

sec news digest

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U.S. SECURITIES AND
EXCHANGE COMMISSION

September 9, 1987

ADMINISTRATIVE PROCEEDINGS

PROCEEDINGS INSTITUTED AGAINST GRAEMER K. HILTON

The Commission today instituted proceedings under Section 15(c)(4) of the Securities Exchange Act of 1934 against Graemer K. Hilton to determine whether, within the meaning of Section 15(c)(4) of the Exchange Act, he was a "cause" of Allegheny International, Inc.'s (AI) violations of Section 13(b)(2)(A) and (B) and 14(a) of the Exchange Act and Rules 14a-3 and 14a-9. Simultaneously, Hilton submitted an Offer of Settlement for purposes of disposing of the issues raised in these proceedings. The Commission accepted Hilton's Offer of Settlement.

Hilton was, until February 1986, AI's President and Chief Operating Officer. Previously, he was AI's Chief Financial Officer. After February 1986, Hilton served as an AI director, until June 1987.

The Commission found that Hilton failed to take steps to prevent AI from failing to comply in material respects with Sections 13(b)(2)(A) and (B) and 14(a) of the Exchange Act and Rules 14a-3 and 14a-9 through his: (1) personal use of AI assets without adequate recordkeeping; (2) personal use of AI assets without proper inclusion of such benefits as compensation in applicable proxy material; and (3) knowledge that related-party transactions were not reported in AI's proxy materials when such transactions were required to be reported. (Rel. 34-24887)

PROCEEDINGS INSTITUTED AGAINST CLAYTON A. SWEENEY

The Commission today instituted proceedings under Section 15(c)(4) of the Securities Exchange Act of 1934 against Clayton A. Sweeney to determine whether, within the meaning of Section 15(c)(4) of the Exchange Act, he was a "cause" of Allegheny International, Inc.'s (AI) violations of Section 13(b)(2)(A) and (B) and 14(a) of the Exchange Act and Rules 14a-3 and 14a-9. Simultaneously, Sweeney submitted an Offer of Settlement for purposes of disposing of the it is appropriate and in the public interest to accepted Sweeney's Offer of Settlement.

From 1980 until November 1985 when he voluntarily resigned, Sweeney was AI's Chief Administrative Officer and either an Executive Vice President or Vice Chairman.

The Commission found that Sweeney was a cause of AI's failure to comply in material respects with Sections 13(b)(2)(A) and (B) and 14(a) of the Exchange Act and Rules 14a-3 and 14a-9 as a result of his: (1) personal use of AI assets without adequate corporate recordkeeping and without proper inclusion of such benefits as compensation in applicable proxy materials; and (2) failure to take steps to cause related-party transactions to be reported in AI's proxy materials when such transactions were required to be reported. (Rel. 34-24888)

DATE SET FOR SANCTIONS IMPOSED ON ROONEY, PACE INC. AND RANDOLPH K. PACE

In October 1986, the Commission imposed sanctions on Rooney, Pace Inc., a New York City brokerage firm, and its president, Randolph K. Pace. The firm was prohibited from making any new underwriting commitment, as underwriter or selling group member, for two months, and from making any commitment involving an "all or none" or other conditional offering for six months, the prohibitions to run concurrently. Pace was suspended from association with any broker or dealer for three months.

The sanctions were based on the Commission's finding that, in October 1981, respondents fraudulently treated the "all or none" best efforts offering of Sequential Information Systems, Inc. (of which the firm was underwriter) as successfully completed although all of the offering had not been sold in bona fide transactions by the date specified in the prospectus. The Commission also found that respondents made fraudulent representations to customers who purchased shares of the offering.

Respondents' sanctions were stayed pending appeal. On August 18, the Court of Appeals for the District of Columbia Circuit dismissed the appeal based on the stipulation of the parties. Accordingly, the Commission has made respondents' sanctions effective as of September 14. (Rel. 34-24874)

CIVIL PROCEEDINGS

CIVIL ACTION FILED AGAINST ALLEGHENY INTERNATIONAL, INC.

The Commission today filed a civil action for permanent injunction and other equitable relief in the U.S. District Court for the District of Columbia against Allegheny International, Inc. (AI), a Pennsylvania corporation with executive offices in Pittsburgh, Pennsylvania.

