

# sec news digest

Issue 94-231

December 6, 1994

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## RULES AND RELATED MATTERS

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### COMMENTS REQUESTED ON TRANSFER AGENTS OPERATING BOOK-ENTRY REGISTRATION

The Commission authorized publication of a release inviting comment on a direct registration system permitting shareholders to hold securities in book-entry form directly with the issuer.

Comments should be submitted in triplicate to Jonathan A. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Mail Stop 6-9, Washington, D.C. 20540. Comments must be received 60 days after the release is published in the Federal Register, and should refer to File No. S7-34-94. All submissions will be available for inspection in the Public Reference Room. (Release 34-35038)

FOR FURTHER INFORMATION CONTACT: Ester Saverson, Jr. or Michele Bianco at (202) 942-4187.

### LETTER TO FIRST CHICAGO TRUST COMPANY OF NEW YORK

The Commission authorized the issuance of a letter granting no-action relief from the registration requirements of the Securities Act of 1933, and certain statutory provisions of the Exchange Act, and Rules 10b-6 and 10b-13 thereunder, in connection with an investor services program that will provide a base for a direct registration system. See Letter regarding First Chicago Trust Company of New York (December 1, 1994).

FOR FURTHER INFORMATION CONTACT: Susan Grafton at (202) 942-0779.

## RULE 10b-6 CLASS EXEMPTION LETTER

The Commission authorized the issuance of a letter granting a class exemption from Rule 10b-6 under the Securities Exchange Act of 1934 for certain dividend reinvestment and stock purchase plans (DRPPS), subject to certain terms and conditions. This letter also sets forth the staff's views on broker-dealer registration issues under Section 15(a) of the Exchange Act. See Letter regarding the Securities Transfer Association, Inc. (December 1, 1994). (Release Nos. 33-7114, 34-35041)

FOR FURTHER INFORMATION CONTACT: Susan Grafton at (202) 942-0779 (for issues relating to Rule 10b-6), or Belinda Blaine at (202) 942-0073 (for issues relating to Section 15(a)).

## PROPOSED AMENDMENT TO RULES 17Ad-2, 17Ad-10, AND 17Ad-12

The Commission authorized publication of a release proposing amendments to Rules 17Ad-2, 17Ad-10, and 17Ad-12 under the Securities Exchange Act of 1934. The proposed amendments concern turnaround times, recordkeeping, and safeguarding of funds. Comments also are invited regarding whether additional rules, such as net worth and insurance requirements, are needed. (Release No. 34-35040)

FOR FURTHER INFORMATION CONTACT: Ester Saverson, Jr. or Michele Bianco at (202) 942-4187.

## AMENDMENT TO RULE 17Ad-16 ADOPTED

The Commission adopted an amendment to Rule 17Ad-16 under the Securities Exchange Act of 1934. The amendment will require a registered transfer agent to provide written notice to at least one securities depository when terminating or assuming transfer agent responsibilities on behalf of an issuer or when changing its name or address. (Release No. 34-35039)

FOR FURTHER INFORMATION CONTACT: Ester Saverson, Jr. or Christine Sibille at (202) 942-4187.

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## ENFORCEMENT PROCEEDINGS

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### ORDER OF PERMANENT INJUNCTION AND OTHER RELIEF ENTERED AGAINST WILLIAM COOPER

On November 4, the U.S. District Court for the Central District of California issued an Order of Permanent Injunction and Other Relief (Order) against defendant William E. Cooper (Cooper), enjoining him from

future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and requiring him to disgorge his gain resulting from the offer and sale of limited partnerships by defendants Cooper, Robert E. Lindley (Lindley), Valerie Jensen (Jensen), VestCorp Securities, Inc. (VestCorp), and First Pension Corporation (First Pension). Cooper consented, without admitting or denying the allegations in the complaint, to the entry of the Order.

The Commission's complaint alleges that Cooper, VestCorp, First Pension, Lindley and Jensen violated the antifraud provisions of the federal securities laws in connection with the sale of real estate limited partnerships and the operation of First Pension. The complaint alleges that up to \$124 million in investor funds are at risk, including \$25 million misappropriated from First Pension and \$99 million raised through the sale of partnerships through VestCorp. [SEC v. William E. Cooper, Vestcorp Securities, Inc., First Pension Corporation, Robert E. Lindley, Valerie Jensen, Ernest-Edwards & Associates, Inc., First Diversified Financial Services, Inc., Terri Cooper, Sandee Russell and Tiffany Escrow Company, Civil Action No. 94-3144, HLH, DTX, C.D. Cal.] (LR-14343)

