

# sec news digest

## LIBRARY

SEP 6 1990

Issue 90-171

September 4, 1990

U.S. SECURITIES AND  
EXCHANGE COMMISSION

### COMMISSION ANNOUNCEMENTS

#### DENVER REGIONAL OFFICE TO CO-HOST ROCKY MOUNTAIN SECURITIES CONFERENCE

The Denver Regional office, the Office of the Colorado Securities Commissioner and Continuing Legal Education in Colorado, Inc. will co-host the Twenty-third Annual Rocky Mountain State-Federal-Provincial Securities Conference for city, county, state, federal and provincial regulatory and enforcement officials on October 11-12 at the Registry Hotel, 3203 Quebec Street, Denver, Colorado.

The Conference on October 11 is designed to bring together local, state, federal and provincial regulatory and enforcement officials to discuss mutual problems, recent trends and developments, exchange information, foster closer cooperation between all offices and enhance productivity and effective utilization of limited resources. The second day of the Conference provides the securities bar, the accounting profession, members of the financial community, as well as individuals from other interested professions, a blend of views on recent developments with respect to current securities matters.

All local, state, federal and provincial regulatory and enforcement officials are invited to attend the "closed" session on October 11 as well as the "open" session on October 12. Commissioner Mary L. Schapiro will deliver the luncheon address on Friday, October 12.

Attorneys, accountants and other interested persons are invited to attend the "open" session on October 12. Information and registration forms may be obtained by writing or calling Norlene Grisanti in the Denver Regional Office, Suite 700, 410 17th Street, Denver, CO 80202, (303) 844-2071.

### ADMINISTRATIVE PROCEEDINGS

#### NASD ACTION AGAINST W.M. WHELEN & CO., INC. AND WILLIAM N. WHELEN, JR. AFFIRMED

The Commission has affirmed disciplinary action taken by the NASD in two separate proceedings against W.N. Whelen & Co., Inc., a Georgetown, Delaware brokerage firm, and William N. Whelen, Jr., its president. In the first proceeding, the NASD censured applicants, fined them \$10,000, jointly and severally, and suspended the firm's president from association with any NASD member for 10 business days. In the second, the NASD again censured applicants, and fined them \$15,000, jointly and severally.

The Commission found, as had the NASD, that the firm and Whelen improperly "parked" securities, misappropriated assets, failed to comply with net capital, customer protection and reporting requirements, charged customers unfair markups, improperly extended credit and sent customers inaccurate confirmations. In affirming the sanctions imposed by the NASD, the Commission noted that applicants had a history of prior violations, and had demonstrated a continuing inability or unwillingness to comply with important regulatory requirements. (Rel. 34-28390)

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## CIVIL PROCEEDINGS

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### COMPLAINT NAMES LEE LON WILLIAMS, STEVEN M. SANDERS

The Chicago Regional Office filed a Complaint against Lee Lon Williams (Williams), Lon Williams d/b/a LLW & Associates and Steven M. Sanders (Sanders). Williams was the sole proprietor of LLW & Associates (LLW), an unincorporated entity located in Bourbonnais, Illinois. From at least 1984-88, Williams and Sanders, individually and through LLW, offered and sold various securities in the form of investment contracts.

The Complaint alleges that Williams and Sanders committed violations of the antifraud provisions of the Securities Act and the Securities Exchange Act by engaging in the offer and sale of investment contracts and utilizing the monies for their own personal and business expenses. The Complaint also alleges that Sanders violated the broker-dealer registration provisions of the Exchange Act by engaging in the offer and sale of these investment contracts. The Complaint further alleges that Williams and Sanders obtained approximately \$800,000 from 36 investors in at least four states through the offer and sale of these investment contracts. [SEC v. Lee Lon Williams, Lon Williams d/b/a LLW & Associates and Steven M. Sanders, CDIL E. Division, Civil Action No. 90-2263] (LR-12595)

### OMAC, INC., CHARLES V. MIHAYLO ENJOINED

The Atlanta Regional Office announced that, on August 24, Judge Duross Fitzpatrick of the U.S. District Court for the Middle District of Georgia permanently enjoined OMAC, Inc. (OMAC) and Charles V. Mihaylo (Mihaylo), both of Albany, Georgia. The defendants consented to the relief without admitting or denying the factual allegations of the Complaint.

