

# sec news digest

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## RULES AND RELATED MATTERS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

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### PROPOSED CHANGES TO RULES CONTAINING DOLLAR EXEMPTIVE LIMITS; PROPOSED REPEAL OF CERTAIN RULES

The Commission is publishing for public comment proposals to amend certain exemptive rules to raise the dollar limits of the exemptions in order to compensate for inflation since the time the rules were adopted. The rules proposed to be amended are Rules 236 and 237 under the Securities Act of 1933 and Rule 16a-9 under the Securities Exchange Act of 1934. The Commission is also proposing to rescind Rules 234 and 235 under the Securities Act and Rules 12a-1, 12a-2 and 12a-3 under the Exchange Act. Those rules have become obsolete due to Congressional or judicial action or the passage of time.

Comments should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, DC 20549, on or before May 14 and should refer to File No. S7-926. All comments will be available for public inspection. (Rel. 33-6393)

FOR FURTHER INFORMATION CONTACT: Ann M. Glickman at (202) 272-2573

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## COMMISSION ANNOUNCEMENTS

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### CAPITAL MARKET WORKING PAPER #8

The Commission's Directorate of Economic and Policy Analysis has released the eighth in a series of Capital Market Working Papers, titled "Exchange Listing and the Cost of Equity Capital." Copies can be obtained by writing the Commission's Office of Consumer Affairs and Information Services and enclosing a 9 1/2 x 12" self-addressed stamped envelope (postage \$.80).

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## ADMINISTRATIVE PROCEEDINGS

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### PROCEEDINGS INSTITUTED AND FINDINGS AND ORDER ENTERED AGAINST FREDERICK & CO., INC.

The Commission issued an Order Instituting Proceedings pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 and Findings and Order of the Commission in administrative proceedings against Frederick & Co., Inc. (Fredco), a broker-dealer located in Milwaukee, Wisconsin. The Commission found that Fredco wilfully violated the recordkeeping provisions of the Exchange Act and failed reasonably to supervise a person subject to its supervision.

The Commission's Order stated that Fredco failed to make and keep accurate books and records relating to customer account information and failed to supervise a registered representative, James T. Hinz, who violated the antifraud, antimanipulative, recordkeeping and margin provisions of the Exchange and the antifraud provisions of the Securities Act of 1933. Hinz was employed by Fredco from September 1977 through December 1978.

The Commission censured Fredco and ordered Fredco to comply with certain undertakings concerning certain internal rules and supervisory procedures for its employees. Fredco consented to the entry of the Commission Order without admitting or denying the allegations or findings. (Rel. 33-6394) [See LR-9638]

## CIVIL PROCEEDINGS

### JAMES T. HINZ ENJOINED

The Commission announced that on April 2 the U.S. District Court for the Eastern District of Wisconsin permanently enjoined James T. Hinz from violating the anti-fraud, antimanipulative, recordkeeping and margin provisions of the Securities Exchange Act of 1934 and the antifraud provisions of the Securities Act of 1933. Hinz was also enjoined from being associated in any capacity with any broker, dealer, or investment adviser without obtaining the prior approval of the Commission. At the time of the violations, Hinz was a registered representative employed by Frederick & Co., Inc., a broker-dealer located in Milwaukee, Wisconsin. Hinz consented to the entry of a Final Judgment of Permanent Injunction without admitting or denying the allegations in the Commission's complaint.

