

sec news digest

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U.S. SECURITIES AND
EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDINGS

PROCEEDINGS INSTITUTED AGAINST, AND REMEDIAL SANCTIONS IMPOSED UPON, PAINWEBBER, INC.

The Commission instituted administrative proceedings under Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 against PaineWebber, Inc., a registered broker-dealer. Simultaneously, PaineWebber submitted an Offer of Settlement which the Commission accepted. In this Offer, PaineWebber consented, without admitting or denying the allegations or findings contained therein, to the Commission's Order making findings that PaineWebber violated antifraud provisions of the Securities Act of 1933 and the Exchange Act in connection with the sale and repurchase of stripped U.S. Treasury bond coupons (stripped coupons). Specifically, the Order alleges that between January 1, 1984 and July 31, 1985, PaineWebber charged customers undisclosed excessive markups and markdowns in stripped coupon transactions.

The Order censures PaineWebber and orders it to comply with its undertaking to review its existing stripped coupon markup and markdown practices in order to prevent a recurrence of this conduct. In determining to accept the Offer, the Commission considered PaineWebber's voluntary undertaking to repay each of its customers, who sold it stripped coupons during the relevant time period, the amount by which the markdown charged exceeded 10% of PaineWebber's contemporaneous sales price. (Rel. 34-25418)

CRIMINAL PROCEEDINGS

FORMER STOCK PRESIDENT, STOCKBROKER INDICTED

The Boston Regional Office announced that on March 4 courts in Connecticut and Massachusetts unsealed indictments against Robert C. DiGennaro, of Suffield, Connecticut, and Arthur Silverman, of West Hartford, Connecticut. DiGennaro is formerly president and chief executive officer of Suffield Savings Bank, and Silverman is a broker with Shearson Lehman Brothers, Inc.

The indictments charge DiGennaro with obstruction of justice, perjury, and subornation of perjury, and Silverman is charged with perjury, in connection with testimony before staff of the Boston Regional Office. In addition, Silverman and DiGennaro are charged with unlawful trading on material nonpublic information, mail and wire fraud. DiGennaro is charged with tipping information to others who also traded. (U.S. v. DiGennaro, Cr. No. 8853-N, DMA, and Cr. No. H-88-21-PCD, DCN; U.S. v. Silverman, Cr. No. 8852-Z, DMA, and Cr. No. H-88-20-PCD, DCN). (LR-11681)

INVESTMENT COMPANY ACT RELEASES

PRESIDENTIAL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until April 4 to request a hearing on an application filed by Presidential Life Insurance Company, Presidential Variable Account One (the Separate Account), and Integrated Resources Capital Services, Inc. for an order granting exemptions from the provisions of Sections 26(a)(2) and 27(c)(2) of the Investment Company Act to permit the deduction of mortality and expense risk charges from the assets of the Separate Account. (Rel. IC-16308 - March 9)

RUSSELL INSURANCE FUNDS, INC.

A notice has been issued giving interested persons until April 4 to request a hearing on an application filed by Russell Insurance Funds, Inc. and Frank Russell Investment Management Company for an order granting exemptions from the provisions of Sections 15(a)(1) and Rule 18f-2; portions of Rule 20a-2; Items 5(b)(iii) and 16(a)(iii) of Form N-1A; Item 48 of Form N-SAR; and Section 6-07(2)(a), (b) and (c) of Regulation S-X, to: (1) exempt them from the requirement to disclose in the Funds' prospectuses, proxy statements, and other public documents the fees paid by the Russell Company to discretionary investment portfolio managers otherwise unaffiliated with Applicants; and (2) eliminate their obligation to include in certain proxy statements the balance sheets of, and information concerning transactions in the securities of, the otherwise unaffiliated discretionary investment managers. (Rel. IC-16309 - March 9)

HOLDING COMPANY ACT RELEASES

COLUMBUS SOUTHERN POWER COMPANY

An order has been issued authorizing Columbus Southern Power Company, subsidiary of American Electric Power Company, Inc., to indemnify certain of its associated companies of all liability in connection with their providing certain goods and services relating to the Zimmer Station. (Rel. 35-24595 - March 9)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

