

# sec news digest

Issue 90-8

JAN 12 1990

U.S. SECURITIES AND  
EXCHANGE COMMISSION

January 11, 1990

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## RULES AND RELATED MATTERS

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### PROPOSED RULE - PRIVACY ACT OF 1974 SPECIFIC EXEMPTIONS

The Commission has filed a proposed rule change exempting a new system of records from certain provisions of the Privacy Act of 1974, 5 U.S.C. 552a, to the extent that the system contains investigatory material pertaining to the enforcement of criminal laws or compiled for law enforcement purposes. The system of records includes the investigative files of the Office of Inspector General of the Commission. Publication of the proposal is expected to appear in the Federal Register during the week of January 8 and interested persons have 30 days from the date of publication to comment. File No. S7-2-90. (Rel. 33-6853; 34-27604; 35-25021; 39-2235; IC-17302; IA-1216)

### SYSTEM OF RECORDS - PRIVACY ACT OF 1974

The Commission has filed a notice of the establishment of a new system of records, entitled Office of Inspector General Investigative Files. The Commission's Office of Inspector General was created in March, 1989, and has statutory authority to conduct investigations relating to programs and operations of the commission. Publication of the proposal is expected to appear in the Federal Register during the week of January 8 and interested persons have 30 days from the date of publication to comment. File No. S7-2-90. (Rel. 33-6852; 34-27603; 35-25020; 39-2234; IC-17301; IA-1215)

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## COMMISSION ANNOUNCEMENTS

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### CORRECTION - SEC WILL BE CLOSED MONDAY, JANUARY 15

The January 10 News Digest incorrectly stated that the SEC would be closed on January 16. The Commission will be closed on Monday, January 15, in honor of Martin Luther King Jr.'s birthday. Publication of the News Digest will resume on Tuesday, January 16.

### CHANGE IN MEETING: DELETION

The following item was not considered at a closed meeting on Tuesday, January 9, 1989, at 11:00 a.m., previously scheduled for 9:30 a.m.: Formal Order of Investigation.

Commissioner Grundfest, as duty officer, determined that Commission business required the above change.

2

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: Holly Smith at (202) 272-2100.

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## ADMINISTRATIVE PROCEEDINGS

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### J. B. T. MANAGEMENT D/B/A TUTTLE INCORPORATED APPLICATION DENIED

Judge Brenda P. Murray denied the investment adviser application of J.B.T. Management d/b/a Tuttle Incorporated and suspended Jason Baker Tuttle, Sr. and Jason Baker Tuttle, Jr., persons controlling the applicant, from being associated with any investment adviser for a period of six months. Judge Murray found that the Tuttle's aided and abetted the applicant's violation of Section 207 of the Investment Advisers Act of 1940. The proceeding appears to be the first time where the Commission will decide whether to grant or deny an investment adviser registration application where a person in control of the applicant is the subject of a pending proceeding in which the Division of Enforcement charges his conduct violated the Advisers Act. (Administrative Proceeding No. 3-7289)

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## TRADING SUSPENSIONS

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### TRADING SUSPENDED IN SECURITIES OF THE HUNTOR GROUP (FORMERLY LAWN-TECH CORPORATION)

The Commission announced the ten-day suspension of over-the-counter trading in the securities of The Hunter Group, Inc. (formerly Lawn-Tech Corporation) for the period beginning at 9:00 a.m. (EST) on January 11, 1990, and terminating 11:59 p.m. (EST) on January 20, 1990. The Commission suspended trading in the securities of The Hunter Group 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, and claim for exemption from the registration provisions of the Securities Act of 1933 under which its securities are trading. (Rel. 34-27607)

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## CIVIL PROCEEDINGS

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### KENNETH H. KUEHNE ENJOINED

The Chicago Regional Office announced that on December 22, the U.S. District Court for the Northern District of Illinois entered an Order of Permanent Injunction and Disgorgement against Kenneth H. Kuehne. The Order enjoins Kuehne from violating the antifraud provisions of the Securities Exchange Act of 1934, and requires him to disgorge approximately \$100,000. Kuehne consented to the entry of this Order without admitting or denying the Commission's allegations.

The Commission's complaint, filed on December 15, alleged that in 1987, Kuehne had purchased options in United Airlines, Inc. while in possession of material nonpublic information concerning an upcoming offer to acquire the company. As a result of Kuehne's trading of these options, he realized a gain of approximately \$100,000 over the course of five days. (SEC. v. Kenneth H. Kuehne, U.S.D.C., N.D. Ill. Civil Action File No. 89-C-9269) (LR-12341)

#### ROBERT CHESTMAN BARRED

The Commission announced today the settlement of its civil action against Robert Chestman. The Complaint, filed October 6, 1987, alleged that Chestman had violated Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 in connection with his trading in the securities of Waldbaum, Inc. (Waldbaum).

