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U.S. SECURITIES AND  
EXCHANGE COMMISSION

# sec news digest

Issue 90-139

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## NOTICE OF COMMISSION MEETINGS

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### CHANGE IN THE MEETING: ADDITIONAL ITEMS

The following additional item will be considered at the open meeting scheduled for Thursday, July 25, at 9:30 a.m.

Consideration of two proposed changes to its rule 80A submitted by the New York Stock Exchange, to impose conditions on the execution of index arbitrage orders or transactions in New York Stock Exchange stock baskets whenever the Dow Jones Industrial Average moves up or down fifty points from the previous day's close. FOR FURTHER INFORMATION, PLEASE CONTACT: Mark McNair at (202) 272-2882.

AT TIMES CHANGES IN COMMISSION PRIORITIES REQUIRE ALTERATIONS IN THE SCHEDULING OF MEETING ITEMS. FOR FURTHER INFORMATION AND TO ASCERTAIN WHAT, IF ANY, MATTERS HAVE BEEN ADDED, DELETED OR POSTPONED, PLEASE CONTACT: Daniel Hirsch at (202) 272-2100.

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## COMMISSION ANNOUNCEMENTS

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### TASK FORCE ON ADMINISTRATIVE PROCEEDINGS

Chairman Richard C. Breeden announced today the creation of a Commission Task Force on Administrative Proceedings. The Task Force will review the rules and procedures relating to administrative proceedings brought before the Commission. Chairman Breeden has named Commissioner Mary L. Schapiro to chair the Task Force, which will include representatives from the Office of the Administrative Law Judges, the Office of the General Counsel, the Division of Enforcement, the Regional Offices and the Office of the Secretary.

The Task Force will examine the rules and procedures governing the Commission's administrative process. The Task Force will consider whether any new rules or procedures may be appropriate to improve the effectiveness of the administrative process and whether litigants have adequate information concerning the Commission's processes.

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## **RULES AND RELATED MATTERS**

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### **PROPOSED AMENDMENTS TO RULE 2a-7**

The Commission is proposing for public comment amendments to rule 2a-7 under the Investment Company Act of 1940, the rule that permits money market funds to use the amortized cost method of valuing portfolio securities and the penny-rounding method of computing price per share. The proposed amendments would tighten the conditions of the rule relating to portfolio quality, maturity and diversification, and make it unlawful for any investment company to hold itself out as a money market fund unless it met the risk-limiting conditions of the rule. The proposed amendments are intended to reduce the likelihood that a money market fund would not be able to maintain a stable net asset value. Comments should be submitted in triplicate, 60 days after publication in the Federal Register, to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Refer to File S7-13-90. All submissions will be available for public inspection at the Commission Public Reference Room. (Rel. IC-17589) FOR MORE INFORMATION, PLEASE CONTACT: Richard Pfordte at (202) 272-2811.

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## **CIVIL PROCEEDINGS**

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### **JUDGMENT AGAINST EDDIE ANTAR**

On July 16, Judge Nicholas Politan of the District of New Jersey entered a \$73,496,432 judgment against Eddie Antar, the founder and former chairman, president, and chief executive officer of Crazy Eddie, Inc. The judgment for damages follows the court's April 10 entry of a default order against Antar on liability. The judgment arises out of a civil action filed by the Commission last year against Eddie Antar and others. According to the complaint and the court's findings, Antar directed activities which caused Crazy Eddie to overstate its 1985, 1986, and 1987 pretax income by millions of dollars and during that period Antar sold a total of 5,623,550 shares of Crazy Eddie stock for which his gross proceeds exceeded \$60 million. Antar has been a fugitive since February when the court ordered him to repatriate \$52 million in funds which he had transferred to Israel. Antar has been held in contempt for failing to obey the court's order. Judge Politan's order allows the Commission to seize Antar's property in the United States to satisfy the judgment. [SEC v. Eddie Antar, et al., USDC NJ, Civil Action No. 89-3773 (NHP)] (LR-12548)

### **DISMISSAL GRANTED TO LEONARD M. TUCKER**

The Atlanta Regional and Miami Branch Offices announced that, on June 26, the Honorable Jose A. Gonzalez, Jr., U.S. District Judge for the Southern District of Florida granted the Commission's Motion For Order Of Dismissal Without Prejudice As To Defendant Leonard M. Tucker (Motion for Dismissal). The Commission filed its Motion for Dismissal on May 31, 1990, after a federal grand jury in Newark, New Jersey returned a 119-count Indictment against defendant Tucker and others based, in part, on defendant Tucker's activities described in the Commission's complaint.

