept. 1965 (12)	1-4532-2	Ingersoll Rand Co Sept. 1965 (12,13)	1-985-2
Early & Daniel Co Sept. 1965 (11)	1-548-2	New Hampshire Ball Bearings, Inc Sept. 1965 (11)	2-15032-2
Interlake Steamship Co August 1965 (12)	1-787-2	Savin Business Machines Corp Sept 1965 (2,11,13)	0-1666-2
Leeds & Northrup Co Sept. 1965 (11)	0-1722-2	Wetterau Foods, Inc Sept. 1965 (11)	0-1451-2
Piedmont & Northern Railway Company Sept. 1965 (13)	0-626-2	General Battery & Ceramic Corp Sept. 1965 (13)	1-4657-2
Gulf States Land & Industries, Inc Sept. 1965 (11,13)	1-621-2	Industrial America Corp June 1965 (2,7,13)	2-17262-2
Nopco Chemical Co Sept. 1965 (8)	1-2627-2	Nebraska Consolidated Mills Co Sept. 1965 (1)	2-14353-2
Robert Reis & Co Sept. 1965 (6)	1-1419-2	Phoenix Investment Co August 1965 (9,11,13)	0-1508-2
Harvey's Stores, Inc July 1964 (7,8)	1-4553-2	Unarco Industries, Inc Sept. 1965 (7,13)	1-3296-2
July 1965 (7,8)	1-4553-2	Fidelity Acceptance Corp Oct. 1964 (4,7,13)	2-1112-2
Chicago Rock Island & Pacific RR Co Sept. 1965 (11,13)	1-3460-2	Handleman Company Sept. 1965 (13)	1-4808-2
3805 Corporation Sept. 1965 (12)	2-17633-2	Mammoth Mart, Inc April 1965 (11)	1-5059-2
Modine Mfg. Co Sept. 1965 (12)	1-1373-2	Rollins, Inc Sept. 1965 (7)	1-4422-2
Ore-Ida Foods, Inc Sept. 1965 (11,13)	0-195-2	W. A. Sheaffer Pen Co Sept. 1965 (12)	1-1980-2
		Skyline Homes, Inc Sept. 1965 (7,11)	1-4714-2
		Glenmore Distilleries Co Sept. 1965 (11)	1-3383-2

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended October 7, 1965, 27 registration statements were filed, 25 became effective, 3 were withdrawn, and 297 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective October 11: Jersey Central Power & Light Co., 2-23977; Southern Indiana Gas and Electric Co., 2-24030; Vahlsing, Inc., 2-23798 (40 days).

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.

FOR IMMEDIATE RELEASE - MONDAY, OCTOBER 11, 1965

Manuel F. Cohen, Chairman of the Securities and Exchange Commission, released today the complete texts of letters to Senator Philip A. Hart, Chairman of the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee, and to Congressman Emanuel Celler, Chairman of the House Judiciary Committee, concerning the relationship of the antitrust laws and the securities laws, with particular reference to the stock exchanges as self-regulatory institutions. The letters are in response to letters sent by them to Chairman Cohen and previously available to the public. The complete texts of all these letters are attached.

Reference is also made to the Congressional Record of August 2, 1965, which contains correspondence with Senator Robertson on the same subject.