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ADMINISTRATIVE PROCEEDINGS

JOSEPH DENTE BARRED

The Commission ordered public administrative proceedings against Joseph P. Dente (Dente) of Park Ridge, New Jersey. Dente was formerly a registered representative with a broker-dealer. The Order, based on Dente's Offer of Settlement, bars Dente from association with any broker, dealer, municipal securities dealer, investment adviser or investment company.

The Order finds that Dente pled guilty to one count of conspiracy and two counts of bank bribery in U.S. v. Joseph P. Dente, Cr. 92-75-01D. The criminal information alleged that from in or around 1982 through on or about October 30, 1987, Dente knowingly, willfully and with intent to reward, conspired with an employee of a financial institution for and in connection with transactions and business of that institution. As part of the conspiracy, the employee of the financial institution engaged Dente to purchase and sell debt securities for and on behalf of the financial institution and its trust customers. In further part of the conspiracy, Dente, in order to secure and maintain such engagement, regularly gave monetary payments in the form of United States currency and/or money orders to the employee of the financial institution. Dente pled guilty on September 16, 1992, and on November 24, 1992 was sentenced to two years probation and required to pay a \$50,000 fine and perform 400 hours of community service. (Rel. 34-32120)

PROCEEDINGS INSTITUTED AGAINST RONALD SALDA AND RICHARD GIPE

The Commission announced that it has instituted public administrative proceedings pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 against Ronald Salda (Salda) and Richard Gipe (Gipe).

The Order Instituting Public Administrative Proceedings alleges that on April 17, 1992, Salda and Gipe were permanently enjoined by default by a federal district court from further violations and aiding and abetting violations of the registration and antifraud provisions of the federal securities laws. In the complaint filed in the injunctive action, the Commission alleged that from at least June 1986 to in or about August 1986, Salda and Gipe participated in a scheme to defraud purchasers of unregistered securities in Calico Corporation (Calico) and thereby violated the registration and antifraud provisions of the federal securities laws. The complaint alleged, among other things, that Salda and Gipe offered and sold unregistered Calico

securities to investors without informing them that the market for Calico was controlled by undisclosed control persons who were engaging in the manipulation of the price of Calico securities.

A hearing will be scheduled to determine if the staff's allegations are true and, if so, what, if any, remedial action is appropriate with respect to Salda and Gipe. (Rel. 34-32122)

SANCTIONS IMPOSED AGAINST RICHARD ARALE

The Commission announced that Richard Arale (Arale) has submitted an Offer of Settlement, which the Commission has determined to accept. Arale, a former margin manager at Securities Settlement Corporation (SSC) of New York, New York, consented to entry of an Order Making Findings and Imposing Remedial Sanctions (Order) without admitting or denying the allegations contained in the Order.

The Order alleges that Arale failed reasonably to supervise another SSC employee with a view to preventing the employee's violations or, alternatively, aiding and abetting violations of Section 7(c) of the Securities Exchange Act of 1934 and Section 220.4 of Regulation T promulgated by the Board of Governors of the Federal Reserve System. That employee is alleged to have failed to comply with the requirements of Regulation T concerning margin calls in customer accounts within seven business days after the margin deficiency was created or increased.

The Order suspends Arale for six months from association in a supervisory capacity with certain regulated entities. (Rel. 34-32123)

SANCTIONS IMPOSED AGAINST ANTHONY BORDONARO

The Commission announced that Anthony Bordonaro (Bordonaro) has submitted an Offer of Settlement, which the Commission has determined to accept. Bordonaro, a former margin supervisor at Securities Settlement Corporation (SSC) of New York, New York, consented to entry of an Order Making Findings and Imposing Remedial Sanctions (Order) without admitting or denying the allegations contained in the Order.

The Order alleges that in 1988 Bordonaro, while associated with SSC, willfully violated Section 7(c) of the Securities Exchange Act of 1934 and Section 220.4 of Regulation T promulgated by the Board of Governors of the Federal Reserve System or, alternatively, aided and abetted SSC's violations of those Sections, by failing to comply with the requirements of Regulation T concerning margin calls in customer accounts within seven business days after the margin deficiency was created or increased.

