

# sec news digest

Issue 85-8

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January 11, 1985

U.S. SECURITIES AND  
EXCHANGE COMMISSION

## RULES AND RELATED MATTERS

### ADOPTION OF AMENDMENT TO RULE 204-2

The Commission adopted an amendment to the recordkeeping rule, Rule 204-2, under the Investment Advisers Act of 1940 to permit advisers to preserve required records on microfilm and in computer systems under certain conditions. The amendment will provide flexibility to advisers to determine the medium on which required records will be stored. (Rel. IA-952)

FOR FURTHER INFORMATION CONTACT: R. Michael Parker at (202) 272-2025 or Jay Gould at (202) 272-2107

## ADMINISTRATIVE PROCEEDINGS

### KEVIN M. MOLLOY, OTHERS SANCTIONED

The Commission accepted Offers of Settlement submitted by Kevin M. Molloy, Molloy on the Market, Inc., and Kevin Molloy Enterprises, Inc., the remaining respondents in a public administrative proceeding previously instituted by the Commission. The Commission also entered an Order Making Findings and Imposing Remedial Sanctions in accordance with the offers.

In their Offers, without admitting or denying the allegations contained in the Order for Proceedings, the respondents consented to findings that they wilfully violated the antifraud, bookkeeping, reporting and investment advisory contractual provisions of the Investment Advisers Act of 1940. Kevin Molloy and Molloy on the Market also consented to findings that each wilfully violated the registration provision of the Advisers Act. Moreover, Molloy on the Market and Kevin Molloy Enterprises each consented to the revocation of their investment adviser registrations, and Kevin Molloy consented to a bar from association with any broker, dealer, investment adviser, investment company or municipal securities dealer with the proviso that he may reapply in five years to become reassociated in a non-supervisory capacity upon an adequate showing of supervision. (Rel. IA-950)

## CIVIL PROCEEDINGS

### KEVIN M. MOLLOY, OTHERS ENJOINED

The Chicago Regional Office announced that Kevin M. Molloy, Molloy on the Market, Inc., and Kevin Molloy Enterprises, Inc. were permanently enjoined by the U.S. District Court for the Northern District of Illinois from violating the antifraud, bookkeeping, reporting and investment advisory contractual provisions of the Investment Advisers Act of 1940. Kevin Molloy and Molloy on the Market were permanently enjoined from violating the registration provision of the Advisers Act as well. All three defendants were ordered to file accountings with the Court. The defendants consented to the Final Judgments without admitting or denying the allegations in the Commission's complaint. (SEC v. Molloy on the Market, Inc., et al., ND IL, Civil Action No. 83 C 9533). (LR-10651)

## INVESTMENT COMPANY ACT RELEASES

### PRINCIPAL PRESERVATION TAX-EXEMPT FUND, INC.

An order has been issued exempting Principal Preservation Tax-Exempt Fund, Inc. from the provisions of Section 22(d) of the Investment Company Act to permit sales of its shares at a reduced sales load to certain directors of its adviser's parent holding company. (Rel. IC-14308 - Jan. 9)

## METLIFE FUNDING, INC.

An order has been issued exempting MetLife Funding, Inc. from all provisions of the Investment Company Act. (Rel. IC-14309 - Jan. 9)

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## HOLDING COMPANY ACT RELEASES

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### HAWAIIAN ELECTRIC INDUSTRIES, INC.

A notice has been issued giving interested persons until February 4 to request a hearing on a proposal by Hawaiian Electric Industries, Inc. that it be permitted to create one or more subsidiaries for the purpose of owning and operating alternate energy and/or cogeneration facilities. (Rel. 35-23567 - Jan. 10)

### JERSEY CENTRAL POWER & LIGHT COMPANY

A notice has been issued giving interested persons until February 4 to request a hearing on a proposal by Jersey Central Power & Light Company (JCP&L) and its newly formed subsidiary, Energy Initiatives Incorporated (EII). EII proposes to issue to JCP&L and JCP&L will purchase all the common stock of EII, consisting of 10,000 shares of common stock (no par value) for an aggregate of \$100,000. Thereafter, JCP&L will make open account advances to EII of up to \$1 million per year for five years. EII may also effect secured and/or unsecured borrowings from suppliers of facilities which EII own and/or from institutional lenders for an aggregate principal amount of up to \$2 million from time to time until December 31, 1986. Such financing will enable EII to invest in qualifying cogeneration and small power production projects and to otherwise carry on business. (Rel. 35-23568 - Jan. 10)

