

sec news digest

LIBRARY

MAR 29 1983

Issue 83-59

U.S. SECURITIES AND EXCHANGE COMMISSION
March 28, 1983

CIVIL PROCEEDINGS

INSIDER TRADING OF CHILD WORLD STOCK ENJOINED

The Boston Regional Office announced that on March 18 a complaint was filed in the U.S. District Court for the District of Massachusetts naming as defendants William P. Smith of Chatham, Massachusetts, Paul E. Hurley of Boston, Massachusetts, and Richard P. Garvey of Scituate, Massachusetts. The complaint alleges that the defendants violated the antifraud provisions of the securities laws by purchasing the common stock of Child World, Inc. while in possession of material non-public information during August of 1980. The alleged material non-public information concerned the sale by the president of Child World of his stock ownership in the company to a new buyer which would transfer control of Child World to the new buyer.

Simultaneously with the filing of the complaint, the defendants, without admitting or denying the allegations contained therein, consented to the entry of an order permanently enjoining them from further violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and the disgorgement by Smith of \$5,000, Hurley \$2,262.50 and Garvey \$2,137.50 which the Commission alleged were profits obtained by the defendants as a result of their illegal conduct. (SEC v. William P. Smith, et al., D.C. Massachusetts, 83 733-T). (LR-9933)

AUBREY M. KERR, JR. AND JAMES W. MCTIERNAN ENJOINED

The Commission announced that on March 24 a complaint was filed in the U.S. District Court for the District of Columbia naming as defendants Aubrey M. Kerr, Jr. and James W. McTiernan, both of whom are officers, directors, and controlling shareholders of Jaytex Oil & Gas Company and residents of Oklahoma City, Oklahoma. Simultaneously with the filing of the complaint, Kerr and McTiernan, without admitting or denying the allegations in the complaint, have consented to the entry of the Final Judgments of permanent injunction enjoining them from further violations of the antifraud and registration provisions of the Securities Act of 1933 and the reporting, proxy and beneficial ownership provisions of the Securities Exchange Act of 1934, and rules thereunder. In addition, both defendants have agreed to pay over to Jaytex the sum of \$215,000, representing their personal profits in connection with the matters described in the Commission's complaint. Final Judgments in this case have been signed by the Honorable Barrington Parker, U.S. District Judge. (SEC v. Aubrey M. Kerr, Jr. and James W. McTiernan, Case No. 83-0830, D.D.C.). (LR-9936)

COMPLAINT NAMES PARADYNE CORPORATION

The Atlanta Regional Office announced that on March 25 a complaint was filed in the U.S. District Court for the Middle District of Florida, Tampa Division, against Paradyne Corporation, a Delaware corporation whose stock is listed on the New York, Philadelphia and Midwest Stock Exchanges. The Commission's complaint seeks preliminary and permanent injunctions restraining and enjoining Paradyne from further violations of the antifraud provisions of the Securities Act of 1933 and Securities Exchange Act of 1934, as well as the periodic reporting provisions of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder; and further seeks a mandatory injunction requiring Paradyne to correct its filings with the Commission.

The complaint alleges, among other things, that Paradyne procured its largest single order, currently valued at approximately \$100 million, from the U.S. Social Security Administration in Baltimore, Maryland, by deceiving the Social Security Administration in the contract process. It is also alleged that Paradyne thereafter concealed this conduct and enhanced its business prospects by misleading statements and omitted to state material facts in registration statements and reports filed with the Commission and in reports to its shareholders while pronouncing the expected and actual benefits from the contract.

The Commission also alleged that, despite public statements to the contrary, Paradyne has not cooperated in the Commission's investigation. Because of this, the Commission has been unable to determine precisely those company officials responsible for the matters alleged in the complaint and none are named as defendants in this action. (SEC v. Paradyne Corporation, Civil Action No. CA-83-351-CIV-T-10, U.S.D.C. M.D. FL, Tampa Division). (LR-9938)

COMPLAINT NAMES MINI-COMPUTER SYSTEMS, INC.

The Commission announced that on March 24 it filed a civil injunctive action in the U.S. District Court for the District of Columbia against Mini-Computer Systems, Inc. of Elmsford, New York. The Commission, in its complaint, alleges violations of the reporting provisions of the securities laws and seeks a Judgment of Permanent Injunction and Other Equitable Relief.

