

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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Washington 25, D.C.

FOR RELEASE October 21, 1960

CAVITRON SHARES IN REGISTRATION. Cavitron Corporation, 42-15 Crescent Street, Long Island City, N. Y., filed a registration statement (File 2-17202) with the SEC on October 20, 1960, seeking registration of 323,648 shares of common stock to be offered as follows: (1) 40,000 shares for public sale at the price prevailing in the over-the-counter market, but no less than \$12 per share; (2) 30,688 shares to holders of \$290,000 outstanding 5% convertible notes due March 15, 1967, against conversion of the notes at the conversion price of \$9.45 per share; (3) 172,273 shares to holders of \$344,546 outstanding 6% convertible notes due 1967 and 1968, against conversion of the notes at the conversion price of \$2 per share; (4) 11,837 shares to holders of \$58,000 outstanding 6% convertible notes due January 1, 1969, against conversion of the notes at the conversion price of \$4.90 per share; (5) 26,000 shares to holders of stock purchase warrants entitling them to purchase such shares at \$6.87 per share; and (6) 42,850 shares to holders of restricted stock options granted to key employees exercisable at prices ranging from \$2 to \$9 per share. No underwriting is involved. The 40,000 shares are to be offered for public sale through officers of the company. In addition, the prospectus includes 65,296 outstanding shares of common stock (of which 37,275 shares are represented by Voting Trust Certificates) which may be sold from time to time by certain present holders thereof.

The company is engaged in the development, manufacture and sale of ultrasonic dental equipment, including the dental unit, Cavitron Model 30, used in prophylaxis and periodontal work. A subsidiary also manufactures and sells dental hand instruments. According to the prospectus, the company has operated at a loss since its inception and has never paid any dividends. The company anticipates the maximum net proceeds to be received from the sale of additional stock (assuming a \$15 per share price for the 40,000 shares) will approximate \$1,000,000 in cash and \$692,546 in reduction of outstanding debt. Such cash proceeds will be used for general corporate purposes as follows: \$190,000 to replenish working capital depleted for moving expenses, to increase bank balances, and to finance the production of audio-sonic equipment; \$75,000 to pay outstanding demand notes payable to a bank; \$155,000 to purchase leased machinery and additional equipment, and to finance research and development work, including engineering and promotion; \$120,000 to pay installments on debt due in 1961; \$365,000 to prepay outstanding debt; \$50,000 to improve Cleveland plant facilities; and \$45,000 to finance additional research and development work.

In addition to various indebtedness and three series of preferred stock, the company has outstanding 278,326 shares of common stock, of which latter management officials as a group own 53,275 shares (19.1%). In addition, Frederick L. Schuster, board chairman, and Carleton Ellis, Jr., president, as Voting Trustees under a Voting Trust Agreement dated July 17, 1952, hold 101,620 shares (36.5%) of the outstanding common stock in trust for the holders of voting trust certificates. The prospectus lists 32 selling stockholders, including Schuster, Ellis and certain other officials of the company.

CONSOLIDATED EDISON PROPOSES BOND OFFERING. Consolidated Edison Company of New York, Inc., 4 Irving Place, New York, filed a registration statement (File 2-17203) with the SEC on October 20, 1960, seeking registration of \$75,000,000 of First and Refunding Mortgage Bonds, Series S, due December 1, 1990, to be offered for public sale at competitive bidding. The net proceeds from the bond sale will become part of the company's treasury funds and will be applied to retire short term bank loans, estimated at \$61,000,000, and toward the cost of its construction program, estimated to aggregate \$1,200,000,000 for the years 1960 through 1964. In connection with such construction program, the company has already issued in 1960 \$50,000,000 of First and Refunding Mortgage Bonds, 4-3/4% Series R and 510,000 shares of Cumulative Preferred Stock, 5-3/4% Series A, \$100 par. In addition to these securities, the company estimates that its construction program will require financing of approximately \$700,000,000 through the future sale of securities, the type of which cannot now be determined. The balance will be obtained principally from provisions for depreciation and retained earnings.

SINCLAIR OIL FILES STOCK PLAN. Sinclair Oil Corporation, 600 Fifth Ave., New York, filed a registration statement (File 2-17204) with the SEC on October 20, 1960, seeking registration of 750,000 shares of common stock, to be offered pursuant to the company's Restricted Stock Option Plan (1959).

