

sec news digest

Issue 92-213

November 3, 1992

CIVIL PROCEEDINGS

JAMES SAGER ENJOINED

On October 8, United States District Court Judge Richard P. Matsch entered a civil injunction by consent against James L. Sager (Sager). Sager, formerly a mid-level manager at MiniScribe Corporation, without admitting or denying the allegations of the complaint, agreed to entry of an injunction permanently restraining and enjoining him from violating Section 10(b) of the Securities Exchange Act of 1934, and Rules 10b-5 and 13b2-1 thereunder and Section 17(a) of the Securities Act of 1933, and from aiding and abetting violations of Sections 13(a) and 13(b)(2)(A) of the Exchange Act and Rules 13a-1 and 12b-20 thereunder. The settlement entered by Judge Matsch also required Sager to disgorge \$37,022.62 and pay a civil penalty in the same amount. However, payment and collection of all but \$20,000 of the disgorgement was waived based upon Sager's financial condition. Litigation against other defendants in the action is continuing. [SEC v. Q.T. Wiles, et al., Civil Action No. 91-M-1393, D.Colo., October 8] (LR-13416)

INJUNCTION ENTERED AGAINST RICHARD FISHER

The Commission announced that on October 20 the Honorable Jorge A. Solis of the U.S. District Court for the Northern District of Texas entered a Final Judgment as to Richard L. Fisher (Fisher) of Adamstown, Pennsylvania. Without admitting or denying the allegations, Fisher consented to the entry of the final judgment enjoining him from future violations of the registration and antifraud provisions of the federal securities laws.

The Commission's complaint, filed June 21, 1991, alleges Fisher and eight other defendants violated or aided and abetted violations of the antifraud and registration provisions of the federal securities laws in the offer, purchase and sale of stock in RAM Industries, Inc. (RAM), and Cortez International, Ltd. (Cortez), two now defunct penny stock companies. Specifically, the complaint charges that Fisher, while not registered as a broker-dealer or associated with a registered broker-dealer, made, disseminated, or republished false, misleading or incomplete statements of material facts while effecting sales of Cortez stock to his customers. [SEC v. L. George Reynolds, et al., USDC ND/TX, Civil Action No. 3-91-1115-P] (LR-13417)

COMPLAINT FILED AGAINST RICHARD WRIGHT

The Commission announced that on September 30 a complaint was filed in the United States District Court for the Northern District of Georgia against Richard H. Wright, Sr., individually and doing business as Richard Wright Enterprises (collectively,

Wright). The complaint alleges that from August 1990 to November 1991, Wright raised \$161,831 by selling interests in a pyramid scheme and a Ponzi scheme to more than 800 investors from the United States and Canada. The complaint further alleges that Wright promised vast wealth in exchange for investment of between \$50 and \$155 and made other material misrepresentations and omitted to state material facts concerning, among other things, the method by which supposed profits would be generated and Wright's conversion of investor funds.

Without admitting or denying the allegations, Wright consented to an injunction from future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Further, he consented to an order requiring him to disgorge \$161,831 plus prejudgment interest but waiving payment based upon his ability to pay. Wright also consented to an order noting the appropriateness of a civil penalty but not imposing one due to his financial condition. On October 23, 1992, the Honorable G. Ernest Tidwell entered judgment against Wright. [SEC v. Richard H. Wright, Sr., et al., Civil Action No. 3:92-CV-114-GET, N.D. Ga.] (LR-13419)

CRIMINAL PROCEEDINGS

HARRY FLEISCHHAUER SENTENCED

The Commission and the U.S. Attorney's office for the Southern District of Ohio announced that on October 16 Harry Fleischhauer (Fleischhauer) was sentenced to serve 24 months in prison for convictions of money laundering and interstate transportation of a security with a value of \$5,000 or more taken by fraud in connection with the offering of investments by five corporations established and operated by Fleischhauer. Fleischhauer previously plead guilty to these counts.

The Commission brought an injunctive action against Fleischhauer and others based on the same facts as the criminal proceeding. On August 10, Fleischhauer was permanently enjoined from committing violations of the registration and antifraud provisions. Fleischhauer consented to the relief sought in the civil action. [SEC v. Harry E. Fleischhauer, USDC SD Ohio, Criminal Action No. CR-1-92-068, filed June 13, 1992] (LR-13418)

INVESTMENT COMPANY ACT RELEASES

OPPENHEIMER MANAGEMENT CORPORATION, ET AL.

