

sec news digest

Issue 87-228

LIBRARY
DEC 3 1987
U.S. SECURITIES AND
EXCHANGE COMMISSION
December 2, 1987

COMMISSION ANNOUNCEMENTS

BRIEF SUPPORTING CONSTITUTIONALITY OF SMALL CLAIMS ARBITRATION RULE FILED

SEC General Counsel Daniel L. Goelzer announced that on November 25 the Commission filed a friend-of-the-court brief in MacLaughlin, Piven, Vogel, Inc. v. Gross, a case brought in the U.S. District Court for the Eastern District of Pennsylvania by a municipal securities broker-dealer that had lost a dispute submitted for arbitration under the customer small claims arbitration rule adopted by the Municipal Securities Rulemaking Board and approved by the Commission. The broker-dealer argued that the Board's rule is unconstitutional because a customer can obtain an oral hearing upon request but a broker-dealer can obtain such a hearing only if the customer consents or the arbitrator decides that one is necessary. The brief argued that the rule, which is essentially identical to the small claims arbitration rules of the NASD, NYSE, and other exchanges, is constitutional. The brief pointed out that the rule authorizes an arbitrator to call an oral hearing at any time if useful or necessary. The brief further explained that customers are given the option of an oral hearing on request because they may be less able than industry professionals to present their cases effectively in writing and because the rule encourages customer confidence in the arbitration system. (Press Release 87-88)

FOR FURTHER INFORMATION CONTACT: Daniel L. Goelzer at (202) 272-3171 or
Lucinda O. McConathy at (202) 272-2493

ADMINISTRATIVE PROCEEDINGS

PROCEEDINGS INSTITUTED AGAINST PHILIP S. WILSON

The Commission ordered public administrative proceedings against Philip S. Wilson, doing business as Wilson Associates, whose principal place of business is in Woodland Hills, California. The Order for Proceedings alleges that Wilson violated the registration provisions of the Investment Advisers Act by making, in applications for registration as an investment adviser, untrue statements of material facts and omitting to state material facts relating to disciplinary actions taken against him by a self-regulatory organization and his business background.

A hearing will be scheduled to determine what, if any, remedial action is appropriate. (Rel. IA-1097)

CIVIL PROCEEDINGS

COMPLAINT FILED AGAINST ZICO INVESTMENT HOLDINGS, INC., OTHERS

The Commission today filed an injunctive action in the U.S. District Court for the Southern District of New York against ZICO Investment Holdings, Inc., a British Virgin Islands corporation; Michael B. Javett, a British citizen and ZICO's controlling shareholder; Quentin A.F. Buckland, a British citizen; Roland Rowe, also known as Francois Roland Rowe, a resident of France; and Capisol S.A., a corporate entity of unknown origin. The Complaint alleges that the defendants violated the antifraud and anti-manipulation provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 by engaging in a scheme to manipulate the market price of Bancroft Convertible Fund, Inc. immediately prior to ZICO's November 18, 1986, tender offer for majority control of Bancroft. (SEC v. ZICO Investment Holdings, Inc., et al., USDC SDNY, Civil Action No. 87 Civ. 8484, TPG). (LR-11617)

CRIMINAL PROCEEDINGS

GUILTY PLEA ENTERED BY KENNETH E. BRAILSFORD

The Denver Regional Office announced that on November 16 Kenneth E. Brailsford, of Springvale, Utah, pled guilty to an information charging him with criminal contempt of a previously issued injunction in violation of 18 U.S.C. 401(3) [U.S. v. Kenneth E. Brailsford, 87-CR-167J].

The information charged that Brailsford violated the injunction in connection with a scheme to fraudulently sell unregistered stock of Freedom Coin Co., Inc., a Utah shell corporation. Brailsford conducted a sham public offering of 2.5 million shares of stock under Rule 504 of Regulation D. Brailsford caused nominees to "purchase" stock in the alleged public offering with money provided by him. As a result Brailsford controlled 98% of the stock offered in the purported public offering. He then touted Freedom Coin stock to various Salt Lake City, Utah broker-dealers, who began a campaign of selling Freedom Coin stock to their customers. They obtained this stock from Brailsford, who in July and August 1985 sold 400,000 unregistered shares of Freedom Coin stock for proceeds in excess of \$122,545, in violation of the injunction.

After accepting Brailsford's guilty plea, the Court scheduled a hearing for December 22 for the purpose of imposing a sentence. (U.S. v. Kenneth E. Brailsford, USDC UT, 87-CR-167J). (LR-11615)

HOLDING COMPANY ACT RELEASES

CONNECTICUT LIGHT & POWER COMPANY

A supplemental order has been issued authorizing Connecticut Light & Power Company, subsidiary of Northeast Utilities, to issue and sell, through December 31, 1988, up to \$175 million principal amount of its first and refunding mortgage bonds under to an exception from the requirements for competitive bidding. (Rel. 35-24504 - Nov. 20)

SYSTEM ENERGY RESOURCES, INC.

