

# sec news digest

Issue 96-80

April 30, 1996

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## INVESTMENT COMPANY ACT RELEASES

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### MORGAN GRENFELL INVESTMENT TRUST

A notice has been issued giving interested persons until May 21 to request a hearing on an application filed by Morgan Grenfell Investment Trust (Trust) for an order under Section 17(b) of the Investment Company Act granting relief from Section 17(a). The order would permit the in-kind redemption of Trust shares held by a shareholder who is an affiliated person of the Trust solely by reason of owning, controlling or holding with power to vote 5% or more of the Trust's outstanding shares. (Rel. IC-21920 - April 26)

### SEI INSTITUTIONAL MANAGED TRUST, ET AL.

An conditional order has been issued on an application filed by SEI Institutional Managed Trust, et al. under Section 6(c) of the Investment Company Act to exempt applicants from Section 15(a) of the Act and Rule 18f-2 thereunder; and from certain disclosure requirements set forth in item 22 of Schedule 14A under the Securities Exchange Act of 1934, items 2, 5(b)(iii), and 16(a)(iii) of Form N-1A, item 3 of Form N-14, item 48 of Form N-SAR, and Sections 6-07(2)(a), (b), and (c) of Regulation S-X. The order would permit the investment adviser to the SEI group of registered investment companies (Funds) to enter into sub-advisory contracts without receiving prior shareholder approval, and permit the Funds to disclose only aggregate sub-advisory fees for each Fund in their prospectuses and other reports. (Rel. IC-21921 - April 29)

### THE BRINSON FUNDS, ET AL.

A notice has been issued giving interested persons until May 24 to request a hearing on an application filed by The Brinson Funds (the Fund), et al. for an order under Section 6(c) of the Investment Company Act granting an exemption from Sections 12(d)(1)(A) and 12(d)(1)(B) of the Act, and under Sections 6(c) and 17(b) of the Act granting an exemption from Section 17(a) of the Act. The requested order would permit each series of the Fund to invest a portion of its assets in series of the Brinson Relationship Funds. (Rel. IC-21922 - April 22)

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## HOLDING COMPANY ACT RELEASES

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### THE SOUTHERN COMPANY, ET AL.

A notice has been issued giving interested persons until May 20 to request a hearing on a proposal by The Southern Company and its wholly owned subsidiaries, SEI Holdings, Inc. (Holdings), Southern Electric International, Inc. (SEI), Mobile Energy Services Holdings, Inc. (Mobile Energy), Southern Electric Wholesale Generators, Inc. (Domestic Holdings), SEI Europe, Inc. (SEI Europe), and SEI NEWCO 1, Inc. (Foreign Holdings) to declare and pay dividends from time to time through December 31, 2000, out of capital and unearned surplus to the extent permitted under applicable corporate law. The applicants also request an extension of time until June 30, 1997, to consummate certain transactions authorized in the order dated February 7, 1996 (HCAR No. 26468). (Rel. 35-26510)

### NORTHEAST UTILITIES, ET AL.

A notice has been issued giving interested persons until May 20 to request a hearing on a proposal by Northeast Utilities, a registered holding company, and its subsidiary companies, Northeast Utilities Service Company, North Atlantic Energy Corporation, North Atlantic Energy Service Corporation, Northeast Nuclear Energy Company, The Connecticut Light and Power Company, Public Service Company of New Hampshire, The Quinnehtuk Company, The Rocky River Realty Company and Western Massachusetts Electric Company to form special purpose subsidiary companies and to invest up to \$300 million in diversification activities, through December 31, 2000, in a combination of equity, debt and guarantee obligations. (Rel. 35-26510)

### GENERAL PUBLIC UTILITIES CORPORATION, ET AL.

A notice has been issued giving interested persons until May 20 to request a hearing on a proposal by Jersey Central Power & Light Company, an electric public-utility company, its parent company, General Public Utilities Corporation (GPU), a registered holding company, and/or a to-be-formed subsidiary company of GPU, to invest from time to time through December 31, 2000 up to an aggregate principal amount of \$500,000 in the New Jersey Fund for Community Economic Development. (Rel. 35-26510)

### SOUTHWESTERN ELECTRIC POWER COMPANY

An order has been issued authorizing Southwestern Electric Power Company, an electric public-utility subsidiary company of Central and South West Corporation, a registered holding company, to purchase 78 shares of common stock of The Arklahoma Corporation from Oaklahoma Gas & Electric Company for an aggregate purchase price of approximately \$54,288. (Rel. 35-26511)

"Memories of Elvis in Concert" act (the "Elvis Act"), an Elvis Presley impersonation act performed by Bartholomew.

