

sec news digest

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ENFORCEMENT PROCEEDINGS

COMMISSION SUSTAINS NASD DISCIPLINARY ACTION AGAINST RITA MALM AND ROBERT BERG

The Commission sustained NASD disciplinary action against Rita H. Malm of Jupiter, Florida, and Robert W. Berg of New York, New York. The NASD found that Malm, who had been president of Madison Chapin Associates, Inc., failed to establish and implement supervisory procedures to prevent Madison Chapin employees from charging fraudulent and excessive markups, failing to execute customers orders, and making unauthorized trades in customer accounts. The NASD fined Malm \$15,000 and suspended her for 10 days from association with any member as a principal.

The NASD found that Berg effected an unauthorized trade and failed to execute customers' orders. He was fined \$20,412.50, suspended from association in any capacity for three months, and required to requalify by examination as a registered representative before becoming associated with any member firm.

The Commission concluded that Malm failed to provide a meaningful supervision system. The Commission also concluded that Berg wrongfully refused to execute customers' orders and engaged in an unauthorized trade. The Commission, however, reduced the costs assessed against Malm and Berg, noting that the original hearing had lasted five days and involved eleven respondents. (Rel. 34-35000)

NASD ACTION AGAINST ORION SECURITIES AND DOUGLAS NUTT SUSTAINED

The Commission has sustained NASD disciplinary action against Orion Securities, Inc., of Englewood, Colorado, and Douglas Nutt, Orion's president. Applicants were censured and fined \$400,000. In addition, Orion was expelled from NASD membership and Nutt barred from associating with an NASD member.

The Commission upheld NASD findings that applicants' efforts to facilitate a fraudulent loan transaction violated just and equitable principles of trade, based on their failure to heed various "red flags" concerning non-existent Ginnie Mae bonds purportedly used as collateral. The Commission also agreed with the NASD that applicants charged fraudulent markdowns in their purchases of stock of Dublin Osaka Group, Inc., during September 1989. Although it set aside certain of the NASD's finding of violation, the Commission determined that applicants' continued presence in the industry "poses a significant threat to the public," and sustained in full the sanctions imposed by the NASD. (Rel. 34-35001)

NASD DISCIPLINARY ACTION AGAINST WILLIAM BLALOCK, CHARLES BRADLEY AND JOHN RINGO SUSTAINED

The Commission sustained NASD disciplinary action against William Jackson Blalock of Atlanta, Georgia, Charles Lee Bradley of Duluth, Georgia, and John Wilson Ringo of Marietta, Georgia, former principals of Atlanta Securities & Investments, Inc. The NASD found that the firm, through Blalock, violated the markup, registration, and antifraud provisions of the NASD's Rules of Fair Practice and Commission Rule 10b-9. The NASD censured Blalock, barred him from association with any member, fined him \$50,000 and required him to make restitution to customers, jointly and severally with the firm.

The NASD found that the firm, through Bradley, violated markup and registration requirements, and that the firm, through Ringo, violated the Commission's net capital and recordkeeping requirements. In addition, both Bradley and Ringo failed to establish and maintain written supervisory procedures. The NASD censured both Bradley and Ringo, required each of them to requalify before acting as principals, and fined them each \$10,000.

The Commission found that the NASD's findings were amply supported on the record. However, the Commission found that contemporaneous cost should have been used as the basis to calculate markups in one of the securities at issue. The Commission remanded the restitution order for recalculation based on this conclusion. (Rel. 35-35002)

COMMISSION APPROVES APPLICATIONS UNDER PUBLIC UTILITY HOLDING COMPANY ACT BY GAZ METROPOLITAIN, INC. AND GAZ METROPOLITAIN AND COMPANY, LIMITED PARTNERSHIP

The Commission has granted the applications under the Public Utility Holding Company Act by Gaz Metropolitan, Inc. and Gaz Metropolitan and Company, Limited Partnership, Canadian public utility holding companies. The first application sought permission to acquire the stock of Northern New England Gas Corporation, a Vermont exempt holding company which owns all the stock of Vermont Gas Systems, Inc., a Vermont utility company that provides gas service in that state. The second application requested an exemption from the Act's provisions.

The Commission found that the acquisition would serve the public interest by tending towards the economical and efficient development of an integrated public-utility system. In granting the exemption, the Commission determined that the resulting holding company system would not derive a material part of its income from the domestic utility company which is small in size.

