

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 July 3, 1958

CARRTONE LABORATORIES FILES FOR OFFERING

Carrtone Laboratories, Inc., Metairie (New Orleans), La., filed a registration statement (File 2-14240) with the SEC on July 2, 1958, seeking registration of 600,000 shares of its 10¢ par common stock. The company proposes to offer the stock for public sale at \$5 per share. The offerings to be made on a "best efforts" basis through Earl T. Carr, founder, principal promoter, controlling stockholder and president, who will receive a selling commission of 50¢ per share all or part of which he will reallocate as commissions to others.

The company was organized under the laws of Delaware on June 16, 1958, as successor to other corporations of the same name, is engaged in the manufacture and sale, primarily in the Southern States, of ethical pharmaceuticals. Net proceeds of the sale of stock will be used for various purposes, including \$350,000 to finance the salaries and expenses of the field staff, expected to be increased from 32 to approximately 100 medical service representatives; \$250,000 for advertising support of the field staff; \$250,000 to finance the initial production of parenterals and other medications; \$300,000 to finance increase of physical plant; \$550,000 to finance international operations; 100,000 for medical research; and \$650,000 for working capital.

The registration statement also includes an additional 140,000 shares to be offered to officers, directors, certain employees and other affiliated persons upon the exercise of stock options which may be granted such persons. Assuming all the 600,000 shares are sold to the public and the options exercised, the public will have contributed \$3,000,000 for 600,000 shares, or approximately 29% of the total of 2,100,000 shares then outstanding; Carr (together with his wife) will own 1,083,945 shares, or approximately 52% (which, in addition to cash commissions in the amount of \$10,613, they received for the most part in consideration of services rendered the company and its predecessors); 46,750 shares will be held by employees for services rendered and an additional 40,000 (7%) will be held by employees, including officers and directors, pursuant to the exercise of options for which the company will receive not less than \$700,000, and the remaining 229,305 shares, or approximately 10%, will be held by approximately 2,000 present stockholders for which the company received \$500,000.

MONTROSE CHEMICAL FILES FOR SECONDARY

Montrose Chemical Company, Newark, N. J., filed a registration statement (File 2-14241) with the SEC on July 2, 1958, seeking registration of 277,320 outstanding shares of its \$1 par common stock, to be offered for public sale by the holders thereof through an underwriting group headed by Van Alstyne, Noel & Co. The public offering price and underwriting terms are to be supplied by amendment.

The prospectus lists eleven selling stockholders, who own in the aggregate 633,000 or 66.8% of the outstanding shares. Among these are Pincus Rothberg, president, who proposes to sell 10,016 of his holdings of 211,236 shares; Benjamin L. Rothberg, vice president, 84,781 of 204,481; Samuel Rotrosen, Secretary-Treasurer, 8,979 of 20,379; Miriam Rotrosen, 30,257 of 72,057; R.W. & Co., Inc., 28,725 of 69,765; Benjamin Rothbert, as trustee for his children, all of 12,000 shares; and Samuel Rotrosen, as trustee for his children, all of 7,200 shares.

* * * * *

OVER

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

SEC INSTITUTES ACTION AGAINST WILSON

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Robert W. Wilson, of Denver, Colorado.

According to the Commission's order, Wilson, a sole proprietorship, was permanently enjoined by the U.S. District Court for the District of Colorado on June 3, 1958, from engaging in or continuing certain conduct and practices in connection with the sale of securities. The order further asserts that information developed in an investigation "if true, tends to show" that during the period July 1956 to August 1957 Wilson offered and sold Wyoming Oil Company stock in violation of the registration and disclosure requirements and the anti-fraud provisions of the Securities Act of 1933. False and misleading statements were made, the order states, with respect to the present and future value of the stock, the market price of the stock, and the limited nature of the offering.

Furthermore, according to the order, Wilson, although representing that he would act in the best interests of his customers, induced them to purchase Wyoming stock at prices far in excess of prevailing market prices, withheld information as to such prevailing market prices, and thereby obtained unreasonable and excessive profits.

At a hearing scheduled for August 12, 1958, in the Commission's Denver Regional Office, inquiry will be conducted for the purpose of adducing evidence with respect to the foregoing matter and to determine whether Wilson has wilfully violated the registration and anti-fraud provisions of the Federal Securities Laws and, if so, whether his broker-dealer registration should be revoked.

TRUAX-TRAEER COAL FILES EMPLOYEE STOCK PLAN

Truax-Traer Coal Company, Chicago, today filed a registration statement (File 2-14242) with the SEC seeking registration of \$600,000 of Participations in its Employees Stock Purchase Incentive Plan, together with 30,000 shares of its \$1 par Common Stock which may be purchased pursuant to said Plan.

NATURAL GAS PIPELINE CO. OF AMERICA PROPOSES FINANCING

Natural Gas Pipeline Company of America, Chicago, today filed a registration statement (File 2-14243) with the SEC seeking registration of \$35,000,000 of Debentures due July 1, 1978, and 150,000 shares of its \$100 par Cumulative Preferred Stock. The debentures are to be offered for public sale through an underwriting group headed by Dillon, Read & Co. Inc., and Halsey, Stuart & Co. Inc.; and the interest rate, public offering price and underwriting terms are to be supplied by amendment. Dillon Read & Co. Inc., heads the list of underwriters for the preferred stock offering; and the dividend rate, public offering price and underwriting terms are to be supplied by amendment.

Of the net proceeds of the sale of these securities, the company proposes to apply \$44,500,000 to the payment of bank loans not outstanding in that amount and representing indebtedness incurred principally for the purpose of temporarily financing the cost of additions made to the property of the company. The balance of the proceeds will be added to the general funds of the company.

TRADING IN TRANS CONTINENTAL INDUSTRIES SUSPENDED

The Securities and Exchange Commission today announced the issuance of an order pursuant to Section 19(a) (4) of the Securities Exchange Act of 1934 suspending trading on the American Stock Exchange and the Detroit Stock Exchange in the common stock, \$1 par value of Trans Continental Industries, Inc. for a period of ten days, July 6, 1958 to July 15, 1958, inclusive. Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive or manipulative acts or practices, trading by brokers and dealers in such stock in the over-the-counter markets also is prohibited during the period of the suspension by reason of the Commission's Rule 240.15c2-2.

Continued

The Commission had issued a similar order on June 26, 1958, covering the period June 26 to July 5, 1958, inclusive, after it had been informed that several broker-dealer firms were engaged in an unlawful over-the-counter distribution of these securities by use of the mails and federal instrumentalities and that at the same time there were substantial purchases of these securities by a foreign source under circumstances which raised the price of this security, all as more fully set forth in Securities Exchange Act Release No. 5724. The Commission's investigation of this matter is continuing.

---0000000---