

sec news digest

Issue 84-10

January 16, 1984

COMMISSION ANNOUNCEMENTS

REMINDER TO REGISTRANTS RE ANTIFRAUD PROVISIONS

The Commission issued a release reminding registrants that the antifraud provisions of the securities laws apply to all persons speaking on behalf of the registrant. The release provides guidance to those persons concerning their public statements. (Rel. 33-6504)

FOR FURTHER INFORMATION CONTACT: Alan L. Dye at (202) 272-2573

CIVIL PROCEEDINGS

HANOVER SQUARE SECURITIES GROUP, INC. VIOLATES CUSTOMER PROTECTION AND BROKER-DEALER BOOKKEEPING RULES; SETTLES

The New York Regional Office filed a complaint in the Southern District of New York charging Hanover Square Securities Group, Inc., a registered broker-dealer in New York, New York, with violations of the customer protection rule and broker-dealer bookkeeping provision of the Securities Exchange Act of 1934.

The complaint charges that: from about December 6, 1983 to the date of the complaint, Hanover failed to make a sufficient deposit to its customer reserve bank account while continuing to do business; and from December 6, 1983 Hanover's books and records failed to reflect approximately \$1,200,000 in liabilities. Simultaneously with the filing of the complaint: Hanover, without admitting or denying the complaint's allegations, consented to a final judgment permanently enjoining it from violations of the antifraud provisions cited in the complaint; and the Securities Investor Protection Corporation (SIPC) filed an application for a trustee under the Securities Investor Protection Act of 1970. SIPC alleged, in its Application, that Hanover's customers were in need of protection due to Hanover's severe financial condition. SIPC and the Commission stipulated with Hanover that the appointment of the trustee would become effective on December 16, 1983, unless Hanover had solved its financial problems to the satisfaction of SIPC and the Commission on or before that date. Hanover was unable to solve its financial problems and a SIPC trustee was appointed on December 15, 1983. (SEC v. Hanover Square Securities Group, Inc., 83 Civil 8893, JES, S.D.N.Y.). (LR-10261)

CRIMINAL PROCEEDINGS

JEROME C. GATTO INDICTED

The U.S. Attorney for the District of Utah, the Denver Regional Office and the Salt Lake City Branch Office announced that on December 28, 1983 a federal grand jury in Salt Lake City, Utah returned an indictment charging Jerome C. Gatto of Salt Lake City with 47 counts of securities, mail and wire fraud, and interstate transportation of money obtained by fraud. The indictment charged that: Gatto, with others, sold partnership interests and investment contracts in the Golden Eagle Mine, an inactive mine in Mariposa County, California; Gatto promised that he, through Lifetime West Corporation, a Utah corporation, would loan investors money and would buy back their partnership interests after their loan(s) were granted; investors were told Gatto had a loan commitment to borrow several million dollars based on proven gold ore reserves in the mine and that they were required by Bureau of Land Management regulations to buy the partnership interests before a portion of the money could be loaned to them; these statements were false and Gatto did not own the mine at the time he made the representations; and from about November 1, 1978 until about October 15, 1981, Gatto obtained \$1,718,500 from investors.

The case was assigned to Judge David K. Winder. (U.S. v. Jerome C. Gatto, USDC, Utah CR-83-137W). (LR-10262)

INVESTMENT COMPANY ACT RELEASES

IVY FUND, INC.

A notice has been issued giving interested persons until February 1 to request a hearing on an application filed by Ivy Fund, Inc., a registered open-end, diversified, management investment company, and Hingham Management, Inc., requesting an order to allow Ivy to implement a plan that would externalize administrative functions now performed by its officers and employees and reorganize as a series company. (Rel. IC-13716 - Jan. 12)

CREDIT COMMERCIAL DE FRANCE

A notice has been issued giving interested persons until February 6 to request a hearing on an application filed by Credit Commercial De France and its subsidiary, Credit Commercial De France North America Inc., for an order exempting them from all provisions of the Investment Company Act so that they may offer and sell commercial paper in the United States. (Rel. IC-13717 - Jan. 12)

HOLDING COMPANY ACT RELEASES

MIDDLE SOUTH UTILITIES, INC.

