

# 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 August 20, 1957

Edward N. Gadsby of Littleton, Massachusetts, today took the oath of office as a Member of the Securities and Exchange Commission for the term expiring June 5, 1958. Mr. Gadsby has been designated by President Eisenhower as Chairman of the Commission.

Chairman Gadsby succeeds to the vacancy created by the resignation of J. Sinclair Armstrong to accept appointment as an Assistant Secretary of the Navy. Commissioner Andrew Downey Orrick has been serving as Acting Chairman since May 28, 1957, following Mr. Armstrong's resignation.

At the time of his appointment Chairman Gadsby was a member of the Boston law firm of Sullivan & Worcester, with which he has been associated since 1956.

Chairman Gadsby was born on April 11, 1900 at North Adams, Mass. He served in the United States Army in 1918. A graduate of Amherst College (A. B., 1923, Phi Beta Kappa) and the New York University School of Law (J. D., 1928), he was associated with the law firm of Mudge, Stern, Williams & Tucker, New York City, from 1929 to 1937. He then returned to North Adams, Mass. where he practiced law from 1937 to 1947. During this period, from 1938 to 1944 he served as a Member of the City Council of North Adams, being President of that body in 1943; and from 1940 to 1945 he also served as Government Appeals Agent of Local Board 132.

In 1947 he was appointed a Commissioner of the Massachusetts Department of Public Utilities and held that position until 1952, serving as its Chairman from 1947 to 1949. In 1952 he was appointed General Counsel of the Massachusetts Department of Public Utilities, and held that position until 1956.

Chairman Gadsby is a member of the New York and Massachusetts Bars and has been admitted to practice in various Federal courts. He is a member of the American, Massachusetts, and Middlesex County Bar Associations.

He is married to the former Isabelle Halsey of New York, and they have two children, Edward N., Jr., born in 1935 and Susan E., born in 1938.

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## MIDWEST PIPING CO. FILES STOCK OPTION PLAN

Midwest Piping Company, Inc., St. Louis, filed a registration statement (File 2-13553) with the SEC on August 19, 1957, seeking registration of 25,000 shares of its \$5 par Common Stock, to be issued and sold under the company's Restricted Stock Option Plan for eligible employees of the company.

## MORTGAGE CLUBS OF AMERICA PROPOSES SECURITY OFFERING

Mortgage Clubs of America, Inc., Springfield, Mass., filed a registration statement (File 2-13554) with the SEC on August 19, 1957, seeking registration of \$1,000,000 of Participating Units in Second Mortgages of Real Estate. These securities are to be offered for public sale in units of \$100, plus a sales commission of \$10 per unit to the company.

Organized under Massachusetts law on June 25, 1957, the company proposes to make available to investors opportunities to jointly participate with others in small loans secured by second mortgages on real estate properties situated in New England. Proceeds of the sale of the units are invested by the company on behalf of the owners of the units in small loans secured by second mortgages on home properties.

The development of the company's mortgage club plan is an outgrowth of the operations of Associated Mortgage Companies, an unincorporated business conducted by Charles Hershman who is also president and controlling stockholder of the company. Associated will solicit borrowers through real estate brokers and others in the New England area; and if the property appears to Associated to have enough equity to warrant the requested second mortgage loan, it is added to a list of mortgages which Associated makes available to the company at no cost. Associated charges all borrowers a commission of from six to ten percent of the amount of money loaned, part of which may be paid as a finder's fee.

## WEST TEXAS UTILITIES PROPOSES LEASE OF SPUR, TEXAS, ELECTRIC SYSTEM

West Texas Utilities Company, Abilene, Texas, has applied to the SEC for an order permitting it to lease the electric plant and distribution system owned and operated by the City of Spur, Texas; and the Commission has issued an order giving interested persons until September 3, 1957, to request a hearing thereon.

Under the proposed lease agreement, West Texas Utilities will lease from the City, for an initial term of 40 years, all the properties comprising the City's electric generating plant and distribution system at an annual rental of \$22,500. The company also will pay to the City an annual franchise tax equal to 2% of the total annual revenues received from customers within the City for electric service supplied

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to them. The lease further provides that the company shall merge the City's system and the company's system into a single, modern electric distribution system and that, at the end of the initial 40-year term, the City shall have the option to acquire the entire merged system in the City. If the City fails to exercise such option, the company may, at its election, either extend the lease for an additional term of years or acquire the City's interest in the merged system. The company now owns and operates an electric distribution system serving, among other communities, the City of Spur and environs. (See Holding Company Act Release No. 13531)

#### HAGAN CHEMICALS & CONTROLS PROPOSED PREFERRED STOCK OFFERING

Hagan Chemicals & Controls, Inc., Pittsburgh, Pa., today filed a registration statement (File 2-13555) with the SEC proposing the public offering of 30,000 shares of its Cumulative Convertible Preferred Stock (\$50 par). The company proposes to offer the stock for public sale through a group of underwriters headed by Singer, Deane & Scribner. The dividend rate, public offering price and underwriting terms are to be supplied by amendment.

The company recently purchased a suburban site of 27 acres and has commenced the erection thereon of a two-story office building and modern research laboratory (five miles from the Greater Pittsburgh Airport) which, including land, will cost approximately \$1,750,000. The company has recently received \$1,000,000 of new money as proceeds of a long-term borrowing from an insurance company. These funds, together with the proceeds of the sale of the preferred shares, will be used to complete the construction of the office building and research laboratory; and the balance will be added to the company's working capital.

#### LEHIGH PORTLAND CEMENT FILES FINANCING PROPOSAL

Lehigh Portland Cement Company, Allentown, Pa., today filed registration statements (Files 2-13557 and 2-13556) with the SEC seeking registration of \$30,000,000 of Sinking Fund Debentures due 1979 and 380,312 shares of \$15 par Common Stock. The debentures are to be offered for public sale through an underwriting group headed by The First Boston Corporation, the public offering price and the underwriting terms to be supplied by amendment. The shares of Common Stock are to be offered to holders of the company's outstanding Common Stock of record at the close of business on September 10, 1957, for subscription at the rate of one share for each ten shares held. This offering also is to be underwritten by a group headed by First Boston. The subscription price and underwriting terms are to be supplied by amendment.

Proceeds from the sale of the Debentures and Common Stock will be added to the general funds of the company and will be applied in part to the prepayment of \$26,000,000 principal amount of bank loans previously incurred in connection with the company's expansion program. The balance will be available for other corporate purposes, including part of the cost of certain new facilities. The company's current expansion program will involve expenditures estimated at \$161,000,000 (including replacements) through 1958, of which expenditures to June 30, 1957, amounted to \$134,000,000.