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U.S. SECURITIES AND  
EXCHANGE COMMISSION

Issue 89-46

March 13, 1989

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## ADMINISTRATIVE PROCEEDINGS

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### PROCEEDINGS INSTITUTED AGAINST JAMES E. SIMPSON

The Commission instituted public administrative proceedings under Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 against James E. Simpson. The proceedings are based on Simpson's previous injunction by the U.S. District Court for the Northern District of Indiana from violating the registration and antifraud provisions of the Securities Act of 1933 and the Exchange Act. The injunction was based upon a Complaint filed on April 22, 1988, which alleged that Simpson and others, through Certified Investment Companies, fraudulently offered and sold unregistered securities in the form of investment contracts. The offer and sale of these securities involved the misrepresentation and omission of material facts concerning the use of investor funds, the risk associated with the investment, and the profitability of the investment. The investment contracts involved a classic "ponzi" scheme in that funds raised pursuant to both programs were used to pay Simpson's personal expenses, Certified's business expenses and to pay prior investors. (Rel. 34-26597)

### SANCTIONS IMPOSED AGAINST RUSSELL C. GRAY

The Commission instituted public administrative proceedings against Russell C. Gray and simultaneously accepted his Offer of Settlement, in which he consented to an order permanently barring him from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. The Order is based upon an injunction against further registration and fraud violations by Gray, entered on February 13, 1989 in SEC v. Predator Automotive Concepts, Inc., et al., Civil Action No. CV-F-88-255 EDPTS (E.D. Cal.). The Complaint alleged that Gray, in connection with the offer or sale of securities in Predator Automotive Concepts, Inc., a company in which Gray is a director, variously: sold interests in a nonexistent company; falsely represented that Predator would make a registered offering of its stock in the near future; sold Predator stock at different prices on the same day without disclosing this to investors; failed to disclose that the company was on the verge of bankruptcy; misrepresented the existence of collateral for loans made to the corporation; and misrepresented the status of a \$10 million contract and other business activities. (Rel. 34-26600)

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## CIVIL PROCEEDINGS

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### EDWIN D. WOOD II, UNIVERSAL LEASING CO., INC., OTHERS PERMANENTLY ENJOINED

The Chicago Regional Office announced that, on February 16, Judge Benjamin F. Gibson, Western District of Michigan, entered Orders of Permanent Injunction against Edwin D. Wood II, Universal Leasing Co., Inc. (ULC), Universal Financial Services, Inc. (UFS), and The Franklin Group International, Inc. The Orders enjoin Wood, ULC, UFS and Franklin from violating the registration and antifraud provisions of the securities laws. The Orders also require them to provide within 30 days an accounting to the Court of all funds raised from investors.

The Commission's February 6 Complaint alleged that as part of a fraudulent scheme, the Defendants offered and sold to numerous investors unregistered securities in the form of bonds and participation interests in certificates of deposit. The Complaint also alleged that the Defendants made material misrepresentations and omissions concerning, among other things, the return to be expected, the risks associated with the investment, and Wood's previous criminal convictions. The Complaint further alleged that the Defendants falsely represented that the investments were secured by certificates of deposit held by an independent custodian. (SEC v. Edwin D. Wood, et al., WD MICH., Civil Action No. 89-30016CA). (LR-12028)

**FINAL JUDGMENT OF PERMANENT INJUNCTION ENTERED  
AGAINST ALBERT P. SIEVERTS AND VICTOR JULIAN**

The Los Angeles Regional Office announced that on March 2, 1989, and December 16, 1988, the U.S. District Court for the District of Utah entered a Final Order of Permanent Injunction against Albert P. Sieverts and Victor Julian, respectively. The Orders permanently restrain and enjoin Sieverts and Julian from violating certain of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. Sieverts and Julian consented to the entry of these Orders without admitting or denying the allegations contained in the Complaint.

