

# sec news digest

Issue 94-109

June 10, 1994

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## ENFORCEMENT PROCEEDINGS

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### ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST JRG TRUST CORPORATION, INDIVIDUALLY AND FORMERLY DOING BUSINESS AS SHUTTLE AMERICA AND JOEL GOHEEN

The Commission instituted public administrative proceedings pursuant to the Securities Act of 1933 and the Securities Exchange Act of 1934 against JRG Trust Corporation, a private Florida corporation (JRG), and Joel R. Goheen (Goheen) of Boca Raton, Florida.

The order instituting public proceedings alleges that from approximately December 1993 through mid-February 1994, JRG and Goheen, JRG's chief executive officer, commenced an offering of "partnerships" in JRG's start-up airline, Shuttle America. The order also alleges, among other things, that JRG and Goheen represented that Goheen and JRG, independently, had the finances necessary to start up Shuttle America when, in fact, JRG and Goheen had no material liquid assets and that JRG did not need monies from the sale of partnerships to start up Shuttle America. In addition, the order alleges that they represented that Shuttle America would be purchasing an airline operating certificate "imminently" when, in fact, Shuttle America had no funds with which to purchase such a certificate and when there were no ongoing negotiations to purchase such a certificate; and that they represented that JRG had enjoyed past profitability when, in fact, JRG had never generated any income. (Rel. 34-34152)

### RULE 11 SANCTIONS IMPOSED AND ATTORNEYS' FEES AND COSTS ORDERED IN SPECIAL DELIVERY SYSTEMS LITIGATION

The Securities and Exchange Commission announced that, on May 26, 1994, an order was entered in the Southern District of New York against Frohling & Hanley (n/k/a Frohling, Hudak & McCarthy) and Linda McCarthy, Esq. (together, Respondents) awarding the Commission attorneys' fees and expenses of \$3,060 in connection with the Commission's motion for Rule 11 sanctions. The order follows an earlier decision in which the Court issued sanctions in the amount of \$5,000 against Respondents.

Respondents represented Samer S. Majzoub, a defendant in the litigation. In an answer filed on behalf of Majzoub, Respondents refused to admit matters which Majzoub had previously admitted in an allocution to a criminal plea. In his initial decision, the Honorable Peter K. Leisure found that Respondents did not make reasonable inquiry before filing the answer and sanctioned Respondents for filing a pleading lacking any factual basis.

Over Respondents' objections, the Court approved, in its entirety, the Commission's subsequent application for attorneys' fees and costs. The Court found the requested \$150 per hour rate "entirely reasonable" and further found the fees and costs requested by the Commission to be fair and supported by an accurate accounting of the fees and costs incurred. [SEC v. Special Delivery Systems, et al., USDC, SDNY, 93 Civ. 5766 PKL] (LR-13758)

#### ADMINISTRATIVE AND CEASE AND DESIST PROCEEDINGS AGAINST MELVIN HIRSCH

The Commission announced the institution of public administrative and cease and desist proceedings pursuant to Sections 9(b) and 9(f) of the Investment Company Act against Melvin L. Hirsch to determine whether he willfully violated, aided, abetted, counseled, commanded, procured or induced, and/or caused, violations of Sections 13(a)(2), 17(a)(2) and (3), 21(a), 21(b), 30(d), 31(a), 34(b), and 37 of the Investment Company Act and Rules 8b-16, 30d-1, and 31a-1(b)(2)(i)(d) thereunder. (Rel. IC-20335)

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#### INVESTMENT COMPANY ACT RELEASES

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#### THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK, ET AL.

An order has been issued on an application filed by The Mutual Life Insurance Company of New York and Keynote Series Account approving the substitution of beneficial interest in the portfolios of the Diversified Investors Portfolios for the shares of the MONY Series Fund, Inc. that are held currently by the Keynote Series Account. (Rel. IC - 20341 June 8)

#### NORWEST CORPORATION, ET AL.

A conditional order has been issued on an application filed by Norwest Corporation, et al. under Sections 6(c), 17(b), and 17(d) and Rule 17d-1 of the Investment Company Act exempting applicants from the provisions of Section 17(a) and permitting certain joint transactions pursuant to Section 17(d) and Rule 17d-1. The order permits certain collective investment funds sponsored by Norwest Bank Minnesota, N.A. (the "Bank") to transfer their assets to a mutual fund advised by the Bank (the "Fund") in exchange for shares of the Fund. The order also permits the

redemption in-kind of shares of Schroder Capital Funds, Inc. held by the collective investment funds prior to the transfer of their assets to the Fund. (Rel. IC - 20342 June 8)