#### IRWIN MAUTNER CONSENTS TO ENTRY OF PERMANENT INJUNCTION, CIVIL PENALTIES AND DISGORGEMENT

On December 1, the United States District Court for the Southern District of New York entered a final judgment against Irwin Mautner in the action that the Commission filed against him on August 30, 1994 (SEC v. Mautner and Lipoff, Civ. No. 94-6197, TPG, SDNY). Mautner consented to the entry of the judgment, without admitting or denying the Commission's allegations. Pursuant to the final judgment, a permanent injunction was entered against Mautner prohibiting violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. In addition, the court entered an order, by consent, permanently prohibiting Mautner, pursuant to Section 21(d)(2) of the Exchange Act, from acting as an officer or director of any issuer that has a class of securities registered under Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act. Mautner also agreed to pay a \$50,000 penalty and to disgorge \$156,863, which represents bonuses received by Mautner from the issuer, Programming and Systems, Inc. (PSI), and prejudgment interest thereon.

The Commission had alleged that Mautner and Alvin Lipoff, respectively the former president and chief financial officer of PSI, caused the company to materially misstate its income in financial statements filed with the Commission for its 1989, 1990 and 1991 fiscal years. Lipoff previously settled the action against him. PSI was permanently enjoined in November 1992 in connection with the wrongdoing alleged in the Commission's complaint against Mautner and Lipoff. [SEC v. Programming & Systems, Inc., Civ. No. 92-1539, RCL, D.D.C.] (LR-14344)

## CEASE-AND-DESIST ORDER ENTERED AGAINST DERRYL PEDEN

On June 23, 1994, the Commission instituted public administrative and cease-and-desist proceedings against Derryl W. Peden, Esq. (Peden) of Jackson, Mississippi, bond counsel for seven purportedly tax exempt municipal bond offerings. On November 30, 1994, the Commission accepted Peden's Offer of Settlement, pursuant to which he consented, without admitting or denying the Commission's findings, to an order requiring him to permanently cease and desist from committing or causing any violation or future violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and ordering him to disgorge \$35,000. In the Order, the Commission found that, from August 1992 through at least October 1993, Peden violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by preparing Official Statements for the seven municipal bond offerings which failed to disclose that proceeds derived from the bond offerings were utilized in violation of certain provisions of the Internal Revenue Code, thereby creating the substantial risk that interest payments on the bonds were not tax exempt as represented in the Official Statements. (Rel. 34-35045)

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## INVESTMENT COMPANY ACT RELEASES

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### THE RBB FUND, INC., ET AL.

A notice has been issued giving interested persons until December 27 to request a hearing on an application filed by The RBB Fund, Inc., et al. for an order under Section 6(c) of the Investment Company Act exempting the Fund from Sections 2(a)(32), 2(a)(35), 18(f), 18(g), 18(i), 22(c), and 22(d) of the Act and Rule 22c-1 thereunder. The order would permit investment portfolios of the Fund to issue multiple classes of shares representing interests in the same portfolio of securities and assess, and under certain circumstances waive, a contingent deferred sales charge on redemptions of shares. The order would supersede a prior order to permit the Fund to issue multiple classes of shares in its portfolios that declare dividends on a non-daily, as well as a daily, basis. (Rel. IC-20751 - December 2)

### FIRST INVESTORS CORPORATION, ET AL.

A notice has been issued giving interested persons until December 28 to request a hearing on an application filed by First Investors Corporation; First Investors Life Insurance Company (First Investors);

First Investors' Cash Management Fund, Inc., Global Fund, Inc., Government Fund, Inc., High Yield Fund, Inc., Fund for Income, Inc., Insured Tax Exempt Fund, Inc., Multi-State Insured Tax Free Fund, New York Insured Tax Free Fund, Inc., Series Fund, Series Fund II, Inc., Tax-Exempt Money Market Fund, Inc., and U.S. Government Plus Fund; First Investors' Separate Account A and Separate Account C; First Investors' Single Payment and Periodic Payment Plans for the Accumulation of Shares of First Investors Global Fund, Inc., for Investment in First Investors Government Fund, Inc., for Investment in First Investors High Yield Fund, Inc., for Investment in First Investors Fund for Income, Inc., and for Investment in First Investors Insured Tax Exempt Fund, Inc; and any mutual funds, separate accounts, and contractual plans that may be subsequently organized or sponsored by First Investors or its affiliates (collectively, Applicants). Applicants request an order of the Commission under Section 11 of the Act approving the terms of certain offers of exchange involving certain mutual funds, variable annuity contracts and contractual plans; and an amendment to a prior order issued by the Commission relating to certain offers of exchange involving certain contractual plans and mutual funds. (Rel. IC-20752 - December 2)

#### THE CHASE MANHATTAN BANK, N.A.

An order has been issued on an application by The Chase Manhattan Bank, N.A. (Chase) granting a conditional exemption from Section 17(f) of the Act to let Chase maintain securities of United States registered investment companies for which it serves as custodian or subcustodian in Mexico in the custody of The Chase Manhattan Bank Mexico, S.A. (Rel. IC-20753; International Series Rel. 755 - December 5)

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#### HOLDING COMPANY ACT RELEASES

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#### NORTHEAST UTILITIES SERVICE CO., ET AL.

