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U.S. SECURITIES AND
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COMMISSION ANNOUNCEMENTS

GRUNDFEST TO DELIVER COMMENCEMENT ADDRESS

On Thursday, May 7, Commissioner Joseph A. Grundfest will delivery the commencement address at the University of Southern California's Graduate School of Business Administration ceremony. The ceremony will begin at 3:00 p.m. (PST) and will be held at USC in Bovard Auditorium.

STAFF ACCOUNTING BULLETIN NO. 68

The Commission issued Staff Accounting Bulletin No. 68, expressing its views regarding accounting for increasing rate preferred stock. (Rel. SAB-68)

FOR FURTHER INFORMATION CONTACT: Wayne G. Pentrack at (202) 272-2130

CRIMINAL PROCEEDINGS

INDICTMENT CHARGES ROBERT L. RIDENOUR

The Chicago Regional Office and the U.S. Attorney's Office for the Southern District of Iowa announced that on April 8 a federal grand jury returned a three-count indictment charging Robert L. Ridenour of West Des Moines, Iowa with felony tax fraud. The indictment alleges that Ridenour used a nominee account to conduct transactions in U.S. Government and municipal debt securities during the period 1980 through 1982. The indictment states that checks representing profits on securities transactions were issued and made payable to nominee names in which Ridenour was the undisclosed beneficiary. The indictment charges that Ridenour failed to report on his federal income tax returns at least \$2.7 million of profits from the securities transactions in violation of 26 U.S.C., Section 7206(1).

An earlier complaint against Ridenour filed by the Commission, which is still pending (LR-10731), alleges violations of the antifraud and broker-dealer registration provisions of the securities laws and seeks a permanent injunction and disgorgement. (U.S. v. Robert L. Ridenour, Criminal Action No. 87-27) (LR-11421)

LARRY M. CHENEY, OTHERS INDICTED

The Chicago Regional Office and the U.S. Attorney's Office for the Western District of Missouri announced that on April 15 a federal grand jury returned a 24-count indictment against Larry M. Cheney and Joseph A. Burkart II, both of Grand Valley, Missouri, and against Kenneth C. Briggs of Independence, Missouri. The indictment charges the defendants with 14 counts of securities fraud and 14 counts of mail fraud in connection with the offer and sale of limited partnership interests in entities whose general partner was Telecom Management International, Inc. (TMI).

TMI, formed to provide discount long distance telephone service in five midwestern states, and Cheney, TMI's president, consented to permanent injunctions in a Commission action (LR-10647) filed in 1984.

The indictment charges that the defendants raised in excess of \$7 million in sales to approximately 800 investors; misrepresented material facts including the use of investor monies and returns investors could expect; and diverted investor monies for their own use and benefit. (U.S. v. Larry M. Cheney, Kenneth C. Briggs, Joseph A. Burkart II (W.D.Mo. 8700086-01/03 CR W8) (LR-11422)

CRIMINAL PROCEEDINGS

EMERSON G. WELKER, JAMES W. HINES PLEAD GUILTY TO INFORMATION

The Chicago Regional Office and the U.S. Attorney's Office for the Southern District of Illinois announced that, on March 4, Emerson G. Welker and James W. Hines, both of Salem, Illinois, each plead guilty to one count of mail fraud and one count of securities registration violations. Welker was sentenced to three years imprisonment and two years probation and Hines to 60 days imprisonment and two years probation. The Informations charge that the defendants raised in excess of \$3.4 million from approximately 300 investors in the offer and sale of unregistered fractional undivided interests in oil wells located in Southern Illinois.

In January 1985, Welker and Hines each consented to the entry of permanent injunctions, without admitting or denying the allegations of the complaint filed by the Commission (LR-10657) on the basis of the same activity. (U.S. v. Emerson G. Welker and James W. Hines (S.D. IL, Criminal Action No. 87-30003-01) (LR-11423))

CIVIL PROCEEDINGS

TEMPORARY RESTRAINING ORDER NAMES POWERS & SADOWSKI, INC.

The Chicago Regional Office filed a complaint on April 22 in the U.S. District Court for the Northern District of Illinois, Eastern Division, seeking temporary, preliminary and permanent injunctions against Powers & Sadowski, Inc. and its owners, Thomas L. Powers and Jeffrey A. Sadowski. On April 23, 1987, Judge John A. Nordberg issued a temporary restraining order against the defendants and froze their assets.