In its Complaint, the Commission alleged that OMAC, a company engaged in the development of a general aviation aircraft, and Mihaylo, an officer and director of OMAC, engaged over more than five years in a continuous course of fraudulent conduct through a series of offerings pursuant to asserted exemptions from registration under Regulation D, raising nearly \$20 million from 112 investors. The Complaint alleged that OMAC and Mihaylo made false and misleading statements and failed to state material facts to investors concerning, among other matters, both timing and working capital projections for obtaining Federal Aviation Administration certification, projected sales revenues, relationships with vendors and test flight results. [SEC v. OMAC, Inc. and Charles V. Mihaylo, Civil Action No. 90-104-ALB/AMER (DF), M.D.GA] (LR-12598)

### PERMANENT INJUNCTION BY DEFAULT ENTERED AGAINST JOSEPH JENKINS, JR.

U.S. District Court Judge Robert Ward, on August 9, permanently enjoined, by default, Joseph Jenkins, Jr. (Jenkins) from further violations of the antifraud provisions of

the federal securities laws and ordered him to disgorge all proceeds derived from his violative conduct, plus prejudgment interest. However, the amount of disgorgement shall be determined by the Court, at a later date, upon further motion by the Commission. (See SEC v. Wellshire Securities, Inc., et al., 90 Civ. 1707, SDNY, Mar. 19, 1990)

The Commission's Complaint alleged that Jenkins was employed by Wellshire Securities, Inc. as a registered representative. The Complaint further alleged that, while associated with Wellshire, Jenkins engaged in various violative sales practices and made materially false and misleading statements about the securities of Ventura, Inc. to members of the investing public. [SEC v. Wellshire Securities, Inc., et al., USDC, SDNY 90 Civ. 1707 (KTD)] (LR-12599)

#### PASSOV ENJOINED

The SEC announced on August 30 that the U.S. District Court for the Northern District of Ohio permanently enjoined Howard Passov, a resident of Pepper Pike, Ohio. The Order was entered as a result of a settlement between the Commission and Passov in which Passov consented to entry of the Order without admitting or denying the allegations of the Complaint.

The Commission alleged in a Complaint filed on July 24, 1989 that Passov unlawfully purchased common stock and options of Revco, D.S. while in possession of material, nonpublic information that a group led by Revco's chairman, Sidney Dworkin, was going to make a leveraged buyout proposal to acquire the company. The Dworkin group's offer was presented to the Revco board and made public the day after Passov purchased Revco securities.

The Order permanently enjoins Passov from further violations of Section 10(b) of the Securities Exchange Act and Commission Rule 10(b)5 prohibiting securities fraud. The order also requires Passov to disgorge \$40,000 in profits from his trading in the securities of Revco, D.S. [SEC v. Howard Passov, et al., U.S. District Court for the Northern District of Ohio, Civil Action No. 1: 89 CV 01401] (LR-12601)

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#### LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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##### UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until September 20 to comment on the applications of: the Cincinnati Stock Exchange for unlisted trading privileges in 32 issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system (Rel. 34-28394); and the Chicago Board Options Exchange for unlisted trading privileges in the 500 stocks comprising the S&P 500 Stock Index, which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-28396)

##### DELISTING GRANTED

An order has been issued granting the application of Medical Management of America, Inc. common stock (\$.01 par) to withdraw from listing and registration on the American Stock Exchange. (Rel. 34-28397)

## SELF-REGULATORY ORGANIZATIONS

### PROPOSED RULE CHANGES

Amendments to proposed rule changes have been filed by: the National Association of Securities Dealers (SR-NASD-89-10) relating to members' handling of customer limit orders (Rel. 34-28381); and the Chicago Board Options Exchange (SR-CBOE-90-13) relating to the trading of unit investment trusts and interests in or relating to any such trust (Rel. 34-28382)

Proposed rule changes have been filed by: the Philadelphia Stock Exchange (SR-PHLX-90-04) to amend its maximum quote spread parameters for foreign currency options (Rel. 34-28383); and the Philadelphia Stock Exchange (SR-PHLX-90-25) to trade on both a listed and unlisted basis index warrants based on the CAC-40 Index, a capitalization-weighted index consisting of 40 leading stocks listed and traded on the Paris Bourse (Rel. 34-28385). Publication of the proposals is expected to appear in the Federal Register during the week of September 3.