**SMITH BARNEY SHEARSON UNIT TRUSTS AND SMITH BARNEY SHEARSON INC.**

An order has been issued on an application filed by Smith Barney Shearson Unit Trusts and Smith Barney Shearson Inc. under Section 6(c) of the Investment Company Act and Rule 17d-1 thereunder. The order would amend previous orders that exempt certain Shearson Lehman Brothers unit investment trusts and their sponsor from Sections 12(d)(1), 14(a), and 22(d) and permit certain transactions in accordance with Section 17(d) and Rule 17d-1. The orders will permit the trust and their sponsors to continue to, among other things, invest in portfolios consisting of zero-coupon obligations and shares of certain investment companies and engage in certain affiliated transactions. (Rel. IC - 20343 June 8)

**SMITH BARNEY SHEARSON UNIT TRUST AND SMITH BARNEY SHEARSON INC.**

An order has been issued on an application filed by Smith Barney Shearson Unit Trusts and Smith Barney Shearson Inc. under Section 6(c) of the Investment Company Act. The order amends previous orders that exempt applicants from Section 14(a) and approve certain exchange offers pursuant to Section 11(a). (Rel. IC - 220344 June 8)

**THE VARIABLE ANNUITY LIFE INSURANCE COMPANY, ET AL.**

A notice has been issued giving interested persons until July 5, to request a hearing on an application filed by The Variable Annuity Life Insurance Company (VALIC), Separate Account A of VALIC (the Separate Account), The Variable Annuity Marketing Company, and certain future separate accounts to be established by VALIC for an order pursuant to Section 6(c) of the Investment Company Act that would grant exemptions from (a) Sections 26(a)(2)(C) and 27(c)(2) of the Act to the extent necessary to permit the assessment of a mortality and expense risk charge against the assets of the Separate Account and future separate accounts, and (b) Sections 22(e), 27(c)(1) and 27(d) of the Act to permit compliance with the redeemability restrictions imposed by the Optional Retirement Program of the State University system of Florida. (Rel. IC - 20345 - June 8)

**THE LIFE INSURANCE COMPANY OF VIRGINIA, ET AL.**

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting The Life Insurance Company of Virginia (Life of Virginia), Life of Virginia Separate Account I, Life of Virginia

Separate Account II, Life of Virginia Separate Account III (the three separate accounts shall be referred to collectively as the Accounts) and certain other separate accounts (the "future accounts") established in the future by Life of Virginia, or any life insurance company affiliate of Life of Virginia, from the provisions of Sections 9(a), 13(a), 15(b) of the Act, and Rule 6e-3(T)(b)(15) thereunder, to the extent necessary to permit the Accounts and the future accounts to hold shares of Life of Virginia Series Fund, Inc. (the "Fund") at the same time that the Fund offers its shares to the Aon Savings Plan and Trust (the "Plan") or to other qualified pension or retirement plans. In addition, an order has been issued pursuant to Section 17(b) of the Act exempting Aon Advisors, Inc. and the Plan from Section 17(a) of the Act, to the extent necessary to permit the Plan to purchase certain classes of shares of the Fund with investment securities of the Plan. (Rel. IC - 20346 - June 8)

#### LIBERTY ALL-STAR EQUITY FUND, ET AL.

A notice has been issued giving interested persons until July 5, to request a hearing on an application filed by Liberty All-Star Equity Fund, et al. for an order under Section 6(c) of the Investment Company Act amending an existing order that granted a limited exemption from Section 15(a) of the Act. The existing order permits the Fund's investment adviser to hire and fire sub-advisers for the Fund and delay shareholder approval of the subadvisory contracts until the Fund's next annual meeting of shareholders. The amended order also would permit applicants to enter new sub-advisory agreements resulting from an "assignment," as defined in Section 2(a)(4) of the Act, and delay shareholder approval until the Fund's next annual meeting of shareholders. (Rel. IC - 20347 - June 8)

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#### SELF-REGULATORY ORGANIZATIONS

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#### NOTICE OF FILING AND IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

On June 3, the Participants Trust Company (PTC) filed with the Commission a proposed rule change relating to a modification of PTC's fees. Publication of the proposed rule change is expected to be made in the Federal Register during the week of June 13. (Rel. 34-34178)

#### UNLISTED TRADING PRIVILEGES GRANTED

An order has been issued granting the application of the Chicago Stock Exchange for unlisted trading privileges in three over-the-counter

issues, Altera Corporation, Mid Atlantic Medical Services and KLA Instruments and an application to withdraw unlisted trading privileges

in three over-the-counter issues, Filenes Basement Corporation, California Micro Devices and Discovery Zone, Inc. (Rel. 34-34177)

A notice has been issued giving interested persons until June 29, to comment on the application of the Cincinnati Stock Exchange for unlisted trading privileges in 32 issues which are listed and registered on one or more other national securities exchange and are reported in the consolidated transaction report system. (Rel. 34-34181)

