

sec news digest

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U.S. SECURITIES
EXCHANGE COMMISSION
April 25, 1986

RULES AND RELATED MATTERS

ADOPTION OF INTERPRETIVE RELEASE CONCERNING THE SCOPE OF SECTION 28(e)

The Commission adopted an interpretive release under Section 28(e) of the Securities Exchange Act of 1934 which provides a safe harbor for persons who exercise investment discretion over beneficiaries' or clients' accounts to pay for research and brokerage services with commission dollars generated by account transactions. In the release, the Commission has clarified its interpretation of the phrase "brokerage and research services" in Section 28(e)(3) and has reiterated the disclosure obligations of money managers under the securities laws concerning brokerage allocation practices and the use of commission dollars. The Commission has also expressed its views regarding best execution obligations of fiduciaries for their clients' transactions and its views and those of the United States Department of Labor regarding directed brokerage practices by sponsors of employee benefit plans. (Rel. 34-23170)

FOR FURTHER INFORMATION CONTACT: Kerry F. Hemond at (202) 272-2848

ADMINISTRATIVE PROCEEDINGS

PROCEEDINGS INSTITUTED AGAINST BARTEL SECURITIES, INC. AND THOMAS J. HOUSTON

The Commission instituted administrative proceedings against Bartel Securities, Inc., a registered Langhorne, Pennsylvania broker-dealer, and its president, Thomas J. Houston. The Commission found that Bartel and Houston, from about July 1985 to about January 1986, violated the: (1) antifraud provisions of the securities laws in that they received money from customers in payment for securities purchased and appropriated such payments for their use and benefit; (2) net capital and books and records provisions of the Securities Exchange Act of 1934; and (3) customer protection and reporting provisions of the Exchange Act. Previously, on January 23, Houston and Bartel had consented, without admitting or denying the allegations of the complaint, to a permanent injunction for the above-cited violations. Additionally, on January 27, SIPC was appointed trustee of Bartel.

Simultaneously with the institution of these proceedings, Bartel and Houston submitted Offers of Settlement consenting to the Commission's Order without admitting or denying the Order's allegations. The Commission revoked Bartel's registration and permanently barred Houston from association with any broker, dealer, municipal securities dealer, investment company or investment adviser. [This proceeding was instituted as a result of an investigation conducted by the staff of the Philadelphia District Office of the National Association of Securities Dealers.] (Rel. 34-23132)

VICTOR WALTER CARPER AND WILLIAM POWELL SNOW SANCTIONED

In administrative proceedings ordered under Sections 15(b) and 19(h) of the Securities Exchange Act of 1934, Victor Walter Carper and William Powell Snow submitted Offers of Settlement, which the Commission accepted. Respondents, without admitting or denying the allegations, consented to findings that they wilfully aided and abetted First Colorado Investments and Securities, Inc.'s (Registrant) violation of the net capital, books and records, and early warning provisions of the Exchange Act.

Carper consented to an order suspending him from association with any broker, dealer, investment company, investment adviser or municipal securities dealer for 45 days; barring him from being associated in any proprietary capacity and in any supervisory capacity respecting financial, bookkeeping and back office functions for three years; and barring him from acting as a financial principal of a broker or dealer. Snow consented to an order suspending him from association with any broker, dealer, investment

company, investment adviser or municipal securities dealer for three months; suspending him from being associated in any proprietary or supervisory capacity for six months; and barring him from acting as a financial principal of a broker or dealer provided that he may apply to become associated in such capacity after five years. (Rel. 34-23125)

CIVIL PROCEEDINGS

PERMANENT INJUNCTION ENTERED AGAINST THE ELECTRONICS WAREHOUSE, INC.
AND EDWARD W. BREMER; RECEIVED APPOINTED

The Boston Regional Office announced that on March 27 U.S. District Judge Peter C. Dorsey for Connecticut entered a Final Judgment of Permanent Injunction against The Electronics Warehouse, Inc. (Warehouse) and Edward W. Bremer. The Judgment enjoins the defendants from further violations of the antifraud provisions of the securities laws. They consented to the Injunction without admitting or denying the allegations of the complaint.

The March 14 complaint alleges, among other things, that Warehouse, Bremer, Warehouse's counsel, Warehouse's underwriter, the underwriter's principals and counsel, and others, violated the antifraud provisions of the securities laws by making it appear the minimum portion of Warehouse's "part or none" securities offering was sold such that the offering could close. The complaint also alleges the defendants failed to disclose Bremer's indictment on charges of mail fraud.

