

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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NASD FINDING SUSTAINED, PENALTY REDUCED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7438) affirming NASD findings that its rules had been violated by Handley Investment Company, of 3100 Jamestown Bldg., Tulsa, Okla. However, the sanction imposed by the NASD was reduced by the Commission.

The NASD had found that Handley violated the Commission's net capital rule and that it sold securities at unfair prices. On the basis thereof, it censured the firm, suspended it from NASD membership for 180 days, fined the firm \$2,000 and assessed costs of \$457.36.

The Commission observed that the net capital deficiency was corrected on the same day the firm was notified of the deficiency; and, moreover, it appeared that the firm and its accountant mistakenly believed that advances from or loans guaranteed by Ernest Jack Handley, its sole stockholder, represented capital rather than indebtedness for net capital purposes. In addition, the unfair pricing related only to sales of one stock during a period of about ten trading days by an employee who has since left the firm's employ.

Under the circumstances, the Commission concluded that the sanction was excessive and reduced the sanction to a 90-day suspension from NASD membership, a fine of \$1,000, and the assessment of \$457.36 in costs.

AUSTRAL OIL FILES OFFERING. Austral Oil and Gas Exploration Corporation, 20 Exchange Pl., New York, filed a registration statement (File 2-22838) with the SEC on October 9 seeking registration of \$7,500,000 of interests in its Exploration Agreements. The Agreements provide for the conduct of a continuing general program of exploration for oil and gas. According to the prospectus, an Exploration Agreement will generally not be entered into except with a selected person who makes a commitment for aggregate exploration budget advances in amounts aggregating not less than \$50,000 for a period of 12 months commencing as of the effective date of the Exploration Agreement and for each period of 12 months thereafter, subject to adjustment or termination of the Agreement. Offerings will be made through officials and other members of the company.

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. All of its outstanding capital stock is owned by Austral Oil Co. Inc. R. McLean Stewart is chairman and chief executive officer of the company and C. Wardell Leisk is president. Both serve in the same capacities for Austral Oil Co.

MAGIC MOUNTAIN CORP. FILES FINANCING PROPOSAL. Magic Mountain Corporation, Londonderry, Vt., filed a registration statement (File 2-22839) with the SEC on October 9 seeking registration of \$249,500 twenty-year 6% debentures (due 1984) and 199,600 shares of common stock, to be offered for public sale in units of \$500 of debentures and 400 common shares, and at \$1,500 per unit. The registration statement also includes 100,000 shares of common stock to be offered at \$2.50 per share. The offering will be made on a best-efforts basis through the president of the company and to a limited extent by other company officials. In addition, the securities may be offered through certain securities dealers, who will receive a commission of \$150 per unit and 25¢ per share. No underwriting is involved.

Organized under Vermont law in 1960, the company is engaged in developing, constructing and operating a ski resort and year-round recreation area at Magic Mountain (formerly known as Glebe Mountain) in Londonderry, Vt. Of the net proceeds from this financing, the company intends to apply approximately \$341,000 to its future development program and to pay current obligations of \$130,809 which were incurred in connection with such program; \$24,454 will be paid to Hans Thorner (president) as back salary; and \$180,000 will be used to repay a loan secured by a first mortgage on the company's property; and the remainder will be added to working capital. In addition to indebtedness, the company has outstanding 266,620 common shares, after giving effect to a 60-for-1 stock split on September 17, 1964. Management officials as a group own 62.87% of the outstanding stock. In September 1964 certain of the company's noteholders agreed to exchange notes aggregating \$140,735 for common shares on the basis of one share for each \$1.50 principal amount of notes. Through such exchange Thorner acquired 12,000 shares; Florence Thorner, 9,333; and Charles B. Cook, Jr. (director), 6,666.

NATHAN HALE LIFE INSURANCE PROPOSES OFFERING. Nathan Hale Life Insurance Company of New York, 500 Fifth Ave., New York, filed a registration statement (File 2-22840) with the SEC on October 9 seeking registration of 204,000 shares of capital stock, to be offered for public sale at \$6 per share through company officials. Also included in the registration statement are 25,000 capital shares which have been subscribed for by officers and directors of the company at the public offering price. No underwriting is involved.

