

sec news digest

Issue 93-174

September 9, 1993

ADMINISTRATIVE PROCEEDINGS

DENNIS WILK BARRED

The Commission announced the entry of an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions against Dennis Wilk (Wilk), formerly a registered representative of Stoneridge Securities, Inc., a broker-dealer registered with the Commission.

Wilk consented to the issuance of the Order, without admitting or denying the Commission's findings. The Order contains findings that during the period from June 1987 to February 1988 Wilk actively participated in a scheme to manipulate the price of the securities of CTI Technical, Inc. By virtue of that conduct, Wilk violated and aided and abetted violations of the antifraud provisions of the federal securities laws.

The Order also contains findings that Wilk consented, without admitting or denying any of the allegations in the Commission's complaint, to the entry of a Final Judgment of Permanent Injunction by the United States District Court for the District of Nevada, which permanently enjoined Wilk from future violations of the same federal securities laws. The Commission's Order bars Wilk from association with any broker, dealer, investment adviser, investment company or municipal securities dealer, with a right to reapply in three years. (Rel. 34-32835)

THOMAS BELL BARRED

The Commission announced the entry of an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions against Thomas Bell (Bell), formerly a registered representative of Stoneridge Securities, Inc., a broker-dealer registered with the Commission.

Bell consented to the issuance of the Order, without admitting or denying the Commission's findings. The Order contains findings that during the period from September 1985 to November 1987 Bell actively participated in schemes to manipulate the price of the securities of Composite Design, Inc. and CTI Technical, Inc. By virtue of that conduct, Bell violated and aided and abetted violations of the antifraud provisions of the federal securities laws.

The Order also contains findings that Bell consented, without admitting or denying any of the allegations in the Commission's complaint, to the entry of a Final Judgment of Permanent Injunction by the United States District Court for the District of Nevada, which permanently enjoined Bell from future violations of the same federal securities laws. The Commission's Order bars Bell from association with any broker,

dealer, investment adviser, investment company or municipal securities dealer, with a right to reapply after four years. (Rel. 34-32829)

CHARLES HARROUN BARRED

The Commission announced the entry of an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions against Charles Harroun (Harroun), formerly a registered representative of Stoneridge Securities, Inc., a broker-dealer registered with the Commission.

Harroun consented to the issuance of the Order, without admitting or denying the Commission's findings. The Order contains findings that during the period from September 1987 to December 1987 Harroun actively participated in a scheme to manipulate the price of the securities of CTI Technical, Inc. By virtue of that conduct, Harroun violated and aided and abetted violations of the antifraud provisions of the federal securities laws.

The Order also contains findings that Harroun consented, without admitting or deny any of the allegations in the Commission's complaint, to the entry of a Final Judgment of Permanent Injunction by the United States District Court for the District of Nevada, which permanently enjoined Harroun from future violations of the same federal securities laws. The Commission's Order bars Harroun from association with any broker, dealer, investment adviser, investment company or municipal securities dealer, with a right to reapply after three years. (Rel. 34-32830)

MICHAEL MONTANA BARRED

The Commission announced the entry of an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions against Michael Montana (Montana), formerly a registered representative of Stoneridge Securities, Inc., a broker-dealer registered with the Commission.

Montana consented to the issuance of the Order, without admitting or denying the Commission's findings. The Order contains findings that during the period from December 1986 to January 1988 Montana actively participated in a scheme to manipulate the price of the securities of CTI Technical, Inc. By virtue of that conduct, Montana violated and aided and abetted violations of the antifraud provisions of the federal securities laws.

The Order also contains findings that Montana consented, without admitting or denying any of the allegations in the Commission's complaint, to the entry of a Final Judgment of Permanent Injunction by the United States District Court for the District of Nevada, which permanently enjoined Montana from future violations of the same federal securities laws. The Commission's Order bars Montana from association with any broker, dealer, investment adviser, investment company or municipal securities dealer, with a right to reapply in three years. (Rel. 34-32831)

ANTHONY MARTINELLI BARRED

The Commission announced the entry of an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions against Anthony Martinelli (Martinelli), formerly a registered representative of Stoneridge Securities, Inc., a broker-dealer registered with the Commission.

