

# sec news digest

Issue 85-49

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MAR 15 1985  
U.S. SECURITIES AND  
EXCHANGE COMMISSION

March 13, 1985

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## NOTICE OF COMMISSION MEETINGS

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### CHANGES IN THE MEETING

The following item will not be discussed at the March 14, 4:00 p.m. open meeting:

Consideration of whether to declare the Americus Trust for Exxon Shares effective. On June 7, 1984, the Commission published for public comment a release soliciting written comments on issues raised by the Americus Trust. These offerings relate to units of a unit investment trust series whose portfolios would consist of common stock of major industrial issuers, and two separable components of such units. In addition, the Commission will consider whether to approve a proposed rule change of the American Stock Exchange establishing listing standards for Americus Trust type securities. FOR FURTHER INFORMATION, PLEASE CONTACT Joseph V. Del Raso at (202) 272-7317.

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## COMMISSION ANNOUNCEMENTS

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### ADDITION TO WEEKLY CALENDAR

Chairman John S.R. Shad will testify on March 14 before the Telecommunications, Consumer Protection, and Finance Subcommittee concerning EDGAR. The hearings will begin at 10:00 a.m. in Room 2123, Rayburn House Office Building.

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## TRADING SUSPENSIONS

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### TRADING SUSPENDED IN THE SECURITIES OF DYNAPAC, INC.

The Commission announced the single ten-day suspension of over-the-counter trading in the securities of Dynapac, Inc., a Utah corporation currently headquartered in Santa Clara, California, beginning on March 13 and terminating at midnight (EST) on March 22, 1985. The Commission suspended trading of the securities of Dynapac because of a lack of current and accurate financial information concerning, among other things, Dynapac's financial condition, assets, business operations, securities transactions, and other matters, and in view of questions that have been raised about the adequacy and accuracy of publicly-disseminated information concerning the foregoing. (Rel. 34-21847)

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## CIVIL PROCEEDINGS

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### E.S.M. GROUP, INC., OTHERS ENJOINED AND OTHER RELIEF ORDERED

The Atlanta Regional and Miami Branch Offices announced the filing of a civil action for permanent injunctive and other equitable relief in the U.S. District Court for the Southern District of Florida against E.S.M. Group, Inc. (Group), E.S.M. Government Securities, Inc. (Government), E.S.M. Securities, Inc. (Securities) and E.S.M. Financial Group, Inc. (Financial) alleging violations of the antifraud provisions of the Securities and Exchange Acts. Without admitting or denying the complaint's allegations, the defendants consented to a Final Judgment of Permanent Injunction which was signed by the Court on March 4.

The complaint alleges that: from at least 1980 to date, Group, Government and Securities provided customers of Government with false and misleading financial statements which misrepresented its assets, liabilities and net worth; Government and its related companies are unable to repay \$250 million to \$300 million owed to customers in repurchase transactions; Financial owes Government or the related companies over \$200 million, and Financial allowed Government to include this obligation on financial statements sent to customers even though it could not repay that amount. (SEC v. E.S.M. Group, Inc., et al., USDC SDFL, Civil Action No. 85-6190-CIV). (LR-10681)

## COMPLAINT NAMES ISLE RESOURCES, INC.

The Commission filed a civil injunctive action on March 8 in the U.S. District Court for the District of Columbia against Isle Resources, Inc. of Dallas, Texas. The complaint alleges violations of the reporting provisions of the securities laws and seeks a Judgment of Permanent Injunction and Other Relief.

The Commission alleges that, as part of a continuing course of violative conduct extending over several years, Isle, in disregard of its statutory obligations, failed to file and failed to file timely certain Annual and Quarterly Reports on Forms 10-K and 10-Q and 13 Notifications of Late Filing on Form 12b-25. The Commission requests that the Court order Isle to file its delinquent Annual and Quarterly Reports and enjoin it from further violations of the reporting provisions of the securities laws. (SEC v. Isle Resources, Inc., USDC DC, Civil Action No. 85-0779). (LR-10692)

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## INVESTMENT COMPANY ACT RELEASES

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### THE COMMONWEALTH GROUP, INC.

