

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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SEC ORDER CITES ACMERGE SECURITIES CO. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Acmerge Securities Company, Inc., of 25 Hyatt Street, Staten Island, N. Y. Also named as a respondent is the company's president, John G. Zullo. The firm, which is a member of the National Association of Securities Dealers, Inc., has applied for permission to withdraw its registration.

The proceedings are based upon staff charges that Acmerge Securities violated provisions of the Exchange Act and Commission rules thereunder by its failure to maintain proper books and records and by engaging in the conduct of a securities business (including the solicitation and acceptance of monies and securities) upon the representation that the firm could meet its obligations in the ordinary course of business, while omitting to state that the firm's record-keeping was such that it could not ascertain its financial condition or its ability to meet its obligations as they arose.

A hearing will be held at a later date to take evidence on the staff charges and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the alleged violations in fact occurred and, if so, whether any action of a remedial nature is appropriate in the public interest.

SEC ORDER CITES ROY L. GREENE & CO. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Roy L. Greene & Co., of Cedar Rapids, Iowa. Also named as a respondent is Roy L. Greene, an officer and sole stockholder of the firm.

The proceedings are based upon staff charges that Greene & Co. and Greene engaged in the conduct of a securities business in violation of the Commission's net capital rule and that, in violation of the anti-fraud provisions of the said Act, they also engaged in the conduct of a securities business while the firm was insolvent (the insolvency not having been disclosed to customers).

On September 27, 1965, the Commission instituted court action to enjoin Greene & Co. and Greene from engaging in the activities complained of. A temporary restraining order was issued by the court; and the Commission's motion for a preliminary injunction is now pending before the court (U.S.D.C., Cedar Rapids). Greene & Co. on October 6, 1965, requested withdrawal of its broker-dealer registration; and except for the institution of these administrative proceedings, withdrawal from registration would have become effective November 5, 1965.

After the court has acted upon the motion for a preliminary injunction, the Commission will schedule a hearing to take evidence on the staff charges and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the alleged violations in fact occurred and, if so, whether any action of a remedial nature should be ordered by the Commission.

SPACERAYS FILES FOR OFFERING. Spacerays, Inc., 11 E. 36th St., New York 10016, filed a registration statement (File 2-24173) with the SEC on October 29 seeking registration of 150,000 shares of common stock, to be offered for public sale through T. W. Lewis & Co., Inc., 61 Broadway, New York. The offering is to be made on a "best efforts, all or none" basis. The public offering price (\$6 per share maximum*) and underwriting terms are to be supplied by amendment. The company has also agreed to sell to George G. Hynson, Jr., and Thomas W. Lewis, officers of the underwriter, at \$.10 each, 4-year warrants to purchase an aggregate of 20,000 common shares. The underwriter will also be reimbursed for expenses in an amount of \$12,000.

Organized under New York law in 1962, the company was formed to undertake research and development services and to manufacture products in the fields of optics and electro-optics. Net proceeds of its stock sale will be used for corporate purposes, including the acquisition of additional equipment, improvements to its newly rented plant and laboratory, expansion of its technical and marketing staff, and the development of additional products. In addition to indebtedness, the company has outstanding 276,938 common shares (adjusted to reflect a 5-to-1 reverse split), of which management officials own 44.29%. The outstanding stock was issued for an aggregate of \$434,410. Joseph E. Robbins is board chairman and David Cole Gordon is president.

AMERICAN REALTY AND PETROLEUM FILES FOR SECONDARY. American Realty and Petroleum Corp., 16 W. 61st St., New York 10023, filed a registration statement (File 2-24174) with the SEC on October 29 seeking registration of 86,400 outstanding shares of common stock. The present holders thereof may offer the stock for public sale from time to time on the American Stock Exchange, at prices prevailing at the time of sale (\$2.375 per share maximum*).

The company's principal business is the subdivision of unimproved land and the sale of homesite lots and houses. In addition to indebtedness, it has outstanding 2,567,679 common shares, of which management officials own 51%. The prospectus lists 12 selling stockholders, including Troster, Singer & Co., offering 24,975; Aaron Katz, 8,325; and Louis J. Robbins, 5,000. Troster, Singer & Co., Katz, and six other sellers acquired their shares at a price of \$.10 per share in connection with the company's 1962 debenture offering. The remaining sellers are offering shares ranging in amounts from 100 to 1,000. With the exception of one selling stockholder, they are offering their entire stock holdings in the company. Irving W. Blum is president.

OVER

MAINE SUGAR FILES FINANCING PROPOSAL. Maine Sugar Industries, Inc., Easton, Me., filed a registration statement (File 2-24175) with the SEC on October 29 seeking registration of 336,000 shares of common stock and \$1,950,000 of 5½% convertible subordinated debentures (due 1985). The offering is to be made through company officials. The public offering price of the stock (\$5 per share maximum*) and debentures is to be supplied by amendment.

