

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington 25, D.C.

FOR RELEASE December 13, 1957

VULCAN MATERIALS FILES FOR EXCHANGE OFFER

Vulcan Materials Company, Birmingham, Ala., filed a registration statement (File 2-13791) with the SEC on December 12, 1957, seeking registration of 114,396 shares of 6-1/4% Cumulative Preferred Stock, \$100 par; 54,631 shares of 5-3/4% Cumulative Preferred Stock, \$100 par; 87,000 shares of 5% Cumulative Convertible Preferred Stock, \$16 par; and 2,390,230 shares of Common Stock, \$1 par.

Pursuant to an agreement of merger, to become effective December 31, 1957, Union Chemical & Materials Corp. and Lambert Bros., Inc., are to be merged into Vulcan. Under the merger agreement, each of the 1,143,968 shares of Union common outstanding are to be converted into 1-1/4 shares of Vulcan common (1,429,960 shares) and 1/10 share of Vulcan 6-1/4% preferred (114,396.8 shares). Each of the 1,092,639 shares of Union 5% Cumulative Preferred Stock outstanding will be converted into 1/20 share of Vulcan 5-3/4% preferred (54,632 shares). Each of the 1200 common shares of Lambert then outstanding will be converted into 486-1/3 shares of Vulcan common (583,600 shares) and 72-1/2 shares of Vulcan 5% Convertible preferred (87,000 shares).

Vulcan also will acquire all of the outstanding capital stock of Wesco Materials, Inc., Wesco Contracting Company, Asphalt Paving Materials Company, Brooks Sand and Gravel Company and Tennessee Equipment Company, 50% of the outstanding capital stock of Chattanooga Rock Products Company, and 66-2/3% of the outstanding capital stock of Rockwood Slag Products, Inc., in exchange for 376,670 shares of Vulcan common. Prior to the above merger, Lambert owned, and as a result of the merger Vulcan will own, the remaining 50% stock interest in Chattanooga Rock and the remaining 33-1/3% stock interest in Rockwood Slag.

The Vulcan common and preferred shares covered by the registration statement are to be issued in exchange for the securities of Union and Lambert and for the other seven corporations.

The prospectus lists Alfred C. Buttfield as Board Chairman of Vulcan and Charles W. Ireland as President. Principal stockholders are Charles W. Ireland and the First National Bank of Birmingham, as trustees under the will of H. G. Ireland, and the First National Bank of Birmingham, as trustee under the will of C. B. Ireland, each with 13.8% of the Vulcan common, after giving effect to the merger and the exchanges of stock. The total voting stock held by each is 12.2%. Voting control to be held by others is as follows: Murchison Interests, 3.6%; Utilities & Industries Management Corp., 3.2%; and Continental Can Company, Inc., 2.8%.

For further details, call ST. 3-7600, ext. 5526

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PONCE HOTEL FILES FINANCING PROPOSAL

Ponce Hotel Corporation, San Juan, P.R., filed a registration statement (File 2-13792) seeking registration of 1,590 shares of 6% Cumulative Preferred Stock, Series A, \$100 par; 12,410 shares of 6% Cumulative Preferred Stock, Series AA, \$100 par; and 598,000 shares of Common Stock, \$1 par. These securities are to be offered for public sale by Compania Financiera de Inversiones, Inc., of San Juan, as agent for the company. The offering is to be made in 14,000 units, each consisting of one share of preferred and 26 shares of common, at a price of \$126 per unit. All of the Series A preferred, together with 41,340 common shares are to be sold to Puerto Rico Industrial Development Company, an instrumentality of the government of Puerto Rico. Intercontinental Hotels Corporation, a subsidiary of Pan-American World Airways, has agreed to subscribe to 2,000 shares of Series AA stock and 52,000 common shares at the same price as offered to the public, to be paid for out of fees otherwise payable by Ponce Hotel to IHC for technical assistance.

Ponce Hotel was organized on April 10, 1957 and was formed for the purpose of building and owning a first-class hotel in the City of Ponce, P.R. and leasing it for a long term to IHC. The company is to have a total capitalization of \$3,500,000, of which \$1,500,000 will be interim debt financing succeeded by long-term mortgage debt, the latter with State Mutual Life Assurance Company of America. Of 234,000 common shares not included in the registration statement, 54,000 shares are to be issued at \$1 per share to State Mutual, subject to certain conditions, when the hotel is completed. The balance, consisting of 180,000 shares, will be issued to the company's president and principal promoter, Henry H. Held, of San Juan, and to other promoters. The underwriter is to receive a fee of \$5,000 for its services in selling the stock as company agent. The proceeds of the financing, together with the proceeds of the debt financing and other funds, will be applied to purchase the proposed hotel site, construction, furnishing and equipment of the hotel and related expense. The cost of the building is estimated at \$2,000,000. Total costs, including financing charges and other expenses, are estimated at \$3,500,000.

