

# sec news digest

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Issue 91-112

JUN 13 1991

June 11, 1991

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COMMISSION ANNOUNCEMENTS

U.S. SECURITIES  
EXCHANGE COMMISSION

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CHAIRMAN BREEDEN TO TESTIFY

Chairman Breeden will testify before the Securities Subcommittee of the Senate Committee on Banking, Housing and Urban Affairs on Wednesday, June 12 at 2:00 p.m. Subject of the hearing, which will be in Room 538 of the Dirksen Senate Office Building, is proposed amendments to the Government Securities Act of 1986.

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SUPREME COURT UNANIMOUSLY AFFIRMS SEC POSITION ON BROAD STANDING FOR SECTION 16(b) PLAINTIFFS

On June 10, the Supreme Court upheld the position of the SEC as amicus curiae in the case of *Gollust v. Mendell*, No. 90-659, involving Section 16(b) of the Securities Exchange Act of 1934. In an opinion by Justice Souter, unanimously affirming the decision of the U.S. Court of Appeals for the Second Circuit, the Court held that a shareholder who had properly instituted suit to recover short-swing profits from an issuer's statutory insiders, but who was subsequently divested of his shares by a merger which resulted in an exchange of the plaintiff's stock for cash and stock in the issuer's new corporate parent, was not divested of standing to maintain his suit. (Press Rel. 91-33)

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RULES AND RELATED MATTERS

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ADMINISTRATIVE DISPUTE RESOLUTION ACT NEGOTIATED RULEMAKING ACT

On behalf of the Commission, the General Counsel, James R. Doty, released a statement concerning the Commission's compliance with the Administrative Dispute Resolution Act, Public Law 101-552, and the Negotiated Rulemaking Act, Public Law 101-648. These two acts, enacted in November, 1990, authorize the use of arbitration, mediation and other consensual methods of dispute resolution by federal agencies.

The General Counsel, who was designated as the Commission's "ADR Specialist" on March 18, 1991, stated that the Commission considers the adoption of appropriate alternative dispute resolution (ADR) and negotiated rulemaking (reg-neg) policies to be a priority item. Accordingly, the General Counsel has formed an internal "ADR & Reg-Neg Task Force" to examine all aspects of Commission activities in order to determine where ADR or reg-neg procedures may be appropriate.

The General Counsel further stated that it is contemplated that the Commission will publish a release in the near future soliciting comments regarding the utility of ADR and reg-neg procedures in Commission activities. Until the Commission adopts appropriate policies, however, it does not intend to consider employing ADR or reg-neg on a case-by-case basis. (Rel. 34-29284)

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## ADMINISTRATIVE PROCEEDINGS

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### SANCTION IMPOSED ON WALTER CURRAN

An Initial Decision by Judge Brenda P. Murray found that it is in the public interest to bar Walter F. Curran, a registered representative with Dean Witter Reynolds in Boston from 1981 to 1989, from being associated with a broker or dealer. Mr. Curran is serving concurrent three-year sentences at the Federal Correctional Institution at Morgantown, West Virginia as the result of a guilty plea to 13 counts of mail fraud and one count of transporting into the United States more than \$10,000 and failing to file a report. Mr. Curran has been ordered to make restitution of \$1.15 million and will be on probation for five years. (Initial Decision Rel. No. 20)

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## CIVIL PROCEEDINGS

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### CIVIL INJUNCTIVE ACTION FILED AGAINST ANTHONY MORELLI AND OTHERS

On June 10, the New York Regional Office announced the filing of a civil action in Manhattan against Anthony M. Morelli (Morelli), Frank S. Petrone (Petrone), and James Zanengo (Zanengo) seeking permanent injunctive relief, disgorgement, and penalties under the Insider Trading Sanctions Act of 1984 (ITSA). The complaint alleges that all three violated Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 in connection with the 1988 tender offer by Philip Morris Companies (Philip Morris) for Kraft, Inc. (Kraft).

