

# sec news digest

Issue 86-144

LIBRARY  
JUL 29 1986  
U.S. SECURITIES  
EXCHANGE COMMISSION

July 28, 1986

---

## ADMINISTRATIVE PROCEEDINGS

---

### PROCEEDING AGAINST JOHN HARTUNG AND KENNETH SCHLOSSBERG SETTLED

The Commission announced that in public administrative proceedings ordered under the Securities Exchange Act of 1934, John Hartung and Kenneth Schlossberg, both former employees of the same broker-dealer registered with the Commission (Registrant), submitted an Offer of Settlement which the Commission accepted.

On March 25, the Commission instituted public administrative proceedings against Barry Asman, Hartung and Schlossberg alleging, among other things, that Asman, from June 1981 to October 1983, Hartung, from June 1981 to December 1982, and Schlossberg, from January 1983 to October 1983, wilfully violated the antifraud provisions of the Securities Act of 1933 and the Exchange Act in that they misappropriated approximately \$1.5 million from Registrant in connection with stock borrow and stock loan transactions and falsified Registrant's books and records.

Hartung and Schlossberg consented to the Findings and Order Imposing Remedial Sanctions (Order) without admitting or denying the allegations contained therein. The Order provides for findings that Hartung and Schlossberg wilfully violated the antifraud provisions.

The Commission ordered that Hartung and Schlossberg be barred from association with any broker, dealer, investment company, investment adviser or municipal securities dealer provided that Hartung, after two years, and Schlossberg, after 18 months, may apply to become associated with such entities. (Rel. 34-23443)

---

## CIVIL PROCEEDINGS

---

### FINAL JUDGMENT OF PERMANENT INJUNCTION ENTERED BY DEFAULT AGAINST JAMES NEWMAN

The Chicago Regional Office announced that on July 1 Judge John Reynolds, U.S. District Court for the Eastern District of Wisconsin, entered a Final Judgment of Permanent Injunction by Default against James Newman, enjoining him from future violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. The Final Judgment was entered after J. Newman failed to file an answer to the Commission's complaint.

The February 27 complaint alleged that from at least January 1982 to about October 5, 1984, Newman Companies of Wis., Inc. offered and sold securities in the form of secured and unsecured promissory notes to investors raising a total of approximately \$2 million from well over 55 investors. The complaint further alleged that in connection with these sales, J. Newman, an officer of Newman Co. of Wis., made and caused to be made to investors material misrepresentations and omissions regarding: the use of investor proceeds; the financial condition of Newman Co. of Wis.; and the first mortgages on land collateralizing the secured promissory notes. (SEC v. James Newman, Wis., Civil File No. 86-C-0214, filed February 27, 1986). (LR-11167)

---

## INVESTMENT COMPANY ACT RELEASES

---

### NATIONAL WESTMINSTER BANK PLC

A notice has been issued giving interested persons until August 11 to request a hearing on an application filed by National Westminster Bank PLC, an English commercial bank, for exemption from all provisions of the Investment Company Act in connection with the issuance and sale of its equity securities in the United States. (Rel. IC-15211 - July 18)

## IDS LIFE INSURANCE COMPANY

An order has been issued exempting IDS Life Insurance Company, IDS Life Variable Life Separate Account (Account) and Shearson Lehman Brothers Inc. (collectively, Applicants) from the provisions of Sections 12(d)(1), 26(a)(2), and 27(c)(2) of the Investment Company Act to permit the Account to offer single premium variable life insurance contracts funded by a unit investment trust comprised of stripped U.S. Treasury securities, and to permit the deduction of certain charges levied against the assets of the Account. The order also exempts Applicants from the provisions of Section 17(a) of the Act to permit certain transactions between the individual Applicants. (Rel. IC-15212 - July 21)

---

## HOLDING COMPANY ACT RELEASES

---

### CONSOLIDATED NATURAL GAS COMPANY

A supplemental order has been issued releasing jurisdiction previously reserved with regard to Hope Gas, Inc. in a prior Commission order dated June 16, 1986 (Rel. 35-24130) which authorized system financing transactions by Consolidated Natural Gas Company, a registered holding company, and its subsidiaries, Consolidated Natural Gas Service Company, Inc., CNG Coal Company, CNG Energy Company, CNG Research Company, The Peoples Natural Gas Company, Consolidated Gas Transmission Corporation, Consolidated System LNG Company, CNG Producing Company, West Ohio Gas Company, CNG Development Company, The East Ohio Gas Company, The River Gas Company and Hope Gas, Inc. This order authorizes the proposed transactions of Hope Gas, Inc. Jurisdiction has been reserved over The East Ohio Gas Company, The River Gas Company and The Peoples Natural Gas Company pending completion of the record. (Rel. 35-24155 - July 21)

