

# sec news digest

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Issue 92-228

U S SECURITIES  
EXCHANGE COMMISSION

November 25, 1992

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## **RULES AND RELATED MATTERS**

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### **FINAL NET CAPITAL RULE AMENDMENTS**

The Commission will consider adopting amendments to the net capital rule, Rule 15c3-1. The amendments would raise the minimum net capital required of registered broker-dealers. The amendments would also standardize the deductions in arriving at net capital for equity securities and would relieve broker-dealers of certain aggregate indebtedness charges. FOR FURTHER INFORMATION CONTACT: Roger G. Coffin at (202) 272-7375. (Refs. 34-31511; File S7-28-89 and 34-31512; File S7-36-92)

### **PROPOSED RESCISSION OF RULE 10b-2**

The Commission is proposing for comment rescission of Rule 10b-2 under the Securities Exchange Act of 1934. Subject to certain exceptions, Rule 10b-2 prohibits any person participating or financially interested in a distribution of a security from paying compensation to induce the purchase on a national securities exchange of any security of the issuer whose security is the subject of the distribution. In view of the significant changes that have taken place in the securities markets since the rule's adoption and the coverage of other antifraud and anti-manipulation provisions of the federal securities laws, the Commission considers it appropriate to rescind Rule 10b-2. (Rel. 34-31520; File No. S7-37-92)

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## **ADMINISTRATIVE PROCEEDINGS**

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### **DONALD SHELDON, BRUCE REID AND GREGORY PATTISON SANCTIONED**

The Commission has barred Donald T. Sheldon of Pompano Beach, Florida and Bruce W. Reid of Houston, Texas from association with any broker, dealer or municipal securities dealer. The Commission also suspended Gregory L. Pattison of Houston, Texas from association with any broker, dealer or municipal securities dealer for 45 days, effective November 30, 1992. Sheldon was president of the former New York-based brokerage firms of Donald Sheldon & Co., Inc. and Donald Sheldon Government Securities, Inc. Reid was manager of the firms' Houston office and Pattison was a salesman in the Houston office.

The Commission found that all three respondents made material misrepresentations and omissions to customers in connection with the sale of certain municipal securities. The Commission further found that Sheldon and Reid charged or aided and abetted the charging of excessive markups, and that these two also provided inadequate supervision to salesmen and, in the case of Sheldon, traders. Sheldon also was found to have aided and abetted his firms' misuse of customers' fully-paid securities as well as a violation of the Commission's net capital rule. In assessing sanctions, the Commission noted that, "[g]iven Sheldon's serious individual misconduct and his total abdication of the responsibility that his position at the Firms imposed, an unqualified bar . . . is amply justified." The Commission further observed that Reid "engaged in serious fraud upon his own customers" and "encouraged [his] salesmen on several occasions to sell securities without adequate information." (Rel. 34-31475)

#### TWO ARE SANCTIONED

The Commission instituted public administrative proceedings against Gary Frank Granger (Granger) and Samuel Cornelius Jolly (Jolly). Granger was the Financial Principal and Jolly was the head government securities trader, of Swink & Co., Inc. (Swink & Co.), a registered broker-dealer, at the time of its closing in 1989. Simultaneously, the Commission accepted Granger's and Jolly's Offers of Settlement in which they agreed to bars from association with any broker, dealer, investment company, investment adviser or municipal securities dealer. Granger may reapply for such association after a period of four years.