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For further details, call WOrth 3-5526

LIBBEY-OWENS-FORD GLASS STOCK PLAN FILED. Libbey-Owens-Ford Glass Company, 811 Madison Ave., Toledo, filed a registration statement (File 2-17205) with the SEC on October 20, 1960, seeking registration of 60,497 shares of common stock, to be offered for sale to employees of the company holding Series P and P-X options granted pursuant to the company's Employee Stock Option Plan.

HYDROSWIFT PROPOSES OFFERING. HydrosSwift Corporation, 1750 South Eighth West, Salt Lake City, filed a registration statement (File 2-17206) with the SEC on October 20, 1960, seeking registration of 70,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a best efforts basis by underwriters headed by Whitney and Company, for which it will receive a selling commission of 75¢ per share. Whitney and Company also will receive a five year option to purchase 4,900 shares at the offering price, pro-rated as to stock sold. W. Weeks Wirthlin, a director and vice-president, will be paid 5% pro-rated as to stock sold, one-half in cash and one-half in common stock.

The company was organized in February 1957 and is engaged in manufacturing and wholesaling of products and services in the fiberglass business, including particularly fiberglass boats known as HydroSwift and Skyliner. Net proceeds of the stock sale will be added to the general funds of the company "in anticipation of further expenditures for plant and equipment and increased working capital requirements resulting from the expansion of the corporation's business." It is contemplated that the company will expand its outlet facilities, presently confined to states west of the Mississippi River.

Formerly known as Ludlow-Townley Company, the issuer now has outstanding 80,000 shares of common stock, held by Roy S. Ludlow, president, and his wife.

24 DEFENDANTS PLEAD GUILTY OR NOLLO. In the criminal trial in Hartford, Conn., on charges of violating the registration and anti-fraud provisions of the Securities Act in the sale of Atlas Gypsum Corporation Ltd. stock, judgements of guilty were entered against twenty-four defendants, based upon pleas of guilty to fraud charges by Stanley Ira Younger, George B. Mahler, Louis Michael de Filippo, Murray Taylor, James H. Taylor, Michael Ackman, Alvin Galpren, Martin Teller, Joseph Rosen, Martin Holzberg, David Hixon, Edward Holtz, Eugene Genise, David Mandel, Fred Hesse and Melvin L. Holtz; pleas of nolo contendere to fraud charges by Arthur Tortorello, Carmine Lombardozzi, Max Ingber and James C. Graye; and pleas of nolo contendere to registration violations by Henry R. Orloff, Hugh Lopez, James Kanter and Robert Amer. Charges dismissed as to Evelyn Graye. Remaining defendants are awaiting trial.

CONSUMERS POWER FILES FOR BOND OFFERING. Consumers Power Company, 212 West Michigan Ave., Jackson, Mich., today filed a registration statement (File 2-17207) with the SEC seeking registration of \$35,000,000 of First Mortgage Bonds, Series due 1990, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used to finance in part the company's construction program, to reimburse its treasury for expenditures for such purposes, and to repay short-term bank loans obtained and to be obtained in connection with interim financing of the construction program. Construction expenditures in 1960 are estimated at \$109,100,000, of which about \$62,000,000 has been expended to August 31.

GULF SULPHUR SHARES IN REGISTRATION. Latino Sulphur Corporation, San Jacinto Building, Houston, Texas, today filed a registration statement (File 2-17208) with the SEC seeking registration of 13,500,000 shares of common stock. According to the prospectus, these shares are being offered by the Company in exchange for royalty interests outstanding against certain sulphur properties of a wholly owned subsidiary of the Company and in exchange for and satisfaction of certain outstanding obligations of the Company and one or more of its wholly owned subsidiaries including debentures, accrued royalties and other indebtedness.

The registration statement was filed by Latino Sulphur Corporation, a subsidiary of Gulf Sulphur Corporation. Gulf Sulphur is to be merged into Latino Sulphur, its wholly-owned subsidiary, the name of which will be changed to Gulf Sulphur Corporation. The only effect of such merger will be to convert all outstanding shares of common and Class B common into an equal number of shares of new common and to convert each outstanding share of preferred stock into four shares of new common. The company, through its Mexican subsidiaries, is engaged in the business of exploring for, mining, processing and marketing sulphur.