The Order suspends Bordonaro from association with certain regulated entities for six months and orders him to cease and desist from further violations of Section 7(c) of the Exchange Act and Section 220.4 of Regulation T. (Rel. 34-32123)

CIVIL PROCEEDINGS

PRELIMINARY INJUNCTIONS ENTERED AGAINST INVESTMENT CONTRACT PROMOTERS

The Commission announced that the Honorable David C. Bramlette III, U.S. District Judge for the Southern District of Mississippi, entered orders of Preliminary Injunction and Other Relief against defendants Alvis B. Rutland, Scofield Berthelot, William D. Cornett, Howard W. Jones and Gerard A. Spataro in connection with two investment contract ventures which the Commission alleged to be fraudulent. The orders were entered against Rutland and Berthelot on March 18, 1993, and against Spataro, Jones and Cornett on March 22, March 30, and April 5, 1993, respectively. The defendants consented to the entry of the orders without admitting or denying the Commission's allegations.

The Commission's complaint, filed on March 10, 1993, alleged that since at least March 1991, defendants Rutland, Berthelot, Cornett, Jones and Spataro variously engaged in the sale of investment contracts consisting of interests in buried treasure in the Philippines and in the purported imminent encashment or sale of worthless 1875 Peruvian bonds.

The Court's order preliminarily enjoins all of the defendants from future violations of the antifraud provisions and additionally preliminarily enjoins Rutland, Berthelot and Jones from future violations of the broker-dealer registration provisions of the federal securities laws.

The Commission acknowledges the assistance of the Jackson and Gulfport, Mississippi offices of the Federal Bureau of Investigation and the Biloxi, Mississippi office of the United States Attorney for the Southern District of Mississippi. [SEC v. Alvis B. Rutland, Scofield Berthelot, William D. Cornett, Howard W. Jones and Gerard A. Spataro, Civil Action No. 1:93-cv-94-BrR, USDC, SD MS] (LR-13601)

C. DANIEL MCCLAIN TEMPORARILY RESTRAINED

The Commission announced that on April 8, 1993 the Honorable Horace T. Ward, United States District Judge for the Northern District of Georgia, issued a temporary restraining order against C. Daniel McClain of Palm Coast, Florida. The order temporarily restrains McClain from future violations of the registration and anti-fraud provisions and imposes a freeze of assets against McClain. The Court scheduled a preliminary injunction hearing for April 16, 1993. The Commission alleges that McClain fraudulently raised more than \$2 million by selling common stock and warrants of International Trading, Inc. (ITI), a defendant in a pending suit by the Commission. ITI offering materials distributed by McClain promise investors that for each share of ITI stock they purchase for \$100, they will receive a warrant to be redeemed for \$200,000. The exorbitant proceeds are purportedly to be paid from a fortune accumulated by a deceased European "financier" and claimed to be in excess of \$1 trillion. The complaint alleges that the purported fortune does not exist.

The Commission acknowledges the assistance of the State Attorney's office, Seventh Judicial Circuit of Florida, in this case. McClain was arrested by representatives of that office on April 8th, and is currently incarcerated. [SEC v. C. Daniel McClain, Civil Action No. 1:93-CV-782-ODE, N.D. Ga.] (LR-13602)

PRELIMINARY INJUNCTION ENTERED AGAINST ROBERT DOVIK, ET. AL.

The Commission announced that on April 7 the U.S. District Court for the Northern District of Texas granted by consent of the parties a preliminary injunction against Robert F. Doviak, II (Doviak), Doviak Partners, Ltd. (Partners) and Doviak Securities, Inc. (DSI), a registered broker-dealer. The preliminary injunction prohibits the Defendants from violating the antifraud provisions of the federal securities laws and the net capital, books and records and notification rules of the Securities Exchange Act of 1934, and from dissipating any monies or property controlled by them. As previously announced on March 16, 1993, the Court granted the Commission's request for a temporary restraining order after filing a complaint, which alleged that Doviak and Partners violated the antifraud provisions of the securities laws in connection with the offer, purchase and sale of limited partnership interests in Partners. The Complaint alleged that Doviak diverted to himself and to DSI at least \$1 million of the \$4 million raised by Partners from investors since 1989. The complaint also alleged that DSI, aided and abetted by Doviak, violated the net capital, book and records and notification provisions of the federal securities laws. [SEC v. Robert F. Doviak, II, Doviak Partners, Ltd. and Doviak Securities, Inc., USDC, N.D. Texas, Dallas Division, Civil Action No. 93-CV-00444-P] (LR-13603)

