

# sec news digest

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Issue 92-135

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JUL 15 1992

U.S. SECURITIES  
EXCHANGE COMMISSION

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## RULES AND RELATED MATTERS

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### AMENDMENTS TO SCHEDULE 15G

The Commission has issued a release adopting an amendment to Schedule 15G under the Exchange Act of 1934 [17 CFR §240.15g-100], the penny stock risk disclosure document. The amendment, which becomes effective July 15, 1992, the effective date of Schedule 15G as originally adopted, adds a brief description of a broker dealer's obligations to its customers under Rule 15c2-6 [17 CFR §15c2-6], the Commission's "cold-calling" rule, in order to make Schedule 15G more comprehensive. FOR FURTHER INFORMATION CONTACT: Alexander Dill at (202) 504-2418. (Rel. 34-30917)

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## ADMINISTRATIVE PROCEEDINGS

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### PROCEEDINGS AGAINST JERRY BERNSTEIN

The Commission announced the entry of an Order Instituting Public Administrative Proceedings Pursuant to Rule 2(e) of the Commission's Rules of Practice, and Opinion and Order of the Commission against Bernstein on June 22, 1992. Solely for the purpose of the proceedings and without admitting or denying the findings, Bernstein submitted an Offer of Settlement in which he consented to the findings of fact and the imposition of a permanent bar, denying him the privilege of appearing or practicing before the Commission as an accountant, which the Commission determined to accept.

The Commission's complaint filed on October 26, 1990 alleges that Glantz and Bernstein participated in a massive financial fraud at Coated in the years 1985 through 1988. The complaint alleges that Glantz, Bernstein and others engaged in a scheme to inflate Coated's sales and earnings through, among other acts, the creation of phony invoices purporting to show sales of goods by Coated. (Rel. 34-30848; AAE Rel. 391)

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## **CIVIL PROCEEDINGS**

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### **PRELIMINARY INJUNCTIONS ENTERED AGAINST STEVEN NYGAARD AND RICHARD BABAYAN**

The Commission announced that on June 22, 1992 the Honorable Susan H. Black, U.S. District Judge for the Middle District of Florida entered a Preliminary Injunction against Steven Nygaard (Nygaard) of Virginia Beach, Virginia, who consented to the entry of a Preliminary Injunction without admitting or denying the allegations of the Commission's complaint. Judge Black also entered a Preliminary Injunction against Richard Babayan (Babayan), who is currently incarcerated in West Palm Beach, Florida, by default.

The Commission alleged in its complaint filed on June 3, 1992 that the defendants offered and sold interests in the form of unregistered investment contracts in public pay telephone sale-leaseback contracts by means of misstatements and omissions of material facts. On June 3, 1992, the Court entered a Temporary Restraining Order against Nygaard, Bassam Haje and Comtel of Virginia, Inc. (See LR-13272). [SEC v. Bassam Haje, Richard Babayan, Ronald DiCara, Jay Werner, Steven Nygaard and Comtel Of Virginia Beach, Inc., USDC for the Middle District of Florida, Jacksonville Division, Civil Action No. 92-510-CIV-BLACK] (LR-13305)

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## **INVESTMENT COMPANY ACT RELEASES**

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### **COMSTOCK PARTNERS STRATEGY FUND, INC., ET AL.**

An order has been issued under Section 6(c) of the Investment Company Act exempting Comstock Partners Strategy Fund, Inc. (Fund), et al. from Sections 18(f), 18(g) and 18(i) of the Act. The order permits the Fund to issue a new class of shares representing interests in the same portfolio of securities as an existing class of shares, with shares of the existing class thereafter only being issued to shareholders of the existing class upon reinvestment of distributions. (Rel. IC-18828 - July 1)

### **MORGAN STANLEY EMERGING MARKETS FUND, INC., ET AL.**

A conditional order has been issued on an application filed by Morgan Stanley Emerging Markets Fund, Inc., The Brazilian Investment Fund, Inc., The Malaysia Fund, Inc., The Turkish Investment Fund, Inc., the Morgan Stanley Institutional Fund, Inc. and The Latin American Discovery Fund, Inc. under Section 6(c) of the Investment Company Act. The conditional order exempts the Funds from the prohibitions of Section 12(d)(3) of the Act to the extent necessary to allow the Funds to acquire securities of foreign issuers engaged in securities-related activities, provided such investments comply with the provisions of the proposed amendments to Rule 12d3-1 under the Act. (Rel. IC -18838; International Series Rel. 412 - July 8)

PRIME FINANCIAL FUNDS, INC.

