

# sec news digest

Issue 92-139

July 20, 1992

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## ADMINISTRATIVE PROCEEDINGS

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### PAUL MIANO BARRED

The Commission instituted public administrative proceedings pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 (Exchange Act) against Paul Miano (Miano), formerly the head trader at J.T. Moran & Company in New York City. Miano submitted an Offer of Settlement consenting to the entry of an Order which contains findings that, without admitting or denying the allegations of the Commission's complaint, on July 6, 1992, Miano was permanently enjoined by final judgment of the U.S. District Court for the Southern District of New York, in the action SEC v. Henry Lorin, et al., Civil Action Number 90 Civ. 7461, (PL), from violating the antifraud provisions of the Securities Act of 1933 and the Exchange Act and the books and records provisions of the Exchange Act. The Order permanently bars Miano from association with any, or from acting as a, broker, dealer, investment adviser, investment company or municipal securities dealer. (Rel. 34-30915)

### ACCOUNTANT BARRED

The Commission instituted public proceedings pursuant to Rule 2(e) of the Commission's Rules of Practice and issued an order making findings and imposing sanctions against Leroy P. Studer, a certified public accountant officed in Newport Beach, California. The Commission's Order finds that Studer was permanently enjoined by the U.S. District Court for the Western District of Arkansas from aiding and abetting violations of the reporting provisions of the Securities Exchange Act of 1934. The Order finds that the complaint filed in the civil action alleged that Studer executed unqualified audit opinions on the financial statements of Gemini Energy Corporation, a Section 12(g) reporting company, falsely stating that the a financial statements had been prepared in accordance with Generally Accepted Accounting Principles and that his audits had been performed in accordance with Generally Accepted Auditing Standards.

The Commission determined to accept Studer's Offer of Settlement in which he agreed to be denied the privilege of appearing and practicing before the Commission as an accountant, with the right to apply for reinstatement after three years upon meeting certain professional association requirements. (Rel. 34-30916)

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U.S. SECURITIES AND EXCHANGE COMMISSION

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## CRIMINAL PROCEEDINGS

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### JOAN KANTOR PLEADS GUILTY

The Commission and the U.S. Attorney for the Central District of California announced that Joan Kantor (Kantor), the president of FSG Financial Services, Inc. (FSG), pleaded guilty on May 11, 1992 to a three-count Information charging her with securities fraud and filing a false tax return in connection with her role in a scheme involving the sale of bogus municipal bonds. The Information charged that Kantor engaged in the sale of securities, through FSG, fraudulently represented to be tax-free municipal bonds, in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

Kantor is the second person to plead guilty to securities fraud in connection with this scheme. In addition, the Commission filed an action in July 1991 against FSG and Kantor alleging fraud in connection with the sale of securities misrepresented to be municipal bonds. The Court entered a preliminary injunction against the defendants, appointed a temporary receiver and ordered other relief. [SEC v. FSG Financial Services, Inc. and Joan S. Kantor (Civil Action No. 91-3960 JMI, JRx, C.D. Cal.) (LR-13299)]

### WESTLEY SCHER SENTENCED

The Commission and the U.S. Attorney for the Central District of California announced that on May 22, 1992 Westley Scher (Scher) was sentenced to 71 months in prison and ordered to pay restitution of \$26,696,105.52 in connection with a scheme to defraud investors through the sale of bogus municipal bonds. On March 23, 1992, Scher pleaded guilty to a three-count Information charging him with racketeering, securities fraud and filing a false tax return for his role in the scheme involving the sale of securities misrepresented to be tax-free municipal bonds issued, backed or sanctioned by various governmental entities. Scher has agreed to cooperate with the U.S. Attorney's ongoing criminal investigation of this matter. [U.S. v. Westley Scher, Criminal Action No. 92-220, C.D. Cal.] (LR-13300)]

### CRIMINAL PROCEEDINGS AGAINST HERBERT LINDO, GARY LANGE AND RICHARD OSSERMAN

The U.S. Attorney for the Western District of Michigan announced that on June 4, 1992 Herbert Lindo of Brookville, New York; Gary W. Lange of Okemos, Michigan; and Richard A. Osserman of New York City, New York were indicted by a federal grand jury one count of conspiracy to sell unregistered securities and four counts of actual sale of unregistered securities. The indictment alleges that the three men used unregistered securities of Kenilworth Systems, Inc., a New York corporation, to borrow approximately \$250,000 from three banks in 1986. The indictment charges the securities were sold to the public in 1987 and 1988 to repay the loans and generate an additional \$100,000 in violation of the Securities Act of 1933. The indictment further charges that the defendants made false statements to the SEC and others so as to appear to qualify for an exemption to the registration requirement. The Chicago Regional Office of the Securities and Exchange Commission participated in the investigation of the matter. [U.S. v. Herbert Lindo, Gary W. Lange and Richard A. Osserman, Case No. 92 Cr. 10, W.D. Mich., June 4, 1992] (LR-13317)]

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## INVESTMENT COMPANY ACT RELEASES

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### MERRILL LYNCH RETIREMENT/INCOME FUND, INC.

