

sec news digest

Issue 96-11

January 23, 1996

ENFORCEMENT PROCEEDINGS

IN THE MATTER OF ANTHONY NEGUS

The Commission today issued an order instituting administrative proceedings against Anthony J. Negus, pursuant to Sections 9(b) and (f) of the Investment Company Act of 1940, Section 203(f) of the Investment Advisers Act of 1940, Section 8A of the Securities Act of 1933, and Sections 15(b) and 21C of the Securities Exchange Act of 1934.

According to the Order, Negus is charged with having willfully violated Section 34(b) of the Investment Company Act and Section 17(a) of the Securities Act, and aided and abetted the Concourse Fund's violations of Section 13(a)(3) of the Investment Company Act and Rule 22c-1(a) thereunder during 1991 in his capacity as a principal of the Concourse Funds, Inc., an Atlanta-based registered investment company, and its adviser, Concourse Capital Asset Management, Inc. The Order alleges, among other things, that the Concourse Fund executed a series of transactions during its brief existence in which Fund shares were exchanged for relatively worthless and illiquid promissory notes and other securities which the Fund and its principals, including Negus, improperly valued at their full face amount. As a result, the Fund sold and redeemed its securities at inflated net asset values, deviated from its stated investment policies, and made material misstatements in documents filed with the Commission.

A hearing will be scheduled to determine whether the alleged violations occurred and, if so, the appropriate sanctions to be imposed. (Rel. Nos. 33-7259; 34-36749; IA-1549; IC-21690)

TEMPORARY RESTRAINING ORDER GRANTED IN SEC v. CITI FINANCIAL SERVICES, ET AL.

On January 18, the Honorable William J. Rea, United States District Court Judge for the Central District of California, entered a Temporary Restraining Order (Order) prohibiting the offer and sale of fictitious brokered Certificates of Deposit (CDs) by Citi Financial Services (Citi Financial), Citi Corp Realty Partners IV (CCRP) (collectively, Citi Entities), Harold Goldstein (Goldstein), Richard Thomas Mandell (Mandell), Robert Singleton (Singleton), Mark Barquera (Barquera) and Roberta Crampton (Crampton). The Order also freezes the assets of the Citi Entities, Goldstein, Mandell and Singleton.

The complaint alleges that the defendants violated Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, by engaging in the fraudulent offer and sale of brokered CDs. The defendants falsely claimed that they were affiliated with the New York based money center bank, Citibank, N.A., and its parent corporation, Citicorp, and that they were purchasing FDIC insured CDs with investor monies. Defendants have no affiliation with Citicorp and did not purchase any CDs on behalf of investors. [SEC v. Citi Financial Services, Citi Corp Realty Partners IV, Harold Goldstein, Richard Thomas Mandell, a.k.a. Mark Morgenlender, Robert Singleton, Mark Barquera, a.k.a. Mark Cabrerro and Roberta Crampton, Civil Action No. 96-0349, WJR, BQRx, C.D. Cal.] (LR-14789)

HOLDING COMPANY ACT RELEASES

GENERAL PUBLIC UTILITIES CORPORATION, ET AL.

An order has been issued on a proposal by General Public Utilities Corporation (GPU), a registered holding company, GPU Service Corporation (GPUSC), Energy Initiatives, Inc. (EII), Energy Services, Inc. (ESI), each a wholly owned nonutility subsidiary of GPU, and GPU's utility subsidiaries, Jersey Central Power & Light Company, Metropolitan Edison Company, and Pennsylvania Electric Company (Operating Companies). GPU has been authorized to increase its authority to invest in one or more foreign utility companies and

exempt wholesale generators (Exempt Entities) directly and indirectly, through subsidiary companies exclusively engaged in owning interests in one or more Exempt Entities (Subsidiary Companies), to 50% of GPU's consolidated retained earnings through December 31, 1997. Further, GPU has been authorized to modify the upper limit on interest rates charged with respect to the debt of Subsidiary Companies and/or associate Exempt Entities. The Commission has reserved jurisdiction over the sale of goods and services by Subsidiary Companies, Operating Companies and GPUSC to associate Exempt Entities and associate Subsidiary Companies and by EII and ESI to associate Subsidiary Companies. The Commission has also reserved jurisdiction over all reporting requirements with respect to the proposed transactions. (Rel. 35-26457; IS-920)

