

# sec news digest

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U.S. DISTRICT COURT

EXCHANGE DISTRICT

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## CIVIL PROCEEDINGS

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### FRAUD/NET CAPITAL INJUNCTIONS ENTERED

The Commission announced that on May 13 the U.S. District Court for the Eastern District of Arkansas entered Final Judgments of Permanent Injunctions against Gary Frank Granger (Granger) and Samuel Cornelius Jolly (Jolly). The Commission's civil action, filed September 10, 1991, continues as to the remaining defendants, Jimmy Dale Swink, Sr., Jimmy Dale Swink, Jr. and Louis Jules Pagillo.

Granger consented to the entry of the Final Judgment, which permanently enjoins him from violating the Commission's net capital and books and records requirements. Jolly consented to the entry of the Final Judgments, which permanently enjoins him from violating the antifraud provisions of the federal securities laws. In both instances, the defendants consented without admitting or denying the allegations of the Commission's complaint. [SEC v. Jimmy Dale Swink, Sr., Jimmy Dale Swink, Jr., Louis Jules Pagillo, Gary Frank Granger and Samuel Cornelius Jolly, U.S.D.C./Eastern District of Arkansas/Little Rock Division, Civil Action No. LRC 91-576] (LR-13253)

### INJUNCTIONS ENTERED AGAINST DEEP SANDS, INC. AND LARRY MCENTIRE

On April 3, 1992, the Honorable Paul Brown, U.S. District Judge for Eastern District of Texas, entered a Final Order of Permanent Injunction and Disgorgement against Deep Sands, Inc. (Deep Sands) and Larry M. McEntire (McEntire), both of Van Alstyne, Texas. These defendants were permanently enjoined from violating the securities registration and antifraud provisions of the Securities Act of 1933 and the antifraud and broker-dealer registration provisions of the Securities Exchange Act of 1934. The defendants were ordered to pay \$516,653.00 in disgorgement plus prejudgment interest, payment of which was waived based upon their inability to pay. Civil penalties were found to be appropriate, but not ordered to be paid based upon the defendants' inability to pay. The defendants consented to the entry of the order without admitting or denying the Commission's allegations.

The Commission's complaint alleged that Deep Sands, since November 1990, and McEntire, since at least January 1989, engaged in a nationwide, "cold call" telephone solicitation campaign, through unregistered commissioned salespersons, for the purpose of selling unregistered oil and gas interests to investors. The complaint further alleged that the defendants directly, and through their salespersons, made fraudulent representations to investors concerning the expected return on investment, potential well production, commissions paid to salespersons, use of investor funds, the accounting and distribution of investor funds and production revenue, and estimated turnkey costs to drill and complete oil and gas wells. [SEC v. Deep Sands, Inc., et al., Civil Action No. 4:91 CV 130, E.D. Tex.] (LR-13255)

## JUDGMENT OF DISGORGEMENT AGAINST KURT TAUSS

The Commission announced that on June 1 the District Court for the District of New Jersey entered a judgment for disgorgement and prejudgment interest against Kurt Tauss in the amount of \$606,076. The Court had previously entered a permanent injunction by consent as to Tauss with respect to future violations of Section 17(a) of the Securities Act of 1933 (Securities Act), Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 promulgated thereunder, and Rule 13b2-2 promulgated under Section 13(b)(2) of the Exchange Act, and for aiding and abetting violations of Rule 463 promulgated under the Securities Act, Sections 13(a) and 13(b)(2) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 promulgated thereunder. Kurt Tauss admitted the truth of the allegations contained in the complaint. [SEC v. Allure Cosmetics, Ltd., Kurt Tauss, Gattini Corporation and Pietro Gattini, USDC, D.N.J., Civil Action No. 90-2673, NHP] (LR-13256; AAE Rel. 388)

## NEW YORK OIL AND GAS PROMOTER CONSENTS TO INJUNCTIVE AND ANCILLARY RELIEF

The Commission today announced the filing of a civil injunctive action against Silver Bow Resources and Chemical Corporation (Silver Bow) and its chairman, Raymond J. Whalen (Whalen), for alleged violations of the registration and antifraud provisions of the federal securities laws.

The Commission alleges that from approximately 1983 through 1989, Whalen and Silver Bow raised more than \$15 million from the offer and sale of unregistered limited and general partnerships interests in a series of oil and gas drilling programs to investors nationwide. The Commission further alleges that the defendants made material misrepresentations and omissions to investors concerning, among other things, investment risks, the use of proceeds, drilling costs and Silver Bow's financial condition.