## 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-18 MOSLER INC, 1561 GRAND BLVD, HAMILTON, OH 45012 (513) 867-4248 - 230,000 (\$2,300,000) COMMON STOCK. (FILE 33-36426 - AUG. 17) (BR. 7)
- S-1 PHOENIX LEASING CASH DISTRIBUTION FUND V, 2401 KERNER BOULEVARD, SAN RAFAEL, CA 94901 (415) 485-4500 - 3,750,000 (\$75,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-36516 - AUG. 24) (BR. 9 - NEW ISSUE)
- S-B STATE OF ISRAEL, 350 FIFTH AVE, C/O YAIR SEROUSSI, NEW YORK, NY 10118 (212) 676-6000 - 150,000,000 (\$150,000,000) STRAIGHT BONDS. (FILE 33-36526 - AUG. 24) (BR. 9)
- N-1A PFAMCO FUND, 700 NEWPORT CENTER DR, NEWPORT BEACH, CA 92660 (714) 640-3593 - INDEFINITE SHARES. UNDERWRITER: PACIFIC EQUITIES NETWORK. (FILE 33-36528 - AUG. 24) (BR. 16 - NEW ISSUE)
- S-3 SECURITY PACIFIC CORP, 333 S HOPE ST, LOS ANGELES, CA 90071 (213) 345-4540 - 2,000,000 (\$300,000,000) PREFERRED STOCK. (FILE 33-36529 - AUG. 27) (BR. 2)
- S-3 PENNEY J C CO INC, 14841 N DALLAS PKWY, P O BOX 65900, DALLAS, TX 75240 (214) 591-1000 - 250,000,000 (\$250,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-36530 - AUG. 27) (BR. 2)
- S-1 STATESWEST AIRLINES INC, 4909 E MCDONELL RD, PHOENIX, AZ 85008 (602) 220-0391 - 1,150,000 (\$11,500,000) PREFERRED STOCK. 115,000 (\$115) WARRANTS, OPTIONS OR RIGHTS. 115,000 (\$1,380,000) PREFERRED STOCK. (FILE 33-36531 - AUG. 27) (BR. 3)
- S-1 COLUMBUS ENERGY CORP, 1860 LINCOLN ST #1100, DENVER, CO 80295 (303) 861-5252 - 724,941 (\$3,805,940) COMMON STOCK. (FILE 33-36533 - AUG. 27) (BR. 4)

