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sec news digest

Issue 89-132

July 13, 1989

RULES AND RELATED MATTERS

CORRECTION RE REGISTRATION REQUIREMENTS FOR FOREIGN BROKER-DEALERS

The July 11th News Digest incorrectly listed the release number for Rule 15a-6. The correct release number is 34-27017, not 34-27107. The Commission also assigned International Series releases numbers to Release 34-27017 (ISR-105) and Release 34-27018 (ISR-106).

COMMISSION ANNOUNCEMENTS

COMMISSION TO HOLD ROUNDTABLE DISCUSSION ON COMMISSION DOLLAR AND PAYMENT FOR ORDER FLOW PRACTICES

The Commission will hold a Roundtable discussion on commission dollar and payment for order flow practices on Monday, July 24, 1989 from 9:30 a.m. to 12:45 p.m. in the Commission Meeting Room, Room 1C30, 450 Fifth Street, NW, Washington, DC.

Issues to be covered in the commission dollar discussion will include, but not be limited to: current nature and extent of the use of commission dollars to obtain research products; the effect of these commission dollar activities on execution liquidity and research availability; current disclosure practices concerning commission dollar practices; and commission dollar arrangements employed by pension plan sponsors.

Issues to be covered in the payment for order flow discussion will include, but not be limited to: pervasiveness of payment for order flow practices; economic incentives for payment for order flow; and issues raised by payment for order flow arrangements.

From time to time, the Commission holds Roundtable discussions to explore developments in areas regulated by the Commission. (Press Release 89-53)

ADMINISTRATIVE PROCEEDINGS

PROCEEDINGS INSTITUTED AGAINST KENNETH H. KUBE

The Commission instituted public administrative proceedings under Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 against Kenneth H. Kube based upon a Final Judgment and Order of Permanent Injunction (Order) entered against him on June 3, 1988 by the U.S. District Court for the District of Minnesota, and based upon a criminal action in the U.S. District Court for the District of Minnesota wherein he was convicted on eight counts of mail fraud. The Order enjoined Kube from, among other things, further violations of the antifraud provisions of the securities laws. The Commission alleged in its Complaint for Injunctive Action that, among other things, Kube had offered and sold debt instruments to approximately 55 investors, raising over \$1.3 million, and had made materially false and misleading statements and omissions in connection with the offer and sale of those securities regarding, among other things, the use of proceeds, the risks of investing, the identity of the issuer, and the benefits derived in making an investment. A hearing will be held to determine if the staff's allegations are true and, if so, what, if any, remedial action is appropriate. (Rel. 34-27000)

CIVIL PROCEEDINGS

UNION PETROLEUM CORP., OTHERS ENJOINED

The Fort Worth Regional Office announced that on June 27 Judge Robert W. Porter, U.S. District Court for the Northern District of Texas, issued orders of permanent injunction against Union Petroleum Corp., Steve P. Warren, and Leon W. Snearly, Jr., enjoining them from further violations of the securities and broker-dealer registration and antifraud provisions of the securities laws. The Court also entered disgorgement orders against each defendant, requiring them to disgorge the proceeds received as a result of their illegal sales of fractional undivided interests in oil, gas, or mineral rights, in an amount to be determined later. Defendants agreed to the orders without admitting or denying the allegations.

The Complaint alleges that defendants engaged in a nationwide, cold call, "boiler room" solicitation campaign through unregistered commissioned salespersons, raising over \$3.3 million from the sale of unregistered oil and gas interests to over 200 investors in at least 31 states. It further alleges that defendants directly and through their salespersons, made fraudulent representations to investors concerning the use of investor funds, commissions, and other remunerations paid to salespersons and Union, the financial status of Union, and the success and production levels of prior programs. (SEC v. Union Petroleum Corp., et al., Civil Action No. CA 3-89-1502-F, NDTX Dallas). (LR-12152)

INVESTMENT COMPANY ACT RELEASES

COWEN INCOME + GROWTH FUND, INC.