A notice has been issued giving interested persons until August 10, 1992 to request a hearing on an application filed by Merrill Lynch Retirement/Income Fund, Inc. for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-18850 - July 15)

### IDS LIFE INSURANCE COMPANY, et al.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting IDS Life Insurance Company and IDS Life Accounts F, IZ, JZ, G, H and N (Variable Accounts) from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the Act. The exemptions apply to the extent necessary to permit the deduction of a mortality and expense risk charge from the assets of the Variable Accounts under a group, unallocated fixed/variable annuity contract for qualified retirement plans. (Rel. IC-18851 - July 15)

### STATE MUTUAL LIFE ASSURANCE COMPANY OF AMERICA, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting State Mutual Life Assurance Company of America, State Mutual Separate Account I (Separate Account), and Allmerica Investments, Inc. from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the Act. The exemptions apply to the extent necessary to permit the deduction of a mortality and expense risk charge from the assets of the Separate Account under certain group combination fixed/variable annuity contracts. (Rel. IC-18852 - July 15)

### PRINCIPAL MUTUAL LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting Principal Mutual Life Insurance Company, Principal Mutual Life Insurance Company Separate Account B (Separate Account B) and Princor Financial Services Corporation from Sections 2(a)(35), 26(a)(2)(C), 27(a)(2)&(3) and 27(c)(2) of the Act. The exemptions apply to the extent necessary to permit the deduction of a premium based sales load with volume discounts under certain group variable annuity contracts and the separate payment of sales load expenses. The exemptions also apply to the extent necessary to permit the deduction of a mortality and expense risk charge from the assets of Separate Account B in connection with the group variable annuity contracts. (Rel. IC-18853 - July 15)

### BARCLAYS BANK PLC

A notice has been issued giving interested persons until August 11, 1992 to request a hearing on an application filed by Barclays Bank PLC (Barclays) for a conditional order under Section 6(c) of the Investment Company Act. The order would grant an exemption from section 17(f) of the Act to permit the maintenance of foreign securities and other assets of registered investment companies with Merck Finck & Co., a general partnership, of which Barclays is a general partner. (Rel. IC-18854; International Series Rel. 424 - July 17)

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## HOLDING COMPANY ACT RELEASES

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### ENTERGY CORPORATION, ET AL.

A supplemental order has been issued authorizing a proposal by Entergy Corporation (Entergy), a registered holding company, and its electric public-utility subsidiary company, Entergy Power, Inc. (EPI), whereby EPI will extend the borrowing period and shorten a related maturity period under an existing loan agreement between EPI and Entergy through June 30, 1995. In addition, authorized borrowings will be increased such that the aggregate amount outstanding at any one time will not exceed \$250 million. The Commission reserved jurisdiction over borrowing after June 30, 1994 through June 30, 1995. (Rel. 35-25583)

### LOUISIANA POWER & LIGHT COMPANY

A supplemental order has been issued authorizing a proposal by Louisiana Power & Light Company (LP&L), an electric public-utility subsidiary of Entergy Corporation, a registered holding company. LP&L proposes to issue and sell \$179 million principal amount of a new series of first mortgage bonds in a negotiated public offering. Jurisdiction will continue to be reserved over LP&L's proposal to issue and sell up to an additional \$115 million of preferred stock under an exception from competitive bidding. Jurisdiction will also continue to be reserved over LP&L's proposal to issue and sell up to \$321 million aggregate principal amount of first mortgage bonds under an exception from competitive bidding. In addition, jurisdiction will continue to be reserved over LP&L's proposal to arrange for the issuance of an irrevocable letter of credit and/or secure an insurance policy, either or both in favor of the trustee, for the payments of the principal of and/or premium on one or more series of tax-exempt bonds, which are to be issued and sold by the Parish of St. Charles, Louisiana in connection with the sale and repurchase of certain pollution control facilities. (Rel. 35-25584)

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## ACQUISITION OF SECURITIES

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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.

The following list is 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.