- S-8 USA WASTE SERVICES INC, P O BOX 1188, NORMAN, OK 73070 (405) 360-6612 - 271,227 (\$1,279,852) COMMON STOCK. (FILE 33-36534 - AUG. 27) (BR. 8)
- S-8 INDIANA BANCSHARES INC /IN/, 720 EXECUTIVE PARK DR, STE 3000, GREENWOOD, IN 46143 (317) 887-6688 - 25,478 (\$389,304) COMMON STOCK. 40,000 (\$830,000) COMMON STOCK. (FILE 33-36535 - AUG. 27) (BR. 1)
- S-3 SERVICE FRACTURING CO, HIGHWAY 152 WEST, PAMPA, TX 79066 (806) 665-7221 - 1,454,545 (\$10,000,000) COMMON STOCK. (FILE 33-36537 - AUG. 27) (BR. 3)
- S-8 IMPACT SYSTEMS INC /CA/, 1075 E BROKAW RD, SAN JOSE, CA 95131 (408) 453-3700 - 600,000 (\$337,500) COMMON STOCK. (FILE 33-36538 - AUG. 27) (BR. 8)
- S-3 DEL ELECTRONICS CORP, 250 E SANDFORD BLVD, MOUNT VERNON, NY 10550 (914) 699-2000 - 93,888 (\$469,440) COMMON STOCK. (FILE 33-36539 - AUG. 24) (BR. 3)
- S-8 ADVANCED LOGIC RESEARCH INC, 9401 JERONIMO, IRVINE, CA 92718 (714) 581-6770 - 1,392,500 (\$11,488,125) COMMON STOCK. (FILE 33-36542 - AUG. 27) (BR. 10)
- S-1 CHEMICAL BANK, 277 PARK AVE, NEW YORK, NY 10172 (212) 310-6161 - 381,349,763 (\$1) EQUIPMENT TRUST CERTIFICATES. (FILE 33-36543 - AUG. 27) (BR. 11)
- S-8 POLAR MOLECULAR CORP /UT/, 4901 TOWNE CENTRE RD, SAGINAW, MI 48604 (517) 790-4764 - 3,250,000 (\$2,031,250) COMMON STOCK. (FILE 33-36544 - AUG. 27) (BR. 1)
- S-6 NUVEEN TAX EXEMPT UNIT TRUST SERIES 572, 333 WEST WACKER DR, C/O JOHN NUVEEN & CO INC, CHICAGO, IL 60606 (FILE 33-36547 - AUG. 27) (BR. 22 - NEW ISSUE)
- N-2 NUVEEN INVESTMENT QUALITY MUNICIPAL FUND INC, 333 WEST WACKER DR, CHICAGO, IL 60606 (312) 917-7825 - 2,500 (\$125,000,000) PREFERRED STOCK. (FILE 33-36574 - AUG. 27) (BR. 18)
- N-2 NUVEEN INVESTMENT QUALITY MUNICIPAL FUND INC, 333 WEST WACKER DR, CHICAGO, IL 60606 (312) 917-7825 - 2,500 (\$125,000,000) PREFERRED STOCK. (FILE 33-36575 - AUG. 27) (BR. 18)

## 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	SHRS(000)/	CUSIP/	FILING
		DATE	OWNED	PRIOR%	STATUS
AVERY INC	COM		17,180	05361810	
MAY PETER W	13D	7/23/90	30.0	29.8	UPDATE

