

sec news digest

Issue 89-154

August 14, 1989

ADMINISTRATIVE PROCEEDINGS

STEPHEN P. CLARK CENSURED AND SUSPENDED

The Commission announced today the censure and nine-month suspension of Stephen P. Clark, CPA and partner in the accounting firm of Peat, Marwick, Main & Co., from appearing and practicing before the Commission. The censure and suspension was the result of Clark's conduct in connection with the audit of The Midwestern Companies, Inc. for the fiscal year ending December 31, 1982. Clark served as the engagement partner in that audit. The Commission instituted proceedings under Rule 2(e) of its Rules of Practice against Clark on March 6, 1989.

The suspension and censure of Clark was part of a settlement which the Commission accepted in its Opinion and Order dated August 11, 1989. The Opinion and Order described the audit conduct of Clark in the 1982 audit of Midwestern. It concluded that Clark violated the due care requirement of generally accepted auditing standards by signing an unqualified opinion stating incorrectly that Midwestern's 1982 financial statements were presented in accordance with generally accepted accounting principles. (Rel. 34-27127; AAER-239)

CIVIL PROCEEDINGS

INJUNCTIVE ACTION FILED AGAINST PENNY STOCK PROMOTERS

The Fort Worth Regional Office filed an injunctive action on August 7 in the U.S. District Court for the Northern District of Texas against AMX International, Inc., a Dallas, Texas based reporting company, and three of its principals, William B. Clark, Frank E. Snell, and Benjamin F. Meador. Also named were Peter G. Lund, a principal of a registered broker-dealer which sold the AMX stock, and Charles E. Washburn, a certified public accountant who certified AMX's financial statements. The Complaint charges defendants with violating, or aiding and abetting violations of various registration, antifraud, reporting, books and records, and proxy provisions of the securities laws. The charges stem from an alleged scheme to merge a private company having assets of questionable value with a public "shell" company; and then to manipulate the company's stock prices. The action seeks permanent injunctive relief, among other remedies. (SEC v. AMX International, Inc., et al., USDC NDTX, Dallas Division, Civil Action No. CA 3-89-2006-H). (LR-12213)

CRIMINAL PROCEEDINGS

WALTER R. MOONEY, OTHERS SENTENCED FOR CONTEMPT

The Fort Worth Regional Office announced that on August 3 U.S. District Judge Robert B. Maloney, Northern District of Texas, imposed jail sentences on Walter R. Mooney, George R. Carter, and Douglas Litchfield of six months, five months, and 120 days, respectively, for criminal contempt. The criminal contempt action, which the Commission was appointed to prosecute, arose out of a civil injunctive action styled SEC v. Oreo Mines, Inc., et al., a precious metals investment contract, or "dirt-pile," scam.

Judge Maloney found Carter, an attorney, Litchfield, a defendant in the civil action, and Mooney had violated the Court's previous injunction by filing involuntary bankruptcy petitions against two corporations the Judge had placed in receivership. Testimony introduced during the contempt hearing established, among other things, that certain of the creditors on whose behalf the bankruptcy petitions were purportedly filed, had not authorized the filings. (U.S. ex rel SEC v. George Carter, et al., CR 3-89-036-T). (LR-12212)

INVESTMENT COMPANY ACT RELEASES

SECURITY FIRST LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until September 4 to request a hearing on an application filed by Security First Life Insurance Company, Security First Life Separate Account A, and Security First Financial, Inc. for an order exempting from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the Investment Company Act to permit the deduction of mortality and expense risk charges in connection with the issuance of certain group annuity contracts issued by the Capitol Life Insurance Company and proposed to be reinsured by Security First Life Insurance Company. (Rel. IC-17105 - Aug. 10)

HOLDING COMPANY ACT RELEASES

ELECTEC, INC.

