

sec news digest

Issue 91-12

January 17, 1991

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U.S. SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDINGS

DALE DARGIE SUSPENDED

The Commission announced that on January 16, 1991 it instituted public administrative proceedings against Dale R. Dargie (Dargie) pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (Exchange Act). In its Order Instituting Proceedings, the Commission found that Dargie, a former co-manager of the Wellington, Florida branch office of Allied Capital Group, Inc. (Allied), a broker-dealer registered with the Commission, had, without admitting or denying the allegations of the Commission's complaint, been enjoined by the U.S. District Court for the District of Colorado, in an action styled SEC v. Dale R. Dargie, Civ. 90-S-2223 (Judgment entered January 2, 1991) from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Based upon an Offer of Settlement submitted by Dargie and the entry of the above-referenced injunction, the Commission suspended Dargie from association with any broker, dealer, investment company, investment adviser, municipal securities broker or dealer, or governmental securities broker or dealer for a period of twelve months. (Rel. 34-28785)

TRADING SUSPENSIONS

TEMPORARY SUSPENSION OF TRADING IN THE SECURITIES OF GIL-MED INDUSTRIES

The Commission announced the single ten-day suspension of over-the-counter trading in the securities of Gil-Med Industries, Inc. for the period beginning at 9:00 a.m. (EST) on January 17, 1991, and terminating at 11:59 p.m. (EST) on January 31, 1991. The Commission suspended trading in the securities of Gil-Med Industries, Inc. in view of questions that have been raised about the adequacy and accuracy of publicly disseminated information concerning, among other things, the company's business, operations, products, financial condition and about possible violations of the registration provisions of the Securities Act of 1933. (Rel. 34-28790)

CIVIL PROCEEDINGS

ZIMBLER AND SOLOMON CONSENT TO PERMANENT INJUNCTIONS

The Commission announced today that Steven Zimble (Zimble), former credit manager of Coated Sales, Inc. (Coated), and Robert Solomon (Solomon), a former customer of Coated, consented to the entry of Final Judgments of Permanent Injunction in connection with the complaint filed against them on October 26, 1990 in U.S. District Court for the District of New Jersey. (See LR-12684, October 26, 1990). Without admitting or denying the allegations of the Commission's complaint, Zimble and Solomon consented to permanent injunctions enjoining them from violating, or aiding and abetting future violations of, the antifraud and bookkeeping provisions of the Securities Exchange Act of 1934.

The Commission's complaint charges Zimble and Solomon for their conduct in connection with a multi-million dollar financial fraud through which Coated reported dramatic increases in sales and earnings between fiscal years 1986 and 1988. The complaint alleges that, as part of a scheme to inflate sales and earnings, Zimble, and certain other defendants, created phony invoices purporting to show sales by Coated. According to the complaint, Solomon entered into a fraudulent arrangement with certain of the defendants to make it appear as though his company had purchased and paid for goods from Coated. The Commission's action against the remaining defendants is pending. [SEC v. Michael S. Weinstein, Ernest Glantz, Richard Bober, Bruce Bloom, Denis Lustig, Jerry Bernstein, Preston Davis, Steven Zimble and Robert Solomon, USDC for the District of New Jersey, Newark Division, Civil Action No. 90-4276, AJL, JR] (LR-12756)

INVESTMENT COMPANY ACT RELEASES

EAGLE DIVERSIFIED HOLDINGS

A notice has been issued giving interested persons until February 15, 1991 to request a hearing on an application filed by Eagle Diversified Holdings, Inc., a registered open-end investment company, for an order declaring that it has ceased to be an investment company. (Rel. IC-17949 - January 16)

SOWER SERIES FUND SECURITY FIRST VARIABLE LIFE ACCOUNT

Orders have been issued pursuant to Section 8(f) of the Investment Company Act declaring that SOWER SERIES FUND, INC. and SECURITY FIRST VARIABLE LIFE ACCOUNT have ceased to be investment companies. (Rels. IC-17950 and IC-17951, respectively)

THE CHASE MANHATTAN BANK

A notice has been issued giving interested persons until February 12, 1991 to request a hearing on an application filed by the Chase Manhattan Bank, N.A. (Chase) for an order exempting certain registered investment companies, Chase, and Chase Bank AG from Section 17(f) of the Act to permit Chase to deposit the securities of such investment companies in Chase Bank AG. (Rel. IC-17952; International Series Rel. No. 221 - January 16)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

