

sec news digest

Issue 95-222

November 17, 1995

ENFORCEMENT PROCEEDINGS

CHX DIRECTED TO BAR DENNIS PALMERI FROM BECOMING ASSOCIATED

The Commission issued an order directing the Chicago Stock Exchange, Inc. (CHX) to bar Dennis T. Palmeri, Sr., a person subject to a statutory disqualification, from becoming associated with a CHX member firm that had proposed to employ him. Mr. Palmeri is subject to a statutory disqualification as a result of his February 1994 conviction for securities fraud and tax evasion. The CHX had given the Commission notice that it proposed to permit Mr. Palmeri's employment with its member firm unless directed otherwise by the Commission. (Rel. 34-36487)

COMPLAINT FILED AGAINST CERTAIN UNKNOWN PURCHASERS OF THE COMMON STOCK OF CBI INDUSTRIES, INC.

On November 14, the Commission filed a complaint against certain unknown purchasers of the common stock of CBI Industries, Inc., alleging that they violated Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 thereunder and seeking injunctive relief, disgorgement of illegal trading profits with prejudgment interest, and civil penalties. In its complaint, the Commission alleged that the defendants made highly profitable purchases of CBI common stock through the offices of foreign financial institutions just days before the first public announcement that Praxair, Inc. intended to commence a takeover of CBI. The Honorable Milton Pollack, United States District Judge, Southern District of New York, issued an order against the defendants and their agents, freezing the defendants' shares of CBI common stock and any proceeds of sales of such stock. The Court scheduled a hearing for November 28, 1995, on the Commission's Application for a Preliminary Injunction to Continue the Asset Freeze and Other Relief.

The Commission received assistance from the New York Stock Exchange in this matter. [SEC v. Certain Purchasers of the Common Stock of CBI Industries, Inc., USDC, SDNY, 95 Civ. 9651, MP] (LR-14721)

FINAL JUDGMENTS OF DISGORGEMENT ENTERED AGAINST SEVEN DEFENDANTS

On November 7, Final Judgments were entered by consent against the remaining seven defendants, ordering payment of disgorgement and prejudgment interest, but waiving portions of these amounts based upon their demonstrated inability to pay. Southwest Energy Consultants, Inc. and Barry J. Zimmermann were ordered to pay \$4,759,171.81, of which they will pay \$3,526,300.00. MacArthur Asset Management, Inc. and Thomas A. Hicks were ordered to pay \$3,271,569.00, of which they will pay \$3,133,370.00. American Business Securities, Inc. and John L. Casperson, Jr. were ordered to pay \$4,645,519.00, of which they will pay \$121,112.22. Tim L. Epps was ordered to pay \$6,338,248.66, of which he will pay \$20,258.96. The Court previously entered Judgments of Permanent Injunction enjoining these defendants from violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5, and additionally enjoining ABS from violations of Section 15(c) of the Exchange Act and Rule 15c1-2.

The Commission's Complaint alleges that from mid-1989 to mid-1994, the defendants fraudulently offered and sold oil and gas limited partnership and trust investments. Many of the wells had never been acquired; returns to investors were also preset and unrelated to actual well production. Over \$40 million was raised from over 1,000 investors, most of whom are elderly. [SEC v. American Business Securities, Inc., et al., Civil Action No. 94-4866 ER, JRx, C.D. Cal.] (LR-14722)

INVESTMENT COMPANY ACT RELEASES

ANNUITY INVESTORS LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting Annuity Investors Life Insurance Company (Company), Annuity Investors Variable Account A (Separate Account), and AAG Securities, Inc. from Sections 22(d), 26(a)(2)(C) and 27(c)(2) of the Act, to the extent necessary to permit the Company to deduct a mortality and expense risk charge under certain variable annuity contracts (Contracts), and other variable annuity contracts

issued by the Company in the future that are materially similar to the Contracts (Future Contracts), from the assets of the Separate Account or any separate account established in the future by the Company to support Future Contracts; and to waive the contingent deferred sales charge when certain specified contingencies trigger the right to a complete or partial surrender. (Rel. IC-21504 - November 15)

SELF-REGULATORY ORGANIZATIONS

DELISTING GRANTED

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration The San Francisco Company, Class A Common Stock, Par Value 1¢. (Rel. 34-36485)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board (Board) filed a proposed rule change to amend Board rule G-35 (Arbitration Code) by amending Section 25 of the Arbitration Code in order to conform that Section to its counterpart in the Uniform Code of Arbitration (Uniform Code) developed by the Securities Industry Conference on Arbitration. The Commission has found good cause pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934 to approve the proposed rule change prior to the 30th day after publication in the Federal Register. Publication of the proposal is expected in the Federal Register during the week of November 20. (Rel. 34-36486)

