

# sec news digest

Issue 85-44

March 6, 1985

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U.S. SECURITIES AND  
FINANCIAL BOARD

## ADMINISTRATIVE PROCEEDINGS

### PIETRO GATTINI CITED

The Commission, in administrative proceedings ordered under Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 and Section 14(b) of the Securities Investor Protection Act of 1970 (SIPA), accepted an Offer of Settlement submitted by Pietro Gattini (Gattini), sole general partner of Gattini & Co. (Registrant). Gattini, without admitting or denying the allegations, consented to Findings and Order Imposing Remedial Sanctions (Order) which finds that he: wilfully aided and abetted Registrant's violations of the net capital, customer protection, escrow, bookkeeping, preservation of records, financial reporting, supplemental reporting and amendment of Form BD provisions of the Exchange Act and Regulation T; and was the general partner and controlling person of Registrant for which a trustee was appointed under SIPA.

The Commission barred Gattini from association with any broker-dealer in any proprietary capacity or in a supervisory capacity respecting financial bookkeeping and back office functions, provided that after one year from the date of the Order in the case of the proprietary bar, and three years in the case of the supervisory bar, he may apply to become so associated. (Rel. 34-21751)

### MICHAEL J. WELSH BARRED

The Commission instituted public administrative proceedings against Michael J. Welsh under Sections 15(b) and 19(h) of the Securities Exchange Act of 1934. The Order for Proceedings alleges that Welsh, while employed as a registered representative, violated the antifraud provisions of the securities laws by: inducing an unsuitable investor to open a margin/options account; misrepresenting material facts to this customer regarding the profitability of her account; and engaging in unsuitable trades and churning this customer's account, causing her to lose over \$250,000. Simultaneous with the institution of proceedings, the Commission accepted Welsh's Offer of Settlement in which he consents to an order barring him from association with any broker or dealer, municipal securities dealer, investment company or investment adviser. (Rel. 34-21786)

### ROGER DENNIS HERRMANN SUSPENDED

The Commission instituted administrative proceedings against Roger Dennis Herrmann for violating certain antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. Simultaneously with the institution of these proceedings, Herrmann consented to the Commission's Order without admitting or denying any of the facts or findings. The proceedings arose from Herrmann's sale of uncovered call option contracts for Cities Services Company in June 1982 to clients of Smith Barney, Harris Upham & Co. Inc.'s Rhinelander, Wisconsin branch office. Herrmann is suspended from association with any broker-dealer through September 30, 1985. (Rel. 34-21812)

### SMITH BARNEY, HARRIS UPHAM & CO. INC. AND ROBERT G. HECK CITED

The Commission instituted administrative proceedings against Smith Barney, Harris Upham & Co. Inc. and Robert G. Heck for failing reasonably to supervise a registered representative in the firm's Rhinelander, Wisconsin branch office. Simultaneously with the institution of these proceedings, Smith Barney and Heck consented to the Commission's Order without admitting or denying any of the facts or findings. The proceedings arose from the sale of uncovered call option contracts for Cities Service Company in June 1982 by a salesman in Smith Barney's Rhinelander office and the failure of Smith Barney and Heck reasonably to supervise the salesman's options trading activities.

The Order censured Smith Barney and ordered it to: maintain certain current compliance procedures; conduct a review of specific compliance areas; implement procedures which the review indicates are appropriate; and provide to the Commission a report summarizing such review. Heck, for 120 days, shall not hold, be employed in, or perform the duties of any supervisory position in any broker-dealer. (Rel. 34-21813)

#### JONATHAN MITCHELL SUSPENDED

The Commission instituted administrative proceedings against Jonathan Mitchell for violating certain antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. Simultaneously with the institution of these proceedings, Mitchell consented to the Commission's Order without admitting or denying any of the facts or findings. The proceedings arose from Mitchell's sale of uncovered call option contracts for Cities Service Company in June 1982 to clients of Affiliated Securities Brokers, Inc., in Tyler, Texas. Mitchell is suspended from association with any broker-dealer for 60 days, prohibited from soliciting uncovered options for one year, and ordered to adopt and implement certain procedures respecting uncovered options trading in customers' accounts. (Rel. 34-21814)

