

# sec news digest

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Issue 83-237

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## RULES AND RELATED MATTERS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

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### AMENDMENTS TO RULE 482 ADOPTED

The Commission permanently adopted, with certain modifications, amendments to Rule 482 (and Forms N-1 and N-1A) which it adopted earlier on a temporary basis. The amendments: (1) permit investment companies to advertise their securities by direct mail through the use of "omitting" prospectuses; (2) modify the method of determining current yield by changing the method by which the base period return is calculated and by excluding nonrecurring fees from the calculation of the base period return; (3) permit money market funds to advertise their effective yield; and (4) permit prospectus yield quotations based on the most practicable recent period. The amendments were adopted in order to better inform investors concerning competing investment alternatives. (Rel. 33-6500)

FOR FURTHER INFORMATION CONTACT: Larry L. Greene at (202) 272-7320

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## ADMINISTRATIVE PROCEEDINGS

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### DONALD F. KREGER AND DONALD F. KREGER d/b/a KREGER CAPITAL MANAGEMENT CENSURED AND SUSPENDED FROM SOLICITING NEW CLIENTS

The Commission censured Donald F. Kreger (Kreger) and Donald F. Kreger, doing business as Kreger Capital Management (KCM) of Olympia Fields, Illinois, a registered investment adviser. The Commission's order was entered under Offers of Settlement from the Respondents, in which they consented without admitting or denying any of the allegations against them.

Kreger and KCM consented to findings of having violated the antifraud provisions of the Investment Advisers Act of 1940 by omitting to state material facts concerning the nature of the Respondents' relationship with a promoter of real estate ventures, and the remuneration received from the promoter. The Commission further found that Kreger advised his advisory clients to invest in these ventures by using offering materials which omitted to state material facts concerning the rate of return his clients would receive on their investments.

In addition to censuring Kreger and KCM, the Commission suspended them from soliciting any new clients for 120 days. The Respondents also must adopt procedures designed to prevent a recurrence of the violations found by the Commission. (Rel. IA-893)

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## COMMISSION ANNOUNCEMENTS

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### RICHARD WESSEL APPOINTED ASSOCIATE DIRECTOR OF THE DIVISION OF MARKET REGULATION

Richard Wessel, Assistant Director of the Division of Enforcement, has been appointed Associate Director of the Division of Market Regulation as of December 12, 1983. Mr. Wessel joined the Commission in September 1973 as a staff attorney in the Division of Enforcement having graduated from Boston University School of Law, Cum Laude, in June 1973, and Oberlin College, Magna Cum Laude, in June 1970. In March 1981, he became an Assistant Director in the Division of Enforcement where he has had primary responsibility for coordinating the enforcement work of the regional offices. He will join the Division of Market Regulation as Associate Director of Legal Policy and Trading Practices, where he will be responsible for the administration and interpretation of Commission regulations relating to securities market professionals and trading practices as well as advising on legal and policy issues related to the Division's regulatory programs.

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## INVESTMENT COMPANY ACT RELEASES

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### HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until December 29 to request a hearing on an application of Hartford Variable Annuity Life Insurance Company, Hartford Variable Annuity Life Insurance Company Variable Account "B", and Hartford Equity Sales Company, Inc. The application requests an order granting exemptions from the provisions of Sections 26(a)(1), 26(a)(2)(C), 26(a)(2)(D), and 27(c)(2) of the Investment Company Act to permit the transactions described in the application. (Rel. IC-13659 - Dec. 7)

### DREYFUS A BONDS PLUS, INC.

A notice has been issued giving interested persons until January 2, 1984 to request a hearing on an application for an order permitting each of the following Funds to deposit daily cash balances, which are not otherwise invested on behalf of the individual Funds, into a single joint account for the purpose of entering into one or more large repurchase agreements: Dreyfus A Bonds Plus, Inc.; Dreyfus California Tax Exempt Bond Fund, Inc.; Dreyfus Cash Reserves, Inc.; Dreyfus Dollar International Fund, Inc.; The Dreyfus Fund Incorporated; Dreyfus Growth Opportunity Fund, Inc.; Dreyfus Institutional Money Market Fund, Inc.; Dreyfus Intermediate Tax Exempt Bond Fund, Inc.; The Dreyfus Leverage Fund, Inc.; Dreyfus Liquid Assets, Inc.; Dreyfus Liquid Reserve Fund, Inc.; Dreyfus Money Market Instruments, Inc.; Dreyfus New York Tax Exempt Bond Fund, Inc.; The Dreyfus Special Income Fund, Inc.; Dreyfus Tax Exempt Bond Fund, Inc.; Dreyfus Tax Exempt Money Market Fund, Inc.; The Dreyfus Third Century Fund, Inc.; General Bond Fund, Inc.; General Common Stock Fund, Inc.; General Government Securities Money Market Fund, Inc.; General Tax Exempt Money Market Fund, Inc.; and the Dreyfus Corporation. (Rel. IC-13660 - Dec. 7)

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## HOLDING COMPANY ACT RELEASES

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### MIDDLE SOUTH UTILITIES, INC.