The Complaint alleges that AI: (1) violated the periodic reporting, proxy solicitation, and recordkeeping - internal controls provisions of the Securities Exchange Act of 1934; (2) from at least 1981 through 1985, directly and indirectly, failed to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected its transactions and disposition of assets; (3) failed to devise and maintain an adequate system of internal accounting controls; (4) failed to report accurately, in its proxy materials for 1981 through 1985, all items of executive compensation and all related party transactions; and (5) failed to include, in its annual report for 1983, required information in the section on Management's Discussion and Analysis of financial results. (SEC v. Allegheny International, Inc., USDC DC, Civil Action No. 87-2472). (LR-11533; AAER-151)

CIVIL ACTION FILED AGAINST ROBERT J. BUCKLEY

The Commission today filed a civil action for permanent injunction and other equitable relief in the U.S. District Court for the District of Columbia against Robert J. Buckley, former Chairman and Chief Executive Officer of Allegheny International, Inc., a Pennsylvania corporation with executive offices in Pittsburgh, Pennsylvania.

The Complaint alleges that Buckley aided and abetted AI's violations of the recordkeeping - internal controls provisions of the Securities Exchange Act of 1934 and violated and aided and abetted violations of the proxy solicitation provision of the Exchange Act. It also alleges that from at least 1981 through 1985, AI, directly and indirectly, failed to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected its transactions and disposition of assets and that Buckley knew of or was reckless in not knowing of these violations. It further alleges that AI failed to devise and maintain an adequate system of internal accounting controls. In addition, the Complaint alleges that, in its proxy materials for 1981 through 1985, AI failed to report accurately all items of executive compensation and failed to report all related party transactions and that Buckley knew of or was reckless in not knowing of these transactions. (SEC v. Robert J. Buckley, USDC DC, Civil Action No. 87-2473). (LR-11534; AAER-152)

INVESTMENT COMPANY ACT RELEASES

THE STANGER PARTNERSHIP FUND, L.P.

A notice has been issued giving interested persons until September 28 to request a hearing on an application filed by The Stanger Partnership Fund, L.P. for an order declaring that the independent general partners of the Partnership are not "interested persons" of the Partnership solely by reason of being general partners thereof. (Rel. IC-15964 - Sept. 3)

CIGNA HIGH YIELD FUND, INC.; GIT CASH TRUST

Notices have been issued giving interested persons until September 28 to request a hearing on an application filed by CIGNA High Yield Fund, Inc. and GIT Cash Trust for an order declaring that they have ceased to be investment companies. (Rel. IC-15965; IC-15966 - Sept. 4)

HOLDING COMPANY ACT RELEASES

COLUMBIA FUELS, INC.; ALLEGHENY POWER SYSTEM, INC.;
THE SOUTHERN COMPANY; EUA SERVICE CORPORATION

Notices have been issued giving interested persons until September 28 to request a hearing on a proposal by the following companies filed under Release 35-24455, dated September 3: Columbia Fuels, Inc. - and its parent, Alabama Power Company, to increase their nuclear fuel credit arrangements by up to \$20 million; Allegheny Power System, Inc. - a registered holding company, to issue and sell up to \$110 million of bank notes and commercial paper through September 30, 1989. Allegheny seeks authorization to issue and sell the commercial paper pursuant to an exception from competitive bidding requirements; The Southern Company - a registered holding company, and its subsidiaries, Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, Southern Company Services, Inc., Southern Electric Generating Company, and Southern Electric International, Inc., whereby Southern will issue \$6 million of its authorized but unissued common stock to fund its system-wide employee stock ownership plan; and EUA Service Corporation - subsidiary of Eastern Utilities Associates, to issue and sell up to \$20 million of secured or unsecured notes to one or more institutional investors by an exception from competitive bidding. EUA Service has been authorized to negotiate the terms of the notes.

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Philadelphia Stock Exchange for unlisted trading privileges in the common stock of three issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-24877)

DELISTING GRANTED

An order has been issued granting the application of the American Stock Exchange to strike the common stock, \$1.00 par value, of WELDED TUBE CO. OF AMERICA from listing and registration thereon. (Rel. 34-24878)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGES

Proposed rule changes have been filed under Rule 19b-4 by: The Municipal Securities Rulemaking Board (SR-MSRB-87-10) amending its Rule G-34. The proposed change would require brokers, dealers, and municipal securities dealers to apply for new CUSIP numbers for secondary market securities that have one CUSIP number but are no longer a single fully fungible group of securities. (Rel. 34-24875); and The Pacific Stock Exchange (SR-PSE-87-24) to eliminate all reference in its Rules to options on the PSE Technology Index because the trading of such options is being terminated. (Rel. 34-24876)

Publication of the proposals are expected to be made in the Federal Register during the week of August 31.

