

# sec news digest

Issue 83-155

August 11, 1983

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## COMMISSION ANNOUNCEMENTS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

### STOP ORDER PROCEEDINGS INSTITUTED AGAINST ORTHOMOLECULAR, INC.

The Commission announced the issuance of an Order Fixing Time and Place of Public Hearing under Section 8(d) of the Securities Act of 1933 to determine whether a Stop Order should be issued suspending the effectiveness of the registration statement filed by Orthomolecular, Inc. of Lander, Wyoming.

The hearing has been set for 10:00 a.m., August 22, 1983 at the Denver Regional Office, 410 Seventeenth Street, Denver, CO 80202.

The Commission initiated the proceeding because of alleged untrue, false and misleading statements made in and omissions in the registration statement concerning, among other things: (1) the eligibility of the "Libby Technique" for health insurance coverage, the charges which will be covered by patient health insurance, type of treatment rendered patients, and effectiveness of such technique for drug related problems; (2) the circumstances under which billings for patients were prepared and submitted to insurance carriers and the fact that certain such billings are false, misleading or unsubstantiated regarding the true identity of the provider, the type of services performed, services actually rendered and accommodations provided patients; (3) the earnings and financial condition of the Registrant; (4) the affiliation of, loans to, stock ownership of, agreements with, payments, to and involvement of Dr. A. Scott DeVous of Green River, Wyoming with the Registrant and John L. Vidakovich, president of Registrant; (5) the results of treatment of and subsequent hospitalization required for certain patients and the lack of follow up care; and (6) investigations or inquiries being conducted or reasonably anticipated to be conducted by insurance carriers and others concerning billings for patients which have been submitted for payment and impact on Registrant's operations. (Rel. 33-6477)

### JOJOBA OIL & SEED INDUSTRIES S.A. (PANAMA) PLACED ON FOREIGN RESTRICTED LIST

The Commission has received information that securities of Jojoba Oil & Seed Industries S.A., a Panamanian corporation purportedly doing business in Costa Rica, are being offered for sale in the United States by use of the mails and means and instruments of transportation and communication in interstate commerce. No registration statement under the Securities Act of 1933 has been filed with the Commission covering these securities. Accordingly, these offers may be in violation of Section 5 of the Securities Act.

In view of the foregoing, the Commission has placed Jojoba Oil & Seed Industries S.A. on the Foreign Restricted List.

Persons having information concerning this matter should contact Stuart R. Allen, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549, telephone (202) 272-2931.

## CRIMINAL PROCEEDINGS

### TEXAS MAN SENTENCED IN BOSTON

The Honorable William F. Weld, U.S. Attorney for the District of Massachusetts, and Willis H. Riccio, Administrator for the Boston Regional Office, announced that on August 3 Reginald Bernard Chisholm, also known as Doctor Reginald Bernard, was sentenced to serve four years on seven counts of an 18-count indictment which had been returned on March 10, 1983 involving securities violations, mail and wire fraud. On June 21, 1983 Chisholm entered a guilty plea to seven counts of the indictment. Chisholm was also ordered to make full restitution of 1.4 million dollars.

Chisholm, of San Antonio, Texas, pleaded guilty to raising over \$1 million from investors in New England and throughout the United States through the fraudulent sale of unregistered securities.

Chisholm's indictment followed a Commission action filed on June 7, 1979 [SEC v. Reginald Bernard Chisholm, et al., D.C. MA 79-1114-Z] which resulted in the entry on June 11, 1979 of permanent injunctions against him and three of his corporations from further violations of the registration and antifraud provisions of the securities laws. (U.S. v. Reginald Bernard Chisholm, CR 83-65-N, District Court of Massachusetts). (LR-10089)

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## INVESTMENT COMPANY ACT RELEASES

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### NATIONAL GOVERNMENT SECURITIES REINVESTMENT PROGRAM INC.