Martinelli consented to the issuance of the Order, without admitting or denying the Commission's findings. The Order contains findings that during the period from the winter of 1986 to January 1988 Martinelli actively participated in a scheme to manipulate the price of the securities of CTI Technical, Inc. By virtue of that conduct, Martinelli violated and aided and abetted violations of the antifraud provisions of the federal securities laws.

The Order also contains findings that Martinelli consented, without admitting or denying any of the allegations in the Commission's complaint, to the entry of a Final Judgment of Permanent Injunction by the United States District Court for the District of Nevada, which permanently enjoined Martinelli from future violations of the same federal securities laws. The Commission's Order bars Martinelli from association with any broker, dealer, investment adviser, investment company or municipal securities dealer, with a right to reapply in three years. (Rel. 34-32832)

KURT HERMANN BARRED

The Commission announced the entry of an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions against Kurt Hermann (Hermann), formerly a registered representative of Stoneridge Securities, Inc., a broker-dealer registered with the Commission.

Hermann consented to the issuance of the Order, without admitting or denying the Commission's findings. The Order contains findings that during the period from July 1987 to December 1987 Hermann actively participated in a scheme to manipulate the price of the securities of CTI Technical, Inc. By virtue of that conduct, Hermann violated and aided and abetted violations of the antifraud provisions of the federal securities laws.

The Order also contains findings that Hermann consented, without admitting or denying any of the allegations in the Commission's complaint, to the entry of a Final Judgment of Permanent Injunction by the United States District Court for the District of Nevada, which permanently enjoined Hermann from future violations of the same federal securities laws. The Commission's Order bars Hermann from association with any broker, dealer, investment adviser, investment company or municipal securities dealer, with a right to reapply after three years. (Rel. 34-32833)

WENTON WHITE BARRED

The Commission announced the entry of an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions against Wenton White (White), formerly a registered representative of Stoneridge Securities, Inc., a broker-dealer registered with the Commission.

White consented to the issuance of the Order, without admitting or denying the Commission's findings. The Order contains findings that during the period from May 1987 to February 1988 White actively participated in a scheme to manipulate the price of the securities of CTI Technical, Inc. By virtue of that conduct, White violated and aided and abetted violations of the antifraud provisions of the federal securities laws.

The Order also contains findings that White consented, without admitting or denying any of the allegations in the Commission's complaint, to the entry of a Final Judgment of Permanent Injunction by the United States District Court for the District of Nevada, which permanently enjoined White from future violations of the same federal

securities laws. The Commission's Order bars White from association with any broker, dealer, investment adviser, investment company or municipal securities dealer, with a right to reapply in three years. (Rel. 34-32834)

NASD ACTION AGAINST HOUSTON GODDARD AND WARD CLARKE SUSTAINED

The Commission has found that Houston A. Goddard of San Diego, California, and Ward H. Clarke of Seattle, Washington, formerly the compliance director and a principal, respectively, of First Affiliated Securities, Inc., a member of the NASD, failed reasonably to supervise a former salesman of the firm who engaged in various misconduct involving mutual fund sales. Goddard and Clarke were each censured and fined \$5,000.