5. As a result of conduct described in paragraphs 2, 3, and 4, Bartholomew willfully violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

6. The Commission has reviewed Bartholomew's sworn financial statement and other evidence adduced by Bartholomew, and, provided that he has submitted a true, accurate and complete sworn affidavit concerning his financial condition, including his assets, liabilities, income and expenses, has determined that Bartholomew does not have the financial ability to pay an administrative penalty. The determination not to impose an administrative penalty is based upon Bartholomew's demonstrated inability to pay an administrative penalty, provided that the Division of Enforcement ("Division") may petition the Administrative Law Judge ("ALJ") to reopen this matter to consider Bartholomew's inability to pay an administrative penalty if the Division obtains information from any source that the financial information provided by Bartholomew was inaccurate or incomplete in any material aspect. In connection with such petition, the ALJ may consider ordering Bartholomew to pay an administrative penalty. Bartholomew, may not, by way of defense to such petition, contest the allegations and findings in this Order or assert that an administrative penalty shall not be ordered for the violations of the federal securities laws alleged therein.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions specified in the Offer submitted by Bartholomew.

Accordingly, IT IS HEREBY ORDERED that:

1. Bartholomew be, and hereby is, barred from association with any broker, dealer, municipal securities dealer, investment adviser or investment company.

2. Pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Bartholomew shall cease and desist from committing or causing any violation or future violation, of Sections 17(a) of the Securities Act and 10(b) of the Exchange Act and Rule 10b-5 thereunder.

By the Commission.

Jonathan G. Katz  
Secretary

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 37153 / April 30, 1996

ADMINISTRATIVE PROCEEDING  
File No. 3-8995

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In the Matter of  
Kevin Bartholomew,

Respondent.

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: ORDER INSTITUTING PROCEEDINGS,  
: MAKING FINDINGS AND IMPOSING  
: SANCTIONS  
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I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public proceedings be instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Sections 15(b), 19(h), and 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Kevin Bartholomew ("Bartholomew").

In anticipation of the institution of these administrative proceedings, Bartholomew has submitted an Offer of Settlement ("Offer") which the Commission has determined to accept. Solely for the purpose of this proceeding and any other proceeding brought by or on behalf of the Commission, or in which the Commission is a party, Bartholomew by his Offer, without admitting or denying the Commission's findings as to him, except for those findings contained in Section III.1, which are admitted by Bartholomew, consents to the entry of this Order Instituting Proceedings, Making Findings and Imposing Sanctions ("Order").

II.

Accordingly, IT IS ORDERED that proceedings pursuant to Section 8A of the Securities Act and Sections 15(b), 19(h), and 21C of the Exchange Act be, and hereby are, instituted.

### III.

On the basis of this Order and the Offer submitted the Commission finds<sup>1</sup> that:

1. Bartholomew is a 42 year old resident of Omaha, Nebraska. He was employed by PaineWebber Incorporated ("PaineWebber") from 1984 until he was permitted to resign in January 1995. Bartholomew was a registered representative at PaineWebber's Omaha, Nebraska office from October 1987 until January 1995.

2. From at least 1988 until 1992, Bartholomew sold direct investments to a number of investors for whom the investments were not suitable in light of their age, financial condition and conservative investment objectives. Many of Bartholomew's customers were retired or close to retirement and expressly informed him that they desired liquid, income-producing, low-risk investments. Bartholomew concentrated high percentages of many of these customers' investments in direct investments, which were not liquid and not suitable for investors with conservative investment objectives. Bartholomew also misrepresented to many of his customers the liquidity, risks, and benefits of purchasing direct investments.

3. In July 1992, Bartholomew purchased securities without authorization in the account of a 57 year old customer, who did not have sufficient funds to pay for these securities. When this customer contacted Bartholomew about the unauthorized transaction, Bartholomew convinced her to keep the securities by offering to obtain loans from some of his other customers to pay for the securities. In August 1992, Bartholomew persuaded five of his customers to loan this customer a total of \$130,000. Bartholomew prepared and delivered to each of the five customers hand written promissory notes, each of which pledged the securities in this customer's account as collateral for the loan. Bartholomew failed to inform any of the five lending customers of the existence of the loans made by the other lending customers or that the securities pledged as collateral had also been pledged to the other lending customers.

