

sec news digest

Issue 95-215

November 7, 1995

COMMISSION ANNOUNCEMENTS

COMMISSION CLOSED ON VETERANS DAY

The Commission, including the Filing Desk and the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system, will be closed on Friday, November 10, in observance of Veterans Day.

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE PROCEEDING INSTITUTED AGAINST KEYPOINT FINANCIAL CORPORATION AND MICHAEL WARREN

The Commission issued an Order on November 6 instituting a public administrative proceeding pursuant to Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 (Advisers Act) against Keypoint Financial Corporation (Keypoint) and Michael R. Warren (Warren), Keypoint's president, based on the entry of a judgment of permanent injunction. The complaint alleged that from approximately January 1991 through at least December 1992, Keypoint, a registered investment adviser, and Warren fraudulently offered and sold non-existent insurance annuity contracts and limited partnership units to Keypoint's clients.

In connection with the institution of the administrative proceeding, the Commission accepted Keypoint's and Warren's Offers of Settlement wherein, without admitting or denying the Commission's findings, Keypoint and Warren consented to an Order revoking Keypoint's registration with the Commission as an investment adviser and barring Warren from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. (Rel. IA-1534)

COMMISSION ISSUES CEASE AND DESIST ORDER AGAINST EVERLAST FILTRATION CORP.

The Commission entered an Order pursuant to Section 21C of the Securities Exchange Act (Exchange Act), ordering Everlast Filtration Corp. (Everlast) of Carlsbad, California, to cease and desist from committing or causing violations of the registration, reporting, record-keeping and internal control provisions of the Exchange Act. Everlast consented to the Order without admitting or denying the Commission's findings.

The Order finds that Everlast reported the value of certain oil filtration patents, in a 1990 Form 10, its 1990 Form 10-K and 1991 Forms 10-Q, at \$4 million. Everlast should have properly reported the value of those patents at \$0. The Order further finds that Everlast reported, in its 1990 Form 10-K and its 1991 Forms 10-Q, the value of its ownership of certain property in Branson, Missouri, at \$106 million. Everlast should have properly reported that property at about \$5 million. Finally, Everlast traded that property for an interest in a partnership and then, in a 1992 Form 8-K, materially overstated the value of its partnership interest. (Rel. 34-36459)

WEALTH INTERNATIONAL NETWORK AND OTHERS CONSENT TO FINAL JUDGMENT

On November 6, United States District Court Judge Charles A. Moyer, Jr. entered a Final Judgment of Permanent Injunction and Other Equitable Relief against defendants Wealth International Network (WIN), Discovery Financial Investments (DFI), André Brady (Brady), Sterling Consortium Holdings, Inc. and Brady International, Inc. (collectively, WIN defendants). The final judgment orders the WIN defendants to disgorge \$13,535,800.39 together with prejudgment interest.

The amount to be disgorged represents money obtained by DFI from investors in connection with its allegedly fraudulent investment pool. Judge Moyer today also entered an order appointing a distribution agent to collect funds and to return them to investors. Pursuant to the final judgment, all monies held in the WIN defendants' bank accounts will be transferred to a disgorgement fund in partial satisfaction of the final judgment.

The final judgment also permanently enjoins WIN, DFI and Brady from future violations of Sections 5(a) and (c), and 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 203 and 206(2) and (4) of the Investment Advisors Act of 1940, and enjoins DFI from future violations of Section 7(a) of the Investment Company Act of 1940. The WIN defendants consented to the entry of the final judgment without admitting or denying the allegations in the Commission's complaint. For further information see LR-14552 and LR-14560. [SEC v. Wealth International Network, et al., USDC, ND GA, Civil Action No. 1:95-CV-1722-CAM] (LR-14712)

CIVIL ACTION FILED AGAINST AMTEL COMMUNICATIONS, INC., RANDY KUHLMANN AND DAVID DARLING

The Commission announced on July 17, 1995, that the Honorable Marilyn L. Huff, United States District Judge for the Southern District of California, issued a temporary restraining order against Amtel Communications, Inc. (Amtel), Randy S. Kuhlmann (Kuhlmann) and David S. Darling (Darling) from certain violations of the federal securities laws. The complaint seeks preliminary and permanent injunctions from violations of the securities registration and antifraud provisions against all the defendants, and as to Kuhlmann and Darling, violations of the broker-dealer registration provisions. The complaint also seeks disgorgement, civil penalties and other relief.