STOCK DIVIDEND PROPOSED BY CITIES SERVICE

Cities Service Company, New York, has applied to the SEC for authorization to issue and distribute 206,251 shares of its common stock as a stock dividend; and the Commission has issued an order (Holding Company Act Release No. 13627) giving interested persons until December 27, 1957, to request a hearing thereon. Cities proposes to distribute the stock on or about January 23, 1958, to its stockholders of record November 29, 1957, as a 2% stock dividend, on the basis of one share of new stock for each 50 shares outstanding.

TEXAS NATURAL GASOLINE SEEKS EXEMPTION

Texas Natural Gasoline Corporation, Tulsa, Okla., has applied to the SEC for an order exempting it and its subsidiaries from all provisions of the Holding Company Act; and the Commission has issued an order (Holding Company Act Release No. 13628) giving interested persons until January 2, 1958, to request a hearing thereon.

Texas Natural and its subsidiary companies are said to be engaged principally in the business of the manufacture and sale of liquefied petroleum gas and natural gasoline. The claim to exemption is based on the contention that Texas Natural is only incidentally a holding company. It owns all of the outstanding stock of Florida Keys Gas Company, Inc., which is a gas utility company operating in the City of Key West, Florida, and its environs, and is the only subsidiary which is a "public utility company." Consolidated assets of Texas Natural and subsidiaries total \$40 million and those for Florida Keys Gas \$632,542.

MANILA ELECTRIC EXCHANGE OF DEBT SECURITIES PROPOSED

Manila Electric Company, a Philippine subsidiary of General Public Utilities Corporation, New York holding company, has joined with GPU in the filing of an application with the SEC for an order permitting Manila Electric to issue new bonds in exchange for debentures held by GPU; and the Commission has issued an order (Holding Company Act Release No. 13629) giving interested persons until December 26, 1957, to request a hearing thereon. Under the proposal, GPU proposes to acquire 8,000,000 pesos principal amount of a new issue of Manila Electric's first mortgage bonds maturing December 31, 1972, in exchange for a like amount of outstanding 5-3/4% unsecured debentures of Manila Electric held by GPU and maturing January 1, 1960, plus a cash payment for an interest adjustment. The interest rate on the new bonds is expected to be 6%.

The proposed exchange of new bonds for the debentures held by GPU is said to be part of a program whereby all of Manila Electric's outstanding 24,000,000 pesos principal amount of debentures will be exchanged for new bonds or redeemed. Manila Electric has outstanding an additional 16,000,000 pesos principal amount of debentures, held in the Philippines. In order to facilitate exchanges by the holders of 8,000,000 pesos principal amount of these 6½% Series B debentures, Manila Electric will offer to make a cash payment to such holders of 31.84 pesos for each 1,000 peso debenture exchange for an equal principal amount of new bonds, the cash payment representing an interest adjustment. GPU will make a 254,720 pesos cash contribution to Manila Electric to assist it in making such cash payments.

PACIFIC POWER FILES FINANCING PROPOSAL

Pacific Power & Light Company, Portland, Ore., today filed a registration statement (File 2-13793) with the SEC seeking registration of \$15,000,000 of First Mortgage Bonds, Series due 1988, and 100,000 shares of Serial Preferred Stock, \$100 par. The company proposes to offer these securities for public sale at competitive bidding.

Net proceeds of this financing, together with cash presently on hand, to be internally generated and to be provided by other financing, will be used in carrying forward the company's construction program through 1958 and in retiring bank borrowings (not expected to exceed \$17,500,000) made or to be made for the purpose of financing temporarily the company's construction program. Construction expenditures in 1958 are estimated in the amount of \$58,906,000. This program is expected to require \$14,000,000 of additional financing in 1958.

HOYT, "STRIP FOR ACTION" OFFERING SUSPENDED

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of securities by Howard Hoyt, as "The Strip for Action Company," New York, N.Y.

Regulation A provides a conditional exemption from registration under the Securities Act with respect to offerings of securities not exceeding \$300,000 in amount. In his Regulation A notification, filed February 1, 1956, Hoyt proposed a public offering of pre-formation limited partnership interests in an amount not exceeding \$300,000. The Commission in its suspension order asserts that Hoyt failed to comply with certain terms and conditions of Regulation A and that his offering circular is false and misleading. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

More particularly, the Commission alleges in its order that Hoyt failed to file the required semi-annual reports of sales of securities (including the use to which the proceeds thereof were applied) and has ignored requests by its staff for such filings, and that he failed to disclose all the jurisdictions (states) in which the securities were to be offered and sold. Moreover, the order challenges the accuracy and adequacy of information contained in Hoyt's offering circular, in that the company was formed on the basis of contributions aggregating about \$120,000 contrary to the statements in the circular and provisions of the proposed limited partnership agreement that the partnership would not be formed until aggregate limited partnership contributions equal to the estimated production requirements have been made and contrary to the memorandum of agreement that the contributions would be returned and the partnership would not be formed if \$250,000 were not raised within four months of the date thereof.

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