The Commission's complaint alleged that on November 26, 1986, A&P announced a tender offer for Waldbaum at \$50 per share. Prior to the announcement, a member of the Waldbaum family improperly disclosed to Chestman material nonpublic information relating to the tender offer. Chestman effected purchases of 11,000 shares of Waldbaum stock for his own and other clients' accounts.

Chestman, without admitting or denying the allegations of the Complaint, (1) consented to a permanent injunction against future violations; and (2) agreed to disgorge \$235,125 in profits realized by Chestman and his clients' accounts. Chestman also has consented to a Commission order, to be issued, permanently barring him from association with any broker, dealer, investment company, investment adviser or municipal securities dealer in any capacity. (SEC v. Robert Chestman et al., U.S.D.C., S.D.N.Y.) (87 Civ. 7148) (RJW) (LR-12345)

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### INVESTMENT COMPANY ACT RELEASES

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#### MUTUAL BENEFIT LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until February 2 to request a hearing on an application filed by The Mutual Benefit Life Insurance Company, Mutual Benefit Variable Contract Account -11 of The Mutual Benefit Life Insurance Company (account), Directed Services, Inc. and Dreyfus Service Corporation for an order pursuant to Section 6(c) of the Investment Company Act of 1940 granting exemptions from the provisions of Sections 26(a)(2)(C) and 27 (c)(2) of the Act to the extent necessary to permit the deduction from the assets of the Account of (1) mortality and expense risk charges under a deferred variable annuity and an immediate variable annuity certain contract, and (2) a guaranteed death benefit charge during the accumulation period under the deferred variable annuity contract. (Rel. IC-17297 - Jan. 8)

#### AMERICAN UNITED LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until February 5 to request a hearing on an application filed by American United Life Insurance Company and AUL American Unit Trust for an order under to Section 6(c) of the Investment Company Act of 1940 granting exemptions from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act to the extent necessary to permit the deduction of a mortality and

expense risk charge with respect to certain group variable annuity contracts. (Rel. IC-17298 - Jan. 9)

#### TRAVELERS INSURANCE COMPANY

A notice has been issued giving interested persons until February 5 to request a hearing on an application filed by The Travelers Insurance Company (The Travelers), The Travelers Timed Growth Stock Account for Variable Annuities (Account TGS), The Travelers Timed Money Market Account for Variable Annuities (Account TMM), The Travelers Timed Aggressive Stock Account for Variable Annuities (Account TAS), The Travelers Timed Bond Account for Variable Annuities (Account TB) (Accounts TGS, TMM, TAS, and TB collectively, the Timed Accounts), Travelers Equities Sales, Inc. (TESI), and H.C. Copeland Financial Services, Inc (Copeland) (TESI and Copeland together, the Timers) for an order (1) under to Section 6(c) of the Investment Company Act of 1940, granting exemptions from Section 26(a)(2) and 27(c)(2) of the Act in connection with the proposed method of deducting fees for certain market timing services provided by the Timers or certain other unaffiliated market timers, and (2) under Section 17(d) of the Act and Rule 17d-1, to the extent necessary to permit the Timed Accounts to enter into agreements with The Travelers which will provide that The Travelers will deduct the market timing fees from the Timed Accounts which are, in turn, paid by The Travelers to the Timers. (Rel. IC-17299 - Jan. 9)

#### INTERSTATE CAPITAL GROWTH FUND, INC.

A notice has been issued giving interested persons until February 5 to request a hearing on an application filed by Interstate Capital Growth Fund, Inc. (formerly the GSC Performance Fund, Inc.) for an order of the Commission pursuant to Section 8(f) of the 1940 Act declaring that it has ceased to be an investment company. (Rel. IC-17300 - Jan 10)

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### HOLDING COMPANY ACT RELEASES

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#### OLS ENERGY-CHINO

A notice has been issued giving interested persons until January 29 to request a hearing on a proposal by OLS Energy-Chino, OLS Energy-Berkeley and OLS Energy-Camarillo, indirect subsidiaries of General Public Utilities Company, to amend their respective revolving credit agreements to: (a) increase permissible borrowing amounts from \$1 million to \$1.25 million outstanding at any one time, (b) reduce the annual interest rate on outstanding amounts from 5 percent to 3 percent above a prime rate reference and (c) extend the time during which they may borrow to December 31, 1990. (Rel. 35-25019 - Jan. 5)

