
ADMINISTRATIVE PROCEEDINGS

MICHAEL S. HOPE CENSURED

The Commission settled an administrative proceeding against Michael S. Hope, a former partner of the national accounting firm of Ernst & Whinney. Hope, without admitting or denying the Commission's allegations, consented to the Commission's Opinion and Order. Hope has not been engaged in the practice of public accounting for three years. The Commission formally censured Hope, finding that he had engaged in "improper professional conduct" within the meaning of Rule 2(e)(1)(ii) of the Commission's Rules of Practice.

The non-public proceeding arose from Ernst & Whinney's audits of United States Surgical Corporation's 1980 and 1981 financial statements. Hope was the Ernst & Whinney engagement partner on the Surgical audits. The Opinion and Order states that the auditors failed to gather sufficient competent evidence concerning several assertions contained in Surgical's financial statements, failed to exercise the due care required of an independent auditor, and in general failed to exercise appropriate levels of professional skepticism. These failures resulted in material overstatements of several of Surgical's fixed asset accounts, its patent account, and its revenues. (AAER No. 109; Rel. 34-23513)

PROCEEDINGS INSTITUTED AGAINST STEWART PARNESS

The Commission instituted an administrative proceeding under Section 15(c)(4) of the Securities Exchange Act of 1934 against Stewart Parness, former Controller of Information Displays, Inc. Simultaneously, the Commission accepted the Offer of Settlement submitted by Parness in which he consented to the Order without admitting or denying the facts, findings or conclusions.

The Order states that during the time Parness was IDI Controller, IDI improperly recorded six material transactions and failed to reverse or provide an allowance for doubtful accounts for two transactions that IDI improperly recorded in 1982. Among other things, Parness failed to recognize that certain transactions recorded on a bill and hold basis did not meet the criteria which are necessary to justify recognition of revenue on such transactions. Because Parness failed to take sufficient steps to satisfy himself that the eight transactions were properly recorded and reported initially and/or on an on-going basis, the Commission found that he was a cause of IDI's violations of the periodic reporting provisions of the Exchange Act and also violated Exchange Act Rule 13b2-1. (Rel. 34-23507; AAER No. 108)

CIVIL PROCEEDINGS

FINAL JUDGMENTS ENTERED AGAINST WILLIAM WEKSEL AND ALBERT BROMBERG

The Commission filed an action for Injunctive and Other Equitable Relief on August 6 in the U.S. District Court for the Southern District of New York against William Weksel and Albert Bromberg, former directors and officers of Information Displays, Inc. (IDI). Without admitting or denying the allegations in the Commission's complaint, the defendants consented to the Final Judgments enjoining them from violating certain provisions of the securities laws and further ordering them to disgorge a total of \$311,000.

The complaint alleged that during 1982-1983, the defendants: (1) caused IDI to overstate its pretax income by over 100%, approximately \$3.1 million, by causing IDI to improperly record 11 material transactions; (2) caused IDI to include those transactions in periodic reports and incorporate them in stock and limited partnership offering documents; (3) failed to correct disclosures regarding the status of IDI's principal product when those disclosures became untrue, and made additional misleading statements; and (4) sold IDI shares while in possession of material, non-public information. (SEC v. William Weksel, et al., USDC SDNY, Civil Action No. 86-6063-CSH). (LR-11183; AAER-108)

**CIVIL INJUNCTIVE ACTION FILED
AGAINST HARVEY KATZ, OTHERS**

The Commission today filed an injunctive action in the U.S. District Court for the Southern District of New York against Harvey Katz, Marcel Katz, Elie Mordo and Fred Aizen. Simultaneously, the defendants consented to the injunctions, without admitting or denying the allegations in the complaint, and to pay disgorgement and civil penalties under the Insider Trading Sanctions Act of 1984. Harvey Katz consented to disgorge \$1,035,425.00, and pay penalties of \$2,111,168.00. Marcel Katz consented to pay penalties of \$173,891.00. Fred Aizen consented to pay \$60,000.00, and penalties of \$20,000.00. Mordo consented to disgorge \$1,087,532.00.

The complaint alleged that the defendants violated the antifraud provisions of the Exchange Act in that Marcel Katz, an analyst at Lazard Freres & Co., obtained material, nonpublic information relating to the merger between RCA and General Electric from Lazard and disclosed such information to his father, Harvey Katz, who then purchased RCA securities for himself and others. The complaint alleged that Harvey Katz disclosed said information to his father-in-law, Mordo, who purchased RCA securities through a Swiss bank and to his stockbroker, Aizen, who purchased RCA securities for a family friend. (SEC v. Harvey Katz, et al., USDC SDNY, Civil Action No. 86 Civ. 6088). (LR-11185)

INVESTMENT COMPANY ACT RELEASES

PRUDENTIAL-BACHE UNIT TRUSTS

An order has been issued permitting existing and future series of Prudential-Bache Unit Trusts to obtain reinsurance from an affiliate. (Rel. IC-15231 - July 29)

THIRTEEN STAR PARTNERS, LTD.