The Commission's complaint alleges that Hinz engaged in a course of conduct in his handling of the accounts of his customers in which he effected transactions without customers' authorization; effected transactions in securities between customers' accounts at Frederick & Co., Inc. and another broker-dealer in two securities for the purpose of creating a false and misleading appearance for the market of such securities, preventing the decline in the market price for such securities, concealing the fact that certain transactions had not been authorized by customers and concealing the fact that certain customers could not, or would not, pay for the unauthorized purchases; wrote checks and arranged for others to write checks to pay for the purchase of securities at a time when neither monies nor credit was available in the accounts where the checks were drawn in amounts to cover the check so written; and improperly arranged for and personally received loans to pay for the purchase of securities. (SEC v. James T. Hinz, U.S.D.C., E.D. WI, Civil Action No. 82-0401). (LR-9638) [See 33-6394]

### COMPLAINT NAMES GARY V. LEWELLYN AND G.V. LEWELLYN & CO. AND COURT TEMPORARILY RESTRAINS THEM

The Commission announced on April 2 the filing of a complaint in the U.S. District Court for the Southern District of New York against Gary Vance Lewellyn of West Des Moines, Iowa, and G.V. Lewellyn & Co., Inc., a Des Moines, Iowa broker-dealer, registered with the Commission and owned by Lewellyn and located in Des Moines. The Commission's complaint seeks a temporary restraining order and preliminary and permanent injunctions against the defendants restraining and enjoining them from further violations of Section 10(b), 13(d) and 17(a) of the Securities Exchange Act of 1934 and rules thereunder and other equitable relief.

The Commission's complaint alleges that from in or about March 1981, Lewellyn engaged in a scheme whereby he purchased and accumulated a substantial amount of securities of Safeguard Scientifics, Inc. through various accounts. The Commission's complaint further alleges that in furtherance of his scheme, Lewellyn, among other things: (1) misappropriated and/or wrongfully diverted several millions of dollars worth of government securities and the proceeds thereof from a financial institution and/or of the customers of a financial institution; (2) refused to meet his obligations to several broker-dealers totalling approximately \$22 million; (3) made purchases of Safeguard securities through nominee accounts; (4) financed purchases of Safeguard securities with under-margined loans and wrongfully diverted funds; (5) substantially reduced the supply of Safeguard securities traded on the public markets; (6) filed false and misleading documents with the Commission, and provided such copies to the New York Stock Exchange, Inc. and Safeguard; and (7) dominated and controlled the market for Safeguard shares on the NYSE.

The Commission also announced that the Honorable Constance Baker Motley, Judge, U.S. District Court for the Southern District of New York, signed an Order To Show Cause, Temporary Restraining Order, Order Freezing Certain Assets and Order to Expedite Discovery. (SEC v. Gary Vance Lewellyn and G.V. Lewellyn & Co., Inc., U.S.D.C., S.D.N.Y., 82 Civ. 2102). (LR-9639)

## SECURITIES ACT REGISTRATIONS

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; and whether the registration statement is a New Issue.

