

sec news digest

Issue 95-43

March 6, 1995

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST INVESTMENT ADVISER FOR PARTICIPATION IN UNDISCLOSED COMMISSION SHARING ARRANGEMENT

The Commission has instituted public administrative proceedings under the Securities Act of 1933 (Securities Act), the Securities Exchange Act of 1934 (Exchange Act) and the Investment Advisers Act of 1940 (Advisers Act) against Mountain Capital Management, Inc. (Mountain Capital), an investment advisory firm located in Norwood, New Jersey, and its president and sole proprietor, Neil T. Monteleone (Monteleone).

The Order Instituting Public Proceedings alleges that, between January 1992 and September 1993, Mountain Capital and Monteleone had entered into an arrangement with Thomas J. Bowes (Bowes), a registered representative at Prudential Securities Inc. (Prudential), whereby they received from Bowes fifty percent of the commissions generated on each securities transaction executed at Prudential on behalf of their investment advisory clients. Monteleone and Mountain Capital received over \$10,000 pursuant to this scheme in addition to the advisory fees they charged to their clients for their advisory services. The Commission further alleges that Mountain Capital, aided and abetted by Monteleone, did not disclose the existence of this arrangement to their advisory clients, in violation of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Section 206 of the Advisers Act.

A hearing will be scheduled to determine whether the allegations against Monteleone and Mountain Capital are true and, if so, what, if any, remedial sanctions are appropriate, including disgorgement and civil penalties. (Rel. 33-7145; 34-35418; IA-1473)

INVESTMENT COMPANY ACT RELEASES

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until March 28 to request a hearing on an application filed by The Northwestern Mutual Life Insurance Company (Northwestern), NML Variable Annuity Account B (Account B) and Northwestern Mutual Investment Services, Inc. Applicants seek an order under Section 6(c) of the Investment Company Act granting exemptions from Sections 26(a)(2)(C) and 27(c)(2) of the Act to the extent necessary to permit payment to Northwestern of a mortality and expense risk charge from the assets of Account B under certain variable annuity contracts. (Rel. IC-20938 - March 3)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The Pacific Stock Exchange filed a proposed rule change (SR-PSE-95-01) to permit trading in Buy-Write Options Unitary Derivatives (BOUNDS), which are long-term options offering the same economic characteristics as a covered call writing strategy. Publication of the approval order is expected in the Federal Register during the week of March 6. (Rel. 34-35436)

The Chicago Board Options Exchange filed a proposed rule change (SR-CBOE-95-14) to permit trading in Buy-Write Options Unitary Derivatives (BOUNDS), which are long-term options offering the same economic characteristics as a covered call writing strategy. Publication of the approval order is expected in the Federal Register during the week of March 6. (Rel. 34-35437)

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change (SR-NASD-95-01) filed by the National Association of Securities Dealers that extends to non-NASD members receiving the second generation of Nasdaq Workstation functionality (NWII) the same subscriber fees that members must now pay. The NASD previously filed the schedule for member subscriber fees in File No. SR-NASD-94-76 [Release No. 34-35189 (January 3, 1995), 60 FR 3014 (January 12, 1995)]. Publication of the instant Order is expected in the Federal Register during the week of March 6. (Rel. 34-35438)

The Commission approved a proposed rule change filed by the New York Stock Exchange (SR-NYSE-94-38) to amend Exchange Rule 104.13. (Rel. 34-35439)

The Commission approved a proposed rule change filed by the National Association of Securities Dealers (SR-NASD-94-61) that amends Subsection 44(b)(8) to Article III of the NASD Rules of Fair Practice by exempting modified guaranteed annuity contracts and modified guaranteed life insurance contracts from the filing requirements under Subsection 44(b). Publication of the Order is expected in the Federal Register during the week of March 6. (Rel. 34-35440)

