

sec news digest

Issue 95-86

May 4, 1995

COMMISSION ANNOUNCEMENTS

NOTICE OF RETURN OF OVERPAYMENTS OF 6(b) FEES RECEIVED DURING THE WEEK OF OCTOBER 3, 1994

The SEC has determined that the proper filing fee rate for filings made under Section 6(b) of the Securities Act of 1933 during the period beginning October 1, 1994 and ending October 10, 1994, was one-fiftieth of 1 percent of the maximum aggregate price at which the securities were proposed to be offered. The \$100 minimum payment also applied. The Section 6(b) fee rate was restored to one-twenty-ninth of one percent upon the enactment of Public Law 103-352, dated October 10, 1994.

Any registrant of a filing made during the period described above who paid the Section 6(b) fee at the higher rate of one-twenty-ninth of one percent will have overpaid. If you are affected by this decision and desire a return of your overpayment, please send a letter describing the circumstances to:

United States Securities and Exchange Commission
Operations Center
Attn: Cecilia H. Wilkerson, Associate Director
Office of Filings and Information Services
6432 General Greenway - Mail Stop 06, Room 2504
Alexandria, VA 22312

DECLARATION ON COOPERATION AND SUPERVISION OF CROSS-BORDER INVESTMENT MANAGEMENT ACTIVITY

On May 1, Chairman Levitt signed a Declaration on Cooperation and Supervision of Cross-Border Investment Management Activity with the U.K. Investment Management Regulatory Organization (IMRO). IMRO is the SEC's

investment management regulatory counterpart in the U.K. The Declaration gives the SEC a new mechanism to obtain information about registered investment advisers located in the U.K. and thereby improve its ability to oversee their operations. The Declaration also creates a means for the SEC and IMRO to work together to conduct on-site inspections. The SEC expects to take this approach in other countries with large concentrations of U.S. registered advisers or other U.S. regulated entities. (International Series Rel. 806)

ENFORCEMENT PROCEEDINGS

IN THE MATTER OF SUZANNE COOK

Administrative Law Judge Edward J. Kuhlmann imposed sanctions on a former Merrill Lynch oil and gas service industry analyst in the matter of Suzanne L. Cook, Administrative Proceeding File number 3-8294. Judge Kuhlmann found that Suzanne L. Cook committed securities fraud by preparing Barton Industries, Inc.'s December 15, 1990 false and misleading press release. The Administrative Law Judge found, among other facts, that Suzanne Cook drafted, with scienter, the press release, including a statement of vastly inflated "analysts' 1991 estimates" of revenue, income and cash flow and a statement that two prior press releases were incorrect and unauthorized; Cook neither had a genuine belief, nor a reasonable basis for believing, that the projections stated in the release were accurate, and had reason to know the prior unfavorable press releases were authorized and accurate; and Cook falsely told two Barton investors that "due diligence" had been done to support the analysts' estimates, and the analysts referenced in the release included "Merrill Lynch and others following the stock." Considering these and other findings, Judge Kuhlmann ordered that Suzanne L. Cook be barred from association with any broker, dealer, municipal securities dealer, investment adviser or investment company, with a right to reapply for such association after three years. Further, Judge Kuhlmann ordered that Cook cease and desist from committing or causing any future violation of Securities Exchange Act Section 10(b) and Rule 10b-5 promulgated thereunder. (Initial Decision Release No. 63)

MICHAEL MONUS, PATRICK FINN, JOHN ANDERSON AND JEFFREY WALLEY SUED IN CONNECTION WITH ACCOUNTING FRAUD AT PHAR-MOR, INC.

The Commission announced that on May 2 a complaint was filed in the Northern District of Ohio against Michael Monus, Patrick Finn, John Anderson and Jeffrey Walley alleging violations of the antifraud provisions of the securities laws. The complaint alleges that from at

least 1987 through 1992, Monus, Finn and Anderson, and, beginning in July 1990, Walley, while employed at Phar-Mor, Inc., engaged in a fraudulent scheme in which they falsified Phar-Mor's books, records and financial statements in order to artificially increase corporate profits. As a result of the defendants' fraudulent activities, from fiscal year 1987 through 1991, Phar-Mor cumulatively overstated income by \$290 million. (In fiscal year 1992, the year in which the fraud was detected, Phar-Mor overstated income by approximately \$238 million.) Further, the complaint alleges, false financial statements and records concealed Phar-Mor's growing financial problems and, during the course of the fraudulent scheme, induced investors to invest over \$500 million in Phar-Mor. In addition to injunctive relief, the Commission is seeking civil penalties from all defendants. Further, the Commission is seeking disgorgement and an officer and director bar against Monus. [SEC v. Michael Monus, et al., N.D. OH., 4:95 CV 975] (LR-14488; AAE Rel. 667)

