

# 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 November 30, 1966

**TENNECO FILES FOR SECONDARY.** Tenneco Inc., Tennessee Bldg., Houston, Tex. 77002, filed a registration statement (File 2-25734) with the SEC on November 23 seeking registration of 234,425 outstanding shares of common stock. The present holders thereof may offer the stock for public sale from time to time on the New York Stock Exchange at prices prevailing at the time of sale (\$25 per share maximum\*).

The company is engaged in oil and gas operations, production and sale of chemicals, and sale of packaging products. In addition to indebtedness and preferred stock, it has outstanding 50,442,195 common shares. The sellers of 224,425 of the shares being registered are Coates Board & Carton Company, Inc., and Erwin F. Bickley, Jr. (Bickley presently owns 9,000 of such shares). The company issued the stock in July 1966 in exchange for the business of Coates Board & Carton. The remaining 10,000 shares are to be offered in equal amounts by Sam Bright and Leonard T. Margolis, who acquired such stock in connection with the company's acquisition in March, 1966, of all of the outstanding stock of Northwestern Corrugated Box Co. Gardiner Symonds is board chairman and N. W. Freeman is president.

**FREEDOM HOLDING SHARES IN REGISTRATION.** Freedom Holding Corporation, 211 E. 3rd South, Salt Lake City, Utah 84111, filed a registration statement (File 2-25738) with the SEC on November 25 seeking registration of 150,561 shares of common stock. These shares, together with 149,439 previously registered shares which were not sold, are to be offered for public sale at \$3.50 per share through Universal Securities, Inc., of the Salt Lake City address, which will receive a \$.525-per-share selling commission. The offering is to be on a "best efforts" basis.

Organized under Utah law in 1964, the company has acquired 95% of the outstanding stock of Freedom National Life Insurance Co., a Utah life insurance subsidiary. The prospectus states that if certain conditions are met the company may offer an additional 8,349 of its shares in exchange for the 5% outstanding stock of the insurance subsidiary not now owned by the company. Net proceeds of its stock sale will be used to repay certain indebtedness and for other general purposes. The company may use \$600,000 of the proceeds to purchase a controlling interest in another insurance company. The company has outstanding 290,546 Class A and 220,300 Class B shares. If all of the 300,000 shares are sold and said 8,349 shares are issued in exchange for stock of the insurance subsidiary, the purchasers will, according to the prospectus, "suffer an immediate dilution of \$1.18 per share." It is further stated that the present holders of the outstanding capital stock will thus receive an immediate benefit of \$0.37 on each Class A share and \$0.32 on each Class B share. James A. Watson is president of the company and is board chairman of the insurance company.

**FUND OF AMERICA FOR EQUITY INCOME PROPOSES OFFERING.** Fund of America for Equity Income, Inc., 90 Park Ave., New York 10016, filed a registration statement (File 2-25749) with the SEC on November 25 seeking registration of 20,000 shares of common stock. The stock is to be offered for public sale at net asset value (\$10 per share maximum\*) plus a maximum sales charge of 8½%. Investors Planning Corporation of America, 60 E. 42nd St., New York, is the Fund's principal underwriter.

Organized under New York law in June 1966, the Fund will "primarily seek income and secondarily possible capital appreciation." Its investment adviser is Fund of America Management Corp., a wholly-owned subsidiary of Investors Planning Corp., which in turn is 80%-owned by I. O. S. Ltd. (S. A.), also known as Investors Overseas Service. Walter Benedick is president of the Fund and of its investment adviser and underwriter.

**LOOMIS-SAYLES RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4762) declaring that Loomis-Sayles Second Fund, Inc., Boston, Mass., has ceased to be an investment company. The application states that on April 30, 1952, the Second Fund was merged into Loomis-Sayles Mutual Fund, Inc., and that it has ceased to exist as a corporate entity.

**NORTHWESTERN TERRA COTTA RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4765) authorizing Northwestern Terra Cotta Corporation, Chicago closed-end non-diversified management investment company, and certain of its affiliates to effect transactions so that Terra Cotta may acquire all of the outstanding stock of Sponge-Cushion, Inc. The application states that until 1960 Terra Cotta was engaged in the manufacture and sale of terra cotta building tile. Since that time its business activity has consisted of leasing its former plant site in Denver and investing its funds in securities. Spong-Cushion, which manufactures sponge rubber padding for the carpet industry, has 4,500 outstanding shares owned by four persons. Terra Cotta proposes to acquire such stock in exchange for 247,500 of its convertible voting preferred shares on the basis of 55 shares of Terra Cotta preferred for one Sponge-Cushion share. As part of the transaction between Terra Cotta and Sponge-Cushion, a group of 12 persons, five of whom are affiliates of Terra Cotta, will purchase from three of the present shareholders of Sponge-Cushion at \$13.50 per share, 83,600 of the 247,500 Terra Cotta preferred shares received in exchange for Sponge-Cushion stock.

