

sec news digest

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U.S. SECURITIES AND
EXCHANGE COMMISSION

October 9, 1987

COMMISSION ANNOUNCEMENTS

APPLICABILITY OF THE INVESTMENT ADVISERS ACT TO FINANCIAL PLANNERS

The Commission published Investment Advisers Act Release No. 1092 which supercedes Investment Advisers Act Release No. 770 (August 13, 1981) and provides uniform interpretations of federal and state investment adviser laws as they apply to financial planners and other persons. IA-1092 updates and clarifies the views originally expressed in IA-770 and states that the new release was developed jointly by the staff of the Division of Investment Management and the North American Securities Administrators Association, Inc. (Rel. IA-1092)

FOR FURTHER INFORMATION CONTACT: A. Thomas Smith, III at (202) 272-2030

ADMINISTRATIVE PROCEEDINGS

PROCEEDINGS INSTITUTED AGAINST HUMAN EDGE

The Commission issued an Order Instituting Proceedings under Section 8(d) of the Securities Act of 1933 and Findings and Stop Order in connection with a registration statement filed in 1985 by Human Edge, a California corporation. The Order suspends the effectiveness of the registration statement. Human Edge consented to the Order without admitting or denying any of the allegations. The Commission found that financial statements contained in the registration statement materially overstated Human Edge's revenue and net income. (Rel. 33-6741)

UNIVERSAL MONEY CENTERS, INC. SANCTIONED

The Commission instituted public administrative proceedings under Section 15(c)(4) of the Securities Exchange Act of 1934 against Universal Money Centers, Inc., a Missouri corporation, based on its violations of the reporting and books and records provisions of the Exchange Act. Universal Money consented to the Order without admitting or denying any of the matters in the Order. Specifically, the Order finds that Universal Money inaccurately reported, in its financial statements included with its 1982 and 1983 Forms 10-K and its Forms 10-Q filed quarterly for its fiscal years 1983 and 1984, three transactions purportedly involving the sale of 40 automated teller machines (ATM). The Order finds that Universal Money should not have accounted for these transactions as sales because they were, in essence, financing transactions since the earnings process had not been completed and the risks of ownership had not transferred to the investors. Instead, the Order maintains that Universal Money's books and records should have continued to carry the ATM's as assets and should have reflected a liability after its receipt of the investor monies. As such, the Order finds that the above filings materially overstated gross revenues and net income and materially understated liabilities and that Universal Money's books and records failed to accurately reflect these transactions. (Rel. 34-24944)

INVESTMENT COMPANY ACT RELEASES

MONEY LIFE INSURANCE COMPANY OF AMERICA

An order has been issued exempting MONEY Life Insurance Company of America, MONEY Legacy Life Variable Account S, and The Mutual Life Insurance Company of New York from the provisions of Sections 2(a)(32), 22(c), 26(a)(2), 27(c)(1), 27(c)(2), and 27(d) of the Investment Company Act and Rules 6e-3(T)(b)(12), (b)(13), and 22c-1. The exemption will permit a charge for state premium taxes or state franchise taxes to be deducted in ten equal annual installments from the value of certain variable life contracts, with any unpaid balance to be deducted upon surrender, maturity, or exchange of the contracts. (Rel. IC-15030 - Oct. 2)

A notice has been issued giving interested persons until October 28 to request a hearing on an application filed by John Hancock Mutual Life Insurance Company and John Hancock Variable Account V for an order granting exemptions from Sections 26(a)(2)(C) and 27(c)(2) of the Investment Company Act to permit the deduction of mortality and expense risk charges and a deferred sales charge equal to one percent of certain purchase payments in connection with the issuance of individual combination fixed/variable annuity contracts. (Rel. IC-16031 - Oct. 2)

ANDELSBANKEN A/S

An order has been issued to permit Andelsbanken A/S and Andelsbanken Danebank Finance Inc. to issue their debt securities in the United States. (Rel. IC-16032 - Oct. 5)

HOLDING COMPANY ACT RELEASES

GULF POWER COMPANY; EASTERN UTILITIES ASSOCIATES

Notices have been issued giving interested persons until October 26 to request a hearing on a proposal by the following companies filed under Release 35-24469, dated October 1: Gulf Power Company - and its parent, The Southern Company, a registered holding company, whereby Gulf will raise \$60 million of new capital to refinance a coal supply contract through some combination of: (1) up to a \$10 million in capital contributions from Southern; (2) up to a \$15 million sale of preferred stock; (3) up to a \$60 million issuance of notes; or (4) up to \$60 million from the issuance and sale of first mortgage bonds; and Eastern Utilities Associates (EUA) - a registered holding company, to acquire all the common stock of a new subsidiary corporation (NewCo) to be organized for the purpose of participating in cogeneration and small power production facilities and in research relating to energy or energy conservation. EUA proposes to invest up to \$25 million in NewCo. NewCo's may also borrow from third parties. The aggregate amount of EUA's investment in NewCo together with NewCo's borrowings from third parties will not exceed \$25 million. EUA Service Corporation will provide services to NewCo at cost under a service contract. Employees of other EUA system companies may be used by NewCo from time-to-time.