The Commission alleges that Mini-Computer, as part of a continuing course of violative conduct extending over several years, failed to file its Annual Report on Form 10-K for its fiscal year ended October 31, 1983, required to have been filed with the Commission by January 31, 1983, and failed to file various periodic reports in a timely manner. The Commission requests that the Court order Mini-Computer to file its delinquent annual report and enjoin it from further violations of the reporting provisions of the securities laws. (SEC v. Mini-Computer Systems, Inc., U.S.D.C. D.C., Civil Action No. 83-0840). (LR-9939)

CRIMINAL PROCEEDINGS

HERBERT E. OTTO INDICTED

The U.S. Attorney's Office in Pittsburgh, Pennsylvania and the Washington Regional Office announced that on March 17 a federal grand jury indicted Herbert E. Otto of Pittsburgh, Pennsylvania. Otto is charged with six counts of mail fraud for a scheme by which he obtained money from investors for trading in stock options but in fact used the money for his personal expenses and to repay other investors, causing a loss of in excess of \$380,000 to investors. (U.S. v. Herbert E. Otto, W.D. PA, Crim. No. 83-43). (LR-9935)

INVESTMENT COMPANY ACT RELEASES

ALLIED CAPITAL CORP.

A notice has been issued giving interested persons until April 18 to request a hearing on an application filed by Allied Capital Corporation, Allied Investment Corporation, Allied Lending Corporation, Allied Development Corporation, all registered under the Investment Company Act of 1940 as closed-end, non-diversified, management investment companies, Allied Financial Corporation (Allied Financial), which intends to register under the Act as a closed-end, non-diversified, management investment company, and Allied Advisory, Inc., a non-investment company subsidiary of Allied Capital (Applicants), requesting an order, pursuant to Section 6(c) of the Act, granting Applicants an exemption from Sections 8(b), 12(e), 17(a), 17(d), 18(a), 18(c), 30(a) and 30(d) of the Act, and Rules 8b-16, 17d-1, 30a-1 and 30d-1 thereunder, and amending an earlier order to include Allied Financial. (Rel. IC-13110 - Mar. 24)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC pursuant to the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form, Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a rights offering; File number and date filed; Assigned Branch; if the registration statement is a New Issue; and [S] denoting SHELF REGISTRATION pursuant to Rule 415.

(S-8) DATA CARD CORPORATION, 1111 Bren Road West, Minnetonka, MN 55343 (612) 933-1223 - 250,000 shares of common stock. (File 2-82629 - Mar. 24) (Br. 10)

- (N-1) MASTER INVESTMENT SERVICES TAX FREE FUND, 175 Federal St., Boston, MA 02110 (617) 482-3990 - an indefinite number of shares of beneficial interest. (File 2-82632 - Mar. 24) (Br. 18 - New Issue)
- (S-8) STANDUN INC., 2943 East Las Hermanas St., Rancho Dominguez, CA 90221 (213) 537-5230 - 50,000 shares of common stock. (File 2-82633 - Mar. 25)
- (S-3) PIC 'N' SAVE CORPORATION, P.O. Box 58667, Los Angeles, CA 90058 (213) 537-9220 - 1,500,000 shares of common stock. Underwriters: Dean Witer Reynolds Inc. and Merrill Lynch White Weld Capital Markets Group. The company operates a chain of Pic 'n' Save stores. (File 2-82634 - Mar. 25) (Br. 2)
- (S-3) QUAKER STATE OIL REFINING CORPORATION, 255 Elm St., Oil City, PA 16301 (814) 676-7676 - 300,000 shares of capital stock. Underwriter: Lehman Brothers Kuhn Loeb Incorporated. (File 2-82636 - Mar. 25) (Br. 3)
- (S-6) SEARS TAX EXEMPT INVESTMENT TRUST, CALIFORNIA PORTFOLIO, SERIES 1, 130 Liberty St., New York, NY 10006 - 11,000 units. Depositor: Dean Witter Reynolds Inc. (File 2-82637 - Mar. 25) (Br. 16 - New Issue)
- (S-2) THE GAP STORES, INC., 900 Cherry Ave., San Bruno, CA 94066 (415) 952-4400 - 1,450,000 shares of common stock. Underwriter: Goldman, Sachs & Co. The company is a retailer of moderately priced casual and contemporary apparel. (File 2-82638 - Mar. 25) (Br. 1) [S]
- (S-2) GEORGE BANTA COMPANY, INC., Curtis Reed Plaza, Menasha, WI 54952 (414) 722-7771 - 750,000 shares of common stock. Underwriters: Blyth Eastman Paine Webber Incorporated and Robert W. Baird & Co. Incorporated. The company provides printing and related graphic arts services. (File 2-82639 - Mar. 25) (Br. 2)
- (S-2) FMI FINANCIAL CORPORATION, 801 Forty First St., Miami Beach, FL 33140 (305) 532-7361 - \$50 million of 8 senior subordinated notes, due April 1, 1993. Underwriters: Drexel Burnham Lambert Incorporated and Rooney, Pace Inc. (File 2-82640 - Mar. 25) (Br. 9) [S]
- (S-1) HEALTH CARE AND RETIREMENT CORPORATION OF AMERICA, 1885 McCullough St., Box 1709, Lima, OH 45802 (419) 227-1837 - 750,000 shares of common stock. Underwriters: Drexel Burnham Lambert Incorporated and Prescott, Ball & Turben, Inc. The company is an operator of skilled and intermediate nursing facilities and retirement centers. (File 2-82641 - Mar. 25)
- (S-8 and S-3) NALCO CHEMICAL COMPANY, 2901 Butterfield Rd., Oak Brook, IL 60521 (312) 887-7500 - 900,000 shares of common stock. The company manufactures and sells a broad spectrum of specialized Service Chemicals and Other Chemicals. (File 2-82642 - Mar. 24) (Br. 2) [S]
- (S-8) PEPSICO, INC., Purchase, NY 10577 (914) 253-2950 - 300,000 shares of capital stock. (File 2-82645 - Mar. 25) (Br. 1)
- (S-8) NUTRI/SYSTEM, INC., 2655 Philmont Ave., Huntingdon Valley, PA 19006 (215) 947-9700 - 150,000 shares of common stock. (File 2-82647 - Mar. 25) (Br. 2)
- (S-3) NORTHERN TELECOM LIMITED, 33 City Centre Dr., Mississauga, Ontario L5B 3A2 (416) 275-0960 - 561,797 common shares. (File 2-82648 - Mar. 25) (Br. 7) [S]
- (S-8) F & M NATIONAL CORPORATION, 38 Rouss Ave., Winchester, VA 22601 (703) 665-4200 - 300,000 shares of common stock. (File 2-82650 - Mar. 25) (Br. 2)
- (S-3) REPUBLIC CORPORATION, 1900 Avenue of the Stars, Suite 2700, Los Angeles, CA 90067 (213) 553-3900 - 159,129 warrants to purchase 159,129 shares of common stock. (File 2-82651 - Mar. 25) (Br. 6) [S]

