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Item 49

CINDRLITE INC

BUILDING MATERIAL PRODUCTS

P. O. Box 508
LAS VEGAS, NEVADA
Telephone 4110



November 4, 1949

Mr. Victor E. Kral
Nevada State Bureau of Mines
Reno, Nevada

Dear Mr. Kral:

In response to your request we are happy to furnish the information outlined in your questionnaire together with supplemental data which, we trust, will furnish you requisite facts regarding this company's mining claims in Nye County Nevada.

It will be appreciated if you will return the photostatic copy of our Claim Deeds and the maps which are enclosed after they have served your purpose.

If there is any other way in which we can be of assistance, we trust that you will not hesitate to command us accordingly.

Very cordially yours,

CINDRLITE, INC.


Carl L. Hyde
General Manager

CLH:vs

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December 13, 1949

Mr. Carl L Hyde
General Manager
CindRLite, Inc.
P. O. Box 508
Las Vegas, Nevada

Dear Mr. Hyde:

I wish to thank you for your very kind cooperation in sending the data on your organization and the claims it holds. We have taken note of the various data on the maps and photostatic copies of the deeds and are herewith enclosing the survey map, the vicinity map, and the photostats of the deed. As I assume you have several copies of the Prospectus and History, I am keeping that for our files; I hope this is with your permission.

The use of pumice and volcanic cinder as an aggregate for the making of building blocks has long interested me and should you at some time obtain technical information on the relative weights of the cinder bricks as compared with concrete and clay bricks, I would greatly appreciate seeing these comparisons. This, of course, is assuming the information is not of a confidential nature.

I plan to make a trip to Beatty in January to look at the mining districts in that area and will at that time stop at your plant of supply.

Sincerely yours,

Victor E. Aral
Mining Engineer-Geologist

History and Prospectus

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CindRLite, Inc. is a Nevada Corporation which came into being October 30, 1947, as an outgrowth of Clark County Industries, formerly a partnership business organization in Las Vegas, Nevada, originating January 1, 1946. Its initiating and current principals are D. G. Lorenzi and Carl L. Hyde.

This business is designed in the main to utilize native volcanic ash (cinders) in the manufacture of cement masonry products, and other elements allied to the building industry. The cinders have been laboratory tested and pronounced ideal for these uses. They do not show a trace of sulphur.

The source of the cinder material is approximately 90 miles northwest of Las Vegas on Nevada State Highway #5, the main route to Reno. It comprises 340 acres formed by a contiguous group of placer mining claims, shaped as a huge volcanic cone, located in portions of Sections 28 and 33, T-14-S, R 49 E, M.D.B. & M., Nye County, Nevada. These claims are owned by this corporation. If the use of this material is confined exclusively to this corporation on the minimum production schedule illustrated in the accompanying summary, the cinder cone has a value of \$114,500.00 based on an exchange value of sand and gravel. If this deposit is intelligently exploited it may easily be made worth many, many times this amount.

The corporation has a contract with a competent carrier to haul cinders from their source to the Las Vegas plant site, or to any point within a five mile radius of down-town Las Vegas, for the sum of \$1.15 per cubic yard, including loading and unloading services and responsibilities.

The plant site at Las Vegas comprises approximately 17 acres owned by this corporation; 4 acres in clear fee title and 13 acres being purchased under Trust Deed agreement. It is a portion of the Southwest Quarter of Section 17, T-21-S, R-61-E, M.D.B. & M., Clark County, Nevada. The title includes 7/8 interest in a splendid flowing artesian well having static pressure adequate for all ground level use. The site is on the Union Pacific Mainline Railroad, about 1 mile south of the Hotel Last Frontier. A spur track has been installed by the Union Pacific Railroad Company. This track is designed for 6 car spot.

