

# SECURITIES AND EXCHANGE COMMISSION

# NEWS DIGEST



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

Washington 25, D.C

FOR RELEASE January 16, 1957

## Investment Company Act Release No. 2475

The SEC has issued an order of exemption under the Investment Company Act of 1940 authorizing Atlas Corporation to acquire certain securities of Stanrock Uranium Mines Limited for an aggregate consideration of \$500,000. Stanrock owns certain mining claims located in the Province of Ontario, Canada; and pursuant to a contract with Eldorado Mining and Refining Limited, an agency of the Crown of Canada, it proposes to sell to the latter agency uranium concentrates produced from a mill to be built by Stanrock. In order to provide the initial temporary financing for these mining operations and the proposed mill, Stanrock has entered into a Purchase Agreement with a small group of investors, including Atlas, regarding their purchase from Stanrock of \$3,000,000 of 5 $\frac{1}{4}$ % First Mortgage Bonds, due June 1, 1957, and 450,000 shares of Common Stock for a total consideration of \$3,000,000. Of this amount, Atlas has agreed to purchase \$500,000 of the bonds and 75,000 common shares for a total consideration of \$500,000. The purchase agreement provides for the sale of the bonds at 85% of their principal amount and the common shares at \$1 per share. Negotiations are now in progress for the purpose of establishing a permanent financing program which is expected to provide approximately \$24,500,000. This program is expected to be completed prior to the maturity date of the bonds and will provide proceeds out of which the bonds will be repaid at or before maturity.

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Delaware Income Fund, Inc., Camden, N. J., filed a registration statement (File 2-13017) with the SEC on January 15, 1957, seeking registration of 600,000 shares of its Common Stock.

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King Soopers, Inc., Denver, filed a registration statement (File 2-13018) with the SEC on January 15, 1957, seeking registration of 263,048 shares of its \$1 par Common Stock. The company proposes to offer to the holders of its outstanding common stock and to holders of certain outstanding stock purchase warrants (issued in connection with the sale of the company's 7% Sinking Fund Subordinate Debentures) the right to subscribe for the 263,048 shares of additional stock on the basis of one share for each share held, or for each share subject to purchase under such outstanding warrants. The subscription price is to be \$3.25 per share. Peters, Writer & Christensen, Inc. is listed as the underwriter. The underwriter has agreed to purchase at \$3.25 per share all stock not subscribed for within four months of the offering. Further, the underwriter will acquire rights to subscribe to a guaranteed minimum of 80,000 shares from existing stockholders, which the underwriter will sell to the public during and after the four months period at prices

to be determined at the time of such sales. The underwriting commission in respect of the shares subscribed for is 5¢ per share.

King Soopers operates seven supermarkets, all within the Metropolitan Area of Denver. Net proceeds of this financing will be added to the general funds of the company and will be used to equip and stock a warehouse and any new stores that may be acquired, and for general corporate purposes. The company had outstanding 259,207 shares of common stock as of November 3, 1956. 231,704 shares, or 89.4%, are held by Lloyd J. King (President), as Voting Trustee. The 263,048 additional shares are to be issued on the condition that they be placed under and made subject to the Voting Trust Agreement, under which King is Voting Trustee.

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The Colorado Fuel and Iron Corporation (Denver), filed a registration statement (File 2-13019) with the SEC on January 15, 1957, seeking registration of \$19,903,300 of its Series A Sinking Fund Debentures, 4-3/4%, Convertible, due January 31, 1977. The company proposes to offer the debentures for subscription by holders of its outstanding common stock, on the basis of \$100 of debentures for each 17 shares held. The record date, interest rate, subscription price and underwriting terms are to be supplied by amendment. Allen & Company is named as the principal underwriter. Net proceeds will be used (a) to retire \$12,000,000 outstanding balance under a loan agreement with banks; (b) to retire \$6,000,000 of current indebtedness due banks; and (c) to increase working capital. The proceeds of the \$12,000,000 bank loan were used to pay the remaining \$2,000,000 balance of notes issued under the loan agreement, to retire short-term bank borrowings of \$5,000,000, and to provide additional capital for plant expansion and supplement working capital needed because of an increased volume of business.

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Phillips Petroleum Company, Bartlesville, Okla., today filed a registration statement (File 2-13020) with the SEC seeking registration of \$171,750,000 of Convertible Subordinated Debentures, due 1987. The company proposes to offer the debentures for subscription by holders of its outstanding common stock of record February 7, 1957, in the ratio of \$100 of debentures for each 20 common shares then held. The interest rate, subscription price and underwriting terms are to be supplied by amendment. The First Boston Corporation heads the list of underwriters.

Net proceeds of the sale of the debentures will be applied in part to prepayment of \$86,000,000 of bank loans, due in 1958, consisting of an \$11,000,000 bank loan of a wholly owned subsidiary, incurred to purchase Federal oil and gas leases offshore Louisiana, and \$75,000,000 of bank loans of Phillips incurred for general corporate purposes. The remainder will be added to the company's general funds and will be available for capital expenditures and for such other corporate purposes as the board of directors may determine. Capital expenditures of the company during 1956 are estimated at approximately \$250,000,000, substantially higher than in any previous year. It is anticipated that estimated 1957 capital expenditures will be covered by cash generated from operations after dividends and the remainder of the proceeds from the sale of the debentures.