

sec news digest

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Issue 90-137

U.S. SECURITIES AND
EXCHANGE COMMISSION

July 17, 1990

COMMISSION ANNOUNCEMENTS

COMMISSIONER SCHAPIRO TO TESTIFY

Commissioner Schapiro will testify before the Subcommittee on Telecommunications and Finance of the Energy and Commerce Committee of the House of Representatives on Wednesday, July 18 beginning at 9:30 a.m. in Room 2128, Rayburn House Office Building. The subject of the hearing is H.R. 4441, a bill dealing with investment advisors.

CIVIL PROCEEDINGS

PERMANENT INJUNCTIVE RELIEF RE R-2000

The New York Regional Office announced today the filing a civil action in the U.S. District Court for the Southern District of New York seeking a permanent injunction against R-2000 Corporation (R-2000), Richard Hartung, Scott Hartung, Anatoli Orlowsky (Orlowsky), Jeffrey Finn (Finn), Paul Francisco (Francisco), Richard Smith (Smith), and Richard Johnson (Johnson).

Simultaneous with the filing of the Commission's Complaint, R-2000, Richard Hartung, Scott Hartung, Orlowsky, Finn, Francisco, Smith, and Johnson, without admitting or denying the allegations of the Complaint, have consented to the entry of Final Judgments of Permanent Injunction against future violations of the federal securities laws. R-2000 consented to be enjoined from future violations of Section 13(a) and 14(a) of the Securities Exchange Act of 1934 (Exchange Act) and Rules 12b-13, 13a-1, and 14a-6 promulgated thereunder. Scott Hartung, Richard Hartung, and Orlowsky consented to be enjoined from future violations of Sections 13(g) and 16(a) of the Exchange Act and Rules 13d-1, 13d-2, and 16a-1 thereunder. Finn, Francisco, Johnson, and Smith consented to be enjoined from future violations of Section 16(a) of the Exchange Act and Rule 16a-1 promulgated thereunder. [SEC v. R-2000 Corporation, et. al. 90 Civ. 4678 (USDC-SDNY)] (LR-12543)

COMPLAINT FILED AGAINST ROBERT C. GLEAVE

The Salt Lake City Branch Office announced the filing, on July 9 of a complaint seeking a permanent injunction against Robert C. Gleave, formerly a registered representative of a Denver Colorado brokerage firm. The complaint seeks to bar Gleave from violating Sections 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The complaint alleged that Gleave participated in a fraudulent scheme to sell the unregistered stock of Protecto Industries, Inc., to the public. Gleave allegedly violated the antifraud provisions of the securities laws by devising a plan to artificially raise the price of Protecto stock through trading among shareholders who Gleave knew to be nominees

of Protecto stock through trading among shareholders who Gleave knew to be nominees for the owners of Protecto. Gleave also allegedly violated the antifraud provisions of the securities laws through his failure to disclose to potential purchasers of Protecto stock that the corporation's claim to exemption from registration for its securities was based on a falsified shareholders list. [SEC v. Robert C. Gleave (USDC D. Utah, Civil Action No. 90-C-572S)] (LR-12546)

LEONARD M. KRISSELL PERMANENTLY ENJOINED

The Fort Worth Regional Office announced that, on July 5, a Final Judgment and Order of Permanent Injunction was entered by the U.S. District Court for the Eastern District of Arkansas against Krisell International Corp. (KIC) and its founder and president Leonard M. Krisell (Krisell). In addition to enjoining KIC and Krisell from the antifraud and securities registration provisions of the federal securities laws, and Krisell from the broker-dealer registration provisions, the Final Judgment orders the defendants to jointly and severally disgorge \$590,295.56 while waiving payment of such disgorgement amount based on the defendants demonstrated financial inability to make payment. Both defendants consented to the Final Judgment without admitting or denying the allegations of the complaint.

The complaint alleges that the defendants made numerous materially false and misleading statements to some 500 investors in the offer and sale of approximately one million dollars of preferred KIC stock. [SEC v. Krisell International Corp., et. al., Civil Action File No. LR-C-89-578, (E.D. Ark.)] (LR-12547)

CRIMINAL PROCEEDINGS

ROCCO P. PIZZI INDICTED

The Boston Regional Office announced today that, on July 12, a Federal Grand Jury indicted a former stockbroker, Rocco P. Pizzi of Providence, Rhode Island. The indictment charges Pizzi with securities and wire fraud. Pizzi allegedly defrauded two clients of approximately \$195,000 during 1985. In November 1988, Pizzi was fined \$50,000 and barred by the National Association of Securities Dealers, from association with any NASD member brokerage firm, after a finding that he misappropriated \$30,000 of a client's money.