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by the New York Stock Exchange (SR-NYSE-86-21) which revises the list of its rules eligible to be considered under the NYSE minor rule violation plan. (Rel. 34-24985)

APPROVAL OF AMENDMENT TO PLAN

The Commission approved a proposal by the New York Stock Exchange to amend its plan for the reporting of minor rule violations under Rule 19d-1. The amendment revises the list of NYSE rules eligible to be considered under the NYSE's minor rule violation plan. (Rel. 34-24986)

TRUST INDENTURE ACT RELEASES

CITICORP

A notice has been issued giving interested persons until November 1 to request a hearing on an application by Citicorp under Section 310(b)(1)(ii) of the Trust Indenture Act of 1939. The application declares that the trusteeship of United States Trust Company of New York under four existing indentures and two Pooling and Servicing Agreements each dated May 1, 1987 are not so likely to involve a material conflict of interest as to make it necessary to disqualify the Trust Company from acting as trustee. The Trust Company currently is acting as trustee under the following four indentures dated: (1) February 15, 1972, involving the issuance of floating rate notes, due 1989; (2) March 15, 1977, involving the issuance of various series of unsecured and unsubordinated notes; (3) August 25, 1977, involving the issuance of rising-rate notes, Series A; and (4) April 21, 1980, involving the issuance of various series of unsecured and unsubordinated notes. (Rel. TI-2122)

ACQUISITIONS 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 prior 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
AMERICAN RTY TR FREEPORT MCMORAN INC	UT UND BEN INT 13D	9/30/87	40,250 87.0	02933010 86.0	UPDATE
BEAR STEARNS COS INC JARDINE STRATEGIC HLDGS	COM 14D-1	10/ 6/87	0 0.0	07390210 0.0	NEW
CENDEL CABLE TV CO CENDEL CORP	COM CL A 13D	9/25/87	20,400 81.6	15019210 0.0	NEW
CHEMICAL LEAMAN CP NINESS SAMUEL F ET AL	COM 13D	10/ 5/87	194 20.9	16374910 42.7	UPDATE
CINEFLEX ODEON CORP BRONFMAN CHARLES ROSNER ET AL	COM 13D	9/14/87	2,279 10.9	17245510 0.0	NEW
DATAPHAZ INC BECKIS ROBERT L ET AL	COM 13D	9/23/87	385 35.0	23809510 0.0	NEW
DATAPHAZ INC MENDZA DENNIS W ET AL	COM 13D	9/23/87	259 10.0	23809510 0.0	NEW
DATAPHAZ INC NICCOLI THOMAS C ET AL	COM 13D	9/23/87	1,157 46.0	23809510 0.0	NEW
DATAPHAZ INC ZEIGLER LYLE F ET AL	COM 13D	9/23/87	197 8.0	23809510 0.0	NEW
DERMA LOCK MED CORP TAVERNIER ANDRE	COM 13D	12/18/86	4,050 4.2	24982510 0.0	NEW
DERMA LOCK MED CORP WAETERSCHOOT MARC J	COM 13D	12/18/86	6,950 7.0	24982510 0.0	NEW
GUARDIAN PACKAGING CORP TRIANGLE INDS	COM 14D-1	10/ 6/87	1 0.1	40144210 0.1	UPDATE
MASCO INDS INC MASCO CORP	COM 13D	9/23/87	45,559 60.2	57460110 60.2	UPDATE
MASCO INDS INC MASCO CORP	DEP CV EXCH PFD 13D	9/23/87	0 0.0	57460130 N/A	UPDATE
WASHINGTON BANCORP WASH DC WASHINGTON NATL HLDGS N Y	COM PAR \$2.50 13D	10/ 6/87	1,693 27.6	93727020 27.6	UPDATE
WEAVER PROCTORSILEX INC CHAMBERS RAYMOND G ET AL	COM 13D	10/ 2/87	1,257 21.0	94705310 21.0	UPDATE
WEAVER PROCTORSILEX INC RED GATE INC	COM 13D	10/ 2/87	303 5.1	94705310 5.1	UPDATE

ACQUISITIONS REPORTS CONT.

WEAREVER PROCTORSILEX INC	COM			1.111	94705310	
SIMON WILLIAM E		13D	10/ 2/87	18.6	21.3	UPDATE
WRATHER CORP	COM			4.851	98213510	
INDUSTRIAL EQUITY LTD ET AL		13D	10/ 2/87	67.0	63.8	UPDATE