4. From at least April 1994 until around October 1994, Bartholomew sold investments to his customers in his

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<sup>1</sup> The findings herein are made pursuant to Bartholomew's Offer and are not binding on any other person or entity named as a respondent in this or any other proceeding.

from committing or causing violations or future violations of Sections 204, 206(2), and 206(4) of the Investment Advisers Act of 1940 (Advisers Act) and Rules 204-1(b)(1), 204-2, 204-3(c), 206(4)-1(a)(5), 206(4)-2 and 206(4)-4(a)(2) thereunder; shall be barred from association with any broker, dealer, municipal securities dealer, investment company or investment adviser with the right to reapply after one year from the date of the order; and an administrative penalty not be imposed based on Sheen's demonstrated financial inability to pay. Sheen consented to the Order without admitting or denying any of the findings except as to jurisdiction, which he admitted. (Rel. IA-1561)

#### FORMER PAINEWEBBER BROKER KEVIN BARTHOLOMEW BARRED FROM THE INDUSTRY

The Commission today issued an administrative order finding that Kevin Bartholomew, a former broker in PaineWebber's Omaha, Nebraska office, violated the antifraud provisions of the federal securities laws. Bartholomew consented to the Order without admitting or denying the Commission's findings. The Commission found that Bartholomew sold unsuitable direct investments to conservative investors, misrepresented these direct investments, and engaged in other fraudulent sales practices. The Order bars Bartholomew from the industry and orders him to cease and desist from future violations of the federal securities laws. The Order does not impose civil penalties against Bartholomew based on his inability to pay. (Rel. 34-37153)

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#### INVESTMENT COMPANY ACT RELEASES

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##### MANAGED CURRENCY PORTFOLIO L.P.

A notice has been issued giving interested persons until May 24 to request a hearing on an application filed by Managed Currency Portfolio L.P. for an order pursuant to Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21923 - April 29)

##### CANADIAN DOLLAR PERFORMANCE PORTFOLIO L.P.

A notice has been issued giving interested persons until May 24 to request a hearing on an application filed by Canadian Dollar Performance Portfolio L.P. for an order pursuant to Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21924 - April 29)

## CARDINAL CORPORATE INCOME TRUST SERIES 101

A notice has been issued giving interested persons until May 24 to request a hearing on an application filed by Cardinal Corporate Income Trust Series 101 for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21925 - April 29)

## DEUTSCHE MARK PERFORMANCE PORTFOLIO L.P.

A notice has been issued giving interested persons until May 24 to request a hearing on an application filed by Deutsche Mark Performance Portfolio L.P. for an order pursuant to Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21926 - April 29)

## MAS FUNDS

An order has been issued on an application filed by MAS Fund under Section 6(c) of the Investment Company Act for an exemption from Sections 13(a)(2), 18(f)(1), 22(f), and 22(g) of the Act, and Rule 2a-7 thereunder, under Sections 6(c) and 17(b) of the Act for an exemption from Section 17(a)(1) of the Act, and under Section 17(d) of the Act and Rule 17d-1 thereunder to permit certain joint arrangements. The order permits the MAS Funds to enter into deferred compensation arrangements with its independent trustees. (Rel. IC-21927 - April 30)

## DREYFUS ASSET ALLOCATION FUND, INC., ET AL.

An order has been issued on an application filed by Dreyfus Asset Allocation Fund, Inc., et al. under Section 17(b) of the Investment Company Act granting relief from Section 17(a). The order permits applicants to reorganize certain registered open-end management investment companies. (Rel. IC-21928 - April 30)

## GLOBAL INCOME PLUS FUND, INC.

An order has been issued under Section 8(f) of the Investment Company Act declaring that Global Income Plus Fund, Inc. has ceased to be an investment company. (Rel. IC-21929 - April 30)

## EVEREN UNIT INVESTMENT TRUSTS, SERIES 44, ET AL.

An order has been issued under Section 6(c) of the Investment Company Act granting an exemption from Section 12(d)(3) of the Act, and under Sections 6(c) and 17(b) of the Act exempting applicants from Section 17(a) of the Act. The order permits (a) certain Series to invest up to 10.5% and other Series to invest up to 20.5% of their respective total assets in securities of issuers that derived



more than fifteen percent of their gross revenues in their most recent fiscal year from securities related activities; and (b) certain terminating Series to sell portfolio securities to new Series. (Rel. IC-21930 - April 30)

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## HOLDING COMPANY ACT RELEASES

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### CONSOLIDATED NATURAL GAS COMPANY ET AL.

