

sec news digest

Issue 94-191

October 6, 1994

COMMISSION ANNOUNCEMENTS

CHANGE IN THE MEETINGS: CANCELLATIONS

The open meeting scheduled for Wednesday, October 5, at 11:00 a.m. and the closed meeting scheduled for Wednesday, October 5, following the open meeting, were cancelled.

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE AND CEASE AND DESIST PROCEEDINGS INSTITUTED AGAINST HENRY SORROW

The Commission instituted public administrative proceedings against Henry Alton Sorrow of Loxahatchee, Florida.

The Order Instituting Proceedings alleges that Sorrow and registered representatives under his control, while associated with Andauer-Chesapeake Securities, Inc., a registered broker-dealer, offered and sold securities of Ethanol Resources, Inc., a Florida corporation, and made material misrepresentations and omissions of material facts concerning the compensation Sorrow and other registered representatives received for selling the securities; and distributed a prospectus containing misrepresentations which he knew or was reckless in not knowing were false.

A hearing will be scheduled to determine whether Sorrow willfully violated and caused violations of the registration and antifraud provisions of the federal securities laws; what remedial action, if any, should be taken; whether a cease and desist order should be entered; and whether an accounting, disgorgement and an administrative money penalty are appropriate. (Rel. 34-34746; 33-7098)

CEASE AND DESIST ORDER IMPOSED AGAINST ATTORNEY JOHN KACZMAREK

The Commission has instituted cease and desist proceedings, made findings and imposed a cease and desist order (Order) against John C. Kaczmarek (Kaczmarek) of Boca Raton, Florida. Kaczmarek is the former general counsel to ABE Industrial Holdings, Inc. (ABE), a publicly-held corporation that was formerly based in Boca Raton, Florida.

The Commission has accepted an Offer of Settlement, in which Kaczmarek consents, without admitting or denying the Commission's findings, to the Order which contains findings by the Commission that Kaczmarek caused ABE's violations of Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act), and Rule 10b-5, promulgated thereunder, by intentionally creating a paper trail of fictitious documents to support certain fraudulent representations in ABE's filings with the Commission and the company's press releases. The Order also contains findings that Kaczmarek violated and caused violations of Exchange Act Rule 13b2-1 by, among other things, falsifying ABE's files to conceal related-party transactions.

The Order requires Kaczmarek to cease and desist from committing or causing a violation or future violations of the antifraud and books and records provisions of the federal securities laws. (Rel. 34-34747)

PERMANENT BAR ENTERED AGAINST PEGGY JEAN HOMUTH

The Commission has instituted public administrative proceedings under the Securities Exchange Act of 1934 (Exchange Act) against Peggy Jean Homuth (Homuth), formerly a registered representative at Prudential Securities Inc. in its Rochester, New York branch. Simultaneously with the institution of the proceeding, the Commission accepted Homuth's offer of settlement, under which Homuth consented, without admitting or denying the findings, to the entry of the Findings and Order of the Commission (Order). The Order permanently bars Homuth from association with any broker, dealer, investment adviser, investment company or municipal securities dealer.

The Commission found that Homuth was enjoined by consent, without admitting or denying the allegations in the Commission's complaint, on September 23, 1994 by the United States District Court for the Western District of New York from violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The complaint alleged that Homuth misappropriated over \$3.2 million from her Prudential clients. (Rel. 34-34748)

PROCEEDINGS INSTITUTED AGAINST BURNETT GREY AND PRINCIPALS

The Commission announced today that it has instituted cease-and-desist proceedings against Burnett Grey & Company, Inc. (Burnett Grey), a general securities firm headquartered in Atlanta, Georgia. At the same time administrative and cease-and-desist proceedings were instituted against Marion D. Sherrill (Sherrill) of Monroe, Georgia, Linda M. King (King) of Marietta, Georgia, Michael J. Price (Price) of Atlanta, Georgia and Wallace Kantor (Kantor) of San Diego, California.

Sherrill and King served as Burnett Grey's president and financial and operations principal (FINOP) respectively from June 1993 through December 1993. Price was president of the firm from January 1994 until it ceased doing business on February 23, 1994. Kantor acted as FINOP for Burnett Grey during the month of January 1994.

The order instituting public proceedings alleges that Burnett Grey effected transactions in nonexempted securities while in violation of the net capital, books and records, reporting and notice provisions of the federal securities laws. The order further alleges that Sherrill, King, Price and Kantor aided and abetted Burnett Grey in violation of those provisions.