A notice has been issued giving interested persons until September 6 to request a hearing on an application of National Government Securities Reinvestment Program Inc., registered under the Investment Company Act of 1940 as an open-end, diversified, investment company, for an order under Section 8(f) of the Act declaring that it has ceased to be an investment company. (Rel. IC-13427 - Aug. 9)

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## HOLDING COMPANY ACT RELEASES

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### CENTRAL AND SOUTH WEST CORPORATION

An order has been issued authorizing Central and South West Corporation, a registered holding company, to issue and sell two million shares of its authorized common stock and reserving jurisdiction over the issuance and sale of an additional eight million shares. (Rel. 35-23030 - Aug. 10)

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## TRUST INDENTURE ACT RELEASES

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### SEAFIRST CORPORATION

A notice has been issued giving interested persons until August 30 to request a hearing on an application by Seafirst Corporation, under Section 310(b)(1)(ii) of the Trust Indenture Act of 1939, declaring that the successor trusteeship of J. Henry Schroder Bank & Trust Company under two indentures of Seafirst is not so likely to involve a material conflict of interest as to make it necessary to disqualify Schroder from acting as trustee under either of such indentures. (Rel. TI-839)

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## SECURITIES ACT REGISTRATIONS

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The following registration statements have been filed with the SEC pursuant to the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form, Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a rights offering; File number and date filed; Assigned Branch; if the registration statement is a New Issue; and [S] denoting SHELF REGISTRATION pursuant to Rule 415.

- (S-18) MCS TELECOMMUNICATIONS, INC., 7310 North Oracle Rd., Tucson, AZ 85704 (602) 742-1128 - 500,000 shares of common stock. Underwriter: First Wilshire Securities Management, Inc. The company is engaged in a new segment of the telecommunications industry. (File 2-85382-LA - July 25) (Br. 7 - New Issue)
- (S-18) PREMIS CORPORATION, Suite 300, 13911 Ridgedale Dr., Minnetonka, MN 55343 - 750,000 shares of common stock. Underwriter: M. H. Novick & Co., Inc. The company designs, develops, markets and supports integrated turn-key computer systems. (File 2-85498-C - July 29) (Br. 9 - New Issue)
- (S-18) METRO HORSE CENTER, INC., 10901 East 225th St., Lakeville, MN 55044 (612) 469-5200 - 10,000,000 shares of common stock. The company is engaged in developing a horse care and activity center. (File 2-85518-C - July 29) (Br. 3 - New Issue)

