



SECURITIES AND EXCHANGE COMMISSION

WASHINGTON 25, D. C.

CHAIRMAN'S OFFICE  
MAILED

JUN 4 1962

Signed by: \_\_\_\_\_

The Honorable Elmer J. Holland  
House of Representatives  
Washington 25, D. C.

Re: Energetics, Incorporated

Dear Mr. Holland:

In response to your letter of May 22, 1962, I am enclosing a Memorandum prepared by our Washington Regional Office concerning the above-captioned matter. If the Commission can be of any further assistance, please let me know.

Sincerely yours,

William L. Cary  
Chairman

MEMORANDUM PREPARED BY THE WASHINGTON  
REGIONAL OFFICE OF THE SECURITIES AND  
EXCHANGE COMMISSION IN RESPONSE TO A  
LETTER DATED MAY 22, 1962, FROM THE  
HONORABLE ELMER J. HOLLAND,

Congressman Holland enclosed with his letter, dated May 22, 1962, a letter dated May 18, 1962, directed to him by Mr. Edward V. Hmel, 3216 Jane Street, Pittsburgh 3, Pennsylvania. Mr. Hmel stated that he had filed a complaint with W. J. Crow, Regional Administrator of the Washington Regional Office, against Energetics, Incorporated ("Energetics") and that he has not heard from Mr. Crow concerning this matter.

In the fall of 1961, Mr. W. J. Crow, then Regional Administrator of this office, received a telephone call from Mr. Louis A. Battisti, who discussed, in a general and hypothetical manner, a situation he was aware of and wished to bring to the Commission's attention. Because of the generalities involved, it was agreed that Mr. Battisti would submit, in writing, more specific information which would include the name of the company involved, the nature of the alleged illegal acts and any other information that might be helpful in order that a determination may be made to ascertain if the alleged acts were violations of our various Acts.

On January 4, 1962, this office received a letter, signed by Messrs. Battisti, A. A. Raimondi and Edward V. Hmel. Enclosed with this letter was a Certified Public Accountant's report concerning Energetics.

Earlier, on August 25, 1960, Energetics, through its counsel, submitted a factual situation concerning the distribution of its securities to members of the public and a request was made for advice as to what steps to take to legalize such action. Energetics was informed, by letter dated September 7, 1960, that it appeared the offer and sale of Energetics' securities to members of the public was not in compliance with Section 5 of the Securities Act of 1933, as amended, and, that, under Section 6(a) of the same Act, it was not possible to file a registration statement for such securities when, in fact, they had been already offered and sold. Further, that the company could, if desired, file a registration statement in which a rescission offer could be made to the persons who had purchased the prior unregistered securities. Mr. Hmel has informed a member of the staff of this office that he was made aware of the foregoing at a meeting of stockholders.

The facts brought to the attention of this office by Messrs. Battisti, Hmel and Raimondi, as well as those received from Energetics, Inc., will be investigated fully in the interest of the Commission's enforcement program. Due to the extremely heavy workload of this office, it has not been possible to fully develop the facts in this case, but it is intended to complete the investigation as soon as possible.

Since Mr. Crow had discussed the matter with Mr. Louis A. Battisti prior to the receipt of the joint letter signed by Messrs. Battisti, Raimondi and Hmel, and further since it was intended to obtain additional facts from them at the time of the investigation, it was not deemed necessary to acknowledge the letter from them received in this office on January 4, 1962. However, since the receipt of the letter from Congressman Holland, this matter has been discussed with Mr. Hmel and additional information has been obtained from him concerning the affairs of Energetics.