In granting the applications, the Commission reserved jurisdiction to determine whether the acquisition would unduly complicate the capital structure of the holding company system. It exempted applicants from all provisions of the Act except Section 9(a)(2), and required them to file with the Commission specified financial statements after the close of each fiscal year. (Rel. 34-26170)

CIVIL ACTION AGAINST ABRAHAM GOLD, ET AL.

The Commission today announced that it filed a complaint against Abraham Gold (Gold), Jack Levine (Levine), Howard Rubin (Rubin) and Alfons Van Wijk (Van Wijk), former officers and directors of Ciro Inc. (Ciro), seeking permanent injunctive and other relief for violations of the antifraud and corporate reporting provisions of the Securities Exchange Act of 1934 (Exchange Act).

The complaint alleges that from 1991 to March 1993, the defendants engaged in a fraudulent scheme to create the false impression that Ciro was operating at a net profit, when in fact, Ciro was operating at a net loss. As a result, Ciro's annual report filed on Form 10-K for the fiscal year ended December 31, 1991, overstated net income before taxes by \$3.6 million, and Ciro's books and records for the 1992 fiscal year overstated net income by approximately \$4.4 million. Ciro's Forms 10-Q filed for the period March 31, 1991 through September 30, 1992 reflected corresponding misstatements and overstatements.

Further, Ciro's Forms 10-K for the fiscal years 1989 through 1991 failed to disclose that Levine, formerly Ciro's president and chief executive officer, had filed for personal bankruptcy protection in October 1987 as a result of a civil judgment rendered against him for fraud.

Simultaneous with the filing of the complaint, Gold, Levine, and Rubin consented, without admitting or denying the allegations of the complaint, to the entry of final orders enjoining them from violating the antifraud and corporate reporting provisions of the federal securities laws. In addition, Levine and Rubin agreed to each pay a \$50,000 civil penalty and Gold agreed to pay a \$100,000 penalty. Gold and Levine also consented to an order permanently barring them from acting as an officer or director of any public company.

Prior to the filing of the complaint, Ciro consented to the entry of a cease and desist order in a related administrative proceeding arising out of the conduct described above. For more information see Rel. 34-34767. [SEC v. Abraham Gold, Jack Levine, Howard Rubin and Alfons Van Wijk, SDNY, 94 Civ. 8604, CSH] (LR-14338)

FRANKLIN ROBERTS PERMANENTLY ENJOINED

The Commission announced that Franklin D. Roberts (Roberts), a defendant in a civil action filed by the Commission in the United States District Court for the Southern District of New York on September 30, 1994, has consented to the entry of a permanent injunction. Roberts, the former President, CEO and director of AG Automotive Warehouses, Inc. (Auto Giant) and former director of Auto Depot, Inc. (Auto Depot), was charged with participating in a complex scheme to defraud investors by using the proceeds of securities offerings by Auto Giant and Auto Depot to finance the operation of affiliated companies and the companies' underwriter and market maker rather than the stated purpose of funding the issuers' operations. In connection with this scheme, Roberts caused false and misleading registration statements and annual and quarterly reports to be filed with the Commission. The Court's order enjoins Roberts from further violations of the antifraud provisions, the issuer reporting and books and records provisions of the federal securities laws, and the provision prohibiting misrepresentations to auditors. [SEC v. Robert J. McNulty, et al., Civil Action No. 94 Civ. 7114, MBM] (LR-14339)

INVESTMENT COMPANY ACT RELEASES

FIDELITY INVESTMENT LIFE INSURANCE COMPANY, ET AL.

An order has been issued exempting Fidelity Investment Life Insurance Company (FILI), Fidelity Investments Variable Annuity Account I (Separate Account) and Fidelity Brokerage Services, Inc. (FBSI) from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the Investment Company Act. The order provides exemptions to the extent necessary to permit the deduction from the assets of the Separate Account or similar separate accounts established and maintained by FILI (together, FILI Accounts) of mortality and expense risk charges imposed under certain flexible purchase payment deferred variable annuity contracts (Contracts) and contracts offered in the future that are substantially similar in all material respects to the Contracts (future contracts). The exemptive relief granted to FBSI under the Order also extends to any other broker-dealer that is a member of the National Association of Securities Dealers and controlling, controlled by, or under common control with FILI, that may serve in the future as principal underwriter for the Contracts or future contracts offered through the FILI Accounts. (Rel. IC-20736 - November 28)