APPROVAL OF AMENDMENT TO JOINT INDUSTRY PLAN

The Commission partially approved Amendment No. 6 to a Joint Industry Reporting Plan for Nasdaq/National Market securities traded on an exchange on an unlisted or listed basis, submitted by the National Association of Securities Dealers, Inc., and the Boston, Chicago and Philadelphia Stock Exchanges (File No. S7-24-89). The Commission's approval order extends the effectiveness of the Plan and extends certain exemptive relief granted by the Commission in conjunction with the Plan through December 12, 1995. (Rel. 34-36481)

PROPOSED RULE CHANGE

The Philadelphia Stock Exchange filed a proposed rule change (SR-Phlx-95-73) to amend Article I of its By-Laws and Rule 3 to allow the Exchange to approve limited liability companies, limited liability partnerships, business trusts and other organizational structures as member firms. Publication of the proposal is expected in the Federal Register during the week of November 20. (Rel. 34-36482)

RECENT 8K FILINGS

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		
A PLUS NETWORK INC	TN			X					X	10/24/95	
ADVANTA CREDIT CARD MASTER TRUST I	NY				X	X				11/10/95	
ADVANTA CREDIT CARD MASTER TRUST II					X	X				11/09/95	
AIRSENSORS INC	DE							X		10/31/95	
AMERICAN GENERAL FINANCE CORP	IN				X					11/16/95	
AMERICAN INDUSTRIAL PROPERTIES REIT INC	TX				X	X				11/13/95	
AMERICAN NATIONAL BANCORP INC	DE				X	X				10/13/95	
AMERICAN STUDIOS INC	NC				X					11/02/95	
AMERIDATA TECHNOLOGIES INC	DE				X	X				09/14/95AMEND	
APOGEE INC	DE		X					X		10/25/95	
ARCH COMMUNICATIONS GROUP INC /DE/	DE							X		09/07/95AMEND	
ARGO BANCORP INC /DE/	DE					X				11/07/95	
ARVIN INDUSTRIES INC	IN		X				X			10/01/95AMEND	
ARVIN INDUSTRIES INC	IN				X					12/31/95	
ASDAR GROUP /NV/	NV				X					11/06/95	
ASSET SECURITIZATION CORP						X	X			11/02/95	
ATC ENVIRONMENTAL INC	DE		X					X		11/10/95	
ATLANTIC CITY ELECTRIC CO	NJ		X							06/15/95	
ATLANTIC CITY ELECTRIC CO	NJ		X							07/21/95	
ATLANTIC CITY ELECTRIC CO	NJ		X							10/19/95	
ATLANTIC ENERGY INC	NJ		X							06/15/95	
ATLANTIC ENERGY INC	NJ		X							07/21/95	
ATLANTIC ENERGY INC	NJ		X							10/19/95	

