

SEC news digest

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U.S. SECURITIES AND
EXCHANGE COM.

ADMINISTRATIVE PROCEEDINGS

PROCEEDINGS INSTITUTED AGAINST D.S. MEYERS & CO., INC. AND DEAN S. MEYERS

The Commission ordered public administrative proceedings under the Securities Exchange Act of 1934 against D.S. Meyers & Co., Inc. (Registrant), a registered broker-dealer with its principal place of business in New York City, and Dean S. Meyers (Meyers), the president, treasurer and 25-50% shareholder of Registrant.

The Order for Public Proceedings alleges that Registrant and Meyers violated the anti-fraud provisions of the Exchange Act by misappropriating 5,000 shares of stock pledged to the firm by an individual, and that Registrant, aided and abetted by Meyers, violated the antifraud, recordkeeping, financial reporting and supplemental reporting provisions of the Exchange Act and the rules thereunder.

A hearing will be scheduled to determine whether the allegations against Registrant and Meyers are true and, if so, to decide what, if any, remedial action will be appropriate. (Rel. 34-22030)

CIVIL PROCEEDINGS

CIVIL ACTION FILED AGAINST ELBEE INTERNATIONAL, INC., OTHERS

The Commission filed a civil action on May 20 against Elbee International, Inc. (Elbee-USA), a New Jersey corporation, Elbee International, Inc. (Elbee-Panama), a Panama corporation, and Harshad K. Shah alleging violations of the registration and antifraud provisions of the securities laws.

The complaint alleges that during 1983 and 1984, Shah caused Elbee-USA to raise approximately \$350,000 from investors by the sale of securities in the form of promissory notes by making untrue statements of material facts concerning, among other things, the nature of the business of Elbee-USA and the use which would be made of the funds invested in Elbee-USA. The complaint also alleges that beginning in June 1984, Shah and Elbee-Panama raised approximately \$650,000 by selling stock in Elbee-Panama to at least 140 investors by means of untrue statements of material facts concerning the business and objectives of Elbee-Panama and the use of the proceeds from the offering. At no time were registration statements filed with the Commission respecting the securities of the defendant corporations.

Without admitting or denying the allegations in the complaint, the defendants consented to a Final Judgment of Permanent Injunction also containing an order to disgorge \$1,040,008. (SEC v. Elbee International, Inc., et al., USDC DC, Civil Action No. 85-1619). (LR-10758)

CRIMINAL PROCEEDINGS

LORRAINE MARTIN DONAHUE SENTENCED

The Philadelphia Branch Office and the U.S. Attorney for the Eastern District of Pennsylvania announced that on April 29 Lorraine Martin Donahue of Cherry Hill, New Jersey, a securities salesperson for the Fidelity America Mortgage Company (FAMCO), was placed on two years probation, ordered to pay a \$1,000 fine and to perform 250 hours of community service. The sentence was imposed by U.S. District Judge John B. Hannum. Donahue had previously pleaded guilty to conspiracy and wire fraud in her participation in the fraudulent sale of \$4.5 million of mortgage-secured notes and industrial development bonds between 1978 and 1981.

In a related action, on April 26, Gilbert Tucker, a consultant to FAMCO, under a plea agreement, pleaded guilty to one count of filing a false tax return. In accepting the plea, Judge Hannum placed Tucker on five years probation, ordered the payment of a \$5,000 fine and the payment of all back taxes which totaled \$44,141. Tucker, while a consultant to FAMCO, made use of a real estate limited partnership to generate false tax deductions. (U.S. v. Lorraine Martin Donahue, USDC EDPA, Criminal Action No. 81-418 and U.S. v. John Berg, et al., USDC EDPA, Criminal Action No. 83-00131). (LR-10760)

INVESTMENT COMPANY ACT RELEASES

INDIANA COMMUNITY BUSINESS CREDIT CORPORATION

A notice has been issued giving interested persons until June 14 to request a hearing on an application filed by Indiana Community Business Credit Corporation, an Indiana corporation, proposing to elect to operate as a "credit corporation" under the proposed Indiana Business Development Credit Corporation Law, for an order exempting it from all provisions of the Investment Company Act. (Rel. IC-14528 - May 21)

HOLDING COMPANY ACT RELEASES

MIDDLE SOUTH UTILITIES, INC.

