

# sec news digest

Issue 89-247

December 28, 1989

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## COMMISSION ANNOUNCEMENTS

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### ORDER REVERSING FOIA OFFICER'S DETERMINATION TO DENY ACCESS

The General Counsel sent a letter to Ms. Ellen Walp of Federal Document Retrieval, reversing the FOIA Officer's determination to deny access under FOIA Exemption 7(A), 5 U.S.C. 552(b)(7)(A), to an investigatory file that was responsive to Ms. Walp's request for seven categories of documents concerning the October 19, 1987 market break and the Commission staff's report thereon. The General Counsel determined that disclosure of the investigatory records to which the FOIA Officer denied access could no longer reasonably be expected to interfere with enforcement proceedings. The General Counsel also informed Ms. Walp that his staff had located documents that are responsive to her request, but which were not considered by the FOIA Officer. The General Counsel remanded Ms. Walp's request to the FOIA Officer for further processing in light of these determinations. (Rel. FOIA-137)

### ORDER AFFIRMING IN PART, REVERSING IN PART, FOIA OFFICER'S DETERMINATION TO DENY ACCESS

The General Counsel sent a letter to Mark A. Cymrot affirming in part and reversing in part the FOIA Officer's determination that certain documents supporting statements made in the staff's February 1988 report entitled "The October 1987 Market Break" are exempt from disclosure on the basis of FOIA Exemptions 4, 5, and/or 8, 5 U.S.C. 552(b)(4), (5), and (8). In addition, the General Counsel determined that one responsive document, which was not considered by the FOIA Officer, is protected by FOIA Exemption 4 and cannot be released to the requester. The General Counsel released, as an exercise of his discretion, part or all of six documents that are protected by Exemption 8. The General Counsel also granted access to one document that is exempt from disclosure under FOIA Exemption 5. (Rel. FOIA-138)

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## CIVIL PROCEEDINGS

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### MUNICIPAL LEASE SECURITIES FUND ENJOINED, RECEIVER APPOINTED

The Chicago Regional Office announced the filing of a complaint on December 18 in the U.S. District Court for the Northern District of Illinois seeking temporary, preliminary and permanent injunctions from violations of various antifraud, pricing, books and records, and other provisions of the Investment Company and the Securities Acts, and naming as defendants Municipal Lease Securities Fund, Inc., a registered investment company located in Chicago; Hutchinson Advisers, Inc., the Fund's investment adviser; Hutchinson, Fox, Inc., the Fund's principal underwriter; and Howard H. Hutchinson, the president of each of the other defendants. On the same date, the Court entered a consent order restraining sales and redemptions of Fund shares. The Court further ordered a freeze of the Fund's assets and enjoined the destruction of the Fund's books and records. Also, with the Fund's consent, the Court

appointed a receiver for the Fund who was directed to, among other things, solicit the vote of Fund shareholders concerning alternatives, specified in the Court's order, for the future operation of the Fund. (SEC v. Municipal Lease Securities Fund, Inc., et al., U.S.D.C. N.D. Ill., Civil Action No. 89 C 9212) (LR-12331)

#### COMPLAINT NAMES ADVANCED VIRAL RESEARCH CORP., OTHERS

The Atlanta Regional Office announced the filing of a complaint in the U.S. District Court for the Southern District of Florida on December 14 against Advanced Viral Research Corp. (AVR), of Miami, Florida, Bernard Friedland, its president, and William Bregman, its secretary-treasurer, seeking a permanent injunction and other equitable relief. AVR went public in 1986, and raised a total of \$1.9 million through the present.

The complaint alleges that AVR, Friedland, and Bregman from April 1986 through the present violated the antifraud provisions of the federal securities laws by, among other things: (1) representing that AVR's drug Reticulose was effective in treating viral infections, while failing to disclose respected medical studies to the contrary; (2) omitting to disclose that a 1967 new drug application pertaining to Reticulose had been rejected by the FDA as "not approvable"; and (3) stating that the University of Miami School of Medicine would conduct clinical testing of Reticulose in the treatment of AIDS, when it had never committed to do so. The Commission also alleges that AVR, aided and abetted by Friedland and Bregman, violated the reporting provisions of the Securities Exchange Act and that AVR violated the registration provisions (Section 5(b)(2)) of the Securities Act. (SEC v. Advanced Viral Research Corp., et al., Civil Action No. 89-2785-CIV-KEHOE (U.S.D.C. S.D. Fla) (LR-12332)

