

LIBRARY

JAN 11 1990

# sec news digest

Issue 90-7

January 10, 1990

---

## COMMISSION ANNOUNCEMENTS

---

### CHAIRMAN RICHARD C. BREEDEN MAKES LETTER PUBLIC

Yesterday, the Commission made public a letter from Chairman Richard C. Breeden to James R. Jones, Chairman, American Stock Exchange; Alger B. Chapman, Chairman and Chief Executive Officer, Chicago Board Options Exchange; John Phelan, Chairman, New York Stock Exchange; Dr. Maurice Mann, Chairman and Chief Executive Officer, Pacific Stock Exchange and Nicholas Giordano, President, Philadelphia Stock Exchange. (PR No. 90-4)

### SEC WILL BE CLOSED JANUARY 16

Monday, January 15, is a federal holiday. The Commission will be closed in honor of Martin Luther King's birthday. Publication of the News Digest will resume on Tuesday, January 16.

### SPOKANE EXCHANGE NOT EXEMPT FROM COLD CALL RULE, DIVISION OF MARKET REGULATION DETERMINES

On January 8, 1990, the Division of Market Regulation sent a letter to the Spokane Stock Exchange ("SSE") to confirm that the SSE is aware that equity securities listed on the SSE are not exempt from the definition of designated security within the meaning of Rule 15c2-6 promulgated under the Securities Exchange Act of 1934. Rule 15c2-6 imposes new sales practice requirements for broker-dealers who recommend purchases of certain low-priced, non-NASDAQ, over-the-counter equity securities (referred to as "designated securities"). As the SSE is a registered national securities exchange that currently does not have a transaction reporting plan in effect pursuant to Rule 11Aa3-1, equity securities listed on the SSE are not removed from the definition of designated security in Rule 15c2-6(d)(2) and are subject to the requirements of Rule 15c2-6.

---

## CIVIL PROCEEDINGS

---

### COMPLAINT NAMES BRIAN J. CALLAHAN AND WILLIAM N. JACKSON

The Securities and Exchange Commission announced the filing of a Complaint today against Brian J. Callahan (Callahan) and William N. Jackson (Jackson) in federal court in Los Angeles seeking a permanent injunction, disgorgement, prejudgment interest, and a penalty under the Insider Trading Sanctions Act of 1984. The Complaint alleges that Callahan and Jackson traded securities while in possession of misappropriated material non-public information contained in BusinessWeek magazine and communicated that information to others who traded. At the time of the events alleged in the Complaint, Callahan was a stockbroker associated with Prudential-Bache Securities,

Inc., a registered broker-dealer, and Jackson was an employee of R. R. Donnelley & Sons, Co., a printer of BusinessWeek, in its Torrance, California plant.

The Complaint seeks at least \$19,506.30 in disgorgement from Jackson, representing the gross profits realized from trading in his own accounts, those of a brother, and a joint account he had with two brothers. The Complaint seeks at least \$19,684.09 in disgorgement from Callahan, representing his own and his customers' gross BusinessWeek trading profits. The Complaint also seeks disgorgement from Callahan of the brokerage commissions he earned by placing BusinessWeek trades for these customers. (SEC v. Brian J. Callahan and William N. Jackson, 90 Civ. 0124 SVW (Tx) (LR-12343))

#### COMPLAINT NAMES JAMES H. O'HAGAN

The Commission announced today that it instituted an action in the U.S. District Court for the District of Minnesota alleging that James H. O'Hagan violated Sections 10(b) and 14(e) of the Securities Exchange Act as well as Commission Rules 10b-5 and 14e-3. The Complaint alleges that O'Hagan, then a partner of the Minneapolis-based law firm Dorsey & Whitney, traded in the securities of The Pillsbury Company while he possessed material non-public information concerning Grand Metropolitan (Grand Met), PLC's intention to conduct a hostile tender offer for Pillsbury. According to the Complaint, O'Hagan learned of his law firm's involvement in the tender offer and discussed the matter with another partner at the firm.