An order has been issued authorizing Consolidated Natural Gas Company (Consolidated), a registered holding company, and CNG Energy Services Corporation (CNG Energy), a nonutility subsidiary of Consolidated, to enter into a series of transactions that will permit them to participate in the business of buying and selling electric power, natural gas and other fuels, principally in wholesale energy markets. Authorization was granted for (1) CNG Energy to raise up to \$10,000,000 by selling shares of common stock to, or receiving open account advances or loans from, Consolidated, (2) CNG Energy to organize a new subsidiary, CNG Energy Arbitrage Corporation (CNGEA) and use the proceeds of its Consolidated financing to purchase shares of common stock of, or make open account advances or loans to, CNGEA, (3) CNGEA to acquire a one-third general partnership interest and invest up to \$10,000,000 in a partnership to be formed to engage in the energy business referred to above, (4) Consolidated to commit to provide CNGEA with up to \$3,000,000 to fulfill its obligations to the partnership, and (5) Consolidated to guarantee the fuel and power transactions of the partnership. Jurisdiction was reserved over retail sales of electric power and natural gas by the partnership. (Rel. 35-26512)

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## SELF-REGULATORY ORGANIZATIONS

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### APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change (SR-PSE-96-02) filed by the Pacific Stock Exchange which amends PSE Rule 11.10(d), "Options Listing Committee," Commentary .01, to provide that the PSE will attempt, but will not be required, to maintain the composition of the Options Listing Committee as provided currently under Commentary .01. Publication of the order is expected in the Federal Register during the week of May 6. (Rel. 34-37148)

### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

Delta Clearing Corp. has filed a proposed rule change (SR-DCC-96-05) to revise its procedures to permit another broker to replace RMJ Options Trading Corp. Publication is expected in the Federal Register during the week of May 6. (Rel. 34-37149)

A proposed rule change filed by the New York Stock Exchange to extend for six months the effectiveness of a pilot program to display price improvement on the execution report sent to the entering firm (SR-NYSE-96-10) has become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected in the Federal Register during the week of May 6. (Rel. 34-37151)

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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-1 CENTRAL FINANCIAL ACCEPTANCE CORP, 5480 EAST FERGUSON DR, COMMERCE, CA 90022 (213) 720-8600 - 2,415,000 (\$27,772,500) COMMON STOCK. (FILE 333-3790 - APR. 19) (BR. 11 - NEW ISSUE)
- S-8 CREDENCE SYSTEMS CORP, 3500 W WARREN AVE, FREMONT, CA 94538 (510) 657-7400 - 500,000 (\$8,500,000) COMMON STOCK. (FILE 333-3806 - APR. 22) (BR. 8)
- S-1 TELEPORT COMMUNICATIONS GROUP INC, ONE TELEPORT DRIVE, STATEN ISLAND, NY 10311 (718) 355-2000 - \$400,000,000 COMMON STOCK. (FILE 333-3850 - APR. 19) (BR. 7 - NEW ISSUE)
- F-6 FLAMEL TECHNOLOGIES SA (ADR), 48 WALL ST, C/O BANK OF NEW YORK, NEW YORK, NY 10286 (212) 495-1727 - 10,000,000 (\$500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-3856 - APR. 19) (BR. 99 - NEW ISSUE)
- S-8 RELIANCE FINANCIAL INC, 8930 GRAVOIS AVE, ST LOUIS, MO 63123 (314) 631-7500 - 60,200 (\$903,000) COMMON STOCK. (FILE 333-3858 - APR. 19) (BR. 2)
- SB-2 E NET INC, 7-4 METROPOLITAN CT, GAITHERSBURG, MD 20878 (301) 548-8880 - 5,450,000 (\$25,650,000) COMMON STOCK. 199,999 (\$840,000) WARRANTS, OPTIONS OR RIGHTS. 4,200,000 (\$15,960,000) COMMON STOCK. (FILE 333-3860 - APR. 19) (BR. 10 - NEW ISSUE)
- S-1 FARALLON COMMUNICATIONS INC, 2470 MARINER SQUARE LOOP, ALAMEDA, CA 94501 (510) 814-5100 - 2,300,000 (\$34,500,000) COMMON STOCK. (FILE 333-3868 - APR. 22) (BR. 9 - NEW ISSUE)
- F-1 FORASOL FORAMER NV, 16 BIS RUE GRANGE, DAME ROSE B P 100-78 143, VELIZY VILLACOUBLAY CEDEX, 10 - \$89,700,000 COMMON STOCK. (FILE 333-3874 - APR. 22) (BR. 3 - NEW ISSUE)
- S-8 RENAL CARE GROUP INC, 1801 WEST END AVENUE, SUITE 1100, NASHVILLE, TN 37203 (615) 327-1513 - 1,891,948 (\$36,500,724.08) COMMON STOCK. (FILE 333-3886 - APR. 22) (BR. 5)