An order has been issued exempting The Commonwealth Group, Inc. and Commonwealth Capital Management Inc. from Sections 2(a)(32), 2(a)(35), 22(c) and 22(d) of the Investment Company Act. This will permit them to assess a contingent deferred sales charge on certain redemptions of its shares and waive the contingent deferred sales charge respecting certain types of redemptions. (Rel. IC-14409 - March 12)

### FRANKLIN DENVER LIMITED PARTNERSHIP

A notice has been issued giving interested persons until April 5 to request a hearing on an application of Franklin Denver Limited Partnership and its general partner, Milk Street Residential Limited Partnership II, for an order exempting Franklin from all provisions of the Investment Company Act. (Rel. IC-14410 - March 12)

### BOWEN BASIN CAPITAL CORPORATION LIMITED

An order has been issued exempting Bowen Basin Capital Corporation Limited from all provisions of the Investment Company Act. (Rel. IC-14411 - March 12)

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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, a registered holding company, and its subsidiary, CSW Energy, Inc. (Energy), which permits Energy to spend an additional \$2 million for further studies, investigations and research. (Rel. 35-23627 - March 12)

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## SELF-REGULATORY ORGANIZATIONS

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### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

The following stock exchanges filed proposed rule changes which became effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934: The Cincinnati Stock Exchange (SR-CSE-85-1) to amend Section (e) of the National Securities Trading System Fee Schedule. (Rel. 34-21829); and The New York Stock Exchange, Inc. (SR-NYSE-85-7) to increase its floor facilities fees. Floor privilege, booth and post fees are among the fees affected. (Rel. 34-21830)

### ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission approved, on an accelerated basis, a proposed rule change filed by the American Stock Exchange, Inc. (SR-Amex-85-3) to implement a six-month pilot program. Under the program, the highest bid and lowest offer on the limit order book for selected series of options on the Major Market Index will be continuously displayed, without indication of size, to the Amex trading crowd. (Rel. 34-21834)

## APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by the Midwest Securities Trust Company (SR-MSTC-85-2) that prohibits participants from rejecting delivery of bearer municipal bonds because the delivery is made by book-entry movement rather than by physical delivery of certificates. (Rel. 34-21835)

## TRUST INDENTURE ACT RELEASES

### THE WESTERN UNION TELEGRAPH COMPANY

An order has been issued under the Trust Indenture Act of 1939 on an application by The Western Union Telegraph Company that the trusteeship of J. Henry Schroder Bank and Trust Company under certain indentures is not so likely to involve a material conflict of interest as to make it necessary to disqualify the Bank from acting as trustee. (Rel. TI-971)

### TRANS WORLD AIRLINES, INC.

An order has been issued under the Trust Indenture Act of 1939 on an application by Trans World Airlines, Inc. that the trusteeship of The Bank of New York under six indentures of TWA is not so likely to involve a material conflict of interest as to make it necessary to disqualify the Bank from acting as trustee. (Rel. TI-972)