A supplemental order has been issued authorizing the fees, expenses, terms and conditions associated with the issuance and sale of \$200 million of first mortgage bonds by means of negotiated public offering, under an exception from competitive bidding, by System Energy Resources, Inc., subsidiary of Middle South Utilities, Inc. Jurisdiction continues to be reserved over related matters. (Rel. 35-24505 - Nov. 23)

SYSTEM FUELS, INC.

An order has been issued authorizing a proposal by System Fuels, Inc. (SFI), subsidiary of Arkansas Power & Light Company, Louisiana Power & Light Company, Mississippi Power & Light Company and New Orleans Public Service Inc., subsidiaries of Middle South Utilities, Inc. (MSU), and MSU's subsidiary, System Energy Resources, Inc., whereby SFI will extend its indemnified \$65 million nuclear fuel procurement credit agreement through September 30, 1989, and amend certain terms and conditions. (Rel. 35-24506 - Nov. 24)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission approved, on an accelerated basis, a proposed rule change filed by the American Stock Exchange (SR-Amex-87-24) amending its Rules 310, 311, 317, 341, 342, and 920 to effectuate its participation in the Central Registration Depository System. (Rel. 34-25159)

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 CAVCO INDUSTRIES INC, 301 E BETHANY HOME RD STE C-178, PHOENIX, AZ 85012 (602) 265-0580 - 100,000 (\$262,000) COMMON STOCK. (FILE 33-18557 - NOV. 23) (BR. 9 - NEW ISSUE)
- S-4 SECURITY STATE BANCSHARES INC, 101 S MAIN ST, CHARLESTON, MO 63834 (314) 683-3714 - 10,000 (\$6,639,000) COMMON STOCK. (FILE 33-18558 - NOV. 23) (BR. 1 - NEW ISSUE)
- S-3 PATIENT TECHNOLOGY INC, 400 RABRO DR, HAUPPAUGE, NY 11788 (516) 582-5900 - 1,500,000 (\$35,625,000) COMMON STOCK. (FILE 33-18563 - NOV. 23) (BR. 9)
- S-8 TEKNOLEDGE INC, 1850 EMBARCADERO RD, PALO ALTO, CA 94303 (415) 424-0500 - 200,000 (\$1,325,000) COMMON STOCK. (FILE 33-18567 - NOV. 23) (BR. 10)
- S-3 SOUTHMARK CORP /GA/, 1601 LBJ FRWY PARK W STE 800, DALLAS, TX 75234 (214) 241-8787 - 47,721,000 (\$34,597,725) CONVERTIBLE DEBENTURES AND NOTES. 437,331 (\$7,215,961.50) PREFERRED STOCK. (FILE 33-18655 - NOV. 23) (BR. 5)
- S-3 TEKTRONIX INC, 14150 SW KARL BRAUN DR, BEAVERTON, OR 97077 (503) 627-7111 - 150,000,000 (\$150,000,000) STRAIGHT BONDS. (FILE 33-18658 - NOV. 23) (BR. 8)
- S-8 RESTAURANT ENTERPRISES GROUP INC /DEL/, 2701 ALTON AVE, IRVINE, CA 92714 (714) 863-6300 - 40,000 (\$200,000) COMMON STOCK. (FILE 33-18659 - NOV. 23) (BR. 12)
- N-2 NEW AMERICA HIGH INCOME FUND INC, 99 BEDFORD ST, BOSTON, MA 02111 (617) 482-0182 - 10,000,000 (\$100,000,000) COMMON STOCK. UNDERWRITER: DREXEL BURNHAM LAMBERT INC. (FILE 33-18664 - NOV. 23) (BR. 17 - NEW ISSUE)
- S-4 LAM RESEARCH CORP, 47655 WARM SPRINGS BLVD, FREMONT, CA 94539 (415) 659-0200 - 3,250,000 (\$4,095,000) COMMON STOCK. (FILE 33-18665 - NOV. 24) (BR. 10)
- S-6 MUNICIPAL INVESTMENT TRUST FUND 109 INSURED SERIES - INDEFINITE SHARES. (FILE 33-18676 - NOV. 24) (BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND MULTISTATE SERIES 3U - INDEFINITE SHARES. (FILE 33-18677 - NOV. 24) (BR. 17 - NEW ISSUE)
- S-6 INTERNATIONAL BOND FD AUSTRALIAN & NEW ZEALAND DOL BD SER 26 - INDEFINITE SHARES. (FILE 33-18678 - NOV. 24) (NEW ISSUE)
- S-6 MUNICIPAL INVT TR FD FOUR HUNDRED FORTY SEVENTH MON PYMT SER - INDEFINITE SHARES. (FILE 33-18679 - NOV. 24) (BR. 17 - NEW ISSUE)
- S-6 INTERNATIONAL BOND FUND SEVENTEENTH MULTI CURRENCY SERIES/NY - INDEFINITE SHARES. (FILE 33-18680 - NOV. 24) (NEW ISSUE)
- S-6 CORPORATE INCOME FUND TWO HUNDRED SIXTY SEVENTH MON PYMT SER, ONE LIBERTY PLZ - 21ST FLR, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES. (FILE 33-18681 - NOV. 24) (BR. 17 - NEW ISSUE)

