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RULES AND RELATED MATTERS

U S SECURITIES
EXCHANGE COMMISSION

AMENDMENTS TO THE BROKER-DEALER REGISTRATION RULES AND INTERPRETIVE STATEMENT ON BROKER-DEALER AND INVESTMENT ADVISER SUCCESSIONS

The Commission today published a release adopting amendments to the broker-dealer registration rules in order to facilitate the Commission's participation in the Central Registration Depository system (CRD) operated by the National Association of Securities Dealers, Inc. (Release 34-31660). Pursuant to these amendments, effective January 25, 1993, all applicants for broker-dealer registration will be required to file Form BD with the Commission through the CRD. Other broker-dealer filings also will be made with the CRD in accordance with the schedule set forth in Release 34-31660.

The Commission also published a release adopting clarifying amendments to the broker-dealer successor rules and providing interpretive guidance with respect to the registration of successors to broker-dealers and investment advisers (Release 34-31661; IA-1357). The amendments and interpretive statement are intended to clarify which entities may file as successors to registered broker-dealers and advisers, whether such filings should be in the form of an amendment to the predecessor's registration statement or a new application, and when such filings must be made. FOR FURTHER INFORMATION CONTACT: Belinda Blaine at (202) 504-2418 with respect to broker-dealer registration and successor rules or Eric Freed at (202) 272-2107 with respect to investment adviser successions. (Rels. 34-31660, 34-31661 and IA-1357)

ADMINISTRATIVE PROCEEDINGS

ORDER MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS AGAINST PHILIP GRATZ

The Commission entered an Order Making Findings and Imposing Remedial Sanctions (Order) in connection with previously instituted public administrative proceedings against Philip R. Gratz of Marlton, New Jersey. From in or about December 1988 until at least December 1990, Gratz was a branch manager and a general principal of First Montauk Securities Corporation. From in or about January 1991 until at least October 1991, Gratz was a branch manager and a general principal of Investors Associates, Inc. Both are broker-dealers registered with the Commission.

Gratz submitted and the Commission accepted an Offer of Settlement whereby he consented to the entry of an Order containing a finding that on April 30, 1992 a permanent injunction was entered against Gratz in connection with a civil action filed by the Commission in September 1991, alleging violations by Gratz of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5, thereunder, and aiding and abetting violations of Section 17(a) of the Exchange Act and Rule 17a-3, thereunder [SEC v. Delta Rental Systems, Inc., et al., Civil Action No. 91-2136-CIV-DAVIS, S.D. Fla.]. The Commission, based upon this finding and Gratz' consent, barred Gratz from association with any broker, dealer, municipal securities dealer, investment company or investment adviser. (Rel. 34-31629)

COMMISSION AFFIRMS NYSE TEN-YEAR BAR OF IVAN KOBAY

The Commission has affirmed the ten-year bar imposed by the New York Stock Exchange on Ivan M. Kobay, of Scottsdale, Arizona. The Exchange had found that in 1980-81, while Kobay was employed at Shearson Loeb Rhoads Incorporated, and in 1982-83, while Kobay was employed at Boettcher and Company, Kobay made material misstatements to customers and entered trades in customers' options and commodities accounts on a discretionary basis without the prior written approval of the customers. Kobay also recommended unsuitable investments, engaged in unsuitable trading practices, prevented his employers from learning essential facts about customers' account, and engaged in excessive trading of a customer's commodities account. The Exchange censured Kobay in addition to the bar.

The Commission sustained all the findings of violation, except a finding that Kobay excessively traded a customer's commodities account, since there was not a sufficient demonstration that Kobay controlled the account. In sustaining the imposition of the sanctions, the Commission stated that the evidence depicted "a pattern of deceit, fraud, and abuse by Kobay in an overarching scheme to take advantage of the naivety and lack of investing experience . . . of his customers. . ." (Rel. 34-31630)

ADMINISTRATIVE PROCEEDING INSTITUTED AGAINST RANDALL HUTCHENS AND LAGUNA EQUITIES, INC.

The Commission issued an Order on December 22 instituting a public administrative proceeding pursuant to Sections 203(e) and 203(f) of the Investment Advisers Act against Randall C. Hutchens (Hutchens), a registered investment adviser, and his company, Laguna Equities, Inc. (Laguna). Hutchens and Laguna simultaneously consented to the entry of an order revoking Hutchens' investment adviser registration and barring Hutchens and Laguna from association with any investment adviser, investment company, broker, dealer or municipal securities dealer.