- (S-18) HEALTH CARE DEVELOPMENT CO., 430 North West St., Perryville, MO 63775 (314) 547-1641 - 1,600,000 shares of common stock. Underwriter: Jim Becherer & Co., Ambassador Bldg., 411 North 7th St., St. Louis, MO 63101 (314) 621-2700. The company is engaged in the development, management and operation of nursing homes. (File 2-76650-C - Mar. 25) (Br. 6 - New Issue)
- (S-3) FIRST CHICAGO CORPORATION, One First National Plaza, Chicago, IL 60670 (312) 732-4000 - \$200 million of medium-term notes due from nine months to five years from date of issue. The company is a bank holding company. (File 2-76715 - Mar. 30) (Br. 1) [SHELF REGISTRATION]
- (S-18) CHOY FOODS CORP., 48-50 33rd St., Los Island City, NY (212) 937-5454 - 150,000,000 units (each unit consisting of one share of common stock and one-half common stock purchase warrant). Underwriter: Brooks, Hamburger, Satnick, Inc., 80 Broad St., New York, NY 10004. The company manufactures and sells to restaurants and institutions Chinese specialty food items. (File 2-76728-NY - Mar. 30) (Br. 3)
- (S-1) ENVIROSEARCH 1982 OIL & GAS INCOME PROGRAM LIMITED PARTNERSHIP, P.O. Box 818, Lusk, WY 82225 (307) 334-3064 - 2,500 pre-formation limited partnership interests. Underwriter: Wall Street West, Inc., 5500 South Syracuse, Suite 201, Englewood, CO 80111. (File 2-76747 - Mar. 31) (Br. 3 - New Issue)
- (S-14) SOUTHERN BANCORPORATION, INC., 304 East North St., Greenville, SC 29602 (803) 298-0444 - 865,525 shares of common stock, and \$7,616,532 of 12% promissory notes. (File 2-76767 - Apr. 1) (Br. 2)
- (S-16) DUQUESNE LIGHT COMPANY, 435 Sixth Ave., Pittsburgh, PA 15219 (412) 456-6000 - \$65 million of first mortgage bonds, Series due May 1, 2012. Underwriter: The First Boston Corporation. The company is engaged in the production, transmission, distribution and sale of electric energy. (File 2-76768 - Apr. 1) (Br. 7)
- (S-14) CENTRAL NATIONAL CHICAGO CORPORATION, 120 South LaSalle St., Chicago, IL 60603 (312) 443-5252 - 2,480,432 shares of common stock, and 592,584 shares of Series B preferred stock. (File 2-76770 - Apr. 1) (Br. 2)
- (S-8) KIMBERLY-CLARK CORPORATION, Neenah, WI 54956 (414) 721-2000 - \$25 million of interests in Kimberly-Clark Salaried Employees Incentive Investment Plan, \$12 million of Kimberly-Clark Hourly Employees Incentive Investment Plan, and in indeterminate number of shares of common stock. (File 2-76771 - Apr. 1) (Br. 8)
- (N-1) INSTITUTIONAL TAX-EXEMPT ASSETS, 111 West Jackson Blvd., Chicago, IL 60604 (312) 993-4400 - an indefinite number of short-term diversified units. (File 2-76772 - Apr. 1) (Br. 17 - New Issue)
- (S-8) HAVERTY FURNITURE COMPANIES, INC., 866 West Peachtree St., N.W., Atlanta, GA 30308 (404) 881-1911 - 100,000 shares of common stock. (File 2-76773 - Mar. 31) (Br. 1)
- (S-8) FIRST ALABAMA BANCSHARES, INC., First Alabama Plaza, P.O. Box 1448, Montgomery, AL 36102 (205) 832-8450 - 200,000 shares of common stock. (File 2-76775 - Mar. 31) (Br. 1)
- (S-8) BUCKHORN INC., 3592 Corporate Dr., Suite 114, Columbus, OH 43216 (614) 895-1895 - 114,533 shares of common stock. (File 2-76776 - Mar. 31) (Br. 4)
- (S-8) CITIZENS AND SOUTHERN GEORGIA CORPORATION, 35 Broad St., N.W., Atlanta, GA 30399 (404) 586-1500 - 500,000 shares of common stock. (File 2-76777 - Apr. 1) (Br. 1)
- (S-16) EG&G, INC., 45 William St., Wellesley, MA 02181 (617) 237-5100 - 621,824 shares of common stock. (File 2-76778 - Apr. 1) (Br. 10)

