

# 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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**SOUTHERN LAND, TIMBER AND PULP SHARES IN REGISTRATION.** Southern Land, Timber and Pulp Corporation, 615 Peachtree St., N.E., Atlanta, Ga., filed a registration statement (File 2-20366) with the SEC on May 11th seeking registration of 18,926,375 outstanding shares of common stock (including 7,976,643 subscribed but unissued shares, 150,000 shares subject to options held by officers and 484,844 shares representing balances due under lease and sales contracts for timberlands). Such shares have been sold in part by the company since the company's organization in May 1957, both for cash and on a time payment basis at from \$2 to \$5.94 per share. The prospectus states that the company sold such shares since 1957 to persons who signed a subscription agreement representing to the company that such purchaser was a bona fide resident of Georgia, thereby exempting such offering and sale from registration under the Securities Act of 1933. The prospectus further states that such exemption may have been lost by the company during the course of the public offering of its stock and that this registration statement is now being filed to inform the shareholders who purchased stock of the company for cash from May 1, 1961 to date as well as subscribers as of March 31, 1962 of securities on a time payment basis, of the possible loss of the exemption and possible contingent liability for a refund to them of the purchase price plus 7% interest from the date of purchase. This statement is also being filed preliminary to formal notice of a stockholders' meeting of the company to approve the proposed terms of a joint venture with Great Northern Paper Company.

The company has built and operates a pulp and paper mill in Georgia, and in conjunction therewith has acquired control of timberlands either through ownership or long-term lease. The company also intends to operate a common carrier in Georgia through its majority-owned subsidiary, The Chattahoochee Industrial Railroad. The company has recently entered into a contract with Great Northern looking toward the joint ownership, construction and operation by a new corporation yet to be formed (the project), of a kraft linerboard mill, which will include the timberlands presently owned by the company. The agreement contemplates that the company will transfer to the project all timberlands, the kraft paper mill site, the mill so far as presently constructed, the railroad subsidiary (all at book value) and a sufficient amount of additional cash to bring the total initial contribution of the company to \$15,000,000; and Great Northern has agreed to contribute \$15,000,000 in cash to the project. The project is located near Cedar Springs near Blakely in Southwestern Georgia and will have a nominally rated capacity of 700 tons per day of Kraft linerboard; and the overall cost of the project is presently estimated at \$53,600,000. The project intends to borrow \$25,000,000 from large institutional lenders on long term bonds to be secured by a first deed of trust covering the project plant, plant site, and railroad. The project capital of \$30,000,000 will be represented by common shares at 50c par value; the number of shares to be issued to the company to be a number equivalent to the aggregate of the company's shares outstanding at the date of closing plus its shares then held or unpaid subscriptions outstanding and in effect at that date. An equal number of shares of the project will be issued to Great Northern in consideration of its \$15,000,000 cash payment. The contract further contemplates that after the company has collected all of the unpaid purchase price of the stock sold by it under time payment plan, and has paid all liabilities not assumed by the project, the company will pay over the net balance of the monies collected by it to the project, in exchange for additional stock; and 5-year warrants for an equal amount of additional stock will be given to Great Northern. It is anticipated that the officers of the project will be M.C. McDonald, board chairman (former head of Great Northern), John J. Neely, president (president of the company) and Edward L. Cowan, executive vice president (executive vice president of the company). Neely owns 13.2% of the outstanding and subscribed stock of the company and management officials as a group 16.5%. According to the prospectus, Forestry Service, Inc. (80% owned by Neely), which manages the company in return for 15% of its annual net profits before taxes (plus expenses), also acts as the company's agent for sale of its stock receiving therefor a 15% selling commission. Forestry Service received aggregate commissions of \$3,591,402.20 from May 10, 1957 through March 14, 1962. Upon closing of the project, Forestry Service will be merged into the company and will receive about 650,000 company shares in exchange for its own.

**MINNESOTA MINING AND MFG. FILES INCENTIVE PLAN.** Minnesota Mining and Manufacturing Company, 900 Bush Avenue, St. Paul, Minn., filed a registration statement (File 2-20367) with the SEC on May 11th seeking registration of 10,404 shares of common stock, to be offered pursuant to the 1960 Incentive Plan of Di-Noc Chemical Arts, Inc., a recently acquired subsidiary of the company.

**UNITED GAS PROPOSES BOND OFFERING.** United Gas Corporation, 1525 Fairfield Avenue, Shreveport, La., filed a registration statement (File 2-20368) with the SEC on May 14th seeking registration of \$40,000,000 of first mortgage and collateral trust bonds due 1982, to be offered for public sale at competitive bidding. Of the net proceeds from the bond sale, \$34,000,000 will be applied to the purchase of a like amount of the first mortgage bonds of United Gas Pipe Line Company, a subsidiary; and the subsidiary will thereupon prepay \$34,000,000 on the principal amount of its outstanding 4 1/2% notes held by the company. The balance of the proceeds, together with the funds received from the subsidiary, will be added to general funds and used to prepay \$40,000,000 of bank borrowings. The 1962 construction and expansion program of the company and its subsidiaries presently contemplates expenditures of about \$44,282,000. In addition to various indebtedness, the company has outstanding 12,885,471 shares of common stock. N. C. McGowen is board chairman and Ed Parkes is president.