The Court also appointed a temporary receiver to take charge of Warehouse's assets, including the proceeds of its securities offering. (SEC v. The Electronics Warehouse, et al., DCT, 1986, Civil Action No. 86-282 PCD). (LR-11069)

D. G. HAMILTON AND ARTHUR W. GUENTHER ENJOINED

The Denver Regional Office announced that on April 3 Judge Richard P. Matsch, U.S. District Court for the District of Colorado, entered an order requiring D. G. Hamilton of Denver, Colorado, and Arthur W. Guenther of Campbellsport, Wisconsin to comply with their respective undertakings not to violate the registration and antifraud provisions of the securities laws. Hamilton and Guenther consented to the order without admitting or denying the allegations of the complaint. The complaint alleged that both Hamilton and Guenther made false and misleading statements concerning fractional undivided interests in oil and gas wells. (SEC v. D. G. Hamilton, et al., USDC CO, Civil Action No. 80-M-998). (LR-11070)

EMERGENCY REQUEST GRANTED

The Commission announced that on April 23 the Judge William G. Young, U.S. District Court for the District of Massachusetts, granted the Commission's emergency request for an order appointing a Receiver to take possession and control of the funds, assets and other property belonging to or in the possession or control of The Spangler Group, Inc. (TSG), a Boston-based investment adviser, and Mark Emerson Spangler, its president. The order, issued with the consent of the defendants, appoints Peter A. Ambrosini of Price Waterhouse & Company in Boston as Receiver and also places a freeze upon those funds, assets, and other property of TSG and Spangler unless otherwise directed by the Receiver. The order provides that clients of TSG are permitted to withdraw funds or securities from accounts previously under TSG's management. (SEC v. The Spangler Group, Inc. and Mark Emerson Spangler, USDC District of Massachusetts, Civil Action 86-1157-Y). (LR-11073)

INVESTMENT COMPANY ACT RELEASES

SALOMON BROTHERS UNIT INVESTMENT TRUST,
INSURED TAX-EXEMPT SERIES ONE

A notice has been issued giving interested persons until May 14 to request a hearing on an application filed by Salomon Brothers Unit Investment Trust, Insured Tax-Exempt Series One and subsequent and similar series of trusts (Trusts), and their sponsor, Salomon Brothers Inc. (collectively, Applicants). The application requests an order exempting Applicants from the provisions of Sections 17(a) and 26(a)(2)(C) and permitting certain joint transactions in connection with the purchase of insurance by the Trusts from an affiliate of the Sponsor. (Rel. IC-15066 - April 23)

ML VENTURE PARTNERS I, L.P.

An order has been issued on an application filed by ML Venture Partners I, L.P. (Partnership), a business development company, Merrill Lynch KECALP L.P. 1986 (KECALP), an employees' securities company, and Merrill Lynch Venture Capital, Inc. (Management Company) granting an exemption from the provisions of Section 57(a)(4) of the Investment Company Act and Rule 17d-1 permitting certain concurrent portfolio investments by Partnership and KECALP, and exempting the proposed sale by the Management Company of certain securities to KECALP and the Partnership from the provisions of Sections 17(a) and 57(a)(1) of the Act. (Rel. IC-15067 - April 23)

GUARANTEED MORTGAGE CORPORATION III

An order has been issued exempting Guaranteed Mortgage Corporation III (formerly Guaranteed Mortgage Corporation I) from all provisions of the Investment Company Act. (Rel. IC-15068 - April 23)

