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U.S. SECURITIES AND EXCHANGE COMMISSION

Issue 84-187

September 25, 1984

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## CIVIL PROCEEDINGS

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### MILLER FINANCIAL CORPORATION, MARK D. MILLER ENJOINED

The San Francisco Branch Office announced that on September 17 Judge Samuel Conti, Federal District Court in San Francisco, issued an order of permanent injunction against Miller Financial Corporation and Mark D. Miller. The defendants simultaneously agreed to be enjoined on consent without admitting or denying the complaint's allegations. The complaint charges the defendants with violations of the registration and antifraud provisions of the securities laws relating to the offer and sale of securities in the form of promissory notes issued by the Carter Company of Irvine, California. Miller is also charged with a violation of the broker-dealer registration provision. The charges arose out of an investment program under which accounts receivables for medical services purportedly were being purchased at discounts from doctors and hospitals and later being collected upon at full value. However, the complaint alleges, the factoring program was non-existent and the money being paid to investors as profits was being taken directly from the pool of funds being invested. (SEC v. Miller Financial Corporation and Mark D. Miller, Civil Action No. C 84-6208 SC, N.D. Calif.) (LR-10537)

### COMPLAINT ALLEGES ANTIFRAUD VIOLATIONS IN INDUSTRIAL REVENUE BOND OFFERING

The Washington Regional Office announced that on September 24 a civil complaint was filed in the Philadelphia Federal District Court seeking to enjoin Charles J. Ascenzi of Silverdale, Pennsylvania, J. Lynn Helms of Westport, Connecticut and Vincent Roggio of Pipersville, Pennsylvania for violations of the antifraud provisions of the federal securities laws.

The complaint alleges that the three defendants engaged in a fraudulent scheme involving the offer and sale in December 1980 of \$2 million worth of City of West Memphis, Arkansas, Maphis Chapman Project industrial revenue bonds. The bond proceeds were to be used to equip and operate a manufacturing facility in West Memphis. It is alleged that: as part of the scheme, false invoices purporting to show that equipment had been purchased in the amount of \$1.7 million were presented to the bond trustee in order to obtain bond funds, when in fact no equipment had been purchased or otherwise acquired; the defendants misrepresented the value of the equipment actually purchased with the bond proceeds; \$1.2 million of the bond funds were used for the personal financial benefit of Helms and Roggio, contrary to representations made by the defendants to investors; among other things, bond monies were used to pay expenses for a horse racing stable owned by Helms and Roggio and to repay bank loans obtained by Helms and Roggio; and machinery subject to bankruptcy proceedings was transferred to the West Memphis facility without the permission of the bankruptcy court.

Simultaneous with the filing of the complaint, Helms consented to the entry of the Final Judgment without admitting or denying the allegations in the Commission's complaint, enjoining him from violations of the antifraud provisions of the securities laws. (SEC v. Charles J. Ascenzi, et al., U.S.D.C. Eastern District of Pennsylvania, Civil Action No. 84-4571) (LR-10541)

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## CRIMINAL PROCEEDINGS

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### STEPHEN L. WALLIS, SHARON WILLEY SENTENCED

The New York Regional Office announced that on September 18 Stephen L. Wallis and Sharon Willey were sentenced by Judge William C. Conner in a criminal action in which they were charged with participation in an insider trading scheme involving the misappropriation of material non-public information from the New York City law firm of Skadde, Arps, Slate, Meagher & Flom. Judge Conner sentenced Wallis to incarceration on weekends for 18 months to be served concurrently with five years

probation. A condition of probation is that Wallis pay restitution of amounts made from trading on inside information, the amounts to be determined by the probation department and approved by the court. Judge Conner sentenced Willey to five years probation with the same restitution condition. Wallis and Willey submitted offers of settlement in a related civil injunctive action (SEC v. Stephen G. Karanzalis, et al., 84 Civil 2070, CLB S.D.N.Y.).

Wallis, a New York City taxicab driver, and Willey, a close personal friend, pleaded guilty on June 21, 1984 to conspiring with others, including a former employee of Skadden Arps, to trade securities based on information regarding potential tender offers and business combinations stolen from Skadden Arps. Wallis also pleaded guilty to one count each of securities and mail fraud. (U.S. v. Stephen L. Wallis and Sharon Willey, 84 Cr. 342 S.D.N.Y.) (LR-10538)

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## INVESTMENT COMPANY ACT RELEASES

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### GREAT WEST LIFE & ANNUITY INSURANCE COMPANY

An order was issued to Great-West Life and Annuity Insurance Company and Maxim Series Account granting exemptions from Sections 26(a) and 27(c)(2) of the Act. (Rel. IC-14170 - Sept. 24)

