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U.S. SECURITIES AND  
EXCHANGE COMMISSION

Issue 85-192

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## ADMINISTRATIVE PROCEEDINGS

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### INVESTMENT ADVISER REGISTRATION OF HAMMON CAPITAL MANAGEMENT CORP. REVOKED; GABE HAMMON BARRED

The Commission revoked the investment adviser registration of Hammon Capital Management Corporation of San Francisco, and barred Gabe Hammon, its president and sole stockholder, from association with any investment adviser in a proprietary or supervisory capacity.

The Commission found that respondents had violated reporting provisions of the Investment Advisers Act. In imposing sanctions, it stressed the fact that respondents failed to comply with undertakings, contained in a prior offer of settlement accepted by the Commission, designed to correct deficiencies in the firm's books and records. The Commission stated: "We have serious doubts concerning respondents' good faith and the efficacy of their promises of future compliance.... We consider that respondents have amply demonstrated that they are unable or unwilling to comply with record-keeping and reporting requirements, requirements that are necessary for the surveillance of registrant's operations and, therefore, the protection of registrant's clients. We showed leniency in our first administrative proceeding by giving respondents the opportunity to put their house in order. However, that course of action proved a complete failure. Under the circumstances, we have determined that the public interest now requires the imposition of severe sanctions." (Rel. IA-989)

### NASD ACTION AGAINST EDWARD D. JONES & CO. AND JOHN D. BEUERLEIN AFFIRMED

The Commission affirmed sanctions imposed by the NASD on Edward D. Jones & Co., a Maryland Heights, Missouri securities firm, and John D. Beuerlein, a partner and the firm's syndicate manager. The NASD censured applicants and fined the firm \$3,230.

The Commission found, as had the NASD, that applicants violated the NASD's interpretation respecting free-riding and withholding. The interpretation requires members to distribute at the public offering price all shares of public offerings that rise to an immediate aftermarket premium (hot issues). It prohibits members from continuing to hold any of such securities in any of their accounts.

In February 1983, applicants received an allotment of 2,200 shares of a hot issue, VLSI Technology, Inc., from the managing underwriter, and improperly retained 1,000 shares of VLSI stock when the stock rose to an immediate aftermarket premium. The firm then sold the 1,000 shares of VLSI to another dealer at a profit. (Rel. 34-22449)

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## CIVIL PROCEEDINGS

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### ACTION FOR INJUNCTIVE RELIEF FILED AGAINST CLASSIC MINING CORPORATION, OTHERS

The Atlanta Regional Office filed a complaint on September 23 in the U.S. District Court for the Middle District of Tennessee seeking injunctions against Classic Mining Corporation, Living Industries, Inc., Kesef Consultants, Ltd., Michael W. Strand, A. Leonard Varah, and Galen J. Ross. The complaint alleges violations of the anti-fraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. The complaint also alleges that beginning in 1977 and continuing until at least 1981, the defendants manipulated the price of Classic and Living common stock through manipulative trading practices and through the issuance of numerous false and misleading press releases, shareholder communications and presentations to the public concerning, among other things, multimillion dollar mining contracts, oil production in the Overland Dome Oil Field and the financial condition of the joint venture. The complaint further alleges that the defendants failed to disclose past violations of the securities laws by Strand and Varah. The complaint further seeks an accounting

of the trading in the common stock of Classic and Living by Strand and Varah and disgorgement of any profits received through such trading. (SEC v. Classic Mining Corporation, et al., USDC MDTN, Nashville Division, Civil Action No. 3-85-1133). (LR-10882)

**PERMANENT INJUNCTION AND RECEIVER ORDERED  
AGAINST FINANCIAL & BUSINESS SERVICES, INC., OTHERS**

The Atlanta Regional Office announced that on September 23 Chief U.S. District Judge Robert D. Potter, Western District of North Carolina, entered a Final Judgment of Permanent Injunction and Order Appointing a Receiver and Other Equitable Relief against Financial & Business Services, Inc. (FBSI), Arthur B. Jacoby, and Joseph J. Pavlico, all of Charlotte, North Carolina, enjoining them from violating the registration and antifraud provisions of the Securities Act of 1933 and the antifraud provisions of the Securities Exchange Act of 1934. The Court appointed Timothy Finley of Charlotte, North Carolina, as Receiver for FBSI and 15 related entities. The defendants consented to the order without admitting or denying the complaint's allegations. The Commission alleged that about \$6.7 million in promissory notes were sold to over 500 investors in ten states. Also, the complaint alleged that false statements were made concerning use of the funds, insurance of the investment, and security for the investment. (SEC v. Financial & Business Services, Inc., et al., Civil Action No. C-C-85-468P, WDNC). (LR-10883)