CITICORP LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until December 23 to request a hearing on an application filed by Citicorp Life Insurance Company, First Citicorp Life Insurance Company, Citicorp Life Variable Annuity Separate Account (Separate Account), First Citicorp Life Variable Annuity Separate Account (First Citicorp Separate Account) (together, Separate Accounts), and The Landmark Funds Broker-Dealer Services, Inc., for an order pursuant to Section 6(c) of the Investment Company Act. The order would grant exemptions from the provisions of Sections 26(a)(2) and 27(c)(2) of the Act to the extent necessary to permit the deduction from the assets of the Separate Accounts of a mortality and expense risk charge under certain variable annuity contracts. (Rel. IC-20737 - November 28)

SELF-REGULATORY ORGANIZATIONS

WITHDRAWALS GRANTED

An order has been issued granting the application of Action Performance Companies, Inc. to withdraw from listing and registration its Common Stock, \$0.01 Par Value and Warrants expiring April 27, 1998, on the Pacific Stock Exchange. (Rel. 34-35011)

An order has been issued granting the application of Weatherford International Incorporated to withdraw from listing and registration its Common Stock, \$0.10 Par Value, on the American Stock Exchange. (Rel. 34-35012)

An order has been issued granting the application of TSX Corporation to withdraw from listing and registration its Common Stock, \$.01 Par Value, on the Boston Stock Exchange. (Rel. 34-35013)

PROPOSED RULE CHANGE

The Philadelphia Stock Exchange filed a proposed rule change (SR-Phlx-94-46) to amend their rules in order to facilitate a "Post Primary Trading Session." Publication of the proposal is expected in the Federal Register during the week of November 28. (Rel. 34-35007)

TEMPORARY APPROVAL OF PROPOSED RULE CHANGE

The Commission approved on a temporary basis until November 30, 1995 a proposed rule change (SR-MBS-94-02) filed by the MBS Clearing Corporation establishing the electronic pool notification service. (Rel. 34-35009)

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-8 DUFF & PHELPS CREDIT RATING CO, 55 EAST MONROE ST, CHICAGO, IL 60603
(312) 368-3100 - 1,200,000 (\$11,484,000) COMMON STOCK. (FILE 33-86488 -
NOV. 21) (BR. 11)

- S-8 FULCRUM TECHNOLOGIES INC, 785 CARLING AVE, OTTAWA ONTARIO CANAD, A6
(613) 238-1761 - 100,000 (\$1,100,000) COMMON STOCK. (FILE 33-86502 -
NOV. 22) (BR. 9)

- S-4 HEALTH SYSTEMS INTERNATIONAL INC, 21600 OXNARD ST, WOODLAND HILLS, CA
91367 (719) 542-0500 - 3,853,000 (\$95,843,375) COMMON STOCK. (FILE
33-86524 - NOV. 18) (BR. 9)

- S-8 CANONIE ENVIRONMENTAL SERVICES CORP, 13455 NOEL RD,
STE 1500 TWO GALLERIA TOWER, DALLAS, TX 75240 (214) 770-1800 - 1,450,000
(\$8,714,500) COMMON STOCK. (FILE 33-86586 - NOV. 22) (BR. 8)

- S-8 BUSH BOAKE ALLEN INC, 7 MERCEDES DR, MONTVALE, NJ 07645 (201) 391-9870
- 1,000,000 (\$21,940,000) COMMON STOCK. (FILE 33-86588 - NOV. 22) (BR. 2)

- S-8 INTERSOLV INC, 3200 TOWER OAKS BLVD, ROCKVILLE, MD 20852 (301) 230-3200
- 46,488 (\$801,918) COMMON STOCK. (FILE 33-86590 - NOV. 22) (BR. 9)

- S-3 UNITED AMERICAN HEALTHCARE CORP, 1155 BREWERY PARK STE 200, DETROIT, MI
48207 (313) 393-0200 - 81,564 (\$2,156,552.16) COMMON STOCK. (FILE
33-86596 - NOV. 22) (BR. 10)