A supplemental order has been issued authorizing Middle South Utilities, Inc., a registered holding company, to extend to December 31, 1985 the period during which Middle South may issue and sell common stock under its Employee Stock Ownership Plan. (Rel. 35-23155 - Dec. 7)

### AEP GENERATING COMPANY

A notice has been issued giving interested persons until December 29 to request a hearing on a proposal by AEP Generating Company (AEGCo), subsidiary of American Electric Power Company, Inc., to enter into Term Loan Agreements, without requiring any concurrent reduction in the commitments of the banks under its Revolving Credit Agreement in those cases in which borrowings under the Term Loan Agreement mature on or before June 30, 1989. AEGCo is also seeking authorization to enter into "interest rate swap" agreements respecting notes issued or to be issued under the Revolving Credit Agreement, with any such agreement having a term extending not later than December 31, 1989. (Rel. 35-23156 - Dec. 7)

### ASSOCIATED NATURAL GAS COMPANY

An order has been issued authorizing Associated Natural Gas Company, subsidiary of Arkansas Power & Light Company and Middle South Utilities, to issue and sell to a bank its unsecured, promissory notes in an amount not to exceed \$3 million at any one time outstanding from time to time for up to one year from the effective date of an order in this proceeding. (Rel. 35-23157 - Dec. 8)

### THE NARRAGANSETT ELECTRIC COMPANY

A notice has been issued giving interested persons until January 4, 1984 to request a hearing on a proposal by The Narragansett Electric Company, subsidiary of New England Electric System, to purchase and retire an outstanding series of first mortgage bonds, to issue and sell a new series of bonds in an amount of \$25 million, and to increase its short-term borrowings to \$34 million until the new series of bonds is sold. (Rel. 35-23158 - Dec. 8)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until December 27 to comment on the application of the Boston Stock Exchange, Inc. for unlisted trading privileges in the stock (50 pence par value) of Dunlop Holdings registered on one or more other national securities exchange and is reported in the consolidated transaction reporting system. (Rel. 34-20444)

### DELISTING GRANTED

An order has been issued granting the application of the Philadelphia Stock Exchange, Inc. to strike the common stock (\$.01 par value) of Reading Company from listing and registration thereon. (Rel. 34-20449)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF AMENDMENTS TO CTA PLAN

The participants in the Consolidated Tape Association (CTA) filed an amendment to the Restated and Amended Plan submitted under Rule 11Aa3-1 of the Securities Exchange Act of 1934, governing the consolidated transaction reporting system. The amendment raises the rates charged for access to the CTA ticker network and is effective upon filing, subject to Commission abrogation. (Rel. 34-20443)

### ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission approved, on an accelerated basis, a proposed rule change filed by the National Association of Securities Dealers, Inc. The rule change (SR-NASD-83-25) will provide an exemption, until June 6, 1984, from the requirements of Schedule E of the NASD's By-Laws for those SECO broker-dealers which became a member of the NASD after November 18, 1983, and which are currently engaged in underwriting the securities of a nonbroker-dealer affiliate under paragraph (c)(3) of SEC Rule 15b10-9. (Rel. 34-20447)

### APPROVAL OF PROPOSED RULE CHANGES

The Commission approved proposed rule changes filed by the Pacific Clearing Corporation (PCC) and the Pacific Securities Depository Trust Company (PSDTC). The proposals amend PCC's recently approved Rule XXX, and PSDTC's recently approved PSDTC by-law by: (1) requiring each PCC member and each PSDTC participant to make appropriate substitutions for a letter of credit securing the non-cash portion of PCC's clearing fund, and PSDTC's participants fund contribution within ten days prior to the letter of credit's expiration date; and (2) requiring PCC and PSDTC to repay fully any loans, secured by PCC clearing fund, and PSDTC participants fund assets, that are made to cover PCC and PSDTC losses of liabilities. Full repayment must be made within 30 days after such loans are made. (Rel. 34-20448-PCC; 34-20450-PSDTC)

### NOTICE OF PROPOSED RULE CHANGE

The American Stock Exchange, Inc. filed a proposed rule change under Rule 19b-4 (SR-Amex-83-32). The rule change modifies Amex Rule 175 to eliminate certain existing prohibitions against a specialist's acquiring or holding rights, warrants or other securities convertible into his specialty securities which are not admitted to trading on the Amex. Publication of the proposal is expected to be made in the Federal Register during the week of December 5. (Rel. 34-20451)

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## SECURITIES ACT REGISTRATIONS

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The following registration statements have been filed with the SEC under 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 under Rule 415.