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## SELF-REGULATORY ORGANIZATIONS

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### AMENDMENTS NO. 1 TO PROPOSED RULE CHANGE AND ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The American Stock Exchange, Inc. filed Amendment No. 1 to a proposed rule change (SR-Amex-84-31) and the Commission granted accelerated approval of the amended proposed rule change to modify Amex's rules and policies regarding exercise prices for both stock and stock index options. (Rel. 34-21644)

### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The Midwest Stock Exchange, Inc. filed a proposed rule change which became effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. The rule change (SR-MSE-84-13) increases the membership dues for both floor and non-floor memberships as well as the charges assessed on members for maintenance of electronic equipment supplied by the Exchange. (Rel. 34-21645)

### NOTICE OF PROPOSED RULE CHANGE

The Pacific Stock Exchange, Inc. filed a proposed rule change under Rule 19b-4 (SR-Phlx-84-14) to modify the Phlx's Rule 793 which deals with Phlx members or participants having affiliations with more than one organization. Publication of the proposal is expected to be made in the Federal Register during the week of January 14. (Rel. 34-21646)

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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-1 WELLESLEY LEASE INCOME LTD PARTNERSHIP III-A, 600 ATLANTIC AVE, BOSTON, MA 02210 (617) 722-6020 - 300,240 (\$150,120,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 2-95011 - DEC. 21) (BR. 9 - NEW ISSUE)

- S-1 NU ERA COINS INC, 1347 STELTON RD, PISCATAWAY, NJ 08854 (201) 572-9055 - 1,000,000 (\$500,000) COMMON STOCK. (FILE 2-95079 - JAN. 02) (BR. 1)
- S-14 LOGAN COUNTY BANCSHARES INC, 509 MAIN ST, LOGAN, WV 25601 (304) 752-1166 - 255,000 (\$7,275,150) COMMON STOCK. (FILE 2-95114 - DEC. 31) (BR. 2 - NEW ISSUE)
- S-2 METROPOLITAN MORTGAGE & SECURITIES CO INC, W 929 SPRAGUE AVE, SPOKANE, WA 99204 (509) 838-3111 - 25,000,000 (\$25,000,000) STRAIGHT BONDS. (FILE 2-95119 - JAN. 02) (BR. 12)
- S-8 VARIAN ASSOCIATES INC/DE/, 611 HANSEN WAY, PALO ALTO, CA 94303 (415) 493-4000 - 1,000,000 (\$35,120,000) COMMON STOCK. (FILE 2-95139 - JAN. 03) (BR. 3)
- S-8 MULTIMEDIA INC, 305 S MAIN ST, GREENVILLE, SC 29601 (803) 298-4373 - 200,000 (\$7,276,000) COMMON STOCK. (FILE 2-95140 - DEC. 31) (BR. 7)
- S-8 INTERNATIONAL BUSINESS MACHINES CORP, OLD ORCHARD RD, ARMONK, NY 10504 (914) 765-1900 - 75,000 (\$5,164,500) COMMON STOCK. (FILE 2-95149 - DEC. 21) (BR. 13)

#### REGISTRATIONS EFFECTIVE

Dec. 19, 1984: American Municipal Trust, Sixth Yield Series, 2-93906; Amfesco Industries Inc., 2-94340; Balcors Realty Investors 85 Series I, 2-92777; BankVermont Corporation, 2-94055; CBI Industries, Inc., 2-94747; CNA Income Shares, Inc., 2-94193; Charter Medical Corporation, 2-94890; City National Bankcorp, Inc., 2-93047; Colorado-Ute Electric Association, Inc., 2-93816; Gateway Bancorp, Inc., 2-94672; I.C.H. Corporation, 2-94566; The Montana Power Company, 2-94020; Municipal Bond Trust, Insured Series 16, 2-92299; National City Corporation, 2-94857; Natural Grape Co-operative Association, Inc., 2-94377; Tandy Corporation, 2-94472.