Notices have been issued giving interested persons until March 30 to comment on the application of the following stock exchanges for unlisted trading privileges in the specified number of issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system: Boston Stock Exchange - nine, fifteen, and one issue [three separate applications]. (Rel. 34-25430; 34-25432; 34-25436); Philadelphia Stock Exchange - five issues. (Rel. 34-25431); Midwest Stock Exchange - two and one issue [two separate applications]. (Rel. 34-25433; 34-25435); and the Pacific Stock Exchange - one issue. (Rel. 34-25434)

SELF-REGULATORY ORGANIZATIONS

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board filed a proposed rule change which became effective upon filing. The rule change (SR-MSRB-87-11) is an interpretation of Rule G-17 requiring dealers assisting issuers to recommend that issuers clearly state whether certain escrowed-to-maturity securities are subject to optional redemption prior to their maturity. The rule change further clarifies the applicability of the confirmation disclosure Rules G-12(c) and G-15(a) to escrowed-to-maturity securities. (Rel. 34-25426)

NOTICE OF PROPOSED RULE CHANGE

The National Association of Securities Dealers filed a proposed rule change under Rule 19b-4 (SR-NASD-87-31) that would amend Part II, Section 1(c)(7) of Schedule D to its By-Laws to provide for the inclusion of put warrants in the NASDAQ System. Publication of the proposal is expected to be made in the Federal Register during the week of March 7. (Rel. 34-25427)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by The National Association of Securities Dealers (SR-NASD-87-41) that amends Article I, Section (c) of its By-Laws to delete the phrase "located in the United States" from the definition of the term "branch office." (Rel. 34-25428)

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-6 SEARS CORPORATE INVESTMENT TRUST LONG TERM PORTFOLIO SER 3, 130 LIBERTY ST, C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 - 7,700 (\$7,931,000) UNIT INVESTMENT TRUST. DEPOSITOR: DEAN WITTER REYNOLDS INC. (FILE 33-20357 - MAR. 03) (BR. 16 - NEW ISSUE)
- S-6 SEARS GOVERNMENT INVESTMENT TR U S TREASURY SERIES 2, 130 LIBERTY ST, C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 - INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC. (FILE 33-20358 - MAR. 03) (BR. 22 - NEW ISSUE)
- S-6 KANSAS FARM BUREAU LIFE VARIABLE ACCOUNT, 2321 ANDERSON AVE, MANHATTAN, KS 66502 (913) 537-2261 - INDEFINITE SHARES. DEPOSITOR: KANSASFARM BUREAU LIFE INSURANCE CO INC. (FILE 33-20390 - MAR. 01) (BR. 20 - NEW ISSUE)
- S-3 WESTERN MASSACHUSETTS ELECTRIC CO, 174 BRUSH HILL AVE, WEST SPRINGFIELD, MA 01089 (413) 785-5871 - 75,000,000 (\$75,000,000) MORTGAGE BONDS. (FILE 33-20418 - MAR. 01) (BR. 7)
- S-6 INSURED MUN INCOME TR & INVESTORS QUA TAX EX TR MULTI SER 75, 1001 WARRENVILLE RD, C/O VAN KAMPEN MERRITT INC, LISLE, IL 60532 - 1,000 (\$1,050,000) UNIT INVESTMENT TRUST. DEPOSITOR: VAN KAMPEN MERRITT INC. (FILE 33-20441 - MAR. 03) (BR. 18 - NEW ISSUE)
- S-6 INSURED MUNICIPALS INCOME TR & INV QUA TAX EXE TR MUL SER 76, 1001 WARRENVILLE RD, C/O VAN KAMPEN MERRITT INC, LISLE, IL 60532 - 1,000 (\$1,050,000) UNIT INVESTMENT TRUST. DEPOSITOR: VAN KAMPEN MERRITT INC. (FILE 33-20442 - MAR. 03) (BR. 18 - NEW ISSUE)
- S-6 INSURED MUN INCOME TR & INVESTORS QUA TAX EX TR MULTI SER 74, 1001 WARRENVILLE RD, C/O VAN KAMPEN MERRITT INC, LISLE, IL 60532 - 1,000 (\$1,050,000) UNIT INVESTMENT TRUST. DEPOSITOR: VAN KAMPEN MERRITT INC. (FILE 33-20443 - MAR. 03) (BR. 18 - NEW ISSUE)
- S-6 INSURED MUN INCOME TR & INVESTORS QUA TAX EX TR MULT SER 73, 1001 WARRENVILLE RD, C/O VAN KAMPEN MERRITT INC, LISLE, IL 60532 - 1,000 (\$1,050,000) UNIT INVESTMENT TRUST. DEPOSITOR: VAN KAMPEN MERRITT INC. (FILE 33-20444 - MAR. 03) (BR. 18 - NEW ISSUE)
- S-6 INSURED MUN INCOME TR & INVESTORS QUA TAX EX TR MULTI SER 72, 1001 WARRENVILLE RD, C/O VAN KAMPEN MERRITT INC, LISLE, IL 60532 - 1,000 (\$1,050,000) UNIT INVESTMENT TRUST. DEPOSITOR: VAN KAMPEN MERRITT INC. (FILE 33-20445 - MAR. 03) (BR. 18 - NEW ISSUE)
- S-8 CENTEX TELEMAGEMENT INC, 185 BERRY ST BLDG 4 STE 2800, SAN FRANCISCO, CA 94107 (415) 777-0477 - 983,795 (\$10,083,899) COMMON STOCK. 16,205 (\$166,101) COMMON STOCK. (FILE 33-20447 - MAR. 03) (BR. 8)
- S-3 SQUIBB CORP, PO BOX 4000, PRINCETON, NJ 08540 (609) 921-4000 - 200,000,000 (\$200,000,000) STRAIGHT BONDS. (FILE 33-20448 - MAR. 03) (BR. 4)
- S-3 USF&G CORP, 100 LIGHT ST, BALTIMORE, MD 21202 (301) 547-3000 - 100,000,000 (\$100,000,000) STRAIGHT BONDS. (FILE 33-20449 - MAR. 03) (BR. 10)