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### LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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#### WITHDRAWALS SOUGHT

Notices have been issued giving interested persons until January 29, 1990, to comment on the application of the following companies to withdraw its common stock from listing and registration on the American Stock Exchange: Arctic Alaska Fisheries Corporation, \$.01 Par Value, (Rel. 34-27592); Superior Industries International, Inc.,

\$0.50 Par Value, (Rel. 34-27593); and Templeton Emerging Markets Fund, Inc., \$0.01 Par Value. (Rel. 34-27594)

## 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.

- N-1A CENTENNIAL CONNECTICUT TAX EXEMPT TRUST, 3410 S GALENA ST. DENVER, CO 80231  
(303) 671-3200 - INDEFINITE SHARES. (FILE 33-32802 - DEC. 29) (BR. 20 - NEW ISSUE)
- S-6 SEARS TAX EXEMPT INVESTMENT TRUST LONG TERM MUN PORT SER 96,  
599 LEXINGTON AVE 29TH FLOOR, C/O ORRICK HERRINGTON & SUTCLIFFE, NEW YORK, NY 10022  
(FILE 33-32860 - JAN. 03) (BR. 22 - NEW ISSUE)
- S-6 NUVEEN TAX EXEMPT UNIT TRUST SERIES 537 (FILE 33-32861 - JAN. 03) (BR. 22  
- NEW ISSUE)
- S-18 EAGLE RESEARCH INC, 3800 MONROE AVENUE, PITTSFORD, NY 14534 (716) 383-6000 -  
4,000,000 (\$2,000,000) COMMON STOCK. 4,000,000 (\$3,000,000) COMMON STOCK. (FILE  
33-32661-NY - DEC. 22) (BR. 5 - NEW ISSUE)
- S-4 FIRST EASTERN CORP /PA/, FIRST EASTERN PLZ, PUBLIC SQ, WILKES BARRE, PA 18768  
(717) 821-4420 - 357,500 (\$9,736,990) COMMON STOCK. (FILE 33-32766 - JAN. 03) (BR. 1)
- S-8 HYCOR BIOMEDICAL INC /DE/, 7272 CHAPMAN AVE, GARDEN GROVE, CA 92641 (714) 895-9558  
- 200,000 (\$988,000) COMMON STOCK. (FILE 33-32767 - JAN. 03) (BR. 4)
- F-3 KYOCERA CORP, 5-22 KITAINOUE CHO HIGASHINO, C/O MR KANJA STOCK DEPARTMENT,  
YAMASHINA KU KYOTO JAPAN, MO 00000 (075) 592-3851 - 2,729,954 (\$101,718,086)  
FOREIGN COMMON STOCK. (FILE 33-32798 - DEC. 29) (BR. 3)
- S-1 GWINNETT BANCSHARES INC, 750 PERRY STREET, LAWRENCEVILLE, GA 30245 (404) 995-6000 -  
2,512,750 (\$25,127,500) COMMON STOCK. (FILE 33-32799 - DEC. 29) (BR. 1 - NEW ISSUE)
- S-1 SOLITEC INC, 1715 WYATT DR, SANTA CLARA, CA 95054 (408) 980-1355 - 2,344,780  
(\$4,759,903) COMMON STOCK. 27,750 (\$69,375) COMMON STOCK. (FILE 33-32800 - DEC. 29)  
(BR. 9)
- S-18 BID MATEC CORPORATION, 4100 E MISSISSIPPI AVE, STE 300, DENVER, CO 80111  
(303) 753-6165 - 150,000 (\$900,000) COMMON STOCK. 150,000 (\$180,000) COMMON STOCK.  
150,000 (\$262,500) COMMON STOCK. 150,000 (\$450,000) COMMON STOCK. (FILE 33-32801 -  
DEC. 29) (BR. 4)
- S-1 NYCOM INFORMATION SERVICES INC, FIVE HIGH RIDGE PARK, STAMFORD, CT 06905  
(203) 322-7300 - 378,716 (\$643,817.20) COMMON STOCK. (FILE 33-32803 - DEC. 29)  
(BR. 7)
- S-8 ZILA INC, 777 E THOMAS RD STE 130, PHOENIX, AZ 85014 (602) 957-7887 - 100,000  
(\$131,250) COMMON STOCK. (FILE 33-32805 - DEC. 29) (BR. 4)
- S-8 XSIRIUS SCIENTIFIC INC, 4640 ADMIRALTY WAY STE 214, MARINA DEL RAY, CA 90292  
(213) 578-6655 - 100,000 (\$1,775,000) COMMON STOCK. 79,000 (\$1,098,890) COMMON STOCK.  
21,000 (\$372,750) COMMON STOCK. (FILE 33-32806 - DEC. 29) (BR. 8)
- S-8 FABRI CENTERS OF AMERICA INC, 23550 COMMERCE PARK RD, BEACHWOOD, OH 44122  
(216) 464-2500 - 5,000,000 (\$3,750,000) OTHER SECURITIES INCLUDING VOTING TRUST.  
250,000 COMMON STOCK. (FILE 33-32809 - JAN. 03) (BR. 1)
- S-8 HICKAM DOW B INC, 10410 CORPORATE DR, SUGAR LAND, TX 77478 (713) 240-1000 - 250,000  
(\$2,625,000) COMMON STOCK. (FILE 33-32833 - DEC. 29) (BR. 4)
- S-2 HELM RESOURCES INC/DE/, 66 FIELD POINT RD, GREENWICH, CT 06830 (203) 629-1400 -  
3,931,250 (\$1,596,087.05) COMMON STOCK. (FILE 33-32834 - DEC. 29) (BR. 4)