An order has been issued under Section 8(f) of the Investment Company Act declaring that Prime Financial Funds, Inc. has ceased to be an investment company. (Rel. IC-18839 - July 8)

OHIO NATIONAL EQUITY FUND, INC., ET AL.

A notice has been issued giving interested persons until August 3, 1992 to request a hearing on an application filed by Ohio National Equity Fund, Inc. and The O.N. Equity Sales Company for a conditional order under Section 6(c) of the Investment Company Act. The conditional order would exempt applicants from the provisions of Sections 2(a)(32), 2(a)(35), 22(c) and 22(d) of the Act and Rule 22c-1 thereunder. The exemptions would permit applicants to impose a contingent deferred sales charge (CDSC) on redemptions of shares of the Fund sold with no initial sales charge because of a volume discount, and to waive the CDSC under certain circumstances. (Rel. IC-18840 - July 9)

SELIGMAN CAPITAL FUND, INC., ET AL.

A notice has been issued giving interested persons until August 5, 1992 to request a hearing on an application filed by Seligman Capital Fund, Inc., et al. for a conditional order under Section 6(c) of the Investment Company Act exempting applicants from the provisions of Sections 2(a)32, 2(a)35, 22(c) and 22(d) of the Act and Rule 22c-1 thereunder. The exemptions apply to the extent necessary to permit the fund applicants to impose a contingent deferred sales charge (CDSC) on certain redemptions of shares and to waive the CDSC under certain circumstances. (Rel. IC-18841 - July 10)

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**HOLDING COMPANY ACT RELEASES**

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ARKANSAS POWER & LIGHT COMPANY

A notice has been issued giving interested persons until July 27, 1992 to request a hearing on a proposal by Arkansas Power & Light Company (AP&L), an electric public-utility subsidiary company of Entergy Corporation, a registered holding company, to engage in financing. AP&L proposes to issue \$35 million of new preferred stock, through December 31, 1992, under the exemptive provisions of Rule 52 (New Preferred Stock). For the period during which any shares of the Preferred Stock are outstanding, AP&L proposes to redeem shares of its New Preferred Stock, in accordance with any mandatory or optional redemption provisions established at the time of the New Preferred Stock's initial issuance. Also, for the period during which any shares of the Preferred Stock are outstanding, AP&L proposes to redeem, (or purchase in lieu of redemption), outstanding New Preferred Stock, in accordance with the sinking fund provisions established at the time of the New Preferred Stock's initial issuance. In addition, AP&L proposes to extend its period of authorization, from August 31, 1992 to December 31, 1993 to acquire from time to time \$328.55 million aggregate principal amount of first mortgage bonds and \$175 million aggregate principal amount of one or more series of the pollution control revenue bonds and/or solid waste disposal bonds issued for AP&L's benefit. Further, AP&L proposes to extend its period of authorization, from August 31, 1992 to December 31, 1993 to acquire from time to time \$150 million aggregate par value of one or more series of AP&L's preferred stock. (Rel. 35-25569)

#### CENTRAL AND SOUTH WEST CORP., ET AL.

A notice has been issued giving interested persons until July 27, 1992 to request a hearing on a proposal by Central and South West Corporation, a registered holding company, and three of its nonutility subsidiaries, CSW Energy, Inc. (Energy), CSW Development-I, Inc. (Energy Sub), ARK/CSW Development Partnership (Joint Venture), Polk Power GP, Inc. and Polk Power Partners, L.P. (Partnership). The proposal calls for CSW, Energy, Energy Sub and the Joint Venture to make additional capital contributions in the amount of \$4.5 million downstream to the Partnership, so that total equity contributions by Energy Sub would be \$13.5 million. The proposal also calls for the Partnership to increase the amount to be borrowed from third party lenders for use in constructing and developing the Project from approximately \$120 million to \$135 million at terms of up to 20 years. In addition, the proposal calls for the Partnership to enter into a construction agreement with Energy or Energy Sub for the purpose of developing and constructing the Project (Construction Agreement). Further, the proposal calls for CSW to provide support agreements and/or letters of credit in connection with Energy Sub's equity obligations to the Partnership and Energy's obligations under the Construction Agreement. (Rel. 35-25569)

#### PSI RESOURCES, INC., ET AL.

An order has been issued authorizing a proposal by PSI Resources, Inc. (PSI), an Indiana public-utility holding company exempt from registration under Section 3(a)(1) of the Act pursuant to Rule 2, and PSI Energy, Inc. (PSI Energy), its sole wholly owned public-utility subsidiary company. PSI and PSI Energy propose to acquire an interest in an Argentine public-utility company that will distribute electric power to approximately one-half of the city of Buenos Aires and the surrounding area. (Rel. 35-25570; International Series Rel. 408)

