

sec news digest

Issue 95-160

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ENFORCEMENT PROCEEDINGS

TRADING SUSPENSION OF ENVIRO-GREEN TECH, INC.

The Commission announced the temporary suspension, pursuant to Section 12(k) of the Securities Exchange Act of 1934 (Exchange Act), of over-the-counter trading in the securities of Enviro-Green Tech, Inc. (Enviro-Green) of Fort Lauderdale, Florida, for a ten day period commencing at 9:30 a.m. (EDT) August 18, 1995, and terminating at 11:59 p.m. (EDT) on September 1, 1995.

The Commission temporarily suspended trading in the securities of Enviro-Green in view of questions that have been raised about the accuracy and adequacy of Enviro-Green's financial statements and other disclosures. (Rel. No. 34-36117)

NASD DISCIPLINARY ACTION AGAINST DONALD GATES REMANDED

The Commission has remanded the disciplinary action taken by the NASD against Donald R. Gates of Cabot, Arkansas. Gates was a general securities representative with Prudential Securities, Inc., a NASD member firm. The NASD found that Gates engaged in securities transactions before he was registered with the NASD and the State of West Virginia. The NASD censured Gates, fined him \$50,967.70, suspended him in all capacities for six months, and required that he requalify as a general securities representative before reassociating with any NASD member in any capacity.

The Commission has remanded this case to the NASD for further analysis concerning what acts it finds violative and the amount and source of any fine it imposes. The NASD's complaint listed 25 transactions that occurred prior to Gates' August 1, 1990 registration with the NASD. However, the National Committee stated that the District Committee had concluded that Gates had participated in "at least nine" unregistered trades. The National Committee did not identify which nine among the twenty-five transactions comprised the violative transactions. (Rel. 34-36109)

CEASE AND DESIST ORDER ISSUED AGAINST BION ENVIRONMENTAL TECHNOLOGIES

The Commission announced issuance of a cease and desist order under Section 21C of the Securities Exchange Act of 1934 (Exchange Act) against Bion Environmental Technologies, Inc. (Bion) based on findings that Bion violated Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder. The order makes findings that, during the period 1992 through 1994, Bion filed with the Commission quarterly reports, annual reports, and a Form SB-2 registration statement that, among other things, overstated assets and revenues. The order finds, among other things, that Bion failed to comply with Generally Accepted Accounting Principles (GAAP) by improperly reporting as an asset a note, payable to Bion, that constituted about 70% of Bion's assets. Other failures to comply with GAAP related to marketable equity securities, deferred offering costs, revenue recognition and unrecorded expenses. Bion consented to entry of the cease and desist order, without admitting or denying the findings. (Rel. 34-34611; AAE Rel. No. 700)

HAROLD COVERT, JR. AND THOMAS OGLEBAY PERMANENTLY BARRED; HAROLD M. COVERT & ASSOCIATES' REGISTRATION REVOKED

The Commission issued an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions against Harold M. Covert & Associates (Covert Associates), a registered investment adviser, Harold M. Covert, Jr. (Covert), its president, and Thomas L. Oglebay (Oglebay), a registered representative of American Capital Financial Services, Inc. The proceedings were instituted pursuant to Sections 203(e) and 203(f) of the Investment Advisers Act and Sections 15(b) and 19(h) of the Securities Exchange Act of 1934. Covert, Covert Associates and Oglebay submitted offers of settlement wherein, without admitting or denying the Commission's findings, they consented to entry of the Order and the sanctions set forth therein.

According to the Order, from May 1983 through November 1987, the respondents participated in a fraudulent offering of over \$50 million of unregistered securities issued by Governmental Financial Services, Inc. (GFS). The securities, which were offered through different investment programs, represented interests in equipment leases serviced by GFS. The Order states that the respondents violated provisions of the Securities Act of 1933, the Exchange Act and the Advisers Act. The Commission ordered that Covert and Oglebay be barred from association with any broker, dealer, municipal securities dealer, investment company of investment adviser and that Covert Associates' registration be revoked. (Rels. IA-1515; 34-36113)

JOE D. KINLAW, KINLAW SECURITIES CORP., AND KINLAW OIL CORP. ENJOINED

The Commission announced that on July 27, 1995, an Order of Permanent Injunction and Other Equitable Relief was entered against defendants Joe D. Kinlaw (Joe Kinlaw), Kinlaw Oil Corporation (KOC) and Kinlaw Securities Corporation (Kinlaw Securities), in connection with a pending civil injunctive action alleging a fraudulent oil and gas investment

scheme. The Court's order permanently enjoins the defendants from engaging in further violations of the securities fraud and registration provisions of the federal securities laws, and further enjoins defendant Kinlaw Securities, a broker-dealer registered with the Commission, from engaging in further violations of the broker-dealer fraud provisions of the federal securities laws. The defendants consented to the entry of the Order and undertakings described below, without admitting or denying the allegations in the Commission's First Amended Complaint, filed on June 30, 1995.