The proceedings against Granger were based upon a permanent injunction from future violations of the Commission's net capital and books and records requirements. The proceedings against Jolly were based upon a permanent injunction from future violations of the antifraud provisions of the securities laws. (Rel. 34-31478)

#### PROCEEDINGS AGAINST THOMAS DUFFY

The Commission instituted public administrative proceedings against Thomas L. Duffy (Duffy), a former registered representative of Herzfeld & Stern, Inc., under the Securities Exchange Act of 1934 (Exchange Act). Simultaneously, the Commission accepted Duffy's Offer of Settlement. The Commission found that Duffy was enjoined from violating Sections 10(b) and 14(e) of the Exchange Act, and Rules 10b-5 and 14e-3 promulgated thereunder, in SEC v. Thomas L. Duffy, 92 Civ. 7492, MBM, judgment entered October 22, 1992, a case involving insider trading. The Commission's Order permanently bars Duffy from association with any broker, dealer, investment company or municipal securities dealer. (Rel. 34-31480)

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### INVESTMENT COMPANY ACT RELEASES

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#### THE NEW ENGLAND FUNDS, ET AL.

A conditional order has been issued on an application filed by The New England Funds, et al. under Section 6(c) of the Investment Company Act granting an exemption from Sections 18(f)(1), 18(g) and 18(i) of the Act to permit certain open-end management investment companies to issue two classes of shares representing interests in the same investment portfolio. (Rel. IC-19118 - November 24)

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## HOLDING COMPANY ACT RELEASES

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### ENTERGY CORPORATION, ET AL

A supplemental notice has been issued giving interested persons until December 14, 1992 to request a hearing on a proposal by Entergy Corporation (Entergy), a registered holding company, and its wholly owned nonutility subsidiary companies, Entergy Enterprises, Inc. (Enterprises), and Entergy Services, Inc. (ESI). The Commission issued a prior notice of this application-declaration on May 22, 1992 (HCAR. No. 25545). In conjunction with Entergy's previously noticed indirect acquisition of an energy management services company (Newco), a to-be-formed subsidiary of Enterprises, ESI now, by amendment to this application-declaration, proposes to provide services to Newco at cost plus five percent pursuant to an exception from the "at-cost" standard of Section 13(b) of the Public Utility Holding Company Act of 1935. (Rel 35-25682)

### NORTHEAST UTILITIES, ET AL.

An order has been issued authorizing a proposal by Northeast Utilities (Northeast), a registered holding company, and its subsidiary companies (Subsidiaries), The Connecticut Light & Power Company, Western Massachusetts Electric Company, Holyoke Water Power Company, Northeast Nuclear Energy Company (Nuclear) The Rocky River Realty Company (Rocky River) and Northeast Utilities Service Company (NUSCO), (all companies collectively, Declarants) Each of the Declarants, except for NUSCO, proposes to issue notes to evidence borrowings under revolving credit facilities (Facilities) aggregating up to \$360 million. NUSCO will serve as agent for the Facilities. In addition, Northeast proposes to guarantee the obligations of Nuclear and Rocky River under these Facilities. The Declarants also propose to be jointly and severally liable for the Facility fees under each agreement to which they are a party. (Rel 35-25683)

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## SELF-REGULATORY ORGANIZATIONS

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### PROPOSED RULE CHANGES

MBS Clearing Corporation filed a proposed rule change (SR-MBS-92-04) to authorize certain limitations to the liability of MBS's directors. Publication of the proposal is expected in the Federal Register during the week of November 23. (Rel 34-31492)

The Government Securities Clearing Corporation filed a proposed rule change (SR-GSCC-92-12) to allow GSCC to continue to offer comparison and netting services for non-member trades which have been submitted to GSCC by netting members on behalf of non-member executing firms. Publication of the proposal is expected in the Federal Register during the week of November 23. (Rel. 34-31493)

The New York Stock Exchange filed a proposed rule change (SR-NYSE-92-29) that would amend the Exchange's requirements relating to the printing and engraving of bonds. Publication of the proposal is expected in the Federal Register during the week of November 23. (Rel. 34-31494)

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## SIGNIFICANT NO-ACTION AND INTERPRETATIVE LETTERS

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### INTERPRETATION OF NEW RULES UNDER SECTION 16 OF THE EXCHANGE ACT

The Division of Corporation Finance has announced the publication of significant staff correspondence interpreting the new Section 16 rules. Copies of the letter may be obtained by writing to, or by making a request in person at, the Public Reference Room, Securities and Exchange Commission, 450 5th Street, N.W., Room 1024, Washington, D.C. 20549. Each request must state the name of the subject company, the Act and the Section of the Act to which it relates, and the public availability date.