REGISTRATIONS EFFECTIVE

Feb. 16: American International Petroleum Corporation, 33-1754; Central Power and Light Company, 33-20049; Computer & Communications Technology Corp., 33-17149; ERC International Inc., 33-19276; First Union Real Estate Equity and Mortgage Investments, 33-19812; Medical Pathology, 33-17407-A; Nova Acquisitions, Inc., 33-12957-A; Quinoco Consolidated Partners, L.P., 33-20036; Piggly Wiggly Alabama Distributing Co., Inc., 33-19645; RPM, Inc., 33-19027; Rampart Equities Inc., 33-19005-A; SCI Tech Capital Corporation, 33-15158-LA; Selectatech, Inc., 33-15718-NY; Tap Resources, Ltd., 33-18972-S; Templeton Funds Retirement Annuity Separate Account, 33-11780; Templeton Variable Annuity Fund, 33-11771; Tessera Capital Corp., 33-18038-LA; UNB Corp., 33-10026.

* CALLS FROM THE PUBLIC
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* Members of the public seeking information and/or material from the Commission continue to complain of being incorrectly referred to the wrong telephone number by Commission staff. The following information is furnished to assist you in directly calling the appropriate office:
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* Consumer Affairs (272-7440) - Investor inquiries and complaint processing information.
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* Freedom of Information Branch (272-7420) - Requests concerning FOIA, Privacy Act, Sunshine Act, confidential treatment matters, etc.
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* Personnel Locator (272-2550) - Requests for names and phone number of Commission personnel.
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* Public Affairs (272-2650) - Information about matters in the SEC News Digest, the Commission's operations, and calls from the press not directed to particular individual and other related matters.
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* Public Reference (272-7450) - Requests for information on whether or not a document has been filed, etc.
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* Publications Unit (272-7460) - Requests for forms, studies, directories, filing requirements, copy procedures, etc.
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* Office of the Secretary (272-2600) - Requests for information on the Commission calendar.
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