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sec news digest

Issue 90-233

December 4, 1990

COMMISSION ANNOUNCEMENTS

CHAIRMAN BREEDEN'S REMARKS AT THE SIA ANNUAL CONVENTION RELEASED

Chairman Breeden's remarks at the Securities Industry Association Annual Convention in Boca Raton, Florida on November 30, 1990 were released today.

ADMINISTRATIVE PROCEEDINGS

ROBERT SMITH BARRED AND HALFORD-SMITH ASSOCIATES' REGISTRATION REVOKED

The New York Regional Office instituted public administrative proceedings under the Investment Advisers Act (Advisers Act) against Halford-Smith Associates, Inc., a registered investment adviser, and Robert F. Smith, Halford-Smith's sole officer and shareholder. The Order Instituting Proceedings (Order) alleges that Smith, acting through Halford-Smith and an unregistered investment adviser, Oldfield Planning Corporation (Oldfield), misappropriated over \$400,000 of client funds. The Order also alleges that Smith and Halford-Smith failed to take proper custody of client funds, to maintain accurate books and records and to properly update disclosure documents filed with the Commission.

Halford-Smith and Smith submitted Offers of Settlement in which, without admitting or denying the findings, they consented to the issuance of an Order barring Smith from association with any broker, dealer, investment adviser, investment company or municipal securities dealer and revoking the registration of Halford-Smith as an investment adviser.

On March 6, 1990, the U.S. District Court for the Eastern District of New York entered a Final Judgment of Permanent Injunction against Smith, Halford-Smith and Oldfield. SEC v. Halford-Smith Associates, Inc., 90 Civ. 0560, EDNY. The Final Judgment, to which the defendants consented without admitting or denying the allegations in the complaint, permanently enjoined the defendants and ordered them to disgorge all fraudulently obtained proceeds, plus pre-judgment interest. (Rel. 34-28657)

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CIVIL PROCEEDINGS

FRANCIS SPILLMAN FOUND IN CIVIL CONTEMPT AND ORDERED CONFINED

On November 29, the Honorable A. Joe Fish, Judge, U.S. District Court for the Northern District of Texas, found Francis Joseph Spillman (Spillman) in civil contempt of a Final Judgment of Permanent Injunction, entered against him on December 13, 1989, for failing to pay disgorgement in accordance with the terms of the Final Judgment. The Court ordered Spillman confined until he pays the balance of the disgorgement but stayed the order of confinement until January 2, 1991 to give Spillman time to comply.

The Commission moved the Court to hold Spillman in civil contempt, alleging that Spillman paid \$15,000.00 of the disgorgement on January 12, 1990, but has failed to pay the balance of the disgorgement plus prejudgment interest. On December 13, 1989, without admitting or denying the allegations of the complaint, Spillman consented to the entry of a permanent injunction from violations of Section 13(d) of the Securities Exchange Act of 1934 and Rules 13d-1 and 13d-2 thereunder and agreed to disgorge \$23,837.50 representing savings realized on his purchases of Winners common stock, plus prejudgment interest thereon. [SEC v. Francis Joseph Spillman, Civil No. CA3-89-3147-G, USDC NDTX] (LR-12720)

WILLIAM EDWARD KINZEL ENJOINED

The Seattle Regional Office of the Commission announced that on November 30 Judge Justin L. Quackenbush of the U.S. District Court for the Eastern District of Washington permanently enjoined William Edward Kinzel of Toppenish, Washington from violating securities registration provisions of the Securities Act of 1933 (Securities Act), anti-fraud provisions of the Securities Act and of the Securities Exchange Act of 1934 (Exchange Act) and from aiding and abetting violations of the provisions of the Exchange Act that require broker/dealer membership in the National Association of Securities Dealers Association, Inc. and that require brokers to maintain a minimum net capital and to keep specified financial records. The injunction is based on Kinzel's role in the sale of securities of MBK Municipal Participation Pool-Series A, MBK Management Corporation and Williams Financial Group, Inc.; the operations of Williams Financial Group, Inc. and Williams Financial Services, Inc.; and on Kinzel's role in the sale of certain municipal bonds. Judge Quackenbush also ordered Kinzel to disgorge \$1,100,146.50 with disgorgement waived on the basis of Kinzel's sworn inability to pay any disgorgement. Kinzel consented to entry of the injunctions and disgorgement without admitting or denying the allegations in the complaint. [SEC v. William Edward Kinzel and William Erwin Zilys, Civil Action No. CS90-378-JLQ, E.D. WA] (LR-12721)

