

sec news digest

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U.S. SECURITIES AND
EXCHANGE COMMISSION

COMMISSION ANNOUNCEMENTS

LINDA C. QUINN AND WILLIAM R. MCLUCAS NAMED DISTINGUISHED EXECUTIVES BY PRESIDENT REAGAN

The Commission announced today that Linda C. Quinn and William R. McLucas have received the Presidential Rank Award of Distinguished Executive. The Distinguished Executive Award recognizes senior managers in government service who have made exceptional contributions to the agencies for which they work. Distinguished Executives, nominated by the agencies, recommended by the Office of Personnel Management, and selected by President Reagan, receive plaques and cash awards from the President in a special ceremony.

Ms. Quinn is the Director of the Division of Corporation Finance. Mr. McLucas is an Associate Director of the Division of Enforcement. (Press Release 88-67)

THOMAS A. FERRIGNO APPOINTED CHIEF COUNSEL, DIVISION OF ENFORCEMENT

Gary G. Lynch, Director of the Division of Enforcement, announced that Thomas A. Ferrigno has been appointed Chief Counsel of the Division, effective August 1. Mr. Ferrigno joined the Commission's staff as an attorney in 1978 and was named Special Counsel in 1980. In March 1984, he was named a Branch Chief, and in December 1984 an Assistant Director. Mr. Ferrigno graduated from Georgetown University in 1971 and from Georgetown University Law Center in 1974. He replaces Phillip D. Parker, who became Associate General Counsel in the Office of General Counsel. (Press Release 88-68)

CIVIL PROCEEDINGS

PENDING INJUNCTIVE ACTION SETTLED AGAINST JACK B. GAFFORD AND QUALITY PRESERVATION INVESTMENT FUND

The Commission settled a pending injunctive action against Jack B. Gafford and Quality Preservation Investment Fund (QPIF). The defendants consented, without admitting or denying the Commission's allegations, to a permanent injunction from violating Sections 5 and 17 of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, and Section 7(a) of the Investment Company Act of 1940.

In addition, on June 2, based on the same underlying facts, the army prosecuted Gafford, sentenced him to five years imprisonment, and dismissed him from the army, forfeiting all of his benefits.

The San Francisco Branch Office filed its Complaint on June 1. The Complaint alleges that from 1983 until 1987, Gafford sold to over 120 investors approximately \$1.1 million of unregistered securities in the form of notes and investment contracts of QPIF, Gafford's own investment company. The defendants are alleged to have fraudulently sold unregistered securities, failed to register QPIF as an investment company, misrepresented the nature of investments, and misappropriated investor funds for undisclosed uses. (SEC v. Jack B. Gafford and Quality Preservation Investment Fund, USDC NDCA, Civil Action No. 88-20340, WAI). (LR-11820)

GUIDE ENERGY, INC. ENJOINED

The Denver Regional Office announced that on July 12 the U.S. District Court for the District of Columbia entered a Final Judgment of Permanent Injunction against Guide Energy, Inc. of Midland, Texas. The Judgment restrains and enjoins Guide from failing to timely file periodic reports and Notifications of Late Filing, and requires it to file four Current Reports on Forms 8-K concerning four acquisitions of corporate assets or stock that Guide had made.

In its September 22, 1987 Complaint, the Commission alleged, among other things, that Guide failed to file its Annual Reports on Form 10-K for its fiscal years ended March 31, 1986 and March 31, 1987, and its Quarterly Reports on Form 10-Q for its fiscal quarters ended June 30, September 30, and December 31, 1986. The Complaint further alleged that Guide failed to file Notifications of Late Filing and complete and accurate Current Reports concerning its 1985 acquisition of Jason Management, Inc.; its 1985 acquisition of certain oil and gas assets from Rodeo Resources, Inc.; its 1986 acquisition of 41.5% of the stock of Petro Quest, Inc.; and its 1986 purchase of 35% of the stock of Bordeaux Petroleum Exploration, Inc. (SEC v. Guide Energy, Inc., USDC DC, Civil Action No. 87-2602, LFO). (LR-11821)

INVESTMENT COMPANY ACT RELEASES

PILGRIM ADJUSTABLE RATE FUND

An order has been issued exempting Pilgrim Adjustable Rate Fund, et al. (Funds) from the provisions of Section 32(a)(1) of the Investment Company Act to permit them to file financial statements signed or certified by an independent public accountant selected at a board of directors/trustees meeting held within 90 days before or after the beginning of each Fund's fiscal year. (Rel. IC-16505 - July 29)

NATIONAL SECURITIES NEW YORK TAX EXEMPT BOND FUND

An order has been issued declaring that National Securities New York Tax Exempt Bond Fund has ceased to be an investment company. (Rel. IC-16506 - July 29)

