

# sec news digest

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**ADMINISTRATIVE PROCEEDINGS**

**U.S. SECURITIES AND  
EXCHANGE COMMISSION**

## **CHARLES PHILLIP ELLIOTT BARRED**

Chief Administrative Law Judge Warren E. Blair issued an initial decision barring Charles Phillip Elliott, of Naples, Florida, from association with a broker or dealer or an investment adviser.

Judge Blair found that Charles Phillip Elliott had been permanently enjoined on March 31, 1987 by the U.S. District Court for the Southern District of Florida from further violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 and of Section 10(b) and Rules 10b-5, and Section 15(a)(1) of the Securities Exchange Act of 1934 in connection with the offer and sale of various securities. Judge Blair also determined that the U.S. District Court for the Middle District of Florida convicted Elliott on March 19, 1990 on thirty-seven (37) criminal counts, including violations of the anti-fraud provisions of the Investment Advisers Act of 1940, violations of the anti-fraud provisions of the Securities Act of 1933, mail fraud, aiding and abetting the mentioned violations, and conspiracy to commit the mentioned violations and that the sentencing judge had labeled Elliott's criminal conduct "a massive fraud" and "a typical Ponzi scheme." (Initial Decision Rel. No. 10)

**CIVIL PROCEEDINGS**

## **COMPLAINT AGAINST ROBERT SCHLIEN AND OTHERS**

The Atlanta Regional and Miami Branch Offices announced the filing of a civil complaint on September 28, 1990 in the U.S. District Court for the Southern District of Florida against Robert Schlien (Schlien) of Coral Springs, Florida, Carlos Fontecilla of Miami, Florida, Scott Segal (Segal) of Miami, Florida and David Jones (Jones) of Boca Raton, Florida. The defendants are former officers and registered representatives of Profile Investments Corporation (Profile), a securities broker-dealer registered with the Commission from approximately July 1, 1985 until its registration was revoked on August 11, 1989. The complaint seeks to enjoin the defendants, directly or indirectly, from engaging in a fraudulent scheme to manipulate the market for certain securities in violation of the anti-fraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934, and disgorgement of ill-gotten proceeds.

The complaint alleges that between at least November 1988 and continuing until at least in or about March 1989 the defendants engaged in a fraudulent scheme to manipulate the market for the securities of Continental Capital Resources, Inc. (Continental Capital), a company whose securities trade in the over-the-counter market. Schlien, Segal and Jones are also charged with engaging in an illegal scheme to bid for or purchase securities of Continental Capital, whose securities were the subject of a distribution by Profile. [SEC v. Robert Schlien, et al., Case No. 90-2247-CIV-SPELLMAN, S.D. Fla.] (LR-12687)

## CRIMINAL PROCEEDINGS

### COURT OVERTURNS SENTENCE OF FORMER STOCKBROKER

The Boston Regional Office and the U.S. Attorney for the District of Massachusetts announced that on October 29 the U.S. Court of Appeals for the First Circuit vacated the sentence imposed on Walter F. Curran of Wellesley, Massachusetts and ordered Curran resentenced before a different judge. Curran pled guilty to mail fraud and currency charges relating to a scheme to defraud customers of his brokerage firm, Dean Witter Reynolds, Inc., of in excess of \$2.3 million. Curran was sentenced to five years incarceration, to be followed by five years probation. As a special condition of probation, Curran was ordered to make restitution to the victims of the crime in the amount of \$2.3 million. In vacating the sentence, the U.S. Court of Appeals ruled that the sentencing judge had used information not available to the defense (letters from Curran's victims) when he imposed the sentence. The case was investigated by the Federal Bureau of Investigation, the United States Customs Service, and the Boston Regional Office of the Commission. [U.S. v. Curran, No. 89-65-H, District of Mass.] (LR-12688)

