

# sec news digest

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September 12, 1990

U.S. SECURITIES AND  
EXCHANGE COMMISSION

## CIVIL PROCEEDINGS

### INJUNCTIVE ACTION AGAINST RAJIV MEHTA AND JOHN HOXMEIER

The Denver Regional Office announced the filing of a complaint in the U.S. District Court for the District of Colorado on September 10 seeking permanent injunctions against Rajiv P. Mehta and John A. Hoxmeier of Fort Collins, Colorado. Mehta and Hoxmeier were the president and vice-president, respectively, of 3CI, Incorporated, formerly a Fort Collins computer software company.

The complaint alleges that Mehta and Hoxmeier violated the antifraud and reporting provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 by causing 3CI to prematurely recognize revenue or to recognize revenue on non-existent transactions. The fraudulently recorded revenue resulted in the inclusion of materially misleading financial statements in eleven of 3CI's periodic reports, and in a registration statement filed in connection with 3CI's March 1987 public offering. 3CI raised \$8,700,000 in the offering. Mehta and Hoxmeier also sold personally owned 3CI stock in this offering, for which they received proceeds of \$1,210,000 and \$340,000, respectively. In addition to the permanent injunctions, the complaint seeks disgorgement of the proceeds Mehta and Hoxmeier received from the sale of their stock. [SEC v. Rajiv P. Mehta and John A. Hoxmeier, USDC D. Colorado, Civil Action No. 90-1596] (LR-12609)

### CHARGES AGAINST MAXWELL HUFFMAN, JR. AND OTHERS

The Fort Worth Regional Office announced on September 10 the filing of a civil action in Dallas federal court against four individuals and 22 corporations, charging a "Ponzi" type fraud in the sale of \$6.7 million of promissory notes and other securities to 172 persons residing primarily in the Dallas-Fort Worth area. The Commission alleges that, from 1986 to the present, the defendants have misused and misappropriated investor funds and seeks appointment by the Court of a receiver to preserve remaining assets.

Among the defendants charged were Maxwell Huffman, Jr., James Henry, John Forsberg, and James Stewart, all Dallas-Fort Worth area residents, and Secured Finance Corporations and the Friendly Car Auto World, all headquartered in Plano, Texas. In addition to a receiver, the Commission seeks permanent injunctions and disgorgement of unlawful gains, including interest thereon, against all defendants. [SEC v. Maxwell C. Huffman, Jr., et al., U.S.D.C. NC/TX (Dallas Division), Civil Action No. 3-90-2036-H] (LR-12610)

## BELFORD PERMANENTLY ENJOINED

The Chicago Regional Office announced that, on August 13, the U.S. District Court for the Southern District of Indiana entered an Order of Permanent Injunction against Arthur L. Belford, the former president and Chief Executive officer of Circle Express, Inc., a publicly-held trucking company with securities registered with the Commission. The Order was entered pursuant to a consent and stipulation in which Belford neither admitted nor denied the allegations contained in the Commission's Complaint.

The Order enjoins Belford from directly violating the antifraud provisions, and aiding and abetting the filing and books and records-keeping provisions of the federal securities laws.

The Commission's Complaint filed on July 16, 1990, alleged that from approximately January of 1987 to July of 1988, Belford, among other things, overstated and caused Circle to overstate its earnings, income and assets, understated and caused Circle to understate its liabilities and expenses, and failed and caused Circle to fail to disclose numerous related-party transactions. [SEC v. Circle Express, Inc., Civil Action No. IP 90 1593C, filed July 16, 1990] (LR-12611)

## REDDINGTON INVESTMENTS SUED

The Fort Worth Regional Office filed a civil injunctive action on August 31 in the U.S. District Court for the Western District of Texas, El Paso Division, against Reddington Investments, Inc., Reddington Group, Inc., Reddington Securities, Inc. (Reddington Securities), Bradley A. Near and K. Alan Russell. The complaint charges each of the defendants with violations of the antifraud provisions of the federal securities laws. The complaint seeks permanent injunctions enjoining the defendants from further violations of the federal securities laws.