#### HOUSTON INDUSTRIES INCORPORATED

An order has been issued granting exemptions under Section 3(b) from all provisions of the Act to two to-be-formed subsidiary companies of Houston Industries Incorporated, a Texas public-utility holding company exempt from registration under Section 3(a)(1) of the Act pursuant to Rule 2, in connection with the proposed acquisition of an interest in an Argentine public-utility company that will provide electric power distribution and marketing services to approximately one-half of the City of Buenos Aires and its suburbs. (Rel. 35-25571; International Series Rel. 409)

#### THE SOUTHERN COMPANY

An order has been issued authorizing a proposal by The Southern Company (Southern), a registered holding company. Southern proposes to make capital contributions, from time to time through June 30, 1994, to its wholly owned electric utility subsidiary, Mississippi Power Company, not to exceed the aggregate amount of \$100 million. (Rel. 35-25575)

#### SYSTEM FUELS, INC., ET AL.

An order has been issued authorizing a proposal by System Fuels, Inc. (SFI), a fuel supply company jointly owned by Arkansas Power & Light Company (AP&L), Louisiana Power & Light Company (LP&L), Mississippi Power & Light Company (MP&L) and New Orleans Public Service Inc. (NOPSI) (all companies collectively, Applicants), each an electric

public utility subsidiary of Entergy Corporation, a registered holding company. The Applicants propose that AP&L assume SFI's existing rights and obligations under several leases of coal railroad cars. (Rel. 35-25576)

#### SYSTEM FUELS, INC., ET AL.

An order has been issued authorizing a proposal by System Energy Resources, Inc. (SERI), Arkansas Power & Light Company, Louisiana Power & Light Company, Mississippi Power & Light Company, and New Orleans Public Service, Inc., electric public-utility subsidiary companies of Entergy Corporation (Entergy), a registered holding company, and Entergy (collectively, Applicants). SERI proposes to issue and sell, in one or more series, through December 31, 1994, up to \$500 million aggregate principal amount of first mortgage bonds (Bonds), by competitive bidding or under an exception from the competitive bidding requirements of Rule 50 under Subsection (a)(5) thereunder. SERI has completed negotiations for the sale of one series of the Bonds in the amount of \$45 million, maturing on July 1, 2002 and bearing interest at the rate of 8.40%. In connection therewith, Applicants propose to amend certain corresponding security agreements. Among other purposes, SERI proposes to use the proceeds of the Bonds, and other available funds, to acquire and retire outstanding first mortgage bonds. (Rel. 35-25577)

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### SELF-REGULATORY ORGANIZATIONS

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#### PROPOSED RULE CHANGE

The American Stock Exchange filed a proposed rule change (SR-AMEX-92-13) to provide for settlement of the Institutional Index Option contract based on the opening prices of the component securities of the Index and increase the position and exercise limits for these contracts. Publication of the notice was expected in the Federal Register during the week of July 6. (Rel. 34-30873)

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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 OLYMPIC CAPITAL INC, 5457 ROSWELL ROAD SUITE 103, ATLANTA, GA (404) 257-0572 -  
80,000 (\$240,000) COMMON STOCK. 400,000 (\$2,000,000) COMMON STOCK. 400,000  
(\$2,400,000) COMMON STOCK. (FILE 33-48758-A - JUN. 22) (BR. 14 - NEW ISSUE)