The Complaint alleges that O'Hagan purchased 2900 Pillsbury call option contracts in four different series and 15,000 shares of Pillsbury common stock after he learned of the representation. After Grand Met announced the tender offer on October 4, 1988, O'Hagan sold the 2400 calls and 10,000 shares he still held, realizing a profit of approximately \$4.3 million. The Complaint alleges that O'Hagan engaged in the trading at a time when he needed to repay funds he had secretly diverted from certain client trust accounts maintained by Dorsey & Whitney. (SEC v. James H. O'Hagan, Case No. 3-90 Civil 16 (D. Minn.) (LR-12344))

---

### INVESTMENT COMPANY ACT RELEASES

---

#### ALLIANCE SHORT-TERM MULTI-MARKET TRUST

A notice has been issued giving interested persons until February 1, 1990 to request a hearing on an application filed by Alliance Short-Term Multi-Market Trust, Inc. (Fund), Alliance Capital Management L.P., and Alliance Fund Distributors, Inc. (Distributor) for an order that would grant an exemption from the provisions of Sections 2(a)(32), 2(a)(35), 18(f), 18(g), 18(i), 22(c), and 22(d) and Rule 22c-1 of the Investment Company Act. The requested relief would permit the Fund and other registered open-end investment companies in the same group of investment companies (i) to issue two classes of securities representing interests in the same portfolio of securities, one of which would convert into the other after a specified period to permit investors the benefit of a lower Rule 12b-1 distribution fee after the Distributor has recovered most of its distribution expenses, and (ii) to assess a contingent deferred sales load (CDSL) on redemptions of the shares of one of the classes, and to waive the CDSL in certain cases. (Rel. IC-17295 - Jan. 8)

BEAR, STEARNS & CO. INC.

An order has been filed by Bear, Stearns & Co. Inc. on behalf of Municipal Securities Trust, High Income Series, under Sections 17(b) and 45(a) of the Act exempting Bear, Stearns from the provisions of Section 17(a) to permit it to purchase certain specified securities from the Trust and granting confidential treatment for certain information regarding such securities. (Rel. IC-17296 - Jan. 8)

---

## HOLDING COMPANY ACT RELEASES

---

### ENTERGY SERVICES

An order has been issued authorizing a proposal by Entergy Corporation (Entergy) and its subsidiary service company, Entergy Services, Inc. (Services). Services requests authorization through December 31, 1991 to borrow and reborrow up to an aggregate of \$35 million at any one time outstanding, under a new loan agreement (Loan Agreement) with Entergy. Services also proposes to issue unsecured promissory notes to one or more banks in an aggregate principal amount of up to \$35 million at any time outstanding, such notes to evidence external bank borrowings. Entergy proposes to guarantee Service's obligations to such bank(s). The commitment(s) of any such bank(s) would reduce correspondingly Entergy's commitment to Services under the Loan Agreement. (Rel. 35- 25018)

### NORTHEAST UTILITIES CONNECTICUT LIGHT AND POWER COMPANY

Notices have been issued giving interested persons until January 29 to request a hearing on proposals by: NORTHEAST UTILITIES and its subsidiaries, Western Massachusetts Electric Company, The Quinnehtuk Company, The Connecticut Light and Power Company, Northeast Utilities Service Company, Northeast Nuclear Energy Company, The Rocky River Realty Company and Holyoke Water Power Company, whereby these companies seek to amend their existing authority to issue short-term notes to banks and/or borrow from the system's money pool, to issue and sell commercial paper, to acquire short-term notes and to make open account advances through December 31, 1990, by permitting The Rocky River Realty Company to increase its short-term borrowing authority from \$15 million to \$20 million; and CONNECTICUT LIGHT AND POWER COMPANY, subsidiary of Northeast Utilities, to issue and sell, through June 30, 1991, up to \$300 million of its first and refunding mortgage bonds, preferred stock, or a combination of both, except that preferred stock will not be sold in amounts exceeding \$100 million. (Rel. 35- 25019)