PERSONAL WEALTH SYSTEMS, INC. ORDERED TO OBEY COMMISSION SUBPOENA DUCEB TECUM OR SHOW CAUSE WHY IT SHOULD NOT BE HELD IN CONTEMPT

The Commission announced that on March 31, 1993 the Honorable Harvey E. Schlesinger, United States District Judge, entered an order requiring Personal Wealth Systems, Inc. (PWS) to comply fully with a Commission subpoena duceb tecum by April 29, 1993, or to appear in the U.S. District Court for the Middle District of Florida, Jacksonville Division, on April 30, 1993, and show cause why PWS should not be held in contempt for its failure to obey the Commission's subpoena.

Judge Schlesinger's order was issued following the initiation of a subpoena enforcement action by the Commission against PWS on March 4, 1993, pursuant to Section 21(c) of the Securities Exchange Act of 1934. PWS is based in Jacksonville, Florida. [ESEC v. Personal Wealth Systems, Inc., No. 93-79-XISC-J-20, M.D. Fl.] (LR-13604)

TEMPORARY RESTRAINING ORDER ENTERED AGAINST MIDWEST INVESTMENTS, ROBERT HODGE, MICHAEL EBERLE, THOMAS VANECHO, THOMAS COSTELLO, DONALD GILLILAND, AND THOMAS WILLIAMSON

The Commission announced that on April 12 the Honorable George Smith, U.S. District Court Judge for the Southern District of Ohio, entered a temporary restraining order against Midwest Investments, Inc., an Ohio broker-dealer, Robert Hodge, Michael Eberle, Thomas VanEcho, Thomas Costello, Donald Gilliland, and Thomas Williamson. The order freezes Midwest's assets, orders Midwest to produce an accounting, prohibits the destruction of documents, and enjoins the defendants from future violations of the antifraud provisions of the federal securities laws, as well as the Commission's cold-calling and penny stock disclosure rules.

The complaint, which was filed on April 12, alleges that the defendants have been engaging in a scheme to charge excessive undisclosed markups as high as 215% and to manipulate the price of the stock of Reitz Data Communications, Inc. The defendants obtained Reitz stock at a cost of \$1 per share and \$.25 per warrant from "insiders" who had purchased its fall 1992 offering and then, utilizing "boiler room" sales techniques, began selling the stock to the public in January 1993 at prices of \$3.50 and \$3.75 per share. The defendants have also been violating the Commission's cold-calling and penny stock disclosure rules in their sales of Reitz. The Commission acknowledges the substantial assistance of the Ohio Division of Securities. [SEC v. Midwest Investments Inc., et al., Civil Action No. C2-93-0389, USDC, S.D. Ohio] (LR-13605)

PHILLIP ZARCONE PERMANENTLY ENJOINED

The Commission announced that on April 13 a Final Judgment And Permanent Injunction and Other Equitable Relief was entered against Phillip C. Zarcone (Zarcone), a certified public accountant and former chief financial officer of Stotler and Company and Stotler Group, Inc. (SGI).

Without admitting or denying the allegations of the Commission's complaint, except as to jurisdiction, Zarcone consented to the entry of the Order permanently enjoining him from future violations and/or aiding and abetting violations of the antifraud, broker-dealer registration, books and records, net capital, customer protection, proxy and reporting provisions of the federal securities laws. Specifically, the Commission's complaint alleges that from August 1988 to August 1990 Zarcone participated in a scheme to defraud public investors and to deceive the Commission and other regulatory agencies concerning the financial condition of SGI and its subsidiaries. This scheme involved a series of transactions which were structured to conceal self-dealing, create the false appearance of regulatory capital and profitability and misrepresent SGI's true financial condition.

