

# sec news digest

Issue 86-6

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January 9, 1986

## CIVIL PROCEEDINGS

### PERMANENT INJUNCTION ENTERED AGAINST INVEST MANAGEMENT SERVICE AND ALONZO ROSS MORRIS

The Chicago Regional Office announced that on December 19, 1985 Judge Raul R. Ramirez, Eastern District of California, Sacramento Division, entered an Order of Permanent Injunction against Invest Management Service and Alonzo Ross Morris. The Judgment permanently enjoins the defendants from further violations of the registration and antifraud provisions of the Securities Act of 1933, the antifraud provisions of the Securities Exchange Act of 1934, and the registration provisions of the Investment Company Act of 1940. Simultaneously, Invest and Morris, without admitting or denying the facts alleged, consented to the entry of the Orders.

The October 18, 1985 complaint alleged that from about June 1984 to January 1985, the defendants raised \$1 million from approximately 410 investors, through the sale of unregistered securities in the form of participating interests in a pool which purportedly engaged in arbitrage activities. (SEC v. Invest Management Service and Alonzo Ross Morris, EDCA, Civil Action No. 85-1486, filed October 18, 1985). (LR-10971)

### RICHARD J. CORLINE AND DENO C. BENEDETTI PERMANENTLY ENJOINED

The Commission announced that on January 6 the U.S. District Court for the District of Columbia entered Final Judgments of Permanent Injunction against Richard J. Corline and Deno C. Benedetti, enjoining them from further violations of the antifraud provisions of the Securities Exchange Act of 1934 and Rule 10b-5, and from aiding and abetting violations of the reporting provisions of the Exchange Act and Rules 13a-1, 13a-11, 13a-13 and 12b-20. Corline and Benedetti, officers of former defendant Corda Diversified Technologies, Inc. during all relevant times, consented to the Final Judgments without admitting or denying any of the allegations of the complaint.

The September 10, 1984 complaint alleged that Corda filed annual, quarterly and current reports in 1982 and 1983 that contained materially false and misleading financial statements. Corda, and its former accountants, Smith and Stephens Accountancy Corporation and James J. Smith, were previously enjoined by the Court. In addition, in a related administrative matter, Smith & Stephens and Smith were permanently barred from appearing before the Commission with the right to reapply in two years. (SEC v. Corda Diversified Technologies Inc., et al., USDC DC, Civil Action No. 84 Civ. 2726). (LR-10972)

### SPECTRUM DIGITAL CORP. ENJOINED

The Commission filed a complaint on January 9 in the U.S. District Court for the District of Columbia for a permanent injunction and other equitable relief against Spectrum Digital Corporation (SDC), headquartered in Herndon, Virginia. The complaint alleges that SDC, from about February 1984 through about December 1985, violated Section 5 of the Securities Act of 1933 through the sale of its securities pursuant to purported private placements which in actuality constituted one continuous unregistered offering. Further, the complaint alleges that SDC violated Section 14(a) of the Securities Exchange Act of 1934 and Rules 14a-3 and 14a-9 thereunder by misstating and omitting to state in its proxy material information concerning one of its securities offerings which SDC had effected and sold to principals and major shareholders of SDC.

Simultaneous with the filing of the complaint, SDC, without admitting or denying the allegations of the complaint, consented to a permanent injunction and agreed to undertake a rescission offer for the repurchase of the securities sold in aforementioned unregistered offering. (SEC v. Spectrum Digital Corp., USDC DC, Civil Action No. 86-0050. (LR-10976)

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## HOLDING COMPANY ACT RELEASES

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### J. HENRY SCHRODER BANK & TRUST COMPANY and GENERAL ELECTRIC CREDIT CORPORATION

A notice has been issued giving interested persons until January 24 to request a hearing on an application filed by J. Henry Schroder Bank and Trust Company and General Electric Credit Corporation requesting an order declaring that neither of them will become an "electric utility company" within the meaning of Section 2(a)(3) of the Public Utility Holding Company Act as a result of the transactions set forth in the application. (Rel. 35-23983 - Jan. 3)