The Complaint charges Sieverts and Julian with participating in a pre-arranged merger agreement and false closing, which rendered false and misleading a Form S-18 registering a blank check offering by Faspag, Inc. As further alleged in the Complaint, Sieverts and Julian were officers and promoters of Faspag, Inc. during their participation in the scheme. The Complaint also charges six other individuals and the issuer for their varying participation in this scheme. (SEC v. Faspag, Inc. et al, Civil Action No. 88-C-897J, D. Utah). (LR-12029)

**PRELIMINARY INJUNCTION ENTERED AGAINST  
HABERSHEIR SECURITIES, INC.**

The Atlanta Regional Office announced that on March 3, Jack T. Camp, U.S. District Judge for the Northern District of Georgia, signed a Judgment of Preliminary Injunction and Other Equitable Relief against Habersheir Securities, Inc., a registered broker-dealer headquartered in Atlanta, Georgia. The order preliminarily enjoins Habersheir from, among other things, engaging in business as a broker or dealer while violating the Commission's net capital rule, book and record-keeping rules, and telegraphic notice rule. Habersheir consented to the entry of the preliminary injunction without admitting or denying the allegations in the Commission's Complaint, which was filed on February 13, 1989. The Court previously entered a temporary restraining order against Habersheir after a hearing on February 14, 1989. [SEC v. Habersheir Securities, Inc. CA No. 1:89-CV-298-JTC. (LR-11999)]

The Commission's Complaint alleges, among other things, that Habersheir failed to maintain \$25,000 in net capital as required, and instead had a negative net capital; that Habersheir failed, as required, to make, keep current and preserve, among other things, a general ledger, trial balances, net capital computations, bank account reconciliations and cash receipts and disbursement journals; and that Habersheir failed to give telegraphic notice to the Commission of its net capital and its books and records deficiencies. (SEC v. Habersheir Securities, Inc., Civil Action No. 1:89-CV-298-JTC, USDC N.D. GA). (LR-12031)

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## **CRIMINAL PROCEEDINGS**

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**HENRY A. PAWLK SENTENCED**

The U.S. Attorney for the Northern District of Illinois and the Chicago Regional Office announced that on February 10, Henry A. Pawlik pled guilty to one count each of wire fraud and mail fraud and two counts of tax fraud. On the same day, Pawlik was sentenced by Judge Charles R. Norgle, U.S. District Court for the Northern District of Illinois to a year and a day in prison and ordered to make restitution in the amount of \$446,178. (U.S. v. Henry A. Pawlik, 88-CR-1017, USDC N.D. IL.). (LR-12027)

**DIGENARO'S MOTION TO REDUCE SENTENCE DENIED**

The Boston Regional Office and United States Attorney's Office announced that on February 27, 1989, the Honorable David M. Nelson denied a request by Robert C. DiGennaro to reduce his jail sentence or to allow him to serve his sentence through a community service program. Earlier, the Honorable Peter C. Dorsey in Connecticut also denied a similar motion by DiGennaro. As a result of the two separate rulings, DiGennaro, who was convicted of insider trading, mail and wire fraud in Connecticut and obstruction of justice in Massachusetts, will have to continue serving the remainder of his one year sentence.

In denying DiGennaro's motion, Judge Dorsey wrote that incarceration was appropriate "not only for its direct impact on defendant, but for its message to him and to the public of the serious regard for the offense [of insider trading]." Similarly, Judge Nelson noted that the graveness of DiGennaro's perjury and obstruction of the investigation by the Securities and Exchange Commission merited incarceration and not an alternative sentence. (U.S. v. DiGennaro, Cr. No. 88 41 PCD, D. Conn., and Cr. No. 88 53 N, D. Mass.). (LR-12030)

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## INVESTMENT COMPANY ACT RELEASES

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### NORTHEASTERN CAPITAL CORPORATION

An order has been issued declaring that Northeastern Capital Corporation has ceased to be an investment company. (Rel. IC-16853 - March 8)