EUA ENERGY INVESTMENT CORPORATION

A notice has been issued giving interested persons until February 12 to request a hearing on a proposal by EUA Energy Investment Corporation, a wholly owned subsidiary company of Eastern Utilities Associates, a registered holding company, to increase the interest rates charged by it on additional loans and/or advances to its subsidiary, TransCapacity Limited Partnership, above its effective cost of capital. (Rel. 35-26458)

NATIONAL FUEL GAS CO., ET AL.

A notice has been issued giving interested persons until February 12 to request a hearing on a proposal by National Fuel Gas Co. (NFG), a registered holding company, to lend through December 31, 1997, up to \$100 million to its wholly owned subsidiary, Horizon Energy Development (Horizon), for Horizon's authorized activities, including investments in exempt wholesale generators and foreign utility companies. NFG will lend proceeds from its previously authorized sale of new debentures or new medium-term notes. Horizon also proposes to participate in NFG's interest rate swap and derivative transactions program. (Rel. 35-26458)

ARKANSAS POWER & LIGHT COMPANY

A notice has been issued giving interested persons until February 12 to request a hearing on a proposal by Arkansas Power & Light Company, an electric public-utility subsidiary company of Entergy Corporation, a registered holding company, to purchase 68 shares of common stock of The Arklahoma Corporation from Oklahoma Gas & Electric Company for an aggregate purchase price of approximately \$47,328. (Rel. 35-26458)

SOUTHWESTERN ELECTRIC POWER COMPANY

A notice has been issued giving interested persons until February 12 to request a hearing on a proposal by Southwestern Electric Power Company, an electric public-utility subsidiary company of Central and South West Corporation, a registered holding company, to purchase 78 shares of common stock of The Arklahoma Corporation from Oklahoma Gas & Electric Company for an aggregate purchase price of approximately \$54,288. (Rel. 35-26458)

SELF-REGULATORY ORGANIZATIONS

JOINT INDUSTRY PLANS CONSOLIDATED TAPE ASSOCIATION

The Consolidated Tape Association (CTA) and Consolidated Quotation (CQ) Plan Participants filed amendments to the Restated CTA Plan and CQ Plan (SR-CTA/CQ-96-1). Publication of the notice is expected in the Federal Register during the week of January 22. (Rel. 34-36725)

PROPOSED RULE CHANGES

The Chicago Board Options Exchange filed a proposed rule change (SR-CBOE-96-01) to increase the SPX position and exercise limits, to increase the SPX firm facilitation, index hedge, and money managers exemptions, and to extend the broad-based index hedge exemption to broker-dealers. Publication of the notice is expected in the Federal Register during the week of January 22. (Rel. 34-36738)

The Philadelphia Stock Exchange filed a proposed rule change (SR-Phlx-95-92) that would list and trade options on the Phlx OTC Industrial Average Index, a price weighted index developed by the Phlx composed of some of the largest stocks, by capitalization, traded through NASDAQ/NMS. Publication of the notice is expected in the Federal Register during the week of January 22. (Rel. 34-36744)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Midwest Securities Trust Company filed a proposed rule change (SR-MSTC-95-11) relating to a proposed contingency plan for participants in connection with MSTC's decision to withdraw from the securities depository business. Publication of the proposal is expected in the Federal Register during the week of January 22. (Rel. 34-36739)

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved proposed rule changes (SR-SCCP-95-04 and SR-Philadep-95-06) filed by the Stock Clearing Corporation of Philadelphia and the Philadelphia Depository Trust Company that authorize the release of clearing data relating to participants. (Rel. 34-36743)

The Commission approved a proposed rule change (SR-Phlx-95-38) filed by the Philadelphia Stock Exchange to increase the position and exercise limits on the Phlx's National Over-the-Counter Index to 25,000 contracts. (Rel. 34-36745)