**COMPLAINT FILED AGAINST EMERA BAILEY, OTHERS**

The Washington Regional Office filed a complaint on October 2 naming Emera Bailey of Blairstown, New Jersey; Bruce Berk (B. Berk) of Chester, New Hampshire; Jon Berk (J. Berk) of Cromwell, Connecticut; Eduardo Delgado of Kings Park, New York; Arthur Freilich of Plainview, New York; Walter Lipkin of Roslyn Heights, New York; and Malcolm Widenor of Hauppauge, New York.

The complaint alleges that the defendants violated the antifraud provisions of the Securities Exchange Act of 1934 and Rule 10b-5. It is further alleged that on December 12, 1983 Delgado and Freilich, key employees of North Atlantic Industries Inc., purchased North Atlantic common stock while in possession of material nonpublic information concerning the award of a major contract by the United States Navy to North Atlantic.

Simultaneous with the filing of the complaint, the defendants, without admitting or denying the allegations, consented to Orders permanently enjoining them from hereafter violating the antifraud provisions of the Exchange Act. Bailey, B. Berk, J. Berk, Delgado and Freilich also consented to pay over monies totaling \$27,775 plus interest.

[The Commission appreciates the assistance given by the Naval Investigative Services Division to the investigation]. (SEC v. Emera Bailey, et al., C.A. No. 85-3145, D.C. 1985). (LR-10896)

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## **INVESTMENT COMPANY ACT RELEASES**

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**MESBIC FINANCIAL CORPORATION OF DALLAS**

A notice has been issued giving interested persons until October 28 to request a hearing on an application of MESBIC Financial Corporation of Dallas for an order exempting it from all provisions of the Investment Company Act other than: (a) Sections 9, 17(a)-(e), 31, 36(a) and 37 of the Act and their rules; (2) all sections necessary to implement the above sections of the Act; and (3) all administrative, procedural and jurisdictional sections of the Act. (Rel. IC-14743 - Oct. 2)

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## **HOLDING COMPANY ACT RELEASES**

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**BLACKSTONE VALLEY ELECTRIC COMPANY**

An order has been issued authorizing a proposal by Blackstone Valley Electric Company (BVEC), subsidiary of Eastern Utilities Associates, to permit the issuance or assumption by BVEC of unsecured indebtedness having maturities of less than ten years. This proposal requires the consent of a majority of the preferred stockholders because the terms of the preferred stock restrict the amount of unsecured debt that can be assumed by BVEC. In connection therewith, BVEC was authorized to solicit proxies from the holders of its preferred stock. (Rel. 35-23847 - Oct. 1)

## CNG PRODUCING COMPANY

An order has been issued authorizing CNG Producing Company and CNG Development Companies, subsidiaries of Consolidated Natural Gas Company, to obtain letters of credit in amounts up to \$7 million. (Rel. 35-23848 - Oct. 1)

## ALLEGHENY GENERATING COMPANY

An order has been issued authorizing Allegheny Generating Company, subsidiary of Monongahela Power Company, The Potomac Edison Company and West Penn Power Company, to issue and sell up to \$300 million of commercial paper from October 1, 1985 through March 31, 1987. Such commercial paper will be backed by a funding commitment through a previously authorized \$400 million revolving credit agreement. (Rel. 35-23849 - Oct. 1)

## ALABAMA POWER COMPANY

An order has been issued authorizing Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, Southern Company Services, Inc. and Southern Electric International, Inc., subsidiaries of The Southern Company, to extend an employee loan assistance program to: (1) retired employees; (2) surviving spouses of retired employees; and (3) surviving spouses of employees. Such loan assistance would be in amounts up to \$10,000 for up to ten years and at an interest rate of up to 3% per annum. (Rel. 35-23850 - Oct. 1)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### WITHDRAWAL GRANTED

