

# sec news digest

LIBRARY

Issue 93-44

MAR 10 1993

March 9, 1993

U.S. SECURITIES  
EXCHANGE COMMISSION

---

## ADMINISTRATIVE PROCEEDINGS

---

### ORDER INSTITUTING PUBLIC ADMINISTRATIVE PROCEEDINGS AGAINST BRUCE BOWEN AND THOMAS CANON

The Commission instituted public administrative proceedings, pursuant to Section 15(b)(6), 19(h) and 21C of the Securities Exchange Act of 1934 (Exchange Act), against Bruce B. Bowen and Thomas Q. Canon, Jr. to determine what, if any, remedial action is appropriate and in the public interest.

This matter involves the scheme of Richard Warner, founder and Chairman of the Board of AlpNet, Inc., to manipulate the price of AlpNet stock over a period of two and one-half years by making frequent purchases of small blocks of AlpNet stock at or near the end of the trading day in an effort to move the quoted price form the bid to the offer side of the market. This practice of executing the last transaction of the day in a particular security in order to affect its closing price is know as "marking the close."

The Order alleges that Bowen, as the account executive for five nominee accounts that Warner controlled at Paine Webber, and Canon, as the account executive for four nominee accounts that Warner controlled at Wilson-Davis, willfully and knowingly provided substantial assistance to Warner, and therefore aided and abetted Warner's violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The Order also alleges that by engaging in the conduct described herein, Bowen and Canon caused Warner's violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. (Rel. 34-31938)

### ORDER MODIFIED

The Order Instituting Proceedings, Making Findings and Imposing Remedial Sanctions and Cease and Desist Order entered on February 25, 1993 in the matter of Yamaichi International (America) Inc., Shoji Hattori, Hiroshi Takenaka and Frank Mauceri, Release No. 34-31921, is modified in that the suspensions of Hiroshi Takenaka and Frank Mauceri shall commence on April 1, 1993. (Rel. 34-31955)

---

## CIVIL PROCEEDINGS

---

### JOHN PRATT AND PARK FLORIDA ASSOCIATES, LTD. PERMANENTLY ENJOINED

The Commission announced that on February 11, 1993 the Honorable John P. Fullam, U.S. District Judge for the Middle District of Florida, entered an Order of Final Judgment of Permanent Injunction and Other Relief by Default (Order) against defendants John Michael Pratt (Pratt) and Park Florida Associates, Ltd. (Park Florida) by and through

its General Partner, Keystone Financial Holdings, Inc. (Keystone). The Order permanently enjoins them from further violations of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rules 10b-5 and 10b-9, thereunder. The Order also enjoins them from aiding and abetting violations of Section 15(c) of the Exchange Act and Rules 15c1-2 and 15c2-4, thereunder.

The Commission's complaint alleged that Park Florida, formerly a Florida limited partnership, conducted a private placement, minimum-maximum offering to finance a real estate development project in Pinellas County, Florida. Pratt, the principal behind Park Florida and Keystone, failed to close the offering when it did not reach the required minimum subscription prior to the stated closing date. Pratt subsequently broke escrow and misappropriated funds from the offering proceeds. The Order requires Pratt and Park Florida to disgorge \$578,000 together with prejudgment interest. [SEC v. Park Florida Associates, Ltd., et al., Civil Action No. 91-1265-CIV-T-998] (LR-13549)

#### COMPLAINT FILED AGAINST JOHN CULBERTSON

The Commission announced that on March 4 a complaint was filed in the U.S. District Court for the Northern District of Illinois, Eastern Division, against registered representative John M. Culbertson (Culbertson). Culbertson was charged with violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. The complaint requests the entry of an Order of Permanent Injunction and other Equitable Relief, an accounting, and the disgorgement of ill-gotten gains and prejudgment interest.