The administrative proceedings will determine whether remedial action, the entry of cease-and-desist orders and the imposition of civil penalties are appropriate and in the public interest. (Rel. 34-34750)

CEASE AND DESIST ORDER ISSUED AGAINST PADDEN AND COMPANY, INC. AND FRED BUCKMAN

The Commission announced today the institution of administrative proceedings pursuant to Section 21(C) of the Securities Exchange Act of 1934 (Exchange Act) and the entry of an Order making findings that Padden & Company, Inc. (Padden), a municipal securities broker-dealer located in Chicago, Illinois, and Fred J. Buckman (Buckman), Padden's Vice-President, violated certain provisions of the Exchange Act governing the notification of customers regarding their free credit balances, the maintenance of accurate books and records and the filing of financial reports. In addition, the Order required Padden and Buckman to cease and desist from committing or causing any violations of, and committing or causing any future violations of, the relevant provisions of the Exchange Act. The Commission simultaneously accepted an Offer of Settlement in which Padden and Buckman consented to the entry of the Order without admitting or denying the Commission's findings.

The Order makes finding that from approximately 1990 through 1992, Padden and Buckman failed to properly compute Padden's net capital and, because of the improper net capital calculations, failed to maintain accurate books and records or file accurate reports with the Commission. In addition, the Order makes findings that during the same period Padden and Buckman failed to provide Padden's customers with proper notification regarding their fee credit balances. (Rel. 34-34751)

COMPLAINT FILED AGAINST ELEVEN DEFENDANTS ALLEGING NATIONWIDE PONZI SCHEME

On September 27, the Commission filed a Complaint for Permanent Injunction and Other Equitable Relief in the United States District Court for the Northern District of Illinois against Michael J. Randy (Randy), P. Michael Goodman, Peter W. Woodbridge, Michael J. Clark, James C. Morris, David C. Wiley, George J. Conway, David A. Johnston, H. Ralph Sylvester, Donald R. Krueger and John C. Hawver for violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, Sections 10(b) and 15(a)(1) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder. The Commission's complaint alleges that from at least September 1990 to December 1992, Randy and his nationwide sales network, including the other ten defendants, offered and sold at least \$15 million in bogus certificates of deposit (CDs) to over 500 investors in at least 17 states. The CDs were purportedly issued by Canadian Trade Bank, Ltd. (CTB), which, according to Randy, was located in the country of Grenada. The complaint alleges that Randy and the salespersons made material misrepresentations and failed to disclose material facts to investors during the offer and sale of the unregistered CDs regarding, among other things, the existence of CTB, the safety of the investment, the receipt of commissions and the use of proceeds. [SEC v. Michael J. Randy, et al., No. 94-C-5902, N.D. Ill.] (LR-14270)

COMPLAINT FILED AGAINST ABE INDUSTRIAL HOLDINGS, INC.

The Commission announced that on September 30 a complaint was filed by the Commission seeking permanent injunctive relief and civil penalties against A.B.E. Industrial Holdings, Inc. (ABE), a publicly-held Delaware corporation that was formerly based in Boca Raton, Florida, Dennis E. Dixon (Dixon) of Pompano Beach, Florida, and Dieter F. Eckert (Eckert) of Limburg, Germany. Dixon is ABE's former treasurer. Eckert is ABE's president.

The complaint seeks to enjoin ABE, Dixon and Eckert from violating the antifraud and books and records provisions of the federal securities laws. The complaint also seeks to enjoin ABE from violating the internal accounting controls and reporting provisions of the federal securities laws.

The complaint alleges that between in or about July 1991 and January 1992, ABE, through Dixon and/or Eckert, filed various reports with the Commission and issued various press releases to the public which materially misstated ABE's true financial condition by, among other things, overstating ABE's assets by more than \$31 million or by approximately 94% of the company's total assets. [SEC v. A.B.E. Industrial Holdings, Inc., et al., Civil Action No. 94-8575-CIV-RYSKAMP, SD Fla.] (LR-14284)

INVESTMENT COMPANY ACT RELEASES

FIRST INVESTORS CASH MANAGEMENT FUND, INC., ET AL.