An order has been issued exempting Cowen Income + Growth Fund, Inc. from the provisions of Sections 2(a)(32), 2(a)(35), 22(c), and 22(d) of the Investment Company Act to permit it to modify its existing contingent deferred sales charge with respect to investments made before the issuance of the requested order. Applicant proposes to institute a front-end sales charge and, as a transitional arrangement, proposes to assess a modified contingent deferred sales charge on certain redemptions made within one year of the requested order. (Rel. IC-17055 - July 6)

BANKERS SECURITY VARIABLE LIFE SEPARATE ACCOUNT II

An order has been issued declaring that Bankers Security Variable Life Separate Account II has ceased to be an investment company. (Rel. IC-17056 - July 6)

DAILY MONEY FUND

An order has been issued on an application filed on behalf of the Daily Money Fund and other funds in the Fidelity group of investment companies permitting them to engage in certain securities transactions with affiliated banks. (Rel. IC-17057 - July 7)

HOLDING COMPANY ACT RELEASES

NEW ENGLAND ELECTRIC SYSTEM

A supplemental order has been issued authorizing a proposal by New England Electric System (NEES), a registered holding company, and certain of its subsidiaries, including Granite State Electric Company, Massachusetts Electric Company (Mass Electric), The Narragansett Electric Company, NEES Energy, Incorporated, New England Electric Transmission Corporation, New England Energy Incorporated, New England Hydro-Transmission Corporation, New England Power Company, and New England Power Service Company, whereby Mass Electric seeks separate authority to increase, from \$75 million to \$110 million outstanding at any one time, its existing authority to issue short-term notes to the NEES Money Pool and/or banks and to issue and sell commercial paper through October 31, 1990, and the members of the Pool seek authority to acquire such notes. (Rel. 35-24921 - July 7)

ENTERGY CORPORATION

A supplemental order has been issued authorizing Entergy Corporation, a registered holding company, to guarantee the performance to its subsidiary, System Energy Resources, Inc., under a nuclear fuel financing arrangement, under which such fuel may be leased in an aggregate amount of up to \$250 million. (Rel. 35-24922 - July 7)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Philadelphia Stock Exchange for unlisted trading privileges in the common stock of 19 issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-27008)

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until July 31 to comment on the application of the Philadelphia Stock Exchange for unlisted trading privileges in six issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-27011)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved several proposed rule changes filed by The Government Securities Clearing Corporation regarding membership standards (SR-GSCC-89-4); clearing fund and loss allocation rules (SR-GSCC-89-5); insolvency and ceasing to act rules (SR-GSCC-89-6); and netting system and securities and money settlement rules (SR-GSCC-89-7). (Rel. 34-27006)

NOTICE OF PROPOSED RULE CHANGE

The Philadelphia Stock Exchange filed a proposed rule change under Rule 19b-4 (SR-Phlx-89-38) to adopt an equity floor procedure advice to set sanctions for violation by floor brokers and specialists of their existing obligation to time stamp order memoranda and transaction tickets. Publication of the proposal is expected to be made in the Federal Register during the week of July 3. (Rel. 34-27009)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by The Boston Stock Exchange has become effective upon filing under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. The proposal (SR-BSE-89-3) amends fee schedules as of July 1, 1989 to reduce transaction fees for floor members, unbundle the monthly floor post fee into its component parts, and pass through Quotron expenses to member users. (Rel. 34-27010)

MISCELLANEOUS

SMITH BREEDEN ASSOCIATES, INC.

An order has been issued exempting Smith Breeden Associates, Inc. from Section 205(a) (1) of the Investment Advisers Act to permit it to receive an incentive fee for the disposition of certain assets of a federally insured thrift institution. (Rel. IA-1178)