The Commission moved for voluntary dismissal at the request of Samuel A. Alito, Jr., United States Attorney for the District of New Jersey, after the Court denied their Motion for Leave to Intervene and For Stay of Discovery. In granting the Commission's Motion for Dismissal, Judge Gonzalez also denied defendant Tucker's request for attorney's fees. Judge Gonzalez noted that the United States has retained its sovereign immunity as to such expenses under Section 22(a) of the Securities Act of 1933 and Section 27 of the Securities Exchange Act of 1934, and that an award of attorney's fees is inappropriate based on the facts in this case. [SEC v. Leonard M. Tucker, et al., Civil Action No. 89-6974-Civ-Gonzalez (S.D. Fla.)] (LR-12550)

#### CARL PORTO FOUND IN CONTEMPT

The Chicago Regional Office announced that, on July 3, Judge Nicholas J. Bua of the U.S. District Court, Northern District of Illinois, found Carl Porto in contempt of court.

The Contempt Petition stemmed from Porto's failure to comply with the terms of the final judgment entered against Porto on June 24, 1988. Porto consented to the entry of that order and agreed to pay into the Registry of the Court the sum of \$150,000 for purpose of disgorgement. Eighteen installments of \$8,333.33 were to be paid on the first of every month. As of January 1989, Porto had made none of the disgorgement payments. Porto is ordered to pay \$20,000 into the Registry of the Court within sixty days in order to purge that contempt. [SEC v. Carl Porto, et al., N.D. Ill. No. 88 C 239, filed June 24, 1988] (LR-12551)

#### RICHARD H. VAN EERDEN ENJOINED

The Chicago Regional Office announced that, on June 25, the Honorable N. Carleton Tilley, U.S. District Court Judge for the Middle District of North Carolina, entered a Final Judgment and Order of Permanent Injunction (Order) against Richard H. Van Eerden (Van Eerden). Van Eerden was enjoined from further violations of the antifraud and reporting provisions of the Investment Advisers Act of 1940.

The Commission's Complaint, filed on June 7, alleged that Van Eerden, the President, Treasurer and shareholder of Van Eerden Investment Advisory Services, Inc., an investment adviser registered with the Commission, offered and sold securities in the form of, among others, limited partnership interests and common stock to investment advisory clients and he solicited and obtained investment advisory clients to provide letters of credit to third parties. The Complaint alleged that in connection with those transactions, Van Eerden made certain misrepresentations and omitted to state material facts concerning, among other things, the risk of the investment. In addition, the Complaint alleged that Van Eerden violated and caused Advisory Services to violate several reporting provisions of the Advisers Act. Van Eerden consented to the entry of the Order without admitting or denying the allegations contained in the Complaint. [SEC v. Richard H. Van Eerden, Civil Action No. 2:90 CV 0288, U.S.D.C. M.D.N.C.] (LR-12552)

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## CRIMINAL PROCEEDINGS

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### ROBERT J. CORSAUT INDICTED

Robert L. Brosio, U.S. Attorney for the Central District of California, and James L. Sanders, Regional Administrator of the Los Angeles Regional Office, jointly announced that, on June 13, a Federal Grand Jury sitting in Los Angeles, California, returned a 39-count indictment against Robert J. Corsaut of Costa Mesa, California. The indictment charges nineteen counts of securities fraud in violation of 15 U.S.C. Section 78j(b) and 17 C.F.R. 240.10b-5, fourteen counts of mail fraud in violation of 18 U.S.C. Section 1341, and six counts of selling unregistered securities in violation of 15 U.S.C. Section 77e. Trial has been set for September 4, 1990. The indictment charges that Corsaut employed a scheme in connection with the purchase and sale of unregistered securities which defrauded investors of in excess of \$1.3 million. The criminal charges against Corsaut arose from a joint investigation with the Commission of Corsaut and the Alpha Trust. Corsaut, the Alpha Trust and Omega Management Network, Inc., Corsaut's investment management company, were previously charged in a civil action by the Commission with violations for selling unregistered securities and for fraud in the offer and sale and in connection with the purchase and sale of securities. [see SEC v. Alpha Trust, Robert J. Corsaut, and Omega Management Network, Civ. No. 89-4131 RSWL GHKx (C.D. Cal.)] (LR-12163) [U.S. v. Robert J. Corsaut, CR-90-443 (C.D. Cal.)] (LR-12549)