A notice has been issued giving interested persons until June 29, to comment on the application of the Chicago Stock Exchange for unlisted trading privileges in 19 issues which are listed and registered on one or more other national securities exchange and are reported in the consolidated transaction reporting system. (Rel. 34-34182)

A notice has been issued giving interested persons until June 29, to comment on the application of the Pacific Stock Exchange for unlisted trading privileges in one issue which is listed and registered on one or more other national securities exchange and is reported in the consolidated transaction reporting system. (Rel. 34-34183)

An order has been issued granting the application of the Pacific Stock Exchange for unlisted trading privileges in the common stock of 6 issues which are listed and registered on one or more other national securities exchange and are reported in the consolidated transaction reporting system. (Rel. 34-34185)

#### DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration the Eagle-Picher Industries, Inc., Common Stock, \$1.25 Par Value. (Rel. 34-334184)

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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-3 MASCO CORP /DE/, 21001 VAN BORN RD, TAYLOR, MI 48180 (313) 274-7400 -  
242,211 (\$6,706,271.06) COMMON STOCK. (FILE 33-53959 - JUN. 03) (BR. 6)

- S-4 UNION PLANTERS CORP, 7130 GOODLETT FARMS PKWY, CORDOVA, TN 38018  
(901) 383-6000 - 2,240,906 (\$64,448,456) COMMON STOCK. (FILE 33-53961 - JUN. 03) (BR. 1)
- S-3 AMAX GOLD INC, 9100 EAST MINERAL CIRCLE, SUITE 900, ENGLEWOOD, CO 80155  
(303) 643-5500 (FILE 33-53963 - JUN. 03) (BR. 1)
- S-3 BRINKER INTERNATIONAL INC, 6820 LBJ FREEWAY #200, DALLAS, TX 75240  
(214) 980-9917 - 256,575 (\$6,334,837) COMMON STOCK. (FILE 33-53965 - JUN. 03) (BR. 12)
- S-8 WESTVACO CORP, 299 PARK AVE, NEW YORK, NY 10171 (212) 688-5000 -  
100,000,000 (\$65,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-53967 - JUN. 03) (BR. 8)
- S-8 RHODES INC, 4370 PEACHTREE RD N E, ATLANTA, GA 30319 (404) 264-4600 -  
1,025,922 (\$15,709,430.63) COMMON STOCK. (FILE 33-53969 - JUN. 03) (BR. 1)
- S-8 ANGELICA CORP /NEW/, 424 SOUTH WOODS MILL ROAD, CHESTERFIELD, MO 63017  
(314) 854-3800 - 500,000 (\$13,250,000) COMMON STOCK. (FILE 33-53971 - JUN. 03) (BR. 5)
- S-8 BURLINGTON RESOURCES INC, 5051 WESTHEIMER, SUITE 1400, HOUSTON, TX 77056  
(713) 831- - 10,000,000 (\$415,000,000) COMMON STOCK. (FILE 33-53973 - JUN. 03) (BR. 3)
- S-8 MORNINGSTAR GROUP INC, 5956 SHERRY LN STE 1100, DALLAS, TX 75225  
(214) 360-4700 - 850,000 (\$6,375,000) COMMON STOCK. (FILE 33-53975 - JUN. 06) (BR. 3)

