

# SECURITIES AND EXCHANGE COMMISSION

# NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

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## CONSOLIDATED NATURAL GAS RIGHTS OFFERING CLEARED

The SEC has issued an order under the Holding Company Act (Release 35-14009) authorizing Consolidated Natural Gas Company, New York holding company, to offer an additional 821,256 shares of its \$10 par capital stock to holders of its outstanding stock on the basis of one new share for each 10 shares held (the subscription price is to be not less than 85% of the current market price on the day preceding the fixing of such price).

Upon the sale of the stock, Consolidated proposes to acquire additional stock of subsidiaries as follows: The East Ohio Gas Company, \$11,000,000; Hope Natural Gas Company, \$12,500,000; New York State Natural Gas Corporation, \$2,000,000; The Peoples Natural Gas Company, \$9,000,000; and The River Gas Company, \$250,000.

Later in 1959, Consolidated proposes to issue and sell \$20,000,000 of debentures and to loan the net proceeds thereof to four of its subsidiaries, but Consolidated does not presently request authorization of these transactions.

Pending the sale of the stock and debentures, Consolidated proposes to make bank borrowings from time to time during 1959 in amounts not exceeding \$45,000,000; but if the stock sale is consummated prior to the first borrowing, the amount of the borrowed will be reduced to \$20,000,000. These funds are to be used to acquire notes of four of the subsidiaries, as follows: East Ohio, \$19,000,000; Hope, \$15,000,000; New York State, \$7,000,000; and Peoples, \$13,500,000.

Consolidated further proposes to issue and sell, during 1959, up to \$35,000,000 of notes to 36 commercial banks, the proceeds to be loaned to subsidiaries to finance the seasonal purchase of gas for storage as follows: East Ohio, \$8,000,000; Hope, \$2,000,000; New York State, \$23,500,000; and Peoples, \$1,500,000.

## CONSOLIDATED NATURAL GAS TO SIGN SURETY BOND FOR SUBSIDIARY

Consolidated Natural Gas Company, New York holding company, has filed a proposal with the SEC to sign a surety bond for its subsidiary, Hope Natural Gas Company; and the Commission has issued an order under the Holding Company Act (Release 35-14010) giving interested persons until June 2, 1959, to request a hearing thereon.

According to the application, Hope filed new rate schedules with the Public Service Commission of West Virginia providing for rate increases approximating \$1,880,000 per year. By action of that Commission the effectiveness of the new rates was suspended until May 15, 1959. The new rates may now become effective upon the filing by Hope of a bond in the amount of \$1,880,000 with satisfactory surety, for the due and proper payment of any refunds which the State commission may order; and Consolidated proposes without fee or other consideration to sign such bond as Hope's surety to save the cost of securing an outside corporate surety.

## JERSEY CENTRAL P & L PROPOSES BOND OFFERING

Jersey Central Power & Light Company, 400 East Main St., Denville, N. J., filed a registration statement (File 2-15141) with the SEC on May 21, 1959, seeking registration of \$8,000,000 of First Mortgage Bonds, Series due 1989, to be offered for public sale at competitive bidding. Net proceeds of the sale of the bonds will be applied to the cost of the company's 1959 construction program or

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to reimburse the company's treasury for expenditures for that purpose. In June and July 1959, an aggregate of \$6,000,000 will be provided from the proceeds of the sale of additional stock to General Public Utilities Corporation (parent). Of such latter funds, \$4,000,000 will be applied to the partial reimbursement of the company's treasury for construction expenditures prior to 1959 (including \$2,600,000 to prepay bank loans obtained for that purpose); and the balance of \$2,000,000 will be applied to the partial reimbursement of the company's treasury for 1959 expenditures. The 1959 construction program contemplates cash expenditures approximating \$16,158,000.

#### EMERY INDUSTRIES PROPOSES DEBENTURE OFFERING

Emery Industries, Inc., Carew Tower, Cincinnati, filed a registration statement (File 2-15142) with the SEC seeking registration of \$6,103,700 of 4-3/4% Convertible Subordinated Debentures, due July 1, 1979. The company proposes to offer these debentures for subscription by its common stockholders of record June 5, 1959, at the rate of \$100 of debentures for 8 shares of stock, and at \$100 for each \$100 principal amount of debentures. No underwriting is involved.