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## INVESTMENT COMPANY ACT RELEASES

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### PAINWEBBER INCORPORATED

A conditional order has been issued pursuant to Section 9(c) of the Investment Company Act of 1940 exempting PaineWebber Incorporated (PaineWebber) from the provisions of Section 9(a) of the Act to relieve PaineWebber from any ineligibility resulting from the employment of three individuals who are subject to injunctions in Commission enforcement actions. The Order is conditioned on PaineWebber's undertaking that it will not employ any of these individuals in any capacity related directly to the provision of investment advisory services for registered investment companies or to acting as a principal underwriter for a registered open-end investment company or as a principal underwriter or depositor for a unit investment trust without first making further application to the Commission. (Rel. IC-17588, July 16)

### MUTUAL FUND GROUP

A conditional order under Section 6(c) of the Investment Company Act of 1940 has been issued on an application filed by Mutual Fund Group (Trust), Vista Broker-Dealer Services, Inc., Chase Manhattan Bank, N.A., and Chase Lincoln First Bank, N.A. for an exemption from the provisions of Sections 18(f)(1), 18(g), and 18(i) to the extent necessary to permit the Trust to issue two classes of shares representing interests in the same investment portfolio. Each class will be identical in all respects except for differences related to Rule 12b-1 distribution expenses, shareholder service expenses, voting rights, and dividend payments. (Rel IC-17590, July 17)

MASSACHUSETTS TAX-EXEMPT MONEY MARKET FUND  
PINNACLE GOVERNMENT FUND

Notices have been issued giving interested persons until August 13 to request a hearing on applications filed by MASSACHUSETTS TAX-EXEMPT MONEY MARKET FUND and PINNACLE GOVERNMENT FUND, INC. for orders under Section 8(f) of the 1940 Act declaring that Applicants have ceased to be investment companies. (Rel. IC-17591, July 16 and IC-17593, July 17, respectively)

THE ONE GERMANY FUND

An order has been issued on an application filed by The One Germany Fund, Inc. (Fund), under Section 6(c) of the 1940 Act, exempting the Fund from the provisions of Section 12(d)(3) of the 1940 Act to the extent necessary to allow the Fund to acquire securities of foreign issuers engaged in securities-related activities in accordance with the conditions of proposed amendments to Rule 12d3-1 under the 1940 Act. (Rel. IC-17592, July 17)

HIDDEN STRENGTH FUNDS

An order has been issued on an application filed by Hidden Strength Funds, under Section 8(f) of the 1940 Act declaring that Hidden Strength Funds has ceased to be an investment company. (Rel. IC-17594, July 17)

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LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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UNLISTED TRADING PRIVILEGES SOUGHT

A notice has been issued giving interested persons until August 6 to comment on the application of the Philadelphia Stock Exchange for unlisted trading privileges for 11 issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system.

DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration the Ausimont N.V., Common Stock, 5 Dutch Guilders Par Value.

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SELF-REGULATORY ORGANIZATIONS

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PROPOSED RULE CHANGES

Proposed rule changes have been filed by the following: National Association of Securities Dealers (SR-NASD-90-37) to amend the OTC Bulletin Board Service (Service), by expanding the Service's morning period for quotation updates in foreign securities/ADRs by one half-hour. This would produce a morning update period from

8:30 to 9:30 a.m. E.T. as opposed to the current 9:00 to 9:30 a.m. E.T. morning period. Publication of the Release in the Federal Register is expected during the week of July 23 (Rel. 34-28207); and The Depository Trust Company (DTC) (SR-DTC-90-09) pursuant to section 19(b)(1) of the Securities Exchange Act of 1934, as amended, relating to a foreign currency payment service. Publication of the notice in the Federal Register is expected during the week of July 30 (Rel. 34-28216).

#### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

Proposed rule changes filed by the following pursuant to Rule 19b-4 of the Securities Exchange Act have become immediately effective: Participants Trust Company (PTC) (SR-PTC-90-3) to permit book entry transfers of securities held in the Participants fund and interests in principal interest payments (Rel. 34-28208); Pacific Stock Exchange (SR-PSE-90-25) to reduce the Exchange's alternate specialist fee for outgoing Intermarket Trading System and off-board trading (Rel. 34-28211); and Philadelphia Stock Exchange (SR-PHLX-90-15) to amend the Phlx's Schedule of Fees and Charges (Rel. 34-28212).