The grand jury charged Pizzi with defrauding a Rhode Island widow of approximately \$40,000 by fraudulently inducing her to invest in a trade in which he guaranteed her a profit. Instead, Pizzi used the money to pay for unprofitable securities transactions made in his own account. Pizzi later withdrew money from her account so as to make good on his guarantee. Pizzi was also charged with defrauding a foreign corporation by engaging in unauthorized index options trades in its account during 1985. As a result, Pizzi earned substantial commissions while incurring a trading loss of approximately \$155,000 in just one month. The case was investigated by the Federal Bureau of Investigation, the Boston Regional Office of the Commission, and the United States Attorney's Office for the District of Rhode Island. [U.S. v. Pizzi, No. 90-68 (D. Rhode Island)] (LR-12544)

CHARLES PHILLIP ELLIOTT AND WILLIAM MELHORN SENTENCED

The Atlanta Regional and Miami Branch Offices and the U.S. Attorney for the Middle District of Florida announced that, on June 29, Charles Phillip Elliott (Elliott) of

Isle of Capri, Florida and William H. Melhorn (Melhorn) of Fort Myers, Florida were sentenced to fifteen years and twelve years imprisonment respectively.

On March 19, 1990, Elliott and Melhorn were each found guilty of 37 of 39 counts of securities fraud, investment adviser fraud, mail fraud and conspiracy. Elliott, doing business as Elliott Enterprises and Melhorn, his chief executive officer, operated a Ponzi scheme and obtained approximately \$61 million from approximately 940 mostly elderly investors. [U.S. v. Elliott, et al., Case No. 88-12-13-CR-SPELLMAN, U.S.D.C., S.D. Fla.] On March 31, 1987, and April 10, 1987, respectively, final judgments of permanent injunction and other relief were entered against Elliott and Melhorn. (SEC v. Elliot, et al., Case No. 87-12012-CIV-HOEVELER, U.S.D.D., S.D. Fla.) An administrative proceeding against Elliott is scheduled for trial on July 17. [U.S. v. Phillip Elliott and William H. Melhorn (U.S.D.C., S.D. Fla. Case No. 88-12-13-CR-SPELLMAN) (LR-12545)

INVESTMENT COMPANY ACT RELEASES

NEL EQUITY FUND, INC.
NEL GROWTH FUND, INC.
NEL INCOME FUND, INC.
NEL RETIREMENT EQUITY FUND, INC.
NEL TAX EXEMPT BOND FUND, INC.

Notices have been issued giving interested parties until August 10 to request a hearing on applications filed by NEL EQUITY FUND, INC., NEL GROWTH FUND, INC., NEL INCOME FUND, INC., NEL RETIREMENT EQUITY FUND, INC., and NEL TAX EXEMPT BOND FUND, INC. for Orders under Section 8(f) of the 1940 Act declaring that Applicants have ceased to be investment companies. (Rels. IC-17583, IC-17584, IC-17585, IC-17586, and IC-17587, respectively - July 13)

HOLDING COMPANY ACT RELEASES

COLUMBUS SOUTHERN POWER COMPANY

A supplemental order has been issued authorizing Columbus Southern Power Company, a subsidiary of American Electric Power Company, Inc., a registered holding company, to issue and sell, in one or more series, from time-to-time through December 31, 1990, up to \$175 million aggregate principal amount of its medium-term notes through December 31, 1990. (Rel. 35-25117)

NORTHEAST UTILITIES, ET AL.

A notice has been issued giving interested persons until August 6 to request a hearing on a proposal by Northeast Utilities, a registered holding company, and its subsidiaries, Western Massachusetts Electric Company, The Quinnehtuk Company, The Connecticut Light and Power Company, Northeast Utilities Service Company, Northeast Nuclear Energy Company, The Rocky River Realty Company ("Rocky River") and Holyoke Water Power Company, whereby these companies seek to amend their existing short-term borrowing authority by permitting Rocky River to increase its short-term borrowing authority from \$20 million to \$25 million through December 31, 1990. (Rel. 35-25118)

NEW ENGLAND ENERGY INCORPORATED, ET AL.