The complaint maintains that Petrone, a New Jersey stockbroker, and Zanengo, a fellow broker, purchased call options for Kraft common stock while in possession of material, non-public information about the tender offer. The source of the information allegedly was Petrone's father-in-law, Morelli, Director of Headquarters Services for Philip Morris. On or about October 17, 1988, Morelli allegedly learned of the tender offer and unlawfully communicated that information to Petrone.

The complaint also alleges that Petrone caused Zanengo to purchase Kraft call options. Thereafter, Petrone communicated material, non-public information about the tender offer to Zanengo, who purchased additional Kraft call options. Zanengo then allegedly caused others to purchase Kraft securities.

According to the complaint, Petrone, Zanengo, and the individuals whose trading was caused by Zanengo, profited by \$333,974.97 from the alleged transactions. [SEC v. Morelli, et al., 91 Civ. 3874, PKL, USDC, SDNY, June 10] (LR-12882)

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## INVESTMENT COMPANY ACT RELEASES

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### MUTUAL RISK MANAGEMENT

An order has been issued under Section 6(c) of the Investment Company Act on an application filed by Mutual Risk Management Ltd. (MRM), a foreign insurance holding company. The order permits MRM to offer and sell its common stock in the United States without registering as an investment company under the Act. (Rel. IC-18187; International Series Rel. 287 - June 7)

### NATIONAL CASH RESERVES

A notice has been issued giving interested persons until July 1 to request a hearing on an application filed by National Cash Reserves, Inc. for an order of the Commission, pursuant to Section 8(f) of the Investment Company Act declaring that it has ceased to be an investment company. (Rel. IC-18186 - June 7)

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## HOLDING COMPANY ACT RELEASES

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### CENTRAL AND SOUTH WEST CORPORATION

An order has been issued authorizing a proposal by Central and South West Corporation (CSW), a registered holding company, and other entities. The other entities are CSW Energy, Inc. (Energy), a wholly owned subsidiary company of CSW, CSW Development-I, Inc. (Energy Sub), a wholly owned subsidiary company of Energy, ARK/CSW Development Partnership (Joint Venture), a general partnership and a subsidiary of Energy Sub, and Oildale Cogeneration Partners, L.P. Partnership (Partnership), a proposed special purpose limited partnership and subsidiary company of Joint Venture (collectively, Companies). CSW and the Companies have been authorized to create Partnership in order to invest in a qualifying cogeneration facility known as the Oildale Project (Project). In addition, CSW and the Companies have been authorized to: (1) create a legal entity to serve as the initial sole general partner of the Partnership; (2) obtain authorization for the Partnership to borrow up to an aggregate principal amount of \$31 million to acquire the lessee interest and other assets of Catalyst Golden Bear Cogeneration Partnership in the Project; (3) arrange for a letter of credit to be issued by a third party lender; (4) obtain authorization for the Partnership to enter into a construction management agreement with Energy; and (5) guarantee the obligations under a support agreement. (Rel. 35-25327)

### SOUTHWESTERN ELECTRIC POWER COMPANY

An order has been issued authorizing a proposal by Southwestern Electric Power Company (SWEPCO), an electric public utility subsidiary of Central and South West Corporation (CSW), a registered holding company. SWEPCO has been authorized to enter into an agreement to amend an existing loan agreement to: (1) extend the maturity of the notes issued under the loan agreement through June 15, 1997; (2) amend the interest rate on the loan; (3) add provisions to compensate the lenders for their costs of complying with capital adequacy regulations; and (4) add assignment and participation provisions. (Rel. 35-25328)