Gulf Sulphur proposes (a) to exchange 1.2 shares of its Common Stock for each \$1.00 principal amount of debt owing on certain obligations of the Company and its subsidiaries. These debts aggregate approximately \$2,037,000 and include approximately \$196,000 owing to Bear, Stearns & Co., approximately \$1,182,000 owing to Hudson Gas & Oil Corporation, Hudson Engineering Corporation and Constructora Tropical, S.A. ("Hudson Group"), \$559,000 owing to Delaware Exploration Corporation and \$100,000 owing to Pan American Exploration Company de Mexico, S. A.; (b) to exchange 1.5 shares of its Common Stock for each \$1.00 owing by the Company's subsidiary, Compania de Azufre Veracruz, S.A. ("Veracruz"), to approximately 20 persons on accruals to July 1, 1960 of royalties on sulphur produced by such subsidiary from its Mezquital concessions. This indebtedness aggregates approximately \$446,000 and more than 75% of this amount is owing to the Hudson Group and to Lawrence B. Brady and certain persons affiliated with him; (c) to exchange 1,500 shares of its Common Stock for each \$1,000 (or a pro rata number of shares for any lesser amount) owing upon the principal of the Company's outstanding Debentures in the aggregate amount of \$4,561,500. No one person holds in excess of 10% of these Debentures. No shares of stock will be exchanged for interest on the Debentures. However, the Company proposes to pay interest to July 1, 1960, in cash if the exchange offer to Debenture holders is put into effect; (d) to exchange 3,364,256 shares of its Common Stock for all of the royalty interests existing with respect to the Mezquital sulphur concessions

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owned by Veracruz. These royalty interests are held in substantially the same manner as the indebtedness upon the accrued royalty referred to in (b) above. The company will reimburse royalty owners the amount of any tax they may be required to pay upon or by reason of their exchange of royalty and accrued royalty for Common Stock of the Company pursuant to this offer.

Giving effect to the merger and to the issue of shares in exchange for indebtedness, securities and royalties as set forth above, Gulf Sulphur will have outstanding 16,268,212 shares of common stock (including 3,364,256 shares issued on cancellation, effective as of July 1, 1960, of all private royalty interests in the Mezquital concessions), and \$574,110 of Accrued Royalty (Mexican Government). Of the then outstanding stock, Hudson Gas & Oil will own 15.99%. Three officers or directors of Gulf Sulphur are officers or directors of Hudson Gas and are deemed to be beneficial owners of the Gulf Sulphur stock owned by Hudson Gas. Two directors of the company also are partners of Bear, Stearns & Co.

NEW JERSEY BELL TELEPHONE PROPOSES OFFERING. New Jersey Bell Telephone Company, 540 Broad St., Newark, today filed a registration statement (File 2-17209) with the SEC seeking registration of \$20,000,000 of Forty Year Debentures due November 1, 2000, to be offered for public sale at competitive bidding. Net proceeds will be applied toward repayment of outstanding advances from American Telephone and Telegraph Company, parent, which are expected to approximate \$33,900,000 at the time the proceeds are received. Advances from the parent are obtained for general corporate purposes, including property additions and improvements. Large amounts of new capital have been required for construction expenditures.

165 BROADWAY BLDG. FILES APPLICATION. 165 Broadway Building, Inc., filed an application (File 22-2932) on October 20, 1960, under the Trust Indenture Act for qualification of a trust indenture pursuant to which \$1,113,900 of 3%-5% General Mortgage Bonds due May 1, 1970, are to be issued. The bonds are to be issued to existing security holders solely in exchange for existing general mortgage bonds. The proposed exchange is pursuant to a plan of reorganization approved by the Supreme Court of the State of New York, New York County, on April 5, 1960, as modified by further order of April 20, 1960.

COURT ORDER ENJOINS LEO J. HERSHMAN & CO., INC. The SEC New York Regional Office announced October 19th (LR-1814) the entry of a court order (USDC, SD NY) permanently enjoining Leo J. Hershman & Co., Inc. and its president Leo J. Hershman, from further violations of the SEC net capital and anti-fraud provisions of the Securities Exchange Act.

NORTHERN NATURAL GAS PROPOSES OFFERING. Northern Natural Gas Company, 2223 Dodge St., Omaha, today filed a registration statement (File 2-17210) with the SEC seeking registration of \$20,000,000 of Sinking Fund Debentures due 1980, to be offered for public sale through underwriters headed by Blyth & Co., Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds of the sale of the debentures will be applied toward the cost of the company's 1960 construction program, the repayment of bank loans incurred therefor, and the purchase of securities of subsidiary companies for their property additions and acquisitions. Construction expenditures by the company and its subsidiaries in 1960 are estimated at \$61,000,000.

CANADIAN RESTRICTED LIST. The SEC has added Magni Mining Corp. Ltd. and Alba Explorations Ltd. to its Canadian Restricted List. The list now comprises the names of 229 Canadian companies whose securities recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

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