---

## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

---

### UNLISTED TRADING SOUGHT

Notices have been issued giving interested persons until August 13 to comment on the application of the following stock exchanges for unlisted trading privileges in specified number of issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system: Cincinnati Stock Exchange - 34 issues. (Rel. 34-23462); and the Philadelphia Stock Exchange - one issue. (Rel. 34-23463)

---

## SELF-REGULATORY ORGANIZATIONS

---

### ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change filed by the Chicago Board Options Exchange (SR-CBOE-86-17) to increase the monthly allocations in its foreign currency options incentive program that provides financial credits to market makers based on the number of their off-floor orders. (Rel. 34-23453)

### NOTICE OF PROPOSED RULE CHANGE

The Options Clearing Corporation filed a proposed rule change (SR-OCC-86-15) amending its rules to provide for access to its C/MACS on-line system by dial-up from a personal computer without the call-back feature that is currently in place. In lieu of the call-back feature, OCC proposes other multiple security features. Publication of the proposal is expected to be made in the Federal Register during the week of July 21. (Rel. 34-23459)

---

## 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 MR ROOTER CORP, 4100 WILL ROGERS PKWY STE 100, OKLAHOMA CITY, OK 73108  
 (405) 946-3000 - 1,000,000 (\$3,000,000) COMMON STOCK. 500,000 (\$2,000,000)  
 COMMON STOCK. 100,000 (\$100) WARRANTS, OPTIONS OR RIGHTS. 100,000 (\$405,000)  
 COMMON STOCK. UNDERWRITER: ANDERSON BRYANT & CO. (FILE 33-7290-FW - JUL. 16) (BR. 10  
 - NEW ISSUE)
- S-18 DORI CO LTD PARTNERSHIP, FOUR E 89TH ST, NEW YORK, NY 10128 (212) 348-3330 - 50  
 (\$4,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-7291-NY - JUL. 16) (BR. 11  
 - NEW ISSUE)
- S-18 TOFRUZEN INC, 300 E HAMPDEN AVE STE 403, ENGLEWOOD, CO 80110 (303) 761-4423 -  
 20,000,000 (\$2,000,000) COMMON STOCK. 20,000,000 (\$3,000,000) COMMON STOCK.  
 2,000,000 (\$200) WARRANTS, OPTIONS OR RIGHTS. 2,000,000 (\$240,000) COMMON STOCK.  
 2,000,000 (\$300,000) COMMON STOCK. UNDERWRITER: GANT J W & ASSOCIATES INC. (FILE  
 33-7298-D - JUL. 16) (BR. 3 - NEW ISSUE)
- N-1A KEYSTONE GROWTH STOCK FUND, 99 HIGH ST, BOSTON, MA 02110 (617) 338-3200 -  
 INDEFINITE SHARES. (FILE 33-7330 - JUL. 17) (BR. 16 - NEW ISSUE)
- N-1A SHEARSON PRECIOUS METALS & MINERALS INC, TWO WORLD TRADE CTR, NEW YORK, NY 10048  
 (212) 577-5794 - INDEFINITE SHARES. (FILE 33-7339 - JUL. 18) (BR. 17 - NEW ISSUE)
- S-1 FRONTIER FINANCIAL CORP /DE/, 217 BROADWAY, MONTICELLO, NY 12701 (914) 794-8000 -  
 1,610,000 (\$19,320,000) COMMON STOCK. UNDERWRITER: BEAR STEARNS & CO INC. (FILE  