A supplemental notice has been issued concerning a proposal by Middle South Utilities, Inc., a registered holding company, and its subsidiary, Middle South Energy, Inc. (MSE), to extend the time period, through July 31, 1986, within which MSE may issue and sell 160,000 shares of its additional shares at a price of \$1,000 per share. This notice amends the aggregate cash purchase price of the stock from \$160,000 to \$160,000,000. (Rel. 35-23697 - May 20)

THE CONNECTICUT LIGHT AND POWER COMPANY

A supplemental order has been issued extending, until December 31, 1986, the period during which The Connecticut Light and Power Company, subsidiary of Northeast Utilities, may issue and sell, in one or more issues, up to 2,000,000 shares (\$50 million aggregate par value) of preferred stock with either a fixed or an adjustable dividend rate. Jurisdiction has again been reserved over the proposed issuance and sale of up to \$110 million of first and refunding mortgage bonds pending completion of the record. (Rel. 35-23698 - May 20)

SELF-REGULATORY ORGANIZATIONS

EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by The Chicago Board Options Exchange, Incorporated (SR-CBOE-85-19) became effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. The rule change would reduce the Retail Automatic Execution System fee in OEX to \$.25 per contract. (Rel. 34-22045)

NOTICE OF PROPOSED RULE CHANGES

Proposed rule changes have been filed by: The Chicago Board Options Exchange, Incorporated (SR-CBOE-85-16) to implement a retail automatic execution system in classes of options on over-the-counter stocks on a pilot basis. The pilot would begin when options on over-the-counter stocks are opened for trading and would continue for six months. (Rel. 34-22050); The American Stock Exchange, Inc. (SR-Amex-85-14) to increase its schedule of charges imposed on securities issuers by Amex member organizations for the handling of proxy materials. (Rel. 34-22051); and The Philadelphia Stock Exchange, Inc. (SR-Phlx-85-10) to trade options on the European Currency Unit, the official medium of exchange of the European Economic Community's European Monetary System. (Rel. 34-22056)

Publication of the proposals are expected to be made in the Federal Register during the week of May 20.

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed under Rule 19b-4 by The Chicago Board Options Exchange, Inc. (SR-CBOE-85-08) to provide that, in general, market orders may not be placed on the order book after the relevant options series has been called for opening and the Order Book Official may refuse to accept limit orders under certain circumstances. (Rel. 34-22052)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission approved, on an accelerated basis, a proposed rule change filed by American Stock Exchange, Inc. (SR-Amex-85-11). The rule change establishes a surcharge which may be charged by Amex member organizations to issuers, in connection with proxy solicitations, for the purpose of recouping direct and indirect expenses associated with start-up costs incurred to comply with Rules 15b-1(c) and 17a-3(a)(9) (ii) under the Securities Exchange Act of 1934. (Rel. 34-22053)