Simultaneously with the filing of the complaint, Whalen and Silver Bow consented to the entry of permanent injunctions, without admitting or denying any of the allegations of the complaint. Whalen and Silver Bow also consented to disgorge \$656,100.28, representing investor funds alleged to have been diverted by the defendants from three oil and gas drilling programs and prejudgment interest, and to the appointment of a receiver for additional programs and limited partnerships sponsored by Silver Bow. The defendants also consented to reserve on the issue of further disgorgement. [SEC v. Silver Bow Resources and Chemical Corporation and Raymond J. Whalen, 92 Civ. 699, USDC, NDNY, June 1] (LR-13257)

## CHURCH BOND FIRM SUED

The Commission announced the filing of a complaint on June 2 in the U.S. District Court in Amarillo, Texas against AMI Securities, Inc. (AMIS), a broker-dealer formerly registered with the Commission, and seven of its former officers, directors or registered sales agents. The complaint alleges that AMIS, Willard E. May (May), Gene W. Armstrong, Auda Arlen Ashley, Claude Locklan Downs, Benjamin C. Powell, James A. Gates and Ronald E. Gilbert (Gilbert) fraudulently offered and sold in excess of \$250 million church and non-profit corporation bonds to tens of thousands of investors across the U.S. between 1986 and 1989. In addition, AMIS, May and Gilbert were charged with the offer and sale of unregistered bonds in Church and Institutional Facilities Development Corporation (C&I), an ostensibly non-profit corporation formed to loan funds to churches and other non-profit entities, in violation of registration provisions of the Securities Act and the Trust Indenture Act.

The scheme also involved a Texas trust company which managed the bond proceeds, and an off-shore insurance company, which supposedly insured the offerings.

According to the complaint, the defendants used fraudulent sales practices which mislead investors regarding, among other things, the significance of a "limited guaranty" of bond principal and interest, the financial condition of the issuers, the collateral underlying bond offerings, the misapplication of bond proceeds and the nature of C&I's "blind pool" bond offerings. [SEC v. AMI Securities, Inc., et al., USDC/ND TX, Amarillo Division, Civil Action No. 2-92-CV143] (LR-13258)

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## CRIMINAL PROCEEDINGS

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### CRIMINAL ACTION AGAINST JIM SWINK, SR. AND JIMMY SWINK, JR.

The Commission and the U.S. Attorney for the Eastern District of Arkansas and the announced that on May 19 a federal grand jury returned a 27 count indictment against Jim D. Swink, Sr. (Swink) and Jimmy D. Swink, Jr. (Swink Jr).

Swink is charged with criminal contempt for violation of an injunction obtained by the Commission against Swink and Swink & Co., Inc. (Swink & Co.) in 1984. Swink is also charged in three counts, and Swink Jr in two counts, with conspiracy to make false statements to the Commission and to falsify month end reports and records of Swink & Co. Swink Jr is also charged in one count with perjury based upon sworn investigative testimony he gave to the Commission.

Additionally, Swink is charged in 11 counts with wire fraud stemming from misrepresentations made in connection with trading activity in United States Treasury bonds and related transactions. Swink is also charged in ten counts with causing Swink & Co. to violate the Commission's net capital and books and records requirements. An additional count seeks the forfeiture of \$674,887 from Swink, of which amount Swink Jr is alleged to be jointly and severally liable for \$200,000 used to capitalize his brokerage firm, First American Securities. [U.S. v. Jim D. Swink, Sr. and Jimmy D. Swink, Jr., No. LR-CR-92-158, U.S.D.C. for the Eastern District of Arkansas/Western Division] (LR-13254)

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## SELF-REGULATORY ORGANIZATIONS

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### TEMPORARY ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change submitted by the American Stock Exchange (SR-Amex-92-08) to implement an automatic execution feature for select equities during periods of extremely high order flow for a temporary period ending December 1, 1992. (Rel. 34-30757)

