

# sec news digest

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## RULES AND RELATED MATTERS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

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### PROPOSED RULES ON ACCOUNTING FOR INTERNAL COSTS OF DEVELOPING COMPUTER SOFTWARE FOR SALE OR LEASE TO OTHERS

The Commission authorized the issuance of a rule proposal to prohibit the capitalization of internal costs of developing computer software for sale or lease to others by registrants that have not previously disclosed the adoption of such a practice. The proposed rules would also require registrants that have previously disclosed the adoption of such practice to disclose the effect on net income of not expensing all such costs as incurred. (Rel. 33-6461)

FOR FURTHER INFORMATION CONTACT: Robert K. Herdman at (202) 272-2130

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## ADMINISTRATIVE PROCEEDINGS

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### REGISTRATION OF HARBINE FINANCIAL SERVICE REVOKED; JESSE ROSENBLUM BARRED

Chief Administrative Law Judge Warren E. Blair has issued an initial decision revoking the investment adviser registration of Harbine Financial Service, of Closter, New Jersey, and barring Jesse Rosenblum, its sole proprietor, from association with an investment adviser.

Judge Blair found that Harbine, wilfully aided and abetted by Rosenblum, had wilfully violated regulatory and antifraud provisions of the Investment Advisers Act of 1940. The respondents were found to have failed to promptly file amendments to Harbine's Form ADV disclosing the existence of an injunction issued by a New Jersey court in August 1980 against Rosenblum, doing business as Harbine Financial Service, acting as an investment adviser and disclosing the details concerning a Cease and Desist Order issued by the New Jersey Bureau of Securities which had preceded the injunctive action. Advertising brochures disseminated by respondents were found to be false and misleading because of omission of reference to the New Jersey injunction and because the literature otherwise falsely represented the extent of Harbine's experience as an investment adviser and the character and quality of the services offered.

### PROCEEDINGS INSTITUTED AGAINST MONEY PLACEMENT SERVICES, INC.

The Commission has instituted public administrative proceedings under the Securities Exchange Act of 1934 against Money Placement Services, Inc. (MPS), a registered broker-dealer with its principal place of business in Garden City, New York. Simultaneous with the institution of proceedings, the Commission accepted an Offer of Settlement in which MPS, without admitting or denying the findings of violations, consented to the entry of findings and an Order censuring MPS and ordering it to comply with certain undertakings.

The Commission found that MPS wilfully violated Sections 5(a) and 5(c) of the Securities Act of 1933 in that it made use of the mails and the means and instruments of transportation or communication in interstate commerce in its offer, sale and delivery after sale of securities (participations in certificates of deposit), without effective registration statements having been filed with the Commission with respect to such securities. The Commission further found that MPS wilfully violated Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 in that it failed to disclose to its clients who purchased participations in certificates of deposit certain information concerning the rate of return on their investments and the commission received by MPS from third parties in return for investing its clients' monies in certificates of deposit.

The Commission's Order censured MPS and ordered it to comply with its undertakings to withdraw its registration as a broker-dealer and to inform the New York Regional Office prior to the filing of any application to register as a broker-dealer. (Rel. 34-19651)

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## CRIMINAL PROCEEDINGS

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### BRUCE H. PAUL PLEADS GUILTY

John S. Martin, Jr., U.S. Attorney for the Southern District of New York, and the New York Regional Office announced that on March 16 Bruce H. Paul of Purchase, New York pleaded guilty to two counts of filing false tax returns after two days of trial before the Honorable Robert J. Ward. The charges Paul pleaded to resulted from false statements made by him in his personal tax returns for 1977 and 1978 which failed to reveal income from securities trading and dividend income received during those years. Paul admitted that he opened, controlled and received profits from nominee stock brokerage accounts in the names of his relatives. Paul, who was a stockbroker with a registered broker-dealer, admitted that he did not report the profits from those accounts on his federal tax returns. Paul is scheduled to be sentenced on May 4, 1983. The charges each carry maximum penalties of three years imprisonment and/or a \$5,000 fine, plus the costs of the prosecution. (U.S. v. Bruce H. Paul, No. S 83 Cr. 14 [RJW], U.S.D.C. S.D.N.Y.). (LR-9961)