A supplemental order has been issued authorizing Electec, Inc., subsidiary of Entergy, Inc., to enter into an agreement, through December 31, 1989, with an initial eight-year term, with the Vosko Arkansas Joint Venture, pursuant to which Electec will assign to the Joint Venture rights to process liquid hydrocarbons contained in a natural gas stream owned by Arkansas Power & Light Company, subsidiary of Entergy. (Rel. 35-24936 - Aug. 9)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until August 29 to comment on the application of LIFETIME CORPORATION to withdraw its common stock, \$0.01 par value, from listing and registration on the American Stock Exchange. (Rel. 34-27103)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGES

A proposed rule change has been filed under Rule 19b-4 by: The National Association of Securities Dealers (SR-NASD-89-26) that would allow it to provide required information to its members via the Notice to Members mechanism, have the members distribute pertinent information to the appropriate parties within the firm, and to require members to maintain a copy of the NASD manual in every branch office. (Rel. 34-27105); and The Philadelphia Stock Exchange (SR-Phlx-89-25) to permit it to allocate new equity books or option classes without providing floor members with five days advanced notice of the security to be allocated and its applicants. (Rel. 34-27106)

Publication of the proposals are expected to be made in the Federal Register during the week of August 14.

EFFECTIVENESS OF PROPOSED RULE CHANGES

Proposed rule changes filed by the following have become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934: The Options Clearing Corporation (SR-OCC-89-9) which proposes changes in its calculation of the microfiche fee, setting forth new changes for cards and duplicate cards. (Rel. 34-27108); and The Depository Trust Company (SR-DTC-89-14) which sets forth the schedule of charges for its interface service with the National Securities Clearing Corporation's Fund/SERV. (Rel. 34-27109)

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-8 JAMES RIVER CORP OF VIRGINIA, TREDEGAR ST, RICHMOND, VA 23219 (804) 644-5411 (FILE 33-30210 - JUL. 28) (BR. 8)
- F-6 NMC GROUP PLC, 111 WALL ST, C/O CITIBANK NA, NEW YORK, NY 10043 (212) 657-7578 - 10,000,000 (\$500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-30338 - AUG. 04) (BR. 99 - NEW ISSUE)
- S-1 XSIRIUS SCIENTIFIC INC, 1400 N HARBOR BLVD STE 440, FULLERTON, CA 92635 (714) 447-1178 - 125,847 (\$1,887,705) COMMON STOCK. (FILE 33-30339 - AUG. 04) (BR. 8)
- S-4 STORAGE EQUITIES INC, 1015 GRANDVIEW AVE, GLENDALE, CA 91201 (818) 244-8080 - 10,000,000 (\$100,000,000) PREFERRED STOCK. 750,000 (\$9,900,000) COMMON STOCK. (FILE 33-30340 - AUG. 04) (BR. 6)
- S-18 BESTAN CORP, 2475 WILSON AVE, SALT LAKE CITY, UT 84108 (801) 582-2821 - 2,000,000 (\$100,000) COMMON STOCK. (FILE 33-30341 - AUG. 04) (BR. 12 - NEW ISSUE)
- S-8 CORTLAND BANCORP INC, 194 W MAIN ST, CORTLAND, OH 44410 (216) 637-8040 - 75,000 (\$1,364,250) COMMON STOCK. (FILE 33-30342 - AUG. 04) (BR. 2)
- S-8 COCA MINES INC, 910 DENVER CTR BLDG, 1776 LINCOLN ST, DENVER, CO 80203 (303) 861-5400 - 300,000 (\$562,500) COMMON STOCK. (FILE 33-30343 - AUG. 04) (BR. 2)
- S-8 PC ETCETERA INC, 450 7TH AVE STE 809, NEW YORK, NY 10123 (212) 736-5870 - 1,000,000 (\$1,125,000) COMMON STOCK. (FILE 33-30345 - AUG. 04) (BR. 5)
- S-1 MICROSCIENCE INTERNATIONAL CORPORATION, 305N MATHILDA AVENUE, SUNNYVALE, CA 94086 (408) 730-8989 - 20,771,146 (\$8,308,458.40) COMMON STOCK. (FILE 33-30349 - AUG. 04) (BR. 9 - NEW ISSUE)
- S-3 TRW INC, 1900 RICHMOND RD, CLEVELAND, OH 44124 (216) 291-7000 - 300,000,000 (\$300,000,000) WARRANTS, OPTIONS OR RIGHTS. (FILE 33-30350 - AUG. 04) (BR. 12)
- S-1 GP GROUP INC, 600 SOUTHEAST COAST AVE, LANTANA, FL 33462 (407) 586-1111 - 175,000,000 (\$123,828,250) STRAIGHT BONDS. 725,500 (\$6,125,350) COMMON STOCK. (FILE 33-30352 - AUG. 04) (BR. 11 - NEW ISSUE)
- S-1 AIRFUND II INTERNATIONAL LIMITED PARTNERSHIP, EXCHANGE PL, C/O AMERICAN FINANCE GROUP, BOSTON, MA 02109 (617) 542-1200 - 5,000,000 (\$125,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: AMERICAN FINANCE GROUP SECURITIES CORP. (FILE 33-30356 - AUG. 04) (BR. 5 - NEW ISSUE)
- S-8 CDI CORP, TEN PENN CTR PLZ, PHILADELPHIA, PA 19103 (215) 569-2200 - 5,000,000 (\$5,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-30357 - AUG. 04) (BR. 6)
- S-1 CONTINENTAL AIRLINES INC /DE/, 2929 ALLEN PKWY, HOUSTON, TX 77019 (713) 834-5000 - 150,000,000 (\$150,000,000) STRAIGHT BONDS. (FILE 33-30358 - AUG. 04) (BR. 3)
- S-3 FLORIDA POWER & LIGHT CO, 9250 W FLAGLER ST, PO BOX 029100, MIAMI, FL 33174 (305) 552-3552 - 250,000,000 (\$250,000,000) MORTGAGE BONDS. (FILE 33-30360 - AUG. 04) (BR. 8)
- S-1 SCHERER R P CORP, 2075 W BIG BEAVER RD, TROY, MI 48084 (313) 649-0900 - 150,000,000 (\$135,000,000) STRAIGHT BONDS. (FILE 33-30362 - AUG. 04) (BR. 4)
- S-1 VILLAGE FINANCIAL SERVICES LTD, C/O VILLAGE SAVINGS BANK, ONE GATEWAY PLAZA, PORT CHESTER, NY 10573 (914) 939-7200 - 3,382,294 (\$30,748,125) COMMON STOCK. (FILE 33-30363 - AUG. 07) (BR. 1 - NEW ISSUE)
- S-8 ANDREW CORP, 10500 W 153RD ST, ORLAND PARK, IL 60462 (312) 349-3300 - 625,000 (\$14,843,750) COMMON STOCK. (FILE 33-30364 - AUG. 07) (BR. 7)