## THE COLUMBIA GAS SYSTEM

A notice has been issued giving interested persons until July 1 to request a hearing on a proposal by The Columbia Gas System, Inc. (Columbia), a registered holding company. Columbia proposes to exchange (Exchange) all of the common stock and debt of its nonutility subsidiary companies, Columbia Gas Development Corporation, Columbia Gas Development of Canada, Ltd. and Columbia Natural Resources, Inc. (collectively, Production Subsidiaries), for up to 50 million shares of common stock, \$5 par value, and installment promissory notes of a newly-created subsidiary holding company (Newco). Columbia also proposes to issue and sell no more than 11 million shares of Newco common stock to the public under an exception from competitive bidding. Columbia further proposes that Newco acquire securities authorized for issuance by the Production Subsidiaries by order dated December 31, 1991 (HCAR No. 25001) to the extent such authority remains unused after the Exchange and prior to December 31, 1991. (Rel. 35-25329)

## NORTHEAST UTILITIES

A notice has been issued giving interested persons until July 1 to request a hearing on a proposal by Northeast Utilities (Northeast), a registered public-utility holding company, and its subsidiary companies, Northeast Utilities Service Company (NUSCO), Connecticut Light and Power Company (CL&P) and Yankee Atomic Electric Company (YAEC) (collectively, Applicants). Northeast proposes to form and capitalize North Atlantic Energy Service Corporation (NAESCO) as an electric public-utility and service company subsidiary to manage, operate and maintain the Seabrook Nuclear Power Plant (Seabrook). Northeast also proposes that NAESCO issue and sell to Northeast up to 1,000 shares of NAESCO's common stock, \$1.00 par value, for \$10,000. Northeast further proposes that; (1) NAESCO to provide certain services for Seabrook under operating agreements with Seabrook's joint owners; (2) CL&P to enter into an indemnification agreement with YAEC; and (3) NUSCO, YAEC and Public Service Company of New Hampshire, a New Hampshire publicly owned electric utility, to enter into certain service agreements with NAESCO. The Applicants request authority to consummate the proposed transactions within one year from the date of the Commission's order approving such transactions. (Rel. 35-25329)

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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-18 INSIGNIA SYSTEMS INC/MN, 3800 ANNAPOLIS LANE N, PLYMOUTH, MN 55447 (612) 553-3200 - 1,610,000 (\$5,836,250) COMMON STOCK. (FILE 33-40765-C - MAY. 22) (BR. 6 - NEW ISSUE)

S-8 FIRST FINANCIAL MANAGEMENT CORP, 3 CORPORATE SQ STE 700, ATLANTA, GA 30329 (404) 321-0120 - 100,000 (\$3,475,000) COMMON STOCK. (FILE 33-40891 - JUN. 03) (BR. 6)

