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U.S. SECURITIES AND
EXCHANGE COMMISSION

Issue 89-60

March 31, 1989

COMMISSION ANNOUNCEMENTS

ADDITION TO WEEKLY CALENDAR

The hearing on Wednesday, April 5 will begin at 10:30 a.m. and be held in Room S-146A in the Capitol. As previously announced, David S. Ruder, Chairman of the Commission, will testify on the Commission's appropriation request before the Subcommittee on Commerce, Justice, State, the Judiciary and Related Agencies of the Senate Appropriations Committee.

ADMINISTRATIVE PROCEEDINGS

THOMAS L. POWERS BARRED; PBS SECURITIES AND P&S ADVISORY REGISTRATIONS REVOKED

The Commission instituted public administrative proceedings against Thomas L. Powers and PBS Securities, Inc. under Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 and against P&S Advisory Services, Inc. under Section 203(e) of the Investment Advisers Act of 1940. Simultaneously, Respondents submitted Offers of Settlement which the Commission accepted. Respondents, without admitting or denying the allegations, consented to Findings and an Order Imposing Remedial Sanctions which find that they wilfully violated antifraud provisions of the Securities Act of 1933 and the Exchange Act and Rule 10b-5. The Order also finds that Powers and Jeffrey A. Sadowski were enjoined from future violations of those provisions of SEC v. Powers & Sadowski, Inc., et al., NDIL, Civil Action No. 87 C 3722, filed April 22, 1987.

Accordingly, the Commission barred Powers from association with any broker, dealer, investment company, investment adviser, or municipal securities dealer for ten years and revoked the broker-dealer registration of PBS Securities and the investment adviser registration of P&S Advisory. (Rel. 34-26661)

PROCEEDINGS INSTITUTED AGAINST RICHARD P. FRANKE AND RICHARD P. FRANKE & CO., P.C.

The Commission issued an Order Instituting Proceedings and Opinion and Order under Rule 2(e) of its Rules of Practice against Richard P. Franke, a certified public accountant with an office in Mesa, Arizona, and Richard P. Franke & Co., P.C., a public accounting firm. Franke is the sole principal of Franke & Co. The Order finds that Respondents engaged in improper professional conduct and permanently denies both the privilege of appearing or practicing before the Commission as an independent accountant. Both consented to the Order without admitting or denying any of the facts, findings, or conclusions set forth therein.

The Order finds that Franke & Co. expressed an unqualified opinion on the 1985 financial statements of Avanti Associates First Mortgage Fund 1984 Limited Partnership. It also finds that Respondents did not perform an audit in accordance with generally accepted auditing standards. According to the Order, Franke failed to (1) search for errors or irregularities; (2) determine if certain transactions were related party transactions; and (3) obtain sufficient competent evidential matter to determine whether certain transactions were properly recorded and disclosed. The Order further finds that Franke was a willing victim of "opinion shopping." (Rel. 34-26662)

CIVIL PROCEEDINGS

CIVIL ACTION FOR INJUNCTION FILED AGAINST RANA RESEARCH, INC. AND VIPIN SAHGAL

The Commission filed a Complaint on March 30 in the U.S. District Court for the Central District of California against Rana Research, Inc., doing business as Vista Group, Ltd., a private concern in Los Angeles, and its president, Vipin Sahgal.

The Complaint alleges that on February 8, 1988, Vista put out a press release, purportedly on behalf of Prudential-Bache Securities and itself, announcing that Vista and Prudential-Bache had made a "firm offer" to acquire all of the outstanding common stock of Superior Industries International Inc. at \$16 per share. It also alleges that the announcement was false in that Prudential-Bache had authorized neither a firm offer nor the issuance of a press release. According to the Complaint, Vista and its owner, Sahgal, knew or were reckless in not knowing that Vista's initial press release was false and misleading and thereby violated the antifraud provisions of the Securities Exchange Act of 1934 and Rule 10b-5. The Complaint requests that the Court grant a permanent injunction prohibiting Vista and Sahgal from engaging in future violations of the antifraud provisions and Rule 10b-5. (SEC v. Rana Research, Inc. (d/b/a Vista Group, Inc.) and Vipin Sahgal, USDC CDCA, Civil Action No. 89-1865). (LR-12049)