The complaint alleges that from April 1985 through April 1987 the defendants violated the antifraud provisions while engaged in the offer and sale of preferred stock and promissory notes issued by P&S, Inc., which generated over \$900,000 from at least 40 investors. Contrary to representations in written offering materials, proceeds from the preferred stock offerings were used for the defendants' bank overdrafts, overdue rent payments and salary payments to Powers and Sadowski. Additionally, proceeds from the sale of promissory notes were used to repay previously issued and overdue notes.

The complaint alleges that the defendants made materially misleading statements and omitted to state material facts concerning the financial condition of P&S, Inc., the use of proceeds from offerings, the return on investment, the educational background of Powers and the risks associated with the investment. (SEC v. Powers & Sadowski, Inc., Thomas L. Powers, Jeffrey A. Sadowski, N.D. IL, Civil Action No. 87 C 3722) (LR-11424)

INVESTMENT COMPANY ACT RELEASES

AETNA LIFE INSURANCE AND ANNUITY COMPANY

An order has been issued granting Aetna Life Insurance and Annuity Company, et al., exemptions from Sections 2(a)(35), 26(a)(2)(C), and 27(c)(2) of the Investment Company Act to permit the deduction of mortality and expense risk charges and an asset based-sales charge from the separate account in connection with certain variable annuity contracts. (Rel. IC-15715 - April 30)

ROBERT T. SHAW

A notice has been issued giving interested persons until May 26 to request a hearing on an application by Robert T. Shaw, Southwestern Life Insurance Company, and I.C.H. Financial Services, Inc. for an order granting a permanent exemption from the provisions of Section 9(a) of the Investment Company Act. The Commission has issued an order of temporary exemption until such time as it shall take final action on the application. (Rel. IC-15716 - May 1)

HOLDING COMPANY ACT RELEASES

THE COLUMBIA GAS SYSTEM, INC.

A supplemental order has been issued authorizing a proposal by The Columbia Gas System, Inc., a registered holding company, and certain of its subsidiaries, including Commonwealth Gas Services Inc. By order dated December 20, 1985 (Rel. 35-23921), the Columbia system companies were authorized to extend their Intercompany Financing, External Short-Term Financing, and Money Pool Program through December 31, 1987, subject to the approval of state commissions having jurisdiction over the proposed transactions. In particular, Commonwealth Services was authorized to issue, and Columbia to acquire, up to \$4 million aggregate principal amount of long-term promissory notes. This order authorizes Commonwealth Services to issue, and Columbia to acquire, up to 90,000 shares of common stock (\$50 par value) and up to \$9,500,000 of long-term promissory notes, for a total long-term financing program of \$14 million. Jurisdiction is released over the 1987 transactions of Commonwealth Services. (Rel. 35-24379 - May 1)

NATIONAL FUEL GAS COMPANY

An order has been issued authorizing National Fuel Gas Company, a registered holding company, to declare a two-for-one split of National's common stock, no par value. As a result, National has been authorized to double: (a) the aggregate number of shares of common stock subject to the National Fuel Gas Company 1983 Incentive Stock Option Plan and the National Fuel Gas Company 1984 Stock Plan to 1.1 million shares; (b) the individual limits with respect to both plans to 110,000 shares; and (c) the number of such shares subject to outstanding options, stock appreciation rights and restricted stock granted pursuant to such plans. National has also been authorized to halve the exercise price of outstanding options and stock appreciation base prices. (Rel. 35-24380 - May 1)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until May 21 to comment on the application of the Philadelphia Stock Exchange for unlisted trading privileges in three issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-24412)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change filed by: The Midwest Stock Exchange (SR-MSE-87-3) that reflects its current use and commitment to future use of the Uniform Application for Securities Industry Registration or Transfer (Form U-4). (Rel. 34-24408); and The Pacific Stock Exchange (SR-PSE-86-27) to clarify the discretion an options Floor Broker may exercise over an order under its Rule VI, Section 64. (Rel. 34-24409)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The Pacific Stock Exchange filed a proposed rule change which became effective upon filing under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. The proposal (SR-PSE-87-08) adopts a new schedule of fees for equities and options transactions and related services. (Rel. 34-24410)

