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All statements herein are preliminary and subject to change and elimination. They are for information only and are not to be regarded as representations for purchase or sale of securities. No offer to sell or solicitation of an offering to buy is made hereby or will be made to dealers or others until the effective date of the registration statement described herein and no offer to buy the securities described herein should be sent or will be accepted until such effective date. The cooperation of all dealers and others is solicited in the observance of the spirit and letter of the foregoing.

April 23, 1939
Manually signed by
Luch. Merin & Co.

PROSPECTUS

Tilo Roofing Company, Inc.

60,000 shares of \$1.40 Convertible
Preferred Stock
(Cumulative, \$20 par value)

41,000 shares of Common Stock
(\$1 par value)

Each share of \$1.40 Convertible Preferred Stock may be converted on or before December 31, 1940, into one and one-fourth shares of Common Stock; thereafter, on or before December 31, 1942, into one share of Common Stock; thereafter, on or before December 31, 1948, into three-fourths of a share of Common Stock, at which time the conversion privilege ceases.

The rights of the \$1.40 Convertible Preferred Stock and Common Stock are more fully described herein.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION

The Roofing Company, Inc. has registered the securities by filing certain information with the Commission. The Commission has not passed on the merits of any securities registered with it.

IT IS A CRIMINAL OFFENSE TO REPRESENT THAT THE COMMISSION HAS APPROVED THESE
SECURITIES OR HAS MADE ANY FINDING THAT THE STATEMENTS IN THIS
PROSPECTUS OR IN THE REGISTRATION STATEMENT ARE CORRECT

	Price to Public	Underwriting Discount or Commission	Proceeds to Registrant	Proceeds to Vendors
\$1.40 Convertible Preferred Stock	See Note	See Note		
60,000 shares.....	\$1,530,000	\$180,000	\$1,350,000	None
Per share.....	\$25.50	\$3.00	\$22.50	None
Common Stock				
41,000 shares.....	See Note	See Note	None	See Note
Per share.....			None	

NOTE:

The Underwriter has given the Company the following information with respect to the offering to be made to the public of the \$1.40 Convertible Preferred Stock and Common Stock.

As to \$1.40 Convertible Preferred Stock:

The 60,000 shares of \$1.40 Convertible Preferred Stock will be offered to the public at \$25.50 per share. The Underwriter reserves the right to vary the offering price at any time depending upon general market conditions. The figures in the above table are estimates and the totals are based on the sale of 60,000 shares of \$1.40 Convertible Preferred Stock at \$25.50 per share.

The portion of the note with respect to Common Stock appears on page 2 of this Prospectus.

The Common Stock of the Company is listed on the New York Curb Exchange.

Distributors Group, Incorporated

63 Wall Street, New York, N. Y.

The date of the issue of this Prospectus is April , 1939.

Tilo Roofing Company, Inc.

80,000 shares of \$1.40 Convertible
Preferred Stock
(Cumulative, \$20 par value)

41,000 shares of Common Stock
(\$1 par value)

THE COMPANY

Tilo Roofing Company, Inc. was incorporated under the laws of the State of Delaware on July 30, 1924, succeeding to a business founded in 1915 by Fenion R. Brydle, the present Chairman of the Board of Directors. The principal office of the Company is located at 347 Longbrook Avenue, Stratford, Connecticut.

BUSINESS AND ORGANIZATION

General Character of Business

The Company is engaged in the sale and application of roofing and exterior side-wall materials, and manufactures, in its own modern plant at Stratford, Connecticut, the asphaltic and asbestos-cement products used for such purposes. A substantial part of the Company's sales are made on a time payment basis, and the financing of all such installment contracts is handled through its wholly owned subsidiary, Stratford Acceptance Corporation. The Company's business largely involves the renovation, modernization and improvement of existing structures, the application of roofing and side-wall covering to new buildings comprising but a small part. Orders for the application of the Company's products are secured through its own organization. Except for incidental painting, carpentry or masonry, which is sublet to local contractors, all work on contracts is done by employees of the Company. The Company presently sells some of its manufactured products to others, though not a substantial proportion of total production. This policy of manufacturing for sale to others was begun in 1937 and in the future the Company may sell to others substantial additional quantities of such asphaltic and asbestos-cement products now manufactured by it. While certain losses have been experienced in this phase of its business, the Company expects that this relatively new undertaking will be placed on a profitable basis and that by increasing the volume of its manufactured products sold to others it will reduce the manufacturing cost per unit of materials sold and applied through its own organization.

The business is conducted through the main office and factory at Stratford, Connecticut, and through branches located in seven states, namely: New York, Massachusetts, Connecticut, New Jersey, New Hampshire, Rhode Island and Maine. As of March 1, 1939, there were forty-nine such branches, each consisting of a warehouse and an office. The personnel of each of the Company's branches consists of a manager, sometimes an assistant manager, an office force, salesmen, a construction superintendent and workmen. The property usually maintained at each branch includes an inventory of materials and the necessary equipment for properly carrying out the construction work done by the Company.

