

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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)



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FOR RELEASE October 21, 1959

HYDROMATICS FILES FOR OFFERING AND SECONDARY

Hydromatics, Inc., 70 Okner Parkway, Livingston, N. J., filed a registration statement (File 2-15741) with the SEC on October 20, 1959, seeking registration of 105,000 shares of common stock, to be offered for public sale through an underwriting group headed by Paine, Webber, Jackson & Curtis and Tucker, Anthony & R. L. Day. Of this stock, 80,000 shares are to be sold by the company and 25,000, representing outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the business of designing, manufacturing and selling ball valves used by the missile and aircraft industry. It now has outstanding 208,000 common shares in addition to certain indebtedness. Net proceeds to the company from its sale of additional stock will be added to working capital. A substantial portion will be used to retire \$125,000 of short-term bank borrowings and to purchase additional machinery and equipment costing about \$300,000 during the next 12 months.

According to the prospectus, officers and directors as a group own 199,000 of the outstanding shares. Bernard L. Moss, president, proposes to sell 15,000 of his holdings of 144,000 shares and Harrison J. Britton, vice president, 10,000 of his holdings of 55,000 shares.

WHITE SHIELD PROPOSES STOCK OFFERING

White Shield Corporation, 317 E. 34th St., New York, filed a registration statement (File 2-15742) with the SEC seeking registration of 110,000 shares of common stock. Public offering of these shares is to be made on an all or none basis by Adams & Peck, of New York, which will advise the issuing company before the close of business on the third full business day following the effective date of the registration statement whether it will purchase the shares offered for sale. Public offering price of the shares and the underwriting terms are to be supplied by amendment. William Call, a director of the company, is a partner of the underwriter. The company has agreed to sell to the underwriter, for \$2,500, warrants to purchase 10,000 common shares (at a price also to be supplied by amendment). The warrants are exercisable until May 1962. The company also has sold warrants, at 25¢ each, to John Andresen, William B. Call, and Oscar Kimelman, directors, for the purchase of 5,000 common shares each at \$3.50 per share, the warrants being exercisable until April 1962.

Organized in September 1957, the company is engaged in the sale of vitamins, vitamin mixtures and, to a lesser extent, non-prescription drugs, at wholesale to department stores, variety chain stores and drug stores. It also sells drug sundries, such as razor blades, hot-water bottles, and similar types of products. The company now has outstanding 452,120 common shares and certain indebtedness. Of the net proceeds of the sale of additional stock, about \$100,000 will be allocated in the next 12 months for national advertising of the company's products, mostly in magazines. An additional \$20,000 may be required in connection with the equipping of a quality control laboratory at the office of the company. The remaining proceeds will be added to the company's general funds to be used for the carrying of larger inventories and accounts receivables, merchandising and promotional activities and general working capital.

Of the outstanding stock, 221,450 shares (48.98%) are owned by officers and directors of the company (88,000 each by Calvin L. Fox and Richard Krauss, president and vice president, respectively). The prospectus further indicates that, in addition to shares initially issued to the promoters, an investor group acquired in May 1959 and now holds 220,000 common shares at a cost per share of \$0.727.

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

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 TRANSWESTERN PIPELINE FILES FINANCING PROPOSAL

Transwestern Pipeline Company, First City National Bank Bldg., Houston, Texas, filed a registration statement (File 2-15743) with the SEC on October 20, 1959, seeking registration of \$40,000,000 of 5% Subordinated Debentures, due 1969, and 2,000,000 shares of common stock, together with 400,000 shares of 5½% Cumulative Preferred Stock, \$100 par, which are reserved for issuance in payment of the debentures, at the option of the company, after October 1, 1961. The debentures and common shares are to be offered only in units, each consisting of \$100 principal amount of debentures and 5 common shares. The offering is to be made through an underwriting group headed by Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith. The public offering price and underwriting terms are to be supplied by amendment.

Organized in March 1957, the company proposes to construct and operate a natural gas transmission pipeline system extending from Texas and Oklahoma through the states of New Mexico and Arizona to a point near Topock, Arizona on the Arizona-California border, where it will connect with a pipeline of Pacific Lighting Gas Supply Company, a subsidiary of Pacific Lighting Corporation. The gas transported through the company's pipeline system will be sold to the said Gas Supply Company for distribution in Southern California; such distribution will be made by Southern California Gas Company and Southern Counties Gas Company of California, two subsidiaries of Pacific Lighting. Transwestern now has contracts for the purchase of gas in Texas, Oklahoma and New Mexico.