 33-7340 - JUL. 18) (BR. 9 - NEW ISSUE)
- S-6 VOYAGEUR UNIT INVESTMENT TRUST SERIES 1, 100 S FIFTH ST STE 2300,  
 C/O DOUGHERTY DAWKINS STRAND & YOST INC, MINNEAPOLIS, MN 55402 - INDEFINITE SHARES.  
 DEPOSITOR: DOUGHERTY DAWKINS STRAND & YOST INC. (FILE 33-7343 - JUL. 17) (BR. 17  
 - NEW ISSUE)
- S-3 ILLINOIS POWER CO, 500 S 27TH ST, DECATUR, IL 62525 (217) 424-6600 - 100,000,000  
 (\$100,000,000) STRAIGHT BONDS. (FILE 33-7353 - JUL. 18) (BR. 8)
- S-1 SENERGY 1986-B LTD, 1360 POST OAK BLVD STE 1500, HOUSTON, TX 77056 (713) 963-9188 -  
 2,000 (\$10,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: ROTAN MOSLE. (FILE  
 33-7355 - JUL. 18) (BR. 12 - NEW ISSUE)
- S-1 JEM RECORDS INC, 3619 KENNEDY RD, SOUTH PLAINFIELD, NJ 07080 (201) 753-6100 -  
 4,025,000 (\$7,043,750) COMMON STOCK. 350,000 (\$35) WARRANTS, OPTIONS OR RIGHTS.  
 350,000 (\$673,750) COMMON STOCK. (FILE 33-7356 - JUL. 18) (BR. 11)
- S-2 DREXLER TECHNOLOGY CORP, 2557 CHARLESTON RD, MOUNTAIN VIEW, CA 94043 (415) 969-7277  
 - 1,150,000 (\$22,804,500) COMMON STOCK. (FILE 33-7357 - JUL. 18) (BR. 3)
- S-6 FIRST TRUST GNMA SERIES 24, 300 W WASHINGTON ST, C/O CLAYTON BROWN & ASSOCIATES INC,  
 CHICAGO, IL 60606 - INDEFINITE SHARES. DEPOSITOR: BROWN CLAYTON & ASSOCIATES INC.  
 (FILE 33-7358 - JUL. 18) (BR. 18 - NEW ISSUE)
- S-8 FIRST ALABAMA BANCSHARES INC, 44 FIRST ALABAMA PLZ, P O BOX 1448, MONTGOMERY, AL  
 36102 (205) 832-8450 - 450,000 (\$10,378,125) COMMON STOCK. (FILE 33-7359 - JUL. 18)  
 (BR. 1)
- S-3 DOMINION BANKSHARES CORP, 213 S JEFFERSON ST, ROANOKE, VA 24040 (703) 563-7000 -  
 450,000 (\$22,050,000) COMMON STOCK. (FILE 33-7360 - JUL. 18) (BR. 2)
- S-8 BIOMET INC, AIRPORT INDUSTRIAL PARK, P O BOX 587, WARSAW, IN 46580 (219) 267-6639 -  
 520,000 (\$8,382,400) COMMON STOCK. (FILE 33-7361 - JUL. 18) (BR. 8)
- N-1A FINANCIAL PLANNERS FEDERAL SECURITIES FUND, 1730 K ST NW, WASHINGTON, DC 20006  
 (202) 223-1000 - 1,000,000 (\$2,000,000) COMMON SHARES OF BENEFICIAL INTEREST. (FILE  
 33-7363 - JUL. 18) (BR. 16)
- S-8 WTC INTERNATIONAL NV, 15 PIETERMAAI, CURACAO NETHERLANDS ANTILLES, P8 (213) 373-0411  
 - 600,000 (\$2,514,893) COMMON STOCK. (FILE 33-7365 - JUL. 18) (BR. 4)
- S-8 COSMOPOLITAN CARE CORP, 330 SEVENTH AVE, NEW YORK, NY 10001 (212) 736-0700 -  
 400,000 (\$2,325,000) COMMON STOCK. (FILE 33-7366 - JUL. 18) (BR. 6)
- F-1 TELE ART INC, CITCO BLDG WICKHAMS CAY, PO BOX 662 ROAD TOWN,  
 TORTOLA BRITISH VIRGIN ISLANDS, X6 (809) 494-2217 - 115,000,000 (\$5,750,000)  
 COMMON STOCK. 46,000,000 (\$5,750,000) COMMON STOCK. 10,000,000 (\$100)  
 WARRANTS, OPTIONS OR RIGHTS. 10,000,000 (\$600,000) COMMON STOCK. 10,000,000  
 (\$500,000) COMMON STOCK. UNDERWRITER: BLINDER ROBINSON & CO INC. (FILE 33-7367 -  
 JUL. 18) (BR. 9 - NEW ISSUE)