A notice has been issued giving interested persons until October 18 to comment on the application of KNOGO CORPORATION to withdraw its common shares, \$.01 par value, from listing on the American Stock Exchange. (Rel. 34-22493)

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## SELF-REGULATORY ORGANIZATIONS

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### APPROVAL OF PROPOSED RULE CHANGE

The Commission approved proposed rule changes filed under Rule 19b-4 by: The Chicago Board Options Exchange, Incorporated (SR-CBOE-84-31) that amends CBOE's rules to accommodate the listing and trading of standardized, European-style foreign currency options. (Rel. 34-22471); and The National Securities Clearing Corporation (SR-NSCC-85-7) that establishes the Automated Customer Account Transfer Services (ACATS). ACATS will enable NSCC members to effect automated customer account transfers among themselves. (Rel. 34-22481)

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## TRUST INDENTURE ACT RELEASES

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### CHRYSLER FINANCIAL CORPORATION

An order has been issued under the Trust Indenture Act of 1939 on an application by Chrysler Financial Corporation that the trusteeship of Bankers Trust Company under an existing indenture dated August 1, 1984 and a supplemental indenture thereto, and the trusteeships by Bankers under indentures dated July 1, 1985, August 15, 1985 and August 28, 1985, are not so likely to involve a material conflict of interest as to make it necessary to disqualify Bankers from acting as trustee under any of such indentures. (Rel. TI-1039)

