

sec news digest

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U.S. SECURITIES AND
EXCHANGE COMMISSION

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CIVIL PROCEEDINGS

COMPLAINT NAMING FOODSOURCE, INC. AND OTHERS SETTLED

The San Francisco Branch Office announced that on September 25 Judge Robert Schnacke, federal district court in San Francisco, entered an order of permanent injunction against Kent Maerki of Reno, Nevada. Maerki consented to the order without admitting or denying the complaint's allegations. The order concluded an action filed in February 1984 against FoodSource, Inc., FoodSource Sales Corporation, David A. Dixon, Edward Allan Harsh and Kent Maerki based on violations of the registration and anti-fraud provisions of the securities laws. The other defendants had earlier consented to being permanently enjoined, without admitting or denying the violations charged.

The complaint alleged that from December 1979 to December 1981, FoodSource, Dixon, Harsh and Maerki participated in the offer and sale of interests in 22 research and development limited partnerships in violation of the registration and antifraud provisions. FoodSource, FoodSource Sales, Dixon, Harsh and Maerki were also charged with violations of the registration and antifraud provisions in the offer and sale from 1980 through 1982 of investment contracts consisting of fractional undivided interests in cargo containers coupled with collateral management, maintenance and insurance arrangements. (SEC v. FoodSource, Inc., et al., C-84-0611 [RHS] NDCA). (LR-10566)

COMPLAINT NAMES CHARLES BAUER, JR.

The Washington Regional Office filed a complaint in the U.S. District Court for the Eastern District of Pennsylvania on September 24 seeking to enjoin Charles Bauer, Jr., doing business as Fraternal Society of Annuity (FSA) and Golden Eagle Annuities (GEA), from violations of the registration and antifraud provisions of the securities laws.

The complaint alleges that Bauer sold to at least 17 investors, investment contracts for proceeds in excess of \$50,000 in violation of the registration provisions of the Securities Act of 1933. The complaint further alleges that Bauer, in the offer and sale of the investment contracts, violated the antifraud provisions of the Securities Act and the Exchange Act by misrepresenting material facts and omitting to state material facts that: he was a member of the Florida Bar and a graduate of Stetson University; investments in FSA and GEA were insured by the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation; and investments in FSA and GEA paid a guaranteed annual rate of return of 31 percent.

On September 24 U.S. District Court Judge Louis C. Bechtle entered an order temporarily restraining Bauer from violating the registration and antifraud provisions of the securities laws and freezing his assets. (SEC v. Charles Bauer, Jr., d/b/a Fraternal Society of Annuity and d/b/a Golden Eagle Annuities, ED PA, Civil Action No. 84-4574). (LR-10567)

CIVIL CONTEMPT PROCEEDINGS FILED AGAINST JAMES E. MACDONALD, JR.

The Boston Regional Office announced that a Motion for an Order to Show Cause why James E. Macdonald, Jr., of Bristol, Rhode Island, should not be held in civil contempt of court for failing to comply with a Judgment of Disgorgement was filed in the U.S. District Court of Providence, Rhode Island. The Commission sought the order in connection with ongoing litigation in which Macdonald was a defendant, and which resulted in two evidentiary hearings and three appellate reviews.

In its motion, the Commission requests the Court to adjudge Macdonald in civil contempt of the Judgment of June 20, 1983, and to impose a monetary sanction of \$300 per day until such time as Macdonald purges himself of his contempt. In addition, the Commission seeks to have the Court assess Macdonald for Plaintiff's expenses,

including attorney's fees, for being compelled to institute the contempt proceedings in order to obtain compliance with the Court's decree. (SEC v. James E. Macdonald, Jr., Civil Action No. 78-0073, District Court in Rhode Island). (LR-10569)

CRIMINAL PROCEEDINGS

HARVEY P. MURRAY JR. SENTENCED; RESTITUTION ORDERED

Edward S.G. Dennis Jr., U.S. Attorney for the Eastern District of Pennsylvania, the Philadelphia Branch and the Washington Regional Offices announced that on October 4 Harvey P. Murray Jr. of Selinsgrove, Pennsylvania, former vice-president of the Fidelity America Mortgage Company (FAMCO), was placed on five years probation and ordered to pay \$21,000 in restitution to the trustee for the FAMCO bankrupt estate. In imposing sentence James T. Giles, U.S. District Court for the Eastern District of Pennsylvania, cited Murray's cooperation with the Government in the FAMCO investigation, as being of primary importance in suspending the imposition of prison sentence.