Publication of (Rel. 34-28208) is expected in the Federal Register during the week of July 16 .

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#### SECURITIES ACT REGISTRATIONS

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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-8 UNIVERSAL FOODS CORP, 438 E MICHIGAN ST, MILWAUKEE, WI 53202 (414) 271-6755 - \$7,875,000 OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-35704 - JUL. 12) (BR. 4)
- S-8 MOUNTAIN STATES TELEPHONE & TELEGRAPH CO, 1801 CALIFORNIA ST, DENVER, CO 80202 (303) 896-3099 (FILE 33-35809 - JUL. 12) (BR. 13)
- S-8 BOWNE & CO INC, 345 HUDSON ST, NEW YORK, NY 10014 (212) 924-5500 (FILE 33-35810 - JUL. 12) (BR. 13)
- S-8 PHARMAKINETICS LABORATORIES INC, 302 W FAYETTE ST, BALTIMORE, MD 21201 (301) 385-4500 - 400,000 (\$1,350,000) COMMON STOCK. (FILE 33-35842 - JUL. 12) (BR. 6)
- S-8 PHOENIX NETWORK INC, 2401 MARINSHIP WAY STE 2D, SAUSALITO, CA 94965 (415) 832-3030 - 2,000,000 (\$4,296,875) COMMON STOCK. (FILE 33-35844 - JUL. 12) (BR. 7)
- S-8 MA COM INC, 7 NEW ENGLAND EXECUTIVE PARK, BURLINGTON, MA 01803 (617) 272-9600 - 1,200,000 (\$5,850,000) COMMON STOCK. (FILE 33-35845 - JUL. 12) (BR. 8)
- S-8 INTERGRAPH CORP, INTERGRAPH CORP, HUNTSVILLE, AL 35894 (205) 730-2000 - 2,000,000 (\$33,000,000) COMMON STOCK. (FILE 33-35846 - JUL. 12) (BR. 10)
- S-6 VAN KAMPEN MERRITT INSURED MUNICIPALS INCOME TRUST SER 252, 1001 WARRENVILLE RD, C/O VAN KAMPEN MERRITT INC, LISLE, IL 60532 - 1,000 (\$1,010,000) UNIT INVESTMENT TRUST. DEPOSITOR: VAN KAMPEN MERRITT INC. (FILE 33-35847 - JUL. 12) (BR. 18 - NEW ISSUE)
- S-6 VAN KAMPEN MERRITT INSURED MUNICIPALS INCOME TRUST SER 258, 1001 WARRENVILLE RD, C/O VAN KAMPEN MERRITT INC, LISLE, IL 60532 - 1,000 (\$1,010,000) UNIT INVESTMENT TRUST. DEPOSITOR: VAN KAMPEN MERRITT INC. (FILE 33-35848 - JUL. 12) (BR. 18 - NEW ISSUE)
- S-6 VAN KAMPEN MERRITT INSURED MUNICIPALS INCOME TRUST SER 254, 1001 WARRENVILLE RD, C/O VAN KAMPEN MERRITT INC, LISLE, IL 60532 - 1,000 (\$1,010,000) UNIT INVESTMENT TRUST. DEPOSITOR: VAN KAMPEN MERRITT INC. (FILE 33-35849 - JUL. 12) (BR. 18 - NEW ISSUE)

REGISTRATIONS CONT.