A notice has been issued giving interested persons until August 6 to request a hearing on a proposal by New England Energy Incorporated (NEEI) and New England Power Company (NEP), and their parent company New England Electric System (NEES), a registered holding company, whereby NEEI will amend its existing \$400 million revolving credit facility to delete a \$40 million net worth provision and make corresponding changes in its agreements with NEP and NEES securing the debt. (Rel. 35-25118)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGES

The Municipal Securities Rulemaking Board filed a proposed rule change (File No. SR-MSRB-90-2) on June 22, pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 and Rule 19b-4 thereunder, that would permit the Board to establish and operate a central electronic facility, the Municipal Securities Information Library, through which information regarding municipal securities and their issuers would be made available to market participants and information vendors. Publication of the proposal is expected to be made in the Federal Register during the week of July 16. (Rel. 34-28197)

The Municipal Securities Rulemaking Board filed a proposed rule change (File No. SR-MSRB-90-3) on June 22, pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 and Rule 19b-4 thereunder, that would amend Rule G-36 to require underwriters to deliver advance refunding documents to the MSRB. Publication of the proposal is expected to be made in the Federal Register during the week of July 16. (Rel. 34-28198)

The Municipal Securities Rulemaking Board filed a proposed rule change (File No. SR-MSRB-90-4) on June 22, pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 and Rule 19b-4 thereunder, that would establish a central facility to accept voluntary submissions of Continuing Disclosure Information electronically. Publication of the proposal is expected to be made in the Federal Register during the week of July 16. (Rel. 34-28199)

On July 9, the National Association of Securities Dealers (NASD) filed a proposed rule change (File No. SR-NASD-90-38), which would establish a \$50.00 service charge for receipt and use of the National Quotation Data Service (NQDS). The NQDS service incorporates Level 1 and Last Sale information into a combined feed to be supplied to NQDS vendors. Publication of the Release in the Federal Register is expected during the week of July 16. (Rel. 34-28200)

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934, on June 27, the Chicago Board Options Exchange, Inc. (CBOE) filed with the Commission a proposed rule change (SR-CBOE-90-21) which clarifies the circumstances under which a Chicago Board of Trade member may apply for membership on the CBOE without purchasing a CBOE issued membership. Publication of the notice is expected to appear in the Federal Register during the week of July 16. (Rel. 34-28201)

The New York Stock Exchange filed a proposed rule change (SR-NYSE-89-17) under Rule 19b-4 of the Exchange Act amending its trading rules governing trades one or two points away from the last sale (Rule 79A.30) and "stop orders" (Rule 123A.40).

Publication of the proposal is expected to be made in the Federal Register during the week of July 16. (Rel. 34-28202)

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-1 POLYMERIX INC, 4 FRASSETTO WAY, LINCOLN PARK, NJ 07035 (201) 633-7600 - 1,372,666 (\$2,573,749) COMMON STOCK. 166,800 (\$500,400) COMMON STOCK. 191,666 (\$454,165) COMMON STOCK. 250,000 (\$625,000) COMMON STOCK. 100,000 (\$300,000) COMMON STOCK. (FILE 33-35548 - JUN. 22) (BR. 2)
- S-3 AIRBORNE FREIGHT CORP /DE/, 3101 WESTERN AVE, P O BOX 662, SEATTLE, WA 98111 (206) 285-4600 (FILE 33-35687 - JUL. 10) (BR. 4)
- S-8 NATIONAL MEDICAL ENTERPRISES INC /NV/, 2700 COLORADO AVE, SANTA MONICA, CA 90404 (213) 315-8406 - 6,000,000 (\$229,920,000) COMMON STOCK. (FILE 33-35688 - JUL. 10) (BR. 6)
- S-3 MEDICAL CARE INTERNATIONAL INC, 5080 SPECTRUM DR STE 900 W, DALLAS, TX 75248 (214) 851-2600 - 2,875,000 (\$63,429,687) COMMON STOCK. (FILE 33-35689 - JUL. 10) (BR. 6)
- N-1A PRUDENTIAL STRATEGIC INCOME FUND INC, ONE SEAPORT PLZ, NEW YORK, NY 10292 (212) 214-1250 (FILE 33-35691 - JUL. 10) (BR. 16)
- F-6 PREMIER CONSOLIDATED OILFIELDS PLC /ADR/, 60 WALL STREET, NEW YORK, NY 10260 (212) 648-3200 - 10,000,000 (\$500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-35692 - JUL. 10) (BR. 99)
- S-1 GRAYSTONE COMPANIES INC, 51 SHERMAN HILL RD, WOODBURY, CT 06798 (203) 263-3265 (FILE 33-35697 - JUL. 05) (BR. 12)
- N-1A HOMESTEAD FUNDS INC, 1800 MASSACHUSETTS AVE N W, C/O NATIONAL RURAL ELEC COOPERATIVE ASSO, WASHINGTON, DC 20036 (202) 857-9619 (FILE 33-35788 - JUL. 09) (BR. 16 - NEW ISSUE)
- S-4 FIRST COMMERCIAL HOLDING CORP, 8 O'HENRY AVE, ASHEVILLE, NC 28801 (704) 252-3600 - 880,989 (\$5,611,900) COMMON STOCK. (FILE 33-35791 - JUL. 09) (BR. 1)
- S-6 MUNICIPAL INVESTMENT TRUST FUND MULTISTATE SERIES 7I (FILE 33-35807 - JUL. 10) (BR. 22 - NEW ISSUE)
- S-6 NUVEEN TAX EXEMPT UNIT TRUST SERIES 564, 333 WEST WACKER DR, C/O JOHN NUVEEN & CO INC, CHICAGO, IL 60606 (FILE 33-35808 - JUL. 10) (BR. 22 - NEW ISSUE)