During the relevant time period, Culbertson offered tax preparation services and sold general securities to the public. The complaint alleges that Culbertson fraudulently converted to his own use at least \$430,000 in investor funds that he obtained from the sale of investment contracts in investment programs that he had formed and from investor funds given to him to purchase notes issued by J.P. Morgan and Company, Inc. and shares of the Kleinwort Benson Australian Income Fund. [SEC v. John M. Culbertson, USDC, ND Ill., ED, Civil Action No. 93C1367] (LR-13551)

#### KEVIN WARD PERMANENTLY ENJOINED

The Commission announced that on February 16, 1993 the Honorable Ralph W. Nimmons, Jr., U.S. District Judge for the Middle District of Florida, entered a Final Judgment of Permanent Injunction and Other Relief (Final Judgment) against Kevin D. Ward (Ward) of Tampa, Florida. Ward, without admitting or denying the allegations of the Commission's complaint, consented to the entry of this Final Judgment. Ward was a principal and owner of American Wallstreet Securities, Inc. (AWS), a registered broker-dealer which ceased operations in August 1990. The Final Judgment permanently enjoins Ward from violating the registration, antifraud, and broker-dealer net capital and books and records provisions of the federal securities laws. Ward was ordered to disgorge \$643,200.00 plus prejudgment interest thereon.

The complaint, filed on September 25, 1991, alleges that in connection with AWS's initial public offering of an issuer's securities and secondary market trading in such securities, Ward violated the registration and antifraud provisions of the federal securities laws. The Complaint alleges that Ward failed to disclose, among other things, AWS's dominance and control of the market for such securities, the use of a nominee account to hold and trade such securities, as well as the charging by AWS of excessive mark-ups with respect to such securities. The complaint further alleges that Ward aided and abetted violations of the broker-dealer net capital, books and records and periodic reporting provisions of the federal securities laws. [SEC v. Eric J. Walloga, et al., USDC, M.D. Fla., Civil Action No. 91-1297-CIV-T-21A] (LR-13552)

#### PENNY STOCK PROMOTERS ENJOINED

The Commission announced that on February 16, 1993 Final Judgments of Permanent Injunction and Other Equitable Relief were entered by consent against Orville Randall Myers, Jr. (Myers) and Joseph L. Flood (Flood). The Final Judgments enjoin Myers and Flood from violations of the securities registration and antifraud provisions of the federal securities laws, and Myers from violations of the broker-dealer registration provisions. The Final Judgments also order Myers to disgorge \$100,777.63 and Flood \$40,311.05. However, payment was waived for both Myers and Flood based on their demonstrated financial inability to pay.

The Commission's complaint alleges that Myers and Flood participated in a fraudulent distribution of stock in Gulf Coast Resources International, Inc., an unregistered penny stock company, through the dissemination of false and misleading information concerning the company's financial condition and business prospects to the investing public, the media and broker-dealers. According to the complaint, more than \$800,000 was raised from 115 investors in 14 states through an unregistered broker-dealer controlled by Myers. [SEC v. Gulf Coast Resources International, Inc., et al., Civil Action No. 3-91CV2058-P, USDC/ND TX, Dallas Division] (LR-13554)

---

#### CIVIL PROCEEDINGS

---

#### PRIME VALUE FUNDS, INC., ET AL.

A notice has been issued giving interested persons until March 30 to request a hearing on an application filed by Prime Value Funds, Inc., et al. for a conditional order under Section 6(c) of the Investment Company Act. The conditional order would exempt applicants from Sections 2(a)(32), 2(a)(35), 22(c), and 22(d) of the Act and Rule 22c-1 thereunder to the extent necessary to permit applicants to impose and, under certain circumstances, waive a contingent deferred sales load on certain redemptions of shares. (Rel. IC-19316 - March 5)

#### PRIME VALUE FUNDS, INC., ET AL.

A notice has been issued giving interested persons until March 31 to request a hearing on an application filed by Prime Value Funds, Inc., et al. for an order under Section 6(c) of the Investment Company Act exempting applicants from the provisions of Sections 18(f), 18(g), and 18(i) of the Act. The order would permit certain investment companies to issue and sell separate classes of shares representing interests in the same investment portfolio. (Rel. IC-19317 - March 5)

---

## HOLDING COMPANY ACT RELEASES

---

### NATIONAL FUEL GAS COMPANY

An order has been issued authorizing National Fuel Gas Company (NFG), a registered holding company, to implement the 1993 Award and Option Plan (Plan). The Plan would authorize the committee (as defined) (Committee) to grant awards from February 18, 1993 through February 17, 2003 to key employees of NFG or any of its 80% or more owned subsidiaries. There are 1.6 million shares of common stock of NFG are available for grant under the Plan. The following types of awards may be available under the Plan: (1) stock options, including incentive stock options; (2) stock appreciation rights; (3) common stock of NFG, including restricted stock; (4) common stock units; (5) performance shares; (6) performance units; and (7) any award established by the Committee which is consistent with the Plan's purpose. The Commission previously authorized NFG to solicit proxies from its shareholders to approve the implementation of the Plan. (Rel. 35-25753)