Proposed rule changes have been filed by the following exchanges under Rule 19b-4 of the Securities Exchange Act: Chicago Board Options Exchange (SR-CBOE-90-35) to amend certain of its rules and procedures governing the administration of arbitration at the CBOE (Rel. 34-28773); and Midwest Stock Exchange (SR-MSE-90-18) to establish a back-up, emergency procedure that will allow the MSE to retain its ability to disseminate quotes and last sale information should the Securities Industry Automation Corporation (SIAC) become unable to do so. SIAC is a registered Securities Information Processor (SIP) for listed reported securities. MSE's emergency procedure would involve redirecting MSE quotes and last sale output to Quotron Systems, Inc. (Quotron) which would act as an alternate SIP only in emergency situations (Rel. 34-28780). Publication of the proposals is expected in the Federal Register during the week of January 14.

AMENDMENTS TO PROPOSED RULE CHANGES

Amendments to proposed rule changes were filed by the following under Rule 19b-4 of the Securities Exchange Act: National Association of Securities Dealers (SR-NASD-90-22) regarding disclosure of payment for order flow arrangements. The amended disclosure would state affirmatively on customer confirmations that the firm receives remuneration for directing its orders to particular broker/dealers or market centers for execution (Rel. 34-28774); and American Stock Exchange (SR-AMEX-90-28) concerning the AMEX's proposed rules governing the trading of Equity Index Participations. Specifically, among other things, the amendment provides that an exercise of the quarterly physical delivery privilege or an exercise of the cash-out privilege on the quarterly physical delivery exercise date would be valued based on the next day's opening prices of component index stocks (Rel. 34-28781). Publication of the notices is expected in the Federal Register during the week of January 14.

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission approved on an accelerated basis a Pacific Stock Exchange proposed rule change (SR-PSE-90-36) to extend until June 30, 1991 a pilot program of the PSE's automated trading system called POETS. Publication of the approval order is expected in the Federal Register during the week of January 14. (Rel. 34-28778)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the Cincinnati Stock Exchange (SR-CSE-90-13) to amend its fees for principal transactions by its Designated Dealers has become effective under Rule 19b-4 of the Securities Exchange Act. (Rel. 34-28779)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change (SR-NSCC-90-22) submitted by the National Securities Clearing Corporation relating to use and investment of members' clearing fund deposits. Publication of the order is expected in the Federal Register during the week of January 21. (Rel. 34-28784)

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 CENTRAL ILLINOIS FINANCIAL CORP, 201 N RANDOLPH, CHAMPAIGN, IL 61820 (217) 351-2800
- 20,000 (\$600,000) COMMON STOCK. (FILE 33-38169 - JAN. 07) (BR. 1)
- F-6 HARDIE JAMES INDUSTRIES LTD/ADR, 48 WALL ST, NEW YORK, NY 10286 (212) 495-1727 -
500,000 (\$2,500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-38274 - JAN. 10)
(BR. 99)
- N-1A FLEXIBLE BOND TRUST INC, 1285 AVE OF THE AMERICAS, NEW YORK, NY 10019 (212) 713-2446
- INDEFINITE SHARES. (FILE 33-38275 - JAN. 09) (BR. 16)
- S-6 TAX EXEMPT SECURITIES TRUST SERIES 337, 1345 AVE OF THE AMERICA,
C/O SMITH BARNEY HARRIS UPHAM & CO INC, NEW YORK, NY 10105 - 2,000 (\$2,000,000)
UNIT INVESTMENT TRUST. DEPOSITOR: KIDDER PEABODY & CO INC,
SMITH BARNEY HARRIS UPHAM & CO INC. (FILE 33-38276 - JAN. 10) (BR. 16 - NEW ISSUE)
- S-6 TAX EXEMPT SECURITIES TRUST SERIES 338, 1345 AVE OF THE AMERICAS,
C/O SMITH BARNEY HARRIS UPHAM & CO INC, NEW YORK, NY 10105 - 2,000 (\$2,000,000)
UNIT INVESTMENT TRUST. DEPOSITOR: KIDDER PEABODY & CO INC,
SMITH BARNEY HARRIS UPHAM & CO INC. (FILE 33-38277 - JAN. 10) (BR. 16 - NEW ISSUE)
- S-8 DRECO ENERGY SERVICES LTD, 3716 - 93 STREET, EDMONTON ALBERTA CANADA T635N3, 77471
(403) 463-2065 - 50,000 (\$393,750) COMMON STOCK. (FILE 33-38279 - JAN. 10) (BR. 3)
- S-8 DRECO ENERGY SERVICES LTD, 3716 - 93 STREET, EDMONTON ALBERTA CANADA T635N3, 77471
(403) 463-2065 - 62,500 (\$492,187) COMMON STOCK. (FILE 33-38280 - JAN. 10) (BR. 3)