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		
ACME PRECISION PRODUCTS INC /DE/	DE				X		X		11/13/87	
ADMAR GROUP INC	FL						X		09/25/87	AMEND
AEI REAL ESTATE FUND XVI LTD PARTNERSHIP	MN				X		X		11/16/87	
AMC ENTERTAINMENT INC	DE				X		X		11/12/87	
AMTECH SYSTEMS INC	AZ							NO ITEMS	07/09/87	AMEND
ANW INC /UT/	UT				X				11/23/87	
ASHA CORP	DE				X				11/06/87	
BALDWIN SECURITIES CORP /DE/					X		X		09/10/87	
BANK OF NEW YORK CO INC	NY				X		X		11/20/87	
BIO TECHNOLOGY GENERAL CORP	DE		X				X		11/12/87	
C&R ENTERPRISES INC	CO	X			X		X		11/23/87	
CALIFORNIA CARS GRANTOR TRUST 1986-A	CA							NO ITEMS	09/15/87	AMEND
CALIFORNIA CREDIT CARD TRUST 1987 A	CA				X		X		11/16/87	
CALIFORNIA CREDIT CARD TRUST 1987-B	CA				X		X		11/16/87	
CAPITOL RESOURCES INC	KY		X				X		11/11/87	
CAROLINA POWER & LIGHT CO	NC						X		11/24/87	
CASTLE ENERGY CORP	DE						X		08/24/87	AMEND
CENTERIOR ENERGY CORP	OH				X				11/17/87	
CHARTER CO	FL						X		10/15/87	AMEND
CHICAGO & NORTH WESTERN TRANSPORTATION C	DE				X				11/12/87	
CINCINNATI GAS & ELECTRIC CO	OH				X				11/13/87	
CLEVELAND ELECTRIC ILLUMINATING CO	OH				X				11/17/87	
CMS ADVERTISING INC	DE						X		07/30/87	
CROWN BRANDS INC/NJ/	NJ		X				X		11/16/87	
DAVOX CORP	DE						X		09/30/87	AMEND
DAYTON POWER & LIGHT CO	OH				X		X		11/13/87	
DEERE & CO	DE				X				10/31/87	
DEERE JOHN CREDIT CO	DE				X				10/31/87	
DETROIT EDISON CO	MI				X				11/24/87	
DIGITAL PRODUCTS CORP	FL				X				11/20/87	
DPL INC	OH				X		X		11/13/87	
DUN & BRADSTREET CORP	DE				X		X		11/17/87	
ERC INTERNATIONAL INC /NEW	DE		X				X		11/10/87	
FIRST MEDICAL DEVICES CORP	MN				X		X		10/29/87	
FLORIDA EAST COAST INDUSTRIES INC	FL				X				11/18/87	
FRANKLIN JOE PRODUCTIONS INC	NV		X						11/02/87	
GULF STATES UTILITIES CO	TX				X				11/30/87	
GW UTILITIES LTD					X		X		11/24/87	
HOME OWNERS FEDERAL SAVINGS & LOAN ASSOC							X		11/20/87	
ICEE USA	CA				X				10/12/87	AMEND
ICH CORP	DE				X		X		11/13/87	
ILLINOIS POWER CO	IL				X		X		11/19/87	
IRT PROPERTY CO	GA							NO ITEMS	12/23/86	AMEND
IRT REALTY SERVICES INC	DE		X	X			X		11/18/87	
LAS VEGAS RESORTS CORP	NV						X		09/14/87	AMEND
LERDY PROPERTIES & DEVELOPMENT CORP	NV				X				10/28/87	
LIBERTY NATIONAL BANCORP INC /KY/	KY				X				11/17/87	
LINCOLN NATIONAL CORP	IN				X		X		11/23/87	