

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

Washington 25, D.C.

FOR RELEASE January 30, 1957

National Gypsum Company, Buffalo, filed a registration statement (File 2-13044) with the SEC on January 28, 1957, seeking registration of 100,000 shares of its \$1 par Common Stock, to be offered under the company's Restricted Common Stock Option Plan for key employees of the company and its subsidiaries.

## Investment Company Act Release No. 2479

Gas Industries Fund, Inc., Boston investment company, has applied to the SEC for an exemption order permitting its acquisition of securities proposed to be offered for sale by Trans-Canada Pipe Lines, Limited (Calgary, Alberta, Canada); and the Commission has issued an order giving interested persons until February 11, 1957, to request a hearing thereon.

Trans-Canada has proposed the public offering of \$80,000,000 of Subordinated Debentures due 1976 and 4,000,000 common shares (\$1 par), to be offered in units consisting of \$100 of debentures and five common shares. Gas Industries proposes to acquire 5,000 of such units. One of the principal underwriters of the offering is The First Boston Corporation. James H. Orr, a director of First Boston, is also a director of Gas Industries. Because of such affiliation, the purchase of Trans-Canada securities by Gas Industries during the existence of the underwriting and selling syndicate is prohibited by the statute unless an exemption order is issued by the Commission. Gas Industries proposes to acquire the units from members of the underwriting group other than First Boston.

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Barnwell Offshore, Inc., Shreveport, La., filed a registration statement (File 2-13045) with the SEC on January 29, 1957, seeking registration of \$2,000,000 of 6% Subordinated Sinking Fund Debentures, due February 15, 1967, and 600,000 shares of Common Stock, 50¢ par. These securities are to be offered for public sale in units, each consisting of \$100 principal amount of debentures at \$98 and 30 common shares at \$1 per share. Bear, Stearns & Co. is named as the principal underwriter. Underwriting terms are to be supplied by amendment.

The company was organized under Delaware law on December 5, 1956, for the principal purpose of drilling oil and gas wells off the shores of the States of Louisiana and Texas in the Gulf of Mexico. Net proceeds of this financing, together with the proceeds of the prior sale of common stock (\$390,000), will be applied as follows: \$1,907,440 toward purchase of a mobile drilling platform from R. G. LeTourneau, Inc.; an unspecified amount (to be supplied by amendment) for a diesel electric drilling rig and related drilling equipment; \$120,000 to be deposited with the De-

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benture Trustee; and the balance for working capital.

The company's promoters are R. S. Barnwell, Sr., R. S. Barnwell, Jr., Frank H. Harrell and Bear, Stearns & Co. They own or will acquire a total of 390,000 common shares at \$1 per share, or 39% of the stock which will be outstanding after this financing, assuming all the \$2,000,000 of debentures and 600,000 common shares are sold.

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Venezuelan Sulphur Corporation of America, New York, filed a registration statement (File 2-13046) with the SEC on January 29, 1957, seeking registration of 150,000 shares of its 50¢ par Common Stock. The company proposes to offer these shares for public sale at the market price but not less than \$3 per share. No underwriting is involved.

Venezuelan Sulphur was organized under Delaware law in 1954, for the purpose of acquiring all of the issued and outstanding capital stock of Venezuelan Sulphur Corporation, Compania Anonima. The latter was organized in 1952 under Venezuelan law for the purpose of the exploration, mining, producing, refining and selling of sulphur and other minerals, and the acquisition of concessions relating thereto. Its principal assets include the concessions, denouncements (mining claims), and applications for exploration permits relating to sulphur deposits in Venezuela. It also owns an 80% interest in denouncements to certain cinnabar (mercury) deposits. The Venezuelan company has no earnings history. Recently it entered into an agreement with Columbian Carbon Company whereby, upon the acquisition by the Venezuelan Company of concession title to 100% of these mercury deposits, Columbian Carbon will pay the Venezuelan Company the sum of \$35,000 for an 8 month option to purchase the said mercury properties for the total sum of \$250,000, plus certain royalty payments for the life of the concessions.

Part of the net proceeds of this financing will be used to pay the \$28,500 balance of the purchase price of the mercury properties; \$50,000 will be used for the payment of certain current obligations; and the balance of the proceeds will be expended for exploration and for working capital.

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Raymond Oil Company, Inc., Wichita, Kansas, filed a registration statement (File 2-13047) with the SEC on January 29, 1957, seeking registration of 200,000 shares of 25¢ par Common Stock, to be offered for public sale through an underwriting group headed by Perkins & Company, Inc. The public offering price and underwriting terms are to be supplied by amendment.

Raymond Oil was organized under Delaware law in 1956. Its promoters are Francis M. Raymond, Board Chairman and President, Charles W. Raymond and Perkins & Company, Inc. On November 1, 1956, the company acquired from the Francis M. Raymond Group, their respective individual interests in certain producing and non-producing oil and gas properties, together with substantially all other assets pertaining to their individual oil and gas operations in the United States, in exchange for a

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total aggregate of 913,000 shares of the company's common stock and the assumption by the company of certain liabilities aggregating \$435,447. The properties acquired are said to have had a cost to the Raymond Group of approximately \$1,068,820 after deducting depreciation and depletion. An additional 20,000 common shares were sold to Perkins & Company, Inc., for \$10,000.

The company is engaged in the exploration, development and operation of oil and gas properties and in the production and sale of oil. Of the net proceeds of this financing, approximately \$230,000 will be used to pay off the company's bank and certain other loans and approximately \$30,000 will be used in carrying out its drilling and development program. Substantially all of the balance of the proceeds will be used for exploration and development of its non-producing properties. Part of the proceeds also may be used for the acquisition, exploration and development of additional properties.