### PRUDENTIAL-BACHE GLOBAL FUND, INC.

An order has been issued on an application filed by Prudential-Bache Global Fund, Inc., Prudential-Bache Government Plus Fund, Inc., Prudential-Bache Securities Inc., Prudential Mutual Fund Management, Inc., and Prudential Mutual Fund Distributors, Inc., amending a prior order that exempted Applicants from the provisions of Sections 2(a)(32), 2(a)(35), 22(c) and 22(d) of the Investment Company Act of 1940 and Rule 22c-1 thereunder to permit the waiver of a contingent deferred sales charge under certain additional circumstances. (Rel. IC-16854 - March 8)

### CALIFORNIA-WESTERN STATES LIFE INSURANCE COMPANY

An order has been issued on an application by California-Western States Life Insurance Company, Cal-Western Separate Account A (Account A), Cal-Western Variable Fund C (together with Account A, Accounts), American General Series Portfolio Company (Portfolio Company), American General Securities Incorporated, and the Variable Annuity Marketing Company (collectively, Applicants): (1) exempting Applicants from Section 17(a) of the Investment Company Act of 1940 and approving certain transactions under Section 17(d) of the Act and Rule 17d-1 thereunder, to the extent necessary to permit (a) the assets of the Accounts to be combined, (b) the restructuring of Account A, the surviving Account, into a unit investment trust (UIT), (c) the sale of the assets of the restructured Account A to Portfolio Company for shares of its Quality Growth Fund Series, and (d) the sale of the assets of Cal-Western Separate Account B, an unregistered account also to be restructured as an unregistered UIT, for shares of the Quality Growth Fund; and (2) exempting Applicants from Sections 26(a)(2)(c) and 27(c)(2) of the Act to permit the deduction of mortality and expense risk charges from the assets of restructured Account A. (Rel. IC-16855 - March 8)

### AEGON N.V.

An order has been issued exempting Aegon N.V. from all provisions of the Investment Company Act of 1940. (Rel. IC-16856)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING GRANTED

Orders have been issued granting the applications of the following stock exchanges for unlisted trading privileges in the common stock of specified number of issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system: Philadelphia Stock Exchange - four issues. (Rel. 34-26613); and nine issues (Rel. 34-26616); Midwest Stock Exchange - 21 issues. (Rel. 34-26614); and the Pacific Stock Exchange - eight issues. (Rel. 34-26615)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGE

The Chicago Board Options Exchange filed a proposed rule change under Rule 19b-4 (SR-CBOE-89-05) to establish risk analysis standards for options market-maker clearing firms. Publication of the proposal is expected to be made in the Federal Register during the week of March 13. (Rel. 34-26610)

### APPROVAL OF PROPOSED RULE CHANGES

The Commission approved proposed rule changes filed by: The National Association of Securities Dealers, Inc. (SR-NASD-88-53) to provide that vacancies created by the departure of a member of a District Business Conduct Committee (DBCC) during his or her term may be filled by the remaining DBCC members by the appointment of a new member to serve until the next regularly scheduled election. (Rel. 34-26611); and The American Stock Exchange (SR-Amex-89-01) to reduce the original listing fee for all non-U.S. domiciled companies whose shares are already listed and traded on other foreign stock exchanges. (Rel. 34-26612)

