

# 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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**CONSOLIDATED NATURAL GAS FILES FOR SYSTEM FINANCING.** Consolidated Natural Gas Company, New York holding company, has joined with six of its subsidiaries in the filing of a financing proposal with the SEC; and the Commission has issued an order (Release 35-14236) giving interested persons until June 14, 1960, to request a hearing thereon.

According to the application, the subsidiaries contemplate spending in 1960 an aggregate of \$64,500,000 for construction purposes and other plant requirements. Internal sources of the Consolidated system are expected to provide \$20,850,000 of such cash requirements and the balance will be provided (a) by the sale by Consolidated to banks of \$25,000,000 of short-term construction notes; (b) by the use of \$15,000,000 of the proceeds derived from Consolidated's February 1960 sale of \$25,000,000 of debentures (\$10,000,000 having been used to pay off then-outstanding notes); and (c) by the use of \$3,650,000 of treasury cash of Consolidated. In addition, Consolidated will provide the cash needed to meet the 1960 gas storage inventory requirements of four subsidiaries through issuance to banks of \$35,000,000 of notes and will renew for one year \$30,000,000 of outstanding construction notes. The \$43,650,000 of cash will be made available to the subsidiaries by means of intrasystem issuances, sales, and acquisitions of common stocks and short-term and long-term notes. Subject to market conditions, Consolidated, through long-term debt financing, intends to refund the \$25,000,000 of short-term construction notes prior to their maturity and possibly in 1960 and the \$30,000,000 of construction notes before July 1, 1961.

**BROAD ST. INVESTING SEEKS ORDER.** Broad Street Investing Corporation, New York investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to the issuance of its shares at net asset value for substantially all the cash and securities of Hugest Company, Inc.; and the Commission has issued an order (Release 40-3938) giving interested persons until June 13, 1960, to request a hearing thereon. Hugest is an investment company with 100 stockholders. Substantially all its cash and securities, with a value of about \$6,233,000 as of May 3, 1960, are to be transferred to Broad Street in exchange for shares of the latter's stock.

**LACLEDE GAS FILES FINANCING PROPOSAL.** Laclede Gas Company, 1017 Olive St., St. Louis, Mo., filed a registration statement (File 2-16659) with the SEC seeking registration of \$10,000,000 of First Mortgage Bonds, series due July 1, 1985, and 243,607 shares of common stock. The bonds are to be offered for sale at competitive bidding. The stock is to be offered for subscription by common stockholders on the basis of one additional share for each 14 shares held of record July 8, 1960. The subscription price and underwriting terms are to be supplied by amendment; and the principal underwriters of the stock offering are Lehman Brothers Merrill Lynch, Pierce, Fenner & Smith, and Reinholdt & Gardner.

Net proceeds of the sale of the bonds and stock will be used to pay bank loans incurred for construction purposes, and to add to the company's working capital to be used for construction and general corporate purposes. Bank loans amounted to \$7,300,000 on May 21, 1960. Construction expenditures are estimated at \$63,100,000 for the five year period ending September 30, 1966.

The company now has outstanding 3,299,436 common shares, together with preferred stock, debentures and bonds, of which 49,105 shares are owned by management officials. A 7% stock interest is held by Stupp Bros. Bridge and Iron Company; and Erwin P. Stupp, a director of the company, controls about 3/4 of the stock of Stupp Bros. The prospectus lists Robert W. Otto as board chairman and H. Reid Derrick as president.

**TEXAS INSTRUMENTS FILES STOCK PLAN.** Texas Instruments Incorporated, 13500 North Central Expressway, Dallas, filed a registration statement (File 2-16660) with the SEC on June 1, 1960, seeking registration of 200,000 shares of common stock, to be offered pursuant to the company's Stock Option Plan.

**PAPERCRAFT CORP. FILES FOR RIGHTS OFFERING.** The Papercraft Corporation, 5850 Centre Ave., Pittsburgh, today filed a registration statement (File 2-16661) with the SEC seeking registration of 130,063 shares of common stock. The company proposes to offer these shares for subscription by common stockholders at the rate of one new share for each eight shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. Eastman Dillon, Union Securities & Co. heads the list of underwriters.

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The company makes and packages decorative papers, foils, ribbons, seals and tags for use in wrapping gifts. It now has outstanding 1,001,850 common shares and certain indebtedness. Of the net proceeds of the stock sale, about \$2,100,000 will be used to repay the bank loan recently incurred in connection with the recent acquisition of the physical assets in the United States of Johnson & Johnson's LePage's Division. The latter packages and markets adhesives and pressure sensitive tapes under the brand name LePage's. The balance of the proceeds will be added to the general funds of the company, mainly for use, as necessary, in operating the company's new subsidiary, LePage's, Inc., to which the properties were transferred.

The prospectus lists Samuel Katz as honorary board chairman and Joseph M. Katz as board chairman and president. The latter is the record owner of 500,000 common shares, of which 150,000 shares are beneficially owned. Agnes R. Katz is listed as the owner of 150,000 shares.

PACOTRONICS FILES OFFERING PROPOSAL. Pacotronics, Inc., 70-31 84th Street, Glendale, Long Island, N.Y., today filed a registration statement (File 2-16662) with the SEC seeking registration of 150,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made on an all or none basis by Myron A. Lomasney & Co., for which a 60¢ per share commission is payable. The company also will issue to the underwriter 15,000 5-year common stock purchase warrants at the price of 1¢ each, the initial exercise price of the warrants being \$4 per share. The underwriter has purchased 5,000 shares at \$1.25 per share from Solomon M. Weingast and Alan D. Mentzer, directors and president and treasurer, respectively. These warrants and shares are included in the registration statement although the underwriter is said to have no present intention of selling same. Also included in the registration statement are 25,000 shares issuable to Max Fabrikant, a finder, upon the conversion in full by him of a \$25,000 note.

The company and its subsidiaries are engaged in the manufacture and sale of electronic test equipment for industrial and consumer use, high fidelity components and panel meters for use in electrical instruments. It intends, upon the completion of this offering, to manufacture and sell additional products. Net proceeds of the stock sale, estimated at \$485,000 will be added to the general funds of the company and used as follows: (a) to discharge \$90,000 of short-term bank loans obtained in April 1959 for working capital purposes; and (b) to finance the research and development of new products (several of which are said to be in the development stage) and to purchase equipment necessary for the manufacture and production of such products, as well as new products now ready to be marketed.

According to the prospectus, the company now has outstanding 195,750 common shares and certain indebtedness. Weingast is listed as the owner of 86,000 shares and Mentzer 75,250 shares.

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