RECENT 8-K 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.
- Item 8. Change in Fiscal Year.

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	8-K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
AAF MCQUAY INC	DE								X	02/07/96	
AGTSPO RTS INC	CO					X				04/22/96	
ALLEGIANCE BANC CORPORATION	DE	X								04/22/96	
AMRES CO RES SC CORP AMR RS SE CP MT LN T								X		04/26/96	
ANCHOR PACIFIC UNDERWRITERS INC	DE			X				X		04/26/96	
ANIKA RESEARCH INC	MA								X	04/12/96	
BANKERS BUILDING LAND TRUST	IL				X					04/23/95	
BANKERS TRUST NEW YORK CORP	NY				X	X				04/25/96	
BIOGEN INC	MA				X					04/26/96	
BONNEVILLE PACIFIC CORP	DE		X	X						04/17/96	
CANANDAIGUA WINE CO INC	DE				X					04/29/96	
CATALINA MARKETING CORP/DE	DE	X					X			04/25/96	
CEDAR GROUP INC	DE			X		X				04/03/96	AMEND
CENTERIOR ENERGY CORP	OH					X				04/11/96	
CHEVY CHASE BANK FSB	MD						X			04/15/96	
CHEVY CHASE MASTER CREDIT CARD TRUST	MD						X			04/15/96	
CHEVY CHASE MASTER CREDIT CARD TRUST II	MD						X			04/15/96	
CHEYENNE SOFTWARE INC	DE				X	X				04/30/96	
CHIQUITA BRANDS INTERNATIONAL INC	NJ				X	X				04/30/96	
CHYRON CORP	NY	X								04/26/96	
CHYRON CORP	NY		X							04/26/96	
CIS TECHNOLOGIES INC	DE				X	X				04/26/96	
CLEVELAND ELECTRIC ILLUMINATING CO	OH					X				04/11/96	
CML GROUP INC	DE		X				X			04/12/96	
COEUR D ALENE MINES CORP	ID		X				X			02/15/96	
COLTEC INDUSTRIES INC	PA	X								04/26/96	
CUMMINS INC RES ASST SC TR 1996-A2 MT PS T							X			04/26/96	
DAYTON HUDSON RECEIVABLES CORP	MN						X			04/25/96	
DESIGNS INC	DE						X			04/30/96	
DETECTION SYSTEMS INC	NY		X					X		02/13/96	AMEND
DIXON TICONDEROGA CO	DE	X								04/30/96	
DREW INDUSTRIES INCORPORATED	DE						X			02/15/96	AMEND
DURA PHARMACEUTICALS INC/CA	CA						X			12/29/95	AMEND
DURA PHARMACEUTICALS INC/CA	CA		X				X			06/14/96	AMEND
ENERGY CORP /DE/	DE						X			04/29/96	
ENZON INC	DE						X			01/11/96	

8X REPORTS CONT.