Organized under Maine law in February 1965, the company's business will consist primarily of the manufacture and sale of sugar and the by-products of such sugar processing. It is currently engaged in building a sugar beef processing plant in Easton, Me. Net proceeds of this financing will be added to the company's working capital. In addition to indebtedness, the company has outstanding 664,000 common shares, of which management officials own 9.04%. The stock was sold at \$1.25 per share prior to a 4-for-1 stock split in October. F. H. Vahlsing, Jr., is president and board chairman. The company's principal stockholders are Vahlsing, Inc. (45.84%), and American Maize-Products Co. (15.06%).

ZIMOCO PETROLEUM FILES PROPOSAL. Zimoco Petroleum Corporation, P. O. Box 530, Corsicana, Tex., filed a registration statement (File 2-24176) with the SEC on October 29 seeking registration of \$5,000,000 of 6-1/4% convertible subordinated debentures (due 1977) and 500,000 warrants to purchase a like number of common shares (exercisable initially at \$2.75 per share). The debentures and warrants are to be offered for public sale in units consisting of \$1,000 principal amount of debentures and 100 warrants. The offering is to be made on a best-efforts basis through Gianis & Co. Inc., 44 Wall St., New York 10005. The public offering price (\$1,000 per unit maximum*) and underwriting terms are to be supplied by amendment. The company is also registering outstanding warrants to purchase 297,577 common shares exercisable at \$9 per share. Such latter warrants are to be distributed by Shieldtron, Inc., to its stockholders in accordance with a plan of liquidation.

Organized under Delaware law in 1963, the company is engaged in operating, developing and drilling for oil and gas wells, primarily in Corsicana, Tex. Of the net proceeds of this financing, a "substantial portion" will be applied to the repayment of a \$6,000,000 loan incurred in connection with the acquisition of the Corsicana properties. The balance of the proceeds will be used for remedial work on producing wells, for development of new wells, and to augment working capital. In addition to indebtedness, the company has outstanding 1,654,222 common shares, of which Martin J. Zimet (president) and Sidney A. Zimet (executive vice president) own 1,536,091 shares. They acquired such stock in exchange for cash and property entered on the company's books at \$405,535.

WINN-DIXIE STORES FILES STOCK PLANS. Winn-Dixie Stores, Inc., 5050 Edgewood Court, Jacksonville, Fla. 32203, filed a registration statement (File 2-24177) with the SEC on October 29 seeking registration of 75,000 shares of common stock to be offered pursuant to its Revised Stock Purchase Plan for Employees; 19,000 common shares to be offered under its Executive Incentive Stock Option Plan; 3,000 common shares to be offered under its Key Employee Stock Option Plan; and 47,000 common shares to be offered pursuant to the company's Revised Key Employee Stock Option Plan.

AMERICAN MOTOR INNS PROPOSES OFFERING. American Motor Inns, Incorporated, 22 E. Campbell Ave., Roanoke, Va., filed a registration statement (File 2-24178) with the SEC on October 29 seeking registration of \$1,800,000 of 6% subordinated debentures, due 1975. The debentures are to be offered for public sale at \$1,000 per debenture through Jay W. Kaufmann & Co., 111 Broadway, New York, which will receive a \$100-per-debenture selling commission. The offering is to be on a "best efforts" basis. The company is also registering 300,000 outstanding shares of common stock for which the debentures may be exchanged. Also being registered are options to purchase 15,000 common shares at \$1 per share granted to Jay W. Kaufmann, and options to purchase 40,000 shares at \$5 per share granted to Irving W. Glantz, Herman M. Mednick, Edward Azrael and H. David Gann. (The latter options were issued in connection with a \$200,000 loan to the company by said individuals).

The company is engaged in the business of constructing, leasing and operating motel properties and the construction and operation of business rental property. It operates some 24 motels under the "Holiday Inns of America, Inc." franchise. Net proceeds from its debenture sale will be used to retire certain indebtedness. In addition to indebtedness, the company has outstanding 2,568,530 common shares, of which management officials own 94.9%. The stockholders offering to exchange common shares for the debentures are A. O. Krisch (board chairman), Joel Krisch (president), and Rosalie K. Shaftman (secretary), who own 807,853, 807,852, and 807,851 shares, respectively. The Krisch family also granted the 55,000 options being registered.

KIRK LABORATORIES FILES FOR SECONDARY. C. F. Kirk Laboratories, Inc., East Woodstock, Conn., filed a registration statement (File 2-24179) with the SEC on October 29 seeking registration of 30,000 outstanding shares of common stock and 40,000 outstanding common stock purchase warrants. The present holders thereof may offer the stock and warrants for public sale from time to time in the over-the-counter market, at prices current at the time of sale (\$2 per share maximum*). The warrants are exercisable at \$2 per share and expire in 1967.