## 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-8 MNX INC, 5310 ST JOSEPH AVE, ST JOSEPH, MO 64505 (816) 233-3158 - 100,000 (\$875,000) COMMON STOCK. (FILE 33-47188 - MAY. 22) (BR. 4)
- S-8 MNX INC, 5310 ST JOSEPH AVE, ST JOSEPH, MO 64505 (816) 233-3158 - 400,000 (\$3,500,000) COMMON STOCK. (FILE 33-47189 - MAY. 22) (BR. 4)
- N-2 ATLAS BIOTECHNOLOGY FUND INC, 135 EAST BALTIMORE ST, BALTIMORE, MD 21202 (410) 727-1700 - 4,600,000 (\$69,000,000) COMMON STOCK. (FILE 33-47190 - MAY. 22) (BR. 16 - NEW ISSUE)
- S-3 PATRICK PETROLEUM CO /DE/, 301 WEST MICHIGAN AVE, JACKSON, MI 49201 (517) 787-6633 - 300,000 (\$843,750) COMMON STOCK. (FILE 33-47191 - MAY. 22) (BR. 3)
- S-8 ALAMCO INC, 200 W MAIN ST, CLARKSBURG, WV 26301 (304) 623-6671 - 108,500 (\$366,188) COMMON STOCK. (FILE 33-47192 - MAY. 22) (BR. 4)
- S-8 ALAMCO INC, 200 W MAIN ST, CLARKSBURG, WV 26301 (304) 623-6671 - 100,000 (\$337,500) COMMON STOCK. (FILE 33-47193 - MAY. 22) (BR. 4)
- S-8 ALAMCO INC, 200 W MAIN ST, CLARKSBURG, WV 26301 (304) 623-6671 - 50,000 (\$168,750) COMMON STOCK. (FILE 33-47194 - MAY. 22) (BR. 4)
- S-8 ALAMCO INC, 200 W MAIN ST, CLARKSBURG, WV 26301 (304) 623-6671 - 75,000 (\$253,125) COMMON STOCK. (FILE 33-47195 - MAY. 22) (BR. 4)
- S-2 CHEMEX PHARMACEUTICALS INC, FORT LEE EXECUTIVE PARK ONE, ONE EXECUTIVE DRIVE, FORT LEE, NJ 07024 (201) 944-1449 - 3,200 (\$9,408,000) COMMON STOCK. 320,000 (\$2,080,000) COMMON STOCK. UNDERWRITER: JAMES CAPEL INC. (FILE 33-47196 - MAY. 22) (BR. 4)
- F-3 ADT LIMITED, CEDAR HOUSE 41 CEDAR AVE, HAMILTON HM 12 BERMUDA, DO - 18,254,788 (\$182,547,880) FOREIGN COMMON STOCK. (FILE 33-47197 - MAY. 22) (BR. 5)
- F-1 MEXICAN MARITIME TRANSPORTATION, AV DE LA CUSPIDE NO4755, COLONIA PARQUES DEL PEDREGAL, MEXICO DF CP 14010 MEXICO, 05 - 4,488,584 (\$38,018,306.48) FOREIGN COMMON STOCK. UNDERWRITER: BEAR STEARNS & CO INC. (FILE 33-47200 - MAY. 22) (BR. 4)
- S-8 OFFICE DEPOT INC, 2200 OLD GERMANTON RD, DELRAY BEACH, FL 33445 (407) 278-4800 - 500,000 (\$22,156,250) COMMON STOCK. (FILE 33-47201 - MAY. 22) (BR. 7)
- S-8 GENZIA PHARMACEUTICALS INC, 11025 ROSELLE ST, SAN DIEGO, CA 92121 (619) 546-8300 - 750,000 (\$23,062,500) COMMON STOCK. (FILE 33-47202 - MAY. 22) (BR. 4)
- S-8 GENZIA PHARMACEUTICALS INC, 11025 ROSELLE ST, SAN DIEGO, CA 92121 (619) 546-8300 - 200,000 (\$6,150,000) COMMON STOCK. (FILE 33-47203 - MAY. 22) (BR. 4)
- S-1 GMAC AUTO RECEIVABLES CORP, 1209 ORANGE ST, C/O CORPORATION TRUST CENTER, WILMINGTON, DE 19801 (302) 658-7581 - 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-47999 - MAY. 22) (BR. 13)