AVERY INC PELTZ NELSON	COM	130	7/23/90	33,759 57.8	05361810 57.6	UPDATE
BARTON INDS INC JOHNSON C W EARL	COM	130	8/17/90	2,033 14.4	06956710 18.4	UPDATE
BARTON INDS INC JOHNSON C W EARL	COM	130	8/17/90	2,033 14.4	06956710 18.4	RVISION
CHILD WORLD INC COLE JEFFREY A	COM	130	8/24/90	9,375 82.3	16871010 82.3	UPDATE
CYCLOPS INDS INC ALLEGHANY CORPORATION	COM	130	8/20/90	768 10.7	23252810 8.5	UPDATE
FIND SVP INC SVP INTL S A ET AL	COM NEW	130	8/20/90	1,107 18.0	31771830 8.0	UPDATE
FLOW INTL CORP OKURA & CO	COM	130	8/ 1/90	1,038 9.7	34346810 11.7	UPDATE
HORNBECK OFFSHORE SVCS INC MERCURY ASSET MGMT	COM	130	8/14/90	420 5.4	44054210 4.1	UPDATE
INTERNATIONAL MULTIFOODS CORP ARCHER DANIELS MIDLAND	COM	130	8/20/90	1,067 8.3	46004310 6.8	UPDATE
NATIONAL PENN BANCSHARES INC OVERSTREET JAMES K	COM	130	8/ 9/90	318 11.3	63713810 7.3	UPDATE
PATTERN PROCESSING TECH INC PETERSON P R ET AL	COM	130	8/ 9/90	161 13.8	70336630 10.5	UPDATE
PROVIDENT BANCORP INC LINDNER CARL H	COM PAR \$6	130	8/13/90	2,287 29.5	74383420 33.7	UPDATE
REPUBLIC WASTE INDS DEARMAN WILLIAM M	COM	130	5/23/90	325 4.7	76093410 0.0	UPDATE
REPUBLIC WASTE INDS FIRST FINL ENVIRON INV ET AL	COM	130	5/23/90	3,251 47.0	76093410 17.5	UPDATE
WICHITA RIVER OIL CORP DEL KEENAN JACK ET AL	COM	130	8/14/90	362 7.0	96735210 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		
AMAX GOLD INC	DE				X				08/29/90	
AMERICAN BRANDS INC /DE/	DE				X		X		08/21/90	
ANGELES CORP /CA/	CA				X				08/23/90	
ARNOLD INDUSTRIES INC	PA				NO ITEMS				08/29/90	
BALLARD MEDICAL PRODUCTS	UT			X					08/21/90	
CITIZENS FIRST BANCORP INC /NJ/	NJ				X				08/28/90	
DIVERSIFIED RETAIL GROUP INC	MD			X					08/15/90	
DOW CHEMICAL CO /DE/	DE				X				08/24/90	
DS BANCOR INC	DE				X				08/29/90	
DUPONT E I DE NEMOURS & CO	DE						X		08/30/90	
EDWARDS A G INC	DE				X				08/28/90	
EL PASO ELECTRIC CO /TX/	TX				X				08/15/90	
EQUITY GROWTH CORP /DE	DE				X		X		08/09/90	
FIRST EXECUTIVE CORP	DE					X			08/24/90	
FIRST FINANCIAL BANCORP /OH/	OH				X	X			08/23/90	
FLAGSHIP FINANCIAL CORP	PA				X	X			08/23/90	
GMAC MORTGAGE CORP OF IOWA MORT PAS THR	PA				NO ITEMS				04/25/90	
GMBS INC	DE				X	X			08/27/90	
GMBS INC	DE				X	X			08/28/90	
GOLDOME					X				08/15/90	
GOODYEAR TIRE & RUBBER CO /OH/	OH				X	X			08/28/90	
GULFBANKS INC	TX			X					08/22/90	
HARRELL INTERNATIONAL INC	DE				X	X			08/27/90	
HOME MISSION BOARD OF THE SOUTHERN BAPTI	GA				X				04/01/90	
HORIZON GOLD CORP	CO	X			X				08/29/90	
IMA MEDIKOS GROUP INC	DE						X		08/09/90	AMEND
INB FINANCIAL CORP /IN/	IN				X				08/21/90	
INTERDYNE CO	CA		X	X	X	X	X		07/20/90	
JCP MASTER CREDIT CARD TRUST	DE						X		08/15/90	
LEAK-X CORP	NY				X	X			07/25/90	
LECTEC CORP /MN/	MN	X				X			08/13/90	
LYNTON GROUP INC	DE	X				X			08/14/90	
MELLOW BANK CORP	PA				X	X			08/28/90	
MEMTEK CORP	MA				X	X			08/29/90	
NATIONAL MARINAS L P	DE	X				X			04/27/90	
NEW PLAN REALTY TRUST	MA	X				X			08/16/90	
PREMIER ACCEPTANCE CORP /MN/	DE				X	X			08/29/90	
PRINCETON ELECTRONIC PRODUCTS INC	NJ				X				08/20/90	
Q MED INC	DE	X			X	X			08/15/90	
REPUBLIC INTERNATIONAL CORP	UT				X				08/16/90	
ROHM & HAAS CO	DE					X			08/30/90	
ROYALTY MORTGAGE INCOME FUND	CA			X		X			08/27/90	
RURAL HOUSING TRUST 1987-1	DE				X				04/02/90	
SOTHEBYS HOLDINGS INC	MI				X				08/27/90	
TEKTRONIX INC	OR				X	X			08/16/90	
TIMBERLINE MINERALS INC	NV				X				08/24/90	
VEHICLE EQUIPMENT LEASING COMPANY INC					X	X			08/15/90	
WILLIAMS W W CO	OH					X			04/30/90	AMEND
ZAPATA CORP	DE				X	X			08/22/90	

## 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.