The estimated cost of the pipeline system to and including the stage of initial operation is \$194,498,000 (including working capital). The company proposes to obtain the required funds through the following financing program: (1) the proceeds of the private placement of First Mortgage Bonds, 5½% Series due 1980, \$103,000,000; (2) the proceeds of the sale of the 400,000 units of debentures and stock; (3) the proceeds from the sale of 4,000,000 common shares prior to August 31, 1959, \$10,000,000; and (4) five-year 5% bank loans, \$28,000,000.

The organizers of the company were Warren Petroleum Corporation, J.R. Butler (vice president, secretary and treasurer) and Monterey Oil Company. W. K. Warren is listed as board chairman, John R. McMillan vice chairman, and Mills Cox, president. The 4,000,000 outstanding common shares were issued for a cash consideration of \$10,000,000. Warren Petroleum and Monterey Oil own 1,920,000 shares or 48% and 950,000 shares or 23-3/4% respectively. Butler and his partners in the firm of Butler, Miller and Lents own 960,000 shares; Cox owns 159,000 shares; and McMillan owns 10,000 shares.

BALDWIN SECURITIES FILES EXCHANGE OFFER

Baldwin Securities Corporation, 15 Broad St., New York, filed a registration statement (File 2-15744) with the SEC on October 20, 1959, seeking registration of 823,825 shares of common stock. Baldwin proposes to offer to exchanges shares of its common stock for shares of common stock of General Industrial Enterprises, Inc., at the rate of 5 shares of Baldwin common for each share of General common.

According to the prospectus, the exchange offer originates in the agreement of settlement of a suit pending in the U. S. District Court for the District of Delaware against General and Baldwin, in which Norte & Co. and Irving A. Koerner, on behalf of themselves and all other stockholders of General similarly situated, are the plaintiffs. Baldwin offers to exchange its common shares for all but not less than 44,765 shares of the outstanding General common. If there is a minimum acceptance of the exchange offer, judgment will be entered dismissing the pending suit. If not, the settlement agreement will be null and void and all actions taken pursuant thereto will be without prejudice to the respective legal positions of the parties to the settlement.

PACIFIC URANIUM MINES FILES FINANCING PROPOSAL

Pacific Uranium Mines Company, 739 North Highland Ave., Los Angeles, filed a registration statement (File 2-15745) with the SEC on October 20, 1959, seeking registration of \$3,000,000 of 6% Secured Notes, 675,000 stock purchase warrants, and 675,000 shares of common stock. Of these securities, \$1,600,000 of the notes and 360,000 warrants are to be offered to holders of \$1,600,000 of outstanding notes of the company in exchange for consideration of the surrender of the outstanding notes. The remaining \$1,400,000 of new notes and 315,000 warrants are to be offered to American Securities Corporation, acting on behalf of clients, for an aggregate consideration of \$1,344,000 cash for the notes and \$56,000 cash for the warrants.

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According to the prospectus, the company in 1957 issued for cash \$1,600,000 of long-term debt securities, consisting of \$800,000 of 6% Collateral Sinking Fund Notes due 1962, which are now in technical default (but under terms of an agreement no holder may call due any of the outstanding notes). In order to refinance the outstanding notes, obtain funds to subscribe to securities of its affiliate Ambrosia Lake Uranium Corporation and meet additional working capital requirements of Pacific Uranium, the latter on August 21, 1959, entered into an agreement with American securities, acting on behalf of clients and the holders of the outstanding notes, which provides for the issuance by Pacific Uranium to American of the \$1,400,000 of 6% Secured Notes, due 1963, to be purchased by American at 96% of their principal amount; the exchange of all outstanding notes for 6% Secured Notes in the same principal amount; and the creation and issuance, to American and to the holders of outstanding notes, of stock purchase warrants evidencing the right to purchase 675,000 common shares at \$4.50 per share. Simultaneously with the signing of the note agreement, Pacific Uranium entered into an agreement to borrow \$700,000 from the Empire Trust Company, of New York, due January 4, 1960, and to be repaid with part of the cash receivable from the sale of the secured notes and warrants.

Ambrosia was organized in 1957 and is owned 25% each by Pacific Uranium, Kerr-McGee Oil Industries, Inc., Anderson Development Corporation, and the Branson heirs (owners of the mineral rights of the Ambrosia properties); and it has an 80% working interest under mining leases upon 4-3/4 Sections of uranium properties within the Ambrosia Lake area of McKinley County, N. M. In order to develop and mine these uranium rights, Pacific Uranium, Kerr-McGee and Anderson have agreed to supply financing for Ambrosia, pursuant to which each has advanced to Ambrosia \$870,000 evidenced by mortgage bonds secured by a lien upon the leases.

