

# sec news digest

Issue 89-187

OCT 3 1989

September 29, 1989

U.S. SECURITIES AND EXCHANGE COMMISSION

## COMMISSION ANNOUNCEMENTS

### COMMUNIQUE ON EXCHANGE OF INFORMATION

On September 20, the Commission announced the signing of a Communique on Exchange of Information with the Commissione Nazionale per le Societa e la Borsa (CONSOB) of Italy. The Communique has been assigned Release 34-27290 under the Securities Exchange Act of 1934, and Release No. 112 in the Commission's International Series.

### FOIA REQUEST OF LADY LOUISE BYRON

The General Counsel sent a letter to Lady Louise Byron, in response to her appeal under the Freedom of Information Act (FOIA), affirming in part and reversing in part the FOIA Officer's determination to deny access, under FOIA Exemption 5, 5 U.S.C. 552(b)(5), to a Commission minute reflecting Commission consideration, in 1984, of staff recommendations concerning U.S. Home Corporation. The General Counsel concluded that (1) that portion of the minute which discussed or referenced pre-decisional staff recommendations may be withheld under Exemption 5; (2) staff names included in the minute may be withheld under Exemption 7(C); and (3) the remainder of the minute should be released to the requestor. (Rel. FOIA-127)

## CIVIL PROCEEDINGS

### FRANK R. GRILLO PERMANENTLY ENJOINED

The New York Regional Office announced the September 14 entry of a Final Consent Judgment of Permanent Injunction and Order for An Accounting and Post-Judgment Discovery as to Defendant Frank R. Grillo. The Judgment enjoins Grillo from violating the anti-fraud provisions of the securities laws. The court also ordered him to account for income from an allegedly fraudulent \$1.5 million sale of securities of Regional Funding Corp. in 1984, while Grillo was president of the co-underwriter, Walter Capital Corp., a defunct broker-dealer then located in New York and New Jersey. Grillo consented to the Judgment without admitting or denying the allegation against him.

The April 6 Complaint alleged that Grillo induced salesmen to make false and misleading statements about the issuer, its prospects, and the market for its securities. (SEC v. Frank R. Grillo, Civil Action 89-1453, AMW, DNJ). (LR-12258)

### COMPLAINT NAMES MORTON SHAPIRO AND DANIEL SILVERMAN FOR INSIDER TRADING

The New York Regional Office filed a Complaint on September 26 against Morton Shapiro and Daniel Silverman for insider trading. The Complaint alleges that Shapiro and Silverman sold American Brands, Inc. (Brands) call options while in possession of material, nonpublic information that Brands was the target of a possible takeover by BAT Industries. The Complaint further alleges that the information in question was misappropriated from his employer by Michael David, an attorney then employed by a law firm representing BAT Industries. The complaint seeks injunctive relief, disgorgement of \$167,069.78, and civil penalties under the Insider Trading Sanctions Act of 1984. (SEC v. Morton Shapiro, et al., 89 Civil Action 6363, MP). (LR-12259)

---

## INVESTMENT COMPANY ACT RELEASES

---

### TRANSAMERICA LIFE INSURANCE AND ANNUITY COMPANY

A notice has been issued giving interested persons until October 16 to request a hearing on an application by Transamerica Life Insurance and Annuity Company and Separate Account VA-1 of Transamerica Life Insurance and Annuity Company for an order approving the substitution of shares of the American Variable Insurance Series for the shares of the American Life/Annuity Series held by the Separate Account. (Rel. IC-17149 - Sept. 22)

### NATIONWIDE LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until October 16 to request a hearing on an application by Nationwide Life Insurance Company, Nationwide Variable Account II, and Nationwide Financial Services, Inc. for an order approving the substitution of shares of the American Variable Insurance Series for the shares of the American Life/Annuity Series held by the Variable Account. (Rel. IC-17150 - Sept. 22)

