

# 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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**NORTHWESTERN TERRA COTTA SEEKS ORDER.** Northwestern Terra Cotta Corporation, Chicago closed-end non-diversified management investment company, has applied to the SEC for an order under the Investment Company Act authorizing Terra Cotta and certain affiliated persons to effect transactions so that Terra Cotta may acquire all of the outstanding stock of Sponge-Cushion, Inc. The Commission has issued an order (Release IC-4742) giving interested persons until November 25 to request a hearing thereon. 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. Sponge-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.

**EXETER SECOND FUND RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4743) exempting Exeter Second Fund, Inc., Claymont, Del., from the \$100,000 minimum net capital requirements of the Act. The Fund has filed a registration statement under the Securities Act for 800,000 shares of common stock, to be offered to investors in exchange for securities included in a list set forth in its prospectus.

**DONALD McDANIEL, OTHERS ENJOINED.** The SEC Seattle Regional Office announced October 31 (LR-3607) the entry of a Federal court order (USDC, WD Wash.) enjoining Donald Leslie McDaniel, individually and d/b/a Aetna Oil; James C. Ricksecker, individually and d/b/a Western Gulf Oil; and Inter-Continent Oil Corp. from engaging in further violations of the Securities Act registration and anti-fraud provisions in the sale of interests in oil and gas leases located in Oklahoma. The defendants consented to the entry of the order without admitting the allegations of the complaint.

**CONTINENTAL VENDING TRADING BAN CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in securities of Continental Vending Machine Corporation for a further 10-day period November 8-17, 1966, inclusive.

**FLORIDA P&L FILES FINANCING PROPOSAL.** Florida Power & Light Company, 4200 Flagler St., Miami, Fla. 33134, filed registration statements (Files 2-25677 and 2-25678) seeking registration of \$40,000,000 of first mortgage bonds, due 1996, and 300,000 shares of common stock. The securities are to be offered for public sale at competitive bidding. The company will use the net proceeds of this financing for construction and other corporate purposes, including repayment of an estimated \$13,000,000 of short-term loans made for such purposes. Its 1966-67 construction program is estimated to cost \$217,565,000.

**DIAL FINANCE PROPOSES DEBENTURE OFFERING.** Dial Finance Company, 207 Ninth St., Des Moines, Iowa 50307, filed a registration statement (File 2-25679) with the SEC on November 4 seeking registration of \$3,000,000 of senior debentures (due 1972). The debentures are to be offered for public sale through Salomon Brothers & Hutzler, 60 Wall St., New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the consumer finance business. Net proceeds of its debenture sale will be added to general funds and will be used initially to reduce short-term debt. In addition to indebtedness, the company has outstanding 4,600,000 common shares, of which management officials own 25.1%. Esther L. Krasne, Ellis I. Levitt (board chairman), Nettie L. Wolf, Jennie D. Levitt and their respective families and trusts for their benefit hold beneficially or of record more than 70% of the outstanding stock. Edward Glazer is president.

**DANA CORP. FILES FOR SECONDARY.** Dana Corporation, 4100 Bennett Rd., Toledo, Ohio 43601, filed a registration statement (File 2-25682) with the SEC on November 4 seeking registration of 100,000 outstanding shares of common stock. The present holder thereof proposes to offer the stock for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005. The public offering price (\$42 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company manufactures major components and parts for the transportation industry. In addition to indebtedness and preferred stock, it has outstanding 6,540,697 common shares, of which management officials own 3%. The selling stockholder is the Charles A. Dana Foundation, Inc., which presently owns 1,200,000 shares. Charles A. Dana is board chairman and J. E. Martin is president.

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**ROHR CORP. PROPOSES DEBENTURE OFFERING.** Rohr Corporation, P. O. Box 878, Chula Vista, Calif. 92012, filed a registration statement (File 2-25683) with the SEC on November 4 seeking registration of \$15,000,000 of convertible subordinated debentures (due 1986). The debentures are to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005, and Lester, Ryons & Co., 623 S. Hope St., Los Angeles, Calif. 90017. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company's principal business is the manufacture and assembly of component parts of aircraft for airframe manufacturers. Net proceeds of its debenture sale will be applied to reduce short-term bank loans. In addition to indebtedness, the company has outstanding 3,328,168 common shares, of which management officials own 4.53%. B. F. Raynes is president.

**UNITED STATES SURGICAL FILES FINANCING PROPOSAL.** United States Surgical Corporation, 845 Third Ave., New York, filed a registration statement (File 2-25681) with the SEC on November 4 seeking registration of \$250,000 of 6½% convertible subordinated debentures, due 1976, and 50,000 shares of common stock. The securities are to be offered for public sale in units consisting of \$500 principal amount of debentures and 100 common shares, and at 100% of the principal amount for the debentures and \$3 per common share. The offering is to be made through Willis E. Burnside & Co., Inc., 40 Exchange Pl., New York, which will receive a commission of 7½% on the debentures and 22½¢ per share on the stock. The underwriter has agreed to sell, on an all or nothing basis, 75% of the units. Subject to the sale of the securities, the company will grant the underwriter a three-year option to purchase 10,000 common shares, exercisable at prices ranging from \$6.05 to \$6.75 per share.

Organized in 1960, the company became active in 1964 through the acquisition of certain assets; it is engaged in research and development of automatic surgical stapling instruments and disposable loading units and cartridges. Of the net proceeds of this financing, the company will use \$50,000 for research, engineering and development, \$100,000 for tools and dies, and the balance for general corporate purposes. In addition to indebtedness, it has outstanding 1,662,000 common shares, of which management officials own 82.25%. The prospectus states that upon the sale of the shares being registered, the purchasers thereof will own 37% of the equity in the company for the sum of \$150,000 and the present stockholders will have acquired about 97% of the equity for the \$285,213.68. Zanvyl Krieger is board chairman and Leon C. Hirsch is president.

**SOUTHERN CALIFORNIA EDISON PROPOSES OFFERING.** Southern California Edison Company, 601 W. Fifth St., Los Angeles, Calif., today filed a registration statement (File 2-25687) with the SEC seeking registration of 2,000,000 of cumulative preferred shares, \$25 par. The stock is to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York 10005, and Dean Witter & Co., 45 Montgomery St., San Francisco, Calif. 94106. The dividend rate, public offering price (\$25.50 per share maximum\*), and underwriting terms are to be supplied by amendment. The company will use the net proceeds of its stock sale in connection with its construction program. It expects that gross plant expenditures for the years 1966-1967 will approximate \$571,539,000. In addition to indebtedness and preferred stock, the company has outstanding 37,482,882 common shares. J. K. Horton is president and Harold Quinton is board chairman.

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended November 3, 1966, 26 registration statements were filed, 29 became effective, 4 were withdrawn, and 368 were pending at the week-end.

**SECURITIES ACT REGISTRATIONS.** Effective November 4: Equity Funding Corporation of America, 2-25591 (40 days); Exeter Second Fund, Inc., 2-25276; Fifth Empire Fund, Inc., 2-25268; KLM Royal Dutch Airlines, 2-25633 (40 days); New England Gas and Electric Association, 2-25597 (Dec 14); Sav-A-Stop, Inc., 2-25495 (40 days).

Withdrawn November 4: Tantalena Company, 2-23607.

**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.

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