N. Y. STATE ELECTRIC & GAS FILES FOR RIGHTS OFFERING

New York State Electric & Gas Corporation, 108 East Green St., Ithaca, N. Y., today filed a registration statement (File 2-15746) with the SEC seeking registration of 467,247 shares of common stock. The company proposes to offer these shares for subscription by common stockholders of record November 20, 1959, at the rate of one new share for each fifteen shares then held. The subscription price and underwriting terms are to be supplied by amendment. The First Boston Corporation and three other firms head the underwriting group.

Net proceeds of the sale of the stock will be used to discharge \$8,480,000 of short term obligations incurred in connection with the company's construction program and the balance will be used for construction expenditures. The company estimates its construction expenditures at \$25,800,000 for 1959 (\$17,400,000 expended through September 30) and \$27,500,000 for 1960.

BARBER-GREENE FILES FOR OFFERING AND SECONDARY

Barber-Greene Company, 400 North Highland Ave., Aurora, Ill., today filed a registration statement (File 2-15747) with the SEC seeking registration of 133,600 shares of common stock. Of this stock, 125,000 shares are to be offered for public sale by the issuing company. The balance, 8600 shares, are to be offered for sale by the present holders thereof. The offering is to be made through an underwriting group headed by William Blair & Company. The public offering price and underwriting terms are to be supplied by amendment.

The company produces asphalt mixing plants and asphalt paving machines, materials-handling equipment for conveying, elevating, loading and unloading bulk materials, and ditching machines. It now has outstanding 600,000 common shares and certain indebtedness. Net proceeds to the company of its sale of additional stock will be added to its general funds and used in part to reduce bank loans amounting to \$3,000,000 at August 31, 1959. The resulting increase in working capital will enable the company to further its product development program and to carry anticipated larger receivables. The bank indebtedness was incurred to finance in part the construction of a new plant at DeKalb, Ill., and the increase in inventories necessitated by expanded sales.

Of the outstanding stock, officers and directors as a group own 124,140 shares, or 20.7%. The majority of the outstanding stock is held and has been held through the years by members and relatives of the Barber family and the Greene family. H. Ashley Barber is company president and William B. Greene is board chairman. The selling stockholders are Robert O. Davidson, 1,000 of 12,630 shares held; Davidson as Guardian of the estates of three minors, 2,000 of 25,290; the Estate of W. H. Graham, all of 4,800; and Axel F. Erickson, 800 of 1,800.

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TRUSTEESHIP UNDER C.I.T. FINANCIAL DEBENTURES CLEARED

The SEC has issued an order (Release 39-149) declaring that trusteeship of Chemical Bank New York Trust Company under two indentures is not so likely to involve a material conflict of interest as to make it necessary in the public interest to disqualify the Trust Company from acting as trustee under said indentures. The indentures related to \$100,000,000 of 3-5/8% Debentures due 1970 for which The New York Trust Company was named as indenture trustee, and \$75,000,000 of 4-5/8% Debentures due 1979 for which Chemical Corn Exchange Bank was named as indenture trustee. The two trustees were merged on September 8, 1959.

FINANCING BY NEES SUBSIDIARIES CLEARED

The SEC has issued an order (Release 35-14078) authorizing Quincy Electric Company and Weymouth Light and Power Company, subsidiaries of New England Electric System, Boston holding company, to issue for cash to The First National Bank of Boston debenture bonds in the respective principal amounts of \$2,600,000 and \$3,500,000.

The two companies will apply the proceeds of the sale of the debenture bonds to the payment of short-term notes in the approximate amounts of \$2,850,000 for Quincy and \$4,150,000 for Weymouth. This financing is in anticipation of an eventual merger of the two subsidiaries.

BORROWINGS BY NEES SUBSIDIARIES CLEARED

The SEC has issued an order (Release 35-14077) authorizing Lynn Gas and Electric Company and Weymouth Light and Power Company, subsidiaries of New England Electric System, Boston, to issue and sell additional notes. Lynn Gas, which has outstanding a short-term note payable to The First National Bank of Boston in the amount of \$1,800,000, proposes to issue to said bank from time to time prior to January 1, 1960, additional notes in the aggregate amount of \$1,300,000. Weymouth, which has outstanding \$3,850,000 of notes payable to NEES, proposes to issue to NEES from time to time prior to January 1, 1960, additional notes in an aggregate amount of \$300,000. The additional funds will be used by the two companies for construction expenditures or to reimburse their treasuries therefor, and thus meet their cash requirements through 1959 pending permanent financing.

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