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## ACQUISITIONS 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.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ % OWNED	CUSIP/ PRIOR%	FILING STATUS
AIRTRAN CORP FMR CORP	COM 13D	6/ 9/94	623 7.4	00949910 8.2	UPDATE
BANYAN MTG INVS L P III THSP ASSOC LP	DEPOSITARY UNIT 14D-1	6/ 8/94	1,532 13.6	06699410 13.6	UPDATE
BROOKSTONE INC FMR CORP	COM 13D	6/ 9/94	986 13.2	11453710 0.0	NEW
CALTON INC NEW FMR CORP	COM NEW 13D	6/ 9/94	559 2.4	13138020 14.2	UPDATE
CANDYS TORTILLA FACTORY INC ESTRADA ANTHONY J	COM 13D	5/27/94	24 0.8	13749310 22.6	UPDATE
CANDYS TORTILLA FACTORY INC ESTRADA CANDELARIO J	COM 13D	5/27/94	15 0.5	13749310 22.3	UPDATE
CANDYS TORTILLA FACTORY INC FRESQUEZ CAROLINA A	COM 13D	5/27/94	15 0.5	13749310 22.3	UPDATE
CASHBUILDER INC CORPORATE COMM NETWORK INC	COM 13D	6/ 1/94	209,600 100.0	14755310 0.0	NEW
DICEON ELECTRS INC MANDARIC MILAN	COM 13D	6/ 7/94	774 15.1	25302610 14.7	UPDATE
ELECTRO SCIENTIFIC INDS INC FMR CORP	COM 13D	6/ 9/94	525 8.2	28522910 7.9	UPDATE
EVERGREEN INFO TECHNOLOGIES CHOW JOSEPH C F	COM 13D	5/ 6/94	454 23.6	30024010 19.4	UPDATE
HELM RES INC FOX GERSON I	COM NEW 13D	4/29/94	558 26.2	42342520 12.5	UPDATE
HELM RES INC PALITZ CLARENCE Y ET AL	COM NEW 13D	5/15/94	570 26.8	42342520 0.0	NEW
I-STAT CORP WHITEHEAD ASSOCIATES ET AL	COM 13D	5/27/94	1,923 17.6	45031210 21.7	UPDATE
INDEPENDENT TELEMEDIA GP INC BONN EDWARD J	COM PAR NEW 13D	5/24/94	433 16.9	45406610 20.6	UPDATE
INSITUFORM TECHNOLOGIES INC RINGWOOD LTD ET AL	CL A 13D	6/ 1/94	1,581 11.2	45766710 12.4	UPDATE
INTERNATIONAL CABLETEL INC FMR CORP	COM 13D	6/ 9/94	1,126 16.0	45921610 0.0	NEW
INTERNATIONAL CABLETEL INC FMR CORP	COM 13D	6/ 9/94	1,126 16.0	45921610 0.0	RVSION
INTERNATIONAL CABLETEL INC FMR CORP	COM 13D	6/ 9/94	1,126 16.0	45921610 0.0	RVSION
INTERNATIONAL CABLETEL INC FMR CORP	COM 13D	6/ 9/94	1,126 16.0	45921610 0.0	RVSION
INTL CONTAINER SYS INC POLYMER INTL CORP	COM 14D-1	6/ 9/94	1,868 81.7	45935910 54.5	UPDATE

## ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
KEYSTONE CONS INDS INC SIMMONS HAROLD C.ET AL	COM 13D	5/23/94	3,570 65.4	49342210 62.0	UPDATE
LASMO PLC ENTERPRISE OIL PLC	ORDINARY SHARES 14D-1	6/ 8/94	0 0.0	50173010 N/A	UPDATE
LASMO PLC ENTERPRISE OIL PLC	SPONSORED ADR 14D-1	6/ 8/94	0 0.0	50173020 0.0	UPDATE
LARIZZA INDS INC LARIZZA RONALD T	COM 13D	5/ 4/94	11,182 81.0	51723510 81.7	UPDATE
LARIZZA INDS INC SAWYER EDWARD L JR	COM 13D	5/ 4/94	2,024 14.7	51723510 24.9	UPDATE
M S E CABLE SYSTEMS INC DOYLE INVESTMENT GRP L L C	COM 13D	5/18/94	2,209 33.6	55354820 31.6	UPDATE
OIS OPTICAL IMAGING SYS INC DAVIDSON WILLIAM ET AL	COM 13D	6/ 1/94	74,299 100.0	67085210 100.0	UPDATE
PS PARTNERS IV LTD STORAGE EQUITIES	UNITS LTD PRT INT 14D-1	6/ 9/94	42 33.1	69362592 24.8	UPDATE
PACIFIC GATEWAY PPTYS INC STEPHENS PAUL H ET AL	COM 13D	6/ 8/94	192 4.9	69432910 5.5	UPDATE
RESORTS INTL INC GRIFFIN MERVYN E	COM 13D	5/ 3/94	9,065 45.0	76118540 21.8	UPDATE
REXENE CORP NEW KINGDON CAPITAL MGMT CORP	COM 13D	6/ 1/94	844 8.0	76168310 0.0	NEW
RENAISSANCE ENTERTAINMENT CRESTIVE BUSINESS STRATEGIES	COM 13D	4/18/94	554 13.6	77199510 0.0	NEW
RENAISSANCE ENTERTAINMENT LEAVELL MGMT GRP INC	COM 13D	4/18/94	2,021 36.0	77199510 0.0	NEW
SELECTIONICS INC XEROX CORP ET AL	COM 13D	5/19/94	31,824 100.0	81631410 100.0	UPDATE
TSR INC HUGHES JOSEPH F	COM 13D	6/ 1/94	613 40.4	87288510 35.4	UPDATE
UNIROYAL TECHNOLOGY CORP RUSSELL THOMAS J	COM 13D	5/31/94	1,765 13.7	90916310 0.0	NEW
WORLDCORP INC ANDREWS T COLEMAN III	COM 13D	6/ 9/94	15 0.1	98190410 5.3	UPDATE