### KIDDER, PEABODY & CO. INCORPORATED

A notice has been issued giving interested persons until October 16 to request a hearing on an application filed by Kidder, Peabody & Co. Incorporated (Sponsor), on behalf of itself and all Series of Target Unit Investment Trust, Corporate High Yield Series (Trust), for an order exempting them from the provisions of Section 17(a) of the Investment Company Act to permit the Sponsor to purchase securities from the Trust under certain conditions. (Rel. IC-17151 - Sept. 22)

---

## HOLDING COMPANY ACT RELEASES

---

### LOUISIANA POWER AND LIGHT COMPANY

A supplemental order has been issued including information omitted from a previous order dated September 26 [Rel. 35-24956], which authorized Louisiana Power and Light Company (LP&L), subsidiary of Entergy Corporation, to, among other things, sell and leaseback three undivided interests totaling approximately 9.3% of its 100% undivided ownership interest in Unit 3 of the Waterford Steam Electric Generating Station for a purchase price of approximately \$354 million. This supplemental order states that the requisite approvals of all state and federal commissions which have jurisdiction over the transaction have been received. (Rel. 35-24958 - Sept. 27)

---

## SELF-REGULATORY ORGANIZATIONS

---

### APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by the National Association of Securities Dealers (SR-NASD-89-26) to allow it to provide required information to its members via the Notice to Members mechanism, have the members distribute pertinent information to the appropriate parties within the firm, and to require members to maintain a copy of the NASD Manual in every branch office. (Rel. 34-27258)

---

## TRUST INDENTURE ACT RELEASES

---

### USAIR, INC.

An order has been issued under the Trust Indenture Act of 1939 on an application by USAir, Inc. that the trusteeship of The Connecticut National Bank under 25 or more USAir indentures is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Bank from acting as trustee under each such indenture. (Rel. TI-2228)

## 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-6 NUVEEN TAX EXEMPT UNIT TRUST SERIES 524, 333 W WACKER DR, C/O JOHN NUVEEN & CO INC, CHICAGO, IL 60606 - INDEFINITE SHARES. (FILE 33-31135 - SEP. 21) (BR. 22 - NEW ISSUE)
- F-6 GREAT FINGALL MINING COMPANY W L, 16 WALL ST, NEW YORK, NY 10015 (212) 250-2500 - 20,000,000 (\$1,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-31154 - SEP. 19) (BR. 99 - NEW ISSUE)
- S-1 POLAR MOLECULAR CORP /UT/, 4901 TOWNE CENTRE RD STE 203, SAGINAW, MI 48604 (517) 790-4764 - 5,000,000 (\$12,500,000) COMMON STOCK. (FILE 33-31159 - SEP. 19) (BR. 1)
- S-1 BALDWIN TECHNOLOGY CO INC, 65 ROWAYTON AVE, ROWAYTON, CT 06853 (203) 838-7470 - 2,390,000 (\$29,725,625) COMMON STOCK. 600,000 (\$7,462,500) COMMON STOCK. (FILE 33-31163 - SEP. 20) (BR. 9)
- S-2 GOLD KIST INC, 244 PERIMETER CTR PKWY NE, PO BOX 2210, ATLANTA, GA 30346 (404) 393-5000 - 63,000,000 (\$63,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-31164 - SEP. 20) (BR. 4)
- S-1 HEALTHSOURCE INC, PO BOX 2041, DONOVAN STREET EXTENSION, CONCORD, NH 03302 (603) 225-5077 - 2,300,000 (\$39,100,000) COMMON STOCK. UNDERWRITER: KIDDER PEABODY & CO. (FILE 33-31165 - SEP. 20) (BR. 6 - NEW ISSUE)
- S-1 CELLULAR INFORMATION SYSTEMS INC, 745 FIFTH AVE, NEW YORK, NY 10151 (212) 421-9870 - 2,488,966 (\$39,823,456) COMMON STOCK. 731,034 (\$11,696,544) COMMON STOCK. UNDERWRITER: SMITH BARNEY HARRIS UPHAM & CO. (FILE 33-31167 - SEP. 20) (BR. 7 - NEW ISSUE)
- S-3 BLCKBUSTER ENTERTAINMENT CORP, 901 E LAS OLAS BLVD, FT LAUDERDALE, FL 33301 (305) 524-8200 - 287,500,000 (\$88,642,000) WARRANTS, OPTIONS OR RIGHTS. (FILE 33-31172 - SEP. 20) (BR. 11)
- S-8 TRANSCO ENERGY CO, 2800 POST JAK BLVD, P O BOX 1396, HOUSTON, TX 77251 (713) 439-2000 - 400,000 (\$19,700,000) COMMON STOCK. (FILE 33-31179 - SEP. 20) (BR. 8)
- S-8 WYSE TECHNOLOGY INC, 3571 N FIRST ST, SAN JOSE, CA 95134 (408) 473-1200 - 200,000 (\$1,375,000) COMMON STOCK. (FILE 33-31181 - SEP. 20) (BR. 9)
- S-1 FIRST NATIONAL FINANCIAL CORP /GA/, 2301 DAWSON RD, ALBANY, GA 31707 (912) 888-5600 - 550,000 (\$5,500,000) COMMON STOCK. (FILE 33-31182 - SEP. 20) (BR. 2 - NEW ISSUE)
- S-3 LEGGETT & PLATT INC, NO 1 LEGGETT RD, CARTHAGE, MO 64836 (417) 358-8131 (FILE 33-31183 - SEP. 20) (BR. 6)
- S-1 SEARS RECEIVABLES FINANCING GROUP INC, 3711 KENNETT PIKE, GREENVILLE, DE 19807 (302) 888-3176 - 250,000,000 (\$250,000,000) PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 33-31184 - SEP. 20) (BR. 11)