The company manufactures and sells pharmaceuticals, principally to physicians and pharmacists. In addition to indebtedness, it has outstanding 429,900 common shares, of which management officials own 8.15%. The stock and warrants being registered were issued in connection with a September 1965 agreement with Menlo Park Laboratories, Inc., under which the company acquired the use of the name Menlo Park Laboratories, Inc., and complete formula and patents for three products known as Vaga-spray, Cetril and Vet-spray. Of the 40,000 warrants, 25,000 were registered in the name of Menlo Park Laboratories, and 15,000 in the names of Irwin Fein and Louis Jacobson. Jerome I. Rosenberg is president of the company.

FIRST RAILROAD & BANKING OF GA. PROPOSES OFFERING. First Railroad & Banking Company of Georgia, 701 Broad St., Augusta, Ga., filed a registration statement (File 2-24180) with the SEC on November 1 seeking registration of \$3,500,000 of 4-1/4% convertible debentures (due 1990). The debentures are to be offered for public sale through underwriters headed by The Johnson, Lane, Space, Smith Corp., 721 Broad St., and The Robinson-Humphrey Co., Inc., 739 Broad St., both of Augusta, Ga. The public offering price and underwriting terms are to be supplied by amendment.

The company owns substantially all of the outstanding stocks of Georgia Railroad and Banking Co., Georgia Railroad Bank & Trust Co., and First of Georgia Insurance Co. Of the net proceeds from its debenture sale, \$2,500,000 will be used to purchase notes of Georgia Railroad Bank & Trust, and the balance will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 921,904 common shares, of which management officials own 12.53%. Sherman Drawdy is president.

DETROIT BANK FILES PLAN. National Bank of Detroit, Woodward at Fort St., Detroit, Mich. 48232, trustee for the Michigan Association of the Professions Pension Plan and Trust for Self-Employed Individuals, filed a registration statement (File 2-24181) with the SEC on October 29 seeking registration of \$1,000,000 of units of participation in said plan. The plan is designed to afford self-employed individuals an opportunity to establish, for themselves and their employees, pension plans designed to qualify under Section 401 of the Internal Revenue Code of 1954, as amended.

NORTH STAR PETROLEUM PROPOSES OFFERING. North Star Petroleum Co., 477 Northstar Center, Minneapolis, Minn., filed a registration statement (File 2-24184) with the SEC on November 1 seeking registration of 500 units of interests in its 1966 program. The units are to be offered for public sale, at \$5,000 per unit, by the company and its wholly-owned subsidiary, North Star Programs, Inc. The offering is conditioned upon the sale of at least \$300,000 of units by August 31, 1966.

Organized under Delaware law in July 1965, the company will be the managing partner of its 1966 program, the purpose of which is to acquire, drill, and develop oil and gas leases. Clyde W. Jones is president of the company and of North Star Programs.

SUN OIL PROPOSES DEBENTURE OFFERING. Sun Oil Company, 1608 Walnut St., Philadelphia, Pa. 19103, filed a registration statement (File 2-24185) with the SEC on November 1 seeking registration of \$100,000,000 of 25-year debentures (due 1990), to be offered for public sale through underwriters headed by Smith, Barney & Co. Inc., 20 Broad St., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the oil business. Net proceeds from its debenture sale will be used for general corporate purposes. The company contemplates making capital expenditures in the United States largely for expansion and improvement of its manufacturing and marketing facilities, for exploration and production of oil and gas properties, and for other property additions. A portion of the net proceeds may be used to meet commitments with respect to the Athabasca Tar Sands project, located in Canada, the total cost of which is estimated at \$213,000,000. J. Howard Pew is board chairman and Robert G. Dunlop is president.

M. A. HANNA SEEKS ORDER. The M. A. Hanna Company, Cleveland, Ohio, closed-end, non-diversified investment company, and The Hanna Mining Co., have applied to the SEC for an order under the Investment Company Act authorizing Hanna Mining to purchase 1,000,000 shares of capital stock of National Steel Corp., presently held by Hanna Company, in exchange for \$50,000,000 principal amount of Hanna Mining's 4-3/4% sinking fund debentures (due 1990) and \$8,750,000 in cash. The Commission has issued an order (Release IC-4392) giving interested persons until November 18 to request a hearing thereon. According to the application, Hanna Mining is an "affiliated person" of Hanna Company because of the latter's 47% ownership of the outstanding common stock of Hanna Mining. The proposed transaction is part of a Plan of Complete Liquidation of Hanna Company which its directors have approved and have recommended for approval by shareholders at a meeting scheduled for November 23.