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**EMERSON ELECTRIC MFG. FILES FOR SECONDARY.** The Emerson Electric Manufacturing Company, 8100 Florissant Avenue, St. Louis, Mo., filed a registration statement (File 2-20369) with the SEC on May 14th seeking registration of 435,784 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Blyth & Co., Inc., 14 Wall Street, New York. The public offering price (maximum \$40 per share\*) and underwriting terms are to be supplied by amendment. Such shares are part of an aggregate of 1,884,496 shares to be issued by the company in July 1962 in exchange for all of the assets and liabilities of U. S. Electrical Motors, Inc., a California company.

The company and its subsidiaries are engaged in the design, development and manufacture of certain commercial products including electric motors, lighting fixtures, fans, air-conditioners, electric heat devices, bench saws and arc welders; and it also engages in research, engineering, development and production of certain military products including complex electronic systems, missiles and airframe structures. U. S. Electrical Motors has been engaged in the manufacture and sale of electrical motors; and upon its purchase the company proposes that such business will be carried on as a division. In addition to certain indebtedness, the company has outstanding 5,203,625 shares of common stock (prior to said acquisition), of which management officials as a group own 8.3%. W. S. Snead is board chairman and W. R. Parsons is president. The prospectus lists 12 selling stockholders who will receive an aggregate of 1,743,022 shares pursuant to the acquisition (and subsequent liquidation of U.S. Electrical Motors). Grace C. Steel, George T. Pflieger and The Grace C. Steele Trust will receive 571,710, 361,760 and 197,600 shares, respectively, and they propose to sell 142,918, 90,440 and 49,400 shares, respectively. Others propose to sell amounts ranging from 12,920 to 19,760 shares.

**UTAH POWER FINANCING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-14638) authorizing Utah Power & Light Company (Salt Lake City) to issue and sell \$22,000,000 of first mortgage bonds due 1992 and 480,000 shares of \$25 par preferred stock at competitive bidding. A part of the net proceeds from the sale of the bonds and preferred stock will be used to pay \$22,000,000 face amount of notes payable to banks and the balance, together with cash generated in the business, will be applied to the payment of the cost of Utah Power's construction program.

**APEX MINERALS TRADING BAN CONTINUED.** The SEC has issued an order continuing the ban on trading in the common stock of Apex Minerals Corporation on the San Francisco Mining Exchange and over-the-counter market for a further ten-day period May 16-25, 1962, inclusive.

**COST-PLUS FILES FOR OFFERING AND SECONDARY.** Cost-Plus, Inc., 460 Bay Street, San Francisco, filed a registration statement (File 2-20370) with the SEC on May 14th seeking registration of 157,000 shares of common stock, of which 127,000 shares are to be offered for public sale by the company and 30,000 shares, being outstanding stock, by the holders thereof. Stewart, Eubanks, Meyerson & Co., 216 Montgomery St., San Francisco, heads the list of underwriters. The public offering price (maximum \$5 per share\*) and underwriting terms are to be supplied by amendment. The statement also includes 10,000 shares underlying 3-year warrants issued to the underwriter, exercisable initially at 110% of the public offering price.

The company is primarily engaged in the business of importing and marketing furniture, household and art goods and novelty and decorative items at discount prices. It also subleases a portion of its retail store to concessionaires who operate nursery, jewelry and liquor departments. In addition to direct imports for retail sale through its own store, the company imports the same products and certain other products for sale to wholesale purchasers upon firm orders. The net proceeds from the company's sale of additional stock will be added to general funds for additional working capital and possibly to establish one or more franchised retail stores in other cities or to finance foreign manufacturing operations for products imported by the company. In addition to certain indebtedness, the company has outstanding 75,000 common and 125,000 common B shares, of which William B. Amthor, a vice president, and Lincoln W. Bartlett, president, each owns 50% of each class. Each proposes to sell 15,000 common shares. Amthor and Bartlett received their common B shares in March 1962 in exchange for cancellation of indebtedness of \$125,000.

**WISCONSIN POWER AND LIGHT PROPOSES BOND OFFERING.** Wisconsin Power and Light Company, 122 West Washington Avenue, Madison, Wisc., filed a registration statement (File 2-20372) with the SEC on May 14th seeking registration of \$12,000,000 of first mortgage bonds due 1992 (series K), to be offered for public sale at competitive bidding. The net proceeds from the bond sale will be used to finance a part of the company's construction expenditures, including payment of \$5,800,000 of bank loans made or to be made for that purpose. Such construction expenditures are estimated at about \$18,600,000 for 1962 and about \$12,800,000 for 1963.

**ARNOLD R. RHINE SENTENCED.** The SEC Denver Regional Office announced May 11th (Lit-2265) that Arnold R. Rhine had been sentenced (USDC Colo.) to 3½ years imprisonment on plea of guilty to first count of indictment returned in February 1962 charging fraud in the sale of oil interests.

**SECURITIES ACT REGISTRATIONS.** Effective May 15: Coleman Cable & Wire Co. (File 2-19645); Computer Oriented Research & Engineering, Inc. (File 2-19830); Cutter Laboratories, Inc. (File 2-20347); European Coal and Steel Community (File 2-20250); Japan Development Bank (File 2-20275); Louisiana Gas Service Co. (File 2-20261); Tennessee Corp. (File 2-20238); Volt Technical Corp. (File 2-19724). Withdrawn May 15: Tucson Green Valley Development Co. (File 2-19649); Aronoff & Richling, Inc. (File 2-19359); Industrial Finance & Thrift Corp. (File 2-19240).

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