### THE SOUTHERN COMPANY

A supplemental order has been issued authorizing The Southern Company, a registered holding company, to issue and sell up to five million shares of its common stock at competitive bidding. (Rel. 35-23984 - Jan. 6)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGES

Proposed rule changes have been filed under Rule 19b-4 by: The New York Stock Exchange, Inc. (SR-NYSE-85-47) to amend NYSE's current constitution. (Rel. 34-22768); The Chicago Board Options Exchange, Inc. (SR-CBOE-85-53) to allow two near-term expiration months and two far-term expiration months for Standard & Poor's 500 stock index option with the Exchange retaining discretion to introduce a third far-term expiration. (Rel. 34-22769); and The Depository Trust Company (SR-DTC-85-6) which proposes changes in the fee schedule for major DTC services. (Rel. 34-22770)

Publication of the proposal for the NYSE is expected to be made in the Federal Register the week of January 13. Publications of the remaining rule changes are expected to be made during the week of January 6.

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## TRUST INDENTURE ACT RELEASES

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### CHRYSLER FINANCIAL CORPORATION

A notice has been issued giving interested persons until January 31 to request a hearing on an application by Chrysler Financial Corporation, a Michigan corporation, under Section 310(b)(1)(ii) of the Trust Indenture Act of 1939. The application declares that the trusteeship of Irving Trust Company under two Chrysler 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 Irving from acting as trustee under such indenture. The indentures are dated June 1, 1985 and September 17, 1985, and the securities outstanding under them are \$400 million of junior subordinated debt securities and \$75 million of junior subordinated floating rate notes, due 1992, respectively. (Rel. TI 1060)

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## SECURITIES ACT REGISTRATIONS

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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 ADVANCED VIRAL RESEARCH CORP, 927 LINCOLN RD, MIAMI BEACH, FL 33139 (305) 674-0842  
- 40,000,000 (\$400,000) COMMON STOCK. 120,000,000 (\$6,400,000)  
WARRANTS, OPTIONS OR RIGHTS. 4,000,000 (\$100) WARRANTS, OPTIONS OR RIGHTS.  
12,000,000 (\$144,000) COMMON STOCK. (FILE 33-2262-A - DEC. 18) (BR. 6 - NEW ISSUE)