Neither Goddard nor Clarke disputed that the salesman engaged in the misconduct alleged, but claimed that they either were not responsible or that the supervision they provided was appropriate under the circumstances. The Commission disagreed. It found that both applicants had undertaken "special supervisory responsibility" for the salesman. It further found that Goddard and Clarke knew that the salesman had engaged in misconduct at First Affiliated, as well as prior to joining the firm. Yet, despite their undertakings and knowledge, they "accorded [the salesman] only minimal supervision," which the Commission considered "clearly inappropriate." In light of its finding of supervisory failure, the Commission pronounced the "relatively lenient sanctions" imposed by the NASD to be "fully warranted." (Rel. 34-32839)

CEASE AND DESIST ORDER ENTERED AGAINST ELIZABETH RIGGAN

The Commission announced today the institution of administrative proceedings pursuant to Section 21C of the Securities Exchange Act (Exchange Act) and entry of an Order that Elizabeth Riggan (Riggan) permanently cease and desist from committing or causing violations of Sections 13(a) and 13(b) of the Exchange Act and Rules 12b-20, 13a-13 and 13b2-1 thereunder. The Commission simultaneously accepted an Offer of Settlement in which Riggan consented to the entry of the Order without admitting or denying the Commission's findings.

The Commission found that between February 1989 and February 1990, while serving as chief accountant of Marks & Newman, a division of United States Shoe Corporation, Riggan made several false entries in Marks & Newman's books and records. These false entries caused U.S. Shoe Corporation to overstate earnings in its Forms 10-Q filed with the Commission for the first three quarters of the fiscal year ending in February 1990. (Rel. 34-32842)

INVESTMENT COMPANY ACT RELEASES

AMERICAN EXPRESS VARIABLE ANNUITY FUND, INC.

A notice has been issued giving interested persons until October 1 to request a hearing on an application filed by American Express Variable Annuity Fund, Inc. (the Applicant) for an order under Section 8(f) of the Investment Company Act. The order would declare that the Applicant has ceased to be an investment company. (Rel. IC-19687 - September 7)

ZAPATA CORPORATION

A notice has been issued giving interested persons until September 7 to request a hearing on an application filed by Zapata Corporation ("Zapata") for a conditional order under Sections 6(c) and 6(e) of the Investment Company Act exempting Zapata from all provisions of the Act except Sections 9, 17(a), 17(d), 17(e), and 36 through 53, and the rules thereunder. Zapata also will comply with Section 17(f) and the rules thereunder, subject to certain exceptions. The requested relief would exempt Zapata until such time as it would no longer be considered an investment company, or until July 1, 1994, whichever period is shorter. (Rel. IC-19688)

THE NEW ENGLAND FUNDS, ET AL.

A conditional order has been issued on an application filed by The New England Funds, et al., under Section 6(c) of the Investment Company Act that would exempt applicants 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 conditional order will permit certain open-end management investment companies to issue and sell separate classes of shares representing interests in the same investment portfolio, and permit the imposition and waiver of a contingent deferred sales charge on certain redemptions of units. (Rel. IC-19689 - September 8)

WASHINGTON SQUARE CASH FUND, INC.

An order has been issued under Section 8(f) of the Investment Company Act declaring that Washington Square Cash Fund, Inc. has ceased to be an investment company. (Rel. IC-19690 - September 8)

GNA INVESTORS TRUST, ET AL.

A conditional order has been issued under Section 6(c) of the Investment Company Act exempting applicants and certain other registered open-end management investment companies from Sections 2(a)(32), 2(a)(35), 18(f), 18(g), 18(i), 22(c), and 22(d), and rule 22c-1 thereunder. The order permits the 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 load on certain redemptions of shares. (Rel. IC-19691 - September 8)

SELF-REGULATORY ORGANIZATIONS

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-93-44) on September 1 pursuant to Section 19(b)(1) of the Securities Exchange Act and Rule 19b-4 thereunder, relating to fees for the Fixed Income Pricing System. Publication of the order is expected in the Federal Register during the week of September 6. (Rel. 32843)

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.