Murray was indicted on June 28, 1982 on two counts of wire fraud in the embezzlement of \$26,000 from the FAMCO bankrupt estate. Murray is the third person to have been sentenced to date in the Fidelity America Finance Company (FAFCO)/FAMCO funds. The FAFCO/FAMCO schemes involved fraud in the sale of "mortgage secured notes" and industrial development bonds issued by FAMCO between 1978 and 1981, fraud in the sale of a real estate shelter syndication, and various charges involving tax evasion. (U.S. v. Harvey P. Murray, Jr., USDC ED PA, Criminal Action No. 82-204). (LR-10568)

INVESTMENT COMPANY ACT RELEASES

HUTTON INVESTMENT PARTNERSHIP I

An order has been issued amending a previous order which exempted Hutton Investment Partnership I from Sections 10(a), (b) and (f), 14(a), 15(a), 16(a), 17(a), (d), (f) and (g), 18(a)(1), 18(i), 23(c), 30(a), (b) and (d), and 32(a) of the Investment Company Act. (Rel. IC-14199 - Oct. 17)

CIGNA ANNUITY FUND, INC.

An order has been issued on an application of CIGNA Annuity Fund, Inc., et al. permitting deferral of directors' fees. (Rel. IC-14200 - Oct. 17)

MASSACHUSETTS FUND

An order has been issued exempting Massachusetts Fund (Fund), et al. and Keystone Custodian Fund, Series K-1 from the provisions of Sections 17(a) and 19(b) of the Investment Company Act and Rule 19b-1, and to implement a proposed reorganization of the funds. (Rel. IC-14201 - Oct. 17)

ALLEGHENY POWER SYSTEM, INC.

A notice has been issued giving interested persons until November 9 to request a hearing on a proposal by Allegheny Power System, Inc., a registered holding company, to acquire all of the capital stock of one or more new subsidiary corporations whose activities will be limited to investing in and servicing qualifying cogeneration and small power production facilities as defined by the Public Utility Regulatory Policies Act of 1978 and related rules and regulations. Allegheny's investment in these new subsidiaries will not exceed, in the aggregate, \$100 million. (Rel. 35-23453 - Oct. 17)

JERSEY CENTRAL POWER & LIGHT COMPANY

An order has been issued authorizing Jersey Central Power & Light Company, Metropolitan Edison Company, and Pennsylvania Electric Company, subsidiaries of General Public Utilities Company, to issue and sell variable rate first mortgage bonds on a non-competitive basis. (Rel. 35-23454 - Oct. 17)