The equipment now on the site for processing cinders into cement masonry units, consists of a 3 unit semi-surface concrete storage bunker for cinders or other aggregates with ramps to drive over for unloading; cement storage warehouse; temporary shop building for parts and maintenance; a Butler Batchers with capacity for 428 bbls. of cement, and 3 aggregate compartments of 212 cubic yards capacity; 1 new Besser Super-Vibrapac block machine complete with mixer, forms, attachments, pallets, racks, and accessories; Cinder Roll Crusher, drive and screens; 2 85-HP low pressure boilers less burners and installation fittings, for steam curing rooms; 3 groups of conveyors complete with motors, belts, etc., ready for installation; and an administration building plus separate utility buildings with toilets, lavatories and showers for the workers. Equipment at the Cinder Cone, includes a 1-yd. Sauerman drag line scraper, 66-HP International Diesel Engine, American (2) drum hoist, cables, sheaves, etc. A 5000 yard loading bunker has been built at the Cone.

A minimum of labor is possible for operation of this type of plant. Many of the process functions are automatic. A superintendent and 6 men will staff the project. The policy will be to hand pick the crew and in addition to paying the scale, a practical incentive system will be instituted as a reward

for high class merchantable production. Thus an efficient, economical and stick-to-itive force may be had.

The market for cement masonry units in Southern Nevada has been ably demonstrated. The superiority of cinder blocks over conventional sand and gravel blocks is generally acknowledged. The consistent and persistent inquiry relative to "CindRlite, Inc." and its production forecast is universal from the trade. A popular demand awaits cinder blocks, and a rather substantial market has already been proven. A review of building permits for 1946 - 48 discloses a remarkably favorable sustained building program. A housing survey recently made by the local Chamber of Commerce, points the need for several thousand units. In addition to the current requirements, the U. S. Air Forces Command will bring a minimum of 3000 persons to the community through the re-activation of their base here. This objective is already under way.

The capital requirements of CindRlite, Inc. has had to be nearly doubled over its originally planned outlay. This was due to the inability of the Besser Manufacturing Company to make delivery on their Victory Model block machine and skip load batcher first contemplated. The model which they made available is the Super Vibrapac having more than twice the productive capacity of the Victory model. However, to operate the Super model economically required an overhead batch feed mechanism. This layout plus the greater cost for the larger machine unit and the equipment for the Cinder Cone, entailed almost \$75,000.00 more capital.

The earnings potential of CindRlite, Inc. is quite unusual. With a capital structure of \$250,000.00 the project is capable of earning 28% net per annum based solely on the plant producing its maximum of only 1 block size (8" x 4" x 12") on a 40 hour week. When the plant reaches its diversified capabilities a wider variety of modular units, standard and special, will be made to suit the trade. The profit differential on many of these units is substantially higher and will greatly up the earnings ratio of the project, as would naturally any increase in production schedule. There is also an unquestioned great potential value in the direct bulk sale of cinders to other users. This aspect of the enterprise will be explored to the maximum and could conceivably equal or even exceed all other profits of the business. Interest manifested by concerns in the Los Angeles market merits real optimism on this score. Estimating \$1.00 per yd. net profit in that market will yield \$90,000.00 per year from block manufacturers alone. Another definite local market for unclassified bulk cinders, is for ground coverage as a dust deterrent. The Hotel Last Frontier has asked for quotations to cover a vast area, perhaps one million square feet. This job will easily net \$5,000.00. If the end results are as pleasing as the trial sample, this will no doubt be the forerunner to many others. In addition to these profit angles, the project has plans to develop impregnation for composition roofing out of cinders, and design forms and layouts for pre-casting cinder slab units to be used in home and light commercial construction. A challenging opportunity in the realm of low-cost housing awaits someone's acceptance.

The summary statements incorporated with this text make a graphic picture of the minimum earnings possibilities of this enterprise. This statement departs somewhat from the form of conventional fiscal documents, by including prime capital factors as a part of direct operating charges, which in effect diminishes the earning base during the contract period involved which is, of course, much shorter than the normal life period of the related equipment representing such capital. But, it presents a most realistic view, and requires only a glance to envision the unusual earning characteristics of the project. The proposal to pay off current machinery contracts is to clear all property titles and enlarge the collateral security factor well above the amount being sought for completing the project and providing additional working capital.