REGISTRATIONS CONTINUED

- S-18 BLUE CHIP COMPUTERWARE INC, 26 WEST 23RD ST, NEW YORK, NY 10100 (212) 255-7600 - 460,000 (\$2,300,000) COMMON STOCK. 460,000 (\$3,220,000) COMMON STOCK. 40,000 (\$240,000) COMMON STOCK. 40,000 (\$280,000) COMMON STOCK. UNDERWRITER: HANOVER STERLING & CO INC. (FILE 33-48846-NY - JUN. 26) (BR. 9 - NEW ISSUE)
- S-4 BANKERS TRUST NEW YORK CORP, 280 PARK AVE, NEW YORK, NY 10017 (212) 250-2500 - 1,500,000 (\$157,500,000) PREFERRED STOCK. UNDERWRITER: GOLDMAN SACHS & CO, MORGAN STANLEY & CO INC. (FILE 33-48990 - JUL. 06) (BR. 2)
- S-1 CITIZENS FIRST BANCORP INC /NJ/, 208 HARRISTOWN RD, GLEN ROCK, NJ 07452 (201) 445-3400 - 27,581,589 (\$68,953,972.50) COMMON STOCK. 21,425,273 COMMON STOCK. UNDERWRITER: KEEFE BRUYETTE & WOODS INC, LADENBURG THALMANN & CO INC. (FILE 33-48992 - JUL. 06) (BR. 1)
- S-3 QUADRAX CORP /DE/, 300 HIGH POINT AVE, PORTSMOUTH, RI 02871 (401) 683-6600 - 250,000 (\$195,000) COMMON STOCK. 2,312,105 (\$1,017,326) WARRANTS, OPTIONS OR RIGHTS. 1,363,237 (\$1,063,325) COMMON STOCK. 6,550,057 (\$5,109,044) COMMON STOCK. 1,399,443 (\$1,091,566) COMMON STOCK. (FILE 33-48998 - JUL. 06) (BR. 10)
- S-8 XIRCOM INC, 26025 MUREAU ROAD, CALABASAS, CA 91302 (818) 878-7600 - 3,745,000 (\$14,418,250) COMMON STOCK. 225,000 (\$1,856,250) COMMON STOCK. (FILE 33-49170 - JUL. 02) (BR. 10)
- S-1 FORTUNE PETROLEUM CORP, 30101 AGOURA COURT, STE 110, AGOURA HILLS, CA 91301 (818) 991-0526 - 3,250 (\$3,250,000) CONVERTIBLE DEBENTURES AND NOTES. UNDERWRITER: TOLUCA PACIFIC SECURITIES CORP. (FILE 33-49190 - JUL. 06) (BR. 3)
- S-1 DURR INC, 218 COMMERCE ST, MONTGOMERY, AL 36104 (205) 241-8800 - 6,200,000 (\$66,092,000) COMMON STOCK. (FILE 33-49216 - JUL. 02) (BR. 10 - NEW ISSUE)
- S-2 CONTINENTAL HOMES HOLDING CORP, 7001 N SCOTTSDALE RD STE 2050, SCOTTSDALE, AZ 85253 (602) 483-0006 - 75,000,000 (\$75,000,000) STRAIGHT BONDS. UNDERWRITER: KIDDER PEABODY & CO INC. (FILE 33-49252 - JUL. 02) (BR. 9)
- S-11 MERRILL LYNCH MORTGAGE INVESTORS INC, WORLD FIN'L HQTRS - RM 10-102A, NORTH TOWER - 250 VESEY ST, NEW YORK, NY 10281 (212) 449-2098 - 1,000,000 (\$1,000,000) PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 33-49254 - JUL. 02) (BR. 12)
- S-8 WABASH NATIONAL CORP /DE/, 1000 SAGAMORE PKWY S, P O BOX 6129, LAFAYETTE, IN 47905 (317) 448-1591 - 500,000 (\$8,187,500) COMMON STOCK. (FILE 33-49256 - JUL. 02) (BR. 4)
- S-3 ARMCO INC, 300 INTERPACE PKWY, PARISPPANY, NJ 07054 (201) 316-5200 - \$135,000,000 PREFERRED STOCK. (FILE 33-49258 - JUL. 02) (BR. 6)
- S-8 AES CORPORATION, 1001 N 19TH ST, ARLINGTON, VA 22209 (703) 522-1315 - 1,450,000 (\$26,643,750) COMMON STOCK. (FILE 33-49262 - JUL. 02) (BR. 8)
- S-3 JUDICATE INC, 1500 WALNUT ST STE 1300, PHILADELPHIA, PA 19102 (215) 546-6200 - 3,791,333 (\$6,871,791.06) COMMON STOCK. (FILE 33-49266 - JUL. 02) (BR. 6)
- S-8 LITCHFIELD FINANCIAL CORP /MA, 25 MAIN STREET, WILLIAMSTOWN, MA 01267 (413) 458-2551 - 100,000 (\$598,000) COMMON STOCK. (FILE 33-49276 - JUL. 06) (BR. 11)
- S-2 WALNUT EQUIPMENT LEASING CO INC, STE 2128 101 W CITY AVE, BALA CYNWYD, PA 19004 (215) 668-0700 - 24,000,000 (\$24,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-49278 - JUL. 06) (BR. 12)