A notice has been issued giving interested persons until November 23 to request a hearing on an application filed by Oppenheimer Management Corporation, et al. for an order under Section 6(c) of the Investment Company Act exempting applicants from Sections 2(a)(32), 2(a)(35), 18(f), 18(g), 18(i), 22(c), and 22(d) of the Act and Rule 22c-1 thereunder. The order would permit the Funds to (a) issue two classes of shares representing interests in the same portfolio of securities, one of which would convert into the other class after a specified period of time, and (b) impose different contingent deferred sales charge (CDSC) arrangements on shares of each class of the Funds and waive the CDSC in certain cases. (Rel. IC-19068)

HOLDING COMPANY ACT RELEASES

CSW CREDIT, INC., ET AL.

A notice has been issued giving interested persons until November 23 to request a hearing on a proposal by Central and South West Corporation, a registered holding company, and CSW Credit, Inc., its non-utility subsidiary company. The applicants request an extension of current financing authority through December 31, 1993. (Rel. 35-25663)

CENTRAL AND SOUTH WEST SERVICES, INC.

A notice has been issued giving interested persons until November 23 to request a hearing on a proposal by Central and South West Services, Inc. (CSWS), a wholly owned, non-utility subsidiary of Central and South West Corporation, a registered holding company. CSWS proposes to license and sell to non-associate entities, from time to time, through December 31, 1994, specialized computer programs and to provide certain support services to licensees and purchasers of such software. (Rel. 35-25663)

NATIONAL FUEL GAS COMPANY, ET AL.

A notice has been issued giving interested persons until November 23 to request a hearing on a proposal by National Fuel Gas Company (National), a registered holding company, and its wholly owned subsidiary companies, National Fuel Gas Distribution Corporation, Penn-York Energy Corporation, National Fuel Gas Supply Corporation and Seneca Resources Corporation. National proposes to issue and sell, through December 31, 1993, medium-term notes under an exception from competitive bidding at prices ranging between 98% and 102% of their principal amount. (Rel. 35-25663)

CENTRAL AND SOUTH WEST CORPORATION, ET AL.

A notice has been issued giving interested persons until November 23 to request a hearing on a proposal by Central and South West Corporation (CSW), a registered holding company, and its nonutility subsidiary company, Transok, Inc. (Transok), whereby CSW will make equity investments in Transok through capital contributions, the acquisition of common stock or both in aggregate principal amounts of up to \$65 million at any time prior to December 31, 1993, using internal funds or the proceeds from the sale of commercial paper. (Rel. 35-25663)

NATIONAL FUEL GAS COMPANY, ET AL.

A notice has been issued giving interested persons until November 23 to request a hearing on a proposal by National Fuel Gas Company (National), a registered holding company, and its wholly owned subsidiary company, National Fuel Gas Distribution Corporation. National proposes to issue and sell, through December 31, 1993, medium-term notes under an exception from competitive bidding at prices ranging between 98% and 102% of their principal amount. (Rel. 35-25663)

NEW ENGLAND ELECTRIC SYSTEM

A notice has been issued giving interested persons until November 23 to request a hearing on a proposal by New England Electric System (NEES), a registered holding company, to make from time to time through December 31, 1994, one or more capital contributions to its electric public-utility subsidiary companies, New England Power Company (NEP), Massachusetts Electric Company (Mass-Elec), The Narragansett Electric Company (Narragansett) and Granite State Electric Company (Granite), in aggregate amounts not to exceed \$50 million each for NEP, Mass-Elec and Narragansett, and \$3 million for Granite. (Rel. 35-25663)

GRANITE STATE ELECTRIC COMPANY

A notice has been issued giving interested persons until November 23 to request a hearing on a proposal by Granite State Electric Company (Granite), an electric public-utility subsidiary company of New England Electric System, a registered holding company, to issue and sell on or before December 31, 1994, one or more long-term notes in an aggregate principal amount not to exceed \$10 million. Granite is authorized to begin preliminary negotiations, including retaining an investment banking firm to assist in placement of the notes and/or negotiating with potential lenders regarding the issuance and sale of the notes. (Rel. 35-25663)

NORTHEAST UTILITIES, ET AL.

A notice has been issued giving interested persons until November 23 to request a hearing on a proposal by Northeast Utilities (Northeast), a registered holding company, and its subsidiary companies, The Connecticut Light & Power Company, Western Massachusetts Electric Company, Holyoke Water Power Company, Northeast Nuclear Energy Company (Nuclear), The Rocky River Realty Company (Rocky River) and Northeast Utilities Service Company (NUSCO), (collectively, Applicants). Each of the Applicants, except for NUSCO, proposes to issue notes to evidence borrowings under revolving credit facilities (Facilities) aggregating up to \$360 million. NUSCO will serve as agent for the Facilities. In addition, Northeast proposes to guarantee the obligations of Nuclear and Rocky River under these Facilities. The Applicants also request the authority to be jointly and severally liable for the Facility fees under each agreement to which they are a party. (Rel. 35-25663)

COLUMBIA GAS SYSTEM INC., ET AL.