An order has been issued authorizing Middle South Utilities, Inc. (MSU), a registered holding company, to finance a new, nonutility subsidiary. The primary business operations of the subsidiary would involve: (1) investment and participation in electric cogeneration projects in the service areas of MSU's utility subsidiaries; and (2) a consulting business offering to nonaffiliates management, technical, and training expertise developed in the MSU system. MSU has been granted authorization to commit up to \$100 million to the new subsidiary through December 31, 1985 for participation in cogeneration facilities. (Rel. 35-23200 - Jan. 13)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange, Inc. to strike the 5% income debentures (due 1-1-2054) of Chicago & Eastern Illinois Railroad Company from listing and registration thereon. (Rel. 34-20559)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Midwest Stock Exchange, Inc. filed a proposed rule change (SR-MSE-83-7) to increase from \$50 to \$100 the exemptive level of reportable gratuities which may be given to any one employee of an MSE member, member organization or other financial concern during a calendar year. Publication of the proposal is expected to be made in the Federal Register during the week of January 16. (Rel. 34-20549)

ORDER EXTENDING PARTIAL APPROVAL

The Commission extended for 30 days its summary and temporary approval of portions of a rule change proposed by the Chicago Board Options Exchange, Incorporated (SR-CBOE-80-16). The provisions of the rule being approved relate to appointment and oversight of market makers while the remainder requires that a minimum portion of a market maker's options transactions be executed in person. (Rel. 34-20552)

TRUST INDENTURE ACT RELEASES

UNION CAMP CORPORATION

A notice has been issued giving interested persons until February 9 to request a hearing on an application by Union Camp Corporation, under Section 310(b)(1)(ii) of

the Trust Indenture Act of 1939, declaring that the trusteeship of First National State Bank under an indenture that has been qualified under the Act and an indenture that has not been qualified under the Act, is not so likely to involve a material conflict of interest as to make it necessary to disqualify First National from acting as trustee. (Rel. TI-875)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC under 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 under Rule 415.

- (S-18) WARNER COMPUTER SYSTEMS, INC., 259 Cedar Lane, Teaneck, NJ 07666 (201) 692-9400 - 1,700,000 shares of common stock. Underwriters: Comiteau, Levine & Co., Inc. and Werbel-Roth Securities, Inc. The company is a computer services company. (File 2-88695-NY - Dec. 30, 1983) (Br. 9 - New Issue)
- (S-18) PHOTOMAX, INC., 1701 River Run Rd., Suite 1019, Fort Worth, TX 76107 (817) 877-4818 - 3,000,000 shares of common stock. Underwriter: Neidiger/Tucker/Bruner, Inc. The company operates Photomax, one-hour photo processing stores. (File 2-88698-FW - Dec. 30, 1983) (Br. 6 - New Issue)
- (S-18) FINANCIAL TECHNOLOGY RESEARCH CORPORATION, 7800 West Oakland Park Blvd., Suite 214, Fort Lauderdale, FL 33321 (305) 772-0955 - 3,000,000 units. Underwriter: T.G. Harrington & Co., Inc. (File 2-88705-A - Jan. 3) (Br. 5 - New Issue)
- (S-18) MEDIA RESOURCES, INC., 1262 Shippan Ave., Stamford, CT 06902 (203) 356-9717 - 20,000,000 shares of common stock. Underwriter: First Philadelphia Corporation, 80 Wall St., New York, NY 10005 (212) 943-5442. The company intends to market and publish books and/or book properties. (File 2-88706-B - Dec. 30, 1983) (Br. 1 - New Issue)
- (S-18) VISIONTECH, INC., 164 East 64th St., New York, NY 10021 (212) 319-0700 - 2,222,222 shares of common stock. Underwriter: Wall Street West, Inc., 5340 South Quebec, Suite 100N, Englewood, CO 80111 (303) 740-8444. The company distributes soft contact lenses, lens care solutions and related accessory products. (File 2-88707-NY - Dec. 30, 1983) (Br. 8 - New Issue)
- (S-1) ADVANCED TOBACCO PRODUCTS, INC., 2929 Mossrock, Suite 130, San Antonio, TX 78230 (512) 340-5892 - 1,650,000 units. Underwriter: Schneider, Bernet & Hickman, Inc. The company has developed a patented smokeless tobacco product, the "Smokeless Cigarette". (File 2-88812 - Jan. 10) (Br. 3 - New Issue) [S]
- (S-1) NATIONAL HEALTH CORPORATION, 814 South Church St., Murfreesboro, TN 37130 (615) 896-5921 - \$25 million of convertible subordinated debentures, due 1999. Underwriter: Prudential-Bache Securities. The company operates long term health care centers. (File 2-88823 - Jan. 11) (Br. 6)
- (S-3) CITICORP PERSON-TO-PERSON, INC., 670 Mason Ridge Center Dr., St. Louis, MO 63141 (314) 851-1400 - \$100 million of guaranteed subordinated capital notes, due January 15, 1996. Underwriters: Salomon Brothers Inc., The First Boston Corporation, Goldman, Sachs & Co. and Merrill Lynch Capital Markets. The company provides management services. (File 2-88828 - Jan. 11) (Br. 1)
- S-1) SEACOAST BANKING CORPORATION OF FLORIDA, 815 Colorado Ave., Stuart, FL 33494 (205) 287-4000 - 600,000 shares of Class A common stock. Underwriter: The Chicago Corporation. The company is a newly organized bank holding company. (File 2-88829 - Jan. 11) (Br. 2)
- (S-2) METROPOLITAN MORTGAGE & SECURITIES CO., INC., West 929 Sprague Ave., Spokane, WA 99204 (509) 838-3111 - \$60 million of investment debentures, Series LL. (File 2-88830 - Jan. 11) (Br. 2) [S]
- (S-18) INTERNATIONAL COMPUTER APPLICATIONS, INC., Paragon Bldg., Suite 110, 7100 East Belleview Ave., Englewood, CO 80111 (303) 773-9500 - 24,000,000 shares of common stock.