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.
- Item 8. Change in Fiscal Year.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Room (when ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

NAME OF ISSUER	STATE CODE	BK ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
ACCUSTAFF INC	FL		X					X		01/03/96	
AEL INDUSTRIES INC	PA				X	X				01/10/96	
AMERICAN EXPRESS RECEIVABLES FINANCING C	DE				X	X				01/12/96	
APPLIED POWER INC	WI				X	X				01/15/96	
ASSOCIATES CORPORATION OF NORTH AMERICA	DE							X		01/18/96	
BANK OF BOSTON CORP	MA				X	X				01/18/96	
BPI PACKAGING TECHNOLOGIES INC	DE				X	X				12/30/95	
BULL RUN CORP	GA				X	X				01/03/96	
CITICORP	DE			X						01/16/96	
CODA ENERGY INC	DE				X	X				01/10/96	
CONSECO INC ET AL	IN				X	X				01/17/96	
CORESTATES FINANCIAL CORP	PA				X	X				01/17/96	
DONEGAL GROUP INC	DE				X	X				12/21/95	
ENVIROGEN INC	DE				X					12/28/95AMEND	
FALCON BUILDING PRODUCTS INC	DE				X					01/02/96	
FIRST BANK SYSTEM INC	DE				X					01/18/96	
FIRST NATIONAL ENTERTAINMENT CORP	CO		X		X	X				12/31/95	
FLEET FINANCIAL GROUP INC	RI				X	X				01/17/96	

8K REPORTS

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
FLEET FINANCIAL GROUP INC	RI				X	X				01/19/96	
FOREST LABORATORIES INC	DE	X								09/30/95AMEND	
GREEN TREE FINANCIAL CORP	MN				X	X				01/16/96	
GREEN TREE FINANCIAL CORP	MN				X	X				01/16/96	
GREEN TREE FINANCIAL CORP	MN				X	X				01/16/96	
GREEN TREE FINANCIAL CORP	MN				X	X				01/16/96	
HOME INTERSTATE BANCORP	CA				X	X				01/10/96	
KCS ENERGY INC	DE					X				12/07/95AMEND	
KEYCORP /NEW/	OH				X	X				01/18/96	
KU ENERGY CORP	KY				X					01/18/96	
MAYS J W INC	NY				X					01/11/96	
NELSON THOMAS INC	TN	X								01/19/96AMEND	
NORTHLAND CABLE PROPERTIES EIGHT LIMITED	WA		X				X			01/05/96	
NOSTALGIA NETWORK INC	DE		X				X			01/04/96	
PRODUCTION SYSTEMS ACQUISITION CORP					X	X				12/18/95	
PUBLIC SERVICE ELECTRIC & GAS CO	NJ				X					01/19/96	
PUBLIC SERVICE ELECTRIC & GAS CO	NJ				X					01/19/96	
PUBLIC SERVICE ENTERPRISE GROUP INC	NJ				X					01/19/96	
PUBLIC SERVICE ENTERPRISE GROUP INC	NJ				X					01/19/96	
RESIDENTIAL FUNDING MORTGAGE SECURITIES	DE				X	X				01/18/96	
SEAFIELD CAPITAL CORP	MO				X	X				01/17/96AMEND	
SECURITY PACIFIC NATIONAL BANK	DE				X	X				01/16/96	
SOUTHERN ELECTRONICS CORP	DE		X							12/31/95	
ST LAWRENCE SEAWAY CORP	IN		X							12/31/95	
THERMO PROCESS SYSTEMS INC	DE		X				X			12/08/95AMEND	
TRAVELERS GROUP INC	DE				X	X				01/19/96	
TRUSTCO BANK CORP N Y	NY				X					01/16/96	
USP REAL ESTATE INVESTMENT TRUST	IA	X								12/18/95	
VIKING CAPITAL GROUP INC	UT		X							01/17/96	
WHITMAN MEDICAL CORP	NJ						X			12/21/96AMEND	
WHITNEY HOLDING CORP	LA					X				01/19/96	
WOODWARD GOVERNOR CO	DE	X								01/19/96AMEND	