

# sec news digest

Issue 90-109

June 6, 1990

## NOTICE OF COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted under provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday morning. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration.

Visitors are welcome at all open meetings, insofar as space is available.

Meetings will be held in the Commission Meeting Room, Room 1C30, at the Commission's headquarters building, 450 Fifth Street, NW, Washington, DC. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

### OPEN MEETING - MONDAY, JUNE 11, 1990 - 2:00 P.M.

The subject matter of the June 11 open will be: The Commission will hear oral argument on appeals by Gallagher & Co., a registered broker-dealer, Russell K. Gallagher, the firm's sole proprietor, and Laura K. Gallagher, a principal of the firm, from the decision of an administrative law judge and action by the NASD. FOR FURTHER INFORMATION, PLEASE CONTACT: Daniel J. Savitsky at (202) 272-7400.

### CLOSED MEETING - MONDAY, JUNE 11, 1990 - FOLLOWING THE OPEN MEETING

The subject matter of the closed meeting will be: Post oral argument discussion.

### OPEN MEETING - WEDNESDAY, JUNE 13, 1990 - 9:30 A.M.

The subject matter of the June 13 open will be: 1) Consideration of whether to propose for public comment an amendment to Rule 31a-2 under the Investment Company Act of 1940. The amendment would clarify the recordkeeping requirements for registered investment companies, particularly investment companies investing in foreign securities. FOR FURTHER INFORMATION, PLEASE CONTACT: Rochelle G. Kauffman, at (202) 272-2038. 2) Consideration of whether to propose for public comment Rule 17f-6 under the Investment Company Act of 1940. The Rule would allow futures commission merchants to maintain custody of margin posted by registered management investment companies in connection with transactions in commodity futures contracts and related options. FOR FURTHER INFORMATION, PLEASE CONTACT: Diane C. Blizzard at (202) 272-2048. 3) Consideration of whether to publish for comment a release proposing revisions to Rule 431 under the Securities Act regarding the use of summary prospectuses. FOR FURTHER INFORMATION, PLEASE CONTACT: Martin P. Dunn at (202) 272-2573.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: Steve Young at (202) 272-2300.

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## **RULES AND RELATED MATTERS**

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### **ADOPTION OF AMENDMENTS TO FORM S-8 AND FORM 11-K**

The Commission today announced the adoption of amendments to Form S-8 under the Securities Act of 1933 and Form 11-K under the Securities Exchange Act of 1934 and related rules that revise registration and reporting requirements relating to employee benefit plans. These amendments are intended to reduce costs and expedite the effectiveness and updating of Form S-8 registration statements for such plans by streamlining Form S-8 registration procedures and by amending 11-K to eliminate the requirement for the annual description of the plan. Registrants may elect to comply promptly with the new rules. The amendments become effective 30 days after publication in the Federal Register. (Rels. 33-6867; 34-28094)

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## **COMMISSION ANNOUNCEMENTS**

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### **JAMES TREADWAY NAMED MEMBER OF EMERGING MARKETS ADVISORY COMMITTEE**

James C. Treadway, former SEC Commissioner and Executive Vice President, Director and Member of the Executive Committee of Paine Webber, has been named to the Commission's Emerging Markets Advisory Committee.

### **GOVERNMENT-BUSINESS FORUM ON SMALL BUSINESS CAPITAL FORMATION**

The Executive Committee for the Ninth Annual SEC Government-Business Forum on Small Business Capital Formation recently announced its agenda for this federally-sponsored, annual forum for small business to express their concerns about governmental impediments to the raising to capital. (Press Release 90-30)

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## **CIVIL PROCEEDINGS**

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### **FRANK GIUFFRIDA ENJOINED; DISGORGEMENT ORDERED**

Final judgments of permanent injunction were entered and disgorgement ordered against defendants Frank Giuffrida and United Monetary Services, Inc. (UMS) following a trial on the merits in the United States District Court for the Southern District of Florida, West Palm Beach Division. Giuffrida and UMS, his wholly controlled corporation, were enjoined from violations of the antifraud, securities registration, and broker-dealer registration provisions of the federal securities laws. They were further ordered to disgorge \$1,050,300, representing proceeds they obtained in the sale of tax-sheltered trading programs sponsored by Federal Bank & Trust Co., Ltd. (FB&T), UMS, and others.