## INVESTMENT COMPANY ACT RELEASES

### SCHAFER VALUE TRUST

A notice has been issued giving interested persons until November 26 to request a hearing on an application filed by Schafer Value Trust Inc. for an order under Section 8(f) of the Investment Company Act declaring that it has ceased to be an investment company. (Rel. IC-17824 - October 29)

### THE 59 WALL STREET FUND

A conditional order under Section 6(c) of the Investment Company Act has been issued on an application filed by The 59 Wall Street Fund, Inc. The order grants an exemption from the provisions of Section 12(d)(3) of the Act and Rule 12d3-1 thereunder to the extent necessary to permit applicant to invest in equity or convertible debt securities issued by foreign issuers that derived more than 15% of their gross revenues from their activities as a broker, dealer, underwriter, or investment adviser, provided such investments meet the conditions described in proposed amended Rule 12d3-1. (Rel. IC-17825 - October 29)

#### STATE BOND AND MORTGAGE COMPANY

A notice has been issued giving interested persons until November 26, 1990, to request a hearing on an application filed by State Bond and Mortgage Company (Company) for a conditional order of the Commission under Section 8(f) of the Investment Company Act declaring that the Company has ceased to be an investment company under the 1940 Act because, among other things, it has become primarily engaged, through wholly-owned subsidiaries, in businesses that are excepted from the definition of an investment company under Sections 3(c)(3) and 3(c)(6) of the 1940 Act. (Rel. IC-17826 - October 29)

#### DAILY MONEY FUND

An order has been issued under Section 45(a) of the Investment Company Act on an application filed by Daily Money Fund, et al. The order declares that public disclosure of sections II through V of a report entitled "Fidelity Group of Funds Interfund Lending Facility Design Report," dated March 3, 1990, is neither necessary nor appropriate in the public interest or for the protection of investors. (Rel. IC-17827 - October 30)

#### THE SALOMON BROTHERS FUND

An order has been issued under Section 6(c) of the Investment Company Act on an application filed by The Salomon Brothers Fund, Inc., Salomon Brothers Capital Fund, Inc., Salomon Brothers Investors Fund, Inc. (collectively, Funds), and Mr. Thomas F. Schlafly exempting Mr. Schlafly from the definition of "interested person" in Section 2(a)(19)(B)(iv) of the Act solely for the purpose of determining whether, under Section 15(f) of the Act, 75% of the members of the board of directors of the Funds are not "interested persons" of the predecessor or successor investment adviser. (Rel. IC-17828 - October 30)

#### SECURITY PACIFIC NATIONAL BANK

A notice has been issued giving interested persons until November 27, 1990 to request a hearing on an application filed by Security Pacific National Bank for an order under Section 6(c) of the Investment Company Act providing an exemption from Section 17(f) of the Act to allow Applicant to maintain foreign securities and other assets of U.S. registered investment companies in the custody of (a) certain foreign subsidiaries of Security Pacific Corporation and (b) a foreign securities depository. (Rel. IC-17832; International Series Rel. No. 183 - October 31)

#### PERMANENT TRUSTEE COMPANY LIMITED

A notice has been issued giving interested persons until November 26, 1990 to request a hearing on an application filed by Permanent Trustee Company Limited (Permanent Trustee) for an order pursuant to Section 6(c) of the Investment Company Act exempting Permanent Trustee from Section 17(f) so that it may serve as foreign custodian of securities and other assets of registered investment companies. (Rel. IC-17833; International Series Rel. No. 184 - October 31)

## THE MEXICO EQUITY AND INCOME FUND

A conditional order under Section 6(c) of the Investment Company Act has been issued on an application filed by The Mexico Equity and Income Fund, Inc. The order grants an exemption from the provisions of Section 12(d)(3) of the Act and Rule 12d3-1 thereunder to the extent necessary to permit applicant to invest in equity or convertible debt securities issued by foreign issuers that derived more than 15% of their gross revenues from their activities as a broker, dealer, underwriter, or investment adviser, provided such investments meet the conditions described in proposed amended Rule 12d3-1. (Rel. IC-17834; International Series Rel. No. 185 - October 31)