**COLUMBIA GAS SEEKS ORDER.** The Columbia Gas System, Inc., New York, and 15 of its subsidiaries, have applied to the SEC for an order under the Holding Company Act authorizing the continuation during 1967 of open-account advances by Columbia to the subsidiaries. The Commission has issued an order (Release 35-15612) giving interested persons until December 20 to request a hearing thereon. The application proposes that the subsidiaries will prepay with excess cash, from time to time prior to the end of 1967, a portion of their outstanding installment promissory notes (aggregating a maximum of \$149,200,000) held by Columbia. As any of such subsidiaries require funds for construction and other corporate purposes after prepayment, it is proposed that advances will be made to them on open account by Columbia, provided that at no time will the amount of such advances to any subsidiary exceed the amount of notes theretofore prepaid by it, less any current maturities applicable to such notes which would have matured subsequent to the date of prepayment.

**INDIANA & MICHIGAN ELECTRIC SEEKS ORDER.** Indiana & Michigan Electric Company, Fort Wayne, Ind., subsidiary of American Electric Power Co., Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to acquire the Albion, Ind., electric utility distribution system. The Commission has issued an order (Release 35-15613) giving interested persons until December 22 to request a hearing thereon. According to the application, I&M has offered to pay \$320,000 as consideration for the properties if the appraisal price is not in excess of its offer. The Albion system presently serves about 730 customers.

**EXETER THIRD FUND SEEKS ORDER.** Exeter Third Fund, Inc., Claymont, Del., has applied to the SEC for an exemption order under the Investment Company Act with respect to the \$100,000 minimum net capital provisions, as well as the requirements of Sections 15(a), 16(a) and 32(a) which require shareholder approval of the investment advisory agreement, the election of directors by shareholders, and shareholder ratification of the selection of an independent public accountant. The Commission has issued an order (Release IC-4759) giving interested persons until December 15 to request a hearing thereon. According to the application, the Fund is intended as an investment vehicle for investors who wish to exchange securities they presently hold for shares of the Fund on a federal income tax-free basis. The Fund has filed a registration statement under the Securities Act of 1933 covering 800,000 shares of common stock to be offered in such exchange. The registration statement has not become effective, and the Fund is requesting an exemption from Sections 15(a), 16(a) and 32(a) of the Act until a special shareholders' meeting can be held not more than 60 days after the exchange of shares between the Fund and investors has been effected.

**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 captions of the several items of the form was included in the November 3 News Digest.

Riegel Textile Corp Nov 66(7,13)	1-5070-2	Farmers Union Cooperative Marketing Assoc Aug, Sept, & Oct 66(7,8)	2-22230-2
Loft Candy Corp Oct 66(11,13)	0-1943-2	Turf Paradise Inc Oct 66(12)	0-1923-2
Denver Union Stk Yrd Co Aug 66(3)0-729-2		Chamberlin Co of Amer Amend #1 for July 66(2,13)	1-4207-2
U S Freight Co Oct 66(13)	1-402-2	Wells Industries Corp Amend #1 for Aug 66(9)	1-4696-2
Armour & Co Sept 66(3)	1-4405-2	Farmers Union Cooperative Marketing Assoc Amend #1 for May, June & July 66 (7,8)	2-22230-2
Fansteel Metallurgical Corp Oct 66(12,13)	1-2331-2	Milligore Corp Amend #1 for Oct 66(4,7,11)	0-1052-2
Eastern Mass St RY Co Oct 66(6)	1-1563-2		
Anken Chemical & Film Corp Nov 66(12)	1-4186-2		

**SECURITIES ACT REGISTRATIONS.** Effective November 29: Simmonds Precision Products, Inc., 2-25670; Southern Edison Co., 2-25687 (Jan 9).  
Effective November 30: The Babcock & Wilcox Co., 2-25607; Baystate Corp., 2-25634 (40 days); The Detroit Edison Co., 2-25664; Space Corp., 2-25365 (Feb 28).

**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.