These charges arose from the sale of tax-sheltered trading programs by FB&T, an entity licensed by St. Vincent, Grenadines, and successor sponsors. Investors were told that their funds would be used by FB&T to purchase straddles in GNMA's and T-Bills with favorable tax advantages. Over 2,000 participants invested over \$16 million in this program in 1978, 1979, and 1980. They received confirmations fabricated from data in the Wall Street Journal. No trades ever occurred. The principals, including Giuffrida, simply divided the proceeds. [SEC v. Federal Bank & Trust Co., Ltd., et al. (U.S.D.C., S.D. Fla., Civil Action No. 83-8540(JCP)] (LR-12498)

#### FINAL JUDGMENT OF PERMANENT INJUNCTION ENTERED AGAINST ALAN H. BURNINGHAM

The Commission announced that on May 14, 1990, the Honorable Thomas E. Scott, United States District Judge for the Southern District of Florida, issued a final judgment of permanent injunction and other relief as to Alan H. Burningham (Burningham) of Salt Lake City, Utah.

The judgment permanently restrains and enjoins Burningham from violating the registration provisions of the federal securities laws. Defendant Burningham consented to the entry of the judgment without admitting or denying the allegations of the complaint. Defendant Burningham is ordered to prepare an accounting of all funds received by him from the sales of securities described in the Commission's complaint. The Court retained jurisdiction over defendant Burningham for purposes of setting an amount of disgorgement.

The Commission's complaint alleges that since about February 1986 through January 1987, all of the defendants engaged in a distribution of Icom common stock to the public without a registration statement having been filed in connection with the sales. The complaint further alleges that defendants Arthur Tuchinsky, Harold Levy and Steven G. Weil fraudulently misrepresented the nature of Icom's assets and failed to disclose their prior criminal convictions and Levy's disbarment from the practice of law. The complaint further alleges that defendant Richard L. Hoffman received undisclosed compensation for inducing the investing public to purchase Icom common stock. [SEC v. Alan H. Burningham, et al., Case No. 89-6488-CIV-SCOTT (S.D. Fla.)] (LR-12499)

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### CRIMINAL PROCEEDINGS

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#### ARNOLD KIMMES SENTENCED

The Commission announced that on June 1, 1990, Arnold Kimmes (Kimmes) was sentenced to 24 months in jail with credit for 162 days already served; three years supervised release, during which he must do 300 hours community service; fined \$10,000; and is to report to begin serving his sentence on August 1, 1990. On March 15, 1989, Kimmes pled guilty to a two count information charging racketeering and securities fraud in connection with sales of the securities of "blind pool" penny stock companies and laundering the proceeds through Swiss banks. [United States of America v. Arnold Kimmes, CR-S-89-53-PMP(lrl) (U.S.D.C., District of Nevada)] (LR-12497)

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## INVESTMENT COMPANY ACT RELEASES

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### FREEDOM INVESTMENT TRUST, ET AL.

A notice has been issued giving interested persons until July 2, 1990 to request a hearing on an application filed by Freedom Investment Trust, Freedom Investment Trust II and Freedom Investment Trust III, and any other registered open-end management companies that may in the future become members of the Freedom group (the "Funds"), Freedom Capital Management Corporation, Freedom Distributors Corporation, and Sutro & Co. Incorporated and Tucker Anthony Incorporated, as sponsors of Freedom Principal Return Trust, a unit investment trust to be created (collectively, "Applicants"), for an order under Section 6(c) of the Investment Company Act of 1940, exempting them: (a) from Section 12(d)(1) to permit multiple series of Freedom Principal Return Trust (the "Trusts") to invest in portfolios consisting of one of the Funds and zero coupon obligations, (b) from Section 14(a) to exempt the sponsors of the Trusts from having to take for their own account or place with others \$100,000 worth of units, (c) from Section 19(b) and Rule 19b-1 thereunder to permit the Trusts to distribute capital gains resulting from redemption of Fund shares on a quarterly basis, (d) from Section 22(d) to permit waiver of any sales load otherwise applicable on Fund shares that, among other things, the Trusts have purchased, and (e) from Section 17(d) and Rule 17d-1 thereunder to approve certain affiliated transactions. (Rel. IC-17520 - June 5)

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## HOLDING COMPANY ACT RELEASES

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### CENTENNIAL APPRECIATION PORTFOLIO, SERIES 1, ET AL.

