

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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AMERICAN MUTUAL FUND PROPOSES PURCHASE OF SELECTED SECURITIES ASSETS

American Mutual Fund, Inc., Los Angeles investment company, has applied to the SEC for an exemption order permitting the proposed issuance of its shares at net asset value for substantially all of the cash and securities of Selected Securities Corporation; and the Commission has issued an order giving interested persons until September 30, 1958, to request a hearing thereon.

According to the application, as of June 30, 1958, the net assets of American amounted to \$79,814,380, and there were then outstanding 10,327,846 shares of stock. Selected is an investment company having less than 100 stockholders and is exempt from registration under the Investment Company Act by reason of the provisions of Section 3(c)(1) thereof. Pursuant to an agreement between American and Selected substantially all of the cash and securities owned by Selected, with a total value of \$1,852,483 as of June 30, 1958, will be transferred to American in exchange for shares of American.

AMERICAN CEMENT PROPOSES DEBENTURE OFFERING

American Cement Corporation, Philadelphia, filed a registration statement (File 2-14368) with the SEC on September 17, 1958, seeking registration of \$20,000,000 of Sinking Fund Debentures to be offered for public sale through an underwriting group headed by Blyth & Co., Inc. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company resulted from the merger effective as of the close of business December 31, 1957 of Peerless Cement Corporation, a Michigan corporation, and Hercules Cement Corporation, a Pennsylvania corporation, with and into Riverside Cement Company. The name of Riverside Cement Company, which was incorporated in Delaware in 1928, was changed to American Cement Corporation. The businesses of the three constituent corporations have been continued through three divisions under the names of Riverside Cement Company, Peerless Cement Company, and Hercules Cement Company. The company, whose home office is in Los Angeles, owns and operates six cement manufacturing plants, two Riverside plants at Riverside and Oro Grande, California; two Peerless Plants at Detroit, Michigan, and one at Port Huron, Michigan; and the Hercules plant at Stockertown, Pennsylvania. The prospectus states that these plants have a combined capacity of approximately 18,500,000 barrels of cement per year. In addition, the company has commenced construction of a seventh plant at Clarkdale, Arizona, which will have a capacity of approximately 1,650,000 barrels per year.

Net proceeds from the sale of the debentures will be used in part to retire bank loans of approximately \$7,700,000, of which \$3,500,000 was borrowed in January 1958 for the purpose of retiring funded debt. The balance of the proceeds will be added to the general funds of the company. According to the prospectus, while this balance is not specifically earmarked for definitive programs, it is anticipated that it will be used in connection with the company's expansion and rehabilitation program. Current major projects, and their estimated cost of completion, as of July 31, 1958, are as follows: the new cement plant in Clarkdale, \$16,000,000; new facilities in the Oro Grande plant, \$900,000; and various acquisitions of land, \$500,000. The prospectus states that all of these projects are scheduled for completion prior to December 31, 1959. The company anticipates that additional funds required to complete the projects will be provided from internal sources and, if necessary, by bank borrowings or such other financing as the company may deem desirable.

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