### NATIONAL FUEL GAS COMPANY

An order has been issued authorizing National Fuel Gas Company (NFG), a registered holding company, to amend the National Fuel Gas Company 1983 Incentive Stock Option Plan and the National Fuel Gas Company 1984 Stock Plan (collectively, Stock Plans). The Commission previously authorized NFG to solicit proxies from its shareholders to effect the proposed amendments to the Stock Plans. (Rel. 35-25754)

### SOUTHWESTERN ELECTRIC POWER COMPANY

An order has been issued authorizing Southwest Electric Power Company (SEPCO), a subsidiary of Central and South West Corporation, a registered holding company, to enter into an interest rate swap arrangement terminating on November 1, 1994 with one or more counterparties for the aggregate amount of \$48 million. (Rel. 35-25755)

### ALABAMA POWER COMPANY

A notice has been issued giving interested persons until March 29 to request a hearing on a proposal by Alabama Power Company (Alabama), an electric public-utility subsidiary company of The Southern Company, a registered holding company. Alabama proposes to render, through December 31, 1997, consulting and operating and maintenance services directly to nonaffiliated publicly or privately owned utility companies, governmental entities or cooperative organizations within the State of Alabama. (Rel. 35-25756)

### GEORGIA POWER COMPANY

A notice has been issued giving interested persons until March 29 to request a hearing on a proposal by Georgia Power Company, a wholly owned public-utility subsidiary company of The Southern Company, a registered holding company, to acquire a 500/230 kV substation located in Effingham County, Georgia for a purchase price of \$12,906,061 from the South Carolina Public Service Authority. (Rel. 35-25756)

#### SOUTHWESTERN ELECTRIC POWER COMPANY

A notice has been issued giving interested persons until March 29 to request a hearing on a proposal by Southwestern Electric Power Company (SWEPCO), a wholly owned electric utility subsidiary company of Central and South West Corporation, a registered holding company. SWEPCO proposes to provide certain environmental laboratory services to nonaffiliated companies through December 31, 1994. (Rel. 35-25756)

#### CENTRAL AND SOUTH WEST CORPORATION, ET AL.

A notice has been issued giving interested persons until March 29 to request a hearing on a proposal by Central and South West Corporation, a registered holding company, and three of its nonutility subsidiary companies, CSW Energy, Inc. (Energy), CSW Development-I, Inc. (Energy Sub) and ARK/CSW Development Partnership (Joint Venture) (collectively, Applicants). The Applicants propose to make an investment in a 74-megawatt combined cycle gas turbine cogeneration facility (Project) through a special purpose limited partnership (Project Venture), which will develop, own and operate the Project. The Joint Venture proposes to organize and acquire for \$1,000 all of the common stock (1,000 shares with no par value) of a new subsidiary which will be the general partner, owning 1%, of the Project Venture. Energy Sub proposes to organize and acquire for \$1,000 all of the common stock (1,000 shares with no par value) of a new subsidiary which will be one of the limited partners, owning 49.5%, of the Project Venture. The other 49.5% limited partnership interest will be owned by ARK Energy Inc., a nonassociate. The total cost of the acquisition will be \$3.395 million plus certain liabilities of the seller that will be contingently assumed by the Project Venture. (Rel. 35-25756)

#### THE SOUTHERN COMPANY, ET AL.

A notice has been issued giving interested persons until March 29 to request a hearing on a proposal by The Southern Company (Southern), a registered holding company, and Southern Nuclear Operating Company, Inc. (Southern Nuclear), a wholly owned subsidiary company of Southern. Southern Nuclear proposes to borrow, from time to time through March 31, 1995, up to an aggregate principal amount of \$10 million from Southern or other lenders. Borrowings from Southern may, at the option of Southern, be converted into capital contributions or additional shares of common stock of Southern Nuclear. (Rel. 35-25756)

#### CENTRAL AND SOUTH WEST CORPORATION, ET AL.

A notice has been issued giving interested persons until March 29 to request a hearing on a proposal by Central and South West Corporation (CSW), a registered holding company, and its subsidiary companies, Central and South West Services, Inc., Central Power and Light Company, Public Service Company of Oklahoma, Southwestern Electric Power Company, West Texas Utilities Company and Transok, Inc. Applicants propose to continue to issue, sell and acquire short-term notes under their short-term borrowing program and the CSW System Money Pool in aggregate outstanding principal amounts of up to \$800 million through March 31, 1995. (Rel. 35-25756)