- (S-18) MAMMOTH RESOURCES, INC., 47 West 200 South, Salt Lake City, UT 84101 (801) 355-9975 - 2,750,000 units. Underwriter: Matthew R. White Investment Co., Inc., 155 South 300 West, Suite 103, Salt Lake City, UT 84101 (801) 359-4000. The company intends to begin business in the crude oil trading business. (File 2-85601-D - Aug. 2) (Br. 2 - New Issue)
- (S-18) CAPLAN CORPORATION, 136 South Main St., Suite 815, Salt Lake City, UT 84101 (801) 531-9663 - 6,000,000 units. Underwriter: Cannon Securities, Inc., 800 Kearns Bldg., Salt Lake City, UT 84101. The company was organized for the purpose of engaging in the acquisition, exploration and development of oil and gas properties. (File 2-85602-D - Aug. 3) (Br. 9 - New Issue)
- (S-18) NORMAR CORPORATION, 7667 Cahill Rd., Edina, MN 55435 (612) 941-0778 - 1,775,000 shares of common stock. Underwriter: R.J. Steichen & Company. The company is engaged in the distribution of nutrition, personal care, and health food products. (File 2-85611-C - Aug. 3) (Br. 4 - New Issue)
- (S-1) OCEAN TECHNOLOGY, INC., 2835 North Naomi St., Burbank, CA 91504 (213) 849-7111 - 750,000 shares of common stock. Underwriter: Donaldson, Lufkin & Jenrette Securities Corporation. The company designs, develops, manufactures and markets ruggedized, high-performance signal processing equipment. (File 2-85682 - Aug. 8) (Br. 9 - New Issue)
- (S-18) STUFF YER FACE, INC., 49 Easton Ave., New Brunswick, NJ 08901 (201) 247-1727 - 5,000,000 shares of common stock. Underwriter: Kobrin Securities, Inc., 415 Route 18 East, East Brunswick, NJ 08816 (201) 238-4000/50 Chestnut Plaza, Rochester, NY 14604 (716) 262-2363. The company owns and operates full-service restaurants. (File 2-85694-NY - Aug. 8) (Br. 4 - New Issue)
- (S-1) NATIONAL LUMBER & SUPPLY, INC., 3400 West Garry Ave., Santa Ana, CA 92704 (714) 751-3970 - 1,500,000 shares of common stock. Underwriter: Wedbush, Noble, Cooke, Inc. The company operates a chain of high-volume/low-price home center stores. (File 2-85726 - Aug. 9) (Br. 10 - New Issue)
- (S-1) HYPONEX CORPORATION, 2013 S. Anthony Blvd., Fort Wayne, IN 46803 (219) 422-6511 - 1,475,000 shares of common stock. Underwriters: Salomon Brothers Inc. and William Blair & Company. The company produces and sells organic lawn and garden products and chemical plant care products. (File 2-85728 - Aug. 9) (Br. 2 - New Issue)
- (S-8) THE SOUTHERN COMPANY, 64 Perimeter Center East, Atlanta, GA 30346 (404) 399-3575 - 2,000,000 shares of common stock. (File 2-85729 - Aug. 10) (Br. 8)
- (S-3) HOSPITAL CORPORATION OF AMERICA, One Park Plaza, Nashville, TN 37203 (615) 327-9551 - 2,000,000 shares of common stock. Underwriter: Goldman, Sachs & Co. The company is engaged in the operation of hospitals and other medical facilities. (File 2-85730 - Aug. 10) (Br. 6) [S]
- (S-14) SUPERIOR FINANCIAL CORPORATION, 511 Ashmun St., Sault Ste. Marie, MI 49783 (906) 635-5251 - 150,000 shares of common stock. (File 2-85732 - Aug. 10) (Br. 1 - New Issue)
- (S-2) FIRST AMARILLO BANCORPORATION, INC., P.O. Box 1331, Amarillo, TX 79180 (806) 378-1870 - \$20 million of convertible subordinated debentures, due 2008. Underwriter: Merrill Lynch Capital Markets. (File 2-85733 - Aug. 10) (Br. 2)
- (S-2) PIZZA INN, INC., 2930 Stemmons Freeway, P.O. Box 222247, Dallas, TX 75222 (214) 638-7250 - \$10 million of % convertible subordinated debentures, due 2003. Underwriters: Bacon Stifel Nicolaus and Rauscher Pierce Refsnes, Inc. The company operates and franchises restaurants which serve pizza and complementary foods and beverages. (File 2-85734 - Aug. 10) (Br. 4)
- (S-1) THE SHERWOOD CAPITAL GROUP, INC., 30 Montgomery St., Jersey City, NJ 07303 (201) 332-8079 - 2,000,000 shares of common stock. Underwriter: Prescott, Ball & Turben, Inc. The company, through its subsidiaries, provides securities trading, investment banking and brokerage services. (File 2-85735 - Aug. 10) (Br. 2 - New Issue)
- (S-1) SYSTEM INTEGRATORS, INC., 1820 Tribute Rd., P.O. Box 13626, Sacramento, CA 95853 (916) 929-9481 - 2,600,000 shares of common stock. Underwriter: L.F. Rothschild, Unterberg, Towbin. The company designs, develops, manufactures, markets and services interactive editing and information switching computer systems. (File 2-85736 - Aug. 10) (Br. 10 - New Issue)