Dec. 20, 1984: Ashland Banksbarns, Inc., 2-94673; AST Research, Inc., 2-91089; W.R. Berkley Corporation, 2-93951; Ford Motor Credit Company, 2-94882, 2-94883; General Metal & Abrasives Company, 2-91004; Larchdale Ownership Co., Ltd., 2-93135-LA Mercantile Bancorp, Inc., 2-94559; Middle South Energy, Inc., 2-94090; Municipal Investment Trust Fund, Sixth Put Series (Capital Appreciation), 2-92893; Norlin Corporation, 2-94244; Pioneer Communications Network, Inc., 2-87792-NY; Realty Southwest Fund III, Ltd., 2-93593; Ryan Mortgage Acceptance Corp., 2-94825; Satori Entertainment Corporation, 2-84823-NY; Sunshine Mining Company, 2-94482; TMI Growth Properties - 85, 2-93318; Two Rivers Cattle Partnership I, 2-94040-C; Vitalmetrics, Inc., 2-93417; Western Health Plans, Inc., 2-94133.

Dec. 21, 1984: Air Midwest, Inc., 2-94637; American Businessphones, Inc., 2-88375; Aquanautics Corporation, 2-93568; Babson Value Fund, 2-93363; Coastal 1985 Drilling Program, 2-94551; Commerce Bancorp, Inc., 2-94189; First Evergreen Corporation, 2-94209; ICN Pharmaceuticals, Inc., 2-94850; Kemper/Cymrot Real Estate Investment Fund A, B, L.P., 2-92707; Merchants Bancorp Inc., 2-94493; Pengo Industries, Inc., 2-93371.

## ACQUISITIONS 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 prior percent owned; and Column 7 - the status of the filing, i.e., new, update, or revision.

	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
AMERICAN ADVENTURE INC GIFFORD BAILLIE & CO	COM 13D	6/8/84	92 6.0	02368510 0.0	NEW
AMERICAN FINL ENTERP INC AMERICAN FINANCIAL CORP ET AL	COM 13D	12/28/84	9,921 71.8	02608910 71.1	UPDATE

## ACQUISITION REPORTS CONT.

BANKERS FIRST CORP MERRY LAND & INVESTMENT CO	COM 13D	12/28/84	170 7.4	06615710 0.0	NEW
BURNUP & SIMS INC SHARDN STEEL CORP ET AL	COM 13D	12/27/84	3,203 35.8	12256510 34.5	UPDATE
DOUGHTIES FOODS INC DOUGHTIE ROBERT F ESTATE OF	COM 13D	12/14/84	155 15.5	25871510 45.5	UPDATE
DOUGHTIES FOODS INC MULES VERNON W ET AL	COM 13D	12/14/84	532 52.9	25871510 52.8	UPDATE
GREEN MOUNTAIN HERBS LTD PITTOCK EDWIN J ET AL	COMMON STOCK 13D	11/ 8/84	4,078 27.1	39312810 16.2	UPDATE
HAMMOND CO CLARK ESTATES INC	COM 13D	12/28/84	156 7.5	40835910 0.0	NEW
HIGHLAND SVGS & LN POUGHKEEPSIE SAVINGS BK FSB	COM 14D-1	1/ 8/85	125 83.0	43074810 37.9	UPDATE
KEYCON INDS INC SIMMONS HAROLD C. ET AL	COM 13D	12/20/84	936 49.9	49326210 47.2	UPDATE
MACMILLAN BLDEDEL LTD OLYMPIA & YORK HLDG CORP ET AL	COM 13D	10/17/84	1,422 4.9	55478320 6.9	UPDATE
MCDOWELL ENTERPRISES INC KEYSTONE FINL ET AL	COM 13D	12/29/84	1,196 48.8	58034710 0.0	NEW
NEW GENERATION FOODS INC FLUM PARTNERS ET AL	COM 13D	12/12/84	857 16.7	64446310 16.6	UPDATE
PHILLIPS PETE CO MESA PARTNERS	COM 13D	1/ 2/85	8,899 5.8	71850710 5.8	UPDATE
QUANTECH ELECTRS CORP LEPPD ROBERT DEUTE	COM 13D	12/11/84	107 5.4	74790810 0.0	NEW
SUMMIT ENERGY INC KNOX JACK D	COM PAR \$0.50 13D	12/20/84	319 12.4	86605520 13.6	UPDATE
UNIDYNAMICS CORP NORTEK INC	COM 14D-1	1/ 8/85	0 0.0	90467110 6.2	UPDATE
URGENT CARE CTS AMER INC WILSON ROBERT W	COM 13D	12/ 4/84	350 5.3	91724910 0.0	NEW