

sec news digest

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ADMINISTRATIVE PROCEEDINGS

JEROME TEPPS AND MICHAEL GOLDSTEIN BARRED

The Commission accepted Offers of Settlement from Jerome Teppis and Michael Goldstein in which they consented to an Opinion and Order in a proceeding brought under Rule 2(e) of the Commission's Rules of Practice. The Opinion finds that respondents, two attorneys, were permanently enjoined from violating or aiding and abetting violations of Sections 6(a) and 17(a) of the Securities Act of 1933, and Sections 10(b) and 15(a) of the Securities Exchange Act of 1934, based on their preparation of registration statements and periodic reports of certain issuers which contained false and misleading information. Additionally, the Opinion finds that certain of the registration statements respondents prepared contained unauthorized signatures, purportedly made by officers and directors. The Order finds that it is in the public interest to deny respondents the privilege of appearing or practicing before the Commission for five years, or sooner, with prior Commission approval under 17 CFR 201.2(e)(4). (Rel. 33-6848)

SANCTIONS IMPOSED ON THE BLUE CHIP MARKET ADVISOR, INC. AND JAMES PAUL AZZALINO

The Commission entered an Order Instituting Proceedings, Making Findings, and Imposing Remedial Sanctions under Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 against The Blue Chip Market Advisor, Inc., a registered investment adviser, and James Paul Azzalino, president of Blue Chip. The Order finds that, from about November 1985 to September 1987, Respondents published advertisements which contained material misrepresentations concerning the profitability of recommendations made by Blue Chip and trades made by Blue Chip. In addition, the advertisements failed to disclose that, among other things, Blue Chip's recommendations referred to in its advertisements consisted of options. The Order also finds that Respondents failed to keep and maintain current books and records and that Blue Chip failed to offer to furnish to clients or prospective clients a complete disclosure statement. The Order censured Respondents and ordered them to comply with their undertakings specified in the Commission's Order. (Rel. IA-1207)

OFFER OF SETTLEMENT ACCEPTED FROM MCG PORTFOLIO MANAGEMENT, CORP.

In administrative proceedings ordered under Sections 15(b) and 19(h) of the Securities Exchange Act of 1934, MCG Portfolio Management Corp. submitted an Offer of Settlement which the Commission accepted. Registrant, without admitting or denying the allegations, consented to the Order Making Findings and Imposing Remedial Sanctions which finds that Registrant (1) allowed Barry Graison, Robert M. Winston, and Joseph G. Antonucci, individuals convicted of committing certain offenses specified in Section 15(b)(4)(B) of the Exchange Act, to become associated with it, and (2) violated Section 15(b)(6) of the Exchange Act by allowing Lon Roy Kavanaugh, Jr., an individual subject to a 1978 Commission bar, to become associated with it in contravention of such bar.

In the Order, Registrant further consented to be ordered not to attempt to (1) withdraw its Form BDW, filed January 10, 1989, prior to the Form BDW being declared effective, and (2) register with the Commission or to operate as a broker-dealer in the future, after its Form BDW is declared effective. (Rel. 34-27379)

COMMISSION ANNOUNCEMENTS

CORRECTION RE LSB INDUSTRIES

The October 25th issue of the SEC News Digest had information on an amendment to an 8-K by LSB Industries, filed on August 9, 1989. Because of a keypunching error, the 8-K had Item No. 3 checked. It should have been Item No. 7. The Commission regrets the error, and any inconvenience to the registrant.

CIVIL PROCEEDINGS

INJUNCTION ENTERED AGAINST WILLIAM A. THORNE

The Chicago Regional Office announced that on October 24 U.S. District Judge Wiseman, Middle District of Tennessee, entered a Final Judgment of Permanent Injunction and Other Equitable Relief against William A. Thorne. The Final Judgment enjoins Thorne from further violations of the antifraud provisions and further requires him to file with the Court an accounting of all funds received from investors. Thorne consented to the Final Judgment without admitting or denying the allegations of the Commission's Complaint, except as to jurisdiction.

The Complaint alleged that Thorne was employed by Commonwealth Enterprises, Inc. (CEI) as its head of accounting. According to the Complaint, CEI sold securities in the form of interests in approximately 22 oil and gas limited partnerships to 750 investors located in several states, thereby raising approximately \$25 million. As alleged in the Complaint, Thorne engaged in a scheme to defraud by misstating and omitting to state material facts concerning, among other things, the use of investor proceeds and the financial condition of the issuer. (SEC v. William A. Thorne, USDC MDTN, Civil Action No. 3-89-0808, filed October 19, 1989). (LR-12286)

INVESTMENT COMPANY ACT RELEASES

STANDARD SECURITY LIFE INSURANCE COMPANY OF NEW YORK

An order has been issued exempting Standard Security Life Insurance Company of New York, Standard Security Knox Funds Separate Account B of Standard Security Life Insurance Company of New York, and Directed Services, Inc. from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the Investment Company Act to permit the deduction of a mortality and expense risk charge from the assets of the Account under a deferred variable annuity contract and an immediate variable annuity certain contract, and to permit the deduction of a guaranteed death benefit charge from the accumulation value in the Account under the deferred variable annuity contract. (Rel. IC-17196 - Oct. 27)