REGISTRATIONS CONTINUED

- S-4 BANC ONE CORP/OH/, 100 E BROAD ST, COLUMBUS, OH 43271 (614) 248-5944 - 660,000 (\$17,265,600) COMMON STOCK. (FILE 33-49348 - JUL. 06) (BR. 2)
- S-1 INTERLEAF INC /MA/, PROSPECT PLACE 9 HILLSIDE AVE, WALTHAM, MA 02154 (617) 290-0710 - 275,000 (\$2,681,250) COMMON STOCK. (FILE 33-49350 - JUL. 06) (BR. 9)
- S-8 TOP SOURCE INC, 2000 PGA BLVD STE 3200, PALM BEACH GARDENS, FL 33408 (407) 659-3300 - 20,000 (\$58,800) COMMON STOCK. (FILE 33-49352 - JUL. 06) (BR. 12)

**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.

The following 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
CHANDLER INS LTD	COM		0	15905710	
WINDSOR ACQUISITON CORP	14D-1	7/ 9/92	0.0	0.0	RVISION
COASTLAND CORP FLORIDA	COM PAR \$0.20 W.I.		1,621	19058020	
HIGHLAND FINL GROUP ET AL	13D	6/10/92	16.1	17.7	UPDATE
EDMARK CORP	COM NEW		381	28109420	
ROANOKE INVESTORS L P	13D	7/ 1/92	14.0	0.0	NEW
FIELDCREST CANNON INC	COM		1,026	31654910	
GAMCO INVESTORS INC ET AL	13D	7/ 7/92	8.6	7.5	UPDATE
FUTURE NOW INC	COM		1,638	36091010	
INTELLIGENT ELECTRONICS ET AL	13D	7/ 2/92	31.1	31.1	UPDATE
HARMONIA BANCORP INC	COM		821	41315810	
SOVEREIGN BANCORP INC	13D	6/11/92	19.4	0.0	RVISION
INSITUFORM GROUP LIMITED	COM		1,970	45766310	
PARKWOOD LTD ET AL	13D	7/ 3/92	19.7	20.3	UPDATE

## ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
INSITUFORM NORTH AMER INC RINGWOOD LTD ET AL	CLASS A 13D	7/ 3/92	899 11.2	45766410 11.4	UPDATE
INTEGRATED HEALTH SVCS INC ELKINS ROBERT N	COM 13D	6/29/92	1,333 12.1	47599610 7.7	UPDATE
LAWSON MARDON GROUP LTD CRAGNOTTI & PARTNERS FINL CO	CL A SUB VTG CO 13D	5/15/92	42 0.1	52099010 28.6	UPDATE
LAWSON MARDON GRP CRAGNOTTI & PARTNERS FINL CO	COM CL B CO 13D	5/15/92	8,354 68.0	52099099 66.6	UPDATE
LIPOSOME TECHNOLOGY INC BLECH DAVID	COM 13D	7/ 1/92	2,514 13.8	53631110 18.2	UPDATE
MARATHON FINL CORP CLAYTOR ROBERT W	COM 13D	6/ 1/92	51 6.1	56580099 0.0	NEW
MARATHON FINL CORP GREGORY RALPH S	COM 13D	6/ 1/92	73 8.7	56580099 0.0	NEW
MECHANICAL TECHNOLOGY INC LAWRENCE INS GRP ET AL	COM 13D	7/ 1/92	1,730 48.6	58353810 0.0	NEW
MORGAN STANLEY GROUP INC BEARD ANSON M JR ET AL	COM 13D	6/30/92	31,485 41.8	61744610 43.2	UPDATE
NOBLE DRILLING CORP TORRAY ROBERT E	COM 13D	6/ 4/92	1,826 5.4	65504210 6.5	UPDATE
OMNI EXPL INC CAIRN ENERGY USA INC	COM 13D	6/29/92	14,175 64.1	68190510 64.1	UPDATE
PARAMOUNT COMMUNICATIONS INC GAMCO INVESTORS INC ET AL	COM 13D	7/ 6/92	6,803 5.8	69921610 6.1	UPDATE
TODD SHIPYARDS CORP TODD SHIPYARDS STKHLD PRT	COM COMM 13D	6/30/92	1,166 9.8	88903910 9.8	UPDATE
TRIAD SYS CORP RICHARD C BLUM ASSOC INC ET AL	COM PAR \$.001 13D	7/ 2/92	4,500 40.5	89581820 0.0	NEW
WELLFLEET COMMUNICATIONS INC AMERICAN EXPRESS CO	COM 13D	5/29/92	852 5.9	94949710 0.0	NEW
WEST JERSEY BANCSHARES VAN VOORHIS JOHN A	COM 13D	6/ 5/92	104 5.3	95350410 5.2	UPDATE