According to the complaint, the defendants were in the business of syndicating real estate limited partnerships which they marketed through Reddington Securities, an in-house broker-dealer. The complaint alleges that between October, 1984 and May, 1986, the defendants fraudulently sold an estimated \$26 million in limited partnership interests to 610 investors. Offering documents used to sell the interests falsely stated that funds invested would be used only for the specific limited partnership for which the funds were raised, when, instead, funds were commingled and used for other purposes. In this manner, more than \$6 million of the \$26 million raised during this period was misused. [SEC v. Reddington Investments, Inc., et al., USDC/WDTX (El Paso Division) Civil Action No. EP-909-CA358H] (LR-12613)

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## CRIMINAL PROCEEDINGS

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### CHARLES H. HOWARD, III INDICTED

The Boston Regional Office announced that, on September 6, a Federal Grand Jury indicted a former Director and First Vice President of Thomson McKinnon Securities, Inc., Charles H. Howard, III (Howard), of Bedford, New Hampshire. Howard was charged with three counts of conspiracy to obstruct an SEC investigation, obstructing an SEC investigation and perjury in connection with the SEC's 1987 investigation of alleged insider trading in connection with the public announcement that Suffield Savings Bank of Suffield, CT, and Coastal Savings Bank of Portland, ME, planned to merge. If

convicted of all charges in the Indictment, Howard faces a maximum penalty of 15 years in prison and a \$750,000 fine.

The case was investigated by the Boston Regional Office of the Securities and Exchange Commission, the Market Surveillance Unit of the National Association of Securities Dealers, the U.S. Postal Inspection Service and the Economic Crimes Division of the U.S. Attorney's office. [U.S. v. Charles H. Howard, III, CR-90-102275S (D.Mass)] (LR-12612)

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#### INVESTMENT COMPANY ACT RELEASES

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##### FG SERIES, INC.

A notice has been issued giving interested persons until October 9 to request a hearing on an application filed by FG Series, Inc. for an order under Section 8(f) of the Investment Company Act declaring that it has ceased to be an investment company. (Rel. IC-17734 - September 10)

##### DREYFUS CORPORATE CASH TRUST

An order has been issued under Section 8(f) of the Investment Company Act declaring that Dreyfus Corporate Cash Trust has ceased to be an investment company. (Rel. IC-17735 - September 11)

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#### HOLDING COMPANY ACT RELEASES

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##### GENERAL PUBLIC UTILITIES

An order has been issued authorizing General Public Utilities Corporation (GPU), a registered holding company, and its wholly owned subsidiary company, GPU Nuclear Corporation (GPU Nuclear), to provide radiological decontamination and asbestos removal services at the Idaho Falls Naval Reactor Facility and at the Knolls Atomic Power Laboratory. GPU Nuclear has been authorized to form and capitalize a new subsidiary (NewCo) to carry out these services and NewCo has been authorized to finance such activities through short term loans from banks or GPU not to exceed an aggregate of \$1 million outstanding at any one time, through December 31, 1992. (Rel. 35-25142)

##### NATIONAL FUEL GAS COMPANY

A supplemental order has been issued authorizing a proposal by National Fuel Gas Company (National), a registered holding company, and its subsidiary, Enerop Corporation (Enerop), whereby Enerop will acquire 143,000 shares of common stock for \$357,500 and 39,500 shares of preferred stock for \$158,000 of Metscan, Inc. (Metscan), a nonassociate company which develops and markets certain gas meter reading technology. (Rel. 35-25143)

#### ENTERGY CORPORATION

An order has been issued authorizing a proposal by Entergy Corporation (Entergy), a registered holding company, and its subsidiary companies, Arkansas Power & Light Company, Louisiana Power & Light Company and System Energy Resources, Inc. (Operating Subsidiaries), and Entergy Operations, Inc. (EOI), whereby Entergy will enter into separate Guarantee Agreements with each of the Operating Subsidiaries to guarantee the financial ability of EOI to meet its various obligations under certain nuclear power plant Operating Agreements. (Rel. 35-25144)

#### INDIANA MICHIGAN POWER COMPANY

An order has been issued authorizing Indiana Michigan Power Company, an electric public-utility subsidiary company of American Electric Power Company, Inc., a registered holding company, to sell certain electric power and other assets to Wabash Valley Power Association, Inc. for \$1,370,075. (Rel. 35-25145)

#### APPALACHIAN POWER COMPANY

An order has been issued authorizing Appalachian Power Company (APCo), an electric public-utility subsidiary company of American Electric Power Company, Inc., to make an \$800,000 cash capital contribution to its wholly owned subsidiary, Central Appalachian Coal Company. (Rel. 35-25146)