## REGISTRATIONS CONT

- S-18 JASMINE INVESTMENTS CORP, 4876 COLONY DR, SALT LAKE CITY, UT 84117 (801) 277-7490 - 2,500,000 (\$250,000) COMMON STOCK. 2,500,000 COMMON STOCK. 10,000,000 WARRANTS, OPTIONS OR RIGHTS. 5,000,000 (\$750,000) COMMON STOCK. 5,000,000 (\$1,250,000) COMMON STOCK. (FILE 33-2278-D - DEC. 19) (BR. 2 - NEW ISSUE)
- S-18 MACE INC, 4596 RUSSELL ST, SALT LAKE CITY, UT 84117 (801) 278-1658 - 3,000,000 (\$300,000) COMMON STOCK. 3,000,000 WARRANTS, OPTIONS OR RIGHTS. 300,000,000 WARRANTS, OPTIONS OR RIGHTS. 3,000,000 (\$750,000) COMMON STOCK. 3,000,000 (\$1,500,000) COMMON STOCK. (FILE 33-2279-D - DEC. 19) (BR. 1 - NEW ISSUE)
- S-18 CFS AGRICULTURAL GROWTH & INCOME FUND LTD, 1180 SPRING CENTRE SOUTH BLVD, ALTAMONTE SPRINGS, FL 32714 (305) 869-9800 - 15,000 (\$7,500,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-2288-A - DEC. 19) (BR. 4 - NEW ISSUE)
- N-14 ELK RIDGE FUND INC, ELEVEN GREENWAY PAZ STE 1919, HOUSTON, TX 77046 (713) 727-1919 - INDEFINITE SHARES. (FILE 33-2359 - DEC. 30) (BR. 18 - NEW ISSUE)
- S-18 CDT VENTURES INC, 540 WESTMOUNT DR, WEST HOLLYWOOD, CA 90048 (213) 854-5761 - 2,500,000 (\$125,000) COMMON STOCK. 2,500,000 WARRANTS, OPTIONS OR RIGHTS. 2,500,000 WARRANTS, OPTIONS OR RIGHTS. 12,500,000 (\$3,750,000) COMMON STOCK. 12,500,000 COMMON STOCK. (FILE 33-2415-LA - DEC. 23) (BR. 11 - NEW ISSUE)
- S-18 LESON MICHAEL DESIGNS LTD, 67 WALL ST, NEW YORK, NY 10005 (212) 269-3175 - 7,500,000 (\$750,000) COMMON STOCK. 1,125,000 (\$112,500) COMMON STOCK. 750,000 (\$75) WARRANTS, OPTIONS OR RIGHTS. 750,000 (\$90,000) COMMON STOCK. (FILE 33-2433-NY - DEC. 24) (BR. 5 - NEW ISSUE)
- S-18 ATLANTIC EXPRESS INC, 1115 CLIFTON AVE, CLIFTON, NJ 07013 (201) 773-3680 - 36,800,000 (\$368,000) COMMON STOCK. 147,200,000 (\$5,152,000) COMMON STOCK. 3,200,000 (\$320) WARRANTS, OPTIONS OR RIGHTS. 3,200,000 (\$48,000) COMMON STOCK. 12,800,000 (\$448,000) COMMON STOCK. (FILE 33-2435-NY - DEC. 26) (BR. 5 - NEW ISSUE)
- S-18 SAGITTA VENTURES INC, 4596 RUSSELL ST, SALT LAKE CITY, UT 84117 (801) 278-1658 - 2,500,000 (\$250,000) COMMON STOCK. 7,500,000 WARRANTS, OPTIONS OR RIGHTS. 2,500,000 (\$375,010) COMMON STOCK. 2,500,000 (\$500,000) COMMON STOCK. 2,500,000 (\$625,000) COMMON STOCK. (FILE 33-2457-D - DEC. 27) (BR. 1 - NEW ISSUE)
- S-8 REPUBLIC AIRLINES INC, 7500 AIRLINE DR, MINNEAPOLIS, MN 55450 (612) 726-7411 - 2,946,476 (\$31,674,617) COMMON STOCK. (FILE 33-2497 - DEC. 30) (BR. 3)
- S-8 BANK OF VIRGINIA CO, 7 N EIGHTH ST, RICHMOND, VA 23260 (804) 747-2000 - 242,788 (\$7,192,595) COMMON STOCK. (FILE 33-2498 - DEC. 30) (BR. 2)
- S-1 HUDSON FOODS INC, HUDSON RD & 13TH ST, ROGERS, AK 72757 (501) 636-1100 - 2,300,000 (\$27,600,000) COMMON STOCK. (FILE 33-2505 - DEC. 31) (BR. 3 - NEW ISSUE)
- S-1 THERMASCAN INC, 500 FIFTH AVE, NEW YORK, NY 10110 (212) 944-9344 - 3,500,000 (\$3,500,000) COMMON STOCK. 3,500,000 (\$4,900,000) COMMON STOCK. (FILE 33-2510 - DEC. 31) (BR. 9)
- S-3 FERROFLUIDICS CORP, 40 SIMON ST, NASHUA, NH 03061 (603) 883-9800 - 1,624,136 (\$5,684,476) COMMON STOCK. (FILE 33-2511 - DEC. 31) (BR. 10)
- S-1 GROUP SECURITIES INC, 222 S CENTRAL STE 111, LOS ANGELES, CA 90012 (213) 613-1913 - 500,000 (\$500,000) EXCHANGE TRADED PUT AND CALL. (FILE 33-2512 - DEC. 31) (BR. 12 - NEW ISSUE)
- S-4 SUPERIOR CARE INC, 287 NORTHERN BLVD, GREAT NECK, NY 11021 (516) 487-4181 - 11,100,000 (\$7,688,968) COMMON STOCK. (FILE 33-2513 - DEC. 31) (BR. 6)
- S-18 LOGAN INTERNATIONAL CORP, P O BOX 629, PERRY, OK 73077 (405) 586-2415 - 150,000 (\$150,000) COMMON STOCK. 3,450,000 (\$3,450,000) COMMON STOCK. (FILE 33-2514 - DEC. 30) (BR. 3 - NEW ISSUE)
- S-3 TELE COMMUNICATIONS INC, DENVER TECHNOLOGICAL CTR, 5455 S VALENTIA WAY, ENGLEWOOD, CO 80111 (303) 771-8200 - 602,062 (\$22,803,098) COMMON STOCK. (FILE 33-2515 - DEC. 31) (BR. 7 - NEW ISSUE)
- S-8 SPECTRUM GROUP INC, 10 W ADAMS ST, JACKSONVILLE, FL 32202 (904) 359-3054 - 75,000 (\$425,380) COMMON STOCK. (FILE 33-2516 - DEC. 31) (BR. 1)