A notice has been issued giving interested persons until December 27 to request a hearing on a proposal by Northeast Utilities Service Company, a service company subsidiary of Northeast Utilities (NU), a registered holding company, NU's nuclear service company subsidiaries, Northeast Nuclear Energy Company and North Atlantic Energy Service Company, and Connecticut Yankee Atomic Power, an electric public-utility subsidiary of NU, to purchase up to 40,000 shares, \$5 par value, of NU's common stock to be used as part of a program of special compensation packages to be offered to certain employees of each of NU's subsidiary service companies. (Rel. 35-26180)

## CENTRAL AND SOUTH WEST CORPORATION, ET AL.

A notice has been issued giving interested persons until December 27 to request a hearing on a proposal by Central and South West Corporation (CSW), a registered holding company, and its wholly owned nonutility subsidiary, Central and South West Services, Inc. (CSWS), to consolidate and restructure in CSWS certain operations and functions currently being performed by each of CSW's electric operating subsidiaries. (Rel. 35-26180)

## CINERGY CORP.

A notice has been issued giving interested persons until December 27 to request a hearing on a proposal by CINergy Corp. (CINergy), a registered holding company. CINergy requests authorization to issue and sell, from time to time through January 31, 1997, in an aggregate principal amount at any one time outstanding not to exceed \$375 million, unsecured short-term promissory notes to banks and other financial institutions; commercial paper to commercial paper dealers and financial institutions; and unsecured demand promissory notes to banks evidencing CINergy's reimbursement obligation in respect of letters of credit issued by such banks on CINergy's behalf. (Rel. 35-26180)

## CONSOLIDATED NATURAL GAS CO., ET AL.

A notice has been issued giving interested persons until December 27 to request a hearing on a proposal by Consolidated Natural Gas Co., a registered holding company, and its wholly owned nonutility subsidiary, CNG Energy Company, to purchase interests in a Texas limited partnership, Bear Mountain Limited, which owns an independent power project that will be a qualified cogeneration facility under the Public Utility Regulatory Policies Act of 1978. (Rel. 35-26180)

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## SELF-REGULATORY ORGANIZATIONS

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### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The Participants Trust Company filed a proposed rule change (SR-PTC-94-06) designating certain mortgage-backed securities guaranteed by the Government National Mortgage Association as depository eligible securities. The proposed rule change was effective upon filing. Publication of the proposed rule change is expected in the Federal Register during the week of December 5. (Rel. 34-35044)

## APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by the New York Stock Exchange (SR-NYSE-94-02) relating to an interpretation of NYSE Rule 409 (Statements of Accounts to Customers). (Rel. 34-35047)

## PROPOSED RULE CHANGE

The Chicago Stock Exchange filed a proposed rule change (SR-CHX-94-23) to allow the Committee on Floor Procedure to allow differentials to be charged for non-regular way odd-lot trades. Publications of the proposal is expected in the Federal Register during the week of December 5. (Rel. 34-35048)

## JOINT INDUSTRY PLANS PROPOSED AMENDMENT

The Options Price Reporting Authority filed pursuant to Rule 11Aa3-2 under the Securities Exchange Act of 1934, an amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information, for the purpose of providing separate "unbundled" last sale and quotation services for foreign currency options and index options. Publication of the Release is expected in the Federal Register during the week of December 5. (Rel. 34-35049; International Series Rel. 754; S7-8-90)

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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-8 PACIFICORP /OR/, 700 NE MULTNOMAH STE 1600, PORTLAND, OR 97232  
(503) 731-2000 - 6,000 (\$110,250) COMMON STOCK. (FILE 33-56625 - NOV. 28)  
(BR. 8)
- S-4 COMERICA INC /NEW/, 100 RENAISSANCE CTR, SUITE 3800, DETROIT, MI 48243  
(313) 222-4000 - 2,680,820 (\$66,037,614.57) COMMON STOCK. (FILE 33-56627 - NOV. 28) (BR. 1)
- SB-2 ST CLAIR DEVELOPMENT CORP, 2712 TRANSPORTATION AVE STE F, NATIONAL CITY, CA 91950 - 790,625 (\$6,382,500) COMMON STOCK. 781,250 (\$625) WARRANTS, OPTIONS OR RIGHTS. 131,250 (\$590,040) COMMON STOCK. (FILE 33-86400-LA - NOV. 14) (BR. 12 - NEW ISSUE)
- SB-2 ESI FINANCIAL PARTNERS LP, NORTH 222 WALL ST, STE 310, SPOKANE, WA 99201  
(609) 623-1300 - 75,000 (\$7,500,000) LIMITED PARTNERSHIP CERTIFICATE.  
(FILE 33-86432-LA - NOV. 17) (BR. 11 - NEW ISSUE)

REGISTRATIONS CONT.