FINAL JUDGMENT ENTERED AGAINST DAVID PANOFF

The Commission announced on December 3 that on October 24, 1990 David Panoff consented to entry of a Final Judgment permanently enjoining him from violating antifraud and other provisions of the federal securities laws, including: (i) Section 17(a) of the

Securities Act of 1933; and (ii) Sections 10(b), 13(a), and 13(b)(2)(A) of the Securities Exchange Act of 1934, Rules 10b-5, 12b-20, 13a-1, 13a-13, and 13b2-1 thereunder. Panoff further agreed that the Final Judgment would order him to pay the amount of \$174,000, of which \$87,000 represents disgorgement of losses avoided by Panoff's conduct alleged in the complaint and \$87,000 represents a civil penalty under the Insider Trading Sanctions Act of 1984; however, payment of these amounts was waived. Panoff consented to the Final Judgment without admitting or denying the allegations of the complaint filed by the Commission on September 6, 1989. The complaint alleges that Panoff and others falsified the financial records of Crazy Eddie, Inc. and engaged in illegal insider trading. On October 26, 1990 Judge Nicholas Politin entered a Final Judgment against Panoff. [SEC v. Eddie Antar, et al., USDC NJ, Civil Action No. 89-3773, NHP] (LR-12723)

CRIMINAL PROCEEDINGS

OSCAR AYALA PLEADS GUILTY TO SECURITIES AND WIRE FRAUD

The U. S. Attorney for the Northern District of Georgia and the Atlanta Regional Office announced that on November 29 the Honorable U.S. District Judge Horace T. Ward accepted the guilty plea of defendant Oscar Ayala (Ayala) to a two-count criminal information. The criminal information charged Ayala with one count of securities fraud and one count of wire fraud. Sentencing on Ayala's plea has been set for February 5, 1991.

The criminal information was the result of investigations by the Commission and the U. S. Attorney's Office. On June 28, 1990, Ayala, without admitting or denying the allegations in the Commission's complaint, consented to an Order of Permanent Injunction in the case of SEC v. Oscar Ayala, Civil Action No. 1:90-CV-1183-GET, in the USDC for the Northern District of Georgia, Atlanta Division. [U.S. v. Oscar Ayala, 90-CR-390, USDC, N.D. GA] (LR-12722)

INVESTMENT COMPANY ACT RELEASES

KEYSTONE PROVIDENT LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until December 26, 1990 to request a hearing on an application filed by Keystone Provident Life Insurance Company, KMA Variable Account (KMA Account), Keystone Provident Variable Account I (Variable Account I), SteinRoe Variable Investment Trust (SteinRoe Trust) and Stein Roe & Farnham Incorporated for an order of the Commission under Section 26(b) of the Investment Company Act of 1940 (1940 Act) approving the substitution of shares of the Mortgage Securities Income Fund for shares of the Government Guaranteed Securities Fund and the substitution of shares of the Cash Income Fund for shares of the Government Securities Zero Coupon Fund, each of which are portfolios of the SteinRoe Trust and, under Section 17(b) or, alternatively, under Section 6(c) of the 1940 Act, granting exemptions from the provisions of Section 17(a) of the 1940 Act to the extent necessary to permit the transfer of unit values among the sub-accounts of the KMA Account and the Variable Account I. (Rel. IC-17891 - November 30)

HOLDING COMPANY ACT RELEASES

INDECK ENERGY SERVICES

A notice has been issued giving interested persons until December 24, 1990 to request a hearing on an application by Indeck Energy Services, Inc. (Indeck). Indeck is an Illinois corporation engaged in the ownership and operation of qualifying cogeneration facilities in the United States that now seeks to invest in an independent power project in Windsor, (Quebec) Canada. Indeck requests, upon consummation of the proposed investment, an order of exemption under Section 3(a)(5) from all provisions of the Act except Section 9(a)(2). (Rel. 35-25198)

AMERICAN ELECTRIC POWER COMPANY

A notice has been issued giving interested persons until December 24, 1990 to request a hearing on a proposal by American Electric Power Company, Inc. (AEP) to extend the time period during which AEP is authorized to issue and sell up to 44 million shares of its authorized but unissued shares of common stock, pursuant to its Dividend Reinvestment and Stock Purchase Plan, from December 31, 1990 to December 31, 1993. (Rel. 35-25198)