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## INVESTMENT COMPANY ACT RELEASES

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### AMERICAN TRADING AND PRODUCTION CORPORATION

A notice has been issued giving interested persons until May 9 to request a hearing on an application of American Trading and Production Corporation, a Maryland corporation, for an order, pursuant to Section 3(b)(2) of the Investment Company Act of 1940, declaring American to be primarily engaged in businesses other than that of an investment company under the Act. American has requested that confidential treatment under the Freedom of Information Act be accorded to certain financial data set forth in the application. (Rel. IC-13159 - Apr. 13)

### REAL ESTATE ASSOCIATES LIMITED VI

A notice has been issued giving interested persons until May 9 to request a hearing on an application filed by Real Estate Associates Limited VI (Partnership), a California limited partnership organized to invest through other limited partnerships in government-assisted low and moderate income rental housing, and its general partners, National Partnership Investments Corp. and National Partnership Investments Associates, for an order, pursuant to Section 6(c) of the Act, exempting the Partnerships from all provisions of the Act. (Rel. IC-13160 - Apr. 13)

### BC FUNDING, INC.

A notice has been issued giving interested persons until May 9 to request a hearing on an application filed by BC Funding, Inc., a Delaware corporation, for an order pursuant to Section 6(c) of the Investment Company Act of 1940 exempting it from all provisions of the Act. (Rel. IC-13161 - Apr. 14)

### BANKERS LIFE COMPANY

An order has been issued on an application by Bankers Life Company, Bankers Life Separate Account B, a separate account registered under the Investment Company Act of 1940 as a unit investment trust, and BLC Equity Services Corporation, pursuant to Section 6(c) of the Act, exempting them from certain provisions of Sections 2(a)(32), 2(a)(35), 12(d)(1), 22(c), 26(a), 27(c)(1), 27(c)(2), and 27(d) of the Act and Rule 22c-1 thereunder to permit the transactions described in the application and, pursuant to Section 11 of the Act, approving the terms of the certain offers of exchange. (Rel. IC-13162 - Apr. 14)

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## SECURITIES ACT REGISTRATIONS

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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; if the registration statement is a New Issue; and [S] denoting SHELF REGISTRATION pursuant to Rule 415.