- S-1 SOUTHMARK CRCA HEALTH CARE INCOME FUND I LP, 2245 PERIMETER PARK STE 3, ATLANTA, GA 30341 (404) 451-4637 - 300,000 (\$30,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-7368 - JUL. 18) (BR. 6 - NEW ISSUE)
- S-1 POLARIS AIRCRAFT LEASING CORP, 600 MONTGOMERY ST 3RD FL, SAN FRANCISCO, CA 94111 (415) 362-0333 UNDERWRITER: DREXEL BURNHAM LAMBERT. (FILE 33-7369 - JUL. 18) (BR. 5 - NEW ISSUE)
- S-3 FIRST ALABAMA BANCSHARES INC, 44 FIRST ALABAMA PLZ, P O BOX 1448, MONTGOMERY, AL 36102 (205) 832-8450 - 200,000 (\$4,612,500) COMMON STOCK. (FILE 33-7370 - JUL. 18) (BR. 1)
- S-1 UNIFAST INDUSTRIES INC, 45 GILPIN AVE, HAUPPAUGE, NY 11788 (516) 348-0290 - 287,500 (\$6,037,500) COMMON STOCK. 312,500 (\$3,281,250) COMMON STOCK. 25,000 WARRANTS, OPTIONS OR RIGHTS. 25,000 (\$557,500) COMMON STOCK. (FILE 33-7372 - JUL. 18) (BR. 10)
- S-1 HEALTHVEST INCOME PROPERTY FUND 1986 A LTD, ONE URBAN CENTRE STE 595-A, 4830 W KENNEDY BLVD, TAMPA, FL 33609 (813) 873-7635 - 15,000 (\$15,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-7375 - JUL. 18) (BR. 5 - NEW ISSUE)
- S-3 DEERE JOHN CREDIT CO, FIRST INTERSTATE BANK BLDG, 1 E FIRST ST STE 600, RENO, NV 89501 (702) 786-5527 - 300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE 33-7376 - JUL. 18) (BR. 12)
- S-3 DEERE & CO, JOHN DEERE RD, MOLINE, IL 61265 (309) 752-8000 - 300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE 33-7377 - JUL. 18) (BR. 4)
- F-1 LASER INDUSTRIES LTD, ATIDIM SCIENCE BASED INDUSTRIAL PK, P O BOX 13135 NEVE SHARETT, TEL AVIV 61131 ISRAEL, L3 - 25,000,000 (\$25,000,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE 33-7378 - JUL. 18) (BR. 8)
- S-1 CARE PLUS INC, 285 NW 199TH ST, MIAMI, FL 33169 (305) 652-8222 - 6,900 (\$6,900,000) CONVERTIBLE DEBENTURES AND NOTES. 600 (\$6) WARRANTS, OPTIONS OR RIGHTS. 600 (\$720,000) COMMON STOCK. 450,000 (\$450) WARRANTS, OPTIONS OR RIGHTS. 1,450,000 (\$1,812,500) COMMON STOCK. (FILE 33-7380 - JUL. 18) (BR. 6)
- S-2 HANOVER BANCORP INC, 33 CARLISLE ST, HANOVER, PA 17331 (717) 637-2201 - 178,069 (\$3,027,173) COMMON STOCK. (FILE 33-7384 - JUL. 21) (BR. 1)
- S-8 COMMERCE UNION CORP, ONE COMMERCE PL, NASHVILLE, TN 37219 (615) 749-3333 - 420,000 (\$13,781,250) COMMON STOCK. (FILE 33-7385 - JUL. 21) (BR. 1)
- S-8 AMERICAN BAKERIES CO, 633 THIRD AVE, NEW YORK, NY 10017 (212) 687-7225 - 200,000 (\$5,500,000) COMMON STOCK. (FILE 33-7386 - JUL. 21) (BR. 4)
- S-3 MASCO CORP /DE/, 21001 VAN BORN RD, TAYLOR, MI 48180 (313) 274-7400 - 300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE 33-7387 - JUL. 21) (BR. 10)
- S-8 INTERNATIONAL RESEARCH & DEVELOPMENT CORP, 500 N MAIN ST, MATTAWAN, MI 49071 (616) 868-3336 - 200,000 (\$1,675,000) COMMON STOCK. (FILE 33-7388 - JUL. 21) (BR. 8)
- S-6 MUNICIPAL INVESTMENT TR FD FOUR HUNDREDTH MON PAY SERIES, ONE LIBERTY PLZ, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC, MERRILL LYNCH PIERCE FENNER & SMITH INC, PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN BROTHERS INC. (FILE 33-7407 - JUL. 21) (BR. 17 - NEW ISSUE)