REGISTRATIONS CONTINUED

- S-8 DIGITAL COMMUNICATIONS ASSOCIATES INC, 1000 ALDERMAN DR, ALPHARETTA, GA 30202  
(404) 442-4000 - 150,000 (\$2,381,250) COMMON STOCK. (FILE 33-40892 - JUN. 03) (BR. 10)
- S-8 MICROCOM INC, 500 RIVER RIDGE DR, NORWOOD, MA 02062 (617) 551-1000 - 325,000  
(\$2,153,125) COMMON STOCK. (FILE 33-40893 - JUN. 03) (BR. 7)
- S-8 WESTON ROY F INC, 1 WESTON WAY, C/O A FREDERICK THOMPSON, WEST CHESTER, PA 19380  
(215) 692-3030 - 450,000 (\$3,010,500) COMMON STOCK. (FILE 33-40897 - JUN. 04) (BR. 8)
- S-8 WESTON ROY F INC, 1 WESTON WAY, C/O A FREDERICK THOMPSON, WEST CHESTER, PA 19380  
(215) 692-3030 - 625,000 (\$4,925,000) COMMON STOCK. (FILE 33-40898 - JUN. 04) (BR. 8)
- S-8 MEDCO RESEARCH INC, 8733 BEVERLY BLVD, STE 404, LOS ANGELES, CA 90048 (213) 854-1954  
- 482,200 (\$3,948,238) COMMON STOCK. 167,800 (\$2,758,296) COMMON STOCK. (FILE  
33-40900 - JUN. 04) (BR. 4)
- S-3 NEVADA POWER CO, 6226 W SAHARA AVE, LAS VEGAS, NV 89102 (702) 367-5000 - 4,000,000  
(\$79,250,000) COMMON STOCK. UNDERWRITER: GOLDMAN SACHS & CO, MERRILL LYNCH & CO,  
PAINWEBBER INC. (FILE 33-40901 - JUN. 04) (BR. 8)
- S-1 KOLL MANAGEMENT SERVICES INC, 4343 VON KARMAN AVE, NEWPORT BEACH, CA 92660  
(714) 833-9360 - 450,000 (\$5,625,000) COMMON STOCK. 815,000 (\$10,187,500)  
COMMON STOCK. UNDERWRITER: PRUDENTIAL SECURITIES INC. (FILE 33-40948 - MAY. 31)  
(BR. 5 - NEW ISSUE)
- S-1 BOK FINANCIAL CORP, 6733 SOUTH YALE, TULSA, OK 74136 (918) 494-0000 - 181,064,310  
(\$9,890,638) COMMON STOCK. (FILE 33-40950 - MAY. 31) (BR. 2 - NEW ISSUE)
- S-8 WILLIAMS SONOMA INC, 100 N POINT ST, SAN FRANCISCO, CA 94133 (415) 421-7900 -  
225,000 (\$999,000) COMMON STOCK. (FILE 33-40957 - JUN. 03) (BR. 1)
- S-1 INTERNATIONAL COLIN ENERGY CORP, 1210 333-11TH AVE SW,  
CALGARY ALBERTA CANADA T2R 1L9, A0 (403) 269-6822 - 700,000 (\$2,800,000) COMMON STOCK.  
1,400,000 (\$5,600,000) COMMON STOCK. 1,400,000 (\$5,880,000) COMMON STOCK. (FILE  
33-40958 - JUN. 03) (BR. 12)
- S-8 EMULEX CORP /DE/, 3545 HARBOR BLVD, COSTA MESA, CA 92626 (714) 662-5600 - 850,000  
(\$7,331,250) COMMON STOCK. (FILE 33-40959 - JUN. 03) (BR. 10)
- S-1 MICRO LINEAR CORP/CA, 2092 CONCOURSE DRIVE, SAN JOSE, CA 95131 (408) 433-5200 -  
1,500,000 (\$18,000,000) COMMON STOCK. 1,375,000 (\$16,500,000) COMMON STOCK.  
UNDERWRITER: MONTGOMERY SECURITIES, ROBERTSON STEPHENS & CO. (FILE 33-40980 - MAY. 31)  
(BR. 3 - NEW ISSUE)
- S-1 AG SERVICES OF AMERICA INC, 2302 WEST FIRST, CEDAR FALLS, IA 50613 (319) 277-0261 -  
1,150,000 (\$9,775,000) COMMON STOCK. 100,000 (\$1,020,000) COMMON STOCK. UNDERWRITER:  
JESUP JOSEPHTHAL & CO INC. (FILE 33-40981 - MAY. 31) (BR. 7 - NEW ISSUE)
- S-2 MARSAM PHARMACEUTICALS INC, BLDG 31 OLNEY AVE, CHERRY HILL, NJ 08003 (609) 424-5600  
- 212,500 (\$2,921,875) COMMON STOCK. 2,504,375 (\$34,435,156) COMMON STOCK. (FILE  
33-40999 - JUN. 03) (BR. 4)