Manufacturing

Prior to the year 1934 the Company was engaged solely in the contracting business and purchased from others all materials used in its business. In that year the Company decided to engage in the manufacture of asphaltic roofings and shingles used in its contracting work and for that purpose acquired a factory site and plant at Stratford, Connecticut. The principal products manufactured by the Company are asphaltic and asbestos-cement shingles which are made in various sizes, colors, designs and shapes. The asphaltic shingles are made by the impregnation of a dry felt base with asphalt and the application thereto of additional asphalt and other materials, such as granules of slate, all by one continuous operation. The two principal ingredients of the asbestos-cement shingles are cement and asbestos fibre, which fibre acts as a binder and is well suited for such purpose because of its noncorrosive and durable features. In addition to such products the Company manufactures other roofing products, including rolled roofing and a relatively small amount of asphaltic paints and plastics.

Although the major portion of the machinery, equipment and accessories necessary and desirable for the manufacture of such asphaltic products was purchased and installed by the Company in 1934, when it commenced the manufacture of such products, it has in the ensuing years improved its manufacturing facilities. Also, it has increased the volume of its production.

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In 1937 the Company added to the products manufactured by it a line of asbestos-cement shingles designed for covering sides of buildings. In order to manufacture such asbestos-cement products, it was necessary to enlarge the plant and purchase machinery and equipment designed and constructed for such work. This was done and the asbestos-cement division was placed in operation on March 31, 1937. The facilities for manufacturing asbestos-cement shingles have been improved and the production has been increased since that time.

Raw material requirements, such as dry lath, asphalt, slate granules, cement and asbestos fibre and certain incidental finished products necessary in its construction work are purchased from others.

Guarantee of Workmanship and Materials

The Company gives a written guarantee of its workmanship and of all asphaltic products of its manufacture used in each job. Such guarantee has been changed from time to time but it has been substantially as at present with the exception of the reduction of the life of the guarantee on certain classes of work during the period in which the Company was operating under the Roofing and Sheet Metal Code set up pursuant to the National Industrial Recovery Act. The period of guarantee varies with the type and class of work, the longest guarantee being ten years for asphalt shingles on slope roofs and side-walls and certain types of built-up roofing. The cost of work done pursuant to such guarantees is not carried in a separate account but is deducted from income through various accounts, depending upon the nature of the expense. No estimate of the Company's contingent liability under such guarantees can be made with any accuracy. As a matter of sound business policy it is likely that such work would be done, even if no written guarantee were given, in order to retain and promote good will for the Company.

Financing Customers' Installment Contracts

Arrangements are available to customers for the payment over a period of months for the contracting work done. Upon the execution of the contract for the work the customer makes a note for the contract price, which note may be payable shortly after completion of the job or in installments over a period which ordinarily does not exceed thirty-six months. Where the note is payable upon completion of the job, or shortly thereafter, the transaction is considered a cash transaction. The face amount of notes payable in installments contains a sum to cover finance charges, which charges are fixed so as to comply with the rules and regulations of the Federal Housing Administration. Such notes are discounted by the Company with its wholly owned subsidiary, Stratford Acceptance Corporation, which was organized in 1934 to facilitate the collection of customers' accounts and to obtain the advantage in financing such installment notes afforded by the National Housing Act. Prior to the formation of Stratford Acceptance Corporation all collections were made by the Company directly or through an independent finance company.

It is estimated that as of December 31, 1938, there were held by Stratford Acceptance Corporation or an independent finance company in the aggregate approximately 14,900 notes taken by the Company from its customers and that the average balance remaining to be paid on such notes was on that date \$219.15. It is unusual for the Company to receive in connection with work done by it notes in excess of \$1,500.00 and it is estimated that during the year 1938 the Company received approximately fifteen notes of such size or larger for an aggregate face amount of approximately \$29,000.00.

It is the present policy of the Company, through Stratford Acceptance Corporation, to retain and effect collection on all accounts originating in the State of Connecticut and accounts under \$100.00 with maturities of less than one year without regard to the territory in which such accounts originate. As a rule all other customers' time payment notes are sold to Commercial Investment Trust Incorporated, which makes collections thereon. Commercial Investment Trust Incorporated at present pays to Stratford Acceptance Corporation the unpaid face amounts of the notes discounted, less a discount computed in accordance with rates set by the Federal Housing Administration, and reimburses Stratford Acceptance Corporation in the amount of \$1.00 per note to cover credit investigation and other incidental expenses. In the event that any notes sold to Commercial Investment Trust Incorporated become delinquent sixty days or more, Stratford Acceptance Corporation, pursuant to the agreement between the parties, repurchases such notes and makes further efforts to effect collections.

The Company has guaranteed the performance by Stratford Acceptance Corporation of said subsidiary's undertakings contained in the agreement between Stratford Acceptance Corporation and Commercial Investment Trust Incorporated. The most important of such obligations of the Company are in effect a warranty that each installment payable on paper endorsed by Stratford Acceptance Corporation to Commercial Investment Trust Incorporated will be paid at or before its maturity, and an agreement that Stratford Acceptance Corporation will repurchase any such paper if any default in pay-

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