HOLDING COMPANY ACT RELEASES

NORTHEAST UTILITIES

An order has been issued authorizing a proposal by Northeast Utilities (NU), a registered holding company, and its subsidiaries The Connecticut Light and Power Company, Western Massachusetts Electric Company, Holyoke Water Power Company, Northeast Utilities Service Company (NUSCO), Northeast Utilities Nuclear Energy Company (NNECO), The Rocky River Realty Company (RRR) (together, Declarants). Declarants may each borrow under a credit agreement up to \$50 million for up to six months on a revolving basis, provided that the aggregate outstanding amount does not exceed \$50 million. NU will guarantee the obligations of NUSCO, NNECO, and RRR. (Rel. 35-24686 - July 29)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by the National Association of Securities Dealers, Inc. (SR-NASD-88-21) amending Article III, Section 21 of its Rules of Fair Practice to require the marking of customer order tickets for each transaction in a non-NASDAQ security to reflect the dealers contacted, and the quotes received, to determine the best inter-dealer market. (Rel. 34-25952)

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-3 CHEMICAL BANKING CORP, 277 PARK AVE, NEW YCRK, NY 10172 (212) 310-6161 - 3,000,000 (\$89,250,000) COMMON STOCK. (FILE 33-23088 - JUL. 15) (BR. 2)
- S-1 ACCLAIM ENTERTAINMENT INC, 189 SOUTH ST, OYSTER BAY, NY 11771 - 1,500,000 (\$3,750,000) COMMON STOCK. (FILE 33-23158 - JUL. 25) (BR. 12)
- S-8 CINCINNATI BELL INC /CH/, 201 E FOURTH ST, CINCINNATI, OH 45202 (513) 397-9900 - 125,000 (\$3,538,750) COMMON STOCK. (FILE 33-23159 - JUL. 25) (BR. 7)
- S-4 LINCOLN FINANCIAL CORP, 116 E BERRY ST, FORT WAYNE, IN 46802 (219) 461-6000 - 438,000 (\$8,760,000) COMMON STOCK. (FILE 33-23160 - JUL. 25) (BR. 2)
- S-1 LANDMARK FUND II, ONE FINANCIAL PLZ 20TH FL, C/O GELDERMAN FUTURES MANAGEMENT CORP, CHICAGO, IL 60605 (312) 663-7500 - 15,000 (\$15,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: GELDERMANN SECURITIES INC. (FILE 33-23186 - JUL. 21) (BR. 12 - NEW ISSUE)
- S-1 EQUIPMENT LEASING CORPORATION OF AMERICA, 501 SILVERSIDE RD, SILVERSIDE CARR EXECUTIVE CENTER, WILMINGTON, DE 19809 (302) 798-2335 - 12,000,000 (\$12,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-23211 - JUL. 21) (BR. 5 - NEW ISSUE)
- S-18 ZOTEK INC, WEST 505 RIVERSIDE STE 500, SPOKANE, WA 99201 (509) 456-0114 - 210,000 (\$1,260,000) COMMON STOCK. 5,040,000 (\$1,940,400) COMMON STOCK. 5,544,000 (\$2,772,000) COMMON STOCK. 504,000 (\$151,200) COMMON STOCK. 504,000 (\$50) WARRANTS, OPTIONS OR RIGHTS. UNDERWRITER: CARMONT SECURITIES INC. (FILE 33-23233 - JUL. 22) (BR. 12 - NEW ISSUE)
- S-1 NATIONAL GROUP HOLDING CORP, 304 NORTH MAIN ST, ROCKFORD, IL 61101 (815) 987-5000 - 500,000 (\$570,000) COMMON STOCK. (FILE 33-23237 - JUL. 22) (BR. 9 - NEW ISSUE)
- S-11 BERRY AND BOYLE DEVELOPMENT PARTNERS II, RIVER PLACE 57 RIVER ST, WELLESLEY HILLS, MA 02181 (617) 237-0544 - 80,000 (\$40,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-23240 - JUL. 25) (BR. 5 - NEW ISSUE)
- S-8 ARCO CHEMICAL CO, 3801 WEST CHESTER PIKE, NEWTOWN SQUARE, PA 19073 (215) 359-2000 - 286,000 (\$10,345,625) COMMON STOCK. (FILE 33-23241 - JUL. 25) (BR. 1)
- S-8 STARTEL CORP, 17761 COWAN AVE, IRVINE, CA 92714 (714) 863-8700 - 100,000 (\$81,250) COMMON STOCK. (FILE 33-23243 - JUL. 25) (BR. 8)
- S-3 NATIONAL FSI INC, 2777 STEMMONS FRWY STE 700, DALLAS, TX 75207 (214) 350-0913 - 100,000 (\$313,000) COMMON STOCK. (FILE 33-23245 - JUL. 25) (BR. 9)
- S-1 SEMPER PARRIS INC, 51 AMOGERONE CROSSWAY, PO BOX 7855, GREENWICH, CT 06836 (203) 869-8038 - 7,000,000 (\$1,050,000) COMMON STOCK. UNDERWRITER: JAMESON P B CO INC. (FILE 33-23246 - JUL. 25) (BR. 12)
- S-8 TSI INC, 500 CARDIGAN RD, SHOREVIEW, MN 55112 (612) 483-0900 - 150,000 (\$1,303,125) COMMON STOCK. (FILE 33-23247 - JUL. 25) (BR. 8)
- S-8 AURORA ENVIRONMENTAL INC, 104 E 25TH ST, NEW YORK, NY 10010 (212) 353-8280 - 1,500,000 (\$3,000,000) COMMON STOCK. (FILE 33-23248 - JUL. 25) (BR. 6)
- S-1 ADVISORS BANCORP, 54 ARLINGTON ST, BOSTON, MA 02116 (617) 728-8200 - 1,600,000 (\$16,000,000) COMMON STOCK. (FILE 33-23254 - JUL. 22) (BR. 1 - NEW ISSUE)
- S-3 EMC INSURANCE GROUP INC, 717 MULBERRY ST, DES MOINES, IA 50309 (515) 280-2511 - 800,000 (\$6,800,000) COMMON STOCK. (FILE 33-23276 - JUL. 26) (BR. 13)