## 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-2 MAI BASIC FOUR INC, 14101 MYFORD RD, TUSTIN, CA 92680 (714) 731-5100 - 17,500,000 (\$61,950,000) COMMON STOCK. 17,500,000 WARRANTS, OPTIONS OR RIGHTS. (FILE 33-32751 - DEC. 29) (BR. 9)
- S-3 AEP GENERATING CO /OH/, 1 RIVERSIDE PLZ, COLUMBUS, OH 43215 (614) 223-1000 - 475,000,000 (\$475,000,000) STRAIGHT BONDS. (FILE 33-32752 - DEC. 29) (BR. 8 - NEW ISSUE)
- S-3 INDIANA MICHIGAN POWER CO, ONE SUMMIT SQ, P O BOX 60, FORT WAYNE, IN 48202 (219) 425-2111 - 475,000,000 (\$475,000,000) STRAIGHT BONDS. (FILE 33-32753 - DEC. 29)
- S-1 URANIUM RESOURCES INC /DE/, 12877 MERIT DR STE 750, DALLAS, TX 75251 (214) 934-7777 - 1,150,000 (\$6,325,000) COMMON STOCK. 130,682 (\$1,307) COMMON STOCK. 1,280,682 (\$2,241,194) COMMON STOCK. (FILE 33-32754 - DEC. 29) (BR. 1)
- S-3 BMJ FINANCIAL CORP, 243 ROUTE 130, P O BOX 1001, BORDENTOWN, NJ 08505 (609) 298-5500 - 100,000 (\$1,675,000) COMMON STOCK. (FILE 33-32807 - DEC. 29) (BR. 2)
- N-1A GROWTH FUND OF CALIFORNIA, ONE MONARCH PLACE, SPRINGFIELD, MA 01144 (413) 781-3000 - INDEFINITE SHARES. (FILE 33-32808 - DEC. 29) (BR. 16 - NEW ISSUE)
- N-1A PRICE T ROWE INSTITUTIONAL EQUITY FUNDS INC, 100 EAST PRATT ST, BALTIMORE, MD 21202 (301) 547-2000 (FILE 33-32859 - DEC. 29) (NEW ISSUE)
- S-2 CODA ENERGY INC, 9400 N CENTRAL EXPWY STE 500, DALLAS, TX 75231 (214) 692-1800 (FILE 33-32624 - DEC. 19) (BR. 4)
- S-1 MSCI HOLDINGS CORP, 599 LEXINGTON AVE, NEW YORK, NY 10022 (212) 826-1172 - 75,000,000 (\$75,000,000) STRAIGHT BONDS. (FILE 33-32668 - DEC. 29) (BR. 12 - NEW ISSUE)
- S-1 LIDAK PHARMACEUTICALS, 11077 NORTH TORREY PINES RD, LA JOLLA, CA 92037 (619) 558-0364 - 1,150,000 (\$5,750,000) COMMON STOCK. 11,500,000 (\$21,562,500) COMMON STOCK. 100,000 (\$100) WARRANTS, OPTIONS OR RIGHTS. 100,000 (\$600,000) COMMON STOCK. 1,000,000 (\$1,875,000) COMMON STOCK. UNDERWRITER: BLAIR D H & CO INC. (FILE 33-32742 - DEC. 28) (BR. 4 - NEW ISSUE)
- S-1 CSA INCOME FUND IV LIMITED PARTNERSHIP, 150 FEDERAL ST, BOSTON, MA 02110 (617) 345-0800 - 1,000,000 (\$100,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: MILK ST INVESTMENT CORP. (FILE 33-32744 - DEC. 28) (BR. 9 - NEW ISSUE)
- S-1 TOPS MARKETS INC/NY/, 60 DINGENS ST, BUFFALO, NY 14240 (716) 823-3712 - 80,000,000 (\$80,000,000) STRAIGHT BONDS. (FILE 33-32750 - DEC. 29) (BR. 2)
- S-1 NEWPORT SERVICES INC, 5645 HILLCROFT STE 101, HOUSTON, TX 77036 (713) 953-0991 - 900,000 (\$900,000) COMMON STOCK. (FILE 33-32762 - DEC. 27) (BR. 11 - NEW ISSUE)
- S-8 TEJAS GAS CORP /DE/, 1301 MCKINNEY STE 700, HOUSTON, TX 77010 (713) 658-0509 - 33,960 (\$899,940) COMMON STOCK. (FILE 33-32792 - DEC. 27) (BR. 8)
- S-4 CHESHIRE FINANCIAL CORP, 194 WEST ST, KEENE, NH 03431 (603) 352-2502 - 278,048 (\$2,451,948) PREFERRED STOCK. 278,048 COMMON STOCK. (FILE 33-32793 - DEC. 28) (BR. 2)
- S-8 RPM INC/OH/, 2628 PEARL RD, P O BOX 777, MEDINA, OH 44258 (216) 225-3192 - 1,500,000 (\$28,125,000) COMMON STOCK. (FILE 33-32794 - DEC. 28) (BR. 2)
- S-8 ASSIX INTERNATIONAL INC, 505 E JACKSON ST STE 220, TAMPA, FL 33602 (813) 224-0228 - 500,000 (\$3,218,750) COMMON STOCK. (FILE 33-32796 - DEC. 28) (BR. 9)
- S-4 DELTA ENERGY CORP, ONE LEADERSHIP SQ, STE 1601, OKLAHOMA CITY, OK 73102 (601) 981-7953 - 950,000 (\$950) COMMON STOCK. 9,000,000 (\$2,520,000) COMMON STOCK. 5,000,000 (\$1,400,000) COMMON STOCK. (FILE 33-32797 - DEC. 28) (BR. 3 - NEW ISSUE)