- S-4 ALLIED DIGITAL TECHNOLOGIES CORP, 7375 WOODWARD AVE, DETROIT, MI 48202  
(313) 871-2222 - 3,957,500 (\$30,540,938) COMMON STOCK. 240,000  
(\$1,770,000) WARRANTS, OPTIONS OR RIGHTS. 360,000 (\$5,474,400)  
COMMON STOCK. (FILE 33-86530 - NOV. 18) (BR. 11)
- S-8 FIRST USA INC, 2001 BRYAN TOWER 38TH FL, DALLAS, TX 75201 (214) 746-8366  
- 100,000 (\$3,418,750) COMMON STOCK. (FILE 33-86658 - NOV. 23) (BR. 11)
- F-1 CELANESE MEXICANA SA, APARTADO POSTAL 112-BIS, AVENIDA REVOLUCION 1425,  
MEXICO DF, 05 (525) 325-5000 - 5,750,000 (\$103,500,000)  
FOREIGN COMMON STOCK. UNDERWRITER: INVERSORA BURSATIL SA DE CV,  
LAZARD FRERES & CO, MERRILL LYNCH & CO. (FILE 33-86660 - NOV. 23) (BR. 1  
- NEW ISSUE)
- N-5 SIRROM CAPITAL CORP, 511 UNION ST, STE 2310, NASHVILLE, TN 37219  
(615) 256-0701 - 2,610,500 (\$31,326,000) COMMON STOCK. UNDERWRITER:  
BRADFORD J C & CO, EQUITABLE SECURITIES CORP, ROBINSON HUMPHREY CO INC.  
(FILE 33-86680 - NOV. 23) (BR. 12)
- S-1 THERMO ENERGY SYSTEMS CORP, 81 WYMAN ST, PO BOX 9046, WALTHAM, MA 02254  
(617) 622-1500 - 2,300,000 (\$31,050,000) COMMON STOCK. UNDERWRITER:  
CAZENOVE & CO, LEHMAN BROTHERS, NATWEST SECURITEIS LTD. (FILE 33-86682 -  
NOV. 23) (BR. 8 - NEW ISSUE)
- S-1 PENFED BANCORP INC, 215 SHELBY ST, FALMOUTH, KY 41040 (606) 654-6961 -  
396,750 (\$3,967,500) COMMON STOCK. (FILE 33-86686 - NOV. 23) (BR. 2  
- NEW ISSUE)
- S-1 STAR MARKETS CO INC, 625 MT ALBURN ST, CAMBRIDGE, MA 02138  
(617) 661-2200 - 110,000,000 (\$110,000,000) STRAIGHT BONDS. (FILE  
33-86690 - NOV. 23) (BR. 2 - NEW ISSUE)
- S-1 KNOGO NORTH AMERICA INC, 350 WIRELESS BLVD, HAUPPAUGE, NY 11788  
(516) 232-2100 - 6,100,000 (\$20,984,000) COMMON STOCK. (FILE 33-86694 -  
NOV. 23) (BR. 7 - NEW ISSUE)
- SB-2 NICKELODEON THEATER CO INC, 431 COLLEGE BLVD, OCEANSIDE, CA 92057  
(619) 630-2011 - 12,276,135 (\$43,961,925) COMMON STOCK. 150,000 (\$45,000)  
WARRANTS, OPTIONS OR RIGHTS. (FILE 33-86714 - NOV. 25) (BR. 11  
- NEW ISSUE)
- F-6 CERAMIC INTERNATIONAL INC /ADR/, 111 WALL ST, C/O CITIBANK NA, NEW YORK,  
NY 10043 (212) 657-7321 - 50,000,000 (\$2,500,000)  
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-86722 - NOV. 25) (BR. 99  
- NEW ISSUE)
- F-6 CEMENTOS LIMA SA, 48 WALL ST, C/O BANK OF NEW YORK, NEW YORK, NY 10286  
(212) 495-1727 - 20,000,000 (\$1,000,000)  
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-86746 - NOV. 25) (BR. 99  
- NEW ISSUE)
- F-6 CERAMIC INTERNATIONAL INC /ADR/, 111 WALL ST, C/O CITIBANK NA, NEW YORK,  
NY 10043 (212) 657-7321 - 50,000,000 (\$2,500,000)  
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-86748 - NOV. 25) (BR. 99)
- SB-2 ANGSTROM TECHNOLOGIES INC, 1895 AIRPORT EXCHANGE BLVD STE 110, ERLANGER,  
KY 41018 (606) 282-0020 - 3,200,000 (\$448,000) COMMON STOCK. (FILE  
33-86754 - NOV. 23) (BR. 2)