- S-0 MUNICIPAL INVT TR FD FOUR HUNDRED SIXTY SIXTH MON PYMT SER,
ONE LIBERTY PLZ - 21ST FLR, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YCRK, NY 10080
- INDEFINITE SHARES. DEPOSITOR: MERRILL LYNCH PIERCE FENNER & SMITH INC,
PAINEWEEEBER INC, PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN HUTTON INC. (FILE
33-23277 - JUL. 26) (BR. 17 - NEW ISSUE)
- S-6 CORPORATE INCOME FUND TWO HUNDRED EIGHTY FOURTH MON PYMT SER,
ONE LIBERTY PLZ - 21ST FLR, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YCRK, NY 10080
- INDEFINITE SHARES. (FILE 33-23278 - JUL. 26) (BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND MULTISTATE SERIES 4V, ONE LIBERTY PLZ - 21ST FLR,
C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES.
DEPOSITOR: MERRILL LYNCH PIERCE FENNER & SMITH INC, PAINEWEEEBER INC,
PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN HUTTON INC. (FILE 33-23279 - JUL. 26)
(BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND MULTISTATE SERIES 4W, ONE LIBERTY PLZ - 21ST FLR,
C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES.
DEPOSITOR: MERRILL LYNCH PIERCE FENNER & SMITH INC, PAINEWEEEBER INC,
PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN HUTTON INC. (FILE 33-23280 - JUL. 26)
(BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TR FD ONE HUNDRED FIFTEENTH INTERM TER,
ONE LIBERTY PLZ - 21ST FLR, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YCRK, NY 10080
- INDEFINITE SHARES. DEPOSITOR: MERRILL LYNCH PIERCE FENNER & SMITH INC,
PAINEWEEEBER INC, PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN HUTTON INC. (FILE
33-23281 - JUL. 26) (BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TR FD ONE HUNDRED TWENTY EIGHTH INS SER,
ONE LIBERTY PLZ - 21ST FLR, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YCRK, NY 10080
- INDEFINITE SHARES. DEPOSITOR: MERRILL LYNCH PIERCE FENNER & SMITH INC,
PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN HUTTON INC. (FILE 33-23282 - JUL. 26)
(BR. 17 - NEW ISSUE)
- S-6 GOVERNMENT SECURITIES INCOME FUND GNMA SERIES 1M, ONE LIBERTY PLZ - 21ST FLR,
C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES.
(FILE 33-23283 - JUL. 26) (BR. 17 - NEW ISSUE)
- S-6 GOVERNMENT SECURITIES INCOME FUND GNMA SERIES 1L, ONE LIBERTY PLZ - 21ST FLR,
C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES.
(FILE 33-23284 - JUL. 26) (BR. 17 - NEW ISSUE)
- S-4 BANK SOUTH CORP, 55 MARIETTA ST, ATLANTA, GA 30303 (404) 529-4520 - 5,591,200
COMMON STOCK. 1,450,000 (\$27,869,000) COMMON STOCK. (FILE 33-23301 - JUL. 25)
(BR. 1)
- S-8 STAMFORD CAPITAL GROUP INC, 32 THREADNEEDLE LANE, STAMFORD, CT 06902 (203) 964-9945
- 1,600,000 (\$10,000,000) COMMON STOCK. (FILE 33-23302 - JUL. 25) (BR. 9)
- S-8 PROSPECT PARK FINANCIAL CORP /DE/, 989 MCBRIDE AVE, WEST PATERSON, NJ 07424
(201) 890-1234 - 253,000 (\$3,142,260) COMMON STOCK. 110,000 (\$1,265,000) COMMON STOCK
200,000 (\$2,300,000) COMMON STOCK. (FILE 33-23327 - JUL. 25) (BR. 1)