- N-2 MUNIASSETS FUND II INC, PO BOX 9011, MERRILL LYNCH ASSET MANAGEMENT, PRINCETON, NJ 08543 - 66,667 (\$1,000,005) COMMON STOCK. (FILE 33-50155 - SEP. 02) (BR. 22)

- S-6 NUVEEN TAX EXEMPT UNIT TRUST SERIES 703, C/O JOHN NUVEEN & CO INC, 333 WEST WACKER DRIVE, CHICAGO, IL 60606 (312) 917-7947 - INDEFINITE SHARES. (FILE 33-50157 - SEP. 02) (BR. 22 - NEW ISSUE)

- S-3 ROBERTS PHARMACEUTICAL CORP, MERIDIAN CENTRE II, 4 INDUSTRIAL WAY W, EATONTOWN, NJ 07724 (908) 389-1182 - 3,100,000 (\$76,725,000) COMMON STOCK. UNDERWRITER: MERRILL LYNCH & CO, MORGAN STANLEY & CO INC. (FILE 33-68080 - AUG. 31) (BR. 4)

- S-3 KEANE INC, TEN CITY SQ, BOSTON, MA 02129 (617) 241-9200 - 2,300,000 (\$52,762,000) COMMON STOCK. (FILE 33-68082 - AUG. 31) (BR. 9)

- S-3 CREATIVE BIOMOLECULES INC, 45 S ST, HOPKINTON, MA 01748 (508) 435-9001 - 2,900,000 (\$21,750,000) COMMON STOCK. (FILE 33-68084 - AUG. 31) (BR. 8)

- S-8 DEAN FOODS CO, 3600 N RIVER RD, FRANKLIN PARK, IL 60131 (708) 678-1680 - 40,000 (\$1,112,500) COMMON STOCK. (FILE 33-68094 - AUG. 31) (BR. 3)

- S-3 TEXAS UTILITIES ELECTRIC CO, 2001 BRYAN TWR STE 1350, DALLAS, TX 75201 (214) 812-4600 - 1,500,000 (\$150,000,000) PREFERRED STOCK. (FILE 33-68104 - AUG. 31) (BR. 8)

- S-8 LUKENS MEDICAL CORP, 500 LASER RD, RIO RANCHO, NM 87124 (505) 892-4118 - 200,000 (\$962,000) COMMON STOCK. (FILE 33-68122 - AUG. 27) (BR. 8)

- S-8 COORDINATED MEDICAL SERVICES OF NORTH CAROLINA INC, 4000 AERIAL CNTR PKWY, MORRISVILLE, NC 27560 (919) 460-1610 - 45,411 (\$1,188,405.87) COMMON STOCK. (FILE 33-68142 - AUG. 30) (BR. 6)

- S-3 MERRY LAND & INVESTMENT CO INC, 624 ELLIS ST, AUGUSTA, GA 30901 (706) 722-6756 - 202,852 (\$3,727,405.50) COMMON STOCK. (FILE 33-68172 - AUG. 31) (BR. 5)

- S-8 HICKOK ELECTRICAL INSTRUMENT CO, 10514 DUPONT AVE, CLEVELAND, OH 44108 (216) 541-8060 - 25,000 (\$425,000) COMMON STOCK. (FILE 33-68196 - SEP. 01) (BR. 8)

- S-4 HADSON CORP, 101 PARK AVE, 14TH FL, OKLAHOMA CITY, OK 73102 (405) 235-9531 - 14,948,794 (\$25,053,206) PREFERRED STOCK. 19,645,883 (\$5,893,765) COMMON STOCK. (FILE 33-68224 - AUG. 31) (BR. 7)

- SB-2 LETCHWORTH INDEPENDENT BANCSHARES CORP, 50 NORTH MAIN ST, P.O. BOX 129, CASTILE, NY 14427 (716) 493-2576 - 8,600,000 (\$8,600,000) COMMON STOCK. (FILE 33-68242 - SEP. 01) (BR. 1)