- (S-8) THE LUBRIZOL CORPORATION, 29400 Lakeland Blvd., Wickliffe, OH 44092 (216) 687-8500 - 300,000 common shares. (File 2-76779 - Apr. 1) (Br. 2)
- (S-1) SENERGY 1982-A LTD. AND SENERGY 1982-B LTD., 8550 Katy Freeway, Suite 115, Houston, TX 77024 - \$15 million of limited partnership interests in SENERGY 1982 limited partnerships, \$5,000 per unit. (File 2-76781 - Apr. 1) (Br. 3 - New Issue)
- (S-8) BROWNING-FERRIS INDUSTRIES, INC., 14701 St. Mary's, Houston, TX 77079 (713) 870-8100 - 300,000 shares of common stock. (File 2-76782 - Apr. 1) (Br. 8)
- (N-1) JP MONEY MARKET FUND, INC., 101 North Elm St., Greensboro, NC 27401 (919) 378-2448 - 20,000,000 shares of common stock. (File 2-76783 - Apr. 1) (Br. 16 - New Issue)
- (S-15) HONEYWELL INC., Honeywell Plaza, Minneapolis, MN 55408 (612) 870-5200 - 497,251 shares of common stock. (File 2-76784 - Apr. 1) (Br. 8)
- (S-8) WISCONSIN ELECTRIC POWER COMPANY, 231 West Michigan St., P.O. Box 2046, Milwaukee, WI 53201 (414) 277-2345 - \$1,071,875 of participations, and 35,000 shares of common stock. (File 2-76785 - Apr. 1) (Br. 8)
- In a separate (S-16) statement the company seeks registration of 1,300,000 shares of common stock. (File 2-76786 - Apr. 1)
- (S-8) GENERAL TELEPHONE & ELECTRONICS CORPORATION, One Stamford Forum, Stamford, CT 06904 (203) 965-2000 - 10,000,000 shares of common stock. (File 2-76787 - Apr. 1) (Br. 7)
- (N-1) INDE 500 MONEY FUND, INC., One Main Pl., Suite 905, 101 S.W. Main St., Portland, OR 97204 (503) 295-6974 - an indefinite number of shares of common stock. (File 2-76788 - Mar. 30) (Br. 16 - New Issue)
- (S-8) REYNOLDS METALS COMPANY, Reynolds Metals Bldg., 6601 Broad Street Rd., Richmond, VA 23261 (804) 281-2811 - 600,000 shares of common stock. (File 2-76789 - Apr. 1) (Br. 6)
- (S-14) THE COCA-COLA COMPANY, 310 North Ave., Atlanta, GA 30313 (404) 898-2121 - 12,070,866 shares of common stock. (File 2-76790 - Apr. 1) (Br. 1)
- (S-8) CINCINNATI BELL INC., 201 East Fourth St., Cincinnati, OH 45202 (513) 397-9900 - \$9 million of participations, and 400,000 shares of common shares; and \$15 million of participations; and 750,000 common shares. (File 2-76792 and 2-76793 - Apr. 1) (Br. 7)
- (S-16) NATIONAL MEDICAL CARE, INC., 200 Clarendon St., Boston, MA 02116 (617) 262-1200 - 111,700 shares of common stock. (File 2-76794 - Apr. 1) (Br. 6)
- (S-8) THE STRIDE RITE CORPORATION, 5 Cambridge Center, Cambridge, MA 02142 (617) 523-5700 - 100,000 shares of common stock. (File 2-76795 - Apr. 1) (Br. 7)
- (S-1) ARBUSTO 1982-A, LTD. AND ARBUSTO 1982-A, LTD., 801 Petroleum Bldg., Midland, TX 79701 - \$6 million in units of limited partnership interests. (File 2-76796 - Apr. 2) (Br. 4 - New Issue)

#### REGISTRATIONS EFFECTIVE

Mar. 26: Communications Industries Inc., 2-76625.  
 Mar. 29: ILB Financial Corp., 2-76278.  
 Mar. 30: Bankamerica Corporation, 2-74977.  
 Mar. 31: American Express Company, 2-76698; Ames Department Stores, Inc., 2-76632; First Continental Bancshares, Inc., 2-76016; Onec Energy, Inc. 82A, 2-76506; PepsiCo Capital Resources, Inc., 2-76687.  
 Apr. 1: Damson Institutional Oil & Gas Income Fund, 2-73348; Hal Roach Studios, Inc., 2-75440; Pennsylvania Insured Municipal Bond Trust, Series 17, 2-76366.

#### CORRECTION RE AMR CORPORATION

In the News Digest of March 31 under "Securities Act Registrations," the file number for AMR Corporation was erroneously stated. The correct file number should have been 2-76709, not 2-76711.