8K REPORTS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT	
		1	2	3	4	5	6	7	8			
BANKAMERICA CORP	DE					X					11/14/95	
BANKERS TRUST NEW YORK CORP	NY					X	X				11/10/95	
BARRINGTON BANCORP INC	DE					X	X				11/08/95	
BAXTER INTERNATIONAL INC	DE					X					11/14/95	
BOATMENS NATIONAL BANK OF ST LOUIS						X	X				10/16/95	
BOSTON LIFE SCIENCES INC /DE	DE						X				06/15/95AMEND	
BOSTON LIFE SCIENCES INC /DE	DE					X	X				11/02/95	
BRODERBUND SOFTWARE INC /DE/	DE					X	X				11/07/95	
C CUBE MICROSYSTEMS INC	DE					X					11/10/95	
CABOT CORP	DE					X					11/10/95	
CAMELOT CORP	CO	X									10/31/95	
CARDINAL HEALTH INC	OH	X					X				11/13/95	
CBS INC	NY					X	X				11/16/95	
CHALLENGER INTERNATIONAL LTD						X	X				11/10/95	
CHARTER ONE FINANCIAL INC	DE	X				X	X				10/31/95	
CHASE MORTGAGE FINANCE CORP	DE					X					10/25/95	
CHEMFIX TECHNOLOGIES INC	DE		X				X				11/03/95	
CHRISTMAS GUILD INC	NV							X			10/30/95	
CITI BANCSHARES INC	FL					X	X				11/01/95	
COASTAL BANCORP INC/TX/	TX	X					X				11/01/95	
COHERENT COMMUNICATIONS SYSTEMS CORP	DE	X					X				10/25/95	
COMFED BANCORP INC	DE	X									09/14/95	
COMMODORE MEDIA INC	DE					X	X				10/30/95	
COMMUNICATION INTELLIGENCE CORP	DE					X	X				11/03/95	
CONSOLIDATED SILVER CORP	ID					X	X				11/15/95	
CORPUS CHRISTI BANCSHARES INC	TX	X					X				10/31/95	
CRESTEK INC /NJ/	DE					X					10/06/95	
CRESTEK INC /NJ/	DE	NO ITEMS									11/01/95	
CTS ADJUSTABLE RATE MORTGAGE TRUST 1995-	NY					X	X				10/25/95	
CURATIVE TECHNOLOGIES INC /MN	MN					X	X				11/06/95	
DEERE & CO	DE					X					11/15/95	
DEVELOPED TECHNOLOGY RESOURCE INC	MN					X					11/02/95	
DIAMOND CABLE COMMUNICATIONS PLC								X			09/27/95	
DIANON SYSTEMS INC	DE					X	X				10/04/95	
DHI INC /CO/	CO					X	X				10/31/95	
DT INDUSTRIES INC	DE						X				09/11/95AMEND	
DURAMED PHARMACEUTICALS INC	DE					X	X				11/15/95	
ENCARE HOLDINGS INC	DE						X				09/07/95AMEND	
ENCON SYSTEMS INC	DE					X	X				11/02/95	
EQUICOM MORTGAGE LOAN TRUST 1995-2	NY		X				X				10/25/95	
FEDERAL PAPER BOARD CO INC	NY	X					X				11/06/95	
FEDERAL REALTY INVESTMENT TRUST	DC					X	X				09/30/95	
FIRST AMERICAN CORP /TN/	TN	X					X				11/15/95	
FIRST BANK SYSTEM INC	DE					X	X				11/05/95	
FIRST BANK SYSTEM INC	DE						X				11/14/95AMEND	
FIRST BANK SYSTEM INC	DE					X	X				11/15/95	
FIRST INDUSTRIAL REALTY TRUST INC	MD					X	X				08/14/95AMEND	
FIRST INTERSTATE BANCORP /DE/	DE					X	X				11/05/95	
FIRST OF AMERICA BANK-MICHIGAN NA			X								09/30/95AMEND	
FLEET FINANCIAL GROUP INC	RI					X	X				11/15/95	
FLOWERS INDUSTRIES INC /GA	GA					X	X				11/06/95	
FOAMEX INTERNATIONAL INC	DE					X	X				11/01/95	
FORD CREDIT AUTO LOAN MASTER TRUST	MI					X	X				10/31/95	
FORD CREDIT AUTO RECEIVABLES CORP	DE					X	X				10/31/95	
GE CAPITAL MOR SER INC REMIC MUL CL PA T						X	X				11/08/95	

