

sec news digest

Issue 95-199

October 16, 1995

COMMISSION ANNOUNCEMENTS

CHAIRMAN LEVITT TO HOLD INVESTORS' TOWN MEETING IN COLUMBUS, OHIO AS PART OF NATIONAL CONSUMERS WEEK

On Monday, October 30, Chairman Levitt, Ohio Congressman Michael G. Oxley, and Ohio Securities Commissioner Mark V. Holderman will hold an Investors' Town Meeting in Columbus, Ohio as part of National Consumers Week. The Town Meeting will be held at The Vern Riffe Center's Capitol Theatre at 77 South High Street, Columbus, Ohio from 10:00 a.m. to 12:00 Noon. Registration and investor education displays will occur beginning at 9:00 a.m. Members of the press are invited to attend the meeting. (Press Rel. 95-220)

ENFORCEMENT PROCEEDINGS

RICHARD SMITH CHARGED WITH INSIDER TRADING

The Commission announced the filing of a complaint on September 27 against Richard J. Smith (Smith), alleging insider trading in connection with his and his tippees' sales and/or short sales of PDA Engineering (PDA) stock while in possession of material, nonpublic information concerning PDA's 1993 fourth quarter financial results. The complaint alleges that Smith, then PDA's vice-president and North American Sales Manager for its Software Division, became aware of negative information concerning PDA's 1993 fourth quarter financial results and traded 51,445 PDA shares while in possession of this information. The complaint further alleges that Smith conveyed this information to Angela Bravo de Rueda, a PDA employee and close friend, and David Smith, his father, who each sold all of their PDA shares, and in the case of David Smith, sold PDA shares short. The complaint alleges total profits gained and/or losses avoided of \$138,301.61 for Smith and his tippees.

The Commission's complaint against Smith seeks a permanent injunction from future violations of the antifraud provisions and disgorgement of his and his tippees' trading profits gained and/or losses avoided with prejudgment interest thereon. [SEC v. Richard J. Smith, Civil Action No. 95-6440, MRP, BQRx, C.D. Cal.] (LR-14689)

SUMMARY JUDGMENT GRANTED AGAINST JAY BISHOP, FORMER CEO OF CONTINENTAL WIRELESS CABLE TELEVISION, INC.

On September 20, the Honorable Edward J. Schwartz, United States District Judge for the Southern District of California, entered an Order granting the Commission's motion for summary judgment against Defendant Jay R. Bishop, permanently enjoining Bishop from further violations of the securities registration provisions of Sections 5(a) and 5(c) of the Securities Act of 1933, the antifraud provisions of Section 17(a) of the Securities Act and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and the broker-dealer registration provisions of Section 15(a)(1) of the Exchange Act. The Court will decide the Commission's claim for disgorgement by Bishop at a later date.

The Commission's complaint, filed May 11, 1995, alleged that the Defendants fraudulently offered and sold securities in the form of interests in two wireless cable television "general partnerships." The Defendants misappropriated and misused approximately 75% of the \$39 million raised from 2,574 investors. McPherson and Cardenaz were previously enjoined from violating the above provisions on August 7, 1995, pursuant to their consents, and ordered to disgorge their ill-gotten gains, except for amounts they had demonstrated they were unable to pay. For further information see LR-14118, LR-14163 and LR-14630. [SEC v. Continental Wireless Cable Television, Inc., et al., Civil Action No. 94-07375, BTM, S.D. Cal.] (LR-14690)

INVESTMENT COMPANY ACT RELEASES

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act granting The Northwestern Mutual Life Insurance Company (Northwestern), Northwestern Mutual Variable Life Account (Account), and Northwestern Mutual Investment Services, Inc. exemptions from the following: the provisions of, and the rules under, the Act--other than Sections 7 and 8(a)--specified in Rule 6e-2(b) thereunder; and the provisions of Sections 2(a)(32), 2(a)(35), 12(b), 22(c), 26(a)(1), 26(a)(2), 27(a)(1), 27(c)(1), 27(c)(2) and 27(d) of the Act, subparagraphs (b)(1), (b)(12), (b)(13)(i), (b)(13)(ii), (b)(13)(iii),

(b) (13) (iv), (b) (13) (v), (c) (1) and (c) (4) of Rule 6e-2 under the Act, and Rules 12b-1(a) (1) and 22c-1 under the Act. The order was sought in connection with the offer and sale of certain scheduled premium variable life insurance policies that provide for the following: a death benefit that may include a portion which is not guaranteed for the lifetime of the insured; premiums, the payment of which may be suspended in defined circumstances; optional unscheduled additional premiums; both a contingent deferred sales charge and a sales charge deducted from premiums, neither of which is subject to refunds; deduction of an administrative surrender charge on lapse or surrender; deduction from the policy's account value of cost of insurance charges, charges for substandard risks and incidental insurance benefits, and minimum death benefit guarantee risk charges; values and charges based on the Commissioners 1980 Standard Ordinary Mortality Tables; the deduction from premium payments of an amount that is reasonably related to Northwestern's increased federal tax burden resulting from the application of Section 848 of the Internal Revenue Code of 1986, as amended; the holding of mutual fund shares funding the Account in an open account arrangement, without a trust indenture or the use of a trustee; and the sale of mutual fund shares to the Account without the use of an underwriter for the mutual fund. (Rel. IC-21413 - October 11)

SELF-REGULATORY ORGANIZATIONS

IMMEDIATE EFFECTIVENESS OF PROPOSED AMENDMENTS TO THE OPTIONS PRICE REPORTING AUTHORITY'S NATIONAL MARKET SYSTEM PLAN

The Options Price Reporting Authority filed pursuant to Rule 11Aa3-2 under the Securities Exchange Act of 1934 an amendment to its National Market System Plan (SR-OPRA-95-1) for the purpose of revising the information fees payable by professional subscribers to last sale and quotation information. Publication of the Release in the Federal Register is expected during the week of October 16. (Rel. 34-36364)

The Options Price Reporting Authority filed pursuant to Rule 11Aa3-2 under the Securities Exchange Act of 1934 an amendment to its National Market System Plan (SR-OPRA-95-2) for the purpose of establishing a fee payable by subscribers to last sale and quotation information pertaining to foreign currency options. Publication of the Release in the Federal Register is expected during the week of October 16. (Rel. 34-36365; International Series Rel. 868)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved, subject to certain conditions, a proposed rule change (SR-DGOC-94-06) filed by Delta Government Option Corp. The rule change provides for the implementation of new procedures allowing for the clearance and settlement of repurchase and reverse repurchase transactions. Publication of the approval order is expected in the Federal Register during the week of October 16. (Rel. 34-36367)

APPROVAL OF AMENDMENT TO JOINT INDUSTRY PLAN

The Commission approved Amendment No. 5 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 (S7-24-89) to extend the effectiveness of the Commission's approval of the Plan and to extend certain exemptive relief granted by the Commission in conjunction with the Plan through November 12, 1995. (Rel. 34-36368)

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		
SEALY CORP	DE								X	10/11/95	
SECURITY CONNECTICUT CORP	DE				X	X				10/09/95	
SENTECH EAS CORP /FL	DE	X	X		X	X	X	X		09/22/95	
SEROLOGICALS CORP	DE				X					10/02/95	
SGI INTERNATIONAL	UT	X						X		10/06/95	
SHEFFIELD EXPLORATION CO INC	DE	X	X							10/02/95	
SHELTER PROPERTIES VI LIMITED PARTNERSHI	SC	X						X		09/29/95	
SOFTKEY INTERNATIONAL INC	DE					X	X			10/11/95	