PROCEDURE RE EXCHANGE FUND APPLICATIONS MODIFIED. The SEC has issued orders under the Investment Company Act advancing to November 12 the last day for interested persons to request a hearing upon applications filed by Second Presidential Exchange Fund, Inc. (Release IC-4393), and Third Empire Fund, Inc. (Release IC-4394), both of Boston. As reported in the SEC News Digest of October 27, the companies have requested an exemption order with respect to the minimum net capital requirements of Section 14(a) of the Act.

CONTINENTAL VENDING SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation for a further ten-day period, November 3-12, 1965, inclusive.

DELISTED GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-7737) granting an application of the New York Stock Exchange to strike from listing and registration the common stock of Briggs Manufacturing Co., effective at the opening of business on November 4. According to the application, the company's common stock fails to meet the standards of eligibility for original listing on the Exchange, after consummation in October of a reorganization plan between the company and Republic-Transcon Industries, Inc.

UNLISTED TRADING SOUGHT. The SEC has issued an order under the Securities Exchange Act (Release 34-7737) giving interested persons until November 10 to request a hearing upon an application of the Boston Stock Exchange for unlisted trading privileges in the common stock of KLM Royal Dutch Air Lines.

HAMILTON FUNDS RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4391) with respect to an investment advisory agreement between Hamilton Funds, Inc., Denver mutual fund, and International Telephone and Telegraph Corp., New York.

According to the application, in March 1965 a subsidiary of a subsidiary of ITT acquired control of Hamilton Management Corporation ("Hamilton") by purchasing some 94% of its outstanding voting securities. This transfer of a controlling block of Hamilton stock constituted an assignment of the then existing advisory agreement between Hamilton and the Fund, and resulted in termination of the agreement. Concurrently therewith, the Fund shareholders approved a new advisory agreement with Hamilton. Hamilton now proposes to sell substantially all its assets to another subsidiary of ITT (or a subsidiary of that subsidiary), in exchange for 303,077 shares of ITT common stock. Such shares will be distributed to Hamilton shareholders upon its liquidation. Such sale will result in termination of the present agreement; and a new advisory agreement is to be entered into between the Fund and Hamilton's successor, substantially identical to the present agreement. The Commission's order permits the new subsidiary to serve as investment adviser until the next annual meeting of Fund shareholders (in June 1966).

W. S. MORRIS ENJOINED. The SEC Denver Regional Office announced October 29 (LR-3359) the entry of a Federal court order (USDC, Salt Lake City) enjoining William S. Morris, Las Vegas, Nev., from violating the anti-fraud and registration provisions of the Securities Exchange Act. A restraining order, previously issued against Eric Berglund of Phoenix, Ariz., and Robert Dahle Sparrow, of Salt Lake City and Phoenix, was continued for an additional 10-day period. The defendants were ordered to hold intact certain securities and not to disburse any monies received from the sale of securities, which were alleged to have been obtained from public stockholders by fraud.

CERTIFIED GROCERS OF ILLINOIS EXEMPTED. The SEC has issued an order under the Securities Exchange Act granting an application of the Certified Grocers of Illinois, Inc., Chicago, Ill., for exemption from the registration requirements of Section 12(g) of the Act. The application states that all of Certified Grocers' outstanding stock is owned by members who are retail grocers and who purchase their grocery requirements from the company.

LEAR JET FILES FOR SECONDARY. Lear Jet Corporation, 8220 W. Harry St., Wichita, Kans., filed a registration statement (File 2-24186) with the SEC on November 1 seeking registration of 100,000 outstanding shares of common stock. The present holder thereof, William P. Lear, Sr. (board chairman and president), may offer such stock for public sale in the over-the-counter market at prices prevailing at the time of sale (\$80 per share maximum*). The company is engaged primarily in the development and production of business jet airplanes. In addition to indebtedness, it has outstanding 2,000,000 common shares, of which Lear owns 67.03%.

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "***"):

File No.	O- Registrant	Location
1835	Acme Electric Corp	Cuba, N. Y.
1834	American Gypsum Co.**	Albuquerque, N.M.
1836	American Security Invst Co.	Greenville, S.C.
1830	Bowl America Inc	Arlington, Va.
1838	Cincinnati Economy Drug Co.	Cincinnati, Ohio
1837	Federal Screw Works	Detroit, Michigan
1828	The Flexible Co.**	Loudonville, Ohio
1829	Holophane Co., Inc.	New York, N. Y.
1832	Potash Co. of America **	Denver, Colorado
1833	Producers Cotton Oil Co. **	Fresno, Calif.
1831	Ram Tool Corp	Chicago, Illinois
1839	Sonar Radio Corp	Brooklyn, N. Y.
1840	Southern Securities Corp	Evansville, Indiana

SECURITIES ACT REGISTRATIONS. Effective November 1: Beneficial Finance Co., 2-24086 (40 days); Hess Oil & Chemical Corp., 2-23815.

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

*As estimated for purposes of computing the registration fee.