

# sec news digest

Issue 89-41

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March 1989 1989

U.S. SECURITIES  
EXCHANGE COMMISSION

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## RULES AND RELATED MATTERS

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### AMENDMENTS ADOPTED

The Commission adopted (1) amendments revising the reporting requirements for issuers changing their fiscal year end; (2) related amendments to Form 8-K requiring reporting of a change in fiscal year; (3) amendments to the accounting and proxy rules relating to financial reporting; and (4) amendments to the quarterly reporting rules modifying the timing of a new registrant's first quarterly report. (Rel. 33-6823)

FOR FURTHER INFORMATION CONTACT: Howard P. Hodges at (202) 272-2553 or  
Barbara J. Green at (202) 272-2589

### RULE 32a-3 PROPOSED FOR COMMENT

The Commission is proposing for public comment Rule 32a-3 under the Investment Company Act of 1940. Proposed Rule 32a-3 would provide certain management investment companies with an expanded time period in which to select the independent public accountant.

Comments should be submitted in triplicate to Jonathan A. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Mail Stop 6-9, Washington, DC 20549. Comments must be received within 60 days after the release is published in the Federal Register and should refer to File No. S7-5-89. All submissions will be available for inspection in the Public Reference Room. (Rel. IC-16842)

FOR FURTHER INFORMATION CONTACT: C. Christopher Sprague at (202) 272-7779

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## COMMISSION ANNOUNCEMENTS

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### COMMISSION AND NASAA ANNOUNCE 1989 CONFERENCE ON FEDERAL-STATE SECURITIES REGULATION, SCHEDULE A PUBLIC HEARING AND REQUEST COMMENTS ON THE TENTATIVE AGENDA

The Commission and the North American Securities Administrators Association, Inc. (NASAA) announced that the annual conference on Federal-State Securities Regulation will be held on April 26, 1989. Because participation at the conference is generally limited to Commission and NASAA personnel, the release indicates that interested persons should participate by attending and making a statement at a public hearing which will be held at the Commission's offices on April 7th, or by providing written comments by April 21st.

Written comments should be submitted in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Mail Stop 6-9, Washington, DC 20549, and refer to File No. S7-6-89.

Witnesses for the public hearings should submit 15 copies of their remarks no later than March 31, 1989. (Rel. 33-6821)

FOR FURTHER INFORMATION CONTACT: Richard Wulff or William Toomey at (202) 272-2644

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## CIVIL PROCEEDINGS

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### FINAL JUDGMENT SIGNED AGAINST DONALD F. KARCHER, OTHERS

The Los Angeles Regional Office announced that on February 15 U.S. District Judge Edward Rafeedie, Central District of California, entered a Final Judgment of Permanent Injunction against Donald F. and Dorothy Karcher, David R. and Doneta Thomason, and William T. and Rosemary Bruns. Defendants consented to the Judgment without admitting or denying the allegations in the Complaint, which alleged tipping and trading on inside information. The Final Judgment permanently enjoins all defendants from future violations of the antifraud provisions of the securities laws, orders the Thomasons and Brunses to pay disgorgement of \$47,125 and \$15,395.56, respectively, plus penalties under the Insider Trading Sanctions Act of 1984 of \$62,520.56, which represents the total losses avoided and profits gained by the Thomasons and the Brunses, to whom the Karchers are alleged to have disclosed material, nonpublic information. The action is pending with respect to nine remaining defendants. (SEC v. Carl N. Karcher, et al., CDCA, Civil Action No. 88-2021-ER, Tx). (LR-12015)

### RICHARD C. LANDERMAN ENJOINED

The Commission announced that on February 3 a Final Judgment of Permanent Injunction was entered in the U.S. District Court for the District of Utah, Central Division, against Richard C. Landerman, an attorney-at-law of Salt Lake City, Utah. He consented to the Injunction without admitting or denying the allegations in the Commission's Complaint.