REGISTRATIONS CONTINUED

- S-8 DRECO ENERGY SERVICES LTD, 3716 - 93 STREET, EDMONTON ALBERTA CANADA T635N3, 77471 (403) 463-2065 - 250,000 (\$1,968,750) COMMON STOCK. (FILE 33-38281 - JAN. 10) (BR. 3)
- S-6 EMPIRE STATE MUNICIPAL EXEMPT TRUST GUARANTEED SERIES 68, 6 EAST 43RD ST, C/O GLICKENHAUS & CO, NEW YORK, NY 10017 - INDEFINITE SHARES. (FILE 33-38440 - JAN. 09) (BR. 16 - NEW ISSUE)
- S-6 EMPIRE STATE MUNICIPAL EXEMPT TRUST GUARANTEED SERIES 69, 6 E 43RD ST, C/O GLICKENHAUS & CO, NEW YORK, NY 10017 - INDEFINITE SHARES. DEPOSITOR: GLICKENHAUS & CO, LEBENTHAL & CO INC. (FILE 33-38441 - JAN. 09) (BR. 16 - NEW ISSUE)
- S-6 EMPIRE STATE MUNICIPAL EXEMPT TRUST GUARANTEED SERIES 70, GLICKENHAUS & CO, 6 E 43RD ST, NEW YORK, NY 10017 - INDEFINITE SHARES. DEPOSITOR: GLICKENHAUS & CO, LEBENTHAL & CO INC. (FILE 33-38442 - JAN. 09) (BR. 16 - NEW ISSUE)
- N-1A KEYSTONE AMERICA CAPITAL PRESERVATION AND INCOME FUND, 99 HIGH ST, BOSTON, MA 02110 (617) 338-3200 - INDEFINITE SHARES. (FILE 33-38508 - JAN. 09) (BR. 18 - NEW ISSUE)
- S-3 TEXAS UTILITIES CO, 2001 BRYAN TWR, DALLAS, TX 75201 (214) 812-4600 - 5,750,000 (\$207,359,375) COMMON STOCK. (FILE 33-38510 - JAN. 09) (BR. 8)
- S-4 AMERICAN EXPLORATION CO, 700 LOUISIANA STE 2100, HOUSTON, TX 77002 (713) 237-0800 - 22,567,853 (\$48,130,460.09) COMMON STOCK. (FILE 33-38546 - JAN. 09) (BR. 12)
- S-6 NUVEEN TAX EXEMPT UNIT TRUST SERIES 596, 333 WEST WACKER DR, C/O JOHN NUVEEN & CO INC, CHICAGO, IL 60606 - INDEFINITE SHARES. DEPOSITOR: NUVEEN JOHN & CO INC. (FILE 33-38581 - JAN. 10) (BR. 22 - NEW ISSUE)
- S-8 CCNB CORP, 331 BRIDGE ST, NEW CUMBERLAND, PA 17070 (717) 774-7000 - 350,000 (\$5,162,500) COMMON STOCK. (FILE 33-38600 - JAN. 09) (BR. 1)