- 5-6 VAN KAMPEN MERRITT INSURED MUNICIPALS INCOME TRUST SER 255, 1001 WARRENVILLE RD, C/O VAN KAMPEN MERRITT INC, Lisle, IL 60532 - 1,000 (\$1,010,000) UNIT INVESTMENT TRUST. DEPOSITOR: VAN KAMPEN MERRITT INC. (FILE 88-35850 - JUL. 12) (BR. 18 - NEW ISSUE)
- 5-8 FOOTHILL GROUP INC, 11111 SANTA MONICA BOULEVARD, LOS ANGELES, CA 90025 (219) 478-8888 - 300,000 (\$1,200,000) COMMON STOCK. (FILE 88-35852 - JUL. 12) (BR. 12)
- 5-8 AMERICAN EXPLORATION CO, 700 LOUISIANA STE 2100, HOUSTON, TX 77002 (713) 297-0800 - 500,000 (\$1,656,250) COMMON STOCK. (FILE 88-35853 - JUL. 12) (BR. 12)
- 5-8 MARSH & MCLENNAN COMPANIES INC, 1221 AVE OF THE AMERICAS, NEW YORK, NY 10020 (212) 997-2000 - 3,000,000 (\$232,875,000) COMMON STOCK. (FILE 88-35854 - JUL. 12) (BR. 10)
- 5-1 DIALOGUE INCORPORATED, 45 BRAINTREE HILL PARK, BRAINTREE, MA 02184 (617) 848-5555 - 58,833 (\$58.83) WARRANTS, OPTIONS OR RIGHTS. 58,833 (\$419,997.60) UNIT INVESTMENT TRUST. 729,166 (\$5,249,995.20) COMMON STOCK. 670,833 (\$4,024,998) UNIT INVESTMENT TRUST. (FILE 88-35855 - JUL. 12) (BR. 12)

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
AMERIBANC INC ARMY NATL BANCSHARES ET AL	COM 13D	7/ 9/90	210 9.6	02361810 9.1	UPDATE
AMERICAN CAP & RESH CORP HORNBY TRADING INC	CL A 13D	7/11/90	500 8.6	02491810 8.6	UPDATE
BELVEDERE CORP CHRISTIANIA HLDGS CO	COM 13D	7/16/90	2,963 49.9	08117810 49.9	UPDATE
BUELL INDS INC GAMCO INVESTORS INC ET AL	COM 13D	7/13/90	167 7.3	11906110 6.0	UPDATE

ACQUISITIONS CONT.

C P OVERSEAS INC	COM			152	12591410	
SOCIETE SUISSE DE CIMENT		13D	7/12/90	1.6	76.2	UPDATE
CHAMPION PARTS INC	COM			413	15860910	
CHAMPION PARTS INC ESOT		13D	4/ 1/90	11.3	13.7	UPDATE
CIMARRON INVT INC	COM			336	17182210	
WARNER MERLE ET AL		13D	7/16/90	71.1	46.5	UPDATE
COBB RES CORP	COM			1,424	19088310	
GOLDEN OIL CO		13D	7/11/90	21.2	14.4	UPDATE
COMMUNICATIONS GROUP INC	COM			1,367	20339510	
JOHNS ANTHONY PAUL		13D	5/31/90	23.7	0.0	NEW
FNW BANCORP INC	COM			1,213	30253510	
BRUNING CHARLES		13D	4/14/89	17.4	0.0	NEW
FALCON OIL & GAS INC	COM NEW			441	30607020	
MURCHISON PARTNERS ET AL		13D	6/26/90	19.1	14.9	RVSION
FARR CO	COM			119	31164810	
FARR RICHARD L		13D	6/26/90	4.1	5.5	UPDATE
FEDERAL REALTY INVT TR	SH BEN INT NEW			859	31374720	
SIAM LIMITED		13D	7/16/90	5.2	9.0	UPDATE
FORTUNE FINL GROUP INC	COM			435	34965110	
DYSON-KISSNER-MORAN CORP ET AL		13D	7/12/90	10.0	10.0	UPDATE
GREENERY REHABILITATION GROU	COM			4,275	39479710	
MARTIN GERARD M ET AL		13D	7/ 9/90	47.9	64.8	UPDATE
GROW GROUP INC	COM			1,176	39982010	
BUCHANAN EDWARD S ET AL		13D	7/12/90	10.4	9.4	UPDATE
HARRIER INC	COM NEW			1,028	41366120	
SECOM CO LTD		13D	7/ 2/90	16.7	9.7	UPDATE
HATHAWAY CORP	COM			204	41901110	
TBG INVMNT ET AL		13D	7/ 9/90	4.8	5.9	UPDATE
KAY JEWELERS INC	COM			1,375	48652910	
STAHEL OLIVER MARTIN		13D	7/ 2/90	11.1	10.3	UPDATE
LINCOLN NATL CORP IND	COM			2,201	53418710	
DAI ICHI MUTUAL LIFE		13D	7/ 6/90	5.3	0.0	NEW
MCS TELECOMMUNICATIONS INC	COM			320	55291010	
MEHL GEORGE P		13D	7/ 5/90	26.9	23.4	UPDATE
MARIETTA CORP	COM			426	56763410	
ROWE DONALD M		13D	6/22/90	11.3	14.7	UPDATE