- S-1 ISB FINANCIAL CORP/LA, 1101 EAST ADMIRAL DOYLE DRIVE, NEW IBERIA, LA
70560 - 9,660,000 (\$96,600,000) COMMON STOCK. (FILE 33-86598 - NOV. 22)
(BR. 1 - NEW ISSUE)

- S-8 TWIN CITY BANCORP INC, 310 STATE ST, BRISTOL, TN 37620 - 76,162
(\$761,620) COMMON STOCK. (FILE 33-86602 - NOV. 22) (BR. 2)

- S-8 PEOPLES SAVINGS FINANCIAL CORP /PA/, 173 MAIN ST, RIDGWAY, PA 15853
(814) 773-3195 - 45,297 (\$452,970) COMMON STOCK. (FILE 33-86606 - NOV. 22)
(BR. 2)

- S-3 LOJACK CORP, 333 ELM ST, DEBHAM, MA 02026 (617) 326-4700 - 23,506
(\$158,665.50) COMMON STOCK. (FILE 33-86608 - NOV. 22) (BR. 7)

- S-8 HOLLYWOOD TRENZ INC, 3471 N FEDERAL HWY, STE 508, FT LAUDERDALE, FL
33306 (305) 568-0433 - 320,000 (\$660,000) COMMON STOCK. (FILE 33-86610 -
NOV. 22) (BR. 11)

- S-8 COHERENT COMMUNICATIONS SYSTEMS CORP, 44084 RIVERSIDE PRKWY,
LANDSDOWNE BUSINESS CENTER, LEESBURG, VA 22075 (703) 729-6400 - 739,893
(\$1,313,342) COMMON STOCK. (FILE 33-86612 - NOV. 22) (BR. 7)

REGISTRATIONS CONT.

- S-8 LOJACK CORP, 333 ELM ST, DEBHAM, MA 02026 (617) 326-4700 - 370,000 (\$2,487,718.75) COMMON STOCK. (FILE 33-86614 - NOV. 22) (BR. 7)
- S-3 VALUEVISION INTERNATIONAL INC, 6740 SHADY OAK RD, MINNEAPOLIS, MN 55344 (612) 947-5200 - 1,308,451 (\$6,133,364.06) COMMON STOCK. (FILE 33-86616 - NOV. 22) (BR. 2)
- S-8 COHERENT COMMUNICATIONS SYSTEMS CORP, 44084 RIVERSIDE PRKWAY, LANDSDOWNE BUSINESS CENTER, LEESBURG, VA 22075 (703) 729-6400 - 750,000 (\$8,636,328) COMMON STOCK. (FILE 33-86620 - NOV. 22) (BR. 7)
- S-8 IQ SOFTWARE CORP, 3295 RIVER EXCHANGE DR STE 550, NORCROSS, GA 30092 (404) 446-8880 - 30,000 (\$385,000) COMMON STOCK. (FILE 33-86622 - NOV. 22) (BR. 10)
- S-8 SEABOARD OIL CO, 731 W WADLEY, BLDG 0 STE 200, MIDLAND, TX 79705 (915) 684-7005 - 50,000 (\$312,500) COMMON STOCK. (FILE 33-86624 - NOV. 22) (BR. 3)
- S-8 BUILDERS TRANSPORT INC, P O BOX 7005, 2029 W DEKALB ST, CAMDEN, SC 29020 (803) 432-1400 - 550,000 (\$7,322,988) COMMON STOCK. (FILE 33-86626 - NOV. 22) (BR. 4)
- S-3 INTERMEDIA COMMUNICATIONS OF FLORIDA INC, 9280 BAY PLAZA BLVD STE 720, TAMPA, FL 33619 (813) 621-0011 - 740,000 (\$8,880,000) COMMON STOCK. (FILE 33-86628 - NOV. 22) (BR. 7)
- S-8 IQ SOFTWARE CORP, 3295 RIVER EXCHANGE DR STE 550, NORCROSS, GA 30092 (404) 446-8880 - 300,000 (\$2,990,062.50) COMMON STOCK. (FILE 33-86630 - NOV. 22) (BR. 10)
- S-8 TOKOS MEDICAL CORP, 1821 E DYER RD, SANTA ANA, CA 92705 (714) 474-1616 - 696,148 (\$4,873,036) COMMON STOCK. (FILE 33-86632 - NOV. 22) (BR. 6)
- S-1 UNIVERSAL HOLDING CORP, MT EBO CORPORATE PARK, BOX 23, BREWSTER, NY 10509 (914) 278-4094 - 1,380,000 (\$13,800,000) PREFERRED STOCK. (FILE 33-86640 - NOV. 23) (BR. 9)
- S-1 ANCHOR NATIONAL LIFE INSURANCE CO, 2201 E CAMELBACK RD, C/O THOMAS B PHILLIPS, PHOENIX, AR 85016 (310) 312-5000 - \$290,000 VARIABLE ANNUITY ISSUES. (FILE 33-86644 - NOV. 23) (BR. 20)
- S-2 SEEQ TECHNOLOGY INC, 4731 BAYSIDE PARKWAY, FREMONT, CA 94538 (510) 226-7400 - 375,000 (\$375,000) COMMON STOCK. (FILE 33-86646 - NOV. 23) (BR. 3)
- S-4 MINERS NATIONAL BANCORP INC, 120 S CENTRE ST, POTTSVILLE, PA 17901 (717) 622-2320 - 573,768 (\$8,600,797.31) COMMON STOCK. (FILE 33-86656 - NOV. 23) (BR. 1)
- SB-2 AMERICAN SENSORS INC, 60 BENTLEY ST, MARKHAM ONTARIO CANADA L3R 3L2, A6 (905) 477-3320 - 37,662,500 (\$37,662,500) COMMON STOCK. UNDERWRITER: PAINWEBBER INC. (FILE 33-86662 - NOV. 23) (BR. 8)
- S-8 ANALYSIS & TECHNOLOGY INC, TECHNOLOGY PARK RTE 2, PO BOX 220, NORTH STOWINGTON, CT 06359 (203) 599-3910 - 50,000 (\$753,125) COMMON STOCK. (FILE 33-86666 - NOV. 23) (BR. 9)
- S-8 GEERLINGS & WADE INC, 960 TURNPIKE ST, CANTON, MA 02021 (617) 831-4152 - 358,630 (\$4,027,906.84) COMMON STOCK. (FILE 33-86668 - NOV. 23) (BR. 11)