The Court also ordered defendants Joe Kinlaw, KOC and Kinlaw Securities to pay disgorgement, including prejudgment interest thereon, and civil penalties, in amounts to be determined by agreement of the parties or by the Court. The Court's order further requires that the defendants comply with certain undertakings, including the preparation of sworn accountings and notification to KOC's venture/partner investors of this settlement and of their option to elect and appoint a successor managing venturer to take over KOC's duties as managing venturer for KOC's oil and gas drilling ventures. The Commission's civil action continues as to the remaining 17 defendants, 16 of whom were employed as registered securities salespersons with Kinlaw Securities during the period covered by the Commission's First Amended Complaint. [Securities and Exchange Commission v. Kinlaw Securities Corporation, Kinlaw Oil Corporation, and Joe D. Kinlaw, et al., 3:93-CV-2010-T, USDC ND/TX, Dallas Division] (LR-14608)

PANWORLD MINERALS INTERNATIONAL, INC. ENJOINED UNDER THE SECURITIES ACT

The United States District Court for the District of Utah entered a Permanent Injunction against PanWorld Minerals International, Inc. on August 8, 1995. PanWorld admitted that, in a breach of contract case, the Utah State District Court had issued an injunction requiring PanWorld to issue free trading stock. PanWorld had intended to issue the shares pursuant to regulation S-8 but was unable to do so. No registration statement is in effect as to those shares. U.S. District Court Judge David Sam found a likelihood of future violation and enjoined PanWorld from violating Section 5 of the Securities Act of 1933. [Securities and Exchange Commission v. Panworld Minerals International, Inc., Case No. 95-C-434S, D. Utah] (LR-14606)

COURT ENTERS TEMPORARY RESTRAINING ORDER AGAINST TEN DEFENDANTS NAMED IN INJUNCTIVE ACTION TO HALT FRAUDULENT UNREGISTERED OFFERING

The Commission announced that the Honorable Patti Saris of the U.S. District Court for the District of Massachusetts entered an emergency, ex parte temporary restraining order on August 15, unsealed August 17, against International Breeders, Inc., First Western Ostrich Corp., Ostrich Breeders of America, Inc., NSA, Inc., Capital Management and Development Corp., Jeffrey Dale Davis, Bob Lee Stewart, Steven Floyd Stewart, Clifford Duane Stahl and Rik Foxx prohibiting them from continuing the fraudulent offer and sale of unregistered securities, freezing certain assets and requiring an accounting of investor funds.

The Commission's action, filed August 14, alleged that the defendants named above, and Freddie Don Stewart and Homer James Rios violated

Sections 5(a) and (c) and 17(a) of the Securities Act and Sections 15(a) and 10(b) of the Securities Exchange Act and Rule 10b-5. The Complaint alleges that since late 1992, the defendants have fraudulently obtained \$6.5 million from 700 investors nationwide, by promising a virtually risk-free annual return of up to 500% in ostrich breeding partnerships. The defendants also failed to disclose that five states had issued cease-and-desist orders in connection with the scheme. Most recently, defendants have continued the fraudulent offering by inducing investors to exchange their partnership interests for nonexistent stock in a shell corporation.

The Commission's complaint seeks permanent injunctive relief, disgorgement and civil monetary penalties. The Court has scheduled a hearing on August 24 on the Commission's application for a preliminary injunction. [SEC v. International Breeders Inc., et al., Civil Action No. 95-11810-REK, D. MA.] (LR-14607)

INVESTMENT COMPANY ACT RELEASES

TECHNOLOGY EQUITY AND INCOME TRUST, ET AL.

A conditional order has been issued under Sections 6(c) and 17(b) of the Investment Company Act on an application filed by Technology Equity and Income Trust (the Trust) and Morgan Stanley & Co. Incorporated (Morgan Stanley). The requested order grants an exemption from Section 17(a)(2) to let Morgan Stanley and other principal underwriters of the Trust purchase call options on securities held by the Trust and by any future closed-end investment company underwritten by Morgan Stanley that invests in certain specified securities, is structured in a manner identical in all material respects to the Trust, and is authorized to write call options on its portfolio of securities. (Rel. IC-21306 - August 16)

MYA TOMBSTONE FUND, INC.

An order has been issued under Section 8(f) of the Investment Company Act declaring that MYA Tombstone Fund, Inc. has ceased to be an investment company. (IC-21307 - August 16)

MERRILL LYNCH LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until September 11, 1995, to request a hearing on an application filed by Merrill Lynch Life Insurance Company; ML Life Insurance Company of New York; Merrill Lynch Variable Life Separate Account; Merrill Lynch Variable Life Separate Account II; ML of New York Variable Life Separate Account; ML of New York Variable Life Separate Account II; Merrill Lynch Variable Series Funds, Inc. (the Fund), and Merrill Lynch Asset Management, L.P. seeking an order pursuant to Section 6(c) of the Investment Company Act granting exemptions from the provisions of Sections 9(a), 13(a), 15(a), and 15(b) of the Act, and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder, to the extent necessary to permit shares of the Fund to be sold to and held by

variable annuity and variable life insurance separate accounts of both affiliated and unaffiliated life insurance companies. (Rel. IC-21312 - August 17)

INSTITUTIONAL SHORT DURATION GOVERNMENT PORTFOLIO

An order has been issued under Section 8(f) of the Investment Company Act declaring that Institutional Short Duration Government Portfolio has ceased to be an investment company. (IC-21309 - August 16)

SPRINGTREE PROPERTIES LIMITED PARTNERSHIP, ET AL.