- (S-18) INFO DESIGNS, INC., 6905 Telegraph Rd., Birmingham, MI 48010 (313) 540-4010 - 950,000 shares of common stock. Underwriter: First Heritage Corporation. The company is engaged in designing, developing, producing and distributing professional and business software programs. (File 2-82927-C - Apr. 7) (Br. 9 - New Issue)
- (S-18) N.P.U. CORPORATION, 240-260 Northern Blvd., Great Neck, NY 11021 (516) 829-6557 - 200,000 units. Underwriter: Bunker Securities Corp., 98 Cutter Mill Rd., Great Neck, NY 11021 (516) 466-3840. The company is engaged in leasing selected motor cars and trucks both to commercial customers and the general public. (File 2-82969-NY - Apr. 8) (Br. 4 - New Issue)
- (S-18) AFFILIATED FINANCE, INC., 6700 S. Washington, P.O. Box 30300, Amarillo, TX 79120 (806) 372-5112 - 53,087 shares of common stock. The company makes loans to retail grocery stores for working capital purposes. (File 2-82987-FW - Apr. 11) (Br. 2 - New Issue)
- (S-1) GM RESOURCES LIMITED - LES RESSOURCES GM LIMITEE, Suite 900, 837 West Hastings St., Vancouver, British Columbia V6C 1B6 (604) 669-8929 - 14,504,592 common shares, 6,004,320 Series 1 preference shares, 408,000 Series 2 preference shares, and 272,000 Series 3 preference shares. (File 2-83053 - Apr. 13) (Br. 4 - New Issue)
- (S-11) USAA INCOME PROPERTIES LIMITED PARTNERSHIP, USAA Bldg., 9800 Fredericksburg Rd., San Antonio, TX 78288 - 50,000 units of limited partnership interest. (File 2-83057 - Apr. 13) (Br. 6 - New Issue)
- (S-1) AMERICAN MEDICAL ELECTRONICS, INC., 5451 Hilltop Avenue North, Lake Elmo, MN 55042 (612) 777-8472 - 500,000 shares of common stock. Underwriters: John G. Kinnard and Company, Incorporated, 1700 Northstar Center, Minneapolis, MN 55402 and Equity Securities Trading Co., Inc., 2216 IDS Center, Minneapolis, MN 55402. The company develops, manufactures and markets proprietary medical equipment. (File 2-83059 - Apr. 13) (Br. 8 - New Issue)
- (S-2) CITIZENS BANCORP, 6200 Baltimore Blvd., Riverdale, MD 20737 (301) 669-7000 - 100,000 shares of common stock. (File 2-83060 - Apr. 13) (Br. 2)
- (S-3) BRADFORD NATIONAL CORPORATION, 67 Broad St., New York, NY 10004 (212) 530-2400 - 128,000 shares of common stock. The company provides information processing services. (File 2-83061 - Apr. 13) (Br. 1) [S]
- (S-1) ENDATA, INC., 50 Vantage Way, Nashville, TN 37228 (615) 244-0244 - 800,000 shares of common stock. Underwriter: J. C. Bradford & Co. The company is a computer services company. (File 2-83062 - Apr. 14) (Br. 9 - New Issue)
- (S-6) MASSACHUSETTS TAX EXEMPT UNIT TRUST, SERIES 67, 60 State St., Boston, MA 02109 - 7,000 units. Depositor: Moseley, Hallgarten, Estabrook & Weeden Inc. (File 2-83063 - Apr. 14) (Br. 16 - New Issue)
- (S-3) UAL, INC., 1200 Algonquin Rd., Elk Grove Township, IL 60007 (312) 952-4000 - 4,000,000 shares of Series B \$2.40 cumulative preferred stock. Underwriter: The First Boston Corporation. (File 2-83064 - Apr. 14) (Br. 3) [S]
- (S-3) SEARS, ROEBUCK AND CO., Sears Tower, Chicago, IL 60684 (312) 875-2500 - \$500 million of debt securities. Underwriters: Goldman, Sachs & Co. and Dean Witter Reynolds Inc. (File 2-83065 - Apr. 14) (Br. 2) [S]
- (S-3) THE DETROIT EDISON COMPANY, 2000 Second Ave., Detroit, MI 48226 (313) 237-8000 - 2,400,000 shares of Series preference stock (cumulative). Underwriter: Morgan Stanley & Co. Incorporated. The company is engaged in the generation, purchase, transmission, distribution and sale of electric energy. (File 2-83066 - Apr. 14) (Br. 8)
- (S-1) ARTEL COMMUNICATIONS CORPORATION, 93 Grand St., Worcester, MA 01610 (617) 752-5690 - 1,000,000 shares of common stock. Underwriter: Rooney, Pace Inc. The company designs, develops, produces and markets fiber optic transmission systems. (File 2-83067 - Apr. 14) (Br. 7 - New Issue)
- (S-3) JIM WALTER CORPORATION, 1500 North Dale Mabry Highway, Tampa, FL 33607 (813) 871-4811 - \$90 million of subordinated debentures, due 2008. Underwriter: Merrill Lynch White Weld Capital Markets Group. The company is engaged in the manufacture and distribution of building materials, among other things. (File 2-83068 - Apr. 14) (Br. 5)