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 METROPOLITAN FINANCIAL CORP/DE, 1600 RADISSON TOWER, FARGO, ND 58108 (701) 293-2600 (FILE 33-29566 - JUL. 05) (BR. 1)
- S-18 SHERWOOD SHAREHOLDINGS CORP, 712 ONE ENERGY SQ, 4925 GREENVILLE AVE, DALLAS, TX 75206 (214) 696-8806 - 140,000 (\$28,000) COMMON STOCK. (FILE 33-29674-FW - JUN. 30) (BR. 11 - NEW ISSUE)
- S-18 PARAGON MORTGAGE CORP, 2401 LAKE DRIVE SUITE 300, SMYRNA, GA 30080 (404) 435-6400 - 200,000 (\$1,200,000) COMMON STOCK. 6,000 (\$100) WARRANTS, OPTIONS OR RIGHTS. UNDERWRITER: FIRST EAGLE INC. (FILE 33-29675-A - JUN. 30) (BR. 11 - NEW ISSUE)
- S-18 CONTINENTAL CROWN CORP, S 4328 FARR RD, SPOKANE, WA 99206 (509) 922-8452 - 750,000 (\$75,000) COMMON STOCK. (FILE 33-29683-LA - JUN. 30) (BR. 5 - NEW ISSUE)
- S-18 INTERACTIVE MEDIA TECHNOLOGIES INC, 7320 E BUTHERUS DRIVE SUITE 200, SCOTTSDALE, AZ 85260 (602) 443-3093 - 5,000,000 (\$5,000,000) COMMON STOCK. 500,000 (\$100) WARRANTS, OPTIONS OR RIGHTS. 500,000 (\$600,000) COMMON STOCK. (FILE 33-29685-LA - JUN. 30) (BR. 12 - NEW ISSUE)
- S-18 BRADFORD BANKSHARES INC, 200 EAST CALL STR PO DRAWER 6008, STARKE, FL 32091 (904) 964-9696 - 500,000 (\$5,000,000) COMMON STOCK. (FILE 33-29695-A - JUN. 30) (BR. 1 - NEW ISSUE)
- S-18 CITRUS FINANCIAL SERVICES INC, 80 ROYAL PALM BOULEVARD SUITE 302, VERO BEACH, FL 32960 (407) 778-4100 - 750,000 (\$7,500,000) COMMON STOCK. (FILE 33-29696-A - JUN. 30) (BR. 2 - NEW ISSUE)
- S-6 INTERNATIONAL BOND FUND FIRST CITIES OF AUST INSMORT SER 1, ONE LIBERTY PLZ - 13TH FLR, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10006 - INDEFINITE SHARES. (FILE 33-29698 - JUL. 05) (BR. 22 - NEW ISSUE)
- S-6 EQUITY INCOME FD MERRILL LYNCH EQ RES INVT TR 1989 SER II, ONE LIBERTY PLZ - 13TH FLR, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10006 - INDEFINITE SHARES. (FILE 33-29699 - JUL. 06) (BR. 22 - NEW ISSUE)
- S-1 CONDOR ACQUISITIONS INC, 4835 LYNDON B JOHNSON FREEWAY SUITE 665, DALLAS, TX 75244 (214) 490-9865 - 600,000 (\$600,000) COMMON STOCK. 600,000 (\$1,200,000) COMMON STOCK. (FILE 33-29747 - JUL. 05) (BR. 12 - NEW ISSUE)
- S-1 BRITE VOICE SYSTEMS INC, 555 NORTH WOODLAWN 1-209, WICHITA, KS 67208 (316) 687-4444 - 500,000 (\$6,500,000) COMMON STOCK. 1,225,000 (\$15,925,000) COMMON STOCK. UNDERWRITER: CHRISTOPHER BC SECURITIES INC, PIPER JAFFRAY & HOPWOOD INC. (FILE 33-29750 - JUL. 06) (BR. 10 - NEW ISSUE)
- S-8 TRW INC, 1900 RICHMOND RD, CLEVELAND, OH 44124 (216) 291-7000 - 3,000,000 (\$133,125,000) COMMON STOCK. (FILE 33-29751 - JUL. 06) (BR. 12)
- S-3 TEXAS INSTRUMENTS INC, 13500 N CENTRAL EXPWY, P O BOX 655474, DALLAS, TX 75243 (214) 995-2551 - 150,000,000 (\$150,000,000) STRAIGHT BONDS. (FILE 33-29752 - JUL. 06) (BR. 3)
- S-8 ASTROTECH INTERNATIONAL CORP /NEW, TWO CHATHAM CTR STE 240, PITTSBURGH, PA 15219 (412) 391-1896 - 189,190 (\$307,434) COMMON STOCK. (FILE 33-29754 - JUL. 06) (BR. 12)

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within ten days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds five percent. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within 45 days after the end of the calendar year in which the person became subject to Section 13(d)(1). Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1.