#### EASTERN UTILITIES ASSOCIATES

A notice has been issued giving interested persons until October 1 to request a hearing on a proposal by Eastern Utilities Associates (EUA), a registered holding company, to issue and sell, or in the case of shares purchased on the open market, to purchase and sell, the 139,664 shares of common stock remaining of the 3.8 million shares previously authorized to be issued and sold through December 31, 1990, pursuant to EUA's Dividend Reinvestment and Common Share Purchase Plan (Plan), and to issue and sell up to an additional 1 million shares of common stock under the Plan, from time to time, through December 31, 1992, under an exception from competitive bidding. (Rel. 35-25147)

#### CONSOLIDATED NATURAL GAS COMPANY

A notice has been issued giving interested persons until October 1 to request a hearing on a proposal by Consolidated Natural Gas Company (Consolidated), a registered holding company, to purchase through December 31, 1993, on the open market up to a maximum aggregate amount of the previously authorized 2,423,200 shares of its outstanding common stock, par value \$2.75, and to reissue from time to time the purchased shares of common stock held as treasury stock to Consolidated's employee benefit plans. (Rel. 35-25147)

#### AMERICAN ELECTRIC POWER COMPANY

A notice has been issued giving interested persons until October 1 to request a hearing on a proposal by Columbus Southern Power Company (CSPC), an electric public-utility subsidiary company of American Electric Power Company, Inc., a registered holding company, and its wholly owned subsidiary company, Simco Inc. (Simco), to reduce the par value and stated capital of Simco's common shares and to return excess capital to CSPC through a declaration of dividends in an aggregate maximum amount of \$4.5 million out of paid-in surplus. (Rel. 35-25147)

## MONONGAHELA POWER COMPANY

An order has been issued authorizing Monongahela Power Company, an electric public-utility subsidiary of Allegheny Power System, Inc., a registered holding company, to issue and sell through September 30, 1992, short-term notes and commercial paper in an aggregate principal amount not exceeding \$64 million outstanding at any one time. (Rel. 35-25148)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING PRIVILEGES SOUGHT

Notices have been issued giving interested persons until October 1 to comment on applications filed by the following exchanges for unlisted trading privileges for issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system: Midwest Stock Exchange - 4 issues (Rel. 34-28420); and Cincinnati Stock Exchange - 23 issues (Rel. 34-28422).

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## SECURITIES ACT REGISTRATIONS

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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 CHANCELLOR FUNDS INC, 275 COMMERCE DR, FORT WASHINGTON, PA 19034 (215) 643-2510 - INDEFINITE SHARES. UNDERWRITER: USF&G INVESTMENT SERVICES INC. (FILE 33-36661 - AUG. 31) (BR. 17 - NEW ISSUE)
- N-1A USF&G TAX EXEMPT MONEY MARKET FUNDS INC, 275 COMMERCE DR, FORT WASHINGTON, PA 19034 (215) 643-2510 - INDEFINITE SHARES. UNDERWRITER: USF&G INVESTMENT SERVICES INC. (FILE 33-36662 - AUG. 31) (BR. 17 - NEW ISSUE)
- F-6 TCA HOLDINGS INC, 1675 BROADWAY STE 1480, C/O CORPORATE STOCK TRANSFER INC, DENVER, CO 80202 (303) 595-3300 - 14,827,722 (\$7,413,861) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-36678 - AUG. 29) (BR. 99 - NEW ISSUE)
- S-3 BLOCKBUSTER ENTERTAINMENT CORP, 901 E LAS OLAS BLVD, FT LAUDERDALE, FL 33301 (305) 524-8200 - 270,000 (\$1,826,254) COMMON STOCK. (FILE 33-36682 - SEP. 04) (BR. 11)
- S-1 BI INC, 6175 LONGBOW DR, BOULDER, CO 80301 (303) 530-2911 - 1,150,000 (\$12,075,000) COMMON STOCK. (FILE 33-36683 - SEP. 04) (BR. 7)
- S-1 JCP RECEIVABLES INC, 2700 W PLANO PKWY, PLANO, TX 75075 (214) 881-6916 - 1,000,000 (\$1,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-36684 - SEP. 05) (BR. 12)
- F-6 BBC BROWN BOVERI LTD/ADR/, 111 WALL ST, C/O CITIBANK NA, NEW YORK, NY 10043 (212) 657-7691 - 20,000,000 (\$1,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-36687 - SEP. 05) (BR. 99 - NEW ISSUE)
- S-1 GRANADA BIOSCIENCES INC, 10900 RICHMOND AVE, PO BOX 42298, HOUSTON, TX 77042 (713) 977-7000 - 4,025,000 (\$40,250,000) PREFERRED STOCK. (FILE 33-36689 - SEP. 05) (BR. 3)

REGISTRATIONS CONT.