INVESTMENT COMPANY ACT RELEASES

1784 FUNDS AND THE FIRST NATIONAL BANK OF BOSTON

A notice has been issued giving interested persons until May 30 to request a hearing on an application filed by 1784 Funds and The First National Bank of Boston for an order under Section 17(d) of the Investment Company Act and Rule 17d-1 thereunder to enable them to establish one or more joint accounts to be used to enter into short-term repurchase agreements. (Rel. IC-21038 - May 3)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The New York Stock Exchange filed a proposed rule change (SR-NYSE-95-05) to adopt a near neighbor approach to measuring specialist performance. Publication of the proposal is expected in the Federal Register during the week of May 8. (Rel. 34-35661)

The New York Stock Exchange filed a proposed rule change (SR-NYSE-95-06) to amend the Exchange's Allocation Policy and Procedures to limit the weight that the Specialist Performance Evaluation Questionnaire may be given in the Exchange's allocation decision making process. Publication of the proposal is expected in the Federal Register during the week of May 8. (Rel. 34-35662)

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 FORD MOTOR CO, THE AMERICAN RD, DEARBORN, MI 48121 (313) 323-2260 - 100,000 (\$2,718,750) COMMON STOCK. (FILE 33-58861 - APR. 27) (BR. 4)
- S-8 U S HOME CORP /DE/, 1800 WEST LOOP SOUTH, HOUSTON, TX 77027 (713) 877-2311 - 250,000 (\$4,250,000) COMMON STOCK. (FILE 33-58863 - APR. 27) (BR. 9)
- S-8 AMERICAN BRANDS INC /DE/, 1700 E PUTNAM AVE, OLD GREENWICH, CT 06870 (203) 698-5000 - 12,000,000 (\$465,000,000) COMMON STOCK. (FILE 33-58865 - APR. 27) (BR. 3)
- S-3 MICROSOFT CORP, ONE MICROSOFT WAY #BLDG 8, NORTH OFFICE 2211, REDMOND, WA 98052 (206) 882-8080 - 22,898 (\$1,750,437) COMMON STOCK. (FILE 33-58867 - APR. 27) (BR. 9)
- S-8 RAYCHEM CORP, 300 CONSTITUTION DR, MS 120/8502, MENLO PARK, CA 94025 (415) 361-3333 - 700,000 (\$24,633,000) COMMON STOCK. (FILE 33-58869 - APR. 27) (BR. 3)
- S-8 RAYCHEM CORP, 300 CONSTITUTION DR, MS 120/8502, MENLO PARK, CA 94025 (415) 361-3333 - 1,000,000 (\$1,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-58871 - APR. 27) (BR. 3)
- S-8 EASTERN ENTERPRISES, 9 RIVERSIDE RD, WESTON, MA 02193 (617) 647-2300 - 1,000,000 (\$29,562,500) COMMON STOCK. (FILE 33-58873 - APR. 27) (BR. 8)
- S-3 ANTHONY INDUSTRIES INC, 4900 S EASTERN AVE, SUITE 200, LOS ANGELES, CA 90040 (213) 724-2800 - 4,600,000 (\$74,750,000) COMMON STOCK. (FILE 33-58875 - APR. 27) (BR. 12)
- S-3 REYNOLDS & REYNOLDS CO, 115 S LUDLOW ST, DAYTON, OH 45402 (513) 443-2000 - 277,324 (\$7,425,350.10) COMMON STOCK. (FILE 33-58877 - APR. 27) (BR. 12)
- S-3 CAROLINA FIRST CORP, 102 S MAIN ST, GREENVILLE, SC 29601 (803) 255-7900 - 26,450,000 (\$26,450,000) STRAIGHT BONDS. (FILE 33-58879 - APR. 27) (BR. 2)
- S-3 LINCOLN ELECTRIC CO, 22801 ST CLAIR AVE, CLEVELAND, OH 44117 (216) 481-8100 - 130,000,000 (\$130,000,000) COMMON STOCK. (FILE 33-58881 - APR. 27) (BR. 1)
- S-4 ACCLAIM ENTERTAINMENT INC, 71 AUDREY AVE, OYSTER BAY, NY 11771 (516) 922-2400 - 2,684,973 (\$20,472,920) COMMON STOCK. (FILE 33-58883 - APR. 27) (BR. 10)