The company produces industrial organic chemicals principally derived from fats and oils. Part of the proceeds of the sale of debentures will be used to repay outstanding current bank loans aggregating \$5,400,000. The remainder of the proceeds will be added to general funds available for general corporate purposes. The company expects to invest approximately \$6 to \$7 million over the next several years in plant expansion, diversification, and additional working capital.

#### FABREX CORP. FILES FOR OFFERING AND SECONDARY

Fabrex Corp., 115 West 40th St., New York, filed a registration statement (File 2-15143) with the SEC on May 21, 1959, seeking registration of 300,000 shares of Capital Stock, of which 150,000 shares are to be offered for public sale by the issuing company and the balance, representing outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Bache & Co. is listed as the principal underwriter.

The company is engaged in the textile converting business. It now has outstanding 500,000 common shares (in addition to indebtedness). Of the net proceeds of the sale of the additional stock, \$309,000 will be used to prepay the \$300,000 principal amount of 4% subordinated debentures now outstanding. The balance of the proceeds will be added to general funds of the company and will be used to reduce indebtedness to banks.

Holder of the 500,000 outstanding shares are Budd Levinson, board chairman, Paul Lazare, president, and Oliver Lazare, secretary-treasurer (in equal amounts). Each proposes to sell 50,000 shares to the underwriters for public distribution.

#### ISTEL FUND SEEKS REGISTRATION OF ADDITIONAL STOCK

Istel Fund, Inc., New York investment company, filed an amendment on May 20, 1959, to its registration statement (File 2-10841) seeking registration of an additional 100,000 shares of common stock.

#### AMERICAN CYANAMID FILES EMPLOYEE STOCK PLAN

American Cyanamid Company, 30 Rockefeller Plaza, New York, filed a registration statement (File 2-15144) with the SEC on May 21, 1959, seeking registration of 425,000 shares of common stock, to be offered to certain employees of the company and its subsidiary and affiliated companies.

#### OKLAHOMA CEMENT FILES FINANCING PROPOSAL

Oklahoma Cement Company, Beacon Building, Tulsa, filed a registration statement (File 2-15145) with the SEC on May 21, 1959, seeking registration of \$3,600,000 of Subordinated Debentures, due 1974, and 360,000 shares of common stock. It is proposed to offer these securities for public sale in units each consisting of \$100 of debentures and shares of stock. The number of shares per unit, the interest rate on the debentures, the public offering price of the units, and the underwriting terms are to be supplied by amendment. Laird & Company, Corporation is named as the principal underwriter.

The company was organized in March 1959 under sponsorship of George A. Fuller Company, Coastal States Gas Producing Company, Laird & Company, Corporation, and K. S. Adams. The prospectus lists Cloyce K. Box as president. The company plans to construct a plant at Pryor, Okla., northeast of Tulsa, for the manufacture of Portland cement, oil well cements and other special cements. It has issued 30,000 common shares for its properties, consisting principally of the assets of Ozark Portland Cement Company; and this stock also is included in the registration statement. The organizers have acquired, at par (\$1,000,000 in the aggregate), 333,600 shares of the 25¢ par common stock and 45,830 shares of 5% Convertible Non-Cumulative Preferred Stock, \$20 par. The company also has entered into an agreement for \$3,500,000 of bank borrowings. The company estimates the aggregate cost of the project as follows: \$278,220 for land acquisition; and \$7,076,000 for construction costs. The balance of the funds will be used for working capital.

#### CROSBY-TELETRONICS PROPOSES STOCK OFFERING

Crosby-Teletronics Corporation, 54 Kinkel St., Westbury, L. I., N. Y., today filed a registration statement (File 2-15146) with the SEC seeking registration of 250,000 shares of common stock, to be offered for public sale through an underwriter, Myron A. Lomasney & Co., at \$3.375 per share. The underwriter has agreed to purchase all the shares if any are taken, and will receive a commission of 40¢ per share. The company also has agreed to sell to the underwriter 25,000 common stock purchase warrants at 1¢ per warrant (\$250); and the underwriter has agreed to transfer 12,500 of such warrants, at its cost of 1¢ per warrant, to Harris, Upham & Co. as a finders fee.