- S-8 HUDSON FOODS INC, 1225 HUDSON RD, ROGERS, AR 72756 (501) 636-1100 - 1,000,000  
(\$7,812,500) COMMON STOCK. (FILE 33-36690 - SEP. 05) (BR. 3)
- S-1 NUCORP INC / DE/, TWO NORTH RIVERSIDE PLZ, CHICAGO, IL 60606 (312) 454-0100 -  
169,909 (\$877,000) COMMON STOCK. (FILE 33-36691 - SEP. 05) (BR. 12)
- S-8 RAINBOW TECHNOLOGIES INC, 9292 JERONIMO, IRVINE, CA 92718 (714) 454-2100 - 322,318  
(\$2,900,862) COMMON STOCK. 178,800 (\$899,720) COMMON STOCK. 477,088 (\$2,516,668)  
COMMON STOCK. (FILE 33-36692 - SEP. 05) (BR. 10)
- S-8 SUNRISE TECHNOLOGIES INC, 1285 HAMMERWOOD AVE, SUNNYVALE, CA 94089 (408) 747-1690 -  
706,300 (\$1,017,072) COMMON STOCK. 343,700 (\$1,299,186) COMMON STOCK. (FILE 33-36693  
- SEP. 05) (BR. 8)
- S-8 UTILICORP UNITED INC, 2000 COMMERCE TOWER 911 MAIN, KANSAS CITY, MO 64105  
(816) 421-6600 - 250,000 (\$4,625,000) COMMON STOCK. (FILE 33-36694 - SEP. 05) (BR. 8)
- S-8 BOSTON TECHNOLOGY INC, ONE KENDALL SQUARE BLDG 300, CAMBRIDGE, MA 02139  
(617) 225-0500 - 150,000 (\$562,500) COMMON STOCK. (FILE 33-36695 - SEP. 05) (BR. 7)
- N-1A FAHNESTOCK FUNDS, 110 WALL STREET, NEW YORK, NY 10005 (212) 668-8000 -  
INDEFINITE SHARES. (FILE 33-36697 - SEP. 04) (BR. 16 - NEW ISSUE)

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
CENTRAL COAL & COKE CORP	COM		13	15314110	
FIRST CITY TEXAS, TRUSTEE	13D	8/27/90	3.6	0.0	NEW
CONGRESS STR PPTYS INC	COM		68	20726010	
WALKER WILLIAM E JR	13D	8/26/90	6.3	0.0	NEW
EVEREST JENNINGS INTL DEL	CL A		4,093		
INDUSTRIAL EQUITY LTD ET AL	13D	9/ 5/90	60.3	59.9	UPDATE
GENETICS INST INC	COM		500	37185510	
BAXTER INTL INC	13D	9/ 7/90	3.5	7.2	UPDATE
HARLEY DAVIDSON INC	COM		873	41282210	
FIDELITY INTL LTD	13D	9/ 5/90	4.9	5.2	UPDATE
HARLEY DAVIDSON INC	COM		873	41282210	
FIDELITY INTL LTD	13D	9/ 5/90	4.9	5.2	RVISION

ACQUISITIONS CONT.