THE SOUTHERN COMPANY

A notice has been issued giving interested persons until December 24, 1990 to request a hearing on a proposal by The Southern Company (Southern), a registered holding company, and its wholly owned service company subsidiary, Southern Company Services, Inc. (Services) to extend until December 31, 1995 the time in which Services may incur indebtedness in an aggregate amount up to \$75 million at any one time outstanding pursuant to either short-term borrowings from banks or the issuance of notes to Southern, or any combination thereof, and the guarantee of notes by Southern. (Rel. 35-25198)

THE WASHINGTON WATER POWER COMPANY

A notice has been issued giving interested persons until December 24, 1990 to request a hearing on the application of The Washington Water Power Company (WWP), a Washington corporation, under Section 3(b) of the Act and Rule 10 thereunder, in connection with the participation by WWP and certain affiliated companies in a proposed electric generating project in British Columbia. (Rel. 35-25198)

JERSEY CENTRAL POWER & LIGHT COMPANY

A notice has been issued giving interested persons until December 24, 1990 to request a hearing on a proposal by Jersey Central Power & Light Company, Metropolitan Edison Company and Pennsylvania Electric Company, electric public-utility subsidiary companies of General Public Utilities Corporation, a registered holding company, to amend their lease for the Pennsylvania-New Jersey-Maryland Interconnection Office to include joint and several liability up to an aggregate amount of \$20 million. (Rel. 35-25198)

ENERGY INITIATIVES

A notice has been issued giving interested persons until December 24, 1990 to request a hearing on a proposal by Energy Initiatives, Inc. (EII) and its wholly-owned subsidiary, Hunterdon Energy Corporation (HEC), both subsidiaries of General Public Utilities Corporation, a registered holding company, whereby EII, in connection with the development of a qualifying cogeneration facility (Facility) in Clinton, New Jersey, proposes to sell and HEC proposes to acquire all of EII's 100% general partnership interests and all of EII's 99% limited partnership interests in Hunterdon Energy Limited Partnership (Partnership). EII and HEC also propose to guarantee directly or indirectly, or alternatively, become obligated under a Repayment Agreement for a letter of credit of up to a \$300,000 maximum amount to be obtained by the Partnership to secure its liquidated damage obligations under the Power Purchase Agreement for the Facility entered into with Jersey Central Power & Light. Alternatively, EII seeks authority to make capital contributions to HEC of up to \$300,000 maximum amount which HEC, in turn, would contribute to the Partnership to provide for such security. (Rel. 35-25198)

ENTERGY POWER

A notice has been issued giving interested persons until December 24, 1990 to request a hearing on a proposal by Entergy Power, Inc. (Entergy Power), an electric public-utility subsidiary company of Entergy Corporation, a registered holding company, through December 31, 1991 to issue and sell: (1) fixed or flexible rate debt securities (New Debt) under an exception from competitive bidding in the aggregate principal amount of \$175 million, expected to mature not earlier than January 1, 1997 and not later than December 31, 2005 under a new indenture or other form of security agreement; and (2) unsecured short term debt in an amount not to exceed \$50 million under a revolving credit facility having a term of three years, renewable annually for one additional year. Entergy Power has been authorized to negotiate the terms and conditions of the New Debt under an exception from competitive bidding. (Rel. 35-25198)

ENERGY INITIATIVES

A notice has been issued giving interested persons until December 24, 1990 to request a hearing on a proposal by Energy Initiatives, Inc. (EII), Camchino Energy Corporation (Camchino), OLS Power Limited Partnership (OLS), OLS Energy-Chino (Chino) and OLS Energy-Camarillo (Camarillo), each an indirect subsidiary of General Public Utilities Corporation, a registered holding company, to provide Chino and Camarillo with capital contributions and loans from EII through Camchino and OLS and to restructure certain financing agreements by and between General Electric Capital Corporation, a nonassociate company, and Chino and Camarillo. (Rel. 35-25198)

NEW ENGLAND ELECTRIC SYSTEM

A notice has been issued giving interested persons until December 24, 1990 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, 1992, one or more capital contributions to Massachusetts Electric Company (Mass-Elec), The Narragansett Electric Company (Narragansett) and Granite State Electric Company (Granite State), wholly owned subsidiary companies of NEES, not to exceed an aggregate of \$40 million for Mass-Elec, \$40 million for Narragansett and \$2 million for Granite State. (Rel. 35-25198)

CENTRAL POWER AND LIGHT COMPANY

A notice has been issued giving interested persons until December 24, 1990 to request a hearing on a proposal by Central Power and Light Company, Public Service Company of Oklahoma, Southwestern Electric Power Company and West Texas Utilities Company, each an electric public-utility subsidiary of Central and South West Corporation, a registered holding company, to extend each company's authority through December 31, 1992 to purchase and retire up to 20% of the par value of its preferred stock and 10% of the aggregate principal amount of its first mortgage bonds issued and outstanding on September 30, 1990 in open market and negotiated transactions at prices not exceeding the then current general redemption prices for such securities. (Rel. 35-25198)