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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-18 CAPITAL FEDERAL CORP, 138 E GORE ST, ORLANDO, FL 32801 (305) 841-1122 - 500,000 (\$5,320,000) COMMON STOCK. (FILE 33-362-A - SEP. 19) (BR. 1 - NEW ISSUE)
- S-18 UNISEARCH INC, 330 VANDERBILT MOTOR PKWY, HAUPPAUGE, NY 11787 (516) 273-6500 - 10,000,000 (\$300,000) COMMON STOCK. 10,000,000 (\$1,000,000) COMMON STOCK. (FILE 33-412-NY - SEP. 20) (BR. 11 - NEW ISSUE)
- S-18 VENTURE ENTERPRISES INC, 30 BEDELL ST, FREEPORT, NY 11520 - 200,000 (\$20,000) COMMON STOCK. 1,000,000 COMMON STOCK. 1,000,000 (\$250,000) COMMON STOCK. 2,000,000 WARRANTS, OPTIONS OR RIGHTS. 2,000,000 (\$1,000,000) COMMON STOCK. (FILE 33-414-NY - SEP. 23) (BR. 12 - NEW ISSUE)
- S-11 CONTINENTAL CAPITAL EQUITIES INC, 3773 E ELLSWORTH, ANN ARBOR, MI 48104 - 430,000 (\$4,300,000) COMMON STOCK. (FILE 33-450 - SEP. 25) (BR. 5 - NEW ISSUE)
- S-6 MUNICIPAL INSURED NATIONAL TRUST SERIES 9, ONE NEW YORK PLZ, C/O MOSELEY HALLGARTEN ESTABROOK & WEEDE, NEW YCRK, NY 10004 - 20,000 (\$20,000,000) UNIT INVESTMENT TRUST. (FILE 33-451 - SEP. 25) (BR. 16 - NEW ISSUE)
- S-6 MUNICIPAL INSURED NATIONAL TRUST SERIES 10, ONE NEW YORK PLZ, C/O MOSELEY HALLGARTEN ESTABROOK & WEEDE, NEW YORK, NY 10004 - 20,000 (\$20,000,000) UNIT INVESTMENT TRUST. (FILE 33-452 - SEP. 25) (BR. 16 - NEW ISSUE)
- S-1 CIRCLE EXPRESS INC, 9001 WESLEYAN RD STE 104, INDIANAPOLIS, IN 46268 (317) 872-4011 - 135,000 (\$1,282,500) COMMON STOCK. 900,000 (\$8,550,000) COMMON STOCK. (FILE 33-453 - SEP. 25) (BR. 4 - NEW ISSUE)
- S-8 SCHLUMBERGER LTD, 42 RUE SAINT DOMINIQUE, PARIS FRANCE 75007, IO 10017 (212) 350-9580 - 10,842,138 (\$10,842,138) OTHER SECURITIES INCLUDING VOTING TRUST. 176,724 FOREIGN COMMON STOCK. (FILE 33-455 - SEP. 25) (BR. 4)
- S-4 WESBANCO INC, BANK PLAZA, WHEELING, WV 26003 (304) 234-9000 - 52,000 (\$2,704,000) COMMON STOCK. (FILE 33-456 - SEP. 25) (BR. 1)
- S-6 VARIABLE ACCOUNT A OF MONARCH LIFE INSURANCE CO, 1250 STATE STREET, SPRINGFIELD, MA 01133 (413) 785-5811 - INDEFINITE SHARES. (FILE 33-457 - SEP. 25) (BR. 20)
- S-11 MORTGAGE BANKERS FINANCIAL CORP I, 1718 CONNECTICUT AVE NW STE 500, WASHINGTON, DC 20009 (202) 483-3611 - 50,000,000 (\$50,000,000) PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 33-458 - SEP. 25) (BR. 12)
- S-8 AMERICAN EXPRESS CO, AMERICAN EXPRESS PLZ, NEW YORK, NY 10004 (212) 323-2000 - 2,000,000 (\$70,125,000) COMMON STOCK. (FILE 33-459 - SEP. 25) (BR. 12)
- S-3 AMERICAN EXPRESS CO, AMERICAN EXPRESS PLZ, NEW YORK, NY 10004 (212) 323-2000 - 1,000,000 (\$41,250,000) COMMON STOCK. (FILE 33-460 - SEP. 25) (BR. 12)
- S-2 UNITED BANCORP OF MARYLAND INC, 9420 PENNSYLVANIA AVE, UPPER MARLBORO, MD 20772 (301) 599-8600 - 28,842 (\$1,470,942) COMMON STOCK. (FILE 33-461 - SEP. 25) (BR. 1)
- S-11 FIRST HOME MORTGAGE ACCEPTANCE CORP, 1100 N MARKET ST, STE 780, WILMINGTON, DE 19801 - 500,000,000 (\$500,000,000) MORTGAGE BONDS. (FILE 33-462 - SEP. 25) (BR. 11 - NEW ISSUE)
- S-2 CBA SYSTEMS INC, 1200 S WOODY BURKE RD, MELBOURNE, FL 32901 (305) 727-0660 - 34,500,000 (\$34,500,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE 33-463 - SEP. 25) (BR. 10)
- S-6 VARIABLE ACCOUNT B OF MONARCH LIFE INSURANCE CO, 1250 STATE ST, SPRINGFIELD, MA 01133 (413) 785-5811 - INDEFINITE SHARES. (FILE 33-464 - SEP. 25) (BR. 20)
- S-3 SCIENTIFIC SOFTWARE INTERCOMP INC, 1801 CALIFORNIA ST 4TH FLR, DENVER, CO 80202 (303) 292-1111 - 464,193 (\$3,713,544) COMMON STOCK. (FILE 33-465 - SEP. 26) (BR. 10)
- S-11 EPOCH INCOME PROPERTIES I LTD, ONE BATTERY PARK PLZ, C/O HUTTON REAL ESTATE SERVICES XIV, NEW YORK, NY 10004 - 70,000 (\$35,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-466 - SEP. 26) (BR. 6 - NEW ISSUE)
- S-1 FIRST LUBBOCK BANCSHARES INC, 1500 BROADWAY, P O BOX 1241, LUBBOCK, TX 79408 (806) 765-8861 - 1,415,457 (\$47,318,727.51) COMMON STOCK. 159,524 PREFERRED STOCK. 100,000 (\$6,700,008) COMMON STOCK. (FILE 33-467 - SEP. 26) (BR. 1 - NEW ISSUE)
- S-1 IP TIMBERLANDS LTD, 77 W 45TH ST, NEW YORK, NY 10036 (212) 536-6000 - 4,600,000 (\$107,525,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-468 - SEP. 26) (BR. 10)