REGISTRATIONS EFFECTIVE

- Mar. 9: International Lease Finance Corp., 2-81587.
Mar. 14: Keystone Heritage Group, Inc., 2-82018.
Mar. 15: Executel Limited Partnership '83, 2-81447-S.
Mar. 16: Union Electric Company, 2-81987.
Mar. 17: Key International Film Distributors, Inc., 2-76791-LA.
Mar. 21: Tax-Free Cash Reserve, Inc., 2-58286.

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

COMPANY	ITEMS NO.	DATE	
AMERICAN CASINO ENTERPRISES INC	4	03/16/83	
AMERICAN SHIP BUILDING CO	5	03/01/83	
AMERICANA HOTELS & REALTY CORP	2,7	03/04/83	
BANK OF AMERICA NATIONAL TRUST & SAVINGS	7	02/25/83	
BEKINS CO	6,7	03/16/83	
BIG THREE INDUSTRIES INC	5,7	03/11/83	
BTK INDUSTRIES INC	1,5,7	03/07/83	
CANRAD HANOVIA INC	5	03/04/83	
CB&T BANCSHARES INC	5,7	03/10/83	
CENTRAL HUDSON GAS & ELECTRIC CORP	5	03/11/83	
CEZAR INDUSTRIES LTD	2,5	03/01/83	
CEZAR INDUSTRIES LTD	5,7	03/01/83	
COMPUTER DIALYSIS SYSTEMS INC	1,5,7	03/14/83	
DENVER WESTERN PETROLEUM CORP	4,7	02/28/83	
EL PASO ELECTRIC CO /TX/	5	03/21/83	
EL PASO ELECTRIC CO /TX/	5	03/21/83	
FIRST COLONY SAVINGS & LOAN ASSOCIATION	5,7	03/07/83	
FLOW GENERAL INC	5	03/03/83	
FREMONT ENERGY CORP	5	03/12/83	
HAZELTINE CORP	7	02/25/83	AMEND
KNOGO CORP	5	02/25/83	
LONG ISLAND LIGHTING CO	5	03/23/83	
MCCOMBS PROPERTIES VII LTD	2,7	03/14/83	
MCDOWELL ENTERPRISES INC	1,5,7	03/08/83	
MEDICA USA INC	2,7	03/04/83	
MERRILL BANKSHARES CO	5	03/16/83	
MICROSEMI CORP	5	03/15/83	
NEWPORT CORP	5	03/08/83	
NOXSO CORP	5	03/07/83	
OLD STONE CORP	5	03/02/83	
ONE AMERICAN CORP	5,7	01/21/83	
PS PARTNERS LTD	5	12/30/82	
PS PARTNERS LTD	5	01/31/83	
ROBERTS & PORTER INC/DE/	5,7	03/10/83	
SAN CLEMENTE BANCORP	5	03/11/83	
SCHWERMANN TRUCKING CO	5	03/16/83	
STORAGE EQUITIES INC	5	12/30/82	
STORAGE EQUITIES INC	5	01/31/83	
STV ENGINEERS INC	2,7	02/15/83	
TENNECO OFFSHORE CO INC	5,7	01/14/83	
TENNESSEE NATIONAL BANCSHARES INC	5	03/04/83	
TEXAS AIR CORP	5,7	10/28/82	
TRITON GROUP LTD	5	03/07/83	
WEST VIRGINIA ACCEPTANCE CO	5	02/28/83	