Underwriter: Blinder, Robinson & Co., Inc. The company designs, develops, consults, markets and licenses business applications hardware and software systems. (File 2-88832 - Jan. 11) (Br. 9 - New Issue)

(S-3) SQUARE D COMPANY, 1415 South Roselle Rd., Palatine, IL 60067 (312) 397-2600 - 135,132 shares of common stock. (File 2-88833 - Jan. 11) (Br. 7) [S]

(S-11) ASLA COLLATERALIZED MORTGAGE SECURITIES CORPORATION, 17801 Northwest 2nd Ave., Miami, FL 33169 - \$400 million of FNMA-collateralized obligations, Series 1984-1. Underwriters: Salomon Brothers Inc., Merrill Lynch Capital Markets, and A.G. Becker Paribas Incorporated. (File 2-88834 - Jan. 11) (Br. 1 - New Issue)

(S-8) NASH-FINCH COMPANY, 3381 Gorham Ave., St. Louis Park, MN 55426 (612) 929-0371 - 225,000 shares of common stock. (File 2-88835 - Jan. 11) (Br. 4)

REGISTRATIONS EFFECTIVE

Jan. 3: Centennial Development Fund IV, 2-86560; ENB Holding Company, 2-87553.
 Jan. 4: American General Corporation, 2-88595; B.M.J. Financial Corp., 2-87342; Dover Corporation, 2-88021; Flat Top Bankshares, Inc., 2-87635; Miami Citizens Bank corp., 2-88276; New Cambridge Corporation, 2-85359; Pacific Capital Bancorp, 2-87513; Summa Medical Corporation, 2-87211; UMC Industries, Inc., 2-88404.

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 Section (in ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

| COMPANY | ITEMS NO. | DATE | |
|--|-----------|----------|-------|
| AMERICAN EDUCATORS FINANCIAL CORP/DE/NEW | 1,7 | 12/22/83 | |
| BALCOR INCOME PROPERTIES LTD III | 2,7 | 12/23/83 | |
| CENTURY PROPERTIES FUND XVIII | 7 | 10/26/83 | AMEND |
| COLUMBIAN OIL & GAS DRILLING PROGRAM 198 | 5 | 01/03/84 | |
| COLUMBIAN OIL & GAS DRILLING PROGRAM 198 | 5 | 01/03/84 | |
| COLUMBIAN OIL & GAS DRILLING PROGRAM 198 | 5 | 01/03/84 | |
| COLUMBIAN OIL & GAS DRILLING PROGRAM 198 | 5 | 01/03/84 | |
| CULLEN FROST BANKERS INC | 5 | 12/22/83 | |
| FINGERMATRIX INC | 4,5 | 01/05/84 | |
| FIRST AMERICAN FINANCIAL CORP | 5 | 12/30/83 | |
| FIRST GRANITE BANCORPORATION INC | 5 | 12/21/83 | |
| INSYTE ENERGY CORP | 1,7 | 12/21/83 | |
| KEYES KANTER REAL ESTATE PARTNERS LTD | 7 | 03/15/83 | AMEND |
| LONG ISLAND LIGHTING CO | 7 | 12/29/83 | AMEND |
| LONG ISLAND LIGHTING CO | 5,7 | 01/05/84 | |
| MINNESOTA POWER & LIGHT CO | 5 | 01/05/84 | |
| NORCOM CABLE INVESTORS | 2,7 | 09/15/83 | |
| NORTHWEST BANCORP /OR/ | 2,7 | 12/30/83 | |
| OCILLA INDUSTRIES INC | 7 | 08/11/83 | AMEND |
| REAL ESTATE ASSOCIATES LTD VI | 2,7 | 12/16/83 | |
| REALTY SOUTHWEST FUND II LTD | 2,7 | 12/01/83 | |
| SCRIPPS HOWARD BROADCASTING CO | 5 | 12/22/83 | |
| SEARS ROEBUCK & CO | 5,7 | 01/05/84 | |
| SIERRA REAL ESTATE EQUITY TRUST 83 | 2,7 | 10/11/83 | AMEND |
| TMC INDUSTRIES LTD | 2,7 | 12/22/83 | |
| WOODLAKE ASSOCIATES | 4 | 11/30/83 | |