

# sec news digest

Issue 95-82

April 28, 1995

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## COMMISSION ANNOUNCEMENTS

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### NEW FAX NUMBER FOR FOIA OFFICE

The new fax number for the Commission's Freedom of Information Act Office is (202) 942-9633. Please record the number for future reference.

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## ENFORCEMENT PROCEEDINGS

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### COMPLAINT FILED AGAINST SOFTPOINT, INC., ROBERT COSBY, RONALD STOECKLEIN, REMINGTON PUBLICATIONS, INC. AND JOHN LANE

The Commission filed a civil complaint in the United States District Court for the Southern District of New York against Softpoint, Inc., a Nevada corporation which develops and sells computer driven cash registers and related software, Robert H. Cosby, its former president and chairman of the board, Ronald G. Stoecklein, its current president, Remington Publications, Inc., a consulting company owned by Stoecklein, and John W. Lane, a former stockbroker.

The complaint alleges that Softpoint, Cosby and Stoecklein engaged in a fraudulent scheme to artificially inflate Softpoint's earnings and income by reporting \$4.4 million in revenue from fictitious software sales in Softpoint's annual and quarterly reports and press releases. This fraudulent scheme also involved the unregistered sale of Softpoint stock in the United States which had been issued purportedly pursuant to Regulation S under the Securities Act of 1933, the safe-harbor from registration for offshore securities offerings, in order to raise capital for Softpoint. The complaint also alleges that, as part of a second fraudulent scheme which was perpetrated for the purpose of infusing money into Softpoint, Lane remitted to Softpoint proceeds from

the sale of Softpoint stock that his company, Newhouse and Associates, Inc., had received from Softpoint pursuant to Form S-8 registration statements for consulting services. As part of this fraudulent scheme, Softpoint made material misrepresentations and omissions in the prospectuses used in connection with the Form S-8 registration statements and in its public filings. The Complaint seeks permanent injunctive relief, disgorgement and civil penalties against all of the defendants, as well as officer and director bars against Cosby and Stoecklein. [SEC v. Softpoint, Inc., Robert H. Cosby, Ronald G. Stoecklein, Remington Publications, Inc. and John W. Lane, 95 Civ. 2951, SS, USDC, SDNY] (LR-14480; AAE Rel. 666)

**FUTURE COMMUNICATIONS, INC. AND SERGIO BOSCO, A FORMER OFFICER AND DIRECTOR, ENJOINED**

The Commission announced that on April 17 Final Judgments of Permanent Injunction and Other Equitable Relief were entered by consent against Future Communications, Inc. (FCI), and Sergio Bosco (Bosco). Defendants FCI and Bosco were permanently enjoined from further violations of the antifraud provisions contained in Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder; FCI was permanently enjoined from further violations of the reporting requirements for companies registered with the Commission under Section 12 of the Exchange Act; and Bosco was permanently enjoined from acting as a director or officer of any company registered with the Commission pursuant to Section 12 of the Exchange Act. The Court also ordered Bosco to pay disgorgement in the amount of \$299,231.00, plus prejudgment interest, provided, however, that payment of all of the disgorgement amount and interest is waived based on Bosco's demonstrated financial inability to pay. The Court did not order Bosco to pay civil money penalties based on his financial inability to pay.

The Commission's complaint, filed October 4, 1993, alleged that Bosco and FCI violated the aforementioned provisions of the federal securities laws by disseminating false and misleading press releases, and making false and misleading filings with the Commission between June 1992 and August 1993. The alleged misleading public statements related to, among other things, the purported completion of two multi-million dollar film libraries valued at \$12.5 million, and a \$1.5 million sponsorship of a syndicated television show. The complaint further alleged that the defendants failed to disclose the entry of a May 1993 federal court order directing the defendants to turn over certain assets as a result of their failure to satisfy a \$2.9 million judgment. [SEC v. Future Communications, Inc. and Sergio Bosco, 3:93-CV-2033-X, USDC/ND TX] (LR-14481)

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## INVESTMENT COMPANY ACT RELEASES

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### EQUITABLE VARIABLE LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until May 22 to request a hearing on an application by Equitable Variable Life Insurance Company (Equitable Variable), Separate Account FP of Equitable Variable Life Insurance Company, and Equico Securities, Inc. for an order under Section 6(c) of the Investment Company Act. The order would grant exemptions from Section 27(a)(3) of the Act and Subsections (b)(13)(ii) and (d)(1)(ii)(A) of Rule 6e-3(T) thereunder to permit Equitable Variable to make available an Accounting Benefit Rider to certain flexible premium variable life insurance policies it currently issues. (Rel. IC-21032 - April 26)

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## HOLDING COMPANY ACT RELEASES

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### NEW ENGLAND ELECTRIC SYSTEM, ET AL.

An order has been issued authorizing New England Electric Resources, Inc. (NEERI), a wholly owned, nonutility subsidiary of New England Electric System (NEES), to invest up to \$12.7 million in technology and projects related to coal ash processing and recycling and to acquire certain securities of Separation Technologies, Inc., a nonaffiliate company engaged in such business. NEES proposes to provide financing to NEERI in such amount by capital contributions and/or loans. (Rel. 35-26277)

### WEST PENN POWER COMPANY

A supplemental order has been issued authorizing West Penn Power Company (West Penn), a wholly owned electric public-utility subsidiary company of Allegheny Power System, a registered holding company to issue a non-negotiable promissory note (Note), at any time on or before December 31, 1997. West Penn proposes to issue the Note in connection with the issuance and sale by public instrumentalities of one or more series of pollution control revenue bonds in an aggregate principal amount of up to \$15.4 million. (Rel. 35-26278)

## NORTHEAST UTILITIES

A supplemental order has been issued authorizing Northeast Utilities, a registered holding company, to issue and/or purchase and sell to participants of its Dividend Reinvestment Plan (DRP) the 652,401 common shares remaining of the 10 million shares previously authorized and up to an additional 20 million common shares under the DRP, through December 31, 2005. (Rel. 35-26279)

## CENTRAL AND SOUTH WEST SERVICES, INC.

An order has been issued authorizing Central and South West Services, Inc., a nonutility subsidiary of Central and South West Corporation, a registered holding company, to provide engineering and construction services to nonassociates through December 31, 1997. (Rel. 35-26280)

## ALLEGHENY POWER SYSTEM, INC.

An order has been issued authorizing Allegheny Power System, Inc. (APS), a registered holding company, to amend its charter and to make conforming changes to its by-laws (1) to eliminate the rights of APS common stockholders to cumulate votes in the election of directors, and (2) to eliminate the preemptive rights of APS common stockholders to purchase additional shares of APS common stock in certain circumstances. APS is soliciting proxies from shareholders in connection with the proposed amendments and proposes to submit them for action at APS's annual meeting of shareholders to be held on May 11, 1995. (Rel. 35-26281)

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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.

S-3 LOEWEN GROUP INC, 4126 NORLAND AVE, BURNABY BC CANADA V5G 3S8, A1  
(604) 299-9321 - 5,750,000 (\$165,312,500) COMMON STOCK. (FILE 33-91256 -  
APR. 20) (BR. 5)