The Complaint alleges, *inter alia*, that Landerman and other defendants initiated a fraudulent scheme by using false documents to revive defunct shell corporations and sell them as vehicles for trading unregistered securities. The litigation against the other defendants is continuing. (SEC v. PROS International, Inc., et al., D UT, Central Division, Civil Action No. 87-C-0751 S). (LR-12016)

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## INVESTMENT COMPANY ACT RELEASES

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### ML VENTURE PARTNERS II, L.P.

A notice has been issued giving interested persons until March 20 to request a hearing on an application filed by ML Venture Partners II, L.P. (MLVP II), Merrill Lynch Venture Capital Inc. (the Management Company), which provides management services for MLVP II, and ML Technology Ventures, L.P. (ML Technology) for an order granting an exemption from the provisions of Section 57(a)(1) of the Investment Company Act to permit MLVP II to acquire certain securities from the Management Company, and to permit MLVP II and ML Technology to participate in a joint arrangement relating to such securities which would otherwise be prohibited under Section 57(a)(4) of the Investment Company Act. (Rel. IC-16839 - Feb. 27)

### KAGAN MEDIA PARTNERS, L.P.

An order has been issued on an application filed by Kagan Media Partners, L.P. (Partnership), Kagan Media Capital Inc. (Adviser), and PaineWebber Media Inc. (Administrative General Partner) determining that (1) the Independent General Partners of the Partnership are not "interested persons," within the meaning of Section 2(a)(19) of the Investment Company Act, of the Partnership, the Adviser, or the Administrative General Partner, and (2) limited partners who own less than 5% equity interest in the Partnership will not be deemed "affiliated persons" (as defined by Section 2(a)(3)(D) of the Act) of the Partnership or its partners solely by reason of their status as limited partners. (Rel. IC-16840 - Feb. 27)

### THE PROSPECT GROUP OPPORTUNITY FUND, INC.

An order has been issued on an application filed by The Prospect Group Opportunity Fund, Inc. (formerly, Prospect High Yield Mezzanine Fund, Inc.), a business development company, and Prospect Management Company, Inc. for an order permitting certain joint transactions and permitting the acquisition of certain interim investments. (Rel. IC-16841 - Feb. 27)

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## SELF-REGULATORY ORGANIZATIONS

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### PARTIAL APPROVAL OF PROPOSED RULE CHANGE

The Commission partially approved a proposed rule change filed by the Boston Stock Exchange (SR-BSE-87-1). The order extends the trial period for the implementation of the BSE's proposed BEACON system, until the Commission has determined to approve or disapprove permanently the BSE's proposed rule change. The Commission also requested comments regarding the final approval of BSE's proposed rule change. (Rel. 34-26578)

### TEMPORARY APPROVAL OF PROPOSED RULE CHANGES

The Commission temporarily approved, until March 31, three proposed rule changes filed by the MBS Clearing Corporation. The proposals (SR-MBS-88-7, 88-9, 88-11) amend various MBSCC Depository Division rules, including those pertaining to participant accounts, transfers or mortgage-backed securities, the MBSCC participants fund, and the MBSCC certificate withdrawal policy. (Rel. 34-26579)

