

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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ACMERGE SECURITIES REVOKED. The SEC today announced a decision under the Securities Exchange Act (Rel. 34-7962) revoking the broker-dealer registration of Acmerge Securities Co., Inc., of Staten Island, N. Y., for violations of the Federal securities laws. John G. Zullo, its president, was barred from further association with any broker-dealer firm.

Based upon the order for proceedings and a stipulation of the respondents, the Commission found that Acmerge Securities, together with or aided and abetted by Zullo, violated the anti-fraud provisions of the securities laws by soliciting orders and accepting funds and securities of customers upon the fraudulent representation that registrant could meet its obligations in the ordinary course of business, and without disclosing that its books and records were not current and therefore it could not ascertain its financial condition.

Moreover, according to the Commission's decision, in mid-summer of 1965 the firm, through Zullo, effected seven short sales of a total of 700 shares of stock of Lear Jet Corporation to four broker-dealers at prices ranging from 22½ to 40½. The bid prices for that stock rose sharply from about 22 on July 30 to between 55 and 61½ on September 29, 1965. Delivery of the stock not having been made, the purchasers began to purchase such stock in September and October of that year at the then higher market prices and demanded payment by registrant of their losses which totalled \$17,087. On September 20, 1965, after stopping payment of a check it had issued to one purchaser in part payment of its claim, registrant informed the purchaser that it was unable to meet its obligations.

NATIONAL AVIATION SEEKS ORDER. National Aviation Corporation, New York closed-end, non-diversified management investment company, has applied to the SEC for an order under the Investment Company Act authorizing it to purchase up to \$1,000,000 of convertible subordinated debentures (due 1986) of Sanders Associates, Inc., during the existence of an underwriting agreement with respect to a proposed public offering of \$17,500,000 of such debentures. The Commission has issued an order (Release IC-4711) giving interested persons until October 10 to request a hearing thereon. The application states that Howard E. Buhse, a director of National Aviation, is a partner of Hornblower & Weeks-Hemphill, Noyes, one of the principal underwriters of the public offering. In view thereof, any purchase of said debentures is prohibited by the Act absent the issuance of an exemption order by the Commission.

MISSISSIPPI P&L SEEKS ORDER. Mississippi Power & Light Company, Jackson, Miss., electric-utility subsidiary of Middle South Utilities, Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to sell at competitive bidding \$7,000,000 of first mortgage bonds (due 1996); and the Commission has issued an order (Release 35-15570) giving interested persons until October 21 to request a hearing thereon. As reported in the September 14 News Digest, Mississippi will use the net proceeds of its bond sale in connection with its current construction program (estimated to cost \$51,900,000 in 1966) and for other corporate purposes. The application states that as of July 31, 1966, the earned surplus of Mississippi amounted to \$14,413,792. It proposes to transfer \$6,200,000 of its earned surplus to its common capital stock account thereby increasing the stated value of its 3,100,000 outstanding shares of common stock from \$49,600,000 to \$55,800,000.

AUSTRAL OIL & GAS PROPOSES OFFERING. Austral Oil and Gas Exploration Corporation, 280 Park Ave., New York 10017, filed a registration statement (File 2-25540) with the SEC on September 26 seeking registration of \$10,000,000 of interests under its Exploration Agreements. According to the prospectus, the agreements will generally be entered into with selected persons for minimum commitments of \$50,000. The offering is to be made through company officers.

Organized under Delaware law in 1961, the company provides facilities for investment by selected individuals in the direct ownership of property interests in oil and gas prospects, properties and leases and in the exploration and development of such properties by engaging in the drilling of wells. It is a wholly-owned subsidiary of Austral Oil Company Incorporated. Net proceeds of its sale of exploration agreements will be used to acquire interests in oil and gas exploration prospects or for drilling exploratory wells. R. McLean Stewart is chairman of the company and Austral Oil; C. Wardell Leisk is president of the two companies.

ALBRIGHT TITLE & TRUST PROPOSES OFFERING. Albright Title & Trust Company, 100 N. Main St., Newkirk, Okla. 74647, as depositor, filed a registration statement (File 2-25543) with the SEC on September 26 seeking registration of \$1,500,000 of Trust Certificates and \$2,500,000 of Savings Trust Certificates, representing interests in Albright Bond Mortgages, a Trust Estate, to be offered for public sale. The company is trustee and manager of the Albright Bond Mortgages. Maurine J. Johnson is board chairman and William F. Johnson is president.