An order has been issued on an application filed by First Investors Cash Management Fund, Inc., et al. under Section 6(c) of the Investment Company Act for an exemption from Sections 2(a)(32), 2(a)(35), 18(f)(1), 18(g), 18(i), 22(c), and 22(d) of the Act and Rule 22c-1 thereunder. The order permits certain investment companies to issue multiple classes of shares representing interests in the same portfolio of securities and assess, and under certain circumstances waive, a contingent deferred sales charge on redemptions of shares. (Rel. IC-20595 - October 3)

IOWA BUSINESS DEVELOPMENT FINANCE CORPORATION

An order has been issued under Sections 6(c) of the Investment Company Act exempting the Iowa Business Development Finance Corporation from all provisions of the Act. Applicant is a business and industrial development corporation organized under Iowa law whose shares are held by financial institutions and other institutional investors. Applicant was organized to foster economic development in the State of Iowa by making loans to and investments in small developing companies. (Rel. IC-20596 - October 4)

SIGNIFICANT NO-ACTION, EXEMPTIVE AND INTERPRETIVE LETTERS

INTERPRETATION OF NEW RULES UNDER SECTION 16 OF THE EXCHANGE ACT

The Division of Corporation Finance has announced the publication of significant staff correspondence interpreting the new Section 16 rules. Copies of the letters may be obtained by writing to, or by making a request in person at, the Public Reference Room, Securities and Exchange Commission, 450 5th Street, N.W., Room 1024, Washington, D.C. 20549. Each request must state the name of the subject company, the Act and the Section of the Act to which it relates, and the public availability date.

<u>Letter</u>	<u>Availability Date</u>	<u>Subject</u>
Cyrix Corporation	October 6, 1994	Rules 16b-3(a)(2) and 16b-3(f)(3)
The Nomura Securities Co., Ltd.	October 6, 1994	Section 16(d)

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-6 MUNICIPAL INVT TR FD INSURED SERIES 213 DEFINED ASSET FUNDS,
450 LEXINGTON AVENUE, C/O DAVIS POLK & WARDWELL, NEW YORK, NY 10017
(NUL) L - - INDEFINITE SHARES. (FILE 33-55641 - SEP. 28) (NEW ISSUE)
- S-6 DEFINED ASSET FUNDS MUNICIPAL INVT TR FD INTERM TERM SER 241,
C/O DAVIS POLK & WARDWELL, 450 LEXINGTON AVE, NEW YORK, NY 10017 -
INDEFINITE SHARES. (FILE 33-55643 - SEP. 28) (NEW ISSUE)
- S-4 ARROW ELECTRONICS INC, 25 HUB DR, MELVILLE, NY 11747 (516) 391-1300 -
12,056,337 (\$362,534,054) COMMON STOCK. (FILE 33-55645 - SEP. 28) (BR. 3)
- S-8 KATY INDUSTRIES INC, 853 DUNDEE AVE, ELGIN, IL 60120 (708) 697-8900 -
75,000 (\$740,625) COMMON STOCK. (FILE 33-55647 - SEP. 28) (BR. 10)
- S-8 WLR FOODS INC, P O BOX 7000, BROADWAY, VA 22815 (703) 867-4001 -
1,000,000 (\$22,000,000) COMMON STOCK. (FILE 33-55649 - SEP. 28) (BR. 3)
- S-4 CRESTAR FINANCIAL CORP, 919 E MAIN ST, PO BOX 26665, RICHMOND, VA 23261
(804) 782-5000 - 312,426 (\$5,508,000) COMMON STOCK. (FILE 33-55651 -
SEP. 28) (BR. 2)
- S-4 NORTH FORK BANCORPORATION INC, 9025 MAIN ROAD, MATTITUCK, NY 11952
(516) 298-5000 - 13,000,000 (\$150,154,532) COMMON STOCK. (FILE 33-55653 -
SEP. 28) (BR. 1)
- S-4 REGIONS FINANCIAL CORP, 417 N 20TH ST, BIRMINGHAM, AL 35202
(205) 832-8450 - 1,784,331 (\$26,701,173) COMMON STOCK. (FILE 33-55655 -
SEP. 28) (BR. 1)
- S-8 CORAM HEALTHCARE CORP, 4675 MACARTHUR CT STE 1250, NEWPORT BEACH, CA
92660 - 8,189,779 (\$148,659,006.83) COMMON STOCK. (FILE 33-55657 -
SEP. 28) (BR. 6)