The complaint alleges that from January 1992 through the present, the Defendants fraudulently raised approximately \$51.4 million from over 3,750 investors nationwide through a sales-leaseback program involving pay telephones. The complaint alleges that the Defendants misrepresented Amtel's true financial condition and the safety of the investment, and omitted to disclose payments of sales commissions to sales agents, Kuhlmann, and Darling. [SEC v. Amtel Communications, Inc., et al., Civil Action No. 95-1127H, BTM, S.D. Cal.] (LR-14713)

JEFFREY CASPERSON AND WESTERN ENERGY ACQUISITIONS ORDERED TO PAY OVER \$4 MILLION IN DISGORGEMENT; WEA FURTHER ORDERED TO PAY THIRD TIER PENALTY OF OVER \$4 MILLION

On November 1, following a trial before the Court, Judge Edward Rafeedie of the United States District Court for the Central District of California found that Defendants Jeffrey L. Casperson and Western Energy Acquisitions, Inc. (WEA) are jointly and severally liable with Defendants Jerome L. Casperson and Joseph L. Casperson for \$4,062,614.00 in disgorgement plus prejudgment interest thereon, and that WEA is further liable for a third tier civil penalty in the amount of \$4,062,614.00. The Court had previously entered a Judgment of Permanent Injunction against Jeffrey Casperson and WEA, which permanently enjoined them from violations of the antifraud provisions of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. Jeffrey Casperson and WEA consented, without admitting or denying the allegations in the complaint, to the entry of the Judgment of Permanent Injunction.

From mid-1989 to mid-1994, the defendants engaged in the fraudulent sale of oil and gas limited partnership and trust investments. In some cases, the wells had never been acquired. In addition, returns to investors were preset and not based on actual well production. Approximately \$44.7 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-14714)

INVESTMENT COMPANY ACT RELEASES

THE VANGUARD GROUP, INC., ET AL.

A notice has been issued giving interested persons until November 28 to request a hearing on an application filed by The Vanguard Group, Inc., et al. for an order pursuant to Section 6(c) of the Investment Company Act exempting applicants from Section 12(d)(1) of the Act, pursuant to Sections 6(c) and 17(b) of the Act exempting applicants from Section 17(a) of the Act, and pursuant to Rule 17d-1 under the Act permitting certain joint transactions in accordance with Section 17(d) of the Act and Rule 17d-1 thereunder. The requested order would permit applicants to create a "fund of index funds" that would invest according to specified ratios or weightings in shares of two or more Vanguard index funds without regard to the percentage limitations of Section 12(d)(1). The requested order would also permit the boards of trustees/directors of the funds constituting the Vanguard Group of Investment Companies to modify the funds' service agreement to provide that a fund of index funds may become a member of The Vanguard Group of Investment Companies without bearing duplicative capital contribution or expense allocation costs. (Rel. IC-21470 - November 3)

SEI FINANCIAL MANAGEMENT CORPORATION, ET AL.

A notice has been issued giving interested persons until November 28 to request a hearing on an application filed by SEI Financial Management Corporation and SEI Financial Services Company (together, SEI) for an order amending a prior order under Sections 6(c) and 17(b) of the Investment Company Act granting relief from Section 17(b) thereof, and under 17(d) of the Act and Rule 17d-1 thereunder. The prior order allowed bank-sponsored collective investment funds to convert their assets into shares of registered open-end management investment companies advised by the bank and administered or distributed by SEI. The requested order would amend the prior order to allow such investment companies administered or distributed by SEI to participate in similar conversions of bank-sponsored accounts consisting solely of the assets of a single retirement plan for employees of the bank or bank affiliates. (Rel. IC-21471 - November 3)

RIDGEWOOD ELECTRIC POWER TRUST III, ET AL.

A notice has been issued giving interested persons until November 28 to request a hearing on an application filed by Ridgewood Electric Power Trust III, Ridgewood Electric Power Trust IV, and Ridgewood Power Corporation for an order under Rule 17d-1 under the Investment Company Act in accordance with Sections 17(d) and 57(a)(4) of the Act. The order would permit the Trusts, which are affiliated with each other, to co-invest in the same portfolio securities. (Rel. IC-21472 - November 3)

SMITH BARNEY ADJUSTABLE RATE GOVERNMENT INCOME FUND, ET AL.