Organized under New York law in 1962, the company intends to engage in writing various forms of life insurance, accident and health insurance, major medical insurance, group insurance, association group insurance, group creditors insurance and pension and profit-sharing plans. Net proceeds from its stock sale will be used to meet capital requirements for applying for an insurance license. Upon receipt of such authority, the balance will be used in the conduct of its business. The company has outstanding 75,000 shares of capital stock, owned entirely by management officials. In December 1963, they purchased 30,000 shares for an aggregate

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of \$240,000; and, pursuant to a recent amendment of the company's charter, such shares (par value \$5) were exchanged for 75,000 shares having a par value of \$2. The prospectus states that each holder of such shares has agreed to remit to the company prior to the completion of this offering \$2.80 for each new share issued through the exchange, so that the initial stockholders will have paid the equivalent of \$6 for each share held. Lambert G. Aloisi is president.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified. Copies thereof may be ordered from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with photocopy material when mailed. An index of the caption of the several items of the form was included in the October 2 News Digest.

Jessop Steel Co May & Aug. 1964 (13)	Employers Group Assoc. May 1963 & May 1964 (11)
King Louie International, Inc Sept. 1964 (2,7,11,12,13)	Perfex Corp April 1963 (11)
SCM Corp March 1964 (13)	April 1964 (11)
	Popular Library Inc May 1964 (11)
Nalley's Inc Sept. 1964 (11)	
Plastic Materials & Polymers Inc June 1964 (2,8,11,13)	Cap-Roc, Inc Sept. 1964 (12,13)
Floyd Bennett Stores, Inc Aug. 1964 (2,12)	Welded Tube Co of America Amend #1 to 8K for Jan. 1963 (7)
Columbia Realty Trust Sept. 1964 (12)	Consolidated Leasing Corp of America Amend #1 to 8K for May 1964 (2,12,13)
Western Union International Inc May 1964 (4,7,9,11,13)	Metallurgical Resources, Inc Amend #1 to 8K for Aug. 1964 (7,13)
Yuba Consolidated Ind, Inc Aug. 1964 (13)	Calandra Photo, Inc Amend #1 to 8K for Oct. 1963 (2,7,13)
	New Hampshire Ball Bearings, Inc Amend #1 to 8K for April 1963 (4)
Consolidated Credit Corp July 1964 (7)	Western Reserve Life Assurance Co of Ohio Amend #1 to 8K for Feb. 1964 (2,13)
Pictorial Productions, Inc Aug. 1964 (1,2,3,7,11,13)	
Roanwell Corp July 1964 (2,13)	Dymo Industries, Inc Aug. 1964 (3,12,13)
Investment Corp of Florida Sept. 1964 (11,13)	First Western Financial Corp Sept. 1964 (11,13)
Wolf Corp Aug. 1964 (2)	Avon Products, Inc August 1964 (13)
Aetna Maintenance Co Aug. & Sept. 1964 (3)	Seaboard Air Line RR Co Sept. 1964 (7,13)
Technifoam Corp Aug. 1964 (2,3,13)	Ward Foods, Inc Sept. 1964 (6)
Magnetics Inc March 1964 (11)	Movie Star, Inc Sept. 1964 (11)
Dec. 1963 (7) & June 1963 (7)	The Williamhouse Inc Sept. 1964 (12)
Midwestern Financial Corp Feb. 1964 (4,13) April 1964 (7)	Glenmore Distilleries Co Sept. 1964 (11)
United Sheet Metal Co, Inc Sept. 1964 (11)	Lee National Corp Sept. 1964 (12)
Tamar Electronics Ind, Inc May 1964 (11,13)	Bristol-Myers Co Sept. 1964 (13)
Combined Insurance Co of America Sept. 1964 (7,10)	Crescent Corp July 1964 (8)
	Phoenix Steel Corp Sept. 1964 (1,12)

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended October 8, 1964, 10 registration statements were filed, 14 became effective, and 267 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective October 9: General Development Corp. (File 2-22578); Jersey Central Power & Light Co. (File 2-22728); The Mead Corp. (File 2-22148). Effective October 12: Continental Reserve Corp. (File 2-21419).