Below is a list of recent filings of Schedules 13D and 14D, which includes the following information: Column 1 - the company purchased (top), and the name of the purchaser; Column 2 - the type of security purchased; Column 3 - the type of form filed; Column 4 - the date the transaction occurred; Column 5 - the current number of shares (in 000's) owned (top) and the current percent owned; Column 6 - the CUSIP number (top) and the prior percent owned; and Column 7 - the status of the filing, i.e., new, update or revision.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHARES (000) / % OWNED	CUSIP / PRIOR %	FILING STATUS
ADAC LABS HAMBRECHT & QUIST GROUP	COM 13D	6/22/89	4,085 9.9	00531310 15.7	UPDATE
AMERICAN PACESETTER POLEN JOHN R	COM NEW 13D	6/13/89	120 7.8	02878050 6.1	UPDATE
ANCHOR FINL MILES ADDISON S	COM 13D	3/15/89	62 6.5	03303610 0.0	NEW
CATCH A RISING STAR INC PURITAN PARTNERS	CL A 13D	6/26/89	5,570 48.1	14910910 0.0	NEW
CATCH A RISING STAR INC SEGAL RICHARD D ET AL	CL A 13D	6/26/89	820 7.4	14910910 7.4	UPDATE
CLAIRSON INTL CORP VERMONT AMERICAN CORP	COM 13D	7/ 1/89	2,926 57.5	17960410 56.9	UPDATE
COMPUCOM SYS INC SAFEGUARD SCIENTIFICS	COM 13D	6/21/89	16,538 61.7	20478010 59.6	UPDATE
COMSTOCK GROUP INC SPIE GROUP INC	COM 14D-1	7/10/89	7,693 81.0	20568310 79.7	UPDATE
CONTINENTAL INVESTMENT CORP JACKSON MICHAEL H ET AL	COM 13D	6/30/89	126 27.5	21151510 0.0	NEW
DIRECT PHARMACEUTICAL CORP GOTTLIEB ARVIN C	COM 13D	6/28/89	1,663 15.6	25456410 14.3	UPDATE
DIRECT PHARMACEUTICAL CORP STUCKEY FRED R	COM 13D	6/28/89	1,173 11.5	25456410 0.0	NEW
EAGLE CLOTHES INC KUHN ROBERT	COM 13D	6/27/89	791 8.6	26946110 15.1	UPDATE
EAGLE CLOTHES INC LEVINE ARNOLD	COM 13D	6/27/89	2,491 27.0	26946110 16.4	UPDATE
EAGLE CLOTHES INC ROTH ALBERT	COM 13D	6/27/89	1,505 16.3	26946110 16.3	UPDATE
EDGECOMB CORP KRAMER HENRY	COM 13D	6/29/89	0 0.0	27981310 11.5	UPDATE
ENVIRONMENTAL SYS CO BRAMBLES INDS LTD ET AL	COM 13D	7/ 7/89	5,343 35.3	29408710 33.9	UPDATE
FALCOM PRODS INC JACOBS FRANKLIN A	COM 13D	4/25/89	1,103 67.2	30607510 66.7	UPDATE

ACQUISITIONS REPORTS CONT.

GAME A TRON CORP ARNOLD RICHARD S	COM	13D	8/ 1/88	6,000 10.0	36464610 0.0	NEW
GAME A TRON CORP KEATING JOHN FD	COM	13D	8/ 1/88	25,000 41.8	36464610 0.0	NEW
GAME A TRON CORP RICHARDS ROBERT M	COM	13D	8/ 1/88	4,000 6.7	36464610 0.0	NEW
JAMES MADISON LTD AUGER ULYSSES G ET AL	COM	13D	5/ 4/89	289 8.0	47033010 0.0	NEW
JAMES MADISON LTD AUGER ULYSSES G ET AL	CL A	13D	5/ 4/89	681 10.5	47033020 0.0	NEW
KENTUCKY HORSE CTR INC JOHNSON EMILIE F	COM	13D	6/29/89	0 0.0	49130610 N/A	UPDATE
MARINE TRANS LINES INC CAMERON BAIRD FOUNDATION ET AL	COM	13D	6/23/89	365 12.4	56844610 11.5	UPDATE
MARINE TRANS LINES INC MACTIER JAMES ALLAN	COM	13D	6/22/89	236 8.0	56844610 7.3	UPDATE
MAXXAM INC FEDERATED DEVL P CO ET AL	COM	13D	7/ 6/89	2,893 38.5	57791310 34.3	UPDATE
MCCAW CELLULAR COMMUNICATION AFFILIATED PUBL INC	CL A	13D	5/31/89	0 0.0	57946810 46.7	UPDATE
ONEITA INDS INC SOUTH CAROLINA TEES	COM	13D	6/28/89	490 14.0	68265510 10.7	UPDATE
POLAROID CORP LFCP CORP(LAZARD FRERES)ET AL	COM	13D	6/30/89	7,057 12.7	73109510 12.5	UPDATE
QVC NETWORK INC SAFEGUARD SCIENTIFICS	COM	13D	6/ 9/89	1,157 11.5	74726210 5.1	RVSDION
SAGE SOFTWARE INC KINZER DONALD K	COM	13D	4/25/89	319 5.4	78667410 0.0	NEW
SOFTGUARD SYS INC LOKER JEFFREY C ET AL	COM PAR \$0.01	13D	6/29/89	193 7.4	83402220 0.0	NEW
SPERTI DRUG PRODS INC FOURTH STREET CPTL CORP	COM	13D	6/30/89	0 0.0	84837410 N/A	UPDATE
TOSCO CORP ARGUS ENERGY ET AL	COM	13D	6/30/89	39,389 94.0	89149010 93.9	UPDATE
WESTERN UN CORP NEW HEIL EDWARD F	COM	13D	7/ 3/89	2,668 6.3	95980710 0.0	NEW
WORLDWIDE COMPUTER SVC AEROTEK INC	COM	13D	6/15/89	105 6.4	98155610 0.0	NEW

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.