## ACQUISITION 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 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
A T & E CORP DAVIS J MORTON	COM 13D	5/ 4/91	617 5.3	00206210 6.9	UPDATE
ALLIED RESH CORP RUFFIN MARVIN V ESTATE OF ETAL	COM 13D	5/31/91	0 0.0	01948310 8.0	UPDATE
ALPINE GROUP INC GRACE BROS LTD	COM 13D	5/28/91	185 2.8	02082510 7.1	UPDATE
AMTECH CORP SCOTTISH AMICABLE INVMT MGRS	COM 13D	4/ 8/91	390 6.0	03232910 0.0	NEW
BEEBAS CREATIONS INC ROCKER DAVID A	COM 13D	5/23/91	279 6.3	07659010 5.0	UPDATE
BOWLINE CORP ARROWHEAD HOLDINGS CORP	COM 13D	5/17/91	116 9.0	10259610 0.0	NEW
BUSINESSLAND INC JWP INC ET AL	COM 14D-1	6/ 6/91	0 0.0	12330010 0.0	NEW
CENTRAL NEWSPAPERS INC FUND AMERICAN COS	CL A 13D	5/29/91	1,297 5.6	15464710 6.6	UPDATE
FOUNTAIN PWR BOAT INDS INC SHANNON FRANK ET AL	COM 13D	5/20/91	78 1.8	35075510 17.5	UPDATE
HMO AMERICAN INC TANNEBAUM THEODORE	COM 13D	5/31/91	2,531 35.8	40499010 39.2	UPDATE
HMO AMERICAN INC WEINSTEIN ROBERT J	COM 13D	5/31/91	435 6.1	40499010 8.6	UPDATE

## ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
INVITRON CORP	COM		0	46185610	
MONSANTO CO	13D	5/29/91	0.0	N/A	UPDATE
L A GEAR INC	COM		8,375	50170810	
TREFOIL CAPITAL INVTS L P	13D	5/28/91	43.2	0.0	NEW
LAWSON MARDON GROUP LTD	CL A SUB VTG		8	52099010	
CRAGNOTTI & PARTNERS FINL CO	13D	5/28/91	0.0	0.0	UPDATE
LAWSON MARDON GRP	COM CL B		8,183	52099099	
CRAGNOTTI & PARTNERS FINL CO	13D	5/28/91	65.6	60.2	UPDATE
LOMAS & NETTLETON MTG INVS	SHS BEN INT		967	54153710	
WILLOWWOOD PARTNERS ET AL	13D	6/ 4/91	8.3	7.1	UPDATE
MEDICAL RESOURCE CO AMER	SHR BEN INT		0	58599310	
INTERNATIONAL HEALTH PRODS	13D	5/23/91	0.0	0.0	NEW
NOXSO CORP	COM		996	67015510	
GRACE W R & CO	13D	5/23/91	11.9	10.8	UPDATE
OIS OPTICAL IMAGING SYS INC	COM		15,874	67085210	
MANNING WILLIAM ET AL	13D	5/23/91	100.0	100.0	UPDATE
PHARMACO MEDICO SYSTEMS	COM		15,000	71692410	
MULTIPLE ENTERPRISES & INVTS	13D	5/15/91	10.0	0.0	NEW
PINELANDS INC	COM		1,860	72308910	
GAMCO INVESTORS INC ET AL	13D	6/ 3/91	10.9	9.8	UPDATE
TRINITY INDS INC	COM		1,739	89652210	
GAMCO INVESTORS INC ET AL	13D	6/ 3/91	8.2	9.3	UPDATE
WAVETEK CORP	COM		1,894	94402010	
SHUFRO ROSE & EHRMAN	13D	5/28/91	21.1	23.6	UPDATE

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SEC PUBLIC INFORMATION NUMBERS

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:

Consumer Affairs (202-272-7440): Investor inquiries and complaint processing information.

Freedom of Information Branch (202-272-7420): Requests concerning FOIA, Privacy Act, Sunshine Act, confidential treatment matters, etc.

Personnel Locator (202-272-2550): Requests for names and phone numbers of Commission personnel.

Public Affairs (202-272-2650): Information about matters in the SEC News Digest, the Commission's operations, and calls from the press not directed to particular individuals, and other related matters.

Public Reference (202-272-7450): Requests for information on whether or not a document has been filed, etc.

Publications Unit (202-272-7460/7461): Requests for forms, studies, directories, etc.

Office of the Secretary (202-272-2600): Requests for information on the Commission calendar.

SEC Information Line (202-272-3100/5624): General information about SEC operations and activities through a series of recorded messages.

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