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## INVESTMENT COMPANY ACT RELEASES

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#### ELDER'S FINANCE & INVESTMENT CO. LIMITED

A notice has been issued giving interested persons until March 28 to request a hearing on an application filed by Elder's Finance & Investment Co. Limited for an order exempting it from all provisions of the Investment Company Act. (Rel. IC-14400 - March 5)

#### ROCHESTER TAX MANAGED FUND, INC.

A notice has been issued giving interested persons until March 29 to request a hearing on an application filed by Rochester Tax Managed Fund, Inc., Rochester Growth Fund, Inc., Fielding Management Company, Inc., and Rochester Fund Distributors, Inc. for an order to permit them to allocate a monetary award settlement. (Rel. IC-14401 - March 5)

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## SELF-REGULATORY ORGANIZATIONS

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#### NOTICE OF PROPOSED RULE CHANGE

The Midwest Stock Exchange, Inc. filed a proposed rule change under Rule 19b-4 (SR-MSE-85-1) to clarify limit order execution procedures under its order handling and execution system. Publication of the proposal is expected to be made in the Federal Register during the week of March 4. (Rel. 34-21810)

#### ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission approved, on an accelerated basis, a proposed rule change filed by The Midwest Stock Exchange, Inc. (SR-MSE-84-14) which modifies its rules (Article XX, Rule 8) to prohibit MSE specialists using AutoQuote from disseminating bids and/or offers more than 1/8 point away from the Intermarket Trading System market. (Rel. 34-21811)

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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-2 AMERICAN CONTINENTAL CORP /OH/, 2735 E CAMELBACK RD, PHOENIX, AZ 85016  
(602) 957-7170 - 30,000,000 (\$30,000,000) STRAIGHT BONDS. (FILE 2-95884 - FEB. 15)  
(BR. 9)