REGISTRATIONS

- S-3 WARNACO GROUP INC /DE/, 90 PARK AVE, 26TH FLOOR, NEW YORK, NY 10016
(212) 661-1300 - 849,746 (\$28,519,600) COMMON STOCK. (FILE 33-55659 -
SEP. 28) (BR. 7)
- S-8 LORAL CORP /NY/, 600 THIRD AVE, NEW YORK, NY 10016 (212) 697-1105 -
800,000 (\$31,050,000) COMMON STOCK. (FILE 33-55661 - SEP. 29) (BR. 7)
- SB-2 VECTOR ENERGY CORP, 115 N W 14TH STREET, OKLAHOMA CITY, OK 73104
(405) 232-5762 - 1,000,000 (\$9,000,000) PREFERRED STOCK. (FILE 33-84302-D
- SEP. 23) (BR. 4)
- S-1 HOME BUILDING BANCORP INC, 200 EAST VANTRESS ST, WASHINGTON, IN 47501
(812) 254-2641 - 621,575 (\$6,215,750) COMMON STOCK. UNDERWRITER:
WEBB CHARLES & CO. (FILE 33-84332 - SEP. 23) (BR. 2 - NEW ISSUE)
- S-11 SUNSTONE HOTEL INVESTORS INC, 300 SOUTH EL CAMINO REAL, STE 203,
SAN CLEMENTE, CA 92672 (714) 361-3900 - 4,197,500 (\$41,975,000)
COMMON STOCK. (FILE 33-84346 - SEP. 26) (BR. 6 - NEW ISSUE)
- S-8 RHONE POULENC S A, 25 QUAI PAUL DOUMER, 92408 COURBEVOIE CEDEX, FRANCE,
10 - 500,000 (\$12,218,750) FOREIGN COMMON STOCK. (FILE 33-84356 - SEP. 26)
(BR. 1)
- S-1 ORBIT SEMICONDUCTOR INC, 1215 BORDEAUX DR, SUNNYVALE, CA 94089
(408) 744-1800 - 2,645,000 (\$29,095,000) COMMON STOCK. UNDERWRITER:
BROBECK PHLEGER & HARRISON. (FILE 33-84364 - SEP. 26) (BR. 3 - NEW ISSUE)
- S-2 UNITED STATES EXPLORATION INC, 1901 NEW ST, INDEPENDENCE, KS 67301
(316) 331-8102 - 2,365,000 (\$5,321,250) COMMON STOCK. (FILE 33-84390 -
SEP. 27) (BR. 3)
- F-1 TELEFONICA OF ARGENTINA INC, AVENIDA DE MAYO, 701 PISO 23,
BUENOS AIRES 1084 ARGENTINA, C1 - 300,000,000 (\$300,000,000)
FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE 33-84414 - SEP. 26) (BR. 7)
- S-4 PAXSON COMMUNICATIONS CORP, 18401 US HIGHWAY 19 NORTH, CLEARWATER, FL
34624 (813) 536-2211 - 520,074 (\$5,720,946.75) COMMON STOCK. (FILE
33-84416 - SEP. 26) (BR. 7 - NEW ISSUE)
- S-1 PEOPLES BANK, 850 MAIN ST, BRIDGEPORT, CT 06604 (203) 338-7171 -
1,000,000 (\$1,000,000) FLOATING RATE NOTES. (FILE 33-84428 - SEP. 27)
(BR. 12)
- S-1 PHYSICIAN RELIANCE NETWORK INC, 3320 LIVE OAK, STE 700, DALLAS, TX 75204
(214) 828-0377 - 3,795,000 (\$60,720,000) COMMON STOCK. UNDERWRITER:
COWEN & CO, SMITH BARNEY INC. (FILE 33-84436 - SEP. 27) (BR. 6
- NEW ISSUE)
- SB-2 FIRST COMMUNITY BANCSHARES INC /IN, 210 EAST HARRIMAN, BARGERSVILLE, IN
46216 (317) 442-5171 - 230,000 (\$3,220,000) COMMON STOCK. UNDERWRITER:
TRAUB & CO INC. (FILE 33-84454 - SEP. 27) (BR. 1)
- S-8 GOLDEN INTERSTATE MEDICAL MANAGEMENT INC, 7239 WASHINGTON AVENUE,
WITTIER, CA 90602 (310) 907-4000 - 1,500,000 (\$656,250) COMMON STOCK.
(FILE 33-84456 - SEP. 27) (BR. 6)
- S-3 HALF ROBERT INTERNATIONAL INC /DE/, 2884 SAND HILL ROAD, STE 200,
MENLO PARK, CA 94025 (415) 854-9700 - 5,610,000 (\$104,486,250)
COMMON STOCK. (FILE 33-55627 - SEP. 27) (BR. 6)

