

NEWS DIGEST

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

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ALLIED CHEMICAL FILES FOR SECONDARY. Allied Chemical Corporation, 61 Broadway, New York, filed a registration statement (File 2-19744) with the SEC on February 5th seeking registration of 2,789,578 outstanding shares of common stock, to be offered for public sale by the holders thereof from time to time on the New York, Midwest, or Pacific Coast Stock Exchanges, or otherwise, at prices current at the time of sale. Such shares are a portion of an aggregate of 6,352,795 shares to be issued by Allied to the holders of 4,841,569 Class A and 2,418,769 Class B shares of Union Texas Natural Gas Corporation, upon Union's merger into Allied on February 19, 1962.

Allied is a major producer of many types of chemical products, including petrochemicals, that is, chemicals for which natural gas, condensate and crude oil are the basic raw materials. Union explores for, develops and produces natural gas, condensate and crude oil and operates natural gas processing plants for the extraction of natural gasoline and liquefied petroleum gases. By the merger, Allied will acquire important supplies of basic raw materials for petrochemicals, and the knowledge and experience of the Union organization in developing and operating facilities to produce those materials. According to the prospectus, the acquisition by Allied of substantial natural gas and oil properties is in keeping with the policy followed by it for many years of owning reserves of raw materials used in its operations, such as coal, salt, fluorspar, sulfur and chrome. The merger proposal is subject to vote of Allied's stockholders on February 16, 1962.

In addition to certain indebtedness, the company has outstanding 20,049,837 shares of common stock, of which Solvay et Cie (Brussels, Belgium) owns 2,261,424 shares (11.3%) and management officials as a group 222,137 shares. The prospectus lists 95 selling stockholders who propose to sell all of their holdings. Included are Florence V. Burden, Shirley C. Burden, William A. M. Burden (board chairman of Union), William A. M. Burden & Co. and Cemp Investment Ltd., who propose to sell 274,161, 205,705, 105,981, 152,699 and 286,735 shares, respectively. Others propose to sell holdings ranging from 27 to 169,868.

ELDRE COMPONENTS FILES FOR OFFERING AND SECONDARY. Eldre Components, Inc., 187 North Water Street, Rochester, N. Y., filed a registration statement (File 2-19745) with the SEC on February 5th seeking registration of 100,000 shares of common stock, of which 75,000 shares are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by Jack A. Erdle, president and sole stockholder. The offering will be made at \$4 per share through underwriters headed by Charles Plohn & Co., which will receive a 40¢ per share commission and \$13,500 for expenses. The statement also includes 20,000 shares underlying a 5-year option sold to the principal underwriter for \$200, and 5,000 shares underlying a like option sold to Stone and Dickman, the finder, for \$50, all exercisable at \$4 per share.

The company (formerly Allied Soldering & Brazing Corp.) is engaged in the manufacture, joining, assembling and processing of metal parts and products, principally by the use of heat. It manufactures laminated magnetic shields for use in electronic computers, employing epoxy and/or solder to laminate and join the components. The \$246,000 estimated net proceeds from the company's sale of additional stock will be used for salaries; to acquire suitable real estate and to construct a building thereon; to acquire additional machinery and to move and install existing machinery; and for general working capital for use in carrying raw material, work in process and finished goods inventory and receivables.

The company has outstanding 125,000 shares of common stock, all of which are owned by Erdle and acquired for about 7¢ per share. As indicated, he proposes to sell 25,000 shares. Sale of the additional stock to the public at \$4 per share will result in an increase in the book value of the stock now outstanding from \$1.38 to \$2.09 per share and a corresponding dilution of \$1.91 per share in the book equity of stock purchased by the public.

BELL COLOR LITHOGRAPHERS FILES FOR STOCK OFFERING. Bell Color Lithographers, Inc., 225 Varick Street, New York, filed a registration statement (File 2-19746) with the SEC on February 5th seeking registration of 130,000 shares of common stock, to be offered for public sale at \$4.50 per share. The offering will be made on an agency best efforts basis by Market Values, Inc., which will receive a \$.5625 per share selling commission and \$29,250 for expenses. The statement also includes (1) 7,500 outstanding shares sold to a controlling person of the underwriter by principal stockholders and 2,500 shares to Harvin Hayutin, the finder, for an aggregate of \$1,000, and (2) 25,000 shares underlying 3-year warrants sold by the company to said controlling person and 5,000 shares underlying like warrants sold to Hayutin, exercisable at \$4.50 per share. A \$5,000 finder's fee is also payable to Hayutin by the company.

The company (formerly Promotion Printing & Lithographing Corp.) is engaged in commercial offset lithography and owns and operates photo-composing equipment and printing presses which permit high speed multi-color reproduction of a variety of copy. The net proceeds from the stock sale will be applied primarily for the purpose of improving the company's current position so that it may maintain its current level of operations. At November 30, 1961, its current assets amounted to \$293,617 and its current liabilities were \$499,714 resulting in a net working capital deficit of about \$206,097. Of such proceeds, \$365,000 will be used to repay trade notes payable and other indebtedness, and the balance for working capital or to reduce current accounts payable.

In addition to certain indebtedness, the company has outstanding 181,000 shares of common stock (after giving effect to a recent 1,810-for-1 stock split), of which David Zucker, president, and Golder Zucker own 47.2% each.