INVESTMENT COMPANY ACT RELEASES

THE TECUMSEH TAX-FREE FUND

A notice has been issued giving interested persons until April 19 to request a hearing on an application filed by The Tecumseh Tax-Free for an order declaring that it has ceased to be an investment company. (Rel. IC-16898 - Mar. 29)

HOLDING COMPANY ACT RELEASES

NEW ENGLAND ENERGY INCORPORATED

An order has been issued authorizing a proposal by New England Energy Incorporated (NEEI) and New England Power Company (NEP) and their parent company, New England Electric System (NEES), whereby NEEI will incur short-term debt in an aggregate principal amount outstanding at any one time of up to \$400 million through December 31, 1998. The debt will be secured by several agreements between NEEI and NEP and NEEI and NEES. (Rel. 35-24847 - Mar. 29)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING GRANTED

Orders have been issued granting the applications of the American Stock Exchange to strike from listing and registration the specified securities of the following companies: THE CONSOLIDATED COMPANIES - common stock, \$1.00 par value, and the 9-3/4% convertible subordinated notes, due 1995. (Rel. 34-26673); SECURITY CAPITAL CORPORATION - common stock, \$1.00 par value. (Rel. 34-26675); and CHAMPION PRODUCTS, INC. - common stock, \$1.00 par value. (Rel. 34-26680)

UNLISTED TRADING SOUGHT

Notices have been issued giving interested persons until April 19 to comment on the application of the following stock exchanges for unlisted trading privileges in the specified number of issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system: Boston Stock Exchange - 11 issues. (Rel. 34-26677); and the Cincinnati Stock Exchange - 76 issues. (Rel. 34-26678)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGES

The Philadelphia Stock Exchange filed the following proposed rule changes under Rule 19b-4: (SR-Phlx-88-36) relating to the creation of an Emergency Committee authorized to determine the existence of extraordinary market conditions and to take certain action with respect to such conditions. (Rel. 34-26672); (SR-Phlx-88-31) to add a new Rule 806 Voting Rights Listing Standards - Disenfranchisement Rule in order to bring the Exchange's rules into compliance with Rule 19c-4, which was recently adopted by the Commission under the Securities Exchange Act of 1934. (Rel. 34-26676); and (SR-Phlx-89-10) to provide that certain equity option and index option orders of controlled accounts are required to yield priority to customer orders when competing at the same price. (Rel. 34-26679)