The administrative proceeding was based on the entry of a temporary restraining order, preliminary injunction and judgment of permanent injunction against Hutchens and Laguna for violations of the antifraud provisions of the Securities Act, the Securities Exchange Act and the Advisers Act. The complaint alleged that from at least January 1992, Hutchens and Laguna fraudulently offered and sold nonexistent securities known as "Secured Collateralized Notes" (SCNs). The complaint alleged that the defendants represented, among other things, that the SCNs were fully secured by U.S. Treasuries and were issued by corporations which are highly rated by Standard & Poor's Corporation. In fact, the complaint alleged, the SCNs are non-existent, the purported issuers had no involvement with their offer and sale, and the defendants misappropriated investors' funds. (Rel. IA-1355)

ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST WILLIAM HODGES

The Commission announced on December 22 the institution of administrative proceedings pursuant to Section 203(f) of the Investment Advisers Act against William J. Hodges (Hodges), a former principal of Carona & Hodges Management, Inc. (C&H Management), a registered investment adviser.

Simultaneously with the institution of this proceeding, the Commission accepted Hodges's offer of settlement in which, without admitting or denying the findings (except as to the entry of the injunction), he consented to the entry of an Order by the Commission permanently barring him from association with any broker, dealer, investment adviser, investment company or municipal securities dealer.

The administrative proceedings are based upon the entry of a Final Judgment of Permanent Injunction and Other Relief against Hodges on October 15, 1992, by the U.S. District Court for the Northern District of New York. According to the complaint in that action, C&H Management, Hodges, and James G. Carona, another principal of C&H Management, defrauded approximately twenty advisory clients by fraudulently investing approximately \$1.4 million of their funds in two speculative, developmental stage companies and misrepresenting the risk of investing in those companies and the value of the clients' investments. The complaint also alleges that C&H Management did not disclose to those clients that it received fees from those companies for making those loans. In addition, the complaint alleges that the defendants misappropriated approximately \$93,000 from an advisory client. The complaint alleges that defendants were unjustly enriched by approximately \$451,000 by their illegal conduct. (Rel. IA-1356)

CIVIL PROCEEDINGS

PRELIMINARY INJUNCTION GRANTED AGAINST LLOYD WILLIAM SAHLEY AND CERAMICS TECHNOLOGY, INC., ET AL.

The Commission announced that Judge John S. Martin of the U S. District Court for the Southern District of New York granted a preliminary injunction on December 18, 1992 against defendants Lloyd William Sahley, Ceramics Technology, Inc., Supermaterials Research and Development Co. and Ceramics Corp. of America (defendants).

The complaint charges that the defendants violated the antifraud provisions of the federal securities laws by disseminating materially false and misleading documents to the public.

The Court made a preliminary finding that it appears that the defendants have engaged in acts which violate the antifraud provisions of the federal securities laws. The Court also found that it appears that the defendants have misused substantial sums of money and may attempt to dissipate or transfer assets which could be subject to an Order of disgorgement. The Court further found that it appears that a preliminary injunction is necessary to prevent the continuation of an ongoing fraud and future violations of the federal securities laws which pose an immediate threat of irreparable injury to the investing public.

The Court granted a preliminary injunction against the defendants, enjoining them from further violations of the federal securities laws pending final disposition of the case, an order freezing the defendants' assets, an order requiring the defendants to account for their current finances and assets, and an order preventing the destruction or alteration of documents. [SEC v. Lloyd William Sahley, Ceramics Technology, Inc., Supermaterials Manufacturing Co., Supermaterials Research and Development Co. and Ceramics Corporation of America, 92 Civ. 8842, JSM, SDNY, filed December 8] (LR-13478)

INVESTMENT COMPANY ACT RELEASES

HEARTLAND GROUP, INC., ET AL.

A conditional order has been issued under Section 6(c) of the Investment Company Act exempting Heartland Group, Inc., et al. from the provisions of Sections 2(a)(32), 2(a)(35), 22(c), and 22(d) of the Act and Rule 22c-1 thereunder. The exemptions apply to the extent necessary to permit the applicants to impose a contingent deferred sales charge (CDSC) on certain redemptions of shares and to waive the CDSC under certain circumstances. (Rel. IC-19178 - December 22)

THE LATIN AMERICA INVESTMENT FUND, INC., ET AL.