## 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 BUSINESS COMPUTER SOLUTIONS INC, 2655 LEJEUNE RD STE 902, CORAL GABLE, FL 33134 (305) 441-0700 - 9,000 (\$9) WARRANTS, OPTIONS OR RIGHTS. 9,000 (\$70,200) COMMON STOCK. 9,000 (\$36,000) COMMON STOCK. (FILE 2-96088-A - FEB. 27) (BR. 9)
- S-18 CLOTHES BARN INC, 223 N FELTUS ST, SOUTH AMBOY, NJ 08879 (201) 721-2300 - 1,000,000 (\$1,000,000) COMMON STOCK. 1,000,000 (\$1,500,000) COMMON STOCK. 100,000 (\$100) WARRANTS, OPTIONS OR RIGHTS. 100,000 (\$120,000) COMMON STOCK. UNDERWRITER: CLAIRMONT SECURITIES INC. (FILE 2-96116-NY - FEB. 28) (BR. 1 - NEW ISSUE)
- S-18 SKAHA ENERGY INC, 202 WEST 400 SOUTH STE 2A, SALT LAKE CITY, UT 84101 (801) 531-9153 - 5,000,000 (\$500,000) COMMON STOCK. (FILE 2-96143-D - FEB. 28) (BR. 12 - NEW ISSUE)
- S-6 TAX EXEMPT SECURITIES TRUST SHORT INTERMEDIATE TR SERS 13, 1345 AVENUE OF THE AMERICAS, C/O SMITH BARNEY HARRIS UPHAM & CO, NEW YORK, NY 10105 - INDEFINITE SHARES. DEPOSITOR: DREXEL BURNHAM LAMBERT INC, KIDDER PEABODY & CO INC, ROTHSCHILD L F UNTERBERG TOWBIN, SMITH BARNEY HARRIS UPHAM & CO INC. (FILE 2-96184 - MAR. 04) (BR. 16 - NEW ISSUE)
- S-6 TAX EXEMPT SECURITIES TRUST INTERMEDIATE TERM SEREIS 16, 1345 AVENUE OF THE AMERICAS, C/O SMITH BARNEY HARRIS UPHAM & CO INC, NEW YORK, NY 10105 - INDEFINITE SHARES. DEPOSITOR: DREXEL BURNHAM LAMBERT INC, KIDDER PEABODY & CO INC, ROTHSCHILD L F UNTERBERG TOWBIN, SMITH BARNEY HARRIS UPHAM & CO INC. (FILE 2-96185 - MAR. 04) (BR. 16 - NEW ISSUE)
- S-6 TAX EXEMPT SECURITIES TRUST SERIES 109, 1345 AVENUE OF THE AMERICAS, C/O SMITH BARNEY HARRIS UPHAM & CO INC, NEW YORK, NY 10105 - INDEFINITE SHARES. DEPOSITOR: DREXEL BURNHAM LAMBERT INC, KIDDER PEABODY & CO INC, ROTHSCHILD L F UNTERBERG TOWBIN, SMITH BARNEY HARRIS UPHAM & CO INC. (FILE 2-96186 - MAR. 04) (BR. 16 - NEW ISSUE)
- S-1 DREMARKS INTERNATIONAL CORP, 900 FORT ST STE 1777, HONOLULU, HI 96813 (808) 533-7227 - 30,000,000 (\$3,000,000) COMMON STOCK. 30,000,000 (\$4,500,000) COMMON STOCK. 3,000,000 (\$300) WARRANTS, OPTIONS OR RIGHTS. 3,000,000 (\$384,000) COMMON STOCK. UNDERWRITER: MALONE & ASSOCIATES INC. (FILE 2-96187 - MAR. 04) (BR. 5 - NEW ISSUE)