---

## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

---

### UNLISTED TRADING PRIVILEGES GRANTED

Orders have been issued granting the applications of five exchanges for unlisted trading privileges in issues which are listed and registered on one or more other national securities exchange and are reported in the consolidated transaction reporting system. The exchanges and number of issues are as follows: Pacific Stock Exchange - 1 issue (Rel. 34-31948); Cincinnati Stock Exchange - 1 issue (Rel. 34-31949) and 38 issues (Rel. 34-31953); Philadelphia Stock Exchange - 17 issues (Rel. 34-31950); Boston Stock Exchange - 15 issues (Rel. 34-31951); and Midwest Stock Exchange - 20 issues (Rel. 34-31952).

### UNLISTED TRADING PRIVILEGES SOUGHT

A notice has been issued giving interested persons until March 26 to comment on the application of the Midwest Stock Exchange for unlisted trading privileges in 4 issues which are listed and registered on one or more other national securities exchange and are reported in the consolidated transaction reporting system. (Rel. 34-31954)

---

## SELF-REGULATORY ORGANIZATIONS

---

### APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by The Depository Trust Company (SR-DTC-92-14) that automates the services for mortgage-backed put securities. Publication of the order is expected in the Federal Register during the week of March 8. (Rel. 34-31956)

### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

The Depository Trust Company filed a proposed rule change relating to the fee schedule for DTC services. The proposed rule change became effective upon filing. Publication of the proposal is expected in the Federal Register during the week of March 8. (Rel. 34-31957)

The Depository Trust Company filed a proposed rule change (SR-DTC-93-02) relating to an increase in the fixed net debit cap employed in DTC's Same-Day Funds Settlement system. The proposed rule change became effective upon filing. Publication of the proposal is expected in the Federal Register during the week of March 8. (Rel. 34-31958)

### PROPOSED RULE CHANGES

The National Securities Clearing Corporation filed a proposed rule change (SR-NSCC-93-2) relating to changes to the comparison procedures for municipal securities transactions. Publication of the proposal is expected in the Federal Register during the week of March 8. (Rel. 34-31960)

## ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission approved on an accelerated basis a proposed rule change filed by the Philadelphia Depository Trust Company (SR-PHILADEP-93-01) relating to the extension of the pilot operation of its PHILANET Terminal Communication System and the offering of the Voluntary Offer Instructions Program as part of the PHILANET pilot program. Publication of the order is expected in the Federal Register during the week of March 8. (Rel. 34-31959)