NAME OF ISSUER	STATE CODE	8X ITEM NO.								DATE	COMMENT	
		1	2	3	4	5	6	7	8			
F&M NATIONAL CORP	VA					X					04/22/96	
FAFCO INC	CA					X					03/28/96	
FIFTH THIRD BANCORP	OH					X					04/30/96	
FINANCIAL TRUST CORP	PA					X					04/24/96	
FIRST ENTERTAINMENT INC	CO					X					04/12/96AMEND	
FIRST ENTERTAINMENT INC	CO					X					04/12/96AMEND	
FIRST FINANCIAL BANCORP /CA/	CA					X	X				04/29/96	
FLEETWOOD ENTERPRISES INC/DE/	DE			X							04/23/96	
FORTUNE PETROLEUM CORP	DE		X				X				04/17/96	
FRONTIER AIRLINES INC /CO/	CO					X					04/16/96	
GENERAL SIGNAL CORP	NY						X				04/30/96	
GULF STATES UTILITIES CO	TX					X					04/29/96	
HARMONY PRODUCTS INC	VA					X	X				03/30/96	
HEALTH MANAGEMENT INC/DE	DE					X	X				04/15/96	
HIGH PLAINS CORP	KS					X					04/29/96	
HONEYWELL INC	DE					X					04/24/96	
ILLINOIS TOOL WORKS INC	DE					X	X				02/21/96AMEND	
IMP INC	DE					X	X				04/26/96	
INCOMNET INC	CA					X					04/26/96	
INFORMATION MANAGEMENT TECHNOLOGIES CORP	DE					X					04/25/96	
INNOVO GROUP INC	DE		X				X				04/12/96	
INTEGOM CORP /DE/	DE					X	X				04/25/96	
INTERNEURON PHARMACEUTICALS INC	DE					X	X				04/29/96	
KELLSTROM INDUSTRIES INC	DE					X	X				04/23/96	
KYSOR INDUSTRIAL CORP /MI/	MI						X				02/14/96AMEND	
LANDRYS SEAFOOD RESTAURANTS INC	DE					X	X				04/18/96	
LAWSON PRODUCTS INC/NEW/DE/	DE					X	X				04/24/96	
LIDAK PHARMACEUTICALS	CA		X								03/14/96	
MCKESSON CORP	DE	X									04/29/96	
MERRILL CORP	MN		X								04/15/96	
MESA INC	TX					X	X				04/26/96	
MET COIL SYSTEMS CORP	DE					X	X				04/18/96	
METROMEDIA INTERNATIONAL GROUP INC	DE					X	X				04/29/96	
MIDAMERICAN ENERGY CO	IA	X									04/25/96	
NORTEK INC	DE					X	X				04/26/96	
NORTHEAST INDIANA BANCORP INC	DE					X	X				04/25/96	
ONEOK INC	DE					X					04/22/96	
PACIFIC CREST CAPITAL INC	DE			X			X				04/09/96AMEND	
PEOPLES ENERGY CORP	IL					X					04/29/96	
PHOENIX LEASING CASH DISTRIBUTION FUND I	CA		X				X				02/14/96AMEND	
PINNACLE BANC GROUP INC	IL					X					04/22/96	
PROPERTY RESOURCES EQUITY TRUST	CA		X				X				04/16/96	
PROVIDENT AMERICAN CORP	PA					X	X				04/18/96	
PRUDENTIAL HOME MORTGAGE SECURITIES COMP	DE						X				03/12/96	
PRUDENTIAL HOME MORTGAGE SECURITIES COMP	DE						X				04/25/96	
QLT PHOTOTHERAPEUTICS INC	CA										NO ITEMS	04/25/96
REDWOOD EMPIRE BANCORP	CA					X					04/29/96	
RESIDENTIAL FUNDING MORTGAGE SECURITIES	DE					X	X				04/26/96	
RESIDENTIAL FUNDING MORTGAGE SECURITIES	DE						X				04/29/96	
RESPONSE ONCOLOGY INC	TN		X				X				04/15/96	
RITE AID CORP	DE					X	X				04/24/96	
SITEL CORP	MN					X	X				04/23/96	
SOUTH VALLEY BANCORPORATION	CA					X	X				04/23/96	
SURVIVAL TECHNOLOGY INC	DE	X					X				04/15/96	

8K REPORTS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
TELEDYNE INC	DE				X	X				04/24/96	
TGX CORP	DE				X	X				04/30/96	
TOLEDO EDISON CO	OH				X					04/11/96	
TORCHMARK CORP	DE				X					04/24/96	
U S BIOSCIENCE INC	DE							X		04/24/96	AMEND
U S RESTAURANT PROPERTIES MASTER L P	DE							X		04/19/96	AMEND
UMB FINANCIAL CORP	MO	X								04/29/96	
UNITED BANCORP /OR/	OR			X	X					12/31/95	
USMX INC	DE				X					04/18/96	
VALUE MERCHANTS INC	WI				X					12/13/96	
VERNITRON CORP	DE				X					04/25/96	
WARNER LAMBERT CO	DE		X							04/23/96	
WASHINGTON ENERGY CO	WA				X					04/30/96	
WASHINGTON NATURAL GAS CO	WA				X					04/30/96	
WESTERN RESOURCES INC /KS	KS				X					04/29/96	
WFS REPUBLIC INC	CA	NO ITEMS								04/25/96	
YANKEE ENERGY SYSTEM INC	CT							X		04/30/96	

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940

Release No. 1561 / April 30, 1996

ADMINISTRATIVE PROCEEDING

File No. 3-8874

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In the Matter of

BRIAN J. SHEEN

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: **ORDER MAKING FINDINGS AND**  
: **IMPOSING REMEDIAL SANCTIONS**  
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I.