## ACQUISITIONS

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
CAS MEDICAL SYS INC SCHEPS LOUIS P	COM	13D 7/ 2/92	514 5.5	12476920 5.5	RVSION
C F BANCORP INC DAVIS JEROME H ET AL	COM	13D 7/ 1/92	53 5.9	12520110 0.0	NEW
CENTER BKS INC O'CONNOR FRANCIS R	COM	13D 7/13/92	89 9.6	15140910 9.1	UPDATE
FIRST FINL FD INC TIGER ET AL	COM	13D 7/15/92	2,711 28.7	32022810 28.9	UPDATE
GENERAL HOUSEWARES CORP GAMCO INVESTORS INC ET AL	COM	13D 7/ 7/92	172 5.4	37007310 0.0	NEW
HENLEY PPTYS INC WASTE MANAGEMENT ET AL	CL A	13D 6/11/92	3,068 15.3	42550510 0.0	NEW
HINSDALE FINL CORP DIERBURG FOUR LP	COM	13D 7/ 7/92	218 10.0	43341310 0.0	NEW
HOLOMETRIX INC STEWART EDWARD J III ET AL	COM	13D 7/ 6/92	4,233 30.9	43645010 0.0	NEW
LIFETIME CORP SINCLAIR MICHAEL J	COM NEW	13D 7/13/92	1,801 19.5	53191120 21.3	UPDATE
MARINE DRILLING CO INC WARBURG PINCUS & CO ET AL	COM	13D 6/19/92	2,507 13.3	56824010 11.1	UPDATE
MEASUREX CORP STATE OF WISCONSIN INVEST BD	COM	13D 6/26/92	950 5.2	58343210 6.3	UPDATE
NYCAL CORP GULF RESOURCES PACIFIC LTD	COM	13D 7/ 4/92	740 3.5	67066010 6.2	UPDATE
NYCOM INFORMATION SVCS INC FRIEDLI INVESTMENT SVCS LTD	COM NEW	13D 3/27/92	2,400 11.6	67066120 0.0	RVSION
RAPITECH SYS INC ROSENTHAL ARTHUR	COM	13D 6/18/92	724 9.5	75381010 8.2	UPDATE
SEATTLE FILMWORKS INC SIMMS ROBERT A	COM	13D 2/28/92	139 8.5	81257210 10.4	UPDATE
SOLITEC INC CF GROWTH INVTS LTD	COM	13D 7/ 9/92	177 9.4	83424520 15.5	UPDATE

ACQUISITIONS CONT.

<u>NAME AND CLASS OF STOCK/OWNER</u>	<u>FORM</u>	<u>EVENT DATE</u>	<u>SHRS(000)/ %OWNED</u>	<u>CUSIP/ PRIOR%</u>	<u>FILING STATUS</u>
U S PHYSICAL THERAPY INC ROBERTSON STEPHENS & CO	COM 13D	7/ 1/92	204 6.2	90499610 0.0	NEW
VLSI TECHNOLOGY INC INTEL CORP	COM 13D	7/ 8/92	7,500 23.8	91827010 0.0	NEW
ZENITH ELECTRS CORP NYCOR INC	COM 13D	7/13/92	2,072 7.1	98934910 7.5	UPDATE

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## RECENT 8K FILINGS

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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.
- Item 8. Change in Fiscal Year.

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		
ALABAMA POWER CO	AL					X	X			07/08/92	
NARRAGANSETT ELECTRIC CO	RI					X				07/01/92	
NEW ENGLAND ELECTRIC SYSTEM	MA					X				07/01/92	
NEW ENGLAND POWER CO	MA					X				07/01/92	
SAVANNAH ELECTRIC & POWER CO	GA					X	X			07/08/92	

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SEC PUBLIC INFORMATION NUMBERS

Members of the public seeking information and/or material from the Commission continue to complain of being incorrectly referred to the wrong telephone number by Commission staff. The following information is furnished to assist you in directly calling the appropriate office:

Consumer Affairs (202-272-7440): Investor inquiries and complaint processing information.

Freedom of Information Branch (202-272-7420): Requests concerning FOIA, Privacy Act, Sunshine Act, confidential treatment matters, etc.

Personnel Locator (202-272-2550): Requests for names and phone numbers of Commission personnel.

Public Affairs (202-272-2650): Information about matters in the SEC News Digest, the Commission's operations, and calls from the press not directed to particular individuals, and other related matters.

Public Reference (202-272-7450): Requests for information on whether or not a document has been filed, etc.

Publications Unit (202-272-7460/7461): Requests for forms, studies, directories, etc.

Office of the Secretary (202-272-2600): Requests for information on the Commission calendar.

SEC Information Line (202-272-3100/5624): General Information about SEC operations and activities through a series of recorded messages.

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