

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 February 20, 1957

Holding Company Act Release No. 13388

Indiana & Michigan Electric Company (Fort Wayne, Ind.) has applied to the SEC for authorization to borrow funds from banks for construction purposes; and the Commission has issued an order giving interested persons until March 6, 1957, to request a hearing thereon.

The aggregate amount of the borrowings, to be made during the remainder of 1957, amounts to \$16,500,000. However, the company has already borrowed, as of December 31, 1956, a total of \$5,000,000; and this amount and additional borrowings of \$5,700,000 will be exempt from provisions of the Holding Company Act. As indicated, the funds will be applied to the company's construction program, which is presently estimated to involve expenditures of \$35,000,000 in 1957.

Securities Act Release No. 3756

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of securities by Richard Culver Ott, as "The Happy Dollar Company," of New York. The order provides an opportunity for hearing, upon request, on the question whether the suspension order should be vacated or made permanent.

The Regulation A notification was filed by Ott on November 8, 1954, proposing a public offering of not to exceed \$250,000 of limited partnership interests in The Happy Dollar Company, a limited partnership to be formed under the laws of the State of New York. In its suspension order, the Commission asserts that Ott has failed to comply with the terms and conditions of Regulation A, by reason of his failure to file the required semi-annual reports of sales of partnership interests and use of the proceeds thereof.

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National Lithium Corporation, New York City, filed a registration statement (File 2-13104) with the SEC on February 19, 1957, seeking registration of 3,120,000 shares of its 1¢ par Common Stock. The company proposes to make a public offering of the shares at \$1.25 per share. The offering is to be made by Gearhart & Otis, Inc., on a "best efforts" basis, for which it will receive a selling commission of 25¢ per share. National Lithium also has agreed to reimburse the underwriter for expenses not to exceed \$35,000 and for the fees and expenses of its counsel not to exceed \$15,000. In addition, it has agreed that, if a minimum of 750,000 shares

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are sold, it will offer the underwriter preferential rights with respect to future offerings by the issuer. The underwriter is one of the promoters of the company and, as indicated below, has acquired certain of its shares.

National Lithium was organized on November 13, 1956, under Delaware law (under the name "Trans-World Minerals, Inc."). It has obtained licenses to carry on its business in the Northwest Territories, in the Province of Quebec and in the State of New York. The principal purpose of the company is the commercial development of lithium deposits located in the Yellowknife mining area of Northwest Territories of Canada, which have been acquired from General Lithium Corporation Limited, Kix Minerals Ltd. and Geolex Exploration and Development Company, which companies are stockholders and among the promoters of National Lithium. According to the prospectus, the company has had no operating history and its proposed program for the commercial development of lithium deposits on the Yellowknife properties "is an enterprise involving considerable risk."

The prospectus further indicates that the stock offering will be withdrawn and all subscriptions will be refunded unless a minimum of 750,000 shares are sold. If all the shares are sold, net proceeds will approximate \$3,025,000. The company has received \$245,000 from the sale of 3,500,000 shares to promoters and others. Of the proceeds of stock sales, \$410,000 are to be applied to the acquisition of properties; \$23,000 to its ore testing program; \$120,000 to assessment work on the Yellowknife properties; and \$1,279,000 to the cost of a concentration plant, mining equipment and related facilities.

National Lithium now has outstanding 6,880,000 shares. If all the 3,120,000 shares are sold, the purchasers will have paid \$3,900,000 for 31% of the then outstanding shares. General Lithium, Kix and Geolex, the prior owners of the properties acquired by National Lithium, and the officers and directors of the company and their associates and a limited group of other persons have acquired 3,500,000 common shares for \$245,000, and General Lithium, Kix and Geolex have acquired 3,380,000 common shares and have received or will receive \$400,000 for the properties transferred by them to the company. They are said to have expended an aggregate of \$678,000 as acquisition and development costs of said properties. Of the 3,500,000 shares, 1,500,000 were sold to General Lithium, Kix and Geolex for \$225,000; and 2,000,000 shares were sold for \$20,000 to a limited group of persons designated by the underwriter, including officers and employees of the underwriter and their associates who purchased 961,392 shares for \$9,613.92, and officers and directors of the company and their associates, who purchased 464,185 shares for \$4,641.85.

The prospectus lists William Stix Wasserman of New York as Board Chairman and R. C. Bacon of New York as President.

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Minneapolis Area Development Corporation, Minneapolis, Minn., filed a registration statement (File 2-13105) with the SEC on February 19, 1957, seeking registration of \$1,000,000 of 4% Sinking Fund Income Debentures, due March 1, 1972, and 25,000 shares of its \$1 par Common Stock. The company proposes to offer these securities in units, each unit to consist of \$40 principal amount of debentures and 1 share of

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common stock (a total of 25,000 units). The public offering price of the units is to be \$50 per unit. No underwriting is involved.

According to the prospectus, the organization of the company was initiated and sponsored by a group of businessmen interested in attracting industry to Minneapolis by the acquisition, development and resale of lands for industrial sites. The group consisted of Mr. Ben W. Heineman (Chairman, Chicago and North Western Railway Company), Mr. Clyde J. Fitzpatrick (President, Chicago and North Western Railway Company), Mr. Allen S. King (President, Northern States Power Company), Mr. Otto Silha (Vice President and Business Manager, Minneapolis Star and Tribune Company), Mr. Kenneth Dayton (Vice President, The Dayton Company), Mr. Gordon Murray (President, First National Bank of Minneapolis), Mr. Philip B. Harris (Vice President, Northwestern National Bank of Minneapolis), Mr. Wendell T. Burns (Senior Vice President, Northwestern National Bank of Minneapolis), Mr. John A. Moorhead (Executive Vice President, Northwestern National Bank of Minneapolis), and Mr. Joseph F. Ringland (President, Northwestern National Bank of Minneapolis).

The prospectus names Philip B. Harris as President. At the first meeting of the board of directors, subscriptions for 1,000 shares each of the company's stock were made and later paid for, at \$10 per share, by The Dayton Company, Minneapolis Star and Tribune Company, Chicago and North Western Railway Company, and Northern States Power Company. The Northwestern National Bank of Minneapolis and the First National Bank of Minneapolis have made unsecured loans in the respective amounts of \$10,000 each, represented by promissory notes of the company due 90 days from date and bearing 4% interest.

The company has obtained options to buy approximately 2100 acres of land on the south side of the Minnesota River near Shakopee, Minn., some 15 miles south of Minneapolis. It will use the proceeds realized from the sale of its securities for the acquisition of the lands, for the development of acquired lands as sites for industrial purposes, for working capital for corporate expenses, for payment of the bank notes, and for acquisition of other lands for development. The purchase price of lands under option is \$447,400.

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Amendments were filed on February 19, 1957 to the following registration statements, seeking registration of additional securities as indicated:

Commonwealth Investment Company, San Francisco investment company (File 2-10758)
2,500,000 shares of common stock, \$1 par value.

Knickerbocker Shares Inc., New York investment company (File 2-11080)
500,000 shares of beneficial interest, \$1 par value.

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