In these public administrative and cease and desist proceedings instituted on October 31, 1995, by the Securities and Exchange Commission ("Commission") pursuant to Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act"), Respondent Brian J. Sheen ("Sheen") has submitted an Offer of Settlement ("Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceeding brought by or on behalf of the Commission, or in which the Commission is a party, prior to a hearing pursuant to the Commission's Rules of Practice, and without admitting or denying the findings contained herein, except as to the jurisdiction of the Commission over him and over the subject matter of this proceeding and as to the findings contained in Section II, paragraph A., below, which are admitted, Sheen, by his Offer, consents to the entry of findings and remedial sanctions set forth below.

II.

On the basis of this Order, the Order Instituting Public Proceedings and the Offer, the Commission finds that:

A. From December 1986 through February 1995, Sheen Investment Advisory Services, Inc. ("SIAS") was an investment adviser registered with the Commission and at all relevant times herein, Sheen was president, CEO and sole shareholder of SIAS and was responsible for SIAS' compliance with the federal securities laws.

B. From approximately June 1991 through at least December 1993, SIAS violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-1(a)(5), thereunder, and Sheen willfully aided and abetted and caused such violations, in that they published a

misleading advertisement concerning purported real case histories of former clients of SIAS.

C. From at least June 1992 through February 1995, SIAS violated Section 206(4) of the Advisers Act and Rule 206(4)-4(a)(2), thereunder, and Sheen willfully aided and abetted and caused such violations, in that they failed to disclose to clients and prospective clients all material facts with respect to legal or disciplinary events material to the evaluation of the adviser's integrity. As part of the aforesaid conduct, SIAS (i) failed to disclose to its clients or prospective clients in Form ADV, or otherwise, that on April 27, 1993, Sheen and Sheen Financial Resources, Inc. were jointly and severally censured and fined \$7,500 for their violations of the NASD's Rules of Fair Practice relating to advertising; and (ii) prematurely discontinued disclosure in Form ADV of the disciplinary action brought by the Florida Division of Securities against Sheen in August 1984, and did not otherwise disclose that action to clients or prospective clients.

D. From at least February 1992 through at least December 1993, SIAS violated Section 206(2) of the Advisers Act, and Sheen willfully aided and abetted and caused such violations, in that SIAS utilized written investment advisory agreements which contained a clause that reads, "The client acknowledges that (i) the Adviser will not be liable for any losses in the portfolio..." in violation of the fiduciary duty owed to advisory clients.

E. From at least June 1991 through at least December 1993, SIAS violated Section 206(4) of the Advisers Act and Rule 206(4)-2, thereunder, and Sheen willfully aided and abetted and caused such violations, in that SIAS maintained custody and possession over client funds and securities pursuant to a trust agreement whereby SIAS served as sole trustee, yet SIAS failed to issue quarterly itemized statements to clients and failed to submit the account to annual examinations by an independent public accountant.

F. From at least June 1991 through at least December 1993, SIAS violated Section 204 of the Advisers Act and Rules 204-2, 204-1(b)(1) and 204-3(c) thereunder, and Sheen willfully aided and abetted and caused such violations, in that SIAS failed to make and keep for prescribed periods such records (as defined in Section 3(a)(37) of the Securities Exchange Act of 1934), furnish such copies thereof and make and disseminate such reports as the Commission prescribes as necessary or appropriate in the public interest or for the protection of investors. For example: (i) certain client files failed to contain records reflecting the client's purchase of limited partnership interests, partnership reports, correspondence, or records of payments made by the partnership to the clients; (ii) SIAS failed to promptly amend its Form ADV as required to disclose that (a) on June 24, 1991, the NASD initiated a disciplinary action against SFR and Sheen, and (b) on April 27, 1993, the NASD found that SFR and Sheen committed such violations and imposed a censure and fine; and (iii) SIAS failed to