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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 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-1 AURA SYSTEMS INC, 6033 W CENTURY BLVD STE 720, LOS ANGELES, CA 90045 (213) 337-1406 - 5,984,906 (\$23,580,530) COMMON STOCK. (FILE 33-27164 - FEB. 21) (BR. 10)
- S-6 FIRST TRUST COMBINED SERIES 79, C/O CLAYTON BROWN & ASSOCIATES INC, 500 W MADISON ST STE 3000, CHICAGO, IL 60606 - INDEFINITE SHARES. DEPOSITOR: BROWN CLAYTON & ASSOCIATES INC. (FILE 33-27166 - FEB. 21) (BR. 18 - NEW ISSUE)
- S-6 FIRST TRUST COMBINED SERIES 78, C/O CLAYTON BROWN & ASSOCIATES INC, 500 W MADISON ST STE 3000, CHICAGO, IL 60606 - INDEFINITE SHARES. DEPOSITOR: BROWN CLAYTON & ASSOCIATES INC. (FILE 33-27167 - FEB. 21) (BR. 18 - NEW ISSUE)
- S-1 UNITED MISSOURI BANK DEFINED CONTRIBUTION PLAN & TRUST FOR S. 1100 GRAND, PO BOX 419226, KANSAS CITY, MO 64141 (816) 556-7000 - 75,000 (\$12,156,228) COMMON STOCK. 125,000 (\$7,909,347.80) COMMON STOCK. 500,000 (\$16,068,253) COMMON STOCK. (FILE 33-27170 - FEB. 21) (BR. 18)
- S-8 ACTION STAFFING INC, 3804 COCONUT PALM DR, TAMPA, FL 33619 (813) 623-5177 - 1,800,000 (\$702,000) COMMON STOCK. 1,500,000 (\$1,230,000) COMMON STOCK. (FILE 33-27173 - FEB. 21) (BR. 6)
- S-3 SAFETY KLEEN CORP, 777 BIG TIMBER RD, ELGIN, IL 60123 (312) 697-8460 - 350,794 (\$9,515,287.25) COMMON STOCK. (FILE 33-27174 - FEB. 21) (BR. 8)
- S-3 MCN CORP, 500 GRISWOLD ST, DETROIT, MI 48226 (313) 256-5500 (FILE 33-27187 - FEB. 24) (BR. 13)
- S-6 FIRST TRUST COMBINED SERIES 77, C/O CLAYTON BROWN & ASSOCIATES, 500 W MADISON ST STE 3000, CHICAGO, IL 60606 - INDEFINITE SHARES. DEPOSITOR: BROWN CLAYTON & ASSOCIATES INC. (FILE 33-27201 - FEB. 21) (BR. 18 - NEW ISSUE)
- S-8 NWA INC /DE/, 2700 LONE OAK PKWY, EAGAN, MN 55121 (612) 726-2344 - 2,000,000 (\$66,437,500) COMMON STOCK. (FILE 33-27202 - FEB. 21) (BR. 3)
- S-1 SANDATA INC, 48 HARBOR PARK DR, PORT WASHINGTON, NY 11050 (516) 484-9060 - 2,750,000 (\$9,900,000) COMMON STOCK. 2,750,000 (\$16,500,000) COMMON STOCK. 250,000 (\$455,000) COMMON STOCK. 305,667 (\$556,314) COMMON STOCK. (FILE 33-27204 - FEB. 21) (BR. 10)
- S-8 COMPREHENSIVE CARE CORP, 18551 VEN KARMAN AVE, IRVINE, CA 92715 (714) 851-2273 - 950,000 (\$11,162,500) COMMON STOCK. (FILE 33-27213 - FEB. 23) (BR. 6)

- S-8 ELECTRICITE DE FRANCE E D F SERVICE NATIONAL, 4101 RESERVOIR RD NW,  
C/O FINANCIAL COUNSELLOR FRENCH EMBASSY, WASHINGTON, DC 20007 (202) 944-6000 -  
600,000,000 (\$600,000,000) STRAIGHT BONDS. (FILE 33-27228 - FEB. 22) (BR. 8  
- NEW ISSUE)
- F-6 CANAL PLUS /ADR/, 48 WALL ST, BANK OF NEW YORK, NEW YORK, NY 10286 (212) 530-1784 -  
50,000,000 (\$2,500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-27238 -  
FEB. 23) (BR. 99 - NEW ISSUE)
- S-1 DUFF & PHELPS FUNDING CORP, 523 W SIXTH ST STE 1234, LOS ANGELES, CA 90014  
(213) 622-2299 - 100,315,000 (\$100,315,000) STRAIGHT BONDS. (FILE 33-27239 - FEB. 23)  
(BR. 12)

## 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.

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	8K ITEM NO.							DATE	COMMENT
		1	2	3	4	5	6	7		
PUBLIC SERVICE ELECTRIC & GAS CO	NJ						X		02/24/89	
PUBLIC SERVICE ENTERPRISE GROUP INC	NJ						X		02/24/89	
XEROX CORP	NY						X		02/27/89	