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-1B ARBOR ENERGY INCOME PROGRAM 1987, 711 COMMERCE BLDG, GRAND RAPIDS, MI 49503
(616) 456-1945 - 10,000 (\$5,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER:
SMITH PROGRAMS INC. (FILE 33-16450-C - AUG. 12) (BR. 4 - NEW ISSUE)

- S-18 FIRST NATIONAL LINCOLN CORP/ME, MAIN ST, DAMARISCOTTA, ME 04543 (207) 563-3195 - 100,000 (\$7,000,000) COMMON STOCK. (FILE 33-16641-B - AUG. 20) (BR. 2)
- S-1 MTM ENTERTAINMENT INC, 4024 RADFORD AVE, STUDIO CITY, CA 91604 (818) 760-5000 - 2,000,000 (\$56,000,000) COMMON STOCK. 2,600,000 (\$72,800,000) COMMON STOCK. UNDERWRITER: LAZARD FRERES & CO. (FILE 33-16713 - AUG. 26) (BR. 11 - NEW ISSUE)
- S-4 MISSION RESOURCE PARTNERS L P, 1151 HARBOR BAY PKWY, PO BOX 4011, ALAMEDA, CA 94501 (415) 748-6100 - 3,600,000 (\$36,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: BUTCHER & SINGER INC. (FILE 33-16746 - AUG. 25) (BR. 3 - NEW ISSUE)
- S-8 BALDER ELECTRIC CO, 5711 S 7TH ST, FORT SMITH, AR 72901 (501) 646-4711 - 500,000 (\$12,565,000) COMMON STOCK. (FILE 33-16766 - AUG. 25) (BR. 8)
- S-1 GRUPO DE COMUNICACIONES LATMARK INC, 330 MADISON AVE, NEW YORK, NY 10017 (816) 274-4687 - 110,000,000 (\$75,000,000) STRAIGHT BONDS. 55,000,000 (\$55,000,000) STRAIGHT BONDS. UNDERWRITER: LAMBERT DREXEL BURNHAM INC, ROTHSCHILD L F & CO. (FILE 33-16767 - AUG. 26) (BR. 7 - NEW ISSUE)
- S-3 FLORIDA POWER CORP /PRED/, 3201 34TH ST S, ST PETERSBURG, FL 33711 (813) 866-5151 - 150,000,000 (\$154,500,000) MORTGAGE BONDS. (FILE 33-16788 - AUG. 27) (BR. 8)
- S-11 HEALTH & REHABILITATION PROPERTIES TRUST, 215 FIRST ST, CAMBRIDGE, MA 02142 (617) 661-3112 - 5,750,000 (\$61,812,500) COMMON SHARES OF BENEFICIAL INTEREST. 5,750,000 (\$57,500,000) COMMON STOCK. (FILE 33-16799 - AUG. 27) (BR. 6)
- F-1 BET PUBLIC LIMITED COMPANY, STRATTON HOUSE PICCADILLY, LONDON ENGLAND W1X 6AS, XO (404) 843-3352 - 3,000,000 (\$12,901,680) FOREIGN COMMON STOCK. (FILE 33-16800 - AUG. 27) (BR. 5)
- S-8 UNITED BRANDS CO, ONE E 4TH ST, CINCINNATI, OH 45202 (513) 579-2540 - 5,000,000 (\$5,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-16801 - AUG. 27) (BR. 3)
- S-8 MEDIQ INC, ONE MEDIQ PLZ, PENNSAUKEN, NJ 08110 (609) 665-9300 - 7,500,000 (\$7,500,000) OTHER SECURITIES INCLUDING VOTING TRUST. 500,000 (\$3,687,500) COMMON STOCK. (FILE 33-16802 - AUG. 27) (BR. 6)

REGISTRATIONS EFFECTIVE

Aug. 17: Koger Properties, Inc., 33-15953.
 Aug. 20: Hampton Ventures, Inc., 33-13042-LA.
 Aug. 21: Signature XIV, 33-16130.
 Aug. 24: Alza Corporation, 33-16160; Central Jersey Bancorp, 33-16418; Decision Industries Corporation, 33-16291; Kinder-Care, Inc., 33-16423; Republic of Austria, 33-16324; Transcontinental Gas Pipe Line Corporation, 33-16536.
 Aug. 25: Bharat Medical Equipment Ltd., 33-11381; Boechst Celanese Corporation, 33-14755; Intellicall, Inc., 33-15723; Mony America Variable Account S, 33-13183; Mony Legacy Variable Account S, 33-13850; Pansophic Systems, Incorporated, 33-16478; Questor Corporation, 33-15340-LA; Suburban Bancorp, Inc., 33-16568; The Toledo Edison Company, 33-16492; VMS Strategic Land Fund II, 33-13585; Wainoco Oil Corporation, 33-1670.