A notice has been issued giving interested persons until August 20 to request a hearing on an application filed by Thirteen Star Partners, Ltd., a Florida limited partnership, for an order exempting it from all provisions of the Investment Company Act. (Rel. IC-15232 - July 30)

HOLDING COMPANY ACT RELEASES

THE CONNECTICUT LIGHT AND POWER COMPANY

A notice has been issued giving interested persons until August 25 to request a hearing on a proposal by The Connecticut Light and Power Company (CL&P), subsidiary of Northeast Utilities, to acquire a 0.3125% ownership interest in a nuclear generating unit, Millstone Unit No. 3 (Millstone 3) from the City of Burlington, Vermont, Electric Light Department (Burlington). CL&P, Burlington and other New England utility companies are tenants-in-common of Millstone 3, which they own in designated percentage shares. As consideration for the transfer, Burlington would be released from all liability to CL&P resulting from the payment by CL&P's service company affiliate and agent, Northeast Utilities Service Company, of Burlington's proportionate share of the costs of all capital items for Millstone 3, except nuclear fuel, from February 1982 through April 23, 1986, the date of commercial operation. (Rel. 35-24158 - July 31)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

Orders have been issued granting the applications of the Philadelphia Stock Exchange for unlisted trading privileges in the common stock of the 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: one issue (for two separate applications). (Rel. 34-23493; 34-23499)

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until August 25 to comment on the application of HANNAFORD BROS. CO. to withdraw the common stock, \$.75 par value, from listing and registration on the American Stock Exchange. (Rel. 34-23496)

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until August 24 to comment on the application of the Midwest Stock Exchange for unlisted trading privileges in 18 issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-23497)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED PLAN

The Commission approved a proposed plan filed by the Philadelphia Stock Exchange specifying those uncontested minor rule violations with sanctions not exceeding \$2,500 which would be subject to abbreviated quarterly reporting to the Commission under Rule 19d-1(c)(2). (Rel. 34-23491)

NOTICE OF PROPOSED RULE CHANGE

The Options Clearing Corporation filed a proposed rule change (SR-OCC-86-16) establishing procedures for filing, revoking or modifying exercise notices after its 7:00 p.m. filing deadline. Publication of the proposal is expected to be made in the Federal Register during the week of August 4. (Rel. 34-23492)

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-8 SOUTHWESTERN BELL CORP, ONE BELL CTR, ST LOUIS, MO 63101 (314) 235-9800 - 160,000,000 (\$160,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-7574 - JUL. 30) (BR. 13)
- S-6 CORPORATE INCOME FUND TWO HUNDRED FORTY FIFTH MON PAY SER, ONE LIBERTY PLZ 21ST FLR, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES. DEPOSITOR: MERRILL LYNCH PIERCE FENNER & SMITH INC, PAINWEBBER INC, PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN BROTHERS INC, WITTER DEAN REYNOLDS INC. (FILE 33-7575 - JUL. 30) (BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND EIGHTY FIRST INSURED SERIES, ONE LIBERTY PLZ 21ST FL, 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 33-7576 - JUL. 30) (BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND MULTISTATE SERIES 2J, ONE LIBERTY PLZ 21ST FL, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC, MERRILL LYNCH PIERCE FENNER & SMITH INC, PAINWEBBER INC, PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN BROTHERS INC. (FILE 33-7577 - JUL. 30) (BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVT TR FD FOUR HUNDRED FIRST MONTHLY PAYMENT SER, ONE LIBERTY PLZ 21ST FL, 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 33-7578 - JUL. 30) (BR. 17 - NEW ISSUE)
- S-6 SEARS TAX EXEMPT INVT TR INTERN LONG TERM MUN PORT SER 31, 130 LIBERTY ST, C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 - 8,800 (\$8,976,000) UNIT INVESTMENT TRUST. DEPOSITOR: DEAN WITTER REYNOLDS INC. (FILE 33-7579 - JUL. 30) (BR. 16 - NEW ISSUE)