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-1 RCL TRUST 1995-1, THE AMERICAN RD, PO BOX 6044, DEARBORN, MI 48121
(313) 322-3000 - 1,000,000 (\$1,000,000) STRAIGHT BONDS. (FILE 33-57827 - FEB. 24) (NEW ISSUE)
- S-6 VAN KAMPEN AMERICAN CAPITAL INSURED INCOME TRUST SER 43,
ONE PARKVIEW PLAZA, UIT ADMN, C/O VAN KAMPEN MERRITT INC, OAKBROOK TERRACE,
IL 60181 (NUL) L - - 1,000 (\$1,010,000) UNIT INVESTMENT TRUST. (FILE
33-57831 - FEB. 24) (BR. 18 - NEW ISSUE)
- S-3 MORGAN STANLEY GROUP INC /DE/, 1251 AVE OF THE AMERICAS, NEW YORK, NY
10020 (212) 703-4000 - 4,000,000,000 (\$4,000,000,000) STRAIGHT BONDS.
(FILE 33-57833 - FEB. 24) (BR. 11)
- S-3 CAROLINA POWER & LIGHT CO, 411 FAYETTEVILLE ST, RALEIGH, NC 27601
(919) 546-6111 (FILE 33-57835 - FEB. 24) (BR. 7)
- S-8 DOWNEY FINANCIAL CORP, 3501 JAMBOREE ROAD, NEWPORT BEACH, CA 92658
(714) 854-3100 - 255,000 (\$4,918,205) COMMON STOCK. (FILE 33-89084 -
FEB. 03) (BR. 1)
- S-8 PHOTO ACOUSTIC TECHNOLOGY INC, 822 HAMPSHIRE RD STE E, WESTLAKE VILLAGE,
CA 91361 (805) 495-7817 - 2,750,000 (\$245,000) COMMON STOCK. (FILE
33-89606 - FEB. 21) (BR. 8)
- S-3 KELLEY OIL & GAS CORP, 601 JEFFERSON ST, STE 1100, HOUSTON, TX 77002
(713) 652-5200 - 4,000,000 (\$17,500,000) COMMON STOCK. (FILE 33-89620 -
FEB. 17) (BR. 4)
- N-1A GRANDVIEW INVESTMENT TRUST, 105 N WASHINGTON ST, ROCKY MOUNT, NC 27802
(800) 525-3863 - INDEFINITE SHARES. (FILE 33-89628 - FEB. 22) (BR. 18
- NEW ISSUE)
- S-1 BOISE CASCADE OFFICE PRODUCTS CORP, 800 WEST BRYN MAWR AVE, ITASCA, IL
60143 (708) 773-5000 - 5,318,750 (\$132,968,750) COMMON STOCK. UNDERWRITER:
DEAN WITTER REYNOLDS INC, GOLDMAN SACHS & CO, LAZARD FRERES & CO. (FILE
33-89632 - FEB. 22) (BR. 7 - NEW ISSUE)

REGISTRATIONS CONT.