## SELF-REGULATORY ORGANIZATIONS

### AMENDMENT TO PROPOSED RULE CHANGE

Pursuant to Rule 19b-4 under the Securities Exchange Act, the Philadelphia Stock Exchange has filed with the Commission an amendment to a proposed rule change regarding its revised Cash Index Participation (CIP). The amendment provides that a CIPs holder exercising its cash-out privilege will receive the same day's closing index value instead of the next day's opening index value. Publication of the notice is expected in the Federal Register during the week of November 5. (Rel. 34-28585)

### PROPOSED RULE CHANGE

The New York Stock Exchange (SR-NYSE-90-46) filed a proposed rule change under Rule 19b-4 of the Exchange Act to amend the NYSE's Procedures for Competing Specialists (Procedures), to request the Commission's permanent approval of the Procedures, and to respond to the Commission's specific requests for information concerning the application of specified Exchange rules and policies to competing specialist situations. Publication of the proposal is expected in the Federal Register during the week of November 5. (Rel. 34-28586)

### APPROVAL OF PROPOSED RULE CHANGE

The Commission granted approval of a proposed rule change submitted by the Chicago Board Options Exchange (SR-CBOE-90-16) to list and trade index warrants based on the CAC-40 Index, a capitalization-weighted index consisting of the 40 leading stocks listed and traded on the Paris Bourse. (Rel. 34-28587)

## SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC under the Securities Act of 1933. The reported information appears as follows: Form, Name, Address and Phone Number (if available) of the issuer of the security; Title and the number and/or face amount of the securities being offered; Name of the managing underwriter or depositor (if applicable); File number and date filed; Assigned Branch; and a designation if the statement is a New Issue.

S-3 GREAT FALLS GAS CO, #1 FIRST AVE SOUTH, GREAT FALLS, MT 59401 (406) 761-7100 (FILE 33-27409 - MAR. 06) (BR. 7)