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-18 ATHLETIC SAFETY PRODUCTS INC, 167 WILLIS AVE, MINEOLA, NY 11501 (516) 747-8400 - 6,500,000 (\$650,000) COMMON STOCK. 325,000 (\$325) WARRANTS, OPTIONS DR RIGHTS. UNDERWRITER: SHERMAN FITZPATRICK & CO INC. (FILE 2-97586-NY - MAY. 08) (BR. 7 - NEW ISSUE)
- S-3 HIGH POINT FINANCIAL CORP, 3 BROAD ST, BRANVILLE, NJ 07826 (201) 948-3300 (FILE 2-97635 - MAY. 10) (BR. 2)
- N-1A IDS LIFE SERIES FUND INC, 800 IDS TWR, MINNEAPOLIS, MN 55474 (612) 372-3577 - INDEFINITE SHARES. (FILE 2-97636 - MAY. 10) (BR. 20 - NEW ISSUE)
- S-1 LIBRA FUTURES FUND, ONE N JEFFERSON AVE, ST LOUIS, MO 63103 (314) 289-3049 - 100,000 (\$10,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 2-97644 - MAY. 10) (BR. 12 - NEW ISSUE)
- S-8 UNIVERSAL LEAF TOBACCO CO INC, HAMILTON ST AT BROAD, P O BOX 25099, RICHMOND, VA 23260 (804) 359-9311 - 60,000 (\$1,185,000) COMMON STOCK. (FILE 2-97684 - MAY. 13) (BR. 7)
- S-14 CARDIO PET INC, 25 LUMBER RD, ROSLYN, NY 11576 (516) 484-2700 - 1,335,000 (\$14,006,719) COMMON STOCK. (FILE 2-97686 - MAY. 13) (BR. 8)
- S-3 AMERICAN CONTINENTAL CORP /OH/, 2735 E CAMELBACK RD, PHOENIX, AZ 85016 (602) 957-7170 - 450,000 (\$3,375,000) COMMON STOCK. 100,000 (\$750,000) COMMON STOCK. (FILE 2-97687 - MAY. 13) (BR. 9)
- S-6 INSURED MUNICIPALS INCOME TRUST 18TH INSURED MULTI SERIES, 1901 N NAPER BLVD, C/O VAN KAMPEN MERRITT INC, NAPERVILLE, IL 60566 - 1,000 (\$1,010,000) UNIT INVESTMENT TRUST. (FILE 2-97697 - MAY. 10) (BR. 18 - NEW ISSUE)
- S-6 INSURED MUNICIPALS INCOME TRUST 14TH INSURED MULTI SERIES, 1901 N NAPER BLVD, C/O VAN KAMPEN MERRITT INC, NAPERVILLE, IL 60566 - 1,000 (\$1,010,000) UNIT INVESTMENT TRUST. (FILE 2-97698 - MAY. 10) (BR. 18 - NEW ISSUE)
- S-6 INSURED MUNICIPALS INCOME TRUST 15TH INSURED MULTI SERIES, 1901 N NAPER BLVD, C/O VAN KAMPEN MERRITT INC, NAPERVILLE, IL 60566 - 1,000 (\$1,010,000) UNIT INVESTMENT TRUST. (FILE 2-97699 - MAY. 10) (BR. 18 - NEW ISSUE)
- S-6 INSURED MUNICIPALS INCOME TRUST 13TH INSURED MULTI SERIES, 1901 N NAPER BLVD, C/O VAN KAMPEN MERRITT INC, NAPERVILLE, IL 60566 - 1,000 (\$1,010,000) UNIT INVESTMENT TRUST. (FILE 2-97700 - MAY. 10) (BR. 18 - NEW ISSUE)
- S-14 PEMI BANCORP INC, 1-3 HIGHLAND ST P O BOX 29, PLYMOUTH, NH 03264 (603) 536-2733 - 90,000 (\$2,511,000) COMMON STOCK. (FILE 2-97710 - MAY. 10) (BR. 2 - NEW ISSUE)

- S-8 NI CAL DEVELOPMENTS LTD. TORONTO DOMINION BANK TOWER, 700 W GEORGIA ST 26TH FL,
VANCOUVER B C CANADA V7Y 1B3, AD (604) 684-9151 - 408,000 (\$1,275,000) COMMON STOCK.
(FILE 2-97712 - MAY. 14) (BR. 3)
- S-3 PURITAN BENNETT CORP, 9401 INDIAN CREEK PKWY. P O BOX 25905, OVERLAND PARK, KS 6622
(913) 649-0444 - 86,000 (\$1,849,000) COMMON STOCK. (FILE 2-97713 - MAY. 14) (BR. 8)
- S-1 VILLAGE BANCORP INC, 25 PROSPECT ST, RIDGEFIELD, CT 06877 (203) 438-9551 - 82,927
(\$2,073,175,000) COMMON STOCK. (FILE 2-97714 - MAY. 14) (BR. 2)
- S-1 WALKER ENERGY PARTNERS, 260 N BELT, HOUSTON, TX 77060 (713) 591-0306 - 10,409,129
(\$49,988,444) LIMITED PARTNERSHIP CERTIFICATE. 5,922,487 WARRANTS, OPTIONS OR RIGHTS.
(FILE 2-97716 - MAY. 14) (BR. 3 - NEW ISSUE)
- S-3 DIVERSIFOODS INC, 500 PARK BLVD STE 815, ITASCA, IL 60143 (312) 773-9500 - 37,557
(\$389,653.87) COMMON STOCK. (FILE 2-97728 - MAY. 13) (BR. 11)
- S-8 MCKESSON CORP, ONE POST ST, SAN FRANCISCO, CA 94104 (415) 983-8300 - 240,800
(\$4,214,000) COMMON STOCK. 80,150 (\$290,543.25) COMMON STOCK. (FILE 2-97752 -
MAY. 15) (BR. 13)