A notice has been issued giving interested persons until September 11, 1995 to request a hearing on an application filed by Springtree Properties Limited Partnership (the Partnership), and John J. Hansman and Summit Investment Services, Inc., the Partnership's general partners. Applicants request an order under Section 6(c) of the Investment Company Act that would exempt the Partnership from all provisions of the Act and permit the Partnership to invest in limited partnerships that engage in the ownership and operation of apartment complexes for low and moderate income persons. (IC-21310 - August 16)

U.S. DOLLAR CASH RESERVES PORTFOLIO

An order has been issued under Section 8(f) of the Investment Company Act declaring that U.S. Dollar Cash Reserves Portfolio has ceased to be an investment company. (IC-21308) - August 16)

SELF-REGULATORY ORGANIZATIONS

DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Hammers Plastic Recycling Corp., Common Stock, \$ 0.01 Par Value; Class A Warrants; and Class B Warrants. (Rel. 36110)

PROPOSED RULE CHANGES

The Philadelphia Stock Exchange has filed a proposed rule change (SR-Phlx-95-49) under Rule 19b-4 of the Exchange Act to adopt a rule regarding fingerprinting requirements. Publication of the proposal is expected to be made in the Federal Register during the week of August 21. (Rel. 34-36108)

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	8-K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
MIDSOUTH BANCORP INC	LA	X						X		07/31/95	
MSR EXPLORATION LTD			X					X		07/28/95	
NATIONAL CONVENIENCE STORES INC /DE/	DE				X	X				08/08/95	
NBD BANCORP INC /DE/	DE				X	X				08/15/95	
PANTEPEC INTERNATIONAL INC	DE							X		05/30/95AMEND	
PARKWAY CO/TX	TX	X								07/31/95	
PECO ENERGY CO	PA					X				08/14/95	
PHARMA PATCH PUBLIC LIMITED CO			X					X		08/07/95	
PIKEVILLE NATIONAL CORP	KY	X								05/31/95AMEND	
POLYMER RESEARCH CORP OF AMERICA	NY				X	X				07/31/95	
RHONE POULENC RORER INC	PA				X	X				08/14/95	
SA TELECOMMUNICATIONS INC /DE/	DE	X			X	X				07/31/95	
SCECORP	CA		X							08/15/95	
SEARS CREDIT ACCOUNT MASTER TRUST I	IL				X	X				08/15/95	
SEARS CREDIT ACCOUNT TRUST 1990 C	IL				X	X				08/15/95	
SEARS CREDIT ACCOUNT TRUST 1990 D	IL				X	X				08/15/95	
SEARS CREDIT ACCOUNT TRUST 1991-A	IL				X	X				08/15/95	
SEARS CREDIT ACCOUNT TRUST 1991-B	IL				X	X				08/15/95	
SEARS CREDIT ACCOUNT TRUST 1991-C	IL				X	X				08/15/95	
SEARS CREDIT ACCOUNT TRUST 1991-D	IL				X	X				08/15/95	
SENECA FOODS CORP /NY/	NY							X		08/11/95AMEND	
SENSORMATIC ELECTRONICS CORP	DE					X				07/10/95AMEND	
SILGAN CORP	DE		X							08/01/95	
SILGAN HOLDINGS INC	DE		X							08/01/95	
SOUTHERN CALIFORNIA EDISON CO	CA		X							08/15/95	
SOUTHWALL TECHNOLOGIES INC /DE/	DE	X					X			10/31/94	
STONE & WEBSTER INC	DE					X				08/15/95	
TECHNICAL COMMUNICATIONS CORP	MA	X						X		05/31/95AMEND	
THORN APPLE VALLEY INC	MI							X		06/30/95AMEND	
TII INDUSTRIES INC	DE	X								08/15/95	
TIME WARNER INC	DE					X	X			08/14/95	
TRANSWORLD INS CO ED STUDENT LO TR 1994-								X		07/12/94	
TRIARC COMPANIES INC	DE	X								08/09/95	
UJB FINANCIAL CORP /NJ/	NJ				X	X				08/01/95	
UNION PACIFIC CORP	UT				X	X				08/03/95	
VALMONT INDUSTRIES INC	DE		X							07/31/95	
WORLDCOM INC /MS/	GA						X			08/14/95	