- (S-1) PEOPLES RESTAURANTS, INC., 115 Spring Valley Village, Richardson, TX 75080 (214) 644-2700 - 1,350,000 shares of common stock. Underwriters: Montgomery Securities, Burns, Pauli & Co., Inc. and Eppler, Guerin & Turner, Inc. The company is engaged in operating and franchising adult/family restaurants. (File 2-85737 - Aug. 10) (Br. 3)
- (S-1) USACAFES, 1000 Campbell Centre, 8350 N. Central Expressway, Dallas, TX 75206 (214) 987-6400 - 4,983,135 shares of common stock. (File 2-85738 - Aug. 10) (Br. 4 - New Issue)
- (S-14) FIRST GUARANTY BANCSHARES, INC., 400 East Thomas St., Hammond, LA 70401 (504) 345-7685 - 423,290 shares of common stock. (File 2-85740 - Aug. 10) (Br. 1)
- (S-14) HERCULES INCORPORATED, Hercules Plaza, 1313 North Market St., Wilmington, DE 19894 (302) 594-5000 - 7,880,000 shares of common stock. (File 2-85741 - Aug. 10) (Br. 1)
- (S-1) COMMAND AIRWAYS, INC., Dutchess County Airport, Wappingers Falls, NY 12590 (914) 462-6100 - 550,000 shares of common stock. Underwriters: Janney Montgomery Scott Inc. and First Albany Corporation. The company is a commuter airline. (File 2-85742 - Aug. 10) (Br. 3 - New Issue)
- (S-2) OPELIKA MANUFACTURING CORPORATION, 361 W. Chestnut St., Chicago, IL 60610 (312) 664-8300 - 201,600 common shares. The company is a manufacturer of textile products and automated textile fabricating machinery. (File 2-85743 - Aug. 10) (Br. 8)
- (S-1) CENTAUR SCIENCES, INC., 180 Harvard Ave., Stamford, CT 06902 (203) 324-5741 - 1,200,000 shares of common stock. Underwriter: Commonwealth Ventures, Ltd. (File 2-85745 - Aug. 10) (Br. 8)
- (S-3) FLORIDA NATIONAL BANKS OF FLORIDA, INC., Edward Ball Bldg., Jacksonville, FL 32202 (904) 359-5020 - 750,000 shares of common stock. Underwriter: Salomon Brothers Inc. (File 2-85746 - Aug. 10) (Br. 1) [S]

#### REGISTRATIONS EFFECTIVE

July 29: American Medical International, Inc., 2-85348; Diagnostic Data Inc., 2-84854; First Continental Real Estate Investment Trust, 2-84296; IRT Corporation, 2-85084; MCI Communications Corporation, 2-85431; Legg Mason, Inc., 2-84659; Nova Pharmaceutical Corporation, 2-85216; Nuveen Tax-Exempt Bond Fund - Multi-State, Series 94, 2-84732; People First Bancshares, Inc., 2-84950; Place V. Partners, 2-84287-LA; Rorer Group Inc., 2-85108; Trans World Airlines, Inc., 2-85075; Twentieth Bancorp, Inc., 2-85390; U.S. Capital Corporation, 2-84194; Valero Energy Corporation, 2-83122; Vulcan Materials Company, 2-85328.

Aug. 1: American Sports Advisors, Inc., 2-83464; Amfac, Inc., 2-85470; The Andersons, 2-84845; DSI Realty Income Fund VII, 2-83291; Empire Petroleum Fund Ltd.-1983, 2-84872; First Union Corporation, 2-85377; Fotomat Corporation, 2-84909; General Motors Corporation, 2-85465; Mack Trucks, Inc., 2-84377; NTS-Properties IV, 2-83771; Niagara Mohawk Power Corporation, 2-85366; Rainbow Equities, Ltd., 2-83281; Shurgard Income Properties IV, 2-84499; Tenneco Inc., 2-85422.

#### REGISTRATION WITHDRAWN

July 29: Angelo Del Sol, Ltd., 2-76469.