REGISTRATIONS CONT.

- S-8 METROLOGIC INSTRUMENTS INC, COLES ROAD AT RTE 42, BLACKWOOD, NJ 08012
(609) 933-0100 - 500,000 (\$7,562,500) COMMON STOCK. (FILE 33-86670 -
NOV. 23) (BR. 9)
- S-8 CHARTER POWER SYSTEMS INC, 3043 WALTON RD, PLYMOUTH MEETING, PA 19462
(215) 828-9000 - 350,000 (\$5,240,651.25) COMMON STOCK. (FILE 33-86672 -
NOV. 23) (BR. 3)
- S-8 POST PROPERTIES INC, 3350 CUMBERLAND CIRCLE NW, ATLANTA, GA 30339
(404) 850-4400 - 100,000 (\$2,931,250) COMMON STOCK. (FILE 33-86674 -
NOV. 23) (BR. 5)
- S-3 SEIBELS BRUCE GROUP INC, 1501 LADY ST, P O BOX 1, COLUMBIA, SC 29201
(803) 748-2000 - 2,900,106 (\$8,236,301.04) COMMON STOCK. (FILE 33-86676 -
NOV. 23) (BR. 9)
- S-1 AK STEEL HOLDING CORP, 703 CURTIS ST, MIDDLETOWN, OH 45043
(513) 425-5000 - 6,303,293 (\$180,431,762.13) COMMON STOCK. (FILE 33-86678
- NOV. 23) (BR. 6)
- S-8 INTEGRATED HEALTH SERVICES INC, 10065 RED RUN BOULEVARD, OWINGS MILLS,
MD 21117 (410) 998-8400 - 3,900,000 (\$107,912,363.32) COMMON STOCK. (FILE
33-86684 - NOV. 23) (BR. 6)
- F-6 CELANESE MEXICANA S A, 11 WALL STREET, NEW YORK, NY 10043 - 75,000,000
(\$3,750,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-86688 -
NOV. 23) (BR. 99 - NEW ISSUE)
- S-3 ACORDIA INC /DE/, 120 MONUMENT CIRCLE, INDIANAPOLIS, IN 46204
(317) 488-6666 - 150,000 (\$4,246,875) COMMON STOCK. (FILE 33-86892 -
NOV. 23) (BR. 10)