Letter _____	Availability Date _____	Subject _____
Rowe Furniture Corporation	November 24, 1992	Rule 16b-3(b)

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## SECURITIES ACT REGISTRATIONS

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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-6 DEFINED ASSET FUNDS MUN INVT TR FD MULTISTATE SERIES 22, 450 LEXINGTON AVENUE, C/O DAVIS POLK & WARDWELL, NEW YORK, NY 10017 (212) 450-4540 - INDEFINITE SHARES. (FILE 33-49171 - NOV. 18) (NEW ISSUE)
- S-6 DEFINED ASSET FUNDS MUNICIPAL INVT TR FD INTERM TERM SER 201, 450 LEXINGTON AVENUE, C/O DAVIS POLK & WARDWELL, NEW YORK, NY 10017 - INDEFINITE SHARES. (FILE 33-49173 - NOV. 19) (NEW ISSUE)
- S-4 EXCHANGE BANCSHARES INC, 235 MAIN ST, P O BOX 129, LUCKEY, OH 43443 (419) 833-3401 - 409,640 (\$5,685,803) COMMON STOCK. (FILE 33-54566 - NOV. 16) (NEW ISSUE)
- F-7 CZAR RESOURCES LTD, 2100 144 4TH AVE SW, CALGARY ALBERTA CANADA, A0 T2P 3 (302) 265-0270 - 6,110,062 (\$4,905,768) FOREIGN COMMON STOCK. (FILE 33-54594 - NOV. 16) (BR. 4 - NEW ISSUE)
- S-8 DEVLIEG BULLARD INC, ONE GORHAM ISLAND, WESTPORT, CT 06880 (203) 221-8201 - 50,000 (\$87,500) COMMON STOCK. (FILE 33-54608 - NOV. 17) (BR. 1)