## 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
GENEX CORP NEW ENTERPRISE ASSOC IV ET AL	PFD SER A 13D	12/26/89	9,747 81.9	37227520 0.0	NEW
GENEX CORP NEW ENTERPRISE ASSOC IV ET AL	PREF SER B 13D	12/26/89	286 24.2	37227530 0.0	NEW
H & O HEALTHCARE FD CAZENOVE CO ET AL	SH BEN INT 13D	10/30/89	584 10.5	40405210 0.0	NEW
HIMONT INC MONTEDISON S P A ET AL	COM 14D-1	1/ 4/90	52,527 81.0	43289910 80.5	UPDATE
NEWORLD BANCORP INC DEL FINDIM OVERSEAS	COM 13D	12/ 8/89	307 7.6	65171110 6.4	UPDATE
NUCORP INC BLUM RICHARD C & ASSOC ET AL	COM 13D	12/22/89	482 7.5	67035110 7.3	UPDATE
REALTY SOUTH INVS INC EASTGROUP PROPERTIES ET AL	COM 13D	1/ 3/90	N/A N/A	75612710 5.6	UPDATE
SMITH LABS INC CLARENDON GRP	COM 13D	12/28/89	0 0.0	83214010 3.1	UPDATE
SOVEREIGN BANCORP INC JAINDL FREDERICK JOHN	COM 13D	12/21/89	522 19.4	84590510 18.1	UPDATE
TRIDON CORP EBELING PAUL A	COM 13D	11/22/89	16,140 48.4	89591510 0.0	NEW
VIE DE FRANCE CORP VILGRAIN JEAN LOUIS ET AL	COM 13D	12/19/89	5,917 56.3	92660410 56.1	UPDATE
WESTERN PUBG GROUP INC GAMCO INVESTORS INC ET AL	COM 13D	1/ 2/90	4,939 24.7	95926310 23.6	UPDATE

## ACQUISITIONS CONT.

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NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS (000) / % OWNED	CUSIP / PRIORITY	FILING STATUS	DATE	EMAN
SCANDINAVIA INC VIK ERIK MARTIN	COM	13D	316 / 4.9	80590010 / 3.9	UPDATE		
SKYWEST INC DELTA AIR LINES INC	COM	13D	1,036 / 19.9	83087910 / N/A	UPDATE		
TODAY HOME ENTERTAINMENT INC INTL MOVIE GRP	COM	13D	2,012 / 37.9	88889510 / 46.1	UPDATE		
TRILLING MED TECHNOLOGIES DAVIS J MORTON ET AL	COM	13D	7,627 / 23.7	89590510 / 21.5	UPDATE		
UNITED MERCHANTS & MFRS INC JESSELSON LUDWIG ET AL	COM	13D	1,016 / 11.2	91085810 / 0.0	NEW		
VERMONT AMERN CORP EMERSON ELEC ET AL	CL A	14D-1	9,814 / 100.0	92413810 / 86.2	UPDATE	1/ 5/90	
VERMONT AMERN CORP EMERSON ELEC ET AL	CL A	14D-1	9,814 / 100.0	92413810 / 86.2	UPDATE	1/ 5/90	
WARWICK INS MGRS INC SMITH PHILD ET AL	COM NEW	13D	3 / 0.1	93658640 / 6.2	UPDATE	12/21/89	
WESTERN CO NORTH AMER STOREBRAND A S ET AL	COM PAR \$0.10	13D	1,086 / 8.7	95804340 / 0.0	NEW	12/29/89	
WORLCO DATA SYS INC GRUMMAN HILL INVESTMENTS ET AL	COM	13D	1,919 / 40.3	98141110 / 37.9	UPDATE	11/27/89	
KULICKE & SOFFA INDS INC FMR CORP	COM	13D	873 / 11.3	50124210 / 10.0	UPDATE	12/21/89	
LUKENS INC DEL HUSTON FOUNDATION	COM	13D	550 / 6.7	54986610 / 8.0	UPDATE	12/15/89	
MARKEL CORP SMITH PHILD ET AL	COM	13D	238 / 4.6	57053510 / 5.8	UPDATE	12/21/89	
MYERS L E GROUP CO BRENNAN CHARLES M III ET AL	UNPAIRED CTF	13D	637 / 26.7	62845610 / 7.0	UPDATE	1/ 4/90	
NESB CORP OKAY EDWARD J ET AL	COM	13D	540 / 7.0	62891410 / 0.0	NEW	12/26/89	
NETWORD INC POWER JOHN C ET AL	COM NEW	13D	28 / 5.2	64120520 / 0.0	NEW	12/27/89	
NEW YORK BANCORP INC AUSTIN VALER ET AL	COM	13D	263 / 7.6	64938910 / 5.6	UPDATE	1/ 2/90	
NORTHEASTERN DRUG CO OLSON KENT F	COM CL A	13D	8 / 5.3	66810099 / 0.0	NEW	12/29/89	
ORBIT INSTR CORP REISSMAN MAX	COM	13D	1,358 / 14.3	68555910 / 14.0	UPDATE	12/21/89	

## ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS (000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
PASCALL GRP KORNBERG ELLIOT	COM 13D	12/29/89	5,000 7.9	70247730 0.0	NEW
PEOPLES HERITAGE FINL GROUP HARRIS ASSOCIATES INC	COM 13D	12/28/89	668 7.9	71114710 9.2	UPDATE
PHLCORP INC PA LEUCADIA NATIONAL CORP ET AL	COM 13D	12/29/89	8,936 66.1	71879910 63.4	UPDATE
PITWAY CORP PITWAY CORP ET AL	COM 13D	12/28/89	0 0.0	72578610 50.3	UPDATE
POP RADIO CORP HERITAGE MEDIA CORP	COM 13D	1/ 4/90	2,046 62.3	73281710 60.2	UPDATE
PORTAGE INDS CORP DEL SELF MADISON ALLEN	COM 13D	1/ 5/90	243 11.1	73575510 8.5	UPDATE
REPUBLIC RES CORP FIRST FINL ENVIRON INV ET AL	COM PAR \$0.10 13D	12/28/89	1,141 64.5	76075120 0.0	NEW
SCANDINAVIA INC VBI CORP	COM 13D	12/22/89	3,177 49.5	80590010 49.6	UPDATE
COSTCO WHSL CORP CARREFOUR NEDERLAND B V	COM 13D	12/28/89	6,673 19.6	22160710 17.7	UPDATE
ELJER INDS INC GAMCO INVESTORS INC ET AL	COM 13D	1/ 4/90	700 9.9	28716110 12.7	UPDATE
EPSILON DATA MGMT BARKER OFFICE SVCS	COM 13D	12/22/89	0 0.0	29437010 5.9	UPDATE
EPSILON DATA MGMT BURDEN WILLIAM A M & CO ET AL	COM 13D	12/22/89	0 0.0	29437010 5.9	UPDATE
FLARE INC MACY LAMBERT M ET AL	COM 13D	11/ 3/89	11,158 77.9	33852010 0.0	NEW
FLARE INC MANHART PETER A ET AL	COM 13D	11/ 3/89	0 0.0	33852010 N/A	UPDATE
FORTUNE 44 CO RANZINI JOSEPH L	CL A 13D	12/31/89	9,035 82.1	34999010 82.1	UPDATE
GOLD KING CONSOLIDATED MESSARA FREDERICK ET AL	COM PAR \$0.10 13D	7/ 1/87	2,579 8.5	38060910 5.9	UPDATE
GREAT AMERICAN COMMUNICATION AMERICAN FINANCIAL CORP ET AL	COM 13D	1/ 4/90	24,877 71.0	38990610 69.7	UPDATE
HADRON INC INFOTECHNOLOGY ET AL	COM 13D	12/27/89	2,553 11.7	40500910 6.7	UPDATE
HEALTHDYNE INC FMR CORP	COM 13D	12/21/89	1,261 8.2	42220310 9.4	UPDATE
IPM TECHNOLOGY INC SK ACQUISITION INC	COM 13D	1/ 2/90	1,254 59.5	44982020 59.5	UPDATE