- S-1 GASONICS INTERNATIONAL CORP, 2730 JUNCTION AVE, SAN JOSE, CA 95134
(408) 944-0212 - 1,840,000 (\$29,785,000) COMMON STOCK. UNDERWRITER:
BEAR STEARNS & CO INC, HAMBRECHT & QUIST INC, MONTGOMERY SECURITIES.
(FILE 33-89636 - FEB. 22) (BR. 10)
- S-8 SECURITY FEDERAL BANCORP INC, 2301 UNIVERSITY BLVD, TUSCALOOSA, AL 35401
(205) 345-8800 - 35,000 (\$350,000) COMMON STOCK. (FILE 33-89680 - FEB. 22)
(BR. 2)
- S-8 TYLAN GENERAL INC, 9577 CHEAPEAKE DRIVE, SAN DIEGO, CA 92123
(619) 571-1222 - 810,145 (\$3,869,065.61) COMMON STOCK. (FILE 33-89684 -
FEB. 23) (BR. 9)
- S-1 REPUBLIC ENGINEERED STEELS INC, 410 OBERLIN RD SW, MASSILLON, OH 44647
(216) 837-6000 - 8,050,000 (\$120,750,000) COMMON STOCK. (FILE 33-89686 -
FEB. 23) (BR. 6)
- S-4 BANCFIRST OHIO CORP, 422 MAIN ST, ZANESVILLE, OH 43701 (614) 452-8444 -
159,132 (\$1,958,915) COMMON STOCK. (FILE 33-89688 - FEB. 23) (BR. 2)
- S-2 RICHEY ELECTRONICS INC, 7441 LINCOLN WAY STE 100, GARDEN GROVE, CA 92641
(714) 898-8288 - 3,450,000 (\$23,287,500) COMMON STOCK. (FILE 33-89690 -
FEB. 23) (BR. 3)
- S-8 DANSKIN INC, 111 W 40TH ST, NEW YORK, NY 10018 (212) 764-4630 - 300,000
(\$905,312.50) COMMON STOCK. (FILE 33-89692 - FEB. 23) (BR. 7)
- F-6 MOULIN INTERNATIONAL HOLDINGS LTD /FI,
19 WANG HOI ROAD FI 4, KENNING INDUSTRIAL BUILDING,
KOWLOON BAY KOWLOON HONG KONG, K3 - 10,000,000 (\$500,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-89694 - FEB. 23)
(NEW ISSUE)
- S-8 ANTEC CORP, 2850 W GOLF RD, ROLLING MEADOWS, IL 60008 (708) 439-4444 -
360,850 (\$3,933,265) COMMON STOCK. (FILE 33-89704 - FEB. 23) (BR. 8)
- S-8 PINNACLE SYSTEMS INC, 870 W MAUDE AVE, SUNNYVALE, CA 94086
(408) 720-9669 - 1,644,097 (\$17,263,018.50) COMMON STOCK. (FILE 33-89706 -
FEB. 23) (BR. 8)
- S-3 BASE TEN SYSTEMS INC, ONE ELECTRONICS DR, TRENTON, NJ 08619
(609) 586-7010 - 190,000 (\$1,662,500) COMMON STOCK. (FILE 33-89710 -
FEB. 23) (BR. 8)
- S-8 BASE TEN SYSTEMS INC, ONE ELECTRONICS DR, TRENTON, NJ 08619
(609) 586-7010 - 400,000 (\$3,500,000) COMMON STOCK. (FILE 33-89712 -
FEB. 23) (BR. 8)
- S-2 ABIOMED INC, 33 CHERRY HILL DR, DANVERS, MA 01923 (508) 777-5410 -
410,000 (\$3,075,000) COMMON STOCK. (FILE 33-89740 - FEB. 23) (BR. 8)
- S-1 WHX CORP, 110 EAST 59TH ST, NEW YORK, NY 10022 (212) 355-5200 -
7,705,000 (\$165,657,500) COMMON STOCK. (FILE 33-89746 - FEB. 24) (BR. 6)
- S-3 WITTER DEAN DISCOVER & CO, TWO WORLD TRADE CENTER, NEW YORK, NY 10048
(212) 392-2222 - 3,000,000,000 (\$3,000,000,000) STRAIGHT BONDS.
UNDERWRITER: DEAN WITTER REYNOLDS INC. (FILE 33-89748 - FEB. 24) (BR. 12)
- SB-2 HI TECH PHARMACAL CO INC, 369 BAYVIEW AVENUE, AMITYVILLE, NY 11701
(516) 789-8228 - 1,150,000 (\$7,043,750) COMMON STOCK. 100,000 (\$100)
WARRANTS, OPTIONS OR RIGHTS. 100,000 (\$673,000) COMMON STOCK. 180,000
(\$274,500) WARRANTS, OPTIONS OR RIGHTS. (FILE 33-99742 - FEB. 23) (BR. 4)