BOSTON CAPITAL TAX CREDIT FUND II LIMITED PARTNERSHIP

A notice has been issued giving interested persons until November 24 to request a hearing on an application filed by Boston Capital Tax Credit Fund II Limited Partnership (Partnership) and its general partner, Boston Capital Associates II Limited Partnership, exempting the Partnership from the provisions of the Investment Company Act. The Partnership will operate as a "two-tier" limited partnership by investing in other limited partnerships that in turn will engage in the development, ownership, and operation of housing for low and moderate income persons. (Rel. IC-17197 - Oct. 31)

HOLDING COMPANY ACT RELEASES

SYSTEM ENERGY RESOURCES, INC.

A supplemental notice has been issued giving interested persons until November 20 to request a hearing on a proposal by System Energy Resources, Inc. (SERI), subsidiary of Entergy Corporation, to acquire and retire from time to time through December 31, 1992 one or more series of SERI's outstanding first mortgage bonds by means of tender offers, open market, negotiated or other forms of purchases. (Rel. 35-24975 - Oct. 26)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Midwest Stock Exchange for unlisted trading privileges in the common stock of four issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-27398)

DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration the common stock, \$.01 par value, of THE JEPSON CORPORATION. (Rel. 34-27399)

SELF-REGULATORY ORGANIZATIONS

TEMPORARY APPROVAL OF PROPOSED RULE CHANGE

The Commission approved, on a temporary basis until March 31, 1990, a proposed rule change filed by National Securities Clearing Corporation (SR-NSCC-89-10). The proposal would authorize NSCC to operate a telecommunications service for automated transmission of data between NSCC members and NSCC's facilities manager, Securities Industry Automation Corporation. (Rel. 34-27381)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by the National Association of Securities Dealers (SR-NASD-89-29) amending the examination specifications and study outline for the Direct Participation Programs Limited Representative (Series 22) qualifications examination. (Rel. 34-27396)

WITHDRAWAL OF PROPOSED RULE CHANGE

The Midwest Securities Trust Company withdrew a proposed rule change (SR-MSTC-89-1) that would have established a new limited class of membership to facilitate settlement of transactions at another clearing agency. (Rel. 34-27397)

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-1 TERRA RESEARCH INC, 505 S FOURTH ST, LAS VEGAS, NV 89101 (702) 642-7525 - 13,000,000 (\$13,000,000) MORTGAGE BONDS. (FILE 33-31516 - OCT. 24) (BR. 6 - NEW ISSUE)
- N-1A PRUDENTIAL BACHE MONEY MARKET EXCHANGE FUND INC, ONE SEAPORT PLZ, NEW YORK, NY 10292 (212) 214-1250 - INDEFINITE SHARES. (FILE 33-31603 - OCT. 23) (BR. 16 - NEW ISSUE)
- S-1 RELIANCE ELECTRIC CO, 6065 PARKLAND BLVD, CLEVELAND, OH 44124 (216) 266-5800 - 9,000,000 (\$90,000,000) PREFERRED STOCK. (FILE 33-31612 - OCT. 24) (BR. 8)
- S-3 TELEPHONE & DATA SYSTEMS INC, 79 W MONROE ST, CHICAGO, IL 60603 (312) 630-1900 - 1,725,000 (\$74,399,250) COMMON STOCK. (FILE 33-31613 - OCT. 24) (BR. 7)
- S-1 FIRST AMERICAN BANK OF VA, 1970 CHAIN BRIDGE RD, MCLEAN, VA 22102 (703) 821-7777 - 1,000,000 (\$1,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-31614 - OCT. 24) (BR. 11 - NEW ISSUE)
- S-1 FIRST BRANDS CORP, 83 WOOSTER HEIGHTS RD, DANBURY, CT 06813 (203) 731-2300 - 2,445,000 (\$85,575,000) COMMON STOCK. 5,000,000 (\$175,000,000) COMMON STOCK. (FILE 33-31615 - OCT. 25) (BR. 5)

- S-8 ECOLAB INC, ECOLAB CTR, ST PAUL, MN 55102 (612) 293-2233 - 50,000 (\$1,362,500)
COMMON STOCK. (FILE 33-31719 - OCT. 25) (BR. 1)
- S-3 ORRSTOWN FINANCIAL SERVICES INC, 3580 ORRSTOWN RD, ORRSTOWN, PA 17244 (717) 532-6114
- 13,815 (\$759,825) COMMON STOCK. (FILE 33-31752 - OCT. 24) (BR. 2)
- S-8 DAVOX CORP, 3 FEDERAL ST, BILLERICA, MA 01821 (508) 667-4455 - 250,000 (\$968,750)
COMMON STOCK. (FILE 33-31756 - OCT. 25) (BR. 7)
- S-4 FOURTH FINANCIAL CORP, 100 N BROADWAY, WICHITA, KS 67202 (316) 261-4670 - 458,168
(\$12,599,620) COMMON STOCK. (FILE 33-31758 - OCT. 25) (BR. 1)