

# sec news digest

Issue 85-36

LIBRARY  
FEB 26 1985  
U.S. SECURITIES AND EXCHANGE COMMISSION  
February 22, 1985

---

## RULES AND RELATED MATTERS

---

### ADOPTION OF REVISED RULE 22d-1

The Commission adopted a release revising Rule 22d-1, proposed as Rule 22d-6, under the Investment Company Act of 1940. The revised rule permits a registered investment company, its principal underwriter and dealers in the company's shares to sell any redeemable securities issued by the investment company with scheduled variations in its sales load subject to certain conditions. The Commission also rescinded Rules 22d-2, 22d-4 and 22d-5 and amended Forms N-1A and N-8B-2, the registration statement forms for open-end management investment companies and unit investment trusts, respectively, simultaneous with adoption of the rule revision. In addition, the Commission requested comments on whether to rescind Rule 22d-3.

Comments should be submitted in triplicate to John Wheeler, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Comments must be received on or before 60 days after publication in the Federal Register, and must refer to File No. S7-6-85. All submissions will be available for public inspection in the Commission's Public Reference Room. (Rel. IC-14390)

FOR FURTHER INFORMATION CONTACT: Elizabeth M. Knoblock or Elizabeth K. Norsworthy at (202) 272-2048

---

## ADMINISTRATIVE PROCEEDINGS

---

### NASD ACTION AGAINST WALTER B. BULL, JR. AFFIRMED

The Commission affirmed sanctions imposed by the NASD on Walter B. Bull, Jr. of Bryn Mawr, Pennsylvania. Bull was president and controlling stockholder of Allen, Rogers & Co., Inc. (ARC), a former NASD member firm. The NASD censured Bull, fined him \$5,000, and barred him from association with any NASD member. After two years, he may apply to become so associated as a registered representative, upon a showing of proper supervision. The NASD also provided that, after the two-year period, Bull must requalify by examination.

Bull admitted that, from April to September 1982, when ARC finally collapsed, he engaged in a scheme to conceal from regulatory authorities the fact that his firm was operating with substantial net capital deficiencies. The Commission also affirmed the NASD's findings that Bull was responsible for ARC's 1981 violations of net capital, reporting, customer protection, fingerprinting and options provisions.

In affirming the NASD's sanctions, the Commission stressed the danger to investors "posed by Bull's demonstrated capacity for deceit." It noted its consistent holdings that deception of the kind that Bull practiced on regulatory authorities merited "the severest of sanctions." (Rel. 34-21752)

---

## CIVIL PROCEEDINGS

---

### SWISS CLEAR COMMISSION REQUEST FOR ASSISTANCE

The Commission announced that on February 21 the Swiss Federal Council cleared the final hurdle blocking the Commission's request for assistance regarding unknown purchasers in the Santa Fe International Corporation case. The request, made three years ago, sought documents and testimony concerning transactions of unknown purchasers in securities of Santa Fe and was the first brought under the 1977 Treaty on Mutual Assistance in Criminal Matters between U.S. and Switzerland involving insider trading.

The complaint, in the Santa Fe case, was filed on October 26, 1981, less a month after Santa Fe and Kuwait Petroleum Corporation had entered into a merger agreement. The Commission had determined that over 3,000 deep-out-of-the-money Santa Fe call option contracts by 27,000 shares of Santa Fe common stock had been purchased by certain Swiss banks on behalf of undisclosed customers. The Commission brought its action to freeze assets of the unknown purchasers before they could be removed from this country. On October 26, 1981, Judge William C. Conner, U.S. Federal Court for the Southern District of New York, granted the restraining order. The Commission entered into negotiations with the Swiss government to obtain assistance in insider trading cases. (SEC v. Certain Unknown Purchasers, et al., 81 Civ. 6533 [WCC], SDNY). (LR-10676)

---

## INVESTMENT COMPANY ACT RELEASES

---

### HUTTON INVESTMENT SERIES INC.

A notice has been issued giving interested persons until March 18 to request a hearing on an application by Hutton Investment Series Inc., a registered open-end, diversified, management investment company, for an order amending a previous order granting Hutton relief from Sections 2(a)(32), 2(a)(35), 22(c) and 22(d) of the Investment Company Act and Rule 22c-1 to impose, and in certain instances waive, a contingent deferred sales charge. (Rel. IC-14383 - Feb. 19)