The Commission's action continues against certain remaining defendants and relief defendants. [SEC v. Thomas N. Egan, et al., 92 C3480, N.D. Ill.] (LR-13606)

INJUNCTIVE ACTION FILED AGAINST ALBERT ROSSINI IN FREE RIDING CASE

The Commission announced that on April 6 a complaint was filed in the United States District Court for the Northern District of Illinois seeking an order of permanent injunction and disgorgement of \$540,165 plus prejudgment interest against Albert Rossini for violations of Sections 7(a) and 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The complaint alleges that Rossini placed purchase orders for over 2.3 million shares of Barcan Communications, Inc. common stock through fifteen separate accounts with four different broker-dealers when he had no intention or ability to pay for such shares. The complaint further alleges that Rossini misrepresented his financial status to the broker-dealers and delivered checks to pay for his purchases which were later dishonored because they were drawn on accounts which were closed or contained insufficient funds. Rossini's failure to pay for these purchases resulted in \$540,165 in unpaid losses which the broker-dealers had to absorb. Further inquiries should be directed to Dan Gregus of the Chicago Regional office. [SEC v. Albert Rossini (N.D. Ill., Case No. 93 C 2062, April 6, 1993)] (LR-13607)

PERMANENT INJUNCTIONS AGAINST ELLIOTT PEARSON AND SILVER BARON, INC.

The Commission announced that Final Judgments of Permanent Injunctions were entered by the Honorable J. Thomas Greene of the U.S. District Court, District of Utah Central Division, against Elliott R. Pearson and the Silver Baron, Inc., both of Las Vegas, Nevada, on April 9, 1993. The Final Judgments enjoin each of the defendants from further violations of Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, Sections 17(a) and (b) of the Securities Act of 1933 and Section 206 of the Investment Advisers Act of 1940. Disgorgement of illegal profits was also ordered against Pearson in the amount of \$214,000, payment of which was waived based upon defendant's demonstrated inability to pay.

The Final Judgments were based upon Consents and Undertakings executed by each defendant neither admitting nor denying the allegations in the Commission's complaint. The Commission's complaint alleges, among other things, that defendants Pearson and the Silver Baron, Inc. published false and misleading information concerning the merger of SVS Laboratories, Inc., a privately-held Maryland corporation engaged in AIDS research, and Nadar, Inc., a Utah "shell" corporation. The Commission also alleged that Pearson used his advance knowledge of the merger in purchasing shares in Nadar, Inc. prior to its public announcement and thereafter selling the shares at a profit (See LR-11799). [SEC v. Blaine C. Taylor, et al., USDC for the District of Utah, Central Division, Civil Action No. 88-C-619G, D. Utah] (LR-13608)

GATEWAYS TO SPACE, INC. ENJOINED

The Commission announced that on April 16 the U.S. District Court for the District of Columbia entered a Final Judgment of Permanent Injunction (Judgment) against Gateways to Space, Inc. (Gateways) of Hayward, California. Gateways, consenting to the entry of the Judgment, admitted that it had failed to file or to file timely eight periodic reports, eight Notifications of Late Filing on Form 12b-25 and a complete and accurate Current Report on Form 8-K relating to its acquisition of another company during 1992. The Judgment enjoins Gateways from further violations of Sections 13(a) and 15(d) of the Securities Exchange Act of 1934 and the rules thereunder and requires it to file its delinquent reports within 60 days. The Commission's complaint was filed on February 1, 1993 (LR-13507). [SEC v. Gateways to Space, Inc., Civil Action No. 93-0194, HHG, D.D.C.] (LR-13609)

INVESTMENT COMPANY ACT RELEASES

KEYPORT LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until May 11, 1993 to request a hearing on an application by Keyport Life Insurance Company, KMA Variable Account (KMA Account), and Keyport Variable Account I (Variable Account I) for an order pursuant to Sections 17(b) and 26(b) of the Investment Company Act. The order would permit the substitution of shares of the Managed Income Fund (MIF) for shares of the High Yield Bond Fund and the Investment Grade Bond Fund, and the substitution of shares of the Strategic Managed Assets Fund (SMAF) for shares of the International Stock Fund, each of which is a portfolio of the SteinRoe Variable Investment Trust. Thereafter, MIF and SMAF will continue to serve as eligible funding vehicles together

with the other portfolios of SteinRoe Trust for certain flexible premium variable annuity contracts offered by the KMA Account and certain single premium variable life insurance policies previously offered by Variable Account I. (Rel. IC-19408 - April 14)

THE ONE GROUP AND GOLDMAN, SACHS & CO.