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-18 RENO DIAGNOSTIC CENTER LTD, 1325 AIRMOTIVE WAY STE 175G, RENO, NV 89502
(702) 323-5083 - 320 (\$1,600,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 2-93554-LA - SEP. 28) (BR. 6 - NEW ISSUE)
- S-18 PAK MAIL CENTERS OF AMERICA INC, 2260 S XANADU WAY STE 290, AURORA, CO 80014
(303) 752-3500 - 10,000,000 (\$2,500,000) COMMON STOCK. 2,000,000 (\$1,500,000)
COMMON STOCK. 1,000,000 (\$100) WARRANTS, OPTIONS OR RIGHTS. 1,000,000 (\$300,000)
COMMON STOCK. (FILE 2-93580-D - OCT. 02) (BR. 6 - NEW ISSUE)
- S-18 MED LAB SYSTEMS INC - 725,000 (\$2,175,000) COMMON STOCK. 2,175,000 (\$3,262,500)
COMMON STOCK. 290,000 (\$50) WARRANTS, OPTIONS OR RIGHTS. (FILE 2-93608-C - OCT. 03)
(BR. 8 - NEW ISSUE)
- S-8 STANDARD OIL CO /IN/, 200 E RANDOLPH DR, CHICAGO, IL 60601 (312) 856-6111 -
11,500,000 OTHER SECURITIES INCLUDING VOTING TRUST. 500,000 (\$3,000,000) COMMON STOCK.
(FILE 2-93678 - OCT. 09) (BR. 11)
- S-8 AMERICAN INFORMATION TECHNOLOGIES CORP, 225 W RANDOLPH ST, CHICAGO, IL 60606
(312) 750-5000 - 15,000,000 (\$15,000,000) OTHER SECURITIES INCLUDING VOTING TRUST.
(FILE 2-93680 - OCT. 10) (BR. 7)
- S-3 ASSOCIATED DRY GOODS CORP, 417 FIFTH AVE, NEW YORK, NY 10016 (212) 679-8700 -
200,000,000 (\$200,000,000) STRAIGHT BONDS. (FILE 2-93681 - OCT. 10) (BR. 1)
- S-8 WAXMAN INDUSTRIES INC, 24460 AURORA RD, BEDFORD HEIGHTS, OH 44146 (216) 439-1830 -
50,625 (\$474,609) COMMON STOCK. (FILE 2-93683 - OCT. 05) (BR. 10)
- S-11 RELATED CONDOMINIUM PENSION INVESTORS LP, C/O RELATED CCF INC, 645 5TH AVE 17TH FL,
NEW YORK, NY 10022 (212) 421-5333 - 125,000 (\$125,000,000)
LIMITED PARTNERSHIP CERTIFICATE. (FILE 2-93685 - OCT. 10) (BR. 5 - NEW ISSUE)
- S-3 BROCKWAY INC /NY/, MCCULLOUGH AVE, BROCKWAY, PA 15824 (814) 268-3015 - 474,608
(\$8,305,640) COMMON STOCK. (FILE 2-93689 - OCT. 10) (BR. 9)
- S-8 STARTEL CORP, 2802 ALTON AVE, IRVINE, CA 92714 (714) 863-9292 - 283,726
(\$1,347,698.50) COMMON STOCK. (FILE 2-93690 - OCT. 10) (BR. 8)
- S-11 CENTENNIAL DEVELOPMENT FUND V, 282 S ANITA DR, ORANGE, CA 92668 (714) 634-9200 -
50,000 (\$50,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 2-93691 - OCT. 10)
(BR. 5 - NEW ISSUE)
- S-3 HAWAIIAN TELEPHONE CO, 1177 BISHOP ST, HONOLULU, HI 96813 (808) 546-3000 -
30,000,000 (\$30,600,000) MORTGAGE BONDS. (FILE 2-93692 - OCT. 10) (BR. 7)
- S-8 NEW ENGLAND BUSINESS SERVICE INC, 500 MAIN ST, GROTON, MA 01450 (617) 448-6111 -
5,000,000 (\$5,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. 130,000 COMMON STOCK.
(FILE 2-93696 - OCT. 10) (BR. 12)
- S-8 MID AMERICA INDUSTRIES INC, 900 ROGERS AVE, FORT SMITH, AR 72901 (501) 785-1461 -
100,000 (\$1,000,000) COMMON STOCK. (FILE 2-93697 - OCT. 10) (BR. 4)
- S-3 QUESTAR CORP, 180 E FIRST SOUTH ST, SALT LAKE CITY, UT 84139 (801) 534-5000 -
1,207,731 (\$34,420,333) COMMON STOCK. (FILE 2-93698 - OCT. 10) (BR. 7)
- S-6 FIRST TRUST OF INSURED MUNICIPAL BONDS SERIES 130, CLAYTON BROWN & ASSOCIATES INC,
300 W WASHINGTON ST, CHICAGO, IL 60606 - INDEFINITE SHARES. (FILE 2-93699 - OCT. 10)
(BR. 18 - NEW ISSUE)
- S-3 ASTROTECH INTERNATIONAL CORP, TWC CHATHAM CENTER STE 240, PITTSBURGH, PA 15219
(412) 391-1896 - 17,852 (\$35,704) COMMON STOCK. (FILE 2-93700 - OCT. 10) (BR. 25)
- S-8 UNITED CABLE TELEVISION CORP, DENVER TECHNOLOGICAL CTR, 4700 S SYRACUSE PHY, DENVER,
CO 80237 (303) 779-5999 - 200,000 (\$4,350,000) COMMON STOCK. (FILE 2-93701 - OCT. 09)
(BR. 7)