- S-6 PRUDENTIAL BACHE UNIT TRUSTS INSURED TAX EXEMPT SERIES 3,  
ONE SEAPORT PLZ 199 WATER ST, C/O PRUDENTIAL BACHE SECURITIES INC, NEW YORK, NY 10292  
- INDEFINITE SHARES. DEPOSITOR: PRUDENTIAL BACHE SECURITIES INC. (FILE 2-96188 -  
MAR. 04) (BR. 16 - NEW ISSUE)
- S-1 AMERICAN EQUINE PRODUCTS INC, 550 RIDGEFIELD RD, WILTON, CT 06897 (203) 762-3405 -  
2,434,500 COMMON STOCK. 2,434,500 (\$1,509,390) COMMON STOCK. (FILE 2-96189 - MAR. 04)  
(BR. 6 - NEW ISSUE)
- S-1 ZETA LABORATORIES INC, 3265 SCOTT BLVD, SANTA CLARA, CA 95051 (408) 727-6001 -  
960,000 (\$6,720,000) COMMON STOCK. UNDERWRITER: HAMBRECHT & QUIST INC,  
ROTHSCHILD L F UNTERBERG TOMBIN. (FILE 2-96192 - MAR. 04) (BR. 8 - NEW ISSUE)
- S-11 COLORADO MUTUAL FUND I, 1050 YUMA COURT STE 205, DENVER, CO 80204 - 1,000,000  
(\$10,000,000) COMMON STOCK. (FILE 2-96195 - MAR. 04) (BR. 5 - NEW ISSUE)
- N-1A MBL GROWTH FUND INC, 520 BROAD ST, NEWARK, NJ 07101 (201) 481-8000 -  
INDEFINITE SHARES. (FILE 2-96199 - MAR. 04) (BR. 20)
- S-1 SPECTRUM 7 1985 DRILLING PROGRAM, 300 MAIN ST, CINCINNATI, OH 45202 (513) 241-8716  
- 1,200 (\$6,000,000) LIMITED PARTNERSHIP CERTIFICATE. 1,200 (\$1,800,000)  
LIMITED PARTNERSHIP CERTIFICATE. (FILE 2-96200 - MAR. 05) (BR. 11 - NEW ISSUE)
- S-3 PIEDMONT AVIATION INC, SMITH REYNOLDS AIRPORT, P O BOX 2720, WINSTON-SALEM, NC 27156  
(919) 767-5100 - 2,228,705 (\$68,254,091) COMMON STOCK. (FILE 2-96203 - MAR. 05)  
(BR. 3)
- S-6 MUNICIPAL INVESTMENT TRUST FUND THREE HUNDRED FIFTY FIRST NO,  
ONE LIBERTY PLZ 65 BROADWAY, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY  
10080 - INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC,  
MERRILL LYNCH PIERCE FENNER & SMITH, PRUDENTIAL BACHE SECURITIES INC,  
SHEARSON LEHMAN AMERICAN EXPRESS INC. (FILE 2-96204 - MAR. 05) (BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND THREE HUNDRED FIFTIETH PAYME,  
ONE LIBERTY PLZ 165 BROADWAY, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY  
10080 - INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC,  
MERRILL LYNCH PIERCE FENNER & SMITH, PRUDENTIAL BACHE SECURITIES INC,  
SHEARSON LEHMAN AMERICAN EXPRESS INC. (FILE 2-96205 - MAR. 05) (BR. 17 - NEW ISSUE)
- S-3 LEXIDATA CORP, 755 MIDDLESEX TURNPIKE, BILLERICA, MA 01865 (617) 663-8550 - 146,723  
(\$330,126.75) COMMON STOCK. (FILE 2-96206 - MAR. 04) (BR. 10)
- S-15 CENTRAL FIDELITY BANKS INC, BROAD AT THIRD ST, PO BOX 27602, RICHMOND, VA 23261  
(804) 782-4000 - 175,000 (\$2,355,500) COMMON STOCK. (FILE 2-96208 - MAR. 05) (BR. 2)
- S-1 IOMEGA CORP, 1821 W 4000 SOUTH, ROY, UT 84067 (801) 773-9452 - 1,650,000  
(\$18,768,750) COMMON STOCK. (FILE 2-96209 - MAR. 05) (BR. 10)
- S-2 UNITED CAROLINA BANCSHARES CORP, 306 S MADISON ST, WHITEVILLE, NC 28472  
(919) 642-5131 - 575,000 (\$14,375,000) COMMON STOCK. (FILE 2-96210 - MAR. 05) (BR. 2)
- S-14 MIDLANTIC BANKS INC, METRO PARK PLZ, P O BOX 600, EDISON, NJ 08818 (201) 321-8100 -  
5,050,000 (\$124,159,300) COMMON STOCK. (FILE 2-96212 - MAR. 05) (BR. 1)
- S-3 TEXACO INC, 2000 WESTCHESTER AVE, WHITE PLAINS, NY 10650 (914) 253-4000 - 2,000,000  
(\$70,250,000) COMMON STOCK. (FILE 2-96215 - MAR. 05) (BR. 4)
- S-3 FREEPORT MCMORAN ENERGY PARTNERS LTD, 3421 N CAUSEWAY BLVD, METAIRIE, LA 70002  
(504) 835-4700 - 5,175,000 (\$103,500,000) LIMITED PARTNERSHIP CERTIFICATE.  
UNDERWRITER: DEAN WITTER REYNOLDS INC, FIRST BOSTON CORP, HUTTON E F & CO INC,  
LAZARD FRERES & CO. (FILE 2-96216 - MAR. 05) (BR. 4 - NEW ISSUE)
- S-14 BNH BANCSHARES INC, 209 CHURCH ST, NEW HAVEN, CT 06510 (203) 865-4500 - 1,002,672  
(\$27,573,480) COMMON STOCK. (FILE 2-96217 - MAR. 05) (BR. 1 - NEW ISSUE)
- N-1A OLYMPIC TRUST, 800 WILSHIRE BLVD, 12TH FL, LOS ANGELES, CA 90017 (213) 623-4073 -  
INDEFINITE SHARES. (FILE 2-96219 - MAR. 05) (BR. 17 - NEW ISSUE)
- S-14 PENNSYLVANIA NATIONAL FINANCIAL CORP, 1002 N 7TH ST, HARRISBURG, PA 17102  
(717) 233-6434 - 735,000 (\$43,659,000) COMMON STOCK. (FILE 2-96220 - MAR. 05) (BR. 1  
- NEW ISSUE)
- S-8 SHARED MEDICAL SYSTEMS CORP, 51 VALLEY STREAM PARKWAY, MALVERN, PA 19355  
(215) 296-6300 - 100,000 (\$3,275,000) COMMON STOCK. (FILE 2-96224 - MAR. 05) (BR. 6)