### VAN KAMPEN MERRITT U.S. GOVERNMENT FUND INC.

A notice has been issued giving interested persons until March 18 to request a hearing on an application of Van Kampen Merritt U.S. Government Fund Inc. and Van Kampen Merritt Insured Tax Free Income Fund Inc. (Funds), and Van Kampen Merritt Inc., the Funds' distributor. The application requests an order exempting Applicants from Section 22(d) of the Investment Company Act to permit unitholders of existing and future unit investment trusts, for which the distributor is the sponsor, to reinvest distributions at a reduced sales load. (Rel. IC-14384 - Feb. 19)

### KEYSTONE PROVIDENT LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until March 18 to request a hearing on an application by Keystone Provident Life Insurance Company, KMA Variable Account, Keystone Provident Financial Services Corp. and Keystone Massachusetts Distributors Inc. for an order exempting them from the provisions of Sections 26(a) and 27(c)(2) of the Investment Company Act to permit transactions described in the application. (Rel. IC-14385 - Feb. 19)

---

## HOLDING COMPANY ACT RELEASES

---

### CONSOLIDATED NATURAL GAS COMPANY

A notice has been issued giving interested persons until March 18 to request a hearing on a proposal by Consolidated Natural Gas Company, a registered holding company, to issue and sell up to \$250 million of debentures in one or more transactions within two years of the effective date of this filing. (Rel. 35-23608 - Feb. 20)

### NEW ENGLAND ELECTRIC SYSTEM

A notice has been issued giving interested persons until March 18 to request a hearing on a proposal by New England Electric System (NEES), a registered holding company, to issue and sell up to \$40 million of short-term notes to banks through March 31, 1987. (Rel. 35-23609 - Feb. 20)

Another notice has been issued giving interested persons until March 18 to request a hearing on an application by NEES and four of its subsidiaries whereby the subsidiaries will issue and sell short-term notes to banks and commercial paper and borrow on open account from the system money pool, through March 31, 1987, in an aggregate amount not to exceed \$78 million outstanding at any one time. (Rel. 35-23610 - Feb. 20)

---

## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

---

### UNLISTED TRADING GRANTED

Orders have been issued granting the applications of the following stock exchanges for unlisted trading privileges in the common stock of the specified number of issues which are listed and registered on one or more other national securities exchange and are reported in the consolidated transaction reporting system: The Pacific Stock Exchange, Inc. - two issues. (Rel. 34-21779); The Midwest Stock Exchange, Inc. - 11 issues. (Rel. 34-21780); and The Boston Stock Exchange, Inc. - 21 issues. (Rel. 34-21781)

---

## SELF-REGULATORY ORGANIZATIONS

---

### NOTICE OF PROPOSED RULE CHANGES

Proposed rule changes have been filed under Rule 19b-4 by: The New York Stock Exchange, Inc. (SR-NYSE-84-42) to provide a fee schedule for subscriptions to its "NYSE Daily Sales Report," which provides daily transaction information for all securities listed on the NYSE. (Rel. 34-21776); and The Midwest Clearing Corporation and The Midwest Securities Trust Company (SR-MCC-84-7/SR-MSTC-84-7) to allow MCC/MSTC participants to secure the non-cash portions of their participants Fund contributions with letters of credit. (Rel. 34-21778)

---

## TRUST INDENTURE ACT RELEASES

---

### STORAGE EQUITIES, INC.

An order has been issued under the Trust Indenture Act of 1939 on an application by Storage Equities, Inc. that the trusteeship of First Interstate Bank of California under a third supplemental indenture to an existing indenture qualified under the Act is not so likely to involve a material conflict of interest as to make it necessary to disqualify the Bank from acting as trustee. (Rel. TI-959)

---

## 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-3 ASARCO INC, 180 MAIDEN LN, NEW YORK, NY 10038 (212) 510-2000 - 2,875,000 (\$55,703,125) COMMON STOCK. (FILE 2-95789 - FEB. 12) (BR. 1)
- S-1 MAXICARE HEALTH PLANS INC, 11633 HAWTHORNE BLVD, HAWTHORNE, CA 90250 (213) 973-5400 - 10,279,610 (\$273,694,616) COMMON STOCK. (FILE 2-95793 - FEB. 12) (BR. 6)
- S-18 EURO VENTURE CAPITAL CORP - 1,000,000 (\$150,000) COMMON STOCK. 5,000,000 (\$1,250,000) COMMON STOCK. 5,000,000 (\$5,000,000) COMMON STOCK. (FILE 2-95794-D - FEB. 11) (BR. 11 - NEW ISSUE)
- S-8 CENTRAL ILLINOIS PUBLIC SERVICE CO, 607 E ADAMS ST, SPRINGFIELD, IL 62701 (217) 523-3600 - 1,000 (\$6,412,080) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 2-95805 - FEB. 12) (BR. 8)
- S-18 GREENFIELD FINANCIAL CORP, 9247 N MERIDIAN ST STE 220, INDIANAPOLIS, IN 46260 (317) 844-0178 - 50,000,000 (\$500,000) COMMON STOCK. 5,000,000 (\$500) WARRANTS, OPTIONS OR RIGHTS. 5,000,000 (\$75,000) COMMON STOCK. (FILE 2-95807-D - FEB. 12) (BR. 9 - NEW ISSUE)
- S-1 BELDEN & BLAKE DRILLING PROGRAM 1985 - 5,940 (\$29,700,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 2-95824 - FEB. 13) (BR. 3 - NEW ISSUE)