---

## 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 PARAGON MORTGAGE CORP, 2401 LAKE PARK DR STE 300, SMYRNA, GA 30080 (404) 435-6400 - 510,298 (\$781,393) COMMON STOCK. (FILE 33-58740 - FEB. 26) (BR. 11)
- S-8 INTERNEURON PHARMACEUTICALS INC, 1 LEDGEMONT CTR, 99 HAYDEN AVE, LEXINGTON, MA 02173 (617) 861-8444 - 600,000 (\$4,800,000) COMMON STOCK. (FILE 33-58742 - FEB. 26) (BR. 4)
- S-3 MAGNETEK INC, 11150 SANTA MONICA BLVD - 15TH FLR, LOS ANGELES, CA 90025 (310) 473-6681 - 7,486,649 (\$169,385,433.63) COMMON STOCK. (FILE 33-58766 - FEB. 25) (BR. 3)
- S-2 CB BANCSHARES INC/HI, 201 MERCHANT ST, HONOLULU, HI 96813 (808) 546-2411 - 1,035,000 (\$31,050,000) COMMON STOCK. UNDERWRITER: MA SCHAPIRO & CO INC. (FILE 33-58776 - FEB. 25) (BR. 2)
- S-8 PERKIN ELMER CORP, 761 MAIN AVE, NORWALK, CT 06859 (203) 762-1000 - 1,573,841 (\$56,469,415) COMMON STOCK. (FILE 33-58778 - FEB. 25) (BR. 8)
- F-3 ELBIT LTD, ADVANCED TECHNOLOGY CTR, POB 5390, HAIFA 31053 ISRAEL, L3 - 842,040 (\$34,144,650) FOREIGN COMMON STOCK. (FILE 33-58788 - FEB. 25) (BR. 7)
- S-4 WEST ONE BANCORP, 101 S CAPITOL BLVD, P O BOX 8247, BOISE, ID 83733 (208) 383-7000 - 150,000 (\$5,100,000) COMMON STOCK. (FILE 33-58794 - FEB. 25) (BR. 1)
- S-3 BRE PROPERTIES INC, 1 MONTGOMERY ST, TELESIS TWR STE 2500, SAN FRANCISCO, CA 94104 (415) 445-6530 - 1,725,000 (\$62,634,750) COMMON STOCK. UNDERWRITER: ALEX BROWN & SONS, DEAN WITTER REYNOLDS INC, KIDDER PEABODY & CO, MERRILL LYNCH & CO. (FILE 33-58802 - FEB. 26) (BR. 6)
- SB-2 ESQUIRE COMMUNICATIONS LTD, 342 MADISON AVE, NEW YORK, NY 10173 (212) 687-8010 - 1,150,000 (\$5,750,000) COMMON STOCK. 1,150,000 (\$115,000) WARRANTS, OPTIONS OR RIGHTS. 1,150,000 (\$6,900,000) COMMON STOCK. 200,000 (\$11,000) WARRANTS, OPTIONS OR RIGHTS. UNDERWRITER: GKN SECURITIES CORP, ROYCE INVESTMENT GROUP INC. (FILE 33-58814 - FEB. 26) (BR. 6 - NEW ISSUE)
- S-8 ELECTROCOM AUTOMATION INC, 2910 AVENUE F EAST, ARLINGTON, TX 76011 (817) 640-5690 - 1,000,000 (\$13,000,000) COMMON STOCK. (FILE 33-58822 - FEB. 26) (BR. 9)

REGISTRATIONS CONTINUED

- S-1 MBLA FINANCIAL CORP, 100 NORTH ROLLINS, MACON, MO 63552 (816) 385-2122 - 1,785,375 (\$17,853,750) COMMON STOCK. (FILE 33-58824 - FEB. 24) (BR. 2 - NEW ISSUE)
- F-1 TELEPHONE COMPANY OF CHILE, SAN MARTIN 50, SANTIAGO CHILE, F3 - 182,624,000 (\$182,624,000) FOREIGN GOVERNMENT AND AGENCY DEBT. UNDERWRITER: GOLDMAN SACHS & CO, WARBURG S G SECURITIES. (FILE 33-58826 - FEB. 26) (BR. 7)
- SB-2 ENDOTRONICS INC, 8500 EVERGREEN BLVD, COON RAPIDS, MN 55433 (612) 786-0302 - 10,120,500 (\$16,848,000) COMMON STOCK. 117,000 (\$117) WARRANTS, OPTIONS OR RIGHTS. 4,487,000 (\$5,142,200) COMMON STOCK. (FILE 33-58830 - FEB. 26) (BR. 8)
- S-3 CHEVRON CORP, 225 BUSH ST, SAN FRANCISCO, CA 94104 (415) 894-7700 - 190,000,000 (\$190,000,000) STRAIGHT BONDS. (FILE 33-58838 - FEB. 26) (BR. 4)
- N-1A LORD ABBETT SECURITIES TRUST, 767 FIFTHAVE, NEW YORK, NY 10153 (212) 848-1800 - INDEFINITE SHARES. (FILE 33-58846 - MAR. 01) (BR. 17 - NEW ISSUE)
- S-1 HL FUNDING CO INC, PO BOX 2999, HARTFORD, CT 06104 (203) 843-8984 - 75,000,000 (\$75,000,000) PROGRAM FOR PURCHASE OF MUTUAL FUND. (FILE 33-58862 - FEB. 26) (BR. 9 - NEW ISSUE)
- S-3 TRIDEX CORP, 215 MAIN ST, WESTPORT, CT 06880 (203) 226-1144 - 1,246,630 (\$9,193,897) COMMON STOCK. (FILE 33-58864 - FEB. 26) (BR. 10)
- S-8 BLACKHAWK BANCORP INC, 400 BROAD ST, BELOIT, WI 53511 (608) 364-8911 - 17,500 (\$224,700) COMMON STOCK. (FILE 33-58904 - MAR. 01) (BR. 1)