- (S-1) VITALMETRICS, INC., 7060 Miramar Rd., Suites 104 and 105, San Diego, CA 92121 (619) 695-2550 - \$5 million of convertible subordinated debentures, due 1993. Underwriters: Bear, Stearns & Co., Invemed Associates, Inc. and Moors & Cabot, Inc. The company has designed and developed, and presently manufactures and markets, a microcomputer controlled urine output volume measuring and display device. (File 2-83070 - Apr. 14) (Br. 8)
- (S-2) ELECTRO RENT CORPORATION, 3340 Ocean Park Blvd., Suite 1000, Santa Monica, CA 90405 (213) 452-3200 - 700,000 shares of common stock. Underwriters: Salomon Brothers Inc. and Merrill Lynch White Weld Capital Markets Group. The company engages in the short-term rental of state-of-the-art electronic equipment. (File 2-83071 - Apr. 14) (Br. 7)
- (S-3) KERR-MCGEE CORPORATION, Kerr-McGee Center, Oklahoma City, OK 73125 (405) 270-1313 - 226,000 shares of common stock. The company is engaged in the exploration for and discovery, production and marketing of oil, natural gas, coal and uranium. (File 2-83072 - Apr. 14) (Br. 4) [S]
- (S-14) PRESIDENTIAL REALTY CORPORATION, 180 South Broadway, White Plains, NY 10605 (914) 948-1300 - 478,940 shares of Class A common stock, and 2,736,519 shares of Class B common stock. (File 2-83073 - Apr. 14) (Br. 5)
- (S-3) PUBLIC SERVICE COMPANY OF NEW MEXICO, Alvarado Sq., Albuquerque, NM 87158 (505) 848-2700 - \$130 million of first mortgage bonds, Series due 2013. Underwriters: Kidder, Peabody & Co. Incorporated, The First Boston Corporation, Goldman, Sachs & Co. and Salomon Brothers Inc. The company is engaged in the generation, transmission, distribution and sale of electricity. (File 2-83074 - Apr. 14) (Br. 8) [S]
- (S-3) SOUTHWESTERN BELL TELEPHONE COMPANY, 1010 Pine St., St. Louis, MO 63101 (314) 247-9800 - \$300 million of forty year debentures, due April 18, 2023. Underwriters: Salomon Brothers Inc., The First Boston Corporation, Lehman Brothers Kuhn Loeb Incorporated, Merrill Lynch White Weld Capital Markets Group, and Prudential-Bache Securities. The company is engaged in furnishing communications services. (File 2-83077 - Apr. 14) (Br. 7)
- (N-1) CALIFORNIA TAX EXEMPT BONDS, INC., 605 Third Ave., New York, NY 10158 (212) 661-3000 - 483,592 shares of common stock. (File 2-83078 - Apr. 14) (Br. 18 - New Issue)
- (S-6) NUVEEN TAX-EXEMPT BOND FUND, SERIES 261, 209 South La Salle St., Chicago, IL 60604 - an indefinite number of units. Depositor: John Nuveen & Co. Incorporated. (File 2-83080 - Apr. 14) (Br. 18 - New Issue)
- (S-1) GBC CLOSED CIRCUIT TV CORP., 315 Hudson St., New York, NY 10013 (212) 989-4433 - 2,000,000 units, 4,000,000 shares of common stock, and 2,000,000 common stock purchase warrants. Underwriter: First Jersey Securities, Inc., 50 Broadway, New York, NY. The company is a manufacturer and distributor of closed circuit television cameras, video monitors, and ancillary accessories. (File 2-83081 - Apr. 14) (Br. 8) [S]
- (S-8) VERTIPILE, INC., P.O. Box 725, Leominster, MA 01453 (617) 534-6191 - 100,000 shares of common stock. The company manufactures loose flock and materials coated with flock at its plants. (File 2-83082 - Apr. 14) (Br. 8)

#### REGISTRATIONS EFFECTIVE

- Mar. 8: The Stride Rite Corporation, 2-81815 (corrected order).  
Apr. 6: FMA Realty Investors - I Limited Partnership, 2-81723-D.  
Apr. 13: Electro Catheter Corporation, 2-82499; First Executive Corporation, 2-82797; Hytek Microsystems, Inc., 2-82140; Lifemark Corporation, 2-82944; Numac Oil & Gas Ltd., 2-82610; Osage Energy, Inc., 2-77441.  
Apr. 14: Interface Flooring Systems, Inc., 2-82188.

#### REGISTRATION WITHDRAWN

- Apr. 5: United American Equipment Fund I, Fund II, 2-77692.