

# 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 ~~November 15, 1956~~

Delaware Power & Light Company (Wilmington) filed a registration statement (File 2-12905) with the SEC on November 14, 1956, seeking registration of 80,000 shares of Preferred Stock, Cumulative, \$100 par, to be offered for public sale at competitive bidding. Net proceeds will be applied toward the cost of the construction program of the company and its subsidiaries, including the retirement of bank loans, incurred prior to the sale of the preferred shares, under the company's revolving credit agreement extending to February 1, 1958, which provides for maximum borrowings of \$12,000,000. The construction program is estimated at approximately \$59,000,000 during the last three months of 1956 and the years 1957 and 1958.

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Public Service Electric and Gas Company (Newark, N. J.) filed a registration statement (File 2-12906) with the SEC on November 14, 1956, seeking registration of 1,000,000 shares of its no par Common Stock, to be offered for public sale through an underwriting group headed by Merrill Lynch, Pierce, Fenner & Beane. The public offering price and underwriting terms are to be supplied by amendment. Net proceeds of the sale of the common shares, together with the proceeds of \$50,000,000 of First and Refunding Mortgage Bonds, Series due 1986, to be sold on November 21, 1956, will be added to the general funds of the company and will be used by it for its general corporate purposes, including payment before maturity of approximately \$60,000,000 of the \$69,000,000 principal amount of short-term bank loans made during 1956 and payment of a portion of the cost of the company's construction program. The company's current construction program is estimated at \$226,000,000.

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Universal Lithium Corporation, Washington, D. C., today filed a registration statement (File 2-12907) with the SEC seeking registration of 1,320,000 shares of Class A Voting Stock and 1,587,500 shares of Class B Non-Voting Stock, to be offered for public sale at 6¢ per share. The shares are to be offered for sale through William O'Connor, as underwriter. Mr. O'Connor is full-time secretary of the company and will assume the duties as underwriter without extra compensation. Proceeds of the sale of stock will go to the company without any commission or discounts.

The company was organized under Delaware law on May 27, 1955. It proposes to explore for certain metals on its properties in South Carolina, North Carolina and Tennessee. Primary interest is to be centered "on the location of lithium-bearing ores, and secondary interest is held in the exploration of flourspar, feldspar, molybdenum, asbestos and uranium." Proceeds of the financing are to be used for continuation of the drilling program and for plant and equipment for rendering ore market-

able, with the remainder contingent upon the materialization of the drilling program, and secondarily upon the materialization of the processing plants.

The prospectus lists Malcolm W. Ater of Falls Church, Va., as President and Robert G. Baumann of Ritchie, Md., as Treasurer. O'Connor resides in Arlington, Va. They are also listed among the principal promoters. A total of 1,345,000 shares of Class A stock have been issued to promoters, 792,500 for services and 552,500 for cash.

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Amendments were filed on November 14, 1956 to the following registration statements seeking registration of additional securities as indicated:

Investors Planning Corporation of America, New York investment company, File 2-10884  
\$20,000,000 of Systematic Investment Plans and Systematic Investment  
Plans with Insurance

Massachusetts Investors Trust, Boston investment company, File 2-11401  
3,500,000 shares of Beneficial Interest in the Fund

Securities Act Release No. 3718

The Securities and Exchange Commission has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities by the following companies:

Crestmark Cruisers, Inc., Babylon, L.I., New York  
Regulation A notification, filed April 25, 1956, proposed the public offering of 300,000 common shares at \$1 per share

Lithium Metal Reduction Corporation, Washington, D. C.  
Regulation A notification, filed October 24, 1956, proposed the public offering of 300,000 common shares at \$1 per share

Each of the orders provides an opportunity for hearing, upon request, on the question whether the suspension order should be vacated or made permanent.

In its suspension order with respect to Crestmark Cruisers, the Commission asserts that, if made or continued, the offering of that company's stock would "operate as a fraud and deceit upon purchasers," in that an involuntary petition in bankruptcy was filed by several creditors of the issuer on August 8, 1956, in the United States District Court for the Eastern District of New York, Brooklyn, New York, and no amendment has been made to the offering circular to disclose the financial condition and the present non-operating status of the issuer.

The Commission's order with respect to Lithium Metal asserts that Marshall I. Stewart, a promoter, secretary and director of the issuer, is the subject of a permanent injunction, issued July 10, 1956, by the United States District Court for the District of Columbia, which enjoined him from violations of the anti-fraud provisions of the Securities Act and the Securities Exchange Act of 1934 arising out of his conduct as an officer of Seaboard Securities Corporation, a broker-dealer. Thus, by virtue of a provision of Regulation A, no exemption under that Regulation is available for Lithium Metal securities. This order further asserts that the terms and conditions of Regulation A have not been complied with, in that (a) the issuer failed to disclose the said injunction; (b) the issuer failed to disclose the amount of securities issued within the past year to officers, directors and promoters and the consideration received therefor; (c) the offering circular fails to disclose the percentage of outstanding securities to be held by insiders as a group and by the public, and the respective amounts of cash to be paid therefor by such group and by the public; (d) the issuer failed to file copies of the provisions of governing instruments defining the rights of the holders of the securities to be offered, or the consents of geologists to the use of statements from their reports in the offering circular; (e) the offering circular fails to state the purposes for which the proceeds from the stock sale are to be used, the amount to be used for each such purpose, the priority thereof, and the arrangements, if any, for return of funds to subscribers if all the securities are not sold; (f) the issuer failed to comply with a provision of the Regulation in computing the amount of securities that may be offered or in making such appropriate escrow arrangements as are necessary to comply therewith; and (g) the offering circular fails to include the required financial statements.

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