- (S-18) MED-TECH CORPORATION, 2420 Karren St., Salt Lake City, UT 84117 (801) 328-4796 - 2,500,000 units. The company acquires and develops medical products and/or technologies. (File 2-87796-D - Nov. 14) (Br. 8 - New Issue)
- (S-18) NATIONAL ACQUISITIONS CORPORATION, 5500 South Sycamore St., Suite 303, Littleton, CO 80120 (303) 794-7316 - 6,000,000 units. (File 2-88048-D - Nov. 22) (Br. 5 - New Issue)
- (S-18) WARRANTECH CORPORATION, 200 Park Ave., Suite 303 East, New York, NY 10166 (212) 986-2515 - 1,333,333 units. Underwriter: Sherman, Fitzpatrick & Co. Inc., 131 Mineola Blvd., Mineola, NY 11501 (516) 248-2171/(212) 343-0181. (File 2-88097-NY - Nov. 23) (Br. 4 - New Issue)
- (S-18) NUTRI-HEALTH CENTERS, INC., 4279 Roswell Rd., N.E., Suite 702, Atlanta, GA 30342 (404) 255-2725 - 1,500,000 units. Underwriter: A. T. Brod & Co., 225 Park Ave., New York, NY 10017. The company manages and operates a network of nutritional analysis and guidance centers. (File 2-88117-A - Nov. 25) (Br. 6 - New Issue)
- (S-18) RLR FINANCIAL SERVICES, INC., 7539 West Oakland Park Blvd., Lauderhill, FL 33319 (305) 742-2266 - 2,000,000 shares of common stock. Underwriter: L.L. Fane & Co., Inc. (File 2-88137-A - Nov. 29) (Br. 1 - New Issue)
- (S-18) NEODONTICS, INC., 27821 La Paz Rd., Laguna Niguel, CA 92677 (714) 643-2201 - 2,000,000 units. Underwriter: AMFCO Securities Inc., 29 Broadway, New York, NY 10006. The company plans to market and distribute tricalcium phosphate-coated bioactive dental implants. (File 2-88139-LA - Nov. 29) (Br. 8 - New Issue)
- (S-18) COMPUTERIZED BUYING NETWORK, INC., 1000 Executive Office Center, Cranbury, NJ 08512 (609) 655-2200 - 700,000 units. Underwriter: D.H. Wallach, Inc., 1700 Market St., Philadelphia, PA 19103 (215) 864-7850/(800) 523-4386. The company operates a buying service utilizing a proprietary database. (File 2-88169-NY - Nov. 30) (Br. 9 - New Issue)
- (S-18) BAR/CODE, INC., 1251 Exchange Dr., Richardson, TX 75081 (214) 231-2412 - 2,500,000 shares of common stock. Underwriter: Matthew R. White Investment Company, Inc. The company manufactures and markets devices which read and print symbols, referred to as "bar code". (File 2-88170-FW - Nov. 30) (Br. 7 - New Issue)
- (S-14) THE FARMERS AND MERCHANTS BANKSHARES, INC., Seventh & Main Sts., P.O. Box 947 Stuttgart, AR 72160 (501) 673-6911 - 100,000 shares of common stock. (File 2-88246 - Dec. 5) (Br. 1 - New Issue)
- (S-1) TEL-AMERICA CORPORATION, 2346-B Walsh Ave., Santa Clara, CA 95051 (408) 970-0966 - 1,250,000 units. Underwriter: First Affiliated Securities, Inc. The company intends to market complete telecommunications systems to commercial end-users. (File 2-88255 - Dec. 6) (Br. 7 - New Issue) [S]
- (S-14) BOE BANCSHARES, INC., 102 Turner St., Edison, GA 31746 (912) 835-2221 - 16,000 shares of common stock. (File 2-88267 - Dec. 6) (Br. 1 - New Issue)
- (S-3) FIRST ATLANTA CORPORATION, 2 Peachtree St., N.W., Atlanta, GA 30383 (404) 588-5000 - 1,000,000 shares of common stock. (File 2-88279 - Dec. 7) (Br. 1)
- (S-1) BIOSONICS, INC., 810 Lombard St., Philadelphia, PA 19147 (215) 923-6850 - 400,000 units. (File 2-88281 - Dec. 7) (Br. 8) [S]
- (S-8) GENERAL MOTORS CORPORATION, 767 Fifth Ave., New York, NY 10153/3044 West Grand Blvd., Detroit, MI 48202 (313) 556-3527 - \$130,500,000 of interests, and 2,000,000 shares of common stock. (File 2-88284 - Dec. 7) (Br. 4)
- (S-1) AMERICAN LEASING INVESTORS VI, 666 Third Ave., New York, NY 10017 (212) 551-6000 - 130,000 units of limited partnership interest. Underwriter: Integrated Resources Marketing, Inc. (File 2-88288 - Dec. 7) (Br. 9 - New Issue) [S]
- (S-1) FIRST FINANCIAL CORPORATION, 300 Wisconsin Ave., Waukesha, WI 53186 (414) 547-0111 - 960,000 shares of common stock. (File 2-88289 - Dec. 7) (Br. 2 - New Issue)
- (S-1) UNITED HEALTHCARE CORPORATION, 400 Opus Center, 9900 Bren Road East, Minnetonka, MN 55343 (612) 936-1380 - 540,000 shares of common stock. The company manages nine individual practice association model health maintenance organizations. (File 2-88254 - Dec. 5) (Br. 6)