A conditional order has been issued under Section 10(f) of the Investment Company Act on an application filed by The Latin America Investment Fund, Inc. and The Latin America Equity Fund, Inc. (Funds). The order permits the Funds to purchase securities in public offerings in Mexico in which an affiliate of the Funds' investment sub-adviser participates as a principal underwriter. (Rel. IC-19179; International Series Rel. 514 - December 22)

TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting Transamerica Occidental Life Insurance Company (Transamerica), Separate Account VA-2NL of Transamerica (Account) and Dreyfus Service Corporation from the provisions of Sections 26(a)(2) and 27(c)(2) of the Act. The exemptions apply to the extent necessary to permit the deduction of a mortality and expense risk charge from the assets of the Account in connection with the offering of certain variable annuity contracts. (Rel. IC-19180 - December 23)

IDS LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting IDS Life Insurance Company and IDS Life Accounts F, IZ, JZ, G, H and N (Variable Accounts) from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the Act. The exemptions apply to the extent necessary to permit the deduction of a mortality and expense risk charge from the assets of the Variable Accounts under certain variable annuity contracts. (Rel. IC-19181 - December 23)

CIGNA ANNUITY FUNDS GROUP, ET AL.

An order has been issued pursuant to Sections 6(c) and 17(b) of the Investment Company Act exempting CIGNA Annuity Funds Group, CIGNA High Income Shares, CIGNA Variable Products Group and INA Investment Securities, Inc. (collectively, Applicants) from the provisions of Sections 13(a)(2), 17(a), 18(a), 18(c), 18(f)(1), 22(f), 22(g), 23(a) and 23(c) of the 1940 Act and Rule 2a-7 thereunder. The order also approves certain transactions under Section 17(d) of the Act and Rule 17d-1 thereunder, to the extent necessary to permit the Applicants to amend existing deferred fee arrangements with their trustees or directors and enter into and implement new deferred fee arrangements. (Rel. IC-19182 - December 23)

HOLDING COMPANY ACT RELEASES

OHIO POWER COMPANY, ET AL.

An order has been issued authorizing a proposal by Ohio Power Company (Ohio Power), an electric public-utility subsidiary company of American Electric Power Company, a registered holding company, and its coal mining subsidiary companies, Southern Ohio Coal Company (SOCO) and Windsor Coal Company (Windsor Coal). SOCO and Windsor Coal propose to issue \$90 million of new unsecured debt and to pay \$90 million of unsecured debt which becomes due on January 29, 1993 and January 31, 1994. Ohio Power proposes to guarantee the new unsecured debt. (Rel. 35-25716)

OLS ENERGY-BERKELEY

A supplemental order has been issued authorizing OLS Energy-Berkeley, an indirect subsidiary company of General Public Utilities Corporation, a registered holding company, to borrow under its Credit Agreement and Note until December 31, 1994 (Rel. 35-25717)

ENTERGY CORPORATION, ET AL.

An order has been issued authorizing Entergy Corporation (Entergy), a registered holding company, to acquire a new wholly owned subsidiary company (NEWCO) that will engage in energy management activities, and to acquire, through NEWCO, interests in an existing energy efficient lighting business. In this regard, the order declares a new affiliate company not to be a subsidiary of Entergy. The order also approves related financing of up to \$117 million. (Rel. 35-25718)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

WITHDRAWAL GRANTED

An order has been issued granting the application of Raven Industries, Inc. to withdraw from listing and registration its Common Stock, \$1.00 Par Value, on the American Stock Exchange. (Rel. 34-31637)

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until January 14, 1993 to comment on the application of Nu Horizons Electronics Corp. to withdraw its Common Shares, \$.01 Par Value, from listing and registration on the American Stock Exchange. (Rel. 34-31638)

UNLISTED TRADING PRIVILEGES GRANTED

Orders have been issued granting the applications of five exchanges for unlisted trading privileges in issues which are listed and registered on one or more other national securities exchange and are reported in the consolidated transaction reporting system. The exchanges and number of issues are as follows: Cincinnati Stock Exchange - 40 issues (Rel. 34-31640); Philadelphia Stock Exchange - 8 issues (Rel. 34-31641); Midwest Stock Exchange - 10 issues (Rel. 34-31642); Pacific Stock Exchange - 1 issue (Rel. 34-31643); and Boston Stock Exchange - 7 issues (Rel. 34-31644).

SELF-REGULATORY ORGANIZATIONS

REPUBLICATION OF PROPOSED RULE CHANGE

The New York Stock Exchange filed a proposed rule change (SR-NYSE-88-35) to require all member organizations for which the Exchange has been appointed the designated examining authority by the Commission pursuant to Rule 17d-1 of the Securities Exchange Act of 1934 to submit requests for extensions of time for payment or delivery of securities to the Exchange. Republication of the proposal is expected in the Federal Register during the week of December 28. (Rel. 34-31634)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved on an accelerated basis a proposed rule change submitted by the Pacific Stock Exchange (SR-PSE-92-36) that extends the Exchange's Lead Market Maker System pilot program through September 30, 1993. Publication of the proposal is expected in the Federal Register during the week of December 28. (Rel. 34-31635)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the Midwest Stock Exchange (SR-MSE-92-15) to re-extend the MSE's waiver of transaction fees for transactions in Tape B eligible issues has become effective upon filing with the Commission. (Rel. 34-31636)

