

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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CORPORATE OFFERINGS REPORTED. New corporate securities offered for cash in 1966 totaled \$18.4 billion, almost \$2 1/2 billion higher than the record 1965 volume. The sharp rise this year principally reflected expanded outlays by business for fixed investment. This increase, together with the new cash needs of the state, local and federal governments, exerted considerable pressure on the capital markets during the year. Corporate debt financing expanded about 16 percent on the strength of public offerings as the volume of private placements was somewhat lower than in 1965. Stock issues reaching the market increased during 1966 but remained below the high level shown in 1964. (For further details see Stat. Release No. 2181).

OHIO EDISON SEEKS ORDER. Ohio Edison Company, Akron, Ohio, has applied to the SEC for an order under the Holding Company Act authorizing it to exchange with the Village of Hudson, Ohio, certain electric distribution and related facilities, and to pay Hudson \$2,793 in cash, subject to certain adjustments. The properties to be acquired by Ohio Edison, which include 4.3 pole miles of overhead distribution facilities, are adjacent to the distribution facilities of Ohio Edison. As of April 30, 1966, 79 retail customers located in Hudson were served by Ohio Edison through facilities to be transferred to Hudson. Upon the transfer of these facilities to Hudson it will serve all the retail electric customers within its corporate limits. As of the same date, 164 retail customers not within Hudson's corporate limits were served by Hudson through the facilities to be transferred to Ohio Edison. The Commission has issued an order (Release 35-15630) giving interested persons until February 20 to request a hearing thereon.

INTERCO FILES EXCHANGE PROPOSAL. Interco Incorporated, 1509 Washington Ave., St. Louis, Mo. 63166, filed a registration statement (File 2-25922) with the SEC on January 27 seeking registration of 410,000 shares of Series B, 5 1/4% cumulative, convertible first preferred stock. The stock is to be offered in exchange for all or not less than 90% of the 1,257,125 shares of common capital stock of Sam Shainberg Company, in the ratio of one Interco share for each 3.0662 shares of Shainberg. Pursuant to the agreement and plan of reorganization, the company will have the option to accept less than 90% of the stock of Shainberg, but the offer shall automatically terminate if less than 80% of the Shainberg stock is tendered.

Interco is engaged in the manufacture of shoes, and men's and boys' work and play clothing. Shainberg, a Tennessee corporation, operates a chain of junior department stores under the name "Shainberg's" and self-service cash and carry stores under the name "Kent's Dollar Stores." In addition to indebtedness and preferred stock, Interco has outstanding 3,684,800 common shares. Maurice R. Chambers is board chairman and president of Interco.

FREEPORT SAVINGS AND LOAN FILES FOR SECONDARY. Freeport Savings and Loan Association, Limited, P. O. Box 488, Freeport, Grand Bahama Island, Bahamas, filed a registration statement (File 2-25927) with the SEC on January 27 seeking registration of 148,227 outstanding shares of common stock. The present holders thereof may offer the stock for public sale on the over-the-counter market at prices prevailing at the time of sale (\$5.10 per share maximum*). A portion of the shares (58,401) may be pledged or hypothecated by the holders thereof from time to time.

Organized in 1963 under the Bahama Islands law, the company is engaged in the savings and loan business. In addition to indebtedness, it has outstanding 369,282 common shares, of which management officials own 34.5%. The prospectus lists 16 prospective sellers, including W. J. Thompson and Mr. & Mrs. M. B. Gralla, who may offer their entire holdings of 30,000 and 15,025 shares, respectively.

LUM'S FILES FOR OFFERING AND SECONDARY. Lum's Inc., 1959 - 71st St., Miami Beach, Fla. 33141, filed a registration statement (File 2-25928) with the SEC on January 27 seeking registration of 150,000 shares of common stock. Of such stock, 100,000 shares are to be offered for public sale by the company and 50,000 shares (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by Van Alstyne, Noel & Co., 4 Albany St., New York. The public offering price (\$15.3125 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to deliver to Van Alstyne, Noel & Co., upon completion of this financing, five-year warrants to purchase up to 12,500 common shares; and Herbert Kern, a financial consultant will be paid by the company a finder's fee equal to 1.7% of the aggregate public offering price and will receive from the selling stockholders an option to purchase from them an aggregate of 12,500 common shares of the company.