A notice has been issued giving all interested persons until November 23 to request a hearing on a proposal by Columbia Gas System, Inc. (Columbia), a registered holding company, and Columbia Gas Development Corp. (Development), its wholly owned subsidiary company, for a recapitalization of Development that is required in connection with regulations promulgated by the U.S. Coast Guard. (Rel. 35-25663)

THE CONNECTICUT LIGHT AND POWER CO., ET AL.

A notice has been issued giving interested persons until November 23 to request a hearing on a proposal by The Connecticut Light and Power Co. (CL&P) and Holyoke Water Power Company (HWP), both wholly owned electric-utility subsidiary companies of Northeast Utilities, a registered holding company, to arrange for the issuance of

pollution control revenue refunding bonds (Refunding Bonds) in the amounts of \$21 million for CL&P and \$15 million for HWP for the purpose of refunding outstanding pollution control revenue demand bonds previously issued on behalf of CL&P and HWP. CL&P and HWP also propose to obtain letters of credit in order to satisfy loan payment obligations under the Refunding Bonds. (Rel. 35-25663)

SIGNIFICANT NO-ACTION AND INTERPRETATIVE LETTERS

INTERPRETATION OF NEW RULES UNDER SECTION 16 OF THE EXCHANGE ACT

The Division of Corporation Finance has announced the publication of significant staff correspondence interpreting the new Section 16 rules. Copies of the letter may be obtained by writing to, or by making a request in person at, the Public Reference Room, Securities and Exchange Commission, 450 5th Street, N.W., Room 1024, Washington, D.C. 20549. Each request must state the name of the subject company, the Act and the Section of the Act to which it relates, and the public availability date.

Letter	Availability <u>Date</u>	Subject
Morgan Stanley & Co., Inc.	November 2, 1992	Section 16(d)

ACQUISITION 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 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
ATHANOR GROUP INC	COM		135	04683110	
MILLER ELLYN A	13D	10/26/92	9.4	0.0	NEW
BRNF LIQUIDATING TRUST	LIQ CTF		0	05591699	
FARALLON CAP MGMT ET AL	13D	9/21/92	0.0	N/A	UPDATE

ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
BENEDICT NUCLEAR PHARMA INC GRANT WILLIAM C	COM 13D	4/22/92	2,000 4.0	08171010 0.0	NEW
CAIRN ENERGY USA INC CAIRN ENERGY PLC	COM 13D	10/22/92	7,992 94.3	12776210 94.3	UPDATE
CALIFORNIA ENERGY INC KIEWIT ENERGY CO ET AL	COM 13D	10/29/92	15,837 47.5	13019010 47.1	UPDATE
CAMPBELL SOUP CO DORRANCE JOHN T III	COM 13D	10/20/92	27,226 10.8	13442910 10.8	UPDATE
CHILDRENS DISCOVERY CTRS AME CL A GRUBER JON D ET AL	COM 13D	10/22/92	261 14.2	16875720 12.3	UPDATE
CONTINENTAL BANCORP/NV SHERIFF GLENN J ET AL LIV TR	COM 13D	10/19/92	95 6.6	21103510 0.0	NEW
DAY RUNNER INC FIDELITY INTL LTD	COM 13D	10/23/92	234 4.5	23954510 5.4	UPDATE
DAY RUNNER INC FMR CORP	COM 13D	10/23/92	234 4.5	23954510 5.4	UPDATE
DIGITAL PRODS CORP DELL JOHN EDWARD	COM PAR \$0.025 13D	8/11/92	1,466 21.7	25386730 16.1	UPDATE
DIVERSICARE INC MARQUEST MED PRODS INC	COM 13D	10/22/92	0 0.0	25510510 6.7	UPDATE
EASTERN ENTERPRISES GAMCO INVESTORS INC ET AL	COM 13D	10/23/92	1,158 5.1	27699010 0.0	NEW
GENERAL CELLULAR CORP CHURCHILL RICHARD H JR	COM 13D	10/22/92	724 15.4	36932020 0.0	NEW
GENERAL CELLULAR CORP CROLL DAVID	COM 13D	10/22/92	724 15.4	36932020 0.0	NEW
GENERAL CELLULAR CORP GORMLEY STEPHEN F	COM 13D	10/22/92	724 15.4	36932020 0.0	NEW
GENERAL CELLULAR CORP M/CP II L P	COM 13D	10/22/92	724 15.4	36932020 0.0	NEW
GENERAL CELLULAR CORP MEDIA/COMMUNICATIONS INV L P	COM 13D	10/22/92	724 15.4	36932020 0.0	NEW
GENERAL CELLULAR CORP MEDIA/COMMUNICATIONS PRTNRS II	COM 13D	10/22/92	724 15.4	36932020 0.0	NEW
GENERAL CELLULAR CORP WADE JAMES F	COM 13D	10/22/92	724 15.4	36932020 0.0	NEW
GRANGES INC HEMLO GOLD MINES ET AL	COM 13D	10/20/92	0 0.0	38799010 6.6	UPDATE

ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
INTER-CITY PRODS CORP CANADIAN INS GRP LTD ET AL	ORD 13D	10/ 6/92	9,174 37.1	46599710 37.5	UPDATE
INTER-CITY PRODS CORP CANADIAN INS GRP LTD ET AL	8% 13D	CUM RED CONV C PRF 10/ 6/92	1,311 53.7	46599799 0.0	NFW
LEAK-X CORP GELLES JOHN S	COM 13D	8/31/92	3,014 32.9	52178410 30.7	UPDATE
LEAK-X CORP GELLES WILLIAM H JR	COM 13D	9/30/92	2,566 29.5	52178410 25.0	UPDATE
MENTOR CORP MINN FIDELITY INTL LTD	COM 13D	10/21/92	965 9.1	58718810 8.6	UPDATE
MENTOR CORP MINN FMR CORP	COM 13D	10/21/92	965 9.1	58718810 0.0	UPDATE
MID ST RACEWAY INC BENNETT PATRICK R	COM 13D	10/20/92	118 47.0	59549210 15.2	UPDATE
MID ST RACEWAY INC SCHAPIRO SUSAN F	COM 13D	10/20/92	0 N/A	59549210 0.0	NEW
MID ST RACEWAY INC WHITE FRANK O	COM 13D	10/20/92	2 0.7	59549210 0.0	NEW
NEUROGEN CORP BLECH ISAAC	COM 13D	10/26/92	981 11.1	64199510 0.0	NEW
NOSTALGIA NETWORK INC ALLIED CELLULAR SYS INC	COM NEW 13D	10/23/92	3,098 21.5	66975230 0.0	NEW
PAGE AMERICA GROUP INC BARRY DAVID A ET AL	COM PAR \$0.10 13D	2/28/92	1,565 41.0	69546530 100.0	UPDATE
QUANTUM CORP FMR CORP	COM 13D	10/21/92	3,691 8.6	74790610 9.9	UPDATE
READING CO CRAIG CORP	CL A 13D	10/29/92	1,723 34.6	75533250 34.6	UPDATE
REHABCARE CORP CONTINENTAL MEDICAL SYS INC	COM 13D	10/27/92	425 17.0	75914810 17.0	UPDATE
SALOMON INC DART WILLIAM A ET AL	COM 13D	10/23/92	7,608 6.6	79599110 6.6	UPDATE
SIERRA ON LINE INC FIDELITY INTL LTD	COM 13D	10/22/92	634 8.8	82640910 7.8	UPDATE
SIERRA ON LINE INC FMR CORP	COM 13D	10/22/92	634 8.8	82640910 7.8	UPDATE
SOUTHWEST REALTY DASEKE DON R ET AL	WTS 13D	10/21/92	0 0.0	84520413 N/A	UPDATE

ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
SOUTHWEST RLTY LTD DASEKE DON R ET AL	DEPOSITARY RCPT 13D	10/20/92	0 0.0	84520420 68.3	UPDATE
SOUTHWEST REALTY DASEKE DON R ET AL	PFD DEP REC 13D	10/20/92	0 0.0	84520430 N/A	UPDATE
SOUTHWESTERN PPTY TRUST SANDLER LEWIS H	COM 13D	10/19/92	113 8.0	84573410 0.0	NEW
SOUTHWESTERN PPTY TRUST SCHNEIDER JOHN S	COM 13D	10/19/92	360 25.4	84573410 0.0	NEW
SOUTHWESTERN PPTY TRUST SHERMAN ROBERT F	COM 13D	10/19/92	146 10.3	85734102 0.0	NEW
TII INDS INC SUROFF LEONARD W	COM 13D	8/ 7/92	500 10.6	87247910 0.0	NEW
TESORO PETE CORP KAUFMAN ALAN ET AL	COM 13D	10/26/92	1,841 13.1	88160910 0.0	NEW
TURKISH INVT FD INC KUWAIT INVESTMENT AUTHORITY	COM 13D	6/26/90	900 12.8	90014510 0.0	NEW
VITESSE SEMICONDUCTOR CORP NORTON CO	COM 13D	10/12/92	1,183 8.5	92849710 6.7	UPDATE