## REGISTRATIONS CONTINUED

- S-8 LSB BANCSHARES INC /NC/, ONE LSB PLZ, LEXINGTON, NC 27292 (704) 246-6500 - 240,000 (\$2,764,800) COMMON STOCK. (FILE 33-54610 - NOV. 17) (BR. 1)
- S-1 ETS INTERNATIONAL INC, 1401 MUNICIPAL ROAD, ROANOKE, VA 24012 (703) 265-0004 - 1,381,590 (\$2,144,341.62) COMMON STOCK. (FILE 33-54612 - NOV. 17) (BR. 9)
- S-8 PRICE STERN SLOAN INC, 11150 OLYMPIC BLVD STE 650, LOS ANGELES, CA 90064 (310) 477-6100 - 555,000 (\$1,853,700) COMMON STOCK. (FILE 33-54614 - NOV. 17) (BR. 11)
- S-8 CB FINANCIAL CORP, ONE JACKSON SQ, JACKSON, MI 49201 (517) 788-2800 - 150,000 (\$3,825,000) COMMON STOCK. (FILE 33-54616 - NOV. 17) (BR. 2)
- S-8 CB FINANCIAL CORP, ONE JACKSON SQ, JACKSON, MI 49201 (517) 788-2800 - 50,000 (\$1,275,000) COMMON STOCK. (FILE 33-54618 - NOV. 17) (BR. 2)
- S-4 CEC INDUSTRIES CORP, 350 W 300 SOUTH STE 200, PO BOX 747, SALT LAKE CITY, UT 84110 (801) 533-8557 - 2,303,764 (\$17,278,230) COMMON STOCK. (FILE 33-54620 - NOV. 17) (BR. 12)
- S-8 FRANKLIN RESOURCES INC, 777 MARINERS ISLAND BLVD, SAN MATEO, CA 94404 (415) 570-3000 - 925,000 (\$24,124,000) COMMON STOCK. (FILE 33-54622 - NOV. 17) (BR. 11)
- S-8 SENSORMATIC ELECTRONICS CORP, 500 N W 12TH AVE, DEERFIELD BEACH, FL 33442 (305) 427-9700 - 2,800,000 (\$75,790,125) COMMON STOCK. (FILE 33-54626 - NOV. 16) (BR. 7)
- S-8 MICROTERRA INC, 621 N W 53RD ST STE 370, BOCA RATON, FL 33487 (407) 997-2280 - 250,000 (\$343,750) COMMON STOCK. (FILE 33-54630 - NOV. 16) (BR. 8)
- S-3 FIRST CITIZENS BANCSHARES INC /NC/, 239 FAYETTEVILLE ST, PO BOX 151, RALEIGH, NC 27601 (919) 755-7000 - 250,000 (\$11,781,250) COMMON STOCK. (FILE 33-54634 - NOV. 16) (BR. 1)
- S-8 ASSOCIATED BANC CORP, 112 NORTH ADAMS ST, GREEN BAY, WI 54301 (414) 433-3166 - 350,000 (\$11,156,250) COMMON STOCK. (FILE 33-54658 - NOV. 17) (BR. 1)
- S-6 PENN MUTUAL VARIABLE LIFE ACCOUNT I, PENN MUTUALS INDEPENDENCE PL, 600 DRESHER RD, HORSHAM, PA 19044 (215) 956-8138 - INDEFINITE SHARES. (FILE 33-54662 - NOV. 17) (BR. 20)
- S-4 FIRST BUSEY CORP /DE/, 102 E MAIN ST STE 500, URBANA, IL 61801 (217) 384-4513 - 360,000 (\$6,535,440) COMMON STOCK. (FILE 33-54664 - NOV. 17) (BR. 1)
- S-4 SUNTRUST BANKS INC, 25 PARK PL NE, ATLANTA, GA 30303 (404) 588-7711 - 1,214,586 (\$44,538,868) COMMON STOCK. (FILE 33-54668 - NOV. 17) (BR. 1)
- S-3 CHUBB CORP, 15 MOUNTAIN VIEW RD, WARREN, NJ 07061 (908) 580-2000 - 250,000,000 (\$250,000,000) STRAIGHT BONDS. (FILE 33-54670 - NOV. 17) (BR. 9)
- S-1 MEGAFOODS STORES INC, 1455 S STAPLEY DR, MESA, AZ 85204 (602) 926-1087 - 3,450,000 (\$42,262,500) COMMON STOCK. (FILE 33-54672 - NOV. 17) (BR. 2)
- S-8 LIGAND PHARMACEUTICALS INC, 9393 TOWNE CENTRE DR STE 100, SAN DIEGO, CA 92121 (619) 535-3900 - 1,065,124 (\$11,258,802) COMMON STOCK. (FILE 33-54674 - NOV. 17) (BR. 4)
- S-1 INTEGON CORP/DE, 500 W FIFTH ST, WINSTON SALEM, NC 27152 (919) 770-2000 - 3,500,000 (\$94,281,250) COMMON STOCK. UNDERWRITER: DONALDSON LUFKIN & JENRETTE SEC CORP, SMITH BARNEY HARRIS UPHAM & CO INC. (FILE 33-54676 - NOV. 17) (BR. 9)