The company operates low-priced specialty restaurants in nine states and Puerto Rico. Of the net proceeds of its sale of additional stock, \$1,000,000 will be applied to equipping and opening new stores; between \$200,000 and \$350,000 will be used to retire certain indebtedness; and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 337,875 common shares, of which management officials own 58.08%. The prospectus lists two selling stockholders, as follows: Stuart Perlman (president), who is offering 25,000 of 94,715 shares held; and Clifford Perlman (secretary-treasurer), 25,000 of 94,350.

OVER

ESSEX CORP. PROPOSES RIGHTS OFFERING. Essex Corporation, 1120 Liberty Bank Bldg., Oklahoma City, Okla. 73102, filed a registration statement (File 2-25927) with the SEC on January 27 seeking registration of 160,610 shares of common stock. The stock is to be offered for subscription at \$10 per share by company stockholders, at the rate of one new share for each three shares held. The record date is to be supplied by amendment. Any unsubscribed shares are to be offered for public sale at \$15 per share.

The company's operations and interests include a medical office building, banking, television, and oil-field supplies and services. Net proceeds of its stock sale will be used to reduce bank loans and/or added to working capital. In addition to indebtedness, the company has outstanding 481,830 common shares, of which management officials own 68.8%. John E. Kirkpatrick is board chairman and John W. Nichols is president.

DIVERSIFIED METALS FILES FOR OFFERING AND SECONDARY. Diversified Metals Corporation, 123 Byassee Dr., Hazelwood, Mo., filed a registration statement (File 2-25930) with the SEC on January 30 seeking registration of \$3,000,000 of convertible subordinated debentures (due 1987), to be offered for public sale by the company, and 130,000 outstanding common shares, to be offered by holders thereof. The securities are to be offered for public sale through underwriters headed by New York Securities Co., 52 Wall St., New York 10005. The interest rate on the debentures, public offering prices of the debentures and stock (\$60 per common share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in reclaiming non-ferrous metals from the by-products of manufacturers, including wire mills, foundries and metal fabricators. Net proceeds of its debenture sale will be applied to the purchase of approximately \$2,000,000 of additional machinery, equipment and plant facilities, and added to working capital. In addition to indebtedness, the company has outstanding 415,000 common and 630,037 Class B common shares, of which management officials own 32% and 99%, respectively. The prospectus lists 17 selling stockholders, including Ben Fixman (president), who is offering all of his common stock holdings of 113,387 shares. He will retain 563,585 Class B common shares. The remaining sellers are offering shares ranging in amounts from 100 to 6,200 shares.

UTAH P&L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15651) authorizing Utah Power & Light Company to sell \$32,000,000 of unsecured promissory notes to banks during the period February 1, 1967-March 31, 1968. According to the application, the company will use the net proceeds of its note sale, together with available cash, to prepay \$8,000,000 of outstanding bank notes and to finance, in part, its construction program (estimated at \$30,000,000 for 1967).

LOOMIS-SAYLES MUTUAL FUND SEEKS ORDER. Loomis-Sayles Mutual Fund, Inc., Boston investment company, has applied to the SEC for an order under the Investment Company Act authorizing it to issue its shares at other than the current public offering price described in its prospectus in exchange for substantially all of the assets of Awco, Inc. The Commission has issued an order (Release IC-4829) giving interested persons until February 21 to request a hearing thereon. According to the application, Awco is a personal holding company having five shareholders. On September 30, 1966, the net assets of Loomis-Sayles approximated \$121,394,000 and the net assets of Awco amounted to \$5,800,000.

THE CENTER RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4830) authorizing certain borrowings by The Center, Inc., Minneapolis, Minn., from Investors Syndicate of America, Inc., a registered face-amount certificate company. According to the application, Center was organized by Baker Properties, Inc., for the purpose of acquiring and developing properties; Baker, in turn, is affiliated with Investors Diversified Services, Inc., which holds all of the outstanding stock of Investors Syndicate of America.

FOREIGN RESTRICTED LIST. The SEC has added Caribbean Empire Company, Ltd., and Panamerican Bank & Trust Company to its Foreign Restricted List (Release 33-4854). The list is comprised of the name of foreign companies whose securities the Commission has reason to believe recently have been, or currently are being, offered for public sale and distribution within the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of financial and other information essential to an evaluation of such securities which would be provided through registration.

SECURITIES ACT REGISTRATIONS. Effective January 30: Genesco Inc., 2-25724; Hartwell and Campbell Fund, Inc., 2-25215; Life Stock Exchange Fund, Inc., 2-24690.
Effective January 31: Rental Industries, Inc., 2-24562 (90 days); United States Surgical Corp., 2-25681 (90 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.