## 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
ALC COMMUNICATIONS CORP BRIDLEWOOD ASSOC	COM 13D	12/19/85	11 0.1	00157510 0.0	NEW
ALC COMMUNICATIONS CORP NATIONAL CITY CAPITAL CORP	COM 13D	12/19/85	174 1.3	00157510 0.0	NEW
ALC COMMUNICATIONS CORP REPUBLIC VENTURE GROUP INC	COM 13D	12/19/85	44 0.3	00157510 0.0	NEW
CALIFORNIA ENGELS MINING CO LAMB NORMAN ARTHUR ET AL	COM 13D	1/ 2/86	103 13.3	13019910 11.0	UPDATE
CESSNA AIRCRAFT CO CAC ACQUISITION/GENL DYNAMICS	COM 14D-1	1/ 6/86	23,023 100.0	15717710 100.0	UPDATE
DAMSON OIL CORP SEABORG INC ET AL	COM 13D	12/31/85	852 10.8	23576610 9.0	UPDATE
DAVID JAMISON CARLYLE CORP LEX SERVICE INC ET AL	COM 13D	12/26/85	23,409 91.0	23856310 87.0	UPDATE
DIXON TICONDEROGA LTD PALA GINO N	COM 13D	12/26/85	534 47.3	25586010 55.9	UPDATE
FAIRMOUNT CHEM INC JACOBS JOSEPH J	COM 13D	12/27/85	250 12.1	30547710 0.0	NEW
FAIRMOUNT CHEM INC PHOENIX CHEMICAL CORP	COM 13D	12/27/85	1,082 52.4	30547710 40.3	UPDATE
HOWELL INDS INC FREEDLAND HERBERT ET AL	COM 13D	11/27/85	794 56.3	44307310 54.4	UPDATE
HOWELL INDS INC MOSCOW CYRIL	COM 13D	11/27/85	62 4.4	44307310 21.8	UPDATE
HOWELL INDS INC PANGBORN BRENDA	COM 13D	11/27/85	0 0.0	44307310 53.8	UPDATE
JETRONIC INDS INC HOORNAERT ALAIN	COM 13D	12/20/85	0 0.0	47717810 14.4	UPDATE
MET COIL SYSTEMS CORP FRONTENAC CO ET AL	COM 13D	12/20/85	115 5.5	59085010 6.3	UPDATE
MICROS SYSTEMS INC VOORHEES ALAN M	COM 13D	12/27/85	1,100 23.2	59490110 0.0	UPDATE
NORTHWESTERN STL & WIRE CO AIM CORP N Y	COM 13D	12/10/85	699 9.3	66836710 6.5	RVISION