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Morningstar, Nicol, Inc., New York, filed a registration statement (File 2-13048) with the SEC on January 29, 1957, seeking registration of 100,000 shares of its \$1 par Common Stock. Of this stock, 77,858 shares are to be offered for public sale by the issuing company and 22,142 (representing presently outstanding stock) by certain selling stockholders. Lee Higginson Corporation is named as the principal underwriter; and the public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries manufacture and distribute (1) raw starches, converted starches including dextrans, water soluble gums and related products and (2) liquid industrial adhesives. Of the proceeds of its sale of the 77,858 shares, \$100,000 is to be used for the construction of a by-product recovery plant in Houlton, Me.; \$200,000 for the construction of a large adhesive plant in California to replace presently leased facilities; \$250,000 for the construction and installation of a polyvinyl acetate plant in Hawthorne, N. J.; \$100,000 for improvements to its St. Louis plant; \$70,000 for additions to the building and equipment in Chicago; and the balance for additional working capital.

The company now has outstanding 322,142 shares of common stock. The prospectus lists fourteen selling stockholders. Of these, Joseph Morningstar, Board Chairman and Treasurer, who owns 45,405 shares, or 14.09% of the outstanding stock, proposes to sell 3,173 shares; two other members of the Morningstar family propose to sell 2,894 shares each; George J. Muller, President, 2,312 shares; and Murray Stampel, Executive Vice President, 2,296 shares. The only other sale exceeding 2,000 shares is to be made by Flora M. Funkhouser, in the amount of 2,265 shares. The other blocks being sold range from 463 shares to 1,685 shares.

Holding Company Act Release No. 13374

Public Service Company of Oklahoma (Tulsa) has received SEC authorization to issue and sell, at competitive bidding, \$12,000,000 of First Mortgage Bonds, Series F, due February 1, 1987. Net proceeds will be used by the company to pay for a part of the cost of its construction program and for the payment or prepayment of short-term bank debt incurred and to be incurred for that purpose.

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Keystone Custodian Funds, Inc., Boston investment company, filed amendments on January 28, 1957 to the following registration statements, seeking registration of additional securities as indicated:

File No. 2-10662 - 500,000 shares Series S-2 Certificates of Participation

File No. 2-10658 - 1,000,000 shares Series B-1 Certificates of Participation

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Ulen Management Company, New York, filed a registration statement (File 2-13049) with the SEC on January 29, 1957, seeking registration of 400,000 shares of its \$1 par Common Stock, to be offered for public sale at \$5.50 per share. The offering is to be made on a "best efforts" basis by a group of underwriters headed by Sutro Bros. & Co. and Allen & Company. Underwriting terms are to be supplied by amendment. If all the shares are sold, the company has agreed to sell to the underwriters, and the underwriters have agreed to buy, at a price of 10¢ per optioned share, options to purchase 67,500 common shares at \$5.50 per share at any time on or before February 28, 1962. If less than all the shares are sold, the number of such options will be reduced proportionately.

Ulen proposes to change its name to Development Corporation of America at a meeting of stockholders scheduled for February 15, 1957.

The company's present business consists principally of the operations of its wholly-owned subsidiary, Acorn Paint & Chemical Company, Cleveland, O. It also retains 50% of the capital stock of Athens Water Company and \$7,019,000 principal amount of 8% Sinking Fund Bonds of National Economic Bank of Poland. Net proceeds of the present financing are to be added to working capital for use principally in connection with the expansion of the company's activities into the real estate field.

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Sperti Products, Inc., Hoboken, N. J., filed a registration statement (File 2-13050) with the SEC on January 29, 1957, seeking registration of \$745,300 6% Debentures due March 1, 1972, and 14,906 shares of Common Stock, \$1 par. The company proposes to offer these securities in units each consisting of \$100 of debentures and two shares of common stock. \$545,300 of the debentures and 10,906 common shares are to be offered in exchange for the 54,530 outstanding shares of its 5% Cumulative Convertible Preferred Stock, \$10 par, at the rate of one unit of such securities for each ten shares of preferred stock. \$200,000 of the debentures and 4,000 common shares are to be offered for public sale by Smart, Clowes & Oswald, Inc., underwriter, at \$100 per unit and with a \$7.50 commission to the underwriter. The underwriter also has agreed to purchase from the company at \$92.50 per unit all the debentures and common stock offered to stockholders which are not required to be issued pursuant to the exchange offer.

Net proceeds of the sale of debentures and common stock to the underwriter will initially be added to the general funds of the company to be available for its general corporate purposes, including working capital, and, if the exchanged preferred stock is redeemed by the company, the payment of the redemption price.

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Danly Machine Specialties, Inc., Cicero, Ill., today filed a registration statement (File 2-13051) with the SEC seeking registration of 150,000 Common Shares, \$5 par, to be offered for public sale by a group of underwriters headed by A. G. Becker & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of this financing will be used, with other funds from internal sources, to continue the company's expansion program commenced in January, 1956, with acquisition of the former Thor Corporation plant adjacent to the company's plant. As of December 31, 1956, outstanding commitments in respect of the program aggregated \$4,600,000 for construction, machinery and equipment. The company produces precision built die sets and die makers' supplies and mechanical stamping presses.

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Ashland (Ky.) Oil & Refining Company today filed a registration statement (File 2-13052) with the SEC seeking registration of 306,000 shares of its \$1 par Common Stock, to be issued pursuant to the exercise of options issued to officers and key employees of the company and its subsidiaries under its Key Personnel Stock Option Plan.

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