8K REPORTS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
GLOUCESTER COUNTY BANKSHARES INC	NJ				X	X				10/25/95	
GROVE REAL ESTATE ASSET TRUST	MD	X								10/30/95	
HARISTON CORP						X				08/25/95AMEND	
HBO & CO	DE				X					11/16/95	
HEALTHPLAN SERVICES CORP	DE					X				08/31/95AMEND	
HILLS STORES CO /DE/	DE			X		X				11/08/95	
HOME PROPERTIES OF NEW YORK INC	MD	X		X	X					05/16/95AMEND	
HOUGHTON MIFFLIN CO	MA	X				X				10/31/95	
HUBCO INC	NJ			X	X					11/03/95	
INTEGRATED PROCESS EQUIPMENT CORP	DE	X				X				10/30/95	
INTEGRATED SYSTEMS INC	CA	X								10/31/95	
INTERNATIONAL NURSING SERVICES INC	CO	X				X				09/19/95AMEND	
INTERNATIONAL SATELLITE GROUP INC	WA	X	X		X	X				10/13/95	
ITT CORP	DE					X				11/15/95	
JACO ELECTRONICS INC	NY				X					10/03/95	
JCP RECEIVABLES INC	DE					X				10/31/95	
KEYCORP STUDENT LOAN TRUST 1995-A	NY				X	X				10/27/95	
KP MILLER REALTY GROWTH FUND III L P	TX	X				X				10/24/95	
KTI INC	NJ				X	X				11/07/95	
LABONE INC	DE	X								11/10/95	
LAW COMPANIES GROUP INC	GA				X	X				10/11/95	
LOEWEN GROUP INC					X	X				11/03/95	
LOUISIANA PACIFIC CORP	DE				X	X				10/29/95	
LUKENS MEDICAL CORP	DE			X		X				10/26/95AMEND	
MATHSOFT INC	MA				X	X				11/06/95	
MERRY GO ROUND ENTERPRISES INC	MD				X	X				11/13/95	
MORRISON KNUDSEN CORP	DE				X					11/15/95	
MULTIMEDIA INC	SC				X	X				11/15/95	
NOBEL EDUCATION DYNAMICS INC	DE						X			11/14/95AMEND	
NOBEL EDUCATION DYNAMICS INC	DE						X			11/14/95AMEND	
NORTH SHORE GAS CO /IL/	IL				X					11/15/95	
NORTHLAND CABLE PROPERTIES FOUR LTD PART	WA					X				11/01/95	
NS GROUP INC	KY				X	X				09/30/95	
OLD KENT FINANCIAL CORP /MI/	MI				X	X				11/13/95	
PACIFICORP /OR/	OR				X	X				11/15/95	
PAINWEBBER EQUITY PARTNERS TWO LTD PART	VA	X				X				11/01/95	
PENTAIR INC	MN	X				X				11/15/95	
PEOPLES ENERGY CORP	IL				X					11/15/95	
PEOPLES GAS LIGHT & COKE CO	IL				X					11/15/95	
PLACER DOME INC					X	X				11/01/95	
PLASTI LINE INC /TN/	TN	X								11/02/95	
PNC MORTGAGE SEC CORP MORT PASS THRO CER	DE				X	X				10/25/95	
PNC MORTGAGE SEC CORP MORT PASS THRO CER	DE				X	X				10/25/95	
PNC MORTGAGE SEC CORP MORT PASS THRO CER	DE				X	X				10/25/95	
PNC MORTGAGE SECURITIES CORP MOR PASS TH	DE				X	X				10/25/95	
PNC MORTGAGE SECURITIES CORP MORT PASS T	DE	X				X				10/13/95	
PNC MORTGAGE SECURITIES CORP MORT PASS T	DE				X	X				10/25/95	
PRUDENTIAL SEC SECURED FIN CORP MORT PA					X	X				08/25/95	
PRUDENTIAL SEC SECURED FIN CORP MORT PAS					X	X				08/25/95	
QUORUM HEALTH GROUP INC	DE				X					11/07/95	
RECOTON CORP	NY					X				09/05/95AMEND	
RHODES INC	GA	X				X				10/31/95	
RIDDELL SPORTS INC	DE				X					11/07/95	
ROTECH MEDICAL CORP	FL	X				X				11/15/95	

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

Litigation Release No. 14721 / November 16, 1995

SECURITIES AND EXCHANGE COMMISSION v. CERTAIN PURCHASERS OF THE
COMMON STOCK OF CBI INDUSTRIES, INC., U.S. District Court for the
Southern District of New York, 95 Civ. 9651 (MP) (S.D.N.Y. 1995)

The Securities and Exchange Commission today announced that on November 14, 1995, it filed a complaint against certain unknown purchasers of the common stock of CBI Industries, Inc., alleging that they violated Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 thereunder and seeking injunctive relief, disgorgement of illegal trading profits with prejudgment interest, and civil penalties. In its Complaint, the Commission alleged that the defendants made highly profitable purchases of CBI common stock through the offices of foreign financial institutions just days before the first public announcement that Praxair, Inc. intended to commence a takeover of CBI. According to the Complaint, while in possession of material nonpublic information concerning Praxair's contemplated takeover, the defendants purchased a total of 84,000 shares of CBI stock during the two trading days preceding the public announcement. The Commission further alleged that, as a result of the public announcement, the price of CBI stock rose \$10 5/8, or over 50 percent, and the defendants stand to realize over \$1.3 million.

The Commission also applied for emergency relief which included an asset freeze to prevent the defendants from removing the common stock of CBI and the proceeds of any sales of such stock beyond the jurisdiction of the Court. In documents filed in support of its application for the emergency relief, the Commission noted that very shortly after it began investigating and making inquiries of brokers and others concerning the defendants' transactions in CBI stock, three of the foreign institutions through which the defendants had purchased CBI stock had placed orders to sell the CBI stock. In addition, the foreign financial institutions through which certain of the defendants had effected their purchases of CBI stock had not responded to the Commission's inquiry as to whether the foreign institutions or their customers would consent to leave the CBI stock or any proceeds from the sale of the CBI stock in the United States or even whether the customers would agree to identify themselves to the Commission.

The Honorable Milton Pollack, United States District Judge, Southern District of New York, issued an order against the defendants and their agents, freezing the defendants' shares of CBI stock and any proceeds of sales of such stock. The Court scheduled a hearing for November 28, 1995, on the Commission's Application for a Preliminary Injunction to Continue the Asset Freeze and Other Relief.

The Commission received assistance from the New York Stock Exchange in this matter.