A notice has been issued giving interested persons until November 28 to request a hearing on an application by Smith Barney Adjustable Rate Government Income Fund, other funds in the Smith Barney group of investment companies (collectively, Funds) and Smith Barney Holdings Inc. for an order under Section 6(c) of the Investment Company Act granting an exemption from Sections 13(a)(2), 13(a)(3), 18(a), 18(c), 18(f)(1), 22(f), 22(g) and 23(a) of the Act and Rule 2a-7 thereunder; under Sections 6(c) and 17(b) of the Act for an exemption from Section 17(a)(1); and under Section 17(d) of the Act and Rule 17d-1 thereunder. The requested exemptions would allow the Funds to enter into deferred compensation arrangements with their directors or trustees who are not interested persons of the Funds. (Rel. IC-21473 - November 3)

STANDISH, AYER & WOOD INVESTMENT TRUST

A notice has been issued giving interested persons until December 1 to request a hearing on an application filed under the Investment Company Act by Standish, Ayer & Wood Investment Trust (Trust). Applicant requests an order pursuant to Section 17(b) of the Act granting relief from Section 17(a). The requested order would permit the in-kind redemption of Trust shares held by an "affiliated person" of the Trust. (Rel. IC-21474 - November 6)

TORCHMARK INSURED TAX-FREE FUND, INC.

A notice has been issued giving interested persons until December 4 to request a hearing on an application filed by Torchmark Insured Tax-Free Fund, Inc. for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21475 - November 6)

TORCHMARK GOVERNMENT SECURITIES FUND, INC.

A notice has been issued giving interested persons until December 4 to request a hearing on an application filed by Torchmark Government Securities Fund, Inc. for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21476 - November 6)

HOLDING COMPANY ACT RELEASES

THE SOUTHERN COMPANY

A notice has been issued giving interested persons until November 27 to request a hearing on a request by The Southern Company (Southern), a registered holding company, for an order of the Commission modifying a limitation contained in three existing orders. Under the existing orders, Southern is authorized to use the proceeds of the issuance of common stock and borrowings to invest in exempt wholesale generators (EWGs) and foreign utility companies (FUCOs), and to issue guarantees of the obligations of such entities, provided that the total of the net proceeds used for such investments and the guaranties outstanding at any one time shall not, when added to Southern's aggregate investment in all EWGs and FUCOs, exceed 50% of Southern's consolidated retained earnings. Southern requests an order increasing this limitation to 100% of consolidated retained earnings. (Rel. 35-26403)

ARKANSAS POWER & LIGHT COMPANY

A notice has been issued giving interested persons until November 27 to request a hearing on a proposal by Arkansas Power & Light Company (AP&L), an electric public utility subsidiary company of Entergy Corporation, a registered holding company, whereby AP&L will, among other things, borrow money from and make equity capital contributions to newly organized subsidiaries formed solely to issue and sell preferred securities in the aggregate amount of \$200 million, from time-to-time through December 31, 2000. (Rel. 35-26403)

AMERICAN ELECTRIC POWER CO., INC., ET AL.

A notice has been issued giving interested persons until November 27 to request a hearing on a proposal by American Electric Power Company, Inc. (AEP), a registered holding company, and eight electric utility subsidiary companies, Appalachian Power Company (Appalachian), Columbus Southern Power Company (Columbus), Indiana Michigan Power Company (Indiana), Kentucky Power Company (Kentucky), Ohio Power Company (Ohio), AEP Generating Company (Generating), Kingsport Power Company (Kingsport), and Wheeling Power Company (Wheeling) for AEP, Appalachian, Columbus, Indiana, Kentucky and Ohio to incur short-term indebtedness, through December 31, 2001, through the issuance and sale of short-term notes to banks and commercial paper to dealers in commercial paper and for Generating, Kingsport, and Wheeling to incur short-term indebtedness, through December 31, 2001, through the issuance and sale of short-term notes to banks. (Rel. 35-26403)