## REGISTRATIONS CONTINUED

- S-8 INTERNATIONAL MULTIFOODS CORP, 33 S SIXTH ST, MINNEAPOLIS, MN 55402 (612) 340-3300 - 500,000 (\$12,062,500) COMMON STOCK. (FILE 33-48073 - MAY. 22) (BR. 4)
- S-3 MAGMA COPPER CO, 7400 N ORACLE RD STE 200, TUCSON, AZ 85704 (602) 575-5600 - 75,000,000 (\$75,000,000) STRAIGHT BONDS. (FILE 33-48074 - MAY. 22) (BR. 6)
- S-8 TEKELEC, 26580 W AGOURA RD, CALABASAS, CA 91302 (818) 880-5656 - 384,375 (\$6,630,468.75) COMMON STOCK. (FILE 33-48079 - MAY. 22) (BR. 8)
- S-3 UNIVERSITY PATENTS INC, 1465 POST RD E, PO BOX 901, WESTPORT, CT 06881 (203) 255-6044 - 19,755 (\$230,886.56) COMMON STOCK. (FILE 33-48080 - MAY. 22) (BR. 5)
- S-8 UNIVERSITY PATENTS INC, 1465 POST RD E, PO BOX 901, WESTPORT, CT 06881 (203) 255-6044 - 45,000 (\$525,937.50) COMMON STOCK. (FILE 33-48081 - MAY. 22) (BR. 5)
- S-3 TELECONCEPTS CORP, TEXAS COMMERCE TWR, 600 TRAVIS STE 4750, HOUSTON, TX 77002 (713) 228-4633 - 3,633,516 (\$9,312,701.51) COMMON STOCK. 3,637,881 (\$36,378.81) WARRANTS, OPTIONS OR RIGHTS. 3,329,361 (\$8,533,152.24) COMMON STOCK. 1,818,939 (\$4,661,940.66) COMMON STOCK. (FILE 33-48082 - MAY. 22) (BR. 8)
- S-8 TELEBIT CORP, 1315 CHESAPEAKE TERRACE, SUNNYVALE, CA 94089 (408) 734-4333 - 500,000 (\$3,280,000) COMMON STOCK. (FILE 33-48086 - MAY. 22) (BR. 7)
- S-3 AMERICAN EDUCATIONAL PRODUCTS INC, 3101 IRIS AVE STE 215, BOULDER, CO 80301 (303) 443-0020 - 50,000 (\$178,000) COMMON STOCK. (FILE 33-48087 - MAY. 22) (BR. 11)
- S-3 TORCHMARK CORP, 2001 3RD AVE S, BIRMINGHAM, AL 35233 (205) 325-4200 - 200,000,000 (\$200,000,000) STRAIGHT BONDS. (FILE 33-48088 - MAY. 22) (BR. 10)
- S-3 MINNESOTA MINING & MANUFACTURING CO, 3M CENTER, ST PAUL, MN 55144 (612) 733-1110 - 600,000,000 (\$600,000,000) STRAIGHT BONDS. (FILE 33-48089 - MAY. 22) (BR. 8)
- S-3 PACER TECHNOLOGY, 9420 SANTA ANITA AVE, RANCHO CUCAMONGA, CA 91730 (714) 987-0550 - 3,409,945 (\$4,901,796) COMMON STOCK. (FILE 33-48090 - MAY. 22) (BR. 2)
- S-8 ONE PRICE CLOTHING STORES INC, HWY 290 COMMERCE PARK, DUNCAN, SC 29334 (803) 439-6666 - 400,000 (\$6,150,000) COMMON STOCK. (FILE 33-48091 - MAY. 22) (BR. 2)
- S-8 SPECTRAN CORP, 50 HALL ROAD, STURBRIDGE, MA 01566 (508) 347-2261 - 210,000 (\$3,412,500) COMMON STOCK. (FILE 33-48092 - MAY. 22) (BR. 10)
- S-8 GTI CORP, 9171 TOWNE CENTRE DR, STE 355, SAN DIEGO, CA 92122 (619) 578-3111 - 500,000 (\$6,000,000) COMMON STOCK. (FILE 33-48101 - MAY. 22) (BR. 3)
- S-8 NUVEEN JOHN COMPANY, 333 W WACKER DR, CHICAGO, IL 60606 (312) 917-7700 - 5,980,000 (\$107,640,000) COMMON STOCK. (FILE 33-48106 - MAY. 22) (BR. 12)

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## ACQUISITION OF SECURITIES

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Companies and individuals must report to the Commission within ten days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds five percent. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within 45 days after the end of the calendar year in which the person became subject to Section 13(d)(1). Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1.