### PRUCO LIFE INSURANCE COMPANY

An order was issued to Pruco Life Insurance Company, Pruco Life Variable Appreciable Account, Pruco Life Insurance Company of New Jersey, Pruco Life of New Jersey Variable Appreciable Account, Pruco Life Series Fund, Inc., The Prudential Insurance Company of America and Pruco Securities Corporation granting exemptions from Sections 2(a)(32), 2(a)(35), 12(b), 18(i), 22(c), 26(a)(2), 27(a)(1), 27(c)(1), 27(c)(2), 27(d) and 27(f) of the Act and Rules 6e-2(b)(1), (b)(10), (b)(12), (b)(13) and 12b-1(a)(1), 22c-1 and 27f-1 thereunder and approving the terms of an exchange offer under Section 11 of the Act. The exemptions relate to variable life insurance contracts to be offered by the above referenced persons. (Rel. IC-14171 - Sept. 24)

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## HOLDING COMPANY ACT RELEASES

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### NEW ENGLAND POWER COMPANY

A notice has been issued giving interested persons until October 15 to request a hearing on a proposal by New England Power Company, subsidiary of New England Electric System, to extend an increase in its allowable short-term indebtedness. An order has also been issued authorizing the solicitation of proxies in connection therewith. (Rel. 35-23420 - Sept. 21)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING GRANTED

An order has been issued granting the applications of the Midwest Stock Exchange for unlisted trading privileges in 6 issues which are listed and registered on one or more other national securities exchange and are reported in the consolidated transaction reporting system. (Rel. 34-21343)

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## SELF-REGULATORY ORGANIZATIONS

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### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The Pacific Stock Exchange Inc. has filed a proposed rule change which became effective under Section 19(b)(3)(A) (SR-PSE-84-17) to allow its Board of Governors to determine whether to open the Exchange on Presidential Election Days. (Rel. 34-21340)

### NOTICE OF PROPOSED RULE CHANGE

The American Stock Exchange has filed a proposed rule change under Rule 19b-4 (SR-Amex-84-26) to establish as a permanent floor-wide enhancement to the Amex Options

Switching (AMOS) system, the AUTOAMOS program, which enables participating specialists to enter AMOS execution data using touchscreen terminals. Publication of the proposal is expected to be made in the Federal Register during the week of September 24. (Rel. 34-21342)

**APPROVAL OF PROPOSED RULE CHANGE**

The Commission approved a proposed rule change filed under Rule 19b-4 by the Boston Stock Exchange (SR-BSE-84-3) to amend Chapter XX, Section 6 of the Exchange's rules to add a new rule which would require a member or member organization or employee thereof that gives any compensation to an employee of another member or member organization or other financial concern in excess of \$100 to first obtain the written consent of the recipient's employer. (Rel. 34-21344)

**MISCELLANEOUS**

**MIDLAND AMERICAN CAPITAL CORPORATION**

A notice has been issued giving interested persons until October 19 to request a hearing on an application of Midland American Capital Corporation (MACC) and Midland Bank plc, under Section 12(h) of the Securities Exchange Act of 1934, for an order exempting MACC from the reporting requirements of Sections 13 and 15(d) of the Act. (Rel. 34-21346)

**SECURITIES ACT REGISTRATIONS**

- S-3 HUMANA INC, 1800 FIRST NATL TOWER, LOUISVILLE, KY 40202 (502) 561-2000 - 500,000 (\$14,937,500) COMMON STOCK. (FILE 2-93289 - SEP. 17) (BR. 6)
- S-1 I SYS TECHNOLOGY INC, 20100 PLUMMER ST, CHATSWORTH, CA 91311 (818) 886-9303 - 207,000,000 (\$2,070,000) COMMON STOCK. 103,500,000 (\$2,070,000) COMMON STOCK. 18,000,000 (\$100) WARRANTS, OPTIONS OR RIGHTS. 18,000,000 (\$216,000) COMMON STOCK. (FILE 2-93290 - SEP. 17) (BR. 10)
- S-8 CCX NETWORK INC, 301 INDUSTRIAL BLVD, CONWAY, AK 72032 (501) 329-6836 - 100,000 (\$1,190,000) COMMON STOCK. (FILE 2-93293 - SEP. 14) (BR. 6)
- S-3 COMPUTER PRODUCTS INC, 2900 SW 14TH ST, POMPANO BEACH, FL 33069 (305) 974-5500 - 56,962 (\$954,113.50) COMMON STOCK. (FILE 2-93296 - SEP. 17) (BR. 8)
- S-14 EDGEWATER NATIONAL CORP, 474 SYLVAN AVE, ENGLEWOOD CLIFFS, NJ 07632 (201) 871-1113 - 278,717 (\$6,955,000) COMMON STOCK. (FILE 2-93297 - SEP. 17) (BR. 2 - NEW ISSUE)