Publication of the proposals are expected to be made in the Federal Register during the week of April 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-3 BANCORP HAWAII INC, 111 S KING ST, HONOLULU, HI 96813 (808) 537-8111 - 200,000,000 (\$200,000,000) STRAIGHT BONDS. (FILE 33-27734 - MAR. 23) (BR. 1)
- S-4 FIRST & PEOPLES BANCSHARES INC, 1001 DIEDERICH BLVD, RUSSELL, KY 41169 (606) 836-0211 - 17,607 (\$11,884,725) COMMON STOCK. (FILE 33-27735 - MAR. 23) (BR. 2 - NEW ISSUE)
- S-8 EASCO HAND TOOLS INC, 318 CLUBHOUSE RD, HUNT VALLEY, MD 21031 (301) 584-9200 - 500,000 (\$3,875,000) COMMON STOCK. (FILE 33-27736 - MAR. 23) (BR. 9)
- S-8 UNITED TOTE INC, 10115 CABIN CREEK RD, SHEPHERD, MT 59079 (406) 373-5507 - 125,000 (\$1,875,000) COMMON STOCK. (FILE 33-27737 - MAR. 23) (BR. 6)
- S-8 TONKA CORP, 6000 CLEARWATER DR, MINNETONKA, MN 55343 (612) 936-3300 - 800,000 (\$10,500,000) COMMON STOCK. (FILE 33-27740 - MAR. 23) (BR. 11)
- S-11 COPLEY REALTY INCOME PARTNERS 4, 399 BOYLSTON ST, BOSTON, MA 02116 - 100,000 (\$100,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-27754 - MAR. 23) (BR. 6 - NEW ISSUE)
- S-1 CONNECTICUT BANCORP INC, 495 WESTPORT AVE, NORWALK, CT 06851 (203) 847-2265 - 400,000 (\$2,100,000) COMMON STOCK. (FILE 33-27755 - MAR. 23) (BR. 2)
- S-11 CORNERSTONE MORTGAGE INVESTMENT GROUP II INC, 201 PROGRESS PKWY, MARYLAND HEIGHTS, MO 63043 (314) 851-2000 - 200,000,000 (\$200,000,000) PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 33-27756 - MAR. 23) (BR. 21)
- S-1 NORTANKERS INC, 115 EAST 70 STREET, NEW YORK, NY 10021 (212) 879-7600 - 5,280,000 (\$79,200,000) COMMON STOCK. UNDERWRITER: MABON NUGENT & CO, SMITH BARNEY HARRIS UPHAM & CO. (FILE 33-27760 - MAR. 24) (BR. 4 - NEW ISSUE)
- S-8 HENLEY GROUP INC /DE/, 11255 N TORREY PINES RD, LA JOLLA, CA 92037 (619) 455-9494 - 812,500 (\$56,310,581.55) COMMON STOCK. (FILE 33-27761 - MAR. 24) (BR. 8)
- S-1 PDC 1989 DRILLING PROGRAM, 103 EAST MAIN STREET, BRIDGEPORT, WV 26330 (800) 624-3821 - 750 (\$15,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-27763 - MAR. 24) (BR. 4 - NEW ISSUE)
- S-2 UNB CORP/OH, 220 MARKET AVE S, P O BOX 24190, CANTON, OH 44701 (216) 454-5801 - 10,000,000 (\$10,000,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE 33-27764 - MAR. 24) (BR. 2)

REGISTRATIONS EFFECTIVE

Mar. 10: Arco Markets, Inc., 33-25745; EPIC Ventures Corporation, 33-24553; Falcon Investment Corp., 33-25840; The Guardian Separate Account C, 33-25153; Harnischfeger Industries, 33-27036; Indianapolis Power & Light Company, 33-27362; Merrill Lynch KECALP L.P. 1989, 33-26561; Musicland Stores Corporation, 33-27255; The Regis Fund, Inc., 33-25355; Ryland Mortgage Securities Corporation, 33-27345; SCEcorp, 33-27466; Sears Tax-Exempt Investment Trust, Kansas Municipal Portfolio Series 1, 33-26924; Signature XVIII Ltd. Limited Partnership, 33-26820; Texas Tortilla Bakery, Inc., 33-25822-NY; UCC Holdings, Inc., 33-26547.

Mar. 13: ConAgra, Inc., 33-27397; Group Five Real Estate Investors, L.P., 33-20266; Indian River Banking Company, 33-26795; Nike, Inc., 33-26213; Steinway Capital Corp., 33-26378-A; United Dealers Insurance Group, Inc., 33-26657; Xerox Corporation, 33-27188.

Mar. 14: Allied-Signal Inc., 33-26437; American Body Armor & Equipment Inc., 33-26661; Athena Ventures, Inc., 33-25889-LA; BMC Acquisition Incorporated, 33-26703-01; The Classical Shopper, Inc., 33-26703-06; Clover Inc., 33-26703-11; Edgecliff Inc., 33-26703-08; Epolin, Inc., 33-25405-NY; G Industries Corp., 33-26703; GAF Broadcasting Company, Inc., 33-26703-03; GAF Building Materials Corporation, 33-26703-02; GAF Real Properties, Inc., 33-26703-04; GAFTECH Corporation, 33-26703-05; G-I Holdings Inc., 33-26703-07; Idea Publishing Corp., 33-23949-NY; Keller Industries Limited, 33-22124; L.I., Inc., 33-26337; Maritime Resources, Inc., 33-26259-LA; Merick Inc., 33-26703-10; North Georgia National Bancshares, Inc., 33-25799-A; Perth Inc., 33-26703-09; Scarsdale Associates, Inc., 33-26264-NY; Superconductive Technologies Inc., 33-24651; WCI Holdings Corporation, 33-27143.