Below is a list of recent filings of Schedules 13D and 14D, which includes the following information: Column 1 - the company purchased (top), and the name of the purchaser; Column 2 - the type of security purchased; Column 3 - the type of form filed; Column 4 - the date the transaction occurred; Column 5 - the current number of shares (in 000's) owned (top) and the current percent owned; Column 6 - the CUSIP number (top) and the percent owned; and Column 7 - the status of the filing, i.e., new, update or revision.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
ALEX BROWN INC KELLOGG PETER R	COM 13D	5/19/92	1,506 9.9	01390210 7.6	UPDATE
AMERICAN NATL PETE CO DEL PRUDENTIAL BACH ENERGY ET AL	COM NEW 13D	5/ 4/92	0 0.0	02860220 N/A	UPDATE
AUDIO KING CORP CARLOCK RANDEL S	COM 13D	5/14/92	395 15.2	05099510 15.1	UPDATE
CTS CORP GAMCO INVESTORS INC ET AL	COM 13D	5/27/92	1,269 24.8	12650110 23.5	UPDATE
CARMEL CONTAINERS SYS LTD KRAFT ROBERT K ET AL	ORD 13D	5/19/92	703 27.9	14326910 29.0	UPDATE
DATAPOINT CORP THOMAS BLAKE D ET AL	PFD 13D	5/26/92	0 0.0	23810030 N/A	UPDATE
DRUG EMPORIUM INC WILBER PHILIP I ET AL	COM 13D	3/25/92	2,758 21.2	26217510 0.0	NEW
ENDOTRONICS INC VENTURE FUNDING LTD	COM NEW 13D	4/ 3/92	9,254 42.5	29264420 45.3	UPDATE
FEDERAL NATL MTG ASSN FIDELITY INTL LTD	COM 13D	5/21/92	13,266 4.9	31358610 5.8	UPDATE
FEDERAL NATL MTG ASSN FMR CORP	COM 13D	5/21/92	13,266 4.9	31358610 5.8	UPDATE
GLOBAL NAT RES INC NOEL GROUP ET AL	COM 13D	4/15/92	5,907 25.0	37935510 24.9	UPDATE
HERITAGE FINL LTD COURTER LLOYD W ET AL	CAP STK 13D	4/30/92	25 14.5	42799310 13.9	UPDATE
HERITAGE FINL LTD STARK PAUL H ET AL	CAP STK 13D	5/19/92	14 8.2	42799310 8.0	UPDATE
HORIZON INDS INC BEAULIEU OF AMERICA ET AL	COM 13D	5/20/92	550 9.9	44042310 9.9	UPDATE
HORIZON INDS INC RALSTON M EDWARD	COM 13D	5/20/92	350 6.3	44042310 7.4	UPDATE
HYDE ATHLETIC INDS INC KELSO MANAGEMENT CO ET AL	COM 13D	5/21/92	326 12.6	44863210 15.4	UPDATE

## ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
INTL MUREX TECHNOLOGIES CORP COM DEBARTOLO EDWARD J JR ET AL	130	5/27/92	7,127 47.8	46799910 48.2	UPDATE
MARCUM NAT GAS SVCS INC COM PATRICK PETROLEUM CORP/MICH	130	5/20/92	1,481 40.0	56632310 0.0	NEW
NATIONAL RLTY L P FRIEDMAN WILLIAM S ET AL	UNIT NEW 130	5/22/92	763 31.1	63735330 30.1	UPDATE
OAKWOOD HOMES CORP FMR CORP	COM 130	5/21/92	647 7.5	67409810 6.6	UPDATE
ROCKING HORSE CHILD CARE CTR COM JBS INVMNT BKG LTD	COM 130	5/19/92	1,150 9.2	77341510 0.0	NEW
SAZTEC INTL INC KIPHART RICHARD P	COM 130	5/19/92	547 13.0	80584210 8.4	UPDATE
THREE D DEPTS INC ABRAMS BERNARD	CL B 130	5/20/92	536 18.7	88553910 18.6	UPDATE
THREE D DEPTS INC ABRAMS BERNARD	CL A 130	5/20/92	439 31.1	88553920 30.2	UPDATE
TOSCO CORP ARGUS ENERGY ET AL	COM NEW 130	5/27/92	8,047 26.9	89149030 26.5	UPDATE
UNIQUE MOBILITY INC ALCAN ALUMINUM LTD	COM 130	3/25/92	1,274 18.3	90915410 14.4	UPDATE

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SEC PUBLIC INFORMATION NUMBERS

Members of the public seeking information and/or material from the Commission continue to complain of being incorrectly referred to the wrong telephone number by Commission staff. The following information is furnished to assist you in directly calling the appropriate office:

Consumer Affairs (202-272-7440): Investor inquiries and complaint processing information.

Freedom of Information Branch (202-272-7420): Requests concerning FOIA, Privacy Act, Sunshine Act, confidential treatment matters, etc.

Personnel Locator (202-272-2550): Requests for names and phone numbers of Commission personnel.

Public Affairs (202-272-2650): Information about matters in the SEC News Digest, the Commission's operations, and calls from the press not directed to particular individuals, and other related matters.

Public Reference (202-272-7450): Requests for information on whether or not a document has been filed, etc.

Publications Unit (202-272-7460/7461): Requests for forms, studies, directories, etc.

Office of the Secretary (202-272-2600): Requests for information on the Commission calendar.

SEC Information Line (202-272-3100/5624): General Information about SEC operations and activities through a series of recorded messages.

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