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#### INVESTMENT COMPANY ACT RELEASES

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#### NATIONAL BOND FUND AND NATIONAL SECURITIES & RESEARCH CORPORATION

A conditional order has been issued exempting National Bond Fund (Fund) and National Securities & Research Corporation (Adviser) from the provisions of Section 17(a) of the Investment Company Act to permit the Adviser of the Fund to purchase certain portfolio securities from the Fund. (Rel. IC-17279 - Dec. 22)

#### MACKAY-SHIELDS MAINSTAY SERIES FUND

A notice has been issued giving interested persons until January 22, 1990, to request a hearing on an application filed by MacKay-Shields Mainstay Series Fund for an amendment of a prior order granted under Section 32(a) of the Investment Company Act to bring the prior order into conformity with Rule 32a-3. (Rel. IC - 17280)

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#### LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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#### UNLISTED TRADING GRANTED

An order has been issued granting the application of the Boston Stock Exchange for unlisted trading privileges in the common stock of eighteen issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-27557)

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## SELF-REGULATORY ORGANIZATIONS

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### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The National Association of Securities Dealers (SR-NASD-89-55) filed with the Commission a proposed rule change under Rule 19b-4 to establish a schedule of charges for its Automated Confirmation Transaction (ACT) system. (Rel. 34-27551)

### PARTIAL APPROVAL OF PROPOSED RULE CHANGE

The Commission has partially approved a proposed rule change filed by the New York Stock Exchange (SR-NYSE-89-16) to amend its voting rights listing standards and listing standards for non-U.S. companies. (Rel. 34-27554)

### NOTICE OF PROPOSED RULE CHANGE

The Philadelphia Stock Exchange (SR-PHLX-89-56) has filed a proposed rule change under Rule 19b-4 relating to the execution of three-way orders in foreign currency options. Publication of the proposal is expected to be made in the Federal Register during the week of December 25. (Rel. 34-27559)

### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved proposed rule changes filed under Rule 19b-4 by the Cincinnati Stock Exchange (SR-CSE-89-5) to increase the net capital requirement for Designated Dealers to \$100,000 (Rel. 34-27561); and the Pacific Stock Exchange (SR-PSE-89-29) to amend the membership rules pertaining to revised Membership Lease Agreements and lease procedures (Rel. 34-27562).

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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-8 HALF ROBERT INTERNATIONAL INC /DE/, 2884 SAND HILL ROAD, STE 1525, MENLO PARK, CA 94025 (415) 854-9700 - 100,000 (\$1,725,000) COMMON STOCK. (FILE 33-32623 - DEC. 19) (BR. 6)
- S-8 CODA ENERGY INC, 9400 N CENTRAL EXPWY STE 500, DALLAS, TX 75231 (214) 692-1800 - 4,600,000 (\$13,800,000) COMMON STOCK. (FILE 33-32624 - DEC. 19) (BR. 4)
- S-4 SONAT INC, 1900 5TH AVE NORTH, BIRMINGHAM, AL 35203 (205) 325-3800 - 2,000,000 (\$16,275,112) COMMON STOCK. (FILE 33-32632 - DEC. 19) (BR. 8)
- S-8 SMUCKER J M CO, STRAWBERRY LN, ORRVILLE, OH 44667 (216) 682-3000 (FILE 33-32637 - DEC. 19) (BR. 3)
- S-8 FAIRFIELD COUNTY BANCORP INC, 45 PROSPECT ST, STAMFORD, CT 06901 (203) 324-3393 - 204,812 (\$1,478,862.60) COMMON STOCK. (FILE 33-32638 - DEC. 19) (BR. 1)
- S-4 WEBSTER FINANCIAL CORP, FIRST FEDERAL PLZ, WATERBURY, CT 06720 (203) 755-1422 - 2,839,385 (\$26,899,443) COMMON STOCK. (FILE 33-32639 - DEC. 19) (BR. 2)

REGISTRATIONS CONT.