- S-4 SOUTH BANKING CO, 104 N DIXON ST, ALMA, GA 31510 (912) 632-8631 - 119,294
(\$1,787,038.55) COMMON STOCK. (FILE 33-30376 - AUG. 07) (BR. 1)
- S-8 WATTS INDUSTRIES INC, ROUTE 114 & CHESTNUT ST, NORTH ANDOVER, MA 01845
(617) 688-1811 - 990,000 (\$29,996,197) COMMON STOCK. (FILE 33-30377 - AUG. 07)
(BR. 6)
- S-8 MARSH SUPERMARKETS INC, 501 DEPOT ST, YORKTOWN, IN 47396 (317) 759-6245 - 500,000
(\$9,750,000) COMMON STOCK. (FILE 33-30378 - AUG. 07) (BR. 1)
- S-6 MUNICIPAL INVESTMENT TRUST FUND MULTISTATE SERIES 6G, ONE LIBERTY PLZ - 13TH FLR,
C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10006 - INDEFINITE SHARES.
DEPOSITOR: DEAN WITTER REYNOLDS INC, MERRILL LYNCH PIERCE FENNER & SMITH INC,
PAINWEBBER INC, PRUDENTIAL BACHE SECURITIES, SHEARSON LEHMAN HUTTON INC. (FILE
33-30399 - AUG. 07) (BR. 22 - NEW ISSUE)
- S-6 MUNICIPAL INVT TR FD FOUR HUNDRED NINETY FIRST MON PYMT SER,
ONE LIBERTY PLZ - 13TH FLR, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10006
- INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC,
MERRILL LYNCH PIERCE FENNER & SMITH, PAINWEBBER INC, PRUDENTIAL BACHE SECURITIES INC,
SHEARSON LEHMAN HUTTON INC. (FILE 33-30400 - AUG. 07) (BR. 22 - NEW ISSUE)
- S-6 MUNICIPAL INVT TR FD ONE HUNDRED THIRTY SEVENTH INTERM TERM,
ONE LIBERTY PLZ - 13TH FLR, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10006
- INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC,
MERRILL LYNCH PIERCE FENNER & SMITH, PAINWEBBER INC, PRUDENTIAL BACHE SECURITIES INC,
SHEARSON LEHMAN HUTTON INC. (FILE 33-30401 - AUG. 07) (BR. 17 - NEW ISSUE)
- S-3 RALSTON PURINA CO, CHECKERBOARD SQ, ST LOUIS, MO 63164 (314) 982-1000 - 200,000,000
(\$200,000,000) WARRANTS, OPTIONS OR RIGHTS. (FILE 33-30402 - AUG. 07) (BR. 13)
- S-8 RB&W CORP, 5970 HEISLEY RD, MENTOR, OH 44060 (216) 357-1200 - 250,000 (\$1,875,000)
COMMON STOCK. (FILE 33-30429 - AUG. 07) (BR. 9)