REGISTRATIONS CONTINUED

- S-1 HARBOR BANC FINANCIAL CORP, US ROUTE 1 FOX RIDGE OFFICE PARK, PO BOX 1019, ROCKPORT, ME 04856 (207) 236-9016 - 700,000 (\$7,000,000) COMMON STOCK. 84,000 (\$840,000) COMMON STOCK. (FILE 33-37405 - OCT. 23) (BR. 1 - NEW ISSUE)
- S-8 LA GEAR INC, 4221 REDWOOD AVE, LOS ANGELES, CA 90066 (213) 822-1995 - 1,040,000 (\$11,762,400) COMMON STOCK. (FILE 33-37408 - OCT. 24) (BR. 5)
- S-8 HBO & CO, 301 PERIMETER CTR NORTH, ATLANTA, GA 30346 (404) 393-6000 - 2,500,000 (\$15,625,000) COMMON STOCK. (FILE 33-37410 - OCT. 24) (BR. 10)
- S-2 BIG O TIRES INC, 11755 E PEAKVIEW AVE, ENGLEWOOD, CO 80111 (303) 790-2800 - 500,000 (\$406,250) COMMON STOCK. (FILE 33-37411 - OCT. 24) (BR. 4)
- S-8 PLAYERS INTERNATIONAL INC /NV/, 26541 AGOURA RD STE 100, P O BOX 9840, CALABASAS, CA 91302 (818) 880-9111 - 1,451,000 (\$5,259,875) COMMON STOCK. (FILE 33-37412 - OCT. 24) (BR. 11)
- S-8 INTERMEC CORP, 6001 36TH AVE W, P O BOX 4280, EVERETT, WA 98203 (206) 348-2600 - 50,000 (\$718,750) COMMON STOCK. (FILE 33-37415 - OCT. 25) (BR. 10)
- F-6 SAGA PETROLEUM AS /ADR/, 111 WALL STREET 5TH FLOOR, NEW YORK, NY 10043 (212) 657-7322 - 10,000,000 (\$500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-37422 - OCT. 24) (BR. 99 - NEW ISSUE)
- F-6 SAGA PETROLEUM AS /ADR/, 111 WALL STREET 5TH FLOOR, NEW YORK, NY 10043 (212) 657-7322 - 10,000,000 (\$500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-37423 - OCT. 24) (BR. 99)
- N-2 PHYSICIANS CAPITAL FUND INCORPORATED, ONE CORPORATE PLZ STE 260, 2525 BAY AREA BLVD, HOUSTON, TX 77058 (713) 486-1818 - 3,000,000 (\$9,000,000) COMMON STOCK. 2,497,500 (\$8,116,875) COMMON STOCK. (FILE 33-37424 - OCT. 24) (BR. 17 - NEW ISSUE)
- S-3 TEXAS EASTERN TRANSMISSION CORP, 5400 WESTHEIMER CT, P O BOX 1642, HOUSTON, TX 77251 (713) 627-5400 - 300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE 33-37425 - OCT. 25) (BR. 8)
- S-3 SEARS ROEBUCK & CO, SEARS TOWER, CHICAGO, IL 60684 (312) 875-2500 - 1,000,000,000 (\$1,000,000,000) STRAIGHT BONDS. UNDERWRITER: DEAN WITTER REYNOLDS INC, GOLDMAN SACHS & CO, MORGAN STANLEY & CO INC, MORGAN STANLEY & CO. (FILE 33-37427 - OCT. 25) (BR. 2)
- S-4 ARKLA INC, ARKLA BLDG, 525 MILAM ST, SHREVEPORT, LA 71101 (318) 429-2700 - 28,790,815 (\$597,409,411) COMMON STOCK. (FILE 33-37428 - OCT. 25) (BR. 7)
- S-8 ZERO CORP, 444 S FLOWER ST STE 2100, LOS ANGELES, CA 90071 (213) 629-7000 - 250,000 (\$2,580,000) COMMON STOCK. (FILE 33-37429 - OCT. 25) (BR. 5)
- S-4 WAL MART STORES INC, 702 SW 8TH ST, BENTONVILLE, AR 72716 (501) 273-8800 - 10,377,358 (\$70,566,034) COMMON STOCK. (FILE 33-37430 - OCT. 25) (BR. 2)
- S-3 PUBLIC SERVICE CO OF COLORADO, 550 15TH ST, DENVER, CO 80202 (303) 571-7511 - 500,000,000 (\$500,000,000) MORTGAGE BONDS. (FILE 33-37431 - OCT. 25) (BR. 8)

## ACQUISITION OF SECURITIES

Companies and individuals must report to the Commission within ten days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds five percent. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within 45 days after the end of the calendar year in which the person became subject to Section 13(d)(1). Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1.

Below is a list of recent filings of Schedules 13D and 14D, which includes the following information: Column 1 - the company purchased (top), and the name of the purchaser; Column 2 - the type of security purchased; Column 3 - the type of form filed; Column 4 - the date the transaction occurred; Column 5 - the current number of shares (in 000's) owned (top) and the current percent owned; Column 6 - the CUSIP number (top) and the percent owned; and Column 7 - the status of the filing, i.e., new, update or revision.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
BETHEL BANCORP SQUARE LAKE HLDG CORP	PREF SER A 13D	10/19/90	45 7.8	08673599 .0	NEW
CASUAL MALE CORP FINANCO INVESTORS FD	COM 13D	10/18/90	808 14.5	14870810 14.5	UPDATE
D O C OPTICS CORP FIDELITY INTL LTD ET AL	COM 13D	10/24/90	0 0.0	23324010 N/A	UPDATE
D O C OPTICS CORP INTEGRITY FUND INC ET AL	COM 13D	10/24/90	0 0.0	23324010 N/A	UPDATE
D O C OPTICS CORP KELSO MANAGEMENT CO ET AL	COM 13D	10/24/90	0 0.0	23324010 N/A	UPDATE
DIGITAL METCOM INC SCHWARTZ MITCHELL	COM 13D	10/12/90	205 8.2	25385810 0.0	NEW
ENSTAR GROUP INC GRG PARTNERS ET AL	COM 13D	10/17/90	0 0.0	29399710 9.8	UPDATE
ENSTAR GROUP INC TRANS RESOURCES INC ET AL	COM 13D	10/17/90	5,477 9.9	29399710 0.0	NEW
ENVIRONMENTAL SVCS AMER INC ENVIRONMENTAL VENTURE FD ET AL	COM PAR \$0.01 13D	6/14/90	1,280 23.7	29408030 0.0	NEW
JACOR COMMUNICATIONS KOSOFSKY MARVIN B	COM 13D	10/19/90	940 9.4	46985810 8.0	UPDATE
KAY JEWELERS INC RATNERS GRP PLC ET AL	COM 13D	10/26/90	N/A N/A	48652910 55.2	UPDATE

ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ ANNOUNCED	CUSIP/ PRIOR%	FILING STATUS
ORION FINL LTD SHMAYDER KEITH R ET AL	COM	13D 2/ 2/90	477 9.0	68699010 0.0	NEW
POP RADIO CORP GRAY ROBERT K	COM	13D 10/15/90	53 1.6	73281710 5.7	UPDATE
POP RADIO CORP HERITAGE MEDIA CORP	COM	13D 10/26/90	3,275 99.7	73281710 96.2	UPDATE
POP RADIO CORP MUSSEY ROBERT F	COM	13D 10/15/90	240 7.3	73281710 7.2	UPDATE
PREMIERE LTD PREMIERE ENT ET AL	GEN PRT INT	14D-1 10/29/90	0 0.0	74060099 0.0	UPDATE
PRIMARK CORP KASPUTYS JOSEPH E	COM	13D 10/30/90	1,408 7.7	74190310 6.5	UPDATE
SOUTH TEXAS DRILLING & EXPL ROMAN COS INC	COM	13D 10/24/90	750 15.9	84055310 0.0	NEW
SOUTHEASTERN PUB SVC CO DMG CORP ET AL	COM	13D 10/18/90	8,290 71.1	84206010 64.9	UPDATE
STAAR SURGICAL CO COOPER COS	COM	13D 10/26/90	1,181 6.9	85231210 9.8	UPDATE
STIFEL FINL CORP VON FELDT DEWAYNE R	COM	13D 9/20/90	208 6.1	86063010 0.0	NEW
URS CORP NEW BLUM RICHARD C & ASSOC	COM	13D 10/15/90	3,325 100.0	90323610 84.8	UPDATE
WASHINGTON BANCORP WASH DC GALLI JOSEPH S	COM PAR \$2.50	13D 10/18/90	450 6.4	93727020 0.0	NEW
WATSCO INC BUTLER OLIVER H ET AL	CL A	13D 10/15/90	471 28.2	94262220 0.0	NEW

## SEC PUBLIC INFORMATION NUMBERS

Members of the public seeking information and/or material from the Commission continue to complain of being incorrectly referred to the wrong telephone number by Commission staff. The following information is furnished to assist you in directly calling the appropriate office:

Consumer Affairs (202-272-7440): Investor inquiries and complaint processing information.

Freedom of Information Branch (202-272-7420): Requests concerning FOIA, Privacy Act, Sunshine Act, confidential treatment matters, etc.

Personnel Locator (202-272-2530): Requests for names and phone numbers of Commission personnel.

Public Affairs (202-272-2650): Information about matters in the SEC News Digest, the Commission's operations, and calls from the press not directed to particular individuals, and other related matters.

Public Reference (202-272-7450): Requests for information on whether or not a document has been filed, etc.

Publications Unit (202-272-7460/7461): Requests for forms, studies, directories, etc.

Office of the Secretary (202-272-2600): Requests for information on the Commission calendar.

SEC Information Line (202-272-3100/5624): General information about SEC operations and activities through a series of recorded messages.