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	9		
ALLIED BANKSHARES INC	GA					X				X	06/23/89	
AMERICAS COFFEE CUP INC	DE									X	06/19/89	AMEND
ANDOVER CCNTRLS CORP	MA					X				X	06/16/89	
ARMSTRONG WORLD INDUSTRIES INC	PA								X	X	06/20/89	
BANNER INDUSTRIES INC /DE/	DE		X							X	07/05/89	
BCE INC	FN									X	05/01/89	AMEND
BOLAR PHARMACEUTICAL CO INC	NY		X							X	06/21/89	
BRAND COMPANIES INC	DE									X	04/14/89	AMEND
CAPITAL BANKSHARES INC	DE									NO ITEMS	06/14/89	AMEND
CENTRAL BANKING SYSTEM INC	DE					X			X		06/30/89	
COSTAR CORP	MA					X			X		06/09/89	
DIAL FOOD INC	NV					X			X		03/27/89	
DISNEY WALT CO	DE								X	X	06/21/89	
DIVERSIFIED CAPITAL CORP /DE/	DE								X	X	06/15/89	
EDGCOMB CORP	DE		X							X	06/29/89	
EIL INSTRUMENTS INC	MD					X			X		06/27/89	
FIRST LIBERTY FINANCIAL CORP	GA					X			X		06/27/89	
FIRST SECURED MORTGAGE DEPOSIT CORP	CO					X			X		06/28/89	
GAMMA ELECTRONIC SYSTEMS INC	CO									X	10/14/87	AMEND
GLENDALE FEDERAL SAVINGS & LOAN ASSN CLA						X			X		06/25/89	
GLENDALE FEDERAL SAVINGS & LOAN ASSN CLA						X			X		06/25/89	
GROWTH DEVELOPMENT CORP	DE		X							X	06/21/89	
HEI INC	MN					X			X		06/28/89	
HOSPITALITY CONCEPTS INC	DE		X	X		X			X	X	01/06/89	
HOUSTON OIL & ENERGY INC	NV		X								07/03/89	
INNOVATION TECHNOLOGIES INC	DE					X					11/15/88	AMEND
INTEGRATED RESOURCES INC	DE								X	X	06/29/89	
JUDICATE INC	DE		X							X	06/19/89	
MICROPAC INDUSTRIES INC	OE								X		06/30/89	
MID SOUTH CORP	GA		X						X		06/20/89	
MORTON INTERNATIONAL INC	IN		X	X						X	07/01/89	
NALCO CHEMICAL CO	DE					X			X		07/06/89	
NCNB CORP	NC								X		06/22/89	
NEUROMEDICAL TECHNOLOGIES INC	DE		X						X	X	06/22/89	
NORTHERN ILLINOIS GAS CO /IL/ /NEW/	IL					X				X	06/27/89	
NORTHWEST ILLINOIS BANCORP INC	DE					X					06/30/89	
NORTHWESTERN STEEL & WIRE CO	IL		X			X			X		06/22/89	
PROFESSIONAL HEALTH CARE OF AMERICA INC	CO								X	X	03/13/89	AMEND
RAMADA INC	DE								X	X	06/30/89	
REGENCY FINANCIAL SHARES INC	VA		X								07/03/89	
REXNORD HOLDINGS INC	DE		X							X	06/19/89	
RPS HOUSING FUND I L P	DE		X							X	05/17/89	
SAXTON PRODUCTS INC	NY					X					07/03/89	
SEARS ROEBUCK & CO	NY					X			X		07/06/89	
THIOLKOL CORP /DE/	DE		X			X			X		06/19/89	
TOWLE MANUFACTURING CO	MA					X					06/30/89	
USAIR GROUP INC	DE					X			X		07/05/89	
VICON FIBER OPTICS CORP	DE					X					06/03/89	
WELLSMAY VENTURES INC	OE									NO ITEMS	06/06/89	AMEND

RECENT 8K FILINGS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM AC.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
THOUSAND TRAILS INC	WA				X				X	06/22/89	
TRIUMPH CAPITAL INC	FL				X				X	06/22/89	
WARNER COMPLICATIONS INC	DE	X					X		X	06/16/89	
WASTE RECCVERY INC	TX								X	06/22/89	