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CONSOLIDATED NATURAL GAS PROPOSES SERVICE COMPANY. Consolidated Natural Gas Company, New York holding company, together with a recently-organized subsidiary, Con-Gas Service Corporation, have joined in the filing of a proposal with the SEC under the Holding Company Act with respect to the organization and conduct of business of Con-Gas as a subsidiary service company in Consolidated's holding company system; and the Commission has issued an order (Release 35-14573) giving interested persons until February 28th to request a hearing thereon. According to the application, Con-Gas has been organized in order: (1) to centralize in a single service company the services presently being performed for system companies by Consolidated and four of its subsidiary companies; (2) to facilitate expansion of servicing activities in the holding-company system; and (3) to provide the means whereby the costs of services now being rendered by Consolidated to associate companies without charge may be allocated among such companies on an equitable basis. It will perform services at cost solely for associate companies in the Consolidated system. Consolidated owns all the outstanding stock of six subsidiary companies which are engaged in the purchase, production, storage, transmission, and distribution of natural gas in the States of Ohio, Pennsylvania, and West Virginia. As at December 30, 1960, total consolidated assets of the holding-company system amounted to \$782,000,000, and consolidated gross operating revenues for the year ended that date amounted to \$363,000,000. Con-Gas was incorporated by Consolidated on October 27, 1961, under the laws of the State of Delaware. Most of the 10 officers and 31 employees who are now employed by Consolidated will be transferred to the payroll of Con-Gas (although the salaries of five officers being transferred will continue to be paid in part by Consolidated). In addition, the 13 System Services Departments maintained by four of Consolidated's subsidiary companies, which heretofore have performed services for associate companies at cost under the supervision and direction of officers of Consolidated, will transfer to Con-Gas all of their employees, totaling 87. In order to expand existing services, 16 other employees of the subsidiary companies will be transferred to Con-Gas, and 24 new employees will be hired. It is stated that the additional services would be required irrespective of the proposed organization of Con-Gas.

ROBINETTE & CO. HEARING SCHEDULED. The SEC has scheduled a hearing for February 14, 1962, in its Washington office in the proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Robinette & Co., Inc., of Baltimore, should be revoked. In its order authorizing the proceedings (Release 34-6697) the Commission recited charges by its staff that Robinette & Co. had made false and misleading representations in the offer and sale of debentures of Dorothy Lamour, Inc.

ATLAS TRACTOR RENTALS, OTHERS, ENJOINED. The SEC Seattle Regional Office announced February 2d (Lit-2187) the entry of a Federal court order (USDC, WD Wash.) permanently enjoining the offer and sale of investment contracts by Atlas Tractor Rentals, Inc., and others in violation of the Securities Act anti-fraud provisions. The other defendants enjoined were H. Duane Harvey and Owen Verne Hutchinson. The contracts covered tractors, trailers and trailerboats and lease-back arrangements with respect thereto; and the defendants also engaged in such activities under the names of Atlas System, Atlas Trailerboat, and Atlas Tractor Rentals, Ltd.

CORAL RIDGE PROPERTIES PROPOSES DEBENTURE OFFERING. Coral Ridge Properties, Inc., 716 North Federal Highway, Fort Lauderdale, Florida, filed a registration statement (File 2-19747) with the SEC on February 5th seeking registration of \$5,000,000 of sinking fund subordinated debentures due 1977 (with attached 10-year warrants to purchase 1,100,000 shares of common stock at from \$3 to \$5 per share), to be offered for public sale through underwriters headed by Cruttenden, Podesta & Co., A. C. Allyn & Co. and J. R. Williston & Beane. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes \$500,000 of like debentures (with warrants) underlying a 37-day option granted to the underwriters to cover over-allotments.

A large portion of the company's business is the development and sale of land. It has various types of real estate, including unimproved land fronting on the Atlantic Ocean and Intracoastal Waterway available for residential, hotel and commercial development, and other unimproved land available for residential and commercial development, as well as improved real estate consisting of two hotels and a shopping center. Most of such properties are located in Fort Lauderdale and Broward County, a small amount in Boynton Beach, and a large tract of undeveloped land in Highlands County, south of Sebring, all in south Florida. It also owns a small tract of land near Santa Rosa, California. Of the net proceeds from the debenture sale, \$2,250,000 will be used to develop during 1962 and 1963 a substantial part of the Broward County acreage including engineering and planning, dredging, grading, installation of lakes and canals, installation of sewer and water lines, and of other utilities, and construction of roads; \$789,000 will be used to pay the balance needed to complete construction of and put in operation the Coral Ridge Hotel, Fort Lauderdale (the remaining \$900,000 to be financed by a construction loan); \$500,000 will be used for payment of sales and organization expense and other charges in connection with the proposed construction of Coral Ridge Towers North (adjacent to the Intracoastal Waterway) until the company starts receiving advances under an anticipated loan; and the balance will be used for working capital, development of other company properties, and possible acquisition of other properties.

In addition to various indebtedness and preferred stock, the company has outstanding 4,650,000 shares of Class A and 300,000 shares of Class B common stock, of which James S. Hunt, president and board chairman, owns 13.1% and 15%, respectively, and Stephen A. Calder, secretary, 40.6% and 45%, respectively. In addition Jack P. Hunt and James S. Hunt, Jr., vice presidents, each own 13.6% and 15%, respectively.

SECURITIES ACT REGISTRATIONS. Effective February 6: Caterpillar Tractor Co. (File 2-19530); Commonwealth Realty Trust (File 2-19338); R. Hoe & Co., Inc. (File 2-19521).