REGISTRATIONS CONTINUED

- S-8 GRAND METROPOLITAN PUBLIC LIMITED CO, 20 ST JAMES SQ,
LONDON SW1Y 4RR ENGLAND, XO - 400,000 (\$2,750,000) FOREIGN COMMON STOCK.
(FILE 33-68244 - SEP. 01) (BR. 3)
- S-3 LUBRIZOL CORP, 29400 LAKELAND BLVD, WICKLIFFE, OH 44092 (216) 943-4200
- 100,000,000 (\$100,000,000) STRAIGHT BONDS. (FILE 33-68246 - SEP. 01)
(BR. 2)
- S-3 STONE & WEBSTER INC, 250 WEST 34TH ST, NEW YORK, NY 10116 (212) 290-7500
- 1,100 (\$30,668) COMMON STOCK. (FILE 33-68248 - SEP. 01) (BR. 10)
- S-3 SYNBIOTICS CORP, 11011 VIA FRONTERA, SAN DIEGO, CA 92127 (619) 451-3771
- 530,303 (\$2,518,939.25) COMMON STOCK. (FILE 33-68250 - SEP. 01) (BR. 4)
- S-1 MFS COMMUNICATIONS CO INC, 3555 FARNAM ST, OMAHA, NE 68131
(402) 271-2890 - 4,600,000 (\$221,375,000) COMMON STOCK. (FILE 33-68268 -
SEP. 01) (BR. 7)
- S-3 INTEGRATED HEALTH SERVICES INC, 11011 MCCORMICK RD, HUNT VALLEY, MD
21031 (410) 584-7050 - 523,910 (\$12,311,885) COMMON STOCK. (FILE 33-68302
- SEP. 02) (BR. 6)

ACQUISITION 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 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	SHRS(000)/%OWNED	CUSIP/PRIOR%	FILING STATUS
AMERICAN MOBILE SYS INC	COM PAR \$0.01		2,514	02755950	
NEXTEL COMMUNICATIONS INC	13D	8/25/93	61.9	61.9	UPDATE
CAROLCO PICTURES INC	COM		0	14376310	
CREDIT LYONNAIS ET AL	13D	9/ 7/93	0.0	0.0	NEW
CONSILIUM INC	COM		410	20854710	
CENTENNIAL ASSOC	13D	9/ 1/93	5.8	0.0	NEW
CYANOTECH CORP	COM NEW		1,800	23243720	
REICHL EVA R	13D	8/30/93	22.2	14.8	UPDATE

DRAVO CORP DELTEC PANAMERICA S A	COM	13D	8/27/93	0	26147110	0.0	5.1	UPDATE
DYNASTY CLASSICS CORP TRENWITH HOLDING ET AL	COM	13D	8/26/93	1,000	26812710	10.9	0.0	NEW
EQUIVEST FINANCE INC HYMES JACK	COM	13D	8/12/93	3	29799840	N/A	N/A	UPDATE
GERRITY OIL & GAS CORP BLEICHROEDER ARNHOLD & S ET AL	COM	13D	8/23/93	879	37423010	6.4	0.0	NEW

SEC PUBLIC INFORMATION NUMBERS

Members of the public seeking information and/or material from the Commission continue to complain of being incorrectly referred to the wrong telephone number by Commission staff. The following information is furnished to assist you in directly calling the appropriate office:

Consumer Affairs (202-272-7440): Investor inquiries and complaint processing information.

Freedom of Information Branch (202-272-7420): Requests concerning FOIA, Privacy Act, Sunshine Act, confidential treatment matters, etc.

Personnel Locator (202-272-2550): Requests for names and phone numbers of Commission personnel.

Public Affairs (202-272-2650): Information about matters in the SEC News Digest, the Commission's operations, and calls from the press not directed to particular individuals, and other related matters.

Public Reference (202-272-7450): Requests for information on whether or not a document has been filed, etc.

Publications Unit (202-272-7460/7461): Requests for forms, studies, directories, etc.

Office of the Secretary (202-272-2600): Requests for information on the Commission calendar.

SEC Information Line (202-272-3100/5624): General information about SEC operations and activities through a series of recorded messages.