## 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.

|   |            | FORM  | EVENT DATE | SHRS (000) /<br>% OWNED | CUSIP /<br>PRIOR % | FILING STATUS |
|---|------------|-------|------------|-------------------------|--------------------|---------------|
| AID AUTO STORES INC<br>EXPORT AGENCIES INTL         | COM        | 13D   | 2/ 5/85    | 1,000<br>52.9           | 00870820<br>0.0    | NEW           |
| BAYOU RESOURCES INC<br>SERE J DARBY                 | COM        | 13D   | 2/ 6/85    | 55<br>6.2               | 07304710<br>0.0    | NEW           |
| CHOMERICS INC<br>CHOMERICS VOTING TRUST             | COM        | 13D   | 1/21/85    | 518<br>21.3             | 17039410<br>16.0   | UPDATE        |
| DILLARD DEPT STORES INC<br>AMERICAN NATL INS CO     | CL A       | 13D   | 2/11/85    | 914<br>6.4              | 25406310<br>7.3    | UPDATE        |
| EASCO CORP<br>EQUITY GROUP HOLDINGS                 | COM        | 13D   | 2/14/85    | 1,195<br>17.7           | 27033010<br>17.3   | UPDATE        |
| FIRST OF MICHIGAN CAP CORP<br>BAKER LOUIS C         | COM        | 13D   | 12/31/84   | 227<br>9.8              | 32086210<br>10.7   | UPDATE        |
| FIVE STAR ENERGY CORP<br>WOLAS HERBERT              | COM        | 13D   | 1/16/85    | 2,173<br>8.3            | 33830510<br>6.9    | UPDATE        |
| FLORIDA GULF RLTY TR<br>MUTUAL SHARES CORP ET AL    | SH BEN INT | 13D   | 10/17/84   | 377<br>11.2             | 34073410<br>5.6    | UPDATE        |
| FOODARAMA SUPERMARKETS INC<br>INTERSTATE PROPERTIES | COM        | 13D   | 2/ 7/85    | 101<br>7.6              | 34482010<br>8.7    | UPDATE        |
| GUARDIAN INDS CORP<br>GDC TRANSITION CO             | COM        | 14D-1 | 2/15/85    | 13,829<br>63.1          | 40137010<br>63.1   | UPDATE        |
| HRT INDS INC<br>GREEN STEVEN J                      | COM NEW    | 13D   | 1/ 3/85    | 483<br>5.5              | 40426920<br>0.0    | NEW           |
| HIGHLAND SVGS & LN<br>BERRY DORAN JOYCE             | COM        | 13D   | 1/14/85    | 10<br>6.9               | 43074810<br>8.2    | UPDATE        |
| JENSEN INDS INC<br>NORTEK INC                       | COM        | 14D-1 | 2/19/85    | 973<br>92.3             | 47630410<br>87.8   | UPDATE        |
| LESCARDEN INC<br>GODSHALL R ELLIS                   | COM        | 13D   | 1/18/85    | 275<br>5.7              | 52686710<br>0.0    | NEW           |
| MCDONNELL DOUGLAS CORP<br>GRAFF GEORGE S            | COM        | 13D   | 12/31/84   | 10,517<br>26.3          | 58016910<br>26.0   | UPDATE        |
| MCDONNELL DOUGLAS CORP<br>JONES EDWIN S             | COM        | 13D   | 12/31/84   | 10,502<br>26.3          | 58016910<br>26.0   | UPDATE        |
| MCDONNELL DOUGLAS CORP<br>MCDONNELL JAMES S III     | COM        | 13D   | 12/31/84   | 4,183<br>10.5           | 58016910<br>10.5   | UPDATE        |