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.

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 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
ARCTCO INC STATE OF WISCONSIN INVEST	COM BD	13D	765 8.4	03966510 0.0	NEW
BARRISTER INFORMATION SYS CO CAPITAL EXPANSION ASSOC	COM	13D	266 8.7	06865910 0.0	NEW
BARRISTER INFORMATION SYS CO HIMMEL MORRIS	COM	13D	199 6.5	06865910 0.0	NEW
BAY FINL CORP PENNANT HOLDINGS LTD	COM	13D	1,109 28.8	07237010 44.4	UPDATE
BAY FINL CORP PENNANT PPTYS PLC ET AL	COM	13D	1,109 28.8	07237010 44.4	UPDATE
CIP CORP NIEHOFF PATRICIA W	COM	13D	883 59.5	12553510 35.9	UPDATE
CAROLCO PICTURES INC PIONEER ELECTRONIC CORP ET AL	COM	13D	3,543 11.8	14376310 0.0	NEW
COMTEX SCIENTIFIC CORP INFOTECHNOLOGY	COM	13D	5,788 68.6	20591410 66.2	UPDATE
CORNUCOPIA RES LTD FRIEDLAND ROBERT M	COM	13D	0 0.0	21999110 6.9	UPDATE
CORNUCOPIA RES LTD GALACTIC RES LTD	COM	13D	3,165 16.3	21999110 16.3	UPDATE
DELPHI FINL GROUP INC TIGER ET AL	CL A	13D	582 26.8	24713110 25.7	UPDATE
FERRO CORP STATE OF WISCONSIN INVEST	COM BD	13D	982 5.1	31540510 0.0	NEW
FIRST BRANDS CORP RASTORP ROBERT H	COM	13D	15,141 70.0	31935610 0.0	NEW

ACQUISITIONS CONT.

FIRST EXECUTIVE CORP DEL ICH CORP ET AL	COM	13D	7/ 1/90	19,544 23.0	32013510 20.0	UPDATE
FISCHBACH CORP AMERICAN INTL GRP	COM	14D-1	7/13/90	2,189 55.9	33765910 55.9	UPDATE
GALACTIC RESOURCES LTD FRIEDLAND ROBERT M	COM	13D	7/11/90	3,649 8.9	36290310 8.3	UPDATE
GLOBESAT HOLDING CORP SORENSEN DEVELOPMENT INC	COM	13D	6/29/90	3,065 24.3	37957010 0.0	NEW
IFR SYSTEMS INC STATE OF WISCONSIN INVEST BD	COM	13D	6/22/90	376 6.3	44950710 0.0	NEW
INFORMATION RES INC ARDSLEY PARTNERS	COM	13D	6/28/90	1,768 9.7	45690510 8.5	UPDATE
ITEL CORP NEW RIVERSIDE PARTNERS ET AL	COM	13D	6/20/90	13,223 27.1	46564210 17.3	UPDATE
LIVE ENTMT INC PIONEER ELECTRONIC CORP ET AL	COM	13D	7/ 3/90	532 4.7	53803210 0.0	NEW
MACK TRUCKS INC REGIE NAT DES USINES RENAULT	COM	14D-1	7/12/90	25,825 87.0	55451110 87.0	UPDATE
MID COAST BANCORP WILLIAMSON ROBERT T JR	COM	13D	6/26/90	15 7.5	59526210 6.5	UPDATE
NSC CORP STATE OF WISCONSIN INVEST BD	COM	13D	6/26/90	371 6.7	63099610 0.0	NEW
NORCEN ENERGY RES LTD CAISSE DE DEPOT DU QUEBEC	ORD VTG	13D	6/26/90	2,776 10.1	65549210 9.0	UPDATE
OCCUPATIONAL URGENT CARE HEA ARDSLEY PARTNERS	COM	13D	6/29/90	652 7.1	67462110 5.5	UPDATE
RESIDENTIAL MTG INVTS INC BAUPOST LTD PARTNERSHIP	COM	13D	7/ 5/90	240 5.7	76111110 9.6	UPDATE
ROBERTSON H H CO KASS DOUGLAS A ET AL	COM	13D	7/ 3/90	1,008 15.9	77055310 15.4	UPDATE
TAURUS PETE INC WEEKLEY WILLIAM B	COM	13D	7/12/90	4,000 13.3	87699110 0.0	NEW
UNR INDS INC UNR INDS COMMITTEE	COM	13D	7/ 6/90	3,958 8.6	90318510 21.2	UPDATE
VISION TEN TENNITY WILLIAM ET AL TRUSTEES	COM	13D	7/13/90	10,789 77.7	92899810 26.2	UPDATE

