

# 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.

January 25, 1957

FOR RELEASE \_\_\_\_\_

Garment Capitol Associates, New York, filed a registration statement (File 2-13034) with the SEC on January 24, 1957, seeking registration of 1,047 Participations in Partnership Interests in Garment Capitol Associates, to be offered for sale at \$10,000 minimum per unit. No underwriting is involved.

Garment Capitol Associates is a partnership consisting of Lawrence A. Wien, William F. Purcell and Alvin Silverman. It proposes to purchase the land and building located at 498 Seventh Avenue, New York City, at a total cost of \$10,500,000. This is to be paid all in cash and the property will be owned by Associates free and clear of any mortgages. A deposit of \$1,000,000 already has been made on account of the purchase price. Associates will not operate the property. Simultaneously with the purchase, it will execute a 25 year net lease of the entire premises, renewable for two like terms, to 498 Seventh Avenue Associates, a partnership comprised of Harry B. Helmsley, Messrs. Wien, Purcell and Silverman and ten other persons. The lessee will pay an annual net rent of \$1,090,000 to Associates.

Each of the three partners in Associates will contribute at least \$10,000 to the capital of the partnership. In addition, each partner is offering \$3,490,000 of Participations in his partnership interest in Associates. Thus, upon completion of the offering, the partnership capital will be \$10,500,000.

Proceeds of the sale of Participations will be used to pay the balance of the cash required in order to acquire title and to reimburse the partners for \$970,000 of the deposit advanced. The lessee will pay \$50,000 to be used to defray the costs of this offering. The rent to be received by Associates under the net lease has been set, according to the prospectus, at a sum sufficient to enable Associates to defray administrative costs and to make a monthly cash distribution to each participant equal to 10% per year of his original cash Participation.

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Trans-Gulf Offshore Drilling, Inc., Houston, Texas, filed a registration statement (File 2-13035) with the SEC on January 24, 1957, seeking registration of 700,000 shares of its 25¢ par Common Stock. The offering of the stock is to be made by an underwriting group headed by Dallas Rupe & Son, Inc. The offering price is to be \$2 per share and the underwriting commission 30¢ per share. The underwriting agreement provides that if the underwriters purchase any of the shares, they are required to purchase all thereof.

Trans-Gulf was organized under Texas law on December 18, 1956. It proposes to conduct drilling operations in the coastal waters of Louisiana. Its organizers are

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Drennan O. Wade (President), Douglas W. Wade, William H. Flynn, Harry J. Chavanne (Board Chairman) and Ben S. Robinson. Trans-Gulf initially issued to these organizers, in equal proportions, 466,470 shares of its common stock, for which they paid the sum of \$177,500. The company also proposes to issue to a limited group of associates, relatives and close friends of the organizers 105,000 common shares for \$178,500. and to issue to suppliers and contractors 88,235 shares for \$150,000. Assuming the sale of the 700,000 common shares to be offered to the public, the public will have invested \$1,400,000 and will own approximately 51.48% of the outstanding stock, while the organizers and such other persons referred to above will have invested \$506,000 and will own approximately 48.52% of the stock. Such organizers also will purchase subscription warrants entitling them to purchase 320,000 common shares at \$2 per share, exercisable at any time after January 1, 1958, and on or prior to December 31, 1959. Dr. Wendell H. Nedderman, one of the directors, will purchase similar warrants entitling him to purchase 10,000 common shares. All such warrants will be purchased for two cents for each share covered thereby. The company also will issue to the underwriters similar warrants for the purchase of 55,000 common shares.

Trans-Gulf proposes to use the net proceeds of its financing program, including bank borrowings estimated at \$1,868,000 as follows: \$35,000 for expenses incident to registration of the common stock; \$2,537,000 for mobile drilling platform; \$254,000 as allowances for escalation and contingency charges; \$235,000 for six months advance payment on bank note; \$225,000 for 90 days cash operating expenses; \$55,000 for organization and operating expenses during initial period, and \$223,000 as safety surplus funds.

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Aid Investment & Discount, Inc. Akron, O., filed a registration statement (File 2-13036) with the SEC on January 24, 1957, seeking registration of \$1,250,000 of 6% Capital Notes, due February 1, 1972 (Convertible until February 1, 1964, and Subordinated to all Indebtedness for Borrowed Money). The company proposes to offer the notes for public sale through Merrill, Turben & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the automobile sales finance business. Net proceeds of the sale of the notes are to be added to its general working funds, and the company intends to use them for the expansion of its business in the area it now serves and in adjoining territories. Pending such use of the funds, they will be applied to the temporary reduction of outstanding bank loans.

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New York Shipbuilding Corporation, Camden, N. J., filed a registration statement (File 2-13037) with the SEC on January 24, 1957, seeking registration of 211,254 shares of its \$1 par Common Stock. These shares are presently outstanding and are owned and are to be sold by Merritt-Chapman & Scott Corporation, which will continue to own, after such sale, 1,030,504 of the 1,280,504 outstanding shares. The selling stockholder intends to offer the shares from time to time, either on the New York Stock Exchange at the prevailing price on such Exchange at the time of sale, or by public or private sale otherwise than on such Exchange, at prices related to those on said Exchange.

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Continued on Page 3

The Anaconda Company, New York, today filed a registration statement (File 2-13038) with the SEC seeking registration of 1,734,865 shares of its \$50 par Capital Stock. The company proposes to offer these shares for subscription by its stockholders of record February 14, 1957, at the rate of one additional share for each five shares then held. The subscription price and underwriting terms are to be supplied by amendment. Hallgarten & Co. is named as the principal underwriter.

Net proceeds of the financing will be added to the general funds of the company; and it is anticipated that such funds together with amounts becoming available from operations may prove sufficient to finance the contemplated improvement and expansion program. This program calls for the expenditure of approximately \$350,000,000 by the company and its consolidated subsidiaries during the period September 30, 1956, through 1961, principally for the further expansion of production in the Butte District, developing and equipping El Salvador mine in Chile, improvements at the Chuquicamata mine and plant in Chile, expansion and modernization of existing fabricating facilities and completion of the new fabricating facilities now under construction. Of these expenditures it is estimated that approximately 67% will be expended on properties in the United States and Canada and 33% on properties in Chile and Mexico.

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The West Penn Electric Company, New York, today filed a registration statement (File 2-13039) with the SEC seeking registration of 528,000 shares of its \$5 par Common Stock. The company proposes to offer these shares for subscription by holders of its common stock of record on March 14, 1957, at the rate of one additional share for each 16 shares then held. Underwriters will be selected by competitive bidding. The subscription price and underwriting terms are to be supplied by amendment.

During the past five years West Penn's subsidiaries made gross electric property additions of about \$171,000,000 and gross retirements of \$23,000,000. Cash expenditures for construction during 1957 and 1958 are estimated at \$101,500,000. To carry out their construction programs, the subsidiaries expect to use their cash resources and proceeds from the issue in 1957 of about \$34,000,000 of senior securities and about \$14,000,000 of common stocks. West Penn expects to purchase about \$13,400,000 of such common stocks with the proceeds of this financing.

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Massachusetts Investors Trust, Boston investment company, filed an amendment on January 24, 1957 to its registration statement (File 2-11401) seeking registration of an additional 8,868,132.796 shares of Beneficial Interest in the Trust.

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*Feb. 26*