HARLEY DAVIDSON INC FMR CORP	COM	13D	9/ 4/90	873 4.9	41282210 5.2	UPDATE
HARLEY DAVIDSON INC FMR CORP	COM	13D	9/ 4/90	873 4.9	41282210 5.2	UPDATE
HARRELL INTL CLOVER INC	COM CL A	13D	8/28/90	218 99.9	41364898 0.0	NEW
HARRELL INTL INC CLOVER INC	COM	13D	8/28/90	1,088 57.1	41364899 11.6	UPDATE
LA TEKO RES LTD GATEWAY MINING CO	COM	13D	8/ 1/90	1,510 14.3	50512810 7.6	UPDATE
NU MED INC HPB ASSOC L P ET AL	COM NEW	13D	9/ 6/90	875 9.8	67090320 6.4	UPDATE
PHM CORP PULTE JOAN	COM	13D	8/29/90	2,147 9.1	69399710 0.0	NEW
PHM CORP PULTE WILLIAM J	COM	13D	8/29/90	3,765 16.0	69399710 0.0	NEW
PROSPECT GROUP INC WACHENHEIM EDGAR III ET AL	STAPLD COM ILL	13D	9/ 5/90	1,494 6.7	74291840 0.0	NEW
QUME CORP LEE DAVID S	COM	13D	9/ 7/90	1,720 15.4	74906010 15.4	UPDATE
QUME CORP WANG THERESA C ET AL	COM	13D	9/ 7/90	163 1.5	74906010 1.4	UPDATE
REPUBLIC WASTE INDS BOYAS EXCAVATING INC	COM	13D	6/29/90	1,304 18.9	76093410 0.0	NEW
SAGE DRILLING INC BANDLER LIONEL C ET AL	COM	13D	8/ 6/90	22 2.8	78662710 12.5	UPDATE
SEVEN J STOCK FARM INC FIRST CITY TEXAS, TRUSTEE	COM	13D	8/27/90	63 4.4	81785110 0.0	NEW
SUNWARD TECH ASSET MGMT ASSOC	COM	13D	8/31/90	850 6.3	86789099 0.0	NEW
SUNWARD TECH SHEA J F CO INC	COM	13D	8/31/90	1,027 3.0	86789099 0.0	NEW
UTL CORP ARGOSYSTEMS INC ET AL	COM	14D-1	9/10/90	3,837 90.8	90339010 0.0	UPDATE
XIOX CORP SHEA EDMUND H JR	COM	13D	8/10/90	55 5.3	98390510 0.0	NEW

## RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Room (when ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
ACQUISITION INDUSTRIES INC /CO/	CO				X			X		08/16/90	
ACTION PRODUCTS INTERNATIONAL INC	FL				X					08/13/90	
ACTION PRODUCTS INTERNATIONAL INC	FL				X			X		08/13/90	AMEND
ADVANCED MONITORING SYSTEMS INC	CO	X								09/07/90	
AERIAL ACQUISITION INC	DE	X	X					X		08/24/90	
AJAY SPORTS INC	DE				X					08/23/90	
ALCO STANDARD CORP	OH				X					08/30/90	
ALLIANCE BANCORPORATION /AK/	AK				X					09/07/90	
AMERICAN HOUSING TRUST III /NY/	NY				X					08/27/90	
AMERICAN HOUSING TRUST V	NY				X					08/27/90	
AMERICAN HOUSING TRUST VII					X			X		08/30/90	
ANALYTICAL SURVEYS INC	CO				X	X				09/07/90	
ANTONOVICH INC	DE				X			X		09/06/90	
ARKLA INC	DE				X			X		09/06/90	
ATRIX LABORATORIES INC	DE				X			X		09/05/90	
BENTON OIL & GAS CO	DE							X		08/02/90	AMEND
BLOCKBUSTER ENTERTAINMENT CORP	DE				X			X		08/31/90	
BOW VALLEY INDUSTRIES LTD /NEW/					X			X		09/05/90	
BRENNER INTERNATIONAL INC	DE				X					09/07/90	
CALMAT CO	DE				X			X		09/04/90	
CARDIAC CONTROL SYSTEMS INC	DE							X		08/01/90	AMEND
CCR INC	UT							X		08/20/90	
CENCOR INC	DE				X					08/31/90	
CHESTER COUNTY BANCSHARES INC	PA				X			X		09/05/90	
CHILD WORLD INC	MA	X						X		08/24/90	
CITADEL HOLDING CORP	DE				X			X		08/24/90	
CITICORP NATIONAL SERVICES INC CONSUM AU	DE				X			X		09/07/90	
CITICORP NATIONAL SERVICES INC CONSUM AU	DE				X			X		09/07/90	
CML GROUP INC	DE		X							08/24/90	
COM SYSTEMS INC	CA		X					X		08/24/90	
CONCORD MILESTONE PLUS L P	DE				X					09/06/90	
CONSOLIDATED ENERGY SYSTEMS INC /CA/	CA		X							09/07/90	
CONTINENTAL MATERIALS CORP	DE				X					08/17/90	
CRESTWOOD REALTY INVESTORS INC/DE	DE				X					09/06/90	
CSX CORP	VA				X			X		06/13/90	
DANIELSON HOLDING CORP	CA				NO ITEMS					09/04/90	AMEND
DATAFLEX CORP	NJ	X						X		08/27/90	
DELTA RENTAL SYSTEMS INC	UT							X		09/04/90	