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 BROKERS CHOICE CAPITAL INC, 5300 WAVERLY DR APT B1, PALM SPRINGS, CA 92264 (619) 327-9595 - 200,000 (\$200,000) COMMON STOCK. 4,000,000 (\$600,000) COMMON STOCK. 6,000,000 (\$1,200,000) COMMON STOCK. 12,000,000 (\$3,600,000) COMMON STOCK. (FILE 33-4462-LA - APR. 04) (BR. 11 - NEW ISSUE)
- S-18 BETA PHASE INC, 1060 MARSH RD, MENLO PARK, CA 94025 (415) 494-8410 - 1,150,000 (\$4,600,000) COMMON STOCK. UNDERWRITER: BLAIR D H & CO INC. (FILE 33-4713-LA - APR. 10) (BR. 10 - NEW ISSUE)
- S-18 COASTAL STRATEGIES INCOME FUND A, 4990 SPEAK LN STE 280, SAN JOSE, CA 95118 (408) 723-7411 - 10,000 (\$5,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: COASTAL STRATEGIES INC. (FILE 33-4724-LA - APR. 09) (BR. 3 - NEW ISSUE)
- S-18 COASTAL STRATEGIES INCOME FUND B, 4990 SPEAK LN STE 280, SAN JOSE, CA 95118 (408) 723-7411 UNDERWRITER: COASTAL STRATEGIES INC. (FILE 33-4724-1L - APR. 09) (BR. 3 - NEW ISSUE)
- S-18 GOLD FINGER FUNDING CORP, 1022 E WEBSTER DR, SANDY, UT 84070 (801) 571-2908 - 2,000,000 (\$100,000) COMMON STOCK. 4,000,000 (\$400,000) COMMON STOCK. 4,000,000 (\$1,000,000) COMMON STOCK. 4,000,000 (\$4,000,000) COMMON STOCK. (FILE 33-4736-D - APR. 10) (BR. 11 - NEW ISSUE)
- S-18 SHEPPARD RESOURCES INC - 500,000 (\$125,000) COMMON STOCK. 3,000,000 (\$1,500,000) COMMON STOCK. 3,000,000 (\$2,250,000) COMMON STOCK. (FILE 33-4812-A - APR. 14) (BR. 6 - NEW ISSUE)
- S-18 R&A RESEARCH & SERVICES INC, 10700 E DARTMOUTH HW 212, AURORA, CO 80014 (303) 752-2745 - 15,000,000 (\$150,000) COMMON STOCK. 30,000,000 (\$360,000) COMMON STOCK. 1,500,000 (\$18,000) WARRANTS, OPTIONS OR RIGHTS. 3,000,000 (\$36,000) COMMON STOCK. UNDERWRITER: TRI SECURITIES INC. (FILE 33-4815-D - APR. 11) (BR. 11 - NEW ISSUE)
- S-18 AMERICAN ASSETS INC, 21899 GRAND VIEW, GOLDEN, CO 80401 (303) 526-1362 - 1,500,000 (\$375,000) COMMON STOCK. 1,500,000 WARRANTS, OPTIONS OR RIGHTS. (FILE 33-4816-D - APR. 14) (BR. 12 - NEW ISSUE)
- S-3 ALUMINUM CO OF AMERICA, 1501 ALCOA BLDG, PITTSBURGH, PA 15219 (412) 553-4705 - 5,750,000 (\$235,750,000) COMMON STOCK. (FILE 33-4840 - APR. 17) (BR. 13)
- S-3 PANDICK INC /DE, 345 HUDSON ST, NEW YORK, NY 10014 (212) 741-5555 - 1,500,000 (\$30,375,000) COMMON STOCK. UNDERWRITER: MORGAN STANLEY & CO INC. (FILE 33-4841 - APR. 18) (BR. 13)
- S-3 URS CORP /DE/, 2000 ALAMEDA DE LAS PULGAS STE 202, SAN MATEO, CA 94403 (415) 574-5000 - 239,565 (\$3,952,822.50) COMMON STOCK. (FILE 33-4842 - APR. 18) (BR. 13)

REGISTRATIONS CONT.