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
AMERISCRIBE CORP ROONEY PATRICK J	COM 13D	12/28/90	128 4.1	03094810 7.0	UPDATE
CDX CORPORATION SCHEIN HAROLD	COM NEW 13D	12/28/90	2,130 62.7	12513020 52.4	UPDATE
CAROLCO PICTURES INC BEHEER-EN BELEGINGS PETINA	COM 13D	12/20/90	22,526 83.9	14376310 66.2	UPDATE
DICEON ELECTRS INC CHANDLER BURTON	COM 13D	11/29/89	670 12.9	25302610 0.0	NEW
FUND AMERICAN COS INC IFINT SOCIETE ET AL	COM 13D	1/ 2/91	1,200 3.9	36076810 27.0	UPDATE
FUND AMERICAN COS INC TRIFIN B V ET AL	COM 13D	1/ 2/91	1,200 3.9	36076810 27.0	UPDATE
GENIUS TECHNOLOGIES INC FISH EDWARD H ET AL	COM PAR \$0.08 13D	12/31/90	3,417 22.3	37230010 18.6	UPDATE
GENIUS TECHNOLOGIES INC LORENTZSEN FAMILY TR	COM PAR \$0.08 13D	1/ 4/91	930 6.8	37230010 6.7	UPDATE
GOLDEN TRIANGLE RLTY & OIL I COM KAMON EFFIE	COM 13D	12/17/90	2,202 6.6	38121410 9.4	UPDATE
GOLDEN TRIANGLE RLTY & OIL I COM KAMON ROBERT BURTON	COM 13D	10/18/90	2,202 6.6	38121410 10.4	UPDATE
HANSON JOHN BANCORP INC MIDDENDORF J WILLIAM II	COM 13D	11/ 2/90	1,044 15.4	41133710 0.0	NEW
KEY PRODTN INC APACHE CORP	COM 13D	1/ 7/91	2,092 18.0	49313810 15.9	UPDATE
LVI GROUP INC GAMCO INVESTORS INC ET AL	PFD CV \$2.0625 13D	1/11/91	160 24.1	50243930 25.5	UPDATE
MORGAN STANLEY GROUP INC BEARD ANSON M JR ET AL	COM 13D	1/ 7/91	19,248 53.6	61744610 50.9	UPDATE
MOUNTAINEER BANKSHARE W VA I COM HIGHLAND CECIL B JR	COM 13D	1/10/91	260 9.8	62450910 9.7	UPDATE

ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
NATIONAL INCOME RLTY TR FRIEDMAN WILLIAM S ET AL	SH BEN INT NEW 13D	12/31/90	904 25.7	63699220 23.6	UPDATE
NORTH AMERN VENTURES INC CORPORATE INVESTMENT CO ET AL	COM 13D	1/14/91	2,221 8.7	65720610 10.6	UPDATE
PSYCHEMEDICS CORP HUIZENGA H WAYNE ET AL	COM 13D	12/31/90	9,043 57.2	74437510 52.6	UPDATE
REGENCY BANCSHARES INC IKERD W STEVE	COM 13D	12/31/90	80 8.1	75892910 0.0	NEW
SPS TECHNOLOGIES INC TINICUM ENTERPRISES ET AL	COM 13D	1/ 4/91	369 7.3	78462610 0.0	NEW
SOUTHEAST BKG CORP NORFOLK SOUTHERN ET AL	COM 13D	1/14/91	2,139 6.3	84133810 7.4	UPDATE
SOUTHNET CORP ANDERSON E CARL JR	COM NEW 13D	3/31/90	3,862 33.7	84456630 0.0	NEW
TELE ART INC KLAUSNER JUDAH	COM NEW 13D	1/10/91	490 10.6	87922930 9.5	UPDATE
UNILAB CORP UNILABS HOLDINGS	COM 13D	1/10/91	7,649 25.0	90476210 41.0	UPDATE
US SHELTER CORP INSIGNIA FINANCIAL GRP ET AL	COM 13D	12/31/90	0 0.0	91259510 N/A	UPDATE
WHARF RES LTD NEW VENTURES EQUITIES ET AL	COM 13D	12/19/90	1 0.0	96226010 7.0	UPDATE
WHEELING PITTSBURGH CORP RM CAPITAL PARTNERS ET AL	COM 13D	1/ 3/91	7,083 35.4	96314210 0.0	NEW

SEC PUBLIC INFORMATION NUMBERS

Members of the public seeking information and/or material from the Commission continue to complain of being incorrectly referred to the wrong telephone number by Commission staff. The following information is furnished to assist you in directly calling the appropriate office:

Consumer Affairs (202-272-7440): Investor inquiries and complaint processing information.

Freedom of Information Branch (202-272-7420): Requests concerning FOIA, Privacy Act, Sunshine Act, confidential treatment matters, etc.

Personnel Locator (202-272-2550): Requests for names and phone numbers of Commission personnel.

Public Affairs (202-272-2650): Information about matters in the SEC News Digest, the Commission's operations, and calls from the press not directed to particular individuals, and other related matters.

Public Reference (202-272-7450): Requests for information on whether or not a document has been filed, etc.

Publications Unit (202-272-7460/7461): Requests for forms, studies, directories, etc.

Office of the Secretary (202-272-2600): Requests for information on the Commission calendar.

SEC Information Line (202-272-3100/5624): General information about SEC operations and activities through a series of recorded messages.