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-18 HAWK MARINE POWER INC, 3025 N E 188TH ST, AVENTURA, FL 33180 (305) 932-9230 - 118,056 (\$147,570) COMMON STOCK. 59,382 (\$74,228) COMMON STOCK. (FILE 33-37219-A - OCT. 12) (BR. 5)
- S-18 CASTLE HOLDING CORP, 75 W MERRICK RD, FREEPORT, NY 11520 (516) 867-0700 - 16,000 (\$80,000) COMMON STOCK. 16,000 (\$80,000) COMMON STOCK. 44,520 (\$222,600) COMMON STOCK. (FILE 33-37809-NY - NOV. 13) (BR. 11)
- N-1A ALLIANCE NEW EUROPE FUND INC, 1345 AVE OF THE AMERICAS, C/O ALLIANCE CAPITAL MANAGEMENT CORP, NEW YORK, NY 10105 (800) 221-5672 - INDEFINITE SHARES. (FILE 33-37848 - NOV. 20) (BR. 16)
- S-1 SIMTEK CORP, 1465 KELLY JOHNSON BLVD, COLORADO SPRINGS, CO 80920 (719) 531-9444 - 1,437,500 (\$10,062,500) COMMON STOCK. (FILE 33-37874 - NOV. 19) (BR. 3 - NEW ISSUE)
- S-8 MEDCO CONTAINMENT SERVICES INC, 1900 POLLITT DR, FAIR LAWN, NJ 07410 (201) 703-4905 - 793,787 (\$3,158,845) COMMON STOCK. (FILE 33-37897 - NOV. 26) (BR. 1)
- S-8 MEDCO CONTAINMENT SERVICES INC, 1900 POLLITT DR, FAIR LAWN, NJ 07410 (201) 703-4905 - 600,000 (\$170,250,000) COMMON STOCK. (FILE 33-37898 - NOV. 26) (BR. 1)
- S-1 HENRY JOHN W & CO/MILLBURN L P, WORLD FINANCIAL CTR SOUTH TWR-6TH FLR, C/O MERRILL LYNCH OPTIONS/FUTURES MANAGE, NEW YORK, NY 10080 (212) 236-4161 - 400,000 (\$40,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: MERRILL LYNCH PIERCE FENNER & SMITH, ML FUTURES INVESTMENT PARTNERS INC. (FILE 33-37902 - NOV. 27) (BR. 11)
- N-1A ROUSSEAU CAPITAL INC, 450 PARK AVE STE 2900, NEW YORK, NY 10022 (212) 758-6375 - INDEFINITE SHARES. (FILE 33-37903 - NOV. 27) (BR. 17 - NEW ISSUE)