BELDEN & BLAKE PROPOSES OFFERING. Belden & Blake and Company Limited Partnership No. 17, 702 Tuscarawas St., W., Canton, Ohio 44702, filed a registration statement (File 2-25544) with the SEC on September 26 seeking registration of 100 units in participation in the partnership, to be offered for public sale at \$2,700 per unit. The partnership was organized under Ohio law for the purpose of drilling oil and gas well locations

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in Ohio, where certain acreage can be acquired from Belden & Blake Oil Production, a general partnership. The latter is 75%-owned by Henry S. Belden, III, and Glenn A. Blake, general partners in the limited partnership. Belden and Blake will operate the business of the limited partnership.

POCONO DOWNS FILES FOR SECONDARY. Pocono Downs, Inc., Route 315, Wilkes-Barre, Pa. 18702, filed a registration statement (File 2-25545) with the SEC on September 26 seeking registration of outstanding three-year warrants to purchase 7,545 shares of non-voting common stock at \$5 per share, and of the underlying stock. The registration statement also covers 22,374 outstanding shares of non-voting common stock and 197,392 outstanding shares of Class B non-voting common stock. The warrant holders and selling stockholders may offer the warrants (or stock issued upon exercise thereof) and stock for public sale from time to time in the over-the-counter market at prices prevailing at the time of sale (\$6 per share maximum*).

Organized under Pennsylvania law in 1963, the company completed its first harness race meeting in September 1965. Its racing complex, which has an approximate capacity of 15,000 persons, is located in Luzerne County, Pa. In addition to indebtedness, it has outstanding 300,000 voting, 93,410 non-voting, and 520,000 Class B non-voting common shares, of which management officials own 84.3%, 23.9%, and 49.1%, respectively. The prospectus lists 45 selling warrant holders, who acquired the warrants between November 1, 1965 and March 15, 1966, as additional compensation in connection with the company's offering of 6½% subordinated convertible debentures and common stock. The prospectus lists seven selling stockholders, including James J. Durkin (president), who is offering his entire holdings of non-voting common consisting of 7,704 shares, and 55,000 Class B shares of 58,453 shares held; and Anna Jean Durkin (director), 7,704 non-voting common shares and 55,000 Class B of 86,512 shares.

PENSION LIFE OF AMERICA PROPOSES RIGHTS OFFERING. Pension Life Insurance Company of America, 91 Halsey St., Newark, N. J. 07102, filed a registration statement (File 2-25547) with the SEC on September 27 seeking registration of 270,000 shares of common stock. The stock is to be offered for subscription by common stockholders at \$4.50 per share, and at the rate of one new share for each share held. The record date is to be supplied by amendment. Investors Overseas Bank, Limited, a subsidiary of Investors Overseas Services which owns 74,000 shares, has agreed to purchase all shares to which it is entitled pursuant to the rights offering, and any additional shares necessary to give the company net proceeds of \$750,000. The company is also registering 50,000 common shares which are to be distributed from time to time pursuant to its Incentive Stock Option Plan for General Agents.

Organized under New Jersey law in 1963, the company is engaged in the life insurance business. Net proceeds of its stock sale will be used for working capital and other general corporate purposes. It has outstanding 270,000 common shares, of which management officials own 2,962. Philip Gordis is president and Bernard Cornfeld is board chairman.

TWO TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending over-the-counter trading in securities of Continental Vending Machine Corporation and First Standard Corporation for the 10-day period September 29-October 8, 1966, inclusive.

NATIONAL FUEL GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act authorizing Pennsylvania Gas Co., Warren, Pa., (gas-utility subsidiary of National Fuel Gas Co.) to acquire all of the assets of its nonutility subsidiary, Pennsylvania Oil Co., in consideration of the assumption by Penn Gas of all of Penn Oil's liabilities and the surrender for cancellation of all of the latter's outstanding stock. Penn Oil will then be dissolved. It is stated that the proposed elimination of Penn Oil will be another step in the corporate simplification of National's holding-company system.

NEES SEEKS ORDER. New England Electric System, Boston holding company, and five of its public-utility subsidiaries, have applied to the SEC for an order under the Holding Company Act authorizing the subsidiaries to issue to banks and/or NEES, not later than December 31, 1966, an additional \$5,000,000 of short-term notes; and the Commission has issued an order (Release 35-15569) giving interested persons until October 19 to request a hearing thereon. By previous order the Commission authorized certain of the subsidiaries to issue notes in a maximum aggregate amount outstanding at any one time of \$44,765,000. The additional borrowings will be used for construction purposes.

SECURITIES ACT REGISTRATIONS. Effective September 27: Alpine Geophysical Associates, Inc., 2-25305 (Nov.6); Applied Technology, Inc., 2-25449 (Nov.7); Kimberly-Clark Corp., 2-25510; Kinney National Service, Inc., 2-25541; McCormick & Co., Inc., 2-25429; Richmond Newspapers, Inc., 2-25457; United Aircraft Corp. 2-25464 (40 days); Zale Corp., 2-25512.

NOTE TO DEALERS: The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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