## 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 SEAGRAM CO LTD, 1430 PEEL ST, MONTREAL QUEBEC CANADA H3A 1S9, A8 (514) 849-5271 - 5,000,000 (\$330,625,000) COMMON STOCK. (FILE 33-27194 - MAR. 02) (BR. 11)
- S-1 MS/ESSEX HOLDINGS INC, 1251 AVE OF THE AMERICAS, C/O MORGAN STANLEY & CO INC, NEW YORK, NY 10020 (212) 703-8695 - 320,000,000 (\$135,000,000) STRAIGHT BONDS. UNDERWRITER: MORGAN STANLEY & CO INC. (FILE 33-27197 - MAR. 01) (BR. 3 - NEW ISSUE)
- S-1 BYTEX CORP, 120 TURNPIKE RD, C/O SOUTHBROUGH OFFICE PARK, SOUTHBOROUGH, MA 01772 (508) 480-0840 - 1,552,500 (\$15,525,000) COMMON STOCK. UNDERWRITER: BROWN ALEX & SONS INC, VOLPE & COVINGTON. (FILE 33-27268 - FEB. 28) (BR. 7 - NEW ISSUE)
- S-1 FORSTMANN TEXTILES INC, 1185 AVENUE OF THE AMERICAS, NEW YORK, NY 10036 (212) 642-6900 - 100,000,000 (\$100,000,000) STRAIGHT BONDS. UNDERWRITER: DREXEL BURNHAM LAMBERT INC. (FILE 33-27269 - FEB. 28) (BR. 7 - NEW ISSUE)
- S-1 CHEMDESIGN CORP, 99 DEVELOPMENT RD, FITCHBURG, MA 01420 (508) 345-9999 - 3,162,500 (\$44,275,000) COMMON STOCK. UNDERWRITER: PAINWEBBER INC, PRUDENTIAL BACHE CAPITAL FUNDING. (FILE 33-27270 - FEB. 28) (BR. 2 - NEW ISSUE)
- S-8 NORWEST CORP, NORWEST CTR, SIXTH & MARQUETTE, MINNEAPOLIS, MN 55479 (612) 667-1234 - \$50,000,000 OTHER SECURITIES INCLUDING VOTING TRUST. 1,500,000 COMMON STOCK. (FILE 33-27282 - MAR. 02) (BR. 2)
- S-8 TEMPLE INLAND INC, 303 S TEMPLE DR, P O DRAWER N, DIBOLL, TX 75941 (409) 829-2211 - 80,000,000 (\$80,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-27286 - MAR. 02) (BR. 8)
- S-18 N X I INC, STE 304 NORTH 1212 WASHINGTON, ROCK POINTE CORPORATER CENTER, SPOKANE, WA 99201 (509) 326-1029 - 5,000,000 (\$500,000) COMMON STOCK. 5,000,000 (\$1,000,000) COMMON STOCK. 5,000,000 (\$2,000,000) COMMON STOCK. 5,000,000 (\$3,000,000) COMMON STOCK. UNDERWRITER: EMPIRE SECURITIES INC. (FILE 33-27298 - FEB. 28) (BR. 12 - NEW ISSUE)
- S-1 INTERNATIONAL BROADCAST SYSTEMS LTD /DE/, 100 CRESCENT COURT 16TH FL, DALLAS, TX 75201 (214) 871-8100 - 1,725,000 (\$10,350,000) COMMON STOCK. 150,000 (\$1,500) WAPRANTS, OPTIONS OR RIGHTS. 150,000 (\$1,080,000) COMMON STOCK. UNDERWRITER: WOODRUFF WILLIAM K & CO INC. (FILE 33-27318 - FEB. 28) (BR. 11 - NEW ISSUE)
- S-8 MANAGEMENT COMPANY ENTERTAINMENT GROUP INC, 575 FIFTH AVE STE 24C, NEW YORK, NY 10017 (212) 983-5799 - 500,000 (\$1,220,000) COMMON STOCK. (FILE 33-27324 - MAR. 02) (BR. 11)
- S-8 IFR SYSTEMS INC, 10200 W YORK ST, WICHITA, KS 67215 (316) 522-4981 - 600,000 (\$6,450,000) COMMON STOCK. (FILE 33-27329 - MAR. 02) (BR. 8)
- S-8 IFR SYSTEMS INC, 10200 W YORK ST, WICHITA, KS 67215 (316) 522-4981 - 300,000 (\$3,225,000) COMMON STOCK. (FILE 33-27330 - MAR. 02) (BR. 8)
- S-8 ENTERTAINMENT PUBLISHING CORP, 1400 N WOODWARD AVE, BIRMINGHAM, MI 48011 (313) 642-8300 - 760,000 (\$7,125,000) COMMON STOCK. (FILE 33-27357 - MAR. 02) (BR. 12)
- S-8 ROANOKE ELECTRIC STEEL CORP, 102 WESTSIDE BLVD NW, ROANOKE, VA 24017 (703) 342-1831 - 50,000 (\$791,000) COMMON STOCK. (FILE 33-27359 - MAR. 02) (BR. 10)