A notice has been issued giving interested persons until May 10, 1993 to request a hearing on an application filed by THE ONE GROUP (formerly, The Helmsman Fund) (the Fund) and Goldman, Sachs & Co. (Goldman Sachs) for an order under Sections 6(c) and 17(b) of the Investment Company Act that would exempt applicants from Section 17 (a). The order would permit portfolios of the Fund to engage in principal transactions with Goldman Sachs and any other securities dealer that may be an affiliated person of an affiliated person of such portfolios solely because of sub-advisory relationships with other portfolios of the Fund. The order also would permit Goldman Sachs to engage in principal transactions with portfolios of any registered investment company of which Goldman Sachs is an affiliated person of an affiliated person solely because of its sub-advisory relationship with other portfolios of that investment company. (Rel. IC-19410 - April 15)

THE VANGUARD GROUP, INC., ET AL.

A notice has been issued giving interested persons until May 11, 1993 to request a hearing on an application filed by The Vanguard Group, Inc., et al. for a conditional order under Section 6(c) of the Investment Company Act exempting applicants from the provisions of Section 15(a) of the Act and Rule 18f-2 thereunder. The exemptions apply to the extent necessary to permit applicants to enter into contracts with investment advisers which contracts have not been approved by the shareholders of the applicable investment company. (Rel. IC-19411 - April 16)

HOLDING COMPANY ACT RELEASES

CENTRAL AND SOUTH WEST CORPORATION, ET AL.

An order has been issued authorizing a proposal by Central and South West Corporation, a registered holding company, and three of its nonutility subsidiary companies, GSW Energy, Inc. (Energy), GSW Development-I, Inc. (Energy Sub) and ARK/GSW Development Partnership (Joint Venture) (collectively, Applicants). The Applicants propose to make an investment in a 74-megawatt combined cycle gas turbine cogeneration facility (Project) through a special purpose limited partnership (Project Venture), which will develop, own and operate the Project. The Joint Venture proposes to organize and acquire for \$1,000 all of the common stock (1,000 shares with no par value) of a new subsidiary which will be the general partner, owning 1%, of the Project Venture. Energy Sub proposes to organize and acquire for \$1,000 all of the common stock (1,000 shares with no par value) of a new subsidiary which will be one of the limited partners, owning 49.5%, of the Project Venture. The other 49.5% limited partnership interest will be owned by ARK Energy Inc., a nonassociate. The total cost of the acquisition will be \$3.395 million plus certain liabilities of the seller that will be contingently assumed by the Project Venture. (Rel. 35-25796)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-92-52) that would amend Part III, Section 41(f) of the NASD Code of Arbitration Procedure. The proposed rule change would make all arbitration awards, their contents and the names or arbitrators publicly available. Publication of the proposal is expected in the Federal Register during the week of April 19. (Rel. 34-32150)

MISCELLANEOUS

JOINT INDUSTRY PLANS - IMMEDIATE EFFECTIVENESS OF EXTENSION OF AMENDMENT

The Options Price Reporting Authority has filed with the Commission, pursuant to Rule 11Aa3-2 under Securities Exchange Act of 1934, an amendment to the Plan for the Reporting of Consolidated Options Last Sale Reports and Quotation Information. The purpose of the amendment is to extend until September 1, 1993, the pilot program that provides for the dissemination of certain implied volatility quotations in foreign currency options directly by the Philadelphia Stock Exchange through selected vendors, rather than through the OPRA network. Publication of the proposal is expected in the Federal Register during the week of April 19. (Rel. 34-32152; International Series Rel. 532)

SIGNIFICANT NO-ACTION AND INTERPRETATIVE 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 letter 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.

Letter	Availability Date	Subject
Equifax Inc.	April 19, 1993	Rule 16b-3(b) and Former Rule 16b-3(a)