DISCLOSURES CONTINUED

- S-1 BILLY BLUES FOOD CORP, 1250 NORTHEAST LOOP 410 STE 430, SAN ANTONIO, TX 78209 (512) 824-9414 - 575,000 (\$5,750,000) PREFERRED STOCK. 252,500 (\$1,187,500) COMMON STOCK. 50,000 (\$550,000) WARRANTS, OPTIONS OR RIGHTS. UNDERWRITER: NOBLE INVESTMENT CO. (FILE 33-54684 - NOV. 18) (BR. 12)
- S-8 GAP INC, ONE HARRISON, SAN FRANCISCO, CA 94105 (415) 952-4400 - 5,134,928 (\$159,490,863.68) COMMON STOCK. (FILE 33-54686 - NOV. 18) (BR. 1)
- S-8 GAP INC, ONE HARRISON, SAN FRANCISCO, CA 94105 (415) 952-4400 - 200,000 (\$6,212,000) COMMON STOCK. (FILE 33-54688 - NOV. 18) (BR. 1)
- S-8 GAP INC, ONE HARRISON, SAN FRANCISCO, CA 94105 (415) 952-4400 - 4,500,000 (\$139,770,000) COMMON STOCK. (FILE 33-54690 - NOV. 18) (BR. 1)
- S-3 WLR FOODS INC, HWY 33 WEST, P O BOX 228, HINTON, VA 22831 (703) 867-4001 - 1,500,000 (\$28,500,000) COMMON STOCK. (FILE 33-54692 - NOV. 18) (BR. 3)
- S-8 SCIENTIFIC ATLANTA INC, ONE TECHNOLOGY PKWY SOUTH, BOX 105600, NORCROSS, GA 30348 (404) 903-5000 - 200,000 (\$6,150,000) COMMON STOCK. (FILE 33-54696 - NOV. 18) (BR. 7)
- S-8 CONCURRENT COMPUTER CORP/DE, 2 CRECENT PLACE, OCEANPORT, NJ 07757 (201) 870-4500 - 1,250,000 (\$4,734,375) COMMON STOCK. (FILE 33-54698 - NOV. 18) (BR. 10)
- S-8 SCOTT & STRINGFELLOW FINANCIAL INC, 909 E MAIN ST, RICHMOND, VA 23219 (804) 643-1811 - 120,000 (\$1,440,000) COMMON STOCK. (FILE 33-54700 - NOV. 18) (BR. 11)
- S-8 SCORE BOARD INC, 1951 OLD CUTHBERT RD, CHERRY HILL, NJ 08034 (609) 354-9000 - 800,000 (\$16,574,562) COMMON STOCK. (FILE 33-54736 - NOV. 12) (BR. 7)
- S-8 PEOPLESOFT INC, 1331 NORTH CAROLINA BLVD, WANUT CREEK, CA 94596 (510) 946-9460 - 300,000 (\$4,335,000) COMMON STOCK. (FILE 33-54738 - NOV. 18) (BR. 9)

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## ACQUISITION OF SECURITIES

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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 percent owned; and Column 7 - the status of the filing, i.e., new, update or revision

## ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
ADDSKO	COM		119	00088710	
ATLANTIC DRY DOCK ET AL	13D	11/24/92	7.3	7.3	UPDATE
ADDSKO	COM		119	00088710	
ATLANTIC MARINE HLDG CO ET AL	14D-1	11/24/92	17.3	0.0	NEW
ACORN VENTURE CAP CORP	COM		70	00490710	
BERLINER PAULA	13D	11/12/92	2.7	2.7	UPDATE
ALFIN FRAGRANCES INC	COM		4,059	01542610	
FINE FRAGRANCES DISTR ET AL	13D	11/12/92	60.7	0.0	NEW
ANGELES CORP	COM NEW		200	03462440	
DOUMANI MICHAEL P	13D	11/12/92	6.4	0.0	NEW
ARCHIVE CORP	COM		1,852	03957510	
CONNER PERIPHERALS INC	14D-1	11/24/92	12.1	12.1	UPDATE
C B & T FINL CORP	COM		1,706	12478110	
HUNTINGTON BANCSHARES INC	13D	11/12/92	38.2	0.0	NEW
CONSOLIDATED CAP INSTIT PPTY LTD PART UNITS			0	20887399	
LP ACCEPTANCE CORP	14D-1	11/23/92	N/A	N/A	UPDATE
CRYOTECH INDS INC	CL A		5,511	22905110	
JAQUES GUY E	13D	11/13/92	15.0	0.0	NEW
CRYOTECH INDS INC	CL A		3,444	22905110	
MEYERS DANIEL J	13D	11/13/92	9.4	0.0	NEW
CUTCO INDS INC	COM		12	23210810	
KWAN CHEUKUEN ET AL	13D	11/23/92	1.2	8.4	UPDATE
FIRSTFEDERAL FINL SVCS CORP	COM		101	33791210	
STEIN STEVEN N	13D	11/12/92	7.1	7.1	UPDATE
FREQUENCY ELECTRS INC	COM		1,060	35801010	
BLUM RICHARD C & ASSOC	13D	11/ 2/92	18.8	19.8	UPDATE
HF FINL CORP	COM		132	40417210	
SAHAI PREM NATH	13D	6/30/92	8.7	0.0	NEW
HOVNANIAN ENTERPRISES INC	CL A		1,169	44248720	
HOVNANIAN ARA K	13D	9/11/92	5.1	0.0	NEW
HOVNANIAN ENTERPRISES INC	CL A		5,751	44248720	
HOVNANIAN KEVORK S	13D	9/11/92	25.2	26.4	UPDATE
HOVNANIAN ENTERPRISES INC	COM CL B		1,169	44248730	
HOVNANIAN ARA K	13D	9/11/92	10.3	0.0	NEW

## ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
HOVNANIAN ENTERPRISES INC HOVNANIAN KEVORK S	COM CL B 13D	9/11/92	5,751 50.5	44248730 0.0	NEW
INTERNATIONAL ELECTRONICS IN PALEY WARREN	COM NEW 13D	11/30/91	606 17.8	45943640 4.2	NEW
INTERNATIONAL ELECTRONICS IN PALEY WARREN	COM NEW 13D	11/30/91	606 17.8	45943640 4.2	UPDATE
INTERWEST MEDICAL CORP PAUL BRUCE	COM 13D	11/15/92	1,550 7.9	46090910 6.6	UPDATE
KIRKSVILLE BANCSHARES INC SAHAI PREM NATH	COM 13D	6/30/92	41 6.5	49752410 0.0	NEW
MDT CORP STATE OF WISCONSIN INVEST	COM BD 13D	11/10/92	N/A N/A	55268710 6.4	UPDATE
MAGNA BANCORP INC SAHAI PREM NATH	COM 13D	6/30/92	84 5.8	55920010 0.0	NEW
NAMIC U S A CORP STATE OF WISCONSIN INVEST	COM BD 13D	11/10/92	637 6.9	62986710 5.7	UPDATE
PAC RIM HLDG CO PICKUP RICHARD HADLEY	COMS 13D	6/11/92	957 10.1	69699910 6.8	UPDATE
QUANTUM VENTURES GROUP INC WEINGER JEROLD	COM NEW 13D	9/17/92	302 33.0	74763950 0.0	RVSION
STUARTS DEPT STORES INC WALKER WIRT D III ET AL	COM 13D	11/12/92	988 7.3	86383910 7.2	UPDATE
TEJAS GAS CORP DEL BLEICHROEDER ARNHOLD & S ET AL	COM 13D	11/12/92	576 8.4	87907510 5.0	UPDATE
U S ROBOTICS INC STATE OF WISCONSIN INVEST	COM BD 13D	11/12/92	535 5.6	91246610 6.9	UPDATE
VARITY CORP GAMCO INVESTORS INC ET AL	PFD I-A CV\$1.3 13D	11/19/92	2,574 21.8	92299250 23.0	UPDATE
VIKING OFFICE PRODS INC DILLON REED & CO ET AL	COM 13D	11/18/92	1,042 5.4	92691310 8.0	UPDATE
VITESSE SEMICONDUCTOR CORP NORTON CO	COM 13D	10/28/92	698 5.0	92849710 8.5	UPDATE
XIRCOM INC STATE OF WISCONSIN INVEST	COM BD 13D	11/ 9/92	1,096 7.6	98392210 6.6	UPDATE