- S-3 LAFARGE CORP, 11130 SUNRISE VALLEY DR STE 300, RESTON, VA 22091 (703) 264-3600 - 3,500,000 (\$65,590,000) COMMON STOCK. (FILE 33-32644 - DEC. 20) (BR. 10)
- S-8 LAFARGE CORP, 11130 SUNRISE VALLEY DR STE 300, RESTON, VA 22091 (703) 264-3600 - 1,500,000 (\$25,875,000) COMMON STOCK. (FILE 33-32645 - DEC. 20) (BR. 10)
- S-8 WILLCOX & GIBBS INC, 530 FIFTH AVE - 22ND FLR, NEW YORK, NY 10036 (212) 869-1800 - 666,667 (\$11,791,672.56) COMMON STOCK. (FILE 33-32648 - DEC. 20) (BR. 3)
- S-8 DUPONT E I DE NEMOURS & CO, 1007 MARKET ST, WILMINGTON, DE 19898 (302) 774-1000 - 1,333,226 (\$166,400,000) COMMON STOCK. (FILE 33-32656 - DEC. 20) (BR. 13)
- S-3 DUPONT E I DE NEMOURS & CO, 1007 MARKET ST, WILMINGTON, DE 19898 (302) 774-1000 - 1,000,000 (\$1,000,000) STRAIGHT BONDS. (FILE 33-32657 - DEC. 20) (BR. 13)
- S-8 TECHNOLOGY RESEARCH CORP, 5250 140TH AVE NORTH, CLEARWATER, FL 34620 (813) 535-0572 - 2,355,863 (\$2,567,890) COMMON STOCK. (FILE 33-32678 - DEC. 19) (BR. 8)
- S-18 CHEMPLEX PRODUCTS INC, 6201 JOHN RD STE 1, TAMPA, FL 33634 - 5,750 (\$5,750,000) COMMON STOCK. 500,000 (\$500,000) COMMON STOCK. 444,444 (\$1,000,000) COMMON STOCK. 250,000 (\$250,000) COMMON STOCK. (FILE 33-32440-A - DEC. 11) (BR. 9 - NEW ISSUE)
- S-1 AMERICAN DREDGING CO, BEACH & ERIE ST, P O BOX 190, CAMDEN, NJ 08101 (609) 963-0963 - 428,000 (\$4,708,000) PREFERRED STOCK. (FILE 33-32556 - DEC. 18) (BR. 6 - NEW ISSUE)
- S-1 READERS DIGEST ASSOCIATION INC, PLEASANTVILLE, NY 10570 (914) 238-1000 - 30,150,000 (\$663,300,000) COMMON STOCK. UNDERWRITER: GOLDMAN SACHS INTERNATIONAL LTD, LAZARD BROTHERS & CO LTD. (FILE 33-32566 - DEC. 19) (BR. 12 - NEW ISSUE)
- S-18 TRIUMPHE LEASING LIMITED PARTNERSHIP, 4711 GOLF RD STE 705, SKOKIE, IL 60076 (708) 982-1200 - 375 (\$7,500,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: HORWITZ SCHANKNER & ASSOCIATES INC. (FILE 33-32613 - DEC. 18) (BR. 5 - NEW ISSUE)
- S-8 HOUSTON INDUSTRIES INC, 4300 POST OAK PKWY, 5 POST OAK PK, HOUSTON, TX 77027 (713) 629-3000 - 150,000,000 (\$105,633,803) OTHER SECURITIES INCLUDING VOTING TRUST. 1,000,000 COMMON STOCK. (FILE 33-32649 - DEC. 20) (BR. 8)
- S-8 MORGAN J P & CO INC, 23 WALL ST, NEW YORK, NY 10015 (212) 483-2323 - 14,000,000 (\$563,500,000) COMMON STOCK. (FILE 33-32658 - DEC. 21) (BR. 13)
- S-8 MORGAN J P & CO INC, 23 WALL ST, NEW YORK, NY 10015 (212) 483-2323 - 2,000,000 (\$80,500,000) COMMON STOCK. (FILE 33-32659 - DEC. 21) (BR. 13)
- S-6 SEARS TAX EXEMPT INVESTMENT TRUST CALIFORNIA MUN PORT SER 63, TWO WORLD TRADE CNTR, C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10048 (212) 326-8918 - 550 (\$577,500) UNIT INVESTMENT TRUST. DEPOSITOR: DEAN WITTER REYNOLDS INC. (FILE 33-32660 - DEC. 21) (BR. 22 - NEW ISSUE)
- S-8 DNA PLANT TECHNOLOGY CORP, 2611 BRANCH PIKE, CINNAMINSON, NJ 08077 (609) 829-0110 - 3,000,000 (\$16,370,412) COMMON STOCK. 1,711,111 COMMON STOCK. (FILE 33-32680 - DEC. 19) (BR. 8)
- S-8 FIRST FINANCIAL OF RUSSELLVILLE INC, 135 W 4TH ST, RUSSELLVILLE, KY 42276 (502) 726-4022 - 33,763 (\$439,558.19) COMMON STOCK. (FILE 33-32703 - DEC. 20) (BR. 1)
- M-1A HAWTHORNE INVESTMENT TRUST, 100 CORPORATE PL STE 501, PEABODY, MA 01960 (508) 535-1515 - INDEFINITE SHARES. UNDERWRITER: HAWTHORNE DISTRIBUTORS CORP. (FILE 33-32718 - DEC. 19) (BR. 17 - NEW ISSUE)