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-3 CONDISCO INC, 6111 N RIVER RD, ROSEMONT, IL 60018 (708) 698-3000 (FILE 33-63823 - OCT. 31) (BR. 9)
- S-2 AMERCO /NV/, 1325 AIRMOTIVE WY STE 100, RENO, NV 89502 (702) 786-0488 - 3,860,000 (\$193,000,000) PREFERRED STOCK. (FILE 33-63825 - OCT. 31) (BR. 4)
- S-2 AMERCO /NV/, 1325 AIRMOTIVE WY STE 100, RENO, NV 89502 (702) 786-0488 - 4,056,034 (\$101,400,850) PREFERRED STOCK. (FILE 33-63827 - OCT. 31) (BR. 4)
- S-1 FORTIS BENEFITS INSURANCE CO, 500 BIELENBERG DRIVE, WOODBURY, MN 55125 (612) 738-5590 - 290,000 (\$290,000) VARIABLE ANNUITY ISSUES. (FILE 33-63829 - OCT. 31) (BR. 20)
- S-3 SOFTECH INC, 460 TOTTEN POND RD, WALTHAM, MA 02154 (617) 890-6900 - 281,497 (\$1,161,175) COMMON STOCK. (FILE 33-63831 - OCT. 31) (BR. 9)
- S-4 CHEMICAL BANKING CORP, 270 PARK AVE, NEW YORK, NY 10017 (212) 270-6000 - 202,550,389 (\$1,279,524,787) COMMON STOCK. (FILE 33-63833 - OCT. 31) (BR. 2)
- S-3 DOMINION RESOURCES INC /VA/, 901 E BYRD ST, P O BOX 26532, RICHMOND, VA 23219 (804) 775-5700 - 199,444 (\$7,940,364.25) COMMON STOCK. (FILE 33-63835 - OCT. 31) (BR. 8)
- S-8 AEQUITRON MEDICAL INC, 14800 28TH AVE N, PLYMOUTH, MN 55447 (612) 557-9200 - 250,000 (\$2,110,000) COMMON STOCK. (FILE 33-63837 - OCT. 31) (BR. 8)
- S-8 AEQUITRON MEDICAL INC, 14800 28TH AVE N, PLYMOUTH, MN 55447 (612) 557-9200 - 500,000 (\$4,220,000) COMMON STOCK. (FILE 33-63839 - OCT. 31) (BR. 8)
- S-3 NATIONAL MEDIA CORP, 1700 WALNUT ST, PHILADELPHIA, PA 19103 (215) 772-5000 - 8,498,232 (\$128,535,759) COMMON STOCK. (FILE 33-63841 - OCT. 31) (BR. 1)
- S-8 NORTHERN TRUST CORP, 50 S LA SALLE ST, CHICAGO, IL 60675 (312) 630-6000 - 111,428 (\$5,264,973) COMMON STOCK. (FILE 33-63843 - OCT. 31) (BR. 1)
- S-3 UNX CORP, 110 EAST 59TH ST, NEW YORK, NY 10022 (212) 355-5200 - 188,519 (\$1,979,450) COMMON STOCK. (FILE 33-63845 - OCT. 31) (BR. 6)
- S-8 APPLIED MATERIALS INC /DE, 3050 BOMERS AVE, SANTA CLARA, CA 95054 (408) 727-5555 - 4,000,000 (\$186,500,000) COMMON STOCK. (FILE 33-63847 - OCT. 31) (BR. 9)
- S-8 ADOBE SYSTEMS INC, 1585 CHARLESTON RD, MOUNTAIN VIEW, CA 94043 (415) 961-4400 - 1,670,080 (\$33,919,324.80) COMMON STOCK. (FILE 33-63849 - OCT. 31) (BR. 9)

REGISTRATIONS CONT.