The company was organized under New York law on April 16, 1959. It is a holding company whose operating subsidiaries are Crosby Laboratories, Inc., Syosset, N. Y., and Teletronics Laboratory, Inc., Westbury, L. I., N. Y. All the outstanding shares of capital stock of Crosby and of Teletronics were acquired by Crosby-Teletronics in exchange for shares of the latter's common stock; and Murray G. Crosby received 292,352 shares of such common stock for the Crosby stock and thirteen stockholders of Teletronics received a like number of common shares for Teletronics stock. Crosby, President, and Robert S. Marston and George F. Richards, executive officers, together with the other stockholder of Teletronics, will own, after the public sale of stock, approximately 70% of the company, representing an aggregate book value of \$288,563, while the public stockholders will have acquired a 30% interest for \$843,750.

The subsidiaries have been and Crosby-Teletronics is engaged in the business of designing, manufacturing and conducting research and development of highly technical and specialized electrical and electronic equipment. Net proceeds of the sale of additional stock will be used as follows: to discharge a Regulation V Bank credit loan of Teletronics which amount to \$212,004 at April 17, 1959; to discharge sundry bank loans of Crosby amounting to \$84,089; to exercise options to purchase improved real property; to discharge loans made by the officers of the two subsidiaries to the respective corporations of \$60,248; to pay \$3,725 of directors fees and \$8,849 of legal fees; and the balance for general corporate purposes.

#### REICHHOLD CHEMICALS FILES FOR STOCK OFFERING

Reichhold Chemicals, Inc., 525 North Broadway, White Plains, N. Y., today filed a registration statement (File 2-15147) with the SEC seeking registration of 400,000 shares of common stock, to be offered for public sale through an underwriting group headed by Blyth & Co., Inc. The initial public offering price will be related to the current market price of the outstanding shares on the New York Stock Exchange at the time of the offering. Underwriting terms are to be supplied by amendment.

The company is engaged principally in the business of manufacturing and selling synthetic resins and industrial chemicals. It now has outstanding 3,129,630 common shares (in addition to other securities). Net proceeds of the sale of the additional stock will be added to the general funds of the company; and it is expected that about \$10,000,000 will be applied to its construction program and the balance added to working capital. According to the prospectus, the company is engaged in a substantial program of additions and improvements to its plants and properties. For the period 1958-1960 it is presently expected that this program will amount to approximately \$24,000,000, of which about \$4,700,000 was expended in 1958.

STRATEGIC MINERALS CORP. HEARING POSTPONED

The SEC has authorized a further continuance from May 5 to May 25, 1959, of the hearing in the "stop order" proceedings under the Securities Act to determine whether the registration statement of Strategic Minerals Corporation of America, Dallas, is false and misleading and, if so, whether a stop order should be issued suspending its effectiveness. The statement proposed the public offering of \$1,000,000 of bonds and 1,200,000 common shares. The parties have been negotiating a factual stipulation which would avoid the necessity of an evidentiary hearing, and the continuance will allow additional time for the parties to reach an agreement of the stipulation. (For details, see Release 33-4059 or the SEC News Digest of 3/25/59.)

UNLISTED TRADING GRANTED PHILADELPHIA-BALTIMORE EXCHANGE

The SEC has issued orders (Release 34-5973) granting applications of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the common stocks of The Garrett Corporation and Rohm & Haas Company.

FIRST MD. SECURITIES CITED IN SEC ORDER

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 First Maryland Securities Corp., 50 Broadway, New York.

According to the order for proceedings, First Maryland Securities ("Registrant") became registered as a broker-dealer on January 30, 1958. Samuel J. Nagle is listed as president, a director and owner of 10% or more of its outstanding stock. It further appears (1) that Registrant failed to file the required report of its Financial condition as of a date not less than one month or more than five months after January 30, 1958; and (2) that by decree entered November 20, 1958, by the Supreme Court of the State of New York in and for the County of New York, Nagle was permanently enjoined from engaging in securities transactions within the State of New York.

A hearing has been scheduled for June 5, 1959, in the Commission's New York Regional Office for the purpose of inquiring into the foregoing matters and to determine whether Registrant's broker-dealer registration should be revoked.

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