TRUST INDENTURE ACT RELEASES

CITICORP

A notice has been issued giving interested persons until May 27 to request a hearing on an application by Citicorp under Section 310(b)(1)(ii) of the Trust Indenture Act of 1939. The application declares that the trusteeship of United States Trust Company of New York, under four existing indentures and two pooling and servicing agreements dated January 1, 1987, is not so likely to involve a material conflict of interest as to make it necessary to disqualify the Trust Company from acting as trustee. The Trust Company is currently acting as trustee under the following four indentures dated: (1) February 15, 1972, involving the issuance of floating rate notes, due 1989; (2) March 15, 1977, involving the issuance of various series of unsecured and unsubordinated notes; (3) August 25, 1977, involving the issuance of rising-rate notes, Series A; and (4) April 21, 1980, involving the issuance of various series of unsecured and unsubordinated notes. (Rel. TI-2093)

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 SOL VENTURES INC, 2707 LAKESIDE DR, MCKINNEY, TX 75069 (214) 548-1934 - 3,500,000 (\$350,000) COMMON STOCK. 35,000,000 (\$700,000) COMMON STOCK. 35,000,000 (\$1,400,000) COMMON STOCK. (FILE 33-13603-FW - APR. 20) (BR. 1 - NEW ISSUE)
- S-8 KINARK CORP, 7060 S YALE AVE, STE 603, TULSA, OK 74136 (918) 494-0964 - 350,623 (\$1,206,143) COMMON STOCK. (FILE 33-13618 - APR. 27) (BR. 2)
- S-8 ELCOTEL INC, 8425 WHITFIELD PARK LOOP, SARASOTA, FL 34243 (813) 758-0389 - 186,335 (\$5,257,131.20) COMMON STOCK. (FILE 33-13619 - APR. 24) (BR. 8)
- S-1 TOTAL HEALTH SYSTEMS INC, 1010 NORTHERN BLVD, GREAT NECK, NY 11021 (516) 466-1000 - 200,000 (\$3,000,000) COMMON STOCK. (FILE 33-13621 - APR. 27) (BR. 6)
- S-8 BRENCLES INC, 1919 N BRIDGE ST, ELKIN, NC 28621 (919) 935-3400 - 410,000 (\$4,894,375) COMMON STOCK. (FILE 33-13622 - APR. 27) (BR. 2)
- S-8 MORINC ASSOCIATES INC, 8615 WESTWOOD CENTER DR, VIENNA, VA 22180 (703) 734-9494 - 500,000 (\$14,750,000) COMMON STOCK. (FILE 33-13629 - APR. 27) (BR. 9)
- S-8 LEP PHARMACEUTICALS, 1444 SANTA ANITA AVE, SOUTH EL MONTE, CA 91733 (818) 442-3141 - 190,000 (\$1,734,700) COMMON STOCK. (FILE 33-13638 - APR. 23) (BR. 10)
- S-3 CUSTOM ENERGY SERVICES INC, RTE 513, CALIFON, NJ 07830 (201) 832-5171 - 7,000,000 (\$17,500,000) COMMON STOCK. (FILE 33-13664 - APR. 21) (BR. 5)
- S-8 HENLHY GROUP INC, 11255 N TURKEY PINES RD, LA JOLLA, CA 92037 (619) 455-9494 - 3,250,000 (\$80,527,820) COMMON STOCK. (FILE 33-13720 - APR. 23) (BR. 8)
- S-1 HUNTER MELNOR INC, 2500 FRISCO AVE, MEMPHIS, TN 38114 (901) 743-1360 - 40,000,000 (\$40,000,000) STRAIGHT BONDS. UNDERWRITER: KIDDER PEABODY & CO. (FILE 33-13768 - APR. 24) (BR. 9 - NEW ISSUE)
- S-4 DART DRUG STORES INC, 2201 PENNSY DR, LANDOVER, MD 20785 (301) 772-6000 - 90,653,000 (\$60,435,100) CONVERTIBLE DEBENTURES AND NOTES. 6,245,710 COMMON STOCK. (FILE 33-13770 - APR. 24) (BR. 4)
- S-11 SECURITY PACIFIC NATIONAL BANK/DEP, 233 S HOPE ST, LOS ANGELES, CA 90071 (213) 613-4540 - 1,200,000,000 (\$1,200,000,000) PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 33-13776 - APR. 24) (BR. 12)
- S-6 INSURED MUNICIPAL INCOME TRUST 32ND INSURED MULTI SERIES, 1001 WARRENVILLE RD, C/O VAN KAMPEN MERRITT INC, LISLE, IL 60532 - 1,000 (\$1,050,000) UNIT INVESTMENT TRUST. DEPOSITOR: VAN KAMPEN MERRITT INC. (FILE 33-13777 - APR. 27) (BR. 18 - NEW ISSUE)