## 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.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
KATY INDS INC OTTE RICHARD L	COM 13D	9/18/89	320 5.1	48602610 0.0	NEW
LEXINGTON PRECISION CP FIDELITY INTL LTD ET AL	COMMON STOCK 13D	9/11/89	221 5.6	52952910 7.0	UPDATE
MATERIALS RESH CORP SONY USA ET AL	COM 14D-1	9/25/89	4,003 96.3	57668010 0.0	UPDATE
OVERSEAS SHIPHOLDING GROUP I DSG HOLDINGS	COM 13D	9/21/89	2,986 8.3	69036810 0.0	NEW
PLESSEY CO P L C GENERAL ELEC CO PLC ET AL	ORD 13D	9/22/89	648,512 85.7	72911010 81.8	UPDATE
PORTS OF CALL INC FIDELITY INTL LTD ET AL	COM 13D	8/10/89	469 18.9	73702810 23.3	UPDATE
RABBIT SOFTWARE CORP SAFEGUARD SCIENTIFICS	COM 13D	6/30/89	8,440 4.7	74991110 2.8	UPDATE
SUNSTAR FOODS INC NORTH STAR UNIVERSAL INC	COM 13D	7/28/89	103 8.4	86787110 7.2	UPDATE
TEVA PHARMACEUTICAL 148233 CANADA INC	ORD SHRDS 13D	7/17/89	21,116 7.6	88162410 0.0	NEW
TEXAS PAC LD TR FIDELITY INTL LTD ET AL	SUB CTF PROP I T 13D	9/14/89	119 3.2	88261010 6.3	UPDATE
UTAH MED INC BAXTER INTL INC	COM 13D	9/25/89	350 4.6	91748810 17.6	UPDATE
VALMONT INDS INC FIDELITY INTL LTD ET AL	COM 13D	9/12/89	75 1.3	92025310 4.7	UPDATE
VISTA CHEM CO HARRIS ASSOCIATES INC	COM 13D	9/18/89	744 7.5	92834710 6.5	UPDATE