- S-6 SEARS TAX EXEMPT INVT TR INSURED INTERM LONG TERM SER 22, 130 LIBERTY ST, C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 - 8,800 (\$8,976,000) UNIT INVESTMENT TRUST. DEPOSITOR: DEAN WITTER REYNOLDS INC. (FILE 33-7580 - JUL. 30) (BR. 16 - NEW ISSUE)
- S-4 CERPROBE CORP, 125 S ROCKFORD DR, TEMPE, AZ 85281 (602) 967-7885 - 256,000 (\$23,040) COMMON STOCK. (FILE 33-7597 - JUL. 29) (BR. 3)
- S-1 LONG ISLAND LIGHTING CO, 175 E OLD COUNTRY RD, HICKSVILLE, NY 11801 (516) 933-4590 - 500,000,000 (\$500,000,000) STRAIGHT BONDS. UNDERWRITER: DILLON READ & CO INC, FIRST BOSTON CORP, HUTTON EF & CO INC, PAINWEBBER INC, SHEARSON LEHMAN BROTHERS INC. (FILE 33-7606 - JUL. 29) (BR. 7)
- S-1 FORSTMANN & CO INC, NATHANIEL DR, DUBLIN, GA 31040 (912) 272-4711 - 55,000 (\$55,000,000) STRAIGHT BONDS. UNDERWRITER: MERRILL LYNCH CAPITAL MARKETS, ROBINSON HUMPHREY CO INC. (FILE 33-7607 - JUL. 29) (BR. 8 - NEW ISSUE)
- S-3 DOYLE DANE BERNBACH GROUP INC, 437 MADISON AVE, NEW YORK, NY 10022 (212) 415-2000 - 440,000 (\$9,845,000) COMMON STOCK. (FILE 33-7610 - JUL. 29) (BR. 5)
- S-2 ADVANCED SYSTEMS INC /DE/, 155 E ALGONQUIN RD, ARLINGTON HEIGHTS, IL 60005 (312) 981-1500 - 34,500,000 (\$34,500,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE 33-7611 - JUL. 29) (BR. 5)
- S-8 JOY MANUFACTURING CO, 301 GRANT ST, PITTSBURGH, PA 15219 (412) 362-4500 - 1,200,000 (\$1,200,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-7616 - JUL. 29) (BR. 9)
- S-8 AMERICAN CAN CO, AMERICAN LANE, P O BOX 3610, GREENWICH, CT 06836 (203) 552-2000 - 60,000,000 (\$48,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-7619 - JUL. 30) (BR. 9)
- S-3 VALLEY NATIONAL CORP, 241 N CENTRAL AVE, PHOENIX, AZ 85004 (602) 261-2900 - 100,000,000 (\$100,000,000) STRAIGHT BONDS. (FILE 33-7622 - JUL. 30) (BR. 1)
- S-6 INSURED MUNICIPALS INCOME TRUST 28TH INSURED MULTI SERIES, 1901 N NAPER BLVD, C/O VAN KAMPEN MERRITT INC, NAPERVILLE, IL 60566 - 29,393 (\$29,980,860) UNIT INVESTMENT TRUST. DEPOSITOR: VAN KAMPEN MERRITT INC. (FILE 33-7624 - JUL. 30) (BR. 18)
- N-1A CASH INVESTMENT TRUST, 230 PARK AVE, C/O FURMAN SELZ MAGER DIETZ & BIRNEY INC, NEW YORK, NY 10169 (212) 309-8400 - INDEFINITE SHARES. (FILE 33-7627 - JUL. 30) (BR. 18 - NEW ISSUE)
- S-1 BIOTECHNICA INTERNATIONAL INC, 85 BOLTON ST, CAMBRIDGE, MA 02140 (617) 864-0040 - 28,750,000 (\$28,750,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE 33-7630 - JUL. 30) (BR. 8)

REGISTRATIONS EFFECTIVE

July 10: The Altura Fund, 33-5116; American Municipal Trust, 33-3945; Banc One Corporation, 33-6857; Calprop Corporation, 33-6251; Cellular Products, Inc., 33-6051; Coated Sales Inc., 33-6544; CP National Corporation, 33-6822; Granite State Bankshares Inc., 33-5018; Heritage Communications, Inc., 33-6114; Home Mac Mortgage Securities Corporation, 33-6803; Keystone Financial, Inc., 33-6686; Kingdom of Denmark, 33-7080; Lexington Tax Exempt Bond Trust, 33-5827; MedMaster Systems, Inc., 33-5873; Morgan, Olmstead, Kennedy & Gardner Capital Corporation, 33-5776; National Consumer Cooperative Bank, 2-99779; Northland Cable Properties, 33-2928; Nutri/System, Inc., 33-4926; Pay'n Save, Inc., 33-5560; Pilgrim Equipment & Leasing Co., Inc., 2-94749-NY; PNS, Inc., 33-5591; Prime Cable Income Partners, L.P., 33-5704; Quest Biotechnology, Inc., 33-5449-C; Walker Telecommunications Corporation, 33-5989; Warehouse Entertainment, Inc., 33-6485.

July 11: American Medical International, Inc., 33-6915; Care Enterprises, Inc., 33-6551; Care Plus, Inc., 33-4316; Continental Health Affiliates, Inc., 33-6840; Coopervision, Inc., 33-6821; Cree Meadows Country Club, Inc., 33-3653-D; Dento-Med Industries, Inc., 33-6789; ERC International Inc., 33-5945; PSA Capital Inc., 33-5957; Heritage Communications, Inc., 33-6113; Indiana Gas Company, Inc., 33-6882; Jewel-masters, Inc., 33-5992; Lynch Corporation, 33-6045; Neoax, Inc., 33-5055; Otisville BioTech, Inc., 33-3130; Pawnee Industries, Inc., 33-6304; Price Communications Corporation, 33-5967; Ramco Resources 1986 Drilling Programs, 33-1386; Sheller-Globe Corporation, 33-6980; Shoe City Corporation, 33-6201; Summcorp, 33-6861; Telstar Satellite Corporation of America, 33-1807; Tipton Centers, Inc., 33-6077; Vocaltech, Inc., 33-5384.