**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 FINL ENTERP INC	COM		9,921	02608910	
AMERICAN FINANCIAL CORP ET AL	13D	9/12/84	69.2	68.6	UPDATE
AMERIWEST FINL CORP	COM		98	03090310	
GUEST GARY D ET AL	13D	9/20/84	4.2	4.2	UPDATE

## ACQUISITION REPORTS, cont.

BOW VALLEY INDS LTD CAISSE DE DEPOT DU QUEBEC	COM	13D	9/11/84	3,158 8.0	10216910 6.9	UPDATE
CENTRAL JERSEY INDS INC SCHWAB DAVID E III ET AL	COM	13D	7/30/84	302 19.2	15378010 0.0	NEW
FMI FINL CORP AMERICAN FINANCIAL CORP ET AL	COM	13D	9/ 5/84	16,738 100.0	30250110 100.0	UPDATE
G R I CORP GRACE CAPITAL INC	COM	13D	8/23/84	681 22.9	36223210 25.0	UPDATE
GENERAL REAL ESTATE SHS ARNDS RICHARD DONALD ET AL	SH BEN INT	13D	9/11/84	52 18.8	37056810 0.0	NEW
HARRIS BANKCORP HARRIS HUNTINGTON	COM	13D	9/ 4/84	0 0.0	41384110 22.2	UPDATE
HARRIS BANKCORP HARRIS NORMAN W III	COM	13D	9/ 4/84	0 0.0	41384110 22.2	UPDATE
HARRIS BANKCORP HARRIS STANLEY G JR	COM	13D	9/ 4/84	0 0.0	41384110 26.3	UPDATE
HARRIS BANKCORP HARRIS THOMAS B	COM	13D	9/ 4/84	0 0.0	41384110 22.2	UPDATE
HARRIS BANKCORP MACLEOD ALBERT H ET AL	COM	13D	9/ 4/84	0 0.0	41384110 2.0	UPDATE
INTERNORTH INC BELFER ARTHUR B	PFD CUM CONV	13D	8/17/84	544 22.7	46057580 22.8	UPDATE
INTERNORTH INC BELFER ARTHUR B	CUM PFD	13D	8/17/84	385 18.4	46057588 20.8	UPDATE
KEYSTONE PORTLAND CEM CO DALLENBACH SAND CO ET AL	COM	13D	8/27/84	187 34.5	49358410 31.7	RVISION
MERCHANTS CO OPER BK BOSTON ARON JACK R ET AL	COM	13D	9/12/84	66 8.3	58853210 6.5	UPDATE
NORTHERN AIR FGHT INC QUEST ADVISORY CORP ET AL	COM	13D	7/13/84	108 5.8	66473310 0.0	NEW
PARK OHIO INDS INC DEL LOUSAR LTD PARTNERSHIP	COM	13D	9/10/84	26 0.5	70067610 6.12	UPDATE
PARK OHIO INDS INC DEL MORDAVE CORP	COM	13D	9/10/84	26 0.5	70067610 6.1	UPDATE
SOUTHERN SEC LIFE INS CO TBK PARTNERS ET AL	CL A	13D	9/ 5/84	70 4.5	84380510 0.0	NEW
STANDUN INC VIRIDIAN INVESTMENTS LTD	COM	13D	9/12/84	2 0.1	85430210 0.0	NEW
SUNDANCE OIL CO SOCIETE QUEBECO D'INIT PETRO	COM	13D	9/14/84	1,110 10.5	86725510 10.5	UPDATE
UNIVERSAL MONEY CTRS INC NCR CORP	COM	13D	9/14/84	1,007 12.3	91375610 0.0	NEW
UNIVERSAL RES CORP MADISON RESOURCES INC ET AL	COM	13D	9/17/84	2,183 24.7	91380210 24.7	UPDATE
VALLEN CORP QUEST ADVISORY CORP ET AL	COM	13D	8/14/84	72 5.0	91926010 0.0	NEW
WINCORP RLTY INVTS INC GOODMAN ROBERT N ET AL	PAIRED CTF	13D	9/14/84	215 17.9	97314320 16.1	UPDATE
WISCONSIN REAL EST INVT TR HICKORY FURNITURE CO ET AL	SH BEN INT	13D	9/17/84	871 56.1	97701110 53.4	UPDATE