A conditional order has been issued on an application by Centennial Appreciation Portfolio, Series 1 (formerly, Centennial Unit Investment Trust) on behalf of itself and any future similar series (together with future series, the Trusts) and by Centennial Capital Corporation (together with the Trusts, the Applicants) under Section 6(c) of the Investment Company Act of 1940, exempting Applicants from the provisions of Section 14(a) requiring that each Trust have a net worth of \$100,000 at the time of a public offering of its securities, and from Section 19(b) and Rule 19b-1 thereunder, prohibiting the distribution of capital gains more often than once each taxable year. (Rel. IC-17518 - June 4)

### IMPERIAL PORTFOLIOS, INC.

An order has been issued under Section 8(f) of the Investment Company Act of 1940 declaring that Imperial Portfolios, Inc. has ceased to be an investment company. (Rel. IC-17519 - June 4)

### DRAKE INCOME SHARES, INC.

An order has been issued under Section 8(f) declaring that Drake Income Shares, Inc., has ceased to be an investment company. (Rel. IC-17521 - June 5)

## HOLDING COMPANY ACT RELEASES

### ENTERGY CORPORATION

A Memorandum Opinion and Order has been issued authorizing a proposal by Entergy Corporation ("Entergy"), a registered holding company, and its subsidiary companies, Entergy Services, Inc., Arkansas Power & Light Company, Louisiana Power & Light Company, Mississippi Power & Light Company, New Orleans Public Service Inc., System Fuels, Inc., and System Energy Resources, Inc., to form and capitalize Entergy Operations, Inc. ("EOI"), as a new wholly owned service company subsidiary to act as a system-wide agent for the purpose of consolidating management and operation of the nuclear power generating units owned by Entergy's public utility subsidiary companies, and related transactions. EOI has been authorized to issue and sell \$1 million of its common stock to Entergy and to borrow from Entergy or the Entergy system money pool up to \$15 million, with a reservation of jurisdiction over an additional \$5 million, pending completion of the record. The request by Arkansas Electric Energy Consumers to intervene and for a hearing has been denied. (Rel. 35-25100)

## 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
ADOBE RES CORP MINORCO	COM	13D	16,091 53.1	00724010 58.5	UPDATE
AEROVOX INC TEXAS ART SPLY CO ET AL	COM	13D	340 6.3	01099210 0.0	NEW
AMREP CORP NEW KANE MILLER CORP	COM	13D	536 8.1	03215910 8.2	UPDATE

## ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ % OWNED	CUSIP/ PRIOR%	FILING STATUS
CAMPEAU CORP NATL BK CANADA	ORD 13D	5/31/90	18,948 42.8	13460760 42.8	UPDATE
CIRCON CORP AUHLL RICHARD A	COM 13D	5/ 7/90	1,507 28.5	17273610 36.8	UPDATE
CONSTAR INTL INC STATE OF WISCONSIN INVEST	COM BD 13D	5/21/90	588 8.0	21099310 5.8	UPDATE
DESOTO INC SHUFRO ROSE & EHRMAN	COM 13D	5/29/90	593 14.6	25059510 13.4	UPDATE
ENGELHARD CORP MINORCO	COM 13D	5/25/90	13,611 30.4	29284510 29.9	UPDATE
ENTERRA CORP DEL SHAMROCK HLDGS/CALIF	COM 13D	5/31/90	2,315 15.0	29380510 13.6	UPDATE
ENERCELL CORP FS MANAGEMENT TECH	COM 13D	5/24/90	0 0.0	29399510 N/A	UPDATE
FAIRMOUNT CHEM INC PHOENIX CHEMICAL CO	COM 13D	5/23/90	5,315 84.5	30547710 44.8	UPDATE
FINANCIAL CORP SANTA BARBARA ROSS LEONARD M ET AL	COM 13D	5/25/90	4,481 19.4	31744110 2.6	UPDATE
FIRST AMARILLO BANCORP TEX O'BRIEN JOHN JAY	COM 13D	5/18/90	250 5.3	31846710 0.0	NEW
GODDARD INDS LALLI JOSEPH A ET AL	COM 13D	5/23/90	149 8.0	38026210 7.7	UPDATE
HMO AMERICAN INC TANNEBAUM THEODORE	COM 13D	5/23/90	2,770 39.2	40499010 37.3	UPDATE
HMO AMERICAN INC WEINSTEIN ROBERT J	COM 13D	5/23/90	456 6.5	40499010 0.0	NEW
HEALTHCARE SVCS GRP INC STATE OF WISCONSIN INVEST	COM BD 13D	5/23/90	366 7.5	42190610 6.2	UPDATE
HORIZON INDS INC STATE OF WISCONSIN INVEST	COM BD 13D	5/17/90	325 6.0	44042310 8.9	UPDATE

## ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ % OWNED	CUSIP/ PRIOR%	FILING STATUS
INSPIRATION RES CORP MINORCO	COM 13D	5/25/90	37,161 56.1	45772910 56.1	UPDATE
ISOMEDIX INC TIGER ET AL	COM 13D	5/17/90	510 7.9	46489010 6.1	UPDATE
JUSTIN INDS INC CHOCTAW SECS L P ET AL	COM 13D	5/30/90	965 11.3	48217110 11.3	UPDATE
KOLLMORGEN CORP VC TRADING CORP ET AL	COM 13D	6/ 1/90	517 4.8	50044010 5.5	UPDATE
MARK CTLS CORP NEW EUCALYPTUS INVMNTS ET AL	COM 13D	5/25/90	296 6.1	57099310 0.0	NEW
MARSHALL INDS STATE OF WISCONSIN INVEST	COM BD	5/24/90	N/A N/A	57239310 5.3	UPDATE
MIRROR TECH EIBENSTEINER RONALD E	COM 13D	3/ 7/90	1,013 17.9	60474510 0.0	NEW
NEECO INC BEAR STEARNS & CO	COM 13D	5/22/90	0 0.0	63983510 N/A	NEW
NEECO INC BEAR STEARNS & CO	COM 13D	5/22/90	0 0.0	63983510 N/A	UPDATE
NEOTERIK HEALTH TECHNOLOGIES GEM GRP ET AL	COM 13D	2/ 1/90	0 0.0	64065410 N/A	UPDATE
OKC LTD PARTNERSHIP LYLE JAMES A ET AL	DEPOSITARY UNIT 13D	4/11/90	27 N/A	67086020 N/A	UPDATE
OKC LTD PARTNERSHIP SIMPLOT J R	DEPOSITARY UNIT 13D	4/11/90	2,539 12.4	67086020 9.8	UPDATE
PLAYBOY ENTERPRISES INC INDUSTRIAL EQUITY LTD ET AL	COM 13D	5/31/90	716 7.6	72811710 7.8	UPDATE
RUSS TOGS INC INDUSTRIAL EQUITY	COM 13D	5/31/90	1,379 18.8	78224220 18.8	UPDATE
SEAGULL ENERGY CORP STATE OF WISCONSIN INVEST	COM BD	5/22/90	400 5.7	81200710 6.4	UPDATE

ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ % OWNED	CUSIP/ PRIOR%	FILING STATUS
SOUTHEAST BKG CORP FIDELITY INTL LTD	COM 13D	5/23/90	1,922 5.9	84133810 6.4	UPDATE
SOUTHEAST BKG CORP FMR CORP	COM 13D	5/22/90	1,922 5.9	84133810 6.4	UPDATE
STAMFORD CAP GROUP INC GENEVE CAPITAL GRP INC ET AL	COM 13D	5/22/90	6,507 36.0	85262510 35.9	UPDATE
STONERIDGE RES INC SUMMIT RESOURCES INC	COM 13D	4/10/90	4,179 32.7	86183910 28.6	UPDATE
SYNALLOY CP DEL CHARIOT HLDGS	COM 13D	6/ 1/90	621 18.6	87156510 18.6	UPDATE
TELEPHONE & DATA SYS INC GAMCO INVESTORS INC ET AL	COM 13D	5/30/90	3,718 16.4	87943310 15.4	UPDATE
UNIVERSAL FIDELITY LIFE INS BAKKEN GORDON P	COM 13D	5/25/90	36 7.2	91350099 6.5	UPDATE
VEGAS CHIPS INC ROTHMAN JOHN F	COM NEW 13D	5/24/90	1,880 16.1	92254830 0.0	NEW
VISTA CHEM CO HARRIS ASSOCIATES INC	COM 13D	5/23/90	1,902 18.0	92834710 17.0	UPDATE
WEBB DEL E CORP WEBCOTT HLDGS	COM 13D	5/30/90	917 9.7	94742310 9.7	UPDATE
YUBA NAT RES INC WESTERN GOLD EXPL MIN LP	CL A 13D	5/25/90	910 6.6	98836310 6.6	UPDATE