REGISTRATIONS

- S-8 ANNTAYLOR STORES CORP, 142 WEST 57TH ST, NEW YORK, NY 10019
(212) 541-3300 - 50,000 (\$1,796,500) COMMON STOCK. (FILE 33-55629 -
SEP. 27) (BR. 1)
- S-8 LSI LOGIC CORP, 1551 MCCARTHY BLVD, MS D-106, MILPITAS, CA 95035
(408) -43-3-80 - 700,000 (\$23,625,000) COMMON STOCK. (FILE 33-55631 -
SEP. 27) (BR. 3)
- S-8 LSI LOGIC CORP, 1551 MCCARTHY BLVD, MS D-106, MILPITAS, CA 95035
(408) -43-3-80 - 1,000,000 (\$33,750,000) COMMON STOCK. (FILE 33-55633 -
SEP. 27) (BR. 3)
- S-3 APOGEE ENTERPRISES INC, 7900 XEXES AVE S, SUITE 1800, MINNEAPOLIS, MN
55431 (612) 835-1874 - 920,000 (\$14,030,000) COMMON STOCK. (FILE 33-55635
- SEP. 27) (BR. 10)
- S-8 WYLE LABORATORIES, 15370 BARRANCA PKWY, IRVINE, CA 92718 (714) 753-9953
- 125,000 (\$2,304,687.50) COMMON STOCK. (FILE 33-55637 - SEP. 27) (BR. 3)
- S-8 TURNER CORP, 375 HUDSON ST, NEW YORK, NY 10014 (212) 229-6000 - 200,000
(\$1,750,000) COMMON STOCK. (FILE 33-55639 - SEP. 27) (BR. 10)
- F-6 ROYAL PTT NEDERLAND NV, 111 WALL ST, C/O CITIBANK NA, NEW YORK, NY 10043
(212) 657-7691 - 100,000,000 (\$5,000,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-84244 - SEP. 23) (BR. 99
- NEW ISSUE)
- F-1 CONCHA Y TORO WINERY INC, CASILLA 213, FERNANDO LAZCANO 1220,
SANTIAGO CHILE, F3 (562) 556-7882 - 200,000,000 (\$68,514,631.74)
FOREIGN COMMON STOCK. UNDERWRITER: BARING SECURITIES INC,
NOMURA SECS INTERNATIONAL INC, PRUDENTIAL SECURITIES INC. (FILE 33-84298 -
SEP. 23) (BR. 11 - NEW ISSUE)
- S-1 FLORES & RUCKS INC /DE/, 8440 JEFFERSON HIGHWAY, STE 420, BATON ROUGE,
LO 70809 (504) 927-1450 - 125,000,000 (\$124,996,523) STRAIGHT BONDS.
6,612,500 (\$85,962,500) COMMON STOCK. UNDERWRITER: MERRILL LYNCH & CO,
PETRIE PARKMAN & CO INC. (FILE 33-84308 - SEP. 23) (BR. 3 - NEW ISSUE)
- S-1 MSB FINANCIAL INC, PARK & KALAMAZOO AVE NE, MARSHALL, MI 49068
(616) 781-5103 - 1,388,625 (\$13,886,250) COMMON STOCK. (FILE 33-84312 -
SEP. 23) (BR. 2 - NEW ISSUE)
- S-11 RECKSON ASSOCIATES REALTY CORP, 225 BROADHOLLOW RD, MELVILLE, NY 11747
(516) 694-6900 - 11,011,250 (\$220,225,000) COMMON STOCK. UNDERWRITER:
CS FIRST BOSTON, PAINWEBBER INC. (FILE 33-84324 - SEP. 23) (BR. 5
- NEW ISSUE)
- S-11 BRISTOL OAKS LP, 14300 CORNERSTONE VILLAGE DR, STE 321, HOUSTON, TX
77014 (713) 583-1144 - 1,000,000 (\$1,000,000) STRAIGHT BONDS. (FILE
33-84326 - SEP. 23) (BR. 11 - NEW ISSUE)
- S-1 ITI TECHNOLOGIES INC, 2266 NORTH SECOND ST, NORTH ST PAUL, MN 55109
(612) 777-2690 - 2,760,000 (\$44,160,000) COMMON STOCK. UNDERWRITER:
DAIN BOSWORTH INCORPORATED, PIPER JAFFRAY INC. (FILE 33-84328 - SEP. 23)
(BR. 5 - NEW ISSUE)