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 Room (when ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
CODORUS VALLEY BANCORP INC	PA					X				07/09/90	
COLONIAL STORAGE CENTERS I LTD	TX					X				04/06/90	
COLUMBIA HOSPITAL CORP	NV					X				07/06/90	
COMDATA HOLDINGS CORP	DE					X	X			06/30/90	
COMDATA NETWORK INC	MD					X	X			06/30/90	
COMMERCIAL INTERNATIONAL CORP	DE					X	X			06/26/90	
COMMUNICATIONS GROUP INC	DE					X	X			05/31/90	
CONSECO INC	IN		X			X	X			06/21/90	
CONSOLIDATED RAIL CORP /PA/	PA					X	X			07/10/90	
CONSTON CORP	PA			X			X			06/22/90	
CONTINENTAL VENTURES INC	DE					X				06/29/90	
CORONA CORP						X	X			06/29/90	
CREATIVE COMPUTER APPLICATIONS INC	CA									NO ITEMS	07/09/90
CREATIVE TECHNOLOGIES CORP	NY					X				05/31/90	
CROWELL & CO INC /GA/	GA			X			X			06/30/90	
DATA DESIGN LABORATORIES INC	DE					X	X			06/29/90	
DATATRAK INC	CA		X							02/19/90	AMEND
DATAVISION INC /DE/	DE		X				X			06/25/90	
DE ANZA HOLDING CORP	CA					X	X			06/28/90	
DEKALB ENERGY CO	DE		X				X			07/02/90	
EDUCATION SYSTEMS & PUBLICATIONS CORP	NV					X				07/03/90	
ELECTRONIC SYSTEMS TECHNOLOGY INC	WA					X				06/25/90	
ELLISON RAY MORTGAGE ACCEPTANCE CORP	TX		X							06/27/90	
EQUITY GROWTH CORP /DE	DE					X	X			07/05/90	
FCC NATIONAL BANK						X	X			07/09/90	
FIRST ILLINOIS CORP	DE					X	X			06/29/90	
FIRST LIBERTY FINANCIAL CORP	GA					X	X			06/21/90	
FIRST NATIONAL BANK OF CHICAGO /USA/						X	X			07/09/90	
FLORIDA ONE CAPITAL CORP	FL		X				X			06/26/90	
FMC GOLD CO	DE		X				X			05/15/90	AMEND
FONAR CORP	DE				X					06/25/90	
GALACTIC RESOURCES LTD						X				07/11/90	
GANT J W FINANCIAL INC	DE					X				07/06/90	
GDV FINANCIAL CORP	FL					X	X			06/25/90	
GENERAL DEVELOPMENT ACCEPTANCE CORP	DE					X	X			06/25/90	
GEORGIA BONDED FIBERS INC	NJ					X				06/25/90	
GNB BANCSHARES INC	TX		X			X	X			06/28/90	
GP GROUP INC	DE		X				X			07/11/90	
GREAT BAY BANKSHARES INC	NH					X	X			07/10/90	
GREAT SOUTHERN BANCORP INC	DE					X	X			07/09/90	
GRIZZLY CAPITAL INC	CO				X		X			07/02/90	
HARRIS & HARRIS GROUP INC	NY				X					07/02/90	
HEALTHCARE INTERNATIONAL INC	TX					X	X			06/30/90	
HOSPITAL STAFFING SERVICES INC	FL		X				X			06/26/90	
I FLOW CORP /CA/	CA					X				07/10/90	