REGISTRATIONS CONTINUED

- S-8 AMSOUTH BANCORPORATION, 1400 AMSOUTH SONAT TOWER, BIRMINGHAM, AL 35203
(205) 320-7151 - 700,000 (\$14,175,000) COMMON STOCK. (FILE 33-37905 - NOV. 27)
(BR. 2)
- N-1A BRANDYWINE BLUE FUND INC, 3908 KENNETT PIKE, GREENVILLE, DE 19807 (302) 656-3017 -
INDEFINITE SHARES. (FILE 33-37959 - NOV. 21) (BR. 16 - NEW ISSUE)
- N-1A RETIREMENT SYSTEM FUND INC, 41 EAST 42ND ST, NEW YORK, NY 10017 (212) 503-0100 -
INDEFINITE SHARES. UNDERWRITER: RETIREMENT SYSTEM DISTRIBUTORS INC. (FILE 33-37963 -
NOV. 21) (BR. 16 - NEW ISSUE)
- N-1A LEGG MASON TAX EXEMPT INCOME FUND, 111 SOUTH CALVERT ST, BALTIMORE, MD 21202
(301) 539-3400 - INDEFINITE SHARES. (FILE 33-37971 - NOV. 21) (BR. 16 - NEW ISSUE)
- S-1 ADVANCED PHOTONIX INC, 11111 SANTA MONICA BLVD STE 1840, LOS ANGELES, CA 90025
(213) 477-5563 - 1,150,000 (\$6,900,000) COMMON STOCK. 100,000 (\$100)
WARRANTS, OPTIONS OR RIGHTS. 100,000 (\$720,000) COMMON STOCK. UNDERWRITER:
BLAIR D H & CO INC, PARLIAMENT HILL CAPITAL CORP. (FILE 33-37973 - NOV. 23) (BR. 8
- NEW ISSUE)
- S-4 UNITED FINANCIAL GROUP INC/DE, 5847 SAN FELIPE STE 2600, HOUSTON, TX 77057
(713) 267-3781 - 8,074,348 (\$484,460.88) STRAIGHT BONDS. (FILE 33-37976 - NOV. 26)
(BR. 11)
- S-1 MIDLAND COGENERATION VENTURE LIMITED PARTNERSHIP, 100 PROGRESS PL, MIDLAND, MI 48640
(517) 839-6000 - 646,720,350 (\$646,720,350) STRAIGHT BONDS. 267,180,000
(\$267,180,000) STRAIGHT BONDS. 100,000,000 (\$100,000,000) STRAIGHT BONDS. (FILE
33-37977 - NOV. 23) (BR. 7 - NEW ISSUE)
- N-1A SFT INC, 1016 W EIGHTH AVE, STE D, KING OF PRUSSIA, PA 19406 (215) 337-8422 -
INDEFINITE SHARES. (FILE 33-37980 - NOV. 23) (BR. 16)
- N-1A PUTNAM FOCUS GROWTH FUND, ONE POST OFFICE SQUARE, BOSTON, MA 02109 (617) 292-1458
(FILE 33-37991 - NOV. 27)
- N-1A PUTNAM ARIZONA TAX EXEMPT INCOME FUND, ONE POST OFFICE SQUARE, BOSTON, MA 02109
(617) 292-1010 - INDEFINITE SHARES. (FILE 33-37992 - NOV. 27) (BR. 22)

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
ALCIDO CORP	COM		4,177	01374210	
KEMPNER THOMAS L GROUP ET AL	13D	11/27/90	17.7	17.6	UPDATE
ALCIDO CORP	SER 1 CONV PFD STK		522	01374299	
KEMPNER THOMAS L GROUP ET AL	13D	11/27/90	33.4	30.3	UPDATE
ALLEN GROUP INC	COM		1,608	01763410	
GAMCO INVESTORS INC ET AL	13D	11/27/90	19.0	19.6	UPDATE
VE BALVERNE CELLARS INC	COM		616	05935610	
AMERICAN PACIFIC BLDG ET AL	13D	11/14/90	36.7	0.0	NEW
BRAJDA CORP	COM		2,016	10502810	
BARCLAY & CO INC ET AL	13D	11/14/90	54.8	44.6	UPDATE
CATELLUS DEV CORP	COM		6,123	14911110	
ITEL CORP	13D	11/19/90	12.4	0.0	NEW
CHAMPION INTL CORP	COM		11,228	15852510	
LOEWS CORP	13D	11/26/90	12.1	11.0	UPDATE
CHILD WORLD INC	COM		0	16871010	
TOYS PLUS INC	13D	11/29/90	0.0	82.3	UPDATE
CHIQUITA BRANDS INTL INC	COM		24,851	17003210	
AMERICAN FINANCIAL CORP ET AL	13D	11/23/90	61.0	73.8	UPDATE
COMPUTER FACTORY INC	COM		1,109	20490910	
CAIN MELISSA LYNN TR ET AL	13D	11/29/90	12.8	8.3	UPDATE
CONTINENTAL GOLD CORP NEW	COM		0	21199410	
PAINWEBBER INC	13D	10/26/90	0.0	6.5	UPDATE
DESOTO INC	COM		268	25059510	
GAMCO INVESTORS INC ET AL	13D	11/27/90	6.6	5.1	UPDATE
DIGITAL PRODS CORP	COM		948	25386710	
DELL JOHN EDWARD	13D	9/26/90	8.7	0.0	NEW
EASTGROUP PPTYS	SH BEN INT		895	27727010	
EASTOVER CORP ET AL	13D	11/27/90	35.7	32.5	UPDATE
ENDOTRONICS INC	COM NEW		1,380	29264420	
SCHUSTER SARAH J	13D	11/19/90	8.7	0.0	NEW
FERRO CORP	COM		1,610	31540510	
GAMCO INVESTORS INC ET AL	13D	11/28/90	8.4	7.4	UPDATE
GENERAL CINEMA CORP	COM		3,461	36935210	
GAMCO INVESTORS INC ET AL	13D	11/28/90	5.0	4.2	UPDATE