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change (SR-MSRB-92-06) filed by the Municipal Securities Rulemaking Board that eliminates exemptions in Rule G-12(f) that allow some settlements of municipal securities to be accomplished with physical deliveries of securities certificates. Publication of the proposal is expected in the Federal Register during the week of December 28. (Rel. 34-31645)

The Commission approved a proposed rule change (SR-OCC-92-14) filed by The Options Clearing Corporation relating to clearing-level spread margin treatment for positions carried in a clearing member's customers' account. Publication of the proposal is expected in the Federal Register during the week of December 28. (Rel. 34-31626)

TEMPORARY APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change (SR-GSCC-92-12) filed by the Government Securities Clearing Corporation that will allow GSCC to continue to offer comparison and netting services for nonmember trades which have been submitted to GSCC by netting members on behalf of nonmember executing firms. Publication of the proposal is expected in the Federal Register during the week of December 28. (Rel. 34-31651)

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 TUFCO TECHNOLOGIES INC, 3161 SOUTH RIDGE RD, P O BOX 23500, GREEN BAY, WI 54305
(414) 336-0054 - 1,150,000 (\$13,800,000) COMMON STOCK. UNDERWRITER:
STIFEL NICOLAUS & CO INC. (FILE 33-55828 - DEC. 16) (BR. 8 - NEW ISSUE)
- S-8 GREAT SOUTHERN BANCORP INC, 1451 E BATTLEFIELD, SPRINGFIELD, MO 65804 (417) 887-4400
- 205,416 (\$2,676,570.48) COMMON STOCK. (FILE 33-55832 - DEC. 16) (BR. 1)
- S-1 MDL INFORMATION SYSTEMS INC, 2132 FARRALLON DRIVE, SAN LEANDRO, CA 94577
(510) 895-1313 - 10,120,000 (\$141,680,000) COMMON STOCK. (FILE 33-55834 - DEC. 16)
(BR. 10 - NEW ISSUE)
- S-1 WHOLE FOODS MARKET INC, 2525 WALLINGWOOD DR, STE 1400, AUSTIN, TX 78746
(512) 328-7541 - 1,265,000 (\$33,996,875) COMMON STOCK. (FILE 33-55836 - DEC. 16)
(BR. 1)
- F-1 M-SYSTEMS FLASH DISK PIONEERS LTD, ATADIM INDUSTRIAL PRK, BLDG NO 1 NEVE SHARET,
TEL AVIV ISRAEL, L3 61580 (516) 424-4345 - 1,150,000 (\$8,050,000) COMMON STOCK. 1
WARRANTS, OPTIONS OR RIGHTS. 100,000 (\$780,000) COMMON STOCK. (FILE 33-55838 -
DEC. 17) (BR. 9 - NEW ISSUE)
- S-3 VENCOR INC, 700 BROWN & WILLIAMSON TOWER, LOUISVILLE, KY 40202 (502) 569-7300 -
14,773 (\$512,475) COMMON STOCK. (FILE 33-55854 - DEC. 17) (BR. 5)
- S-B HYDRO QUEBEC, 75 RENE LEVESQUE BLVD W, MONTREAL QUEBEC H2Z LA4, A8 10020
(514) 289-3627 - \$2,476,551,200 FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE 33-55856 -
DEC. 17) (BR. 9)
- N-1A MERRILL LYNCH CALIFORNIA INSURED MUNICIPAL BOND FUND OF MERR,
800 SCUDDERS MILL ROAD, PLAINBORO, NJ 08536 (609) 282-2800 - INDEFINITE SHARES.
UNDERWRITER: ROBINSON HUMPHREY CO INC. (FILE 33-55864 - DEC. 18) (BR. 17 - NEW ISSUE)