REGISTRATIONS EFFECTIVE

June 26: NCNB Corporation, 33-29110; PDC 1989 Drilling Program, 33-27763; Sears
Credit Account Trust 1989-B, 33-29100-01; Sears Receivables Financing Group, Inc., 33-
29100; Sears, Roebuck and Co., 33-29458; Springboard Software, Inc., 33-28625; Trim-A-
Lawn Corporation, 33-29208; USAssets Wisconsin Limited Partnership, 33-28643-C.
June 27: AVTR Systems, Inc., 33-24886-B; Concurrent Computer Corporation, 33-27776;
Gantos, Inc., 33-29003; Home Shopping Network, Inc., 33-29118; JWP Inc., 33-29103;
Molecular Biosystems, Inc., 33-29403.
June 28: Arbitrage Partners Special Fund, Ltd., 33-25881; Berry Petroleum Company,
33-29165; CB&T Financial Corp., 33-28462; Chambers Development Company Inc., 33-29569;
Handex Environmental Recovery, Inc., 33-28798; Heritage Media Corporation, 33-29577;
Kids Kingdom, Inc., 33-28832-C; The PaineWebber Equity Trust, Special Situations,
Series 5, 33-25383; Palais Royal, Inc., 33-27114-02; Specialty Retailers, Inc., 33-
27114; Syntec, Inc., 33-28654; 3 Beall Brothers 3, Inc., 33-27114-01; 3 Bealls Hold-
ing Corporation, 33-27114-03; Trans World Airlines, Inc., 33-28536.
June 29: Arvin Industries, Inc., 33-29230; Calstar, Inc., 33-28758; Charter One
Financial, Inc., 33-28613; Basibi Environmental Corp., 33-26558; The Gabelli Series
Funds, Inc., 33-26644; LDI Corporation, 33-29328; Long Island Lighting Company, 33-
28991; Metcalf & Eddy Companies Inc., 33-28846; Northern States Power Company, 33-
29579; PACCAR Financial Corp., 33-29434; Rochester Telephone Corporation, 33-29346;
Sealed Air Corporation, 33-28940; Sports-Tech International Inc., 33-28395; UNO
Restaurant Corporation, 33-29252; The Wilson Fund II Limited Partnership, 33-28492.
June 30: Aegon N.V., 33-27604; Anangel-American Shipholdings Limited, 33-28700;
Bradley Real Estate Trust, 33-29011; Copley Realty Income Partners 4, 33-27754; Dr.
Pepper Bottling Company of Texas, 33-28349; Dr. Pepper Bottling Holdings, Inc., 33-
28349-01; Foodmaker, Inc., 33-27670; Geotek Industries, Inc., 33-28138; Interco Incor-
porated, 33-28618; Masco Corporation, 33-29514; Metric Income Trust Series, Inc.,
33-27083; Municipal Securities Trust, 33-29202; The NWNL Companies, Inc., 33-29423;
North American Security Trust, 33-27957, 33-27958; Old Republic International Corpora-
tion, 33-29220; Pilgrim Prime Rate Trust, 33-28386; Reuters Holdings PLC, 33-28541,
33-29422; South Central Bell Telephone Company, 33-29546; Southern Bell Telephone and
Telegraph Company, 33-29545; Surgical Care Affiliates, 33-29513; Triad Systems Cor-
poration, 33-27694; WestFed Holdings, Inc., 33-27886.