- S-2 STORAGE EQUITIES INC, 990 S FAIR OAKS AVE, PASADENA, CA 91105 (213) 682-3601 - 30,000 (\$30,000,000) MORTGAGE BONDS. (FILE 2-93755 - OCT. 11) (BR. 6)
- S-8 COBANCO INC, 55 RIVER ST, SANTA CRUZ, CA 95060 (408) 423-8200 - 240,165 (\$1,741,196) COMMON STOCK. (FILE 2-93756 - OCT. 10) (BR. 2)
- S-8 ELAN CORP PLC, MONKSLAND, ATHLONE COUNTY WESTMEATH, REPUBLIC OF IRELAND, L2 - 211,250 (\$417,908) FOREIGN COMMON STOCK. (FILE 2-93757 - OCT. 10) (BR. 8)
- S-8 TRI STATE MOTOR TRANSIT CO OF DELAWARE, P O BOX 113, E 7TH ST RD BUSINESS I 44, JOPLIN, MO 64802 (417) 624-3131 - 250,000 (\$2,343,750) COMMON STOCK. (FILE 2-93758 - OCT. 10) (BR. 4)
- S-15 STATESMAN GROUP INC, 1400 DES MOINES BLDG, DES MOINES, IA 50309 (515) 284-7500 - 384,600 (\$2,853,732) COMMON STOCK. (FILE 2-93759 - OCT. 10) (BR. 9)
- S-8 TORCHMARK CORP, 2001 3RD AVE S, BIRMINGHAM, AL 35233 (205) 325-4200 - 800,000 (\$17,400,000) COMMON STOCK. (FILE 2-93760 - OCT. 09) (BR. 10)
- S-6 MUNICIPAL BOND TRUST SERIES 182, 140 BROADWAY, C/O PAINWEBBER INC, NEW YORK, NY 10005 - 11,000 (\$11,550,000) UNIT INVESTMENT TRUST. (FILE 2-93704 - OCT. 10) (BR. 16 - NEW ISSUE)
- N-1A PRICE T ROWE HIGH YIELD FUND INC, 100 E PRATT ST, BALTIMORE, MD 21202 (301) 547-2000 - INDEFINITE SHARES. (FILE 2-93707 - OCT. 09) (BR. 18 - NEW ISSUE)
- N-1A DREYFUS NEW YORK TAX EXEMPT MONEY MARKET FUND INC, 767 FIFTH AVE, NEW YORK, NY 10153 (212) 223-0303 - INDEFINITE SHARES. (FILE 2-93708 - OCT. 10) (BR. 18 - NEW ISSUE)
- S-6 MUNICIPAL BOND TRUST SERIES 183, 140 BROADWAY, NEW YORK, NY 10006 - 11,000 (\$11,550,000) UNIT INVESTMENT TRUST. (FILE 2-93709 - OCT. 10) (BR. 16 - NEW ISSUE)
- S-14 EVERGREEN BANCORPORATION, 28145 COLORADO HIGHWAY 74, P O BOX 2020, EVERGREEN, CO 80439 (303) 674-2700 - 100,000 (\$1,320,000) COMMON STOCK. (FILE 2-93711 - OCT. 11) (BR. 1 - NEW ISSUE)
- S-8 TSC INC, 2950 31ST ST, SANTA MONICA, CA 90405 (213) 450-9755 - 49,900 (\$324,350) COMMON STOCK. (FILE 2-93712 - OCT. 05) (BR. 8)
- N-1A USAA LIFE PORTFOLIO SERIES INC, USAA BLDG, 9800 FREDERICKSBURG ROAD, SAN ANTONIO, TX 78288 (512) 690-6300 - INDEFINITE SHARES. (FILE 2-93750 - OCT. 11) (BR. 20 - NEW ISSUE)
- S-6 VARIABLE ACCOUNT A OF USAA LIFE INSURANCE CO, USAA BLDG C-3-E, 9800 FREDERICKSBURG RD, SAN ANTONIO, TX 78288 (512) 690-6300 - INDEFINITE SHARES. (FILE 2-93751 - OCT. 11) (BR. 20 - NEW ISSUE)
- S-3 CHEMLAWN CORP, 8275 N HIGH ST, COLUMBUS, OH 43085 (614) 888-3572 - 450,000 (\$11,025,000) COMMON STOCK. (FILE 2-93753 - OCT. 11) (BR. 6)
- S-8 DIGITAL COMMUNICATIONS ASSOCIATES INC, 303 TECHNOLOGY PK, NORCROSS, GA 30092 (404) 448-1400 - 100,000 (\$1,870,000) COMMON STOCK. (FILE 2-93754 - OCT. 11) (BR. 7)