- S-18 PCL VENTURE CORP, 19 GIRARD ST, BROOKLYN, NY 10007 (718) 332-9172 - 25,000,000 (\$250,000) COMMON STOCK. 125,000,000 (\$6,250,000) COMMON STOCK. (FILE 33-4865-NY - APR. 14) (BR. 11 - NEW ISSUE)
- S-18 BFD CAPITAL GROUP INC, 11 HANOVER SQ STE 1006, NEW YORK, NY 10005 (212) 344-0110 - 5,000,000 (\$50,000) COMMON STOCK. 10,000 (\$200,000) COMMON STOCK. (FILE 33-4875-NY - APR. 14) (BR. 8 - NEW ISSUE)
- S-18 OXFORD FINANCIAL INC, 9000 E CHENANGO AVE STE 104, ENGLEWOOD, CO 80111 (303) 694-1255 - 30,000,000 (\$300,000) COMMON STOCK. 30,000,000 (\$450,000) COMMON STOCK. 30,000,000 (\$600,000) COMMON STOCK. 30,000,000 (\$750,000) COMMON STOCK. (FILE 33-4882-D - APR. 14) (BR. 12 - NEW ISSUE)
- S-4 FIRST CAPITAL HOLDINGS CORP, 1900 AVE OF THE STARS, LOS ANGELES, CA 90067 (213) 551-1000 - 796,274 (\$9,400,000) COMMON STOCK. (FILE 33-4887 - APR. 16) (BR. 9)
- S-1 AMERICAN RELIANCE GROUP INC, 1000 LENOX DR, P O BOX 6426, LAWRENCEVILLE, NJ 08648 (609) 896-1921 - 1,207,500 (\$16,905,000) COMMON STOCK. UNDERWRITER: MERRILL LYNCH CAPITAL MARKETS. (FILE 33-4900 - APR. 16) (BR. 9 - NEW ISSUE)
- S-1 MAUNA LOA MACADAMIA PARTNERS LP, 827 FORT ST, HONOLULU, HI 96813 (808) 536-4461 - 4,600,000 (\$46,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: DEAN WITTER REYNOLDS INC, EF HUTTON & CO INC, MERRILL LYNCH CAPITAL MARKETS. (FILE 33-4903 - APR. 16) (BR. 3 - NEW ISSUE)
- N-1A ARCH TAX EXEMPT TRUST, #6 THE COMMONS, 3512 SILVERSIDE RD, WILMINGTON, DE 19810 (800) 441-7379 - INDEFINITE SHARES. (FILE 33-4910 - APR. 16) (BR. 16 - NEW ISSUE)
- S-1 ALOFTE COSMETICS INC, 345 LANCASTER AVE, MALVERN, PA 19355 (215) 644-8200 - 750,000 (\$9,937,500) COMMON STOCK. 400,000 (\$5,300,000) COMMON STOCK. 100,000 (\$1,060,000) COMMON STOCK. 50,000 (\$50) WARRANTS, OPTIONS OR RIGHTS. 50,000 (\$795,000) COMMON STOCK. UNDERWRITER: BUTCHER & SINGER INC. (FILE 33-4918 - APR. 16) (BR. 4 - NEW ISSUE)
- S-6 AMERICAN MUNICIPAL TRUST TWENTY THIRD YIELD SERIES, P O BOX 23928, C/O AMERICAN MUNICIPAL SECURITIES INC, TAMPA, FL 33623 - 5,000 (\$5,500,000) UNIT INVESTMENT TRUST. DEPOSITOR: AMERICAN MUNICIPAL SECURITIES INC. (FILE 33-4922 - APR. 16) (BR. 17 - NEW ISSUE)
- S-11 MCKINNON THOMSON MORTGAGE ASSETS TRUST SERIES ONE, ONE NEW YORK PLZ, NEW YORK, NY 10004 - 150,000,000 (\$150,000,000) MORTGAGE BONDS. UNDERWRITER: THOMSON MCKINNON SECURITIES INC. (FILE 33-4927 - APR. 17) (BR. 12 - NEW ISSUE)
- S-3 RUSSELL CORP, ALEXANDER CITY, AL 35010 (205) 234-4251 - 575,000 (\$15,668,750) COMMON STOCK. (FILE 33-4930 - APR. 17) (BR. 8)
- S-4 ENERGY DEVELOPMENT PARTNERS LTD, 3801 E FLORIDA AVE STE 300, DENVER, CO 80210 (303) 759-3233 - 15,634,826 (\$130,941,667.70) LIMITED PARTNERSHIP CERTIFICATE. 2,361,575 (\$23,615.75) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-4931 - APR. 17) (BR. 12)
- S-8 GREYHOUND CORP /AZ, GREYHOUND TOWER, PHOENIX, AZ 85077 (602) 248-4000 - 600,000 COMMON STOCK. (FILE 33-4933 - APR. 17) (BR. 4)
- S-1 CS PRIMO CORP, 555 MADISON AVE, NEW YORK, NY 10022 (212) 752-8441 - 977,296 (\$25,000) COMMON STOCK. (FILE 33-4934 - APR. 17) (BR. 11 - NEW ISSUE)
- N-1A FIRST INVESTORS HIGH YIELD FUND INC /NY, 120 WALL ST, NEW YORK, NY 10005 (212) 208-6000 - INDEFINITE SHARES. (FILE 33-4935 - APR. 17) (BR. 16 - NEW ISSUE)
- S-8 GREYHOUND CORP /AZ, GREYHOUND TOWER, PHOENIX, AZ 85077 (602) 248-4000 - 795,947 COMMON STOCK. (FILE 33-4936 - APR. 17) (BR. 4)
- S-3 STONE & WEBSTER INC, 250 WEST 34TH ST, NEW YORK, NY 10119 (212) 290-7500 - 3,000 (\$168,750) COMMON STOCK. (FILE 33-4937 - APR. 17) (BR. 10)
- S-8 INSPIRATION RESOURCES CORP, 250 PK AVE, NEW YORK, NY 10177 (212) 503-3100 - 1,530,000 (\$10,381,390) COMMON STOCK. (FILE 33-4939 - APR. 17) (BR. 1)