## ACQUISITION OF SECURITIES

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
DUNKIN DONUTS INC A L ACQUISITION CORP	COM 14D-1	12/21/89	5,772 80.3	26550710 0.0	UPDATE
DUNKIN DONUTS INC KINGSBRIDGE CAPITAL GRP ET AL	COM 14D-1	12/21/89	0 0.0	26550710 12.0	UPDATE
FIRECOM INC MULTIPLEX ELECTRICAL SVC ET AL	COM 13D	12/ 5/89	232 5.2	31815710 0.0	NEW
HIMONT INC MONTEDISON S P A ET AL	COM 14D-1	12/20/89	52,527 81.0	43289910 80.5	UPDATE
INFORMATION MGMT TECHNOLOGIE CL A WILSON ROBERT W	COM 13D	5/31/89	720 7.9	45690810 0.0	NEW
MANAGEMENT SCIENCE AMER INC DUN & BRADSTREET CO	COM 14D-1	12/21/89	15,668 94.0	56169910 44.5	UPDATE
MARCOR RESORTS INC MARNELL ANTHONY A II ET AL	COM NEW 13D	12/ 7/89	4,797 64.0	56632020 73.5	UPDATE
MYERS L E GROUP CO CHAVIN LEONARD	UNPAIRED CTF 13D	12/11/89	469 20.7	62845610 20.7	UPDATE
NRM ENERGY CO LP MESA LTD PARTNERSHIP	DEPSTRY UT COM 13D	10/30/89	0 0.0	62991010 100.0	RVISION
NRM ENERGY MESA LTD PARTNERSHIP	CUM CNV PFD SER A 13D	10/30/89	0 0.0	62991030 N/A	RVISION
NATIONAL TRANSACTION NETWORK DOUBLEDAY NELSON	COM 13D	10/ 5/89	6,570 32.6	63822130 0.0	RVISION

## ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS (000) / % OWNED	CUSIP/ PRIORITY	FILING STATUS
REGIONAL BANCORP INC GRIFFIN WILLIAM M ET AL	COM 13D	12/ 8/89	90 3.2	75892010 5.6	UPDATE
ROBERTSON H H CO KASS DOUGLAS A ET AL	COM 13D	12/20/89	900 14.2	77055310 12.6	UPDATE
SARTCHI & SARTCHI PLC SOUTHEASTERN ASSET MGMT INC	SPONSORED ADR 13D	12/15/89	5,929 11.4	78514320 10.3	UPDATE
WESTCOAST ENERGY INC PETRO-CANADA	COM 13D	9/30/89	18,357 37.6	95799210 0.0	NEW
WYSE TECHNOLOGY DEL LANCASTER ARBITRAGE ET AL	COM 13D	12/12/89	739 5.0	98360410 0.0	NEW
AVX CORP PAINWEBBER INC	COM 13D	12/14/89	904 6.8	00244010 0.0	NEW
AMERICAN PRESIDENT COS LTD ITEL CORP	COM 13D	12/20/89	3,697 18.6	02910310 17.6	UPDATE
BEARINGS INC OHIO H C S FOUNDATION ET AL	COM NEW 13D	12/12/89	369 5.0	07400520 0.0	NEW
CIPRICO INC INTERPHASE CORP	COM 14D-1	12/22/89	951 47.6	17252910 47.6	UPDATE
COMPUTER HORIZONS CORP CGI CORP ET AL	COM 13D	12/20/89	260 10.8	20590810 8.9	UPDATE
CYPRESS FD INC NAV CORP ET AL	COM 13D	12/21/89	2,364 34.9	23278710 34.8	UPDATE
DATAMARINE INTL INC RULE INDS	COM 13D	12/15/89	146 13.1	23804510 0.0	NEW
DIVI HOTELS N Y SP ARUBA PTYS N Y	COM 13D	12/12/89	738 13.5	25537410 0.0	NEW
EASTPARK REALTY TRUST EASTGROUP PROPERTIES	SH BEN INT 13D	12/12/89	0 0.0	27778110 N/A	UPDATE
EASTPARK REALTY TRUST PARKWAY CO	SH BEN INT 13D	12/12/89	656 77.2	27778110 38.6	UPDATE
EDISTO RESOURCES MESA LTD PARTNERSHIP	COM 13D	12/15/89	3,367 28.0	28106710 0.0	NEW
ELSINDRE CORP GOLDSMITH FINL	COM 13D	12/14/89	4,631 7.7	29030810 0.0	NEW

## ACQUISITIONS CONT.

FORTUNE FINL GROUP INC DYSON-KISSNER-MORAN CORP ET AL	COM ET AL	13D	12/20/89	435 9.6	34965110 9.6	UPDATE
GROWTH FINANCIAL CORP SUMMIT BANCORPORATION	COM	13D	11/14/89	145 9.9	39987010 0.0	NEW
HOMECALL INC WARNER LARRY J ET AL	COM	13D	12/15/89	7,386 7.7	43738410 0.0	NEW
IRT CORP BROKAW CLIFFORD V III	COM NEW	13D	11/ 9/89	999 20.2	45005230 20.9	UPDATE
IDEAL BASIC INDS INC DEL HOLDERMAN INC ET AL	COM	13D	12/18/89	118,689 67.4	45154210 67.4	UPDATE
IRVINE SENSORS CORP ALEXIDOU JAMES ET AL	COM	13D	12/12/89	1,961 21.0	46366410 0.0	NEW
JETRONIC INDS INC JETTAIR HLDGS	COM	14D-1	12/22/89	201 8.2	47717810 8.2	UPDATE
JETRONIC INDS INC JETTAIR HLDGS	COM	14D-1	12/22/89	201 8.2	47717810 8.2	RVSIDM
JUSTIN INDS INC CHOCTAW SECS L P ET AL	COM	13D	12/19/89	454 8.2	48217110 6.7	UPDATE
LA JOLLA BANCORP SECURITY PACIFIC CORP	COM	13D	12/13/89	1,318 19.1	50345610 0.0	NEW
LINCOLN M C RLTY FD INC GADON DAVID ET AL	COM	13D	12/12/89	152 7.6	53404010 6.3	UPDATE
MDT CORP MIM LIMITED ET AL	COM	13D	11/29/89	300 4.9	55268710 5.1	UPDATE
MCGILL MFG INC MCGILL MARY C ET AL	COM	13D	12/20/89	316 21.8	58052610 0.0	NEW
MEDIA GEN INC GAMCO INVESTORS INC ET AL	CL A	13D	12/20/89	2,930 11.6	58440410 10.6	UPDATE
MICROBILT CORP FIRST FINANCIAL MGMT CORP	COM	13D	12/15/89	1 100.0	59501010 100.0	UPDATE
MYERS L E GROUP CO BRENNAN CHARLES M III ET AL	UNPAIRED CTF	13D	12/15/89	168 7.4	62845610 0.0	NEW
NECO ENTERPRISES INC LARDICHE DAVID F ET AL	COM	13D	12/ 8/89	733 73.6	62905710 69.3	UPDATE