REGISTRATIONS CONTINUED

- S-1 BIOSURFACE TECHNOLOGY INC, 64 SIDNEY ST, CAMBRIDGE, MA 02139 (617) 494-8484 - 2,300,000 (\$27,600,000) COMMON STOCK. UNDERWRITER: COWEN & CO, HAMBRECHT & QUIST. (FILE 33-55874 - DEC. 18) (BR. 4 - NEW ISSUE)
- S-1 ARGOSY GAMING CO, 219 PIASA ST, ALTON, IL 62002 (618) 474-7500 - 4,600,000 (\$73,600,000) COMMON STOCK. (FILE 33-55878 - DEC. 18) (BR. 12 - NEW ISSUE)
- S-4 DUANE READE HOLDING CORP, 49 29 30TH PLACE, LONG ISLAND, NY 11101 (718) 784-8503 - 41,471,000 (\$41,471,000) STRAIGHT BONDS. (FILE 33-55888 - DEC. 18) (BR. 4 - NEW ISSUE)
- S-1 SHAMAN PHARMACEUTICALS INC, 887 INDUSTRIAL ROAD STE G, SAN CARLOS, CA 94070 (415) 637-1800 - 2,875,000 (\$43,125,000) COMMON STOCK. (FILE 33-55892 - DEC. 18) (BR. 4 - NEW ISSUE)
- S-8 ACE CASH EXPRESS INC/TX, 1231 GREENWAY DR STE 800, IRVING, TX 75038 (214) 550-5000 - 320,000 (\$3,428,476) COMMON STOCK. (FILE 33-55898 - DEC. 17) (BR. 2)
- S-1 ML ASSET BACKED CORP, 250 VESEY ST, WORLD FINANCIAL CENTER N TOWER, NEW YORK, NY 10281 (212) 449-1653 - 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-55916 - DEC. 18) (BR. 12)
- S-8 CENTURA BANKS INC, 134 NORTH CHURCH ST, ROCKY MOUNT, NC 27804 (919) 977-4400 - 8,000 (\$126,560) COMMON STOCK. (FILE 33-55926 - DEC. 18) (BR. 1)
- S-8 FIRST BANK SYSTEM INC, FIRST BANK PL, 601 SECOND AVE S, MINNEAPOLIS, MN 55402 (612) 973-1111 - 181,413 (\$2,590,577) COMMON STOCK. (FILE 33-55932 - DEC. 18) (BR. 2)
- S-3 ORION CAPITAL CORP, 30 ROCKEFELLER PLZ, NEW YORK, NY 10112 (212) 332-8080 - 1,162,791 (\$37,354,660.87) COMMON STOCK. UNDERWRITER: LEHMAN BROTHERS. (FILE 33-55934 - DEC. 21) (BR. 10)
- S-8 PEOPLES SAVINGS FINANCIAL CORP, 123 BROAD ST, NEW BRITAIN, CT 06053 (203) 224-7771 - 244,000 (\$3,904,000) COMMON STOCK. (FILE 33-55936 - DEC. 18) (BR. 2)
- S-8 MAXUS ENERGY CORP /DE/, 717 N HARWOOD ST, DALLAS, TX 75201 (214) 953-2000 - 3,000,000 (\$18,937,500) COMMON STOCK. (FILE 33-55938 - DEC. 21) (BR. 3)
- S-8 PEOPLES SAVINGS FINANCIAL CORP, 123 BROAD ST, NEW BRITAIN, CT 06053 (203) 224-7771 - 100,000 (\$1,600,000) COMMON STOCK. (FILE 33-55940 - DEC. 18) (BR. 2)
- S-8 LITTON INDUSTRIES INC, 360 N CRESCENT DR, BEVERLY HILLS, CA 90210 (213) 859-5000 - 2,700,000 (\$118,800,000) COMMON STOCK. (FILE 33-55944 - DEC. 21) (BR. 7)
- S-4 AMERICAN MAIZE PRODUCTS CO, 250 HARBOR DR, P O BOX 10128, STAMFORD, CT 06902 (203) 356-9000 - 5,244,523 (\$109,611,166) COMMON STOCK. (FILE 33-55946 - DEC. 18) (BR. 4)
- S-8 EVRO FINANCIAL CORP, 10002 PRINCESS PALM AVE STE 304, TAMPA, FL 33619 (813) 664-0500 - 50,000 (\$200,000) COMMON STOCK. (FILE 33-55948 - DEC. 18) (BR. 5)
- S-1 STEEL OF WEST VIRGINIA INC, 17TH ST & 2ND AVE, HUNTINGTON, WV 25703 (304) 696-8200 - 4,600,000 (\$40,250,000) COMMON STOCK. UNDERWRITER: WHEAT FIRST BUTCHER & SINGER CAPITAL MAR. (FILE 33-55952 - DEC. 18) (BR. 6)
- S-3 STERLING SOFTWARE INC, 8080 N CENTRAL EXPWY STE 1100, DALLAS, TX 75206 (214) 891-8600 - 97,750,000 (\$97,750,000) CONVERTIBLE DEBENTURES AND NOTES. UNDERWRITER: BEAR STEARNS & CO INC, BROWN ALEX & SONS INC, FIRST BOSTON CORP. (FILE 33-55954 - DEC. 18) (BR. 10)