- S-3 ACTAVA GROUP INC, 945 E PACES FERRY RD, STE 2210, ATLANTA, GA 30326 (404) 658-9000 - 752,708 (\$12,937,545) COMMON STOCK. (FILE 33-63853 - OCT. 31) (BR. 6)
- S-3 FERRO CORP, 1000 LAKESIDE AVE, CLEVELAND, OH 44114 (216) 641-8580 (FILE 33-63855 - OCT. 31) (BR. 2)
- S-3 ALPHA INDUSTRIES INC, 20 SYLVAN RD, WOBURN, MA 01801 (617) 935-5150 - 2,300,000 (\$35,650,000) COMMON STOCK. UNDERWRITER: ADAMS HARRISS & HILL INC, MONTGOMERY SECURITIES, OPPENHEIMER & CO INC. (FILE 33-63857 - OCT. 31) (BR. 3)
- S-8 CLAIBORNE LIZ INC, 1441 BROADWAY, NEW YORK, NY 10018 (212) 354-4900 - 1,544,985 (\$40,652,418) COMMON STOCK. (FILE 33-63859 - OCT. 31) (BR. 8)
- S-8 STAFF BUILDERS INC /DE/, 1983 MARCUS AVE, STE C115, LAKE SUCCESS, NY 11042 (908) 233-8899 - 1,000,000 (\$4,750,000) COMMON STOCK. (FILE 33-63863 - OCT. 31) (BR. 6)
- S-8 STAFF BUILDERS INC /DE/, 1983 MARCUS AVE, STE C115, LAKE SUCCESS, NY 11042 (908) 233-8899 - 1,000,000 (\$4,750,000) COMMON STOCK. (FILE 33-63865 - OCT. 31) (BR. 6)
- S-3 ACTAVA GROUP INC, 945 E PACES FERRY RD, STE 2210, ATLANTA, GA 30326 (404) 658-9000 - 15,252,128 (\$262,153,576) COMMON STOCK. (FILE 33-63867 - OCT. 31) (BR. 6)
- S-8 AMERICAN STORES CO /NEV/, 709 E SOUTH TEMPLE, SALT LAKE CITY, UT 84102 (801) 539-0112 - 7,000,000 (\$210,875,000) COMMON STOCK. (FILE 33-63869 - OCT. 31) (BR. 2)
- S-3 PHYCOR INC/TN, 30 BURTON HILLS BLVD STE 500, NASHVILLE, TN 37215 (615) 665-9066 - \$68,000,000 COMMON STOCK. UNDERWRITER: GOLDMAN SACHS & CO, MONTGOMERY SECURITIES, NEEDHAM & CO INC. (FILE 33-98528 - OCT. 24) (BR. 6)
- S-8 SOFAMOR DANEK GROUP INC, 1800 PYRAMID PLACE, MEMPHIS, TN 38132 (901) 396-2695 - 1,000,000 (\$25,875,000) COMMON STOCK. (FILE 33-98580 - OCT. 26) (BR. 8)
- S-8 SOFAMOR DANEK GROUP INC, 1800 PYRAMID PLACE, MEMPHIS, TN 38132 (901) 396-2695 - 400,000 (\$10,350,000) COMMON STOCK. (FILE 33-98582 - OCT. 26) (BR. 8)
- S-8 ROTARY POWER INTERNATIONAL INC, 1 PASSAIC AVE, PO BOX 128, WOOD-RIDGE, NJ 07075 (201) 777-7373 - 200,000 (\$1,025,000) COMMON STOCK. (FILE 33-98584 - OCT. 26) (BR. 8)
- SB-2 AMERICAN BUSINESS FINANCIAL SERVICES INC /DE/, 111 PRESIDENTIAL BLVD, STE 215, BALA CYNWYD, PA 19004 (610) 668-2440 - 50,000,000 (\$50,000,000) STRAIGHT BONDS. (FILE 33-98636 - OCT. 26) (BR. 12)
- S-8 GUCCI GROUP NV, RODENRIJSELAAN 238, 3037 XB ROTTERDAM, NETHERLANDS, PB (201) 867-8800 - 3,963,444 (\$70,623,685.75) COMMON STOCK. (FILE 33-98638 - OCT. 26) (BR. 7)
- S-1 MCA FINANCIAL CORP /MI/, Z3999 NORTHWESTERN HWY, SOUTHFIELD, MI 48075 (810) 358-0607 - 5,000,000 (\$5,000,000) STRAIGHT BONDS. (FILE 33-98644 - OCT. 27) (BR. 11)
- S-8 PHOENIX GOLD INTERNATIONAL INC, 9300 NORTH DECATUR ST, PORTLAND, OR 97203 (503) 288-2008 - 315,000 (\$3,307,500) COMMON STOCK. (FILE 33-98648 - OCT. 27) (BR. 3)