- S-18 AMERICAN TECHNOLOGIES INC - 660,000 (\$5,115,000) COMMON STOCK. 1 (\$100) WARRANTS, OPTIONS OR RIGHTS. 60,000 (\$558,000) COMMON STOCK. (FILE 2-95977 - FEB. 20) (BR. 9 - NEW ISSUE)
- S-1 TENNECO 1985 DRILLING FUND, TENNECO BLDG, HOUSTON, TX 77002 (713) 757-2131 - 6,875,000 (\$6,875,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 2-96040 - FEB. 25) (BR. 12 - NEW ISSUE)
- S-11 GRUBB & ELLIS REALTY INCOME TRUST, ONE MCNTGOMERY ST, CROCKER CTR WEST TWR, SAN FRANCISCO, CA 94101 (415) 781-4749 - 2,875,000 (\$57,500,000) COMMON STOCK. 2,875,000 (\$28,750,000) COMMON STOCK. UNDERWRITER: BEAR STEARNS & CO, EDWARDS A G & SONS INC, SHEARSON LEHMAN BROTHERS, SUTRO & CO INC. (FILE 2-96041 - FEB. 25) (BR. 5 - NEW ISSUE)
- S-11 CAPITAL BUILDERS DEVELOPMENT PROPERTIES /CA/, 2010 N FIRST ST STE 200, C/O CAPITAL BUILDERS INC, SAN JOSE, CA 95131 (408) 294-4044 - 50,000 (\$25,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: ELDER NELSON EQUITIES CORP. (FILE 2-96042 - FEB. 25) (BR. 4 - NEW ISSUE)
- S-14 FIRST NATIONAL CORP/SC, 345 J C CALHOUN DR S E, ORANGEBURG, SC 29115 (803) 534-2175 - 567,290 (\$12,076,120) COMMON STOCK. (FILE 2-96043 - FEB. 25) (BR. 1)
- S-3 GILLETTE CO, PRUDENTIAL TOWER BLDG, BOSTON, MA 02199 (617) 421-7000 - 878,348 (\$63,241,000) COMMON STOCK. (FILE 2-96044 - FEB. 25) (BR. 10)
- S-6 TAX EXEMPT SECURITIES TRUST INSURED SERIES 7, 1345 AVENUE OF THE AMERICA, C/O SMITH BARNEY HARRIS UPHAM & CO INC, NEW YORK, NY 10105 - INDEFINITE SHARES. DEPOSITOR: DREXEL BURNHAM LAMBERT INC, KIDDER PEABODY & CO INC, ROTHSCHILD L F UNTERBERG TOMBIN, SMITH BARNEY HARRIS UPHAM & CO INC. (FILE 2-96045 - FEB. 25) (BR. 16 - NEW ISSUE)
- S-8 MARYLAND NATIONAL CORP, 10 LIGHT ST, P O BOX 987, BALTIMORE, MD 21202 (301) 244-6784 - 30,000 (\$1,548,750) COMMON STOCK. 3,000,000 (\$3,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 2-96046 - FEB. 25) (BR. 2)
- S-3 SHEARSON LEHMAN CMO INC, 3131 ONE MAIN PL, DALLAS, TX 75250 (214) 745-2500 - 1,000,000,000 (\$1,000,000,000) MORTGAGE BONDS. (FILE 2-96047 - FEB. 25) (BR. 12)
- S-14 SECURITY BANC CORP, 40 S LIMESTONE ST, SPRINGFIELD, OH 45502 (513) 324-6802 - 655,650 (\$20,281,952) COMMON STOCK. (FILE 2-96048 - FEB. 25) (BR. 2 - NEW ISSUE)
- S-8 AMERICAN CONTINENTAL CORP /OH/, 2735 E CAMELBACK RD, PHOENIX, AZ 85016 (602) 957-7170 - 4,000,000 (\$32,500,000) COMMON STOCK. (FILE 2-96050 - FEB. 25) (BR. 9)
- S-3 USLIFE CORP, 125 MAIDEN LN, NEW YORK, NY 10038 (212) 709-6000 - 1,802,822 (\$66,028,356) COMMON STOCK. (FILE 2-96053 - FEB. 26) (BR. 9)
- S-3 CINCINNATI BELL INC /OH/, 201 E FOURTH ST, CINCINNATI, OH 45202 (513) 397-9900 - 350,000 (\$15,662,500) COMMON STOCK. (FILE 2-96054 - FEB. 26) (BR. 7)
- S-8 PRINTRONIX INC, 17500 CARTWRIGHT RD, P O BOX 19559, IRVINE, CA 92713 (714) 863-1900 - 561,219 (\$9,400,418.20) COMMON STOCK. (FILE 2-96055 - FEB. 26) (BR. 9)
- S-8 SECURITY PACIFIC CORP, 333 S HOPE ST, LOS ANGELES, CA 90071 (213) 613-4540 - 178,000,000 (\$178,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 2-96056 - FEB. 26) (BR. 2)
- S-14 SBC FINANCIAL CORP, 101 FALLS BLVD, CHITTENANGO, NY 13037 (315) 687-3921 - 122,400 (\$2,490,000) COMMON STOCK. (FILE 2-96058 - FEB. 21) (BR. 2 - NEW ISSUE)
- S-1 SUNSAV INC, 640 S UNION ST, LAWRENCE, MA 01843 (617) 687-0044 - 4,025,000 (\$6,037,500) COMMON STOCK. 8,050,000 (\$6,037,500) COMMON STOCK. (FILE 2-96060 - FEB. 26) (BR. 9)
- S-2 MASS MERCHANDISERS INC /IN, HIGHWAY 43 & COTTONWOOD RD, HARRISON, AK 72601 (501) 741-3425 - 10,000,000 (\$10,000,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE 2-96061 - FEB. 26) (BR. 4)
- S-8 FIRST FINANCIAL MANAGEMENT CORP, 3 CORPORATE SQ ST 700, ATLANTA, GA 30329 (404) 325-9715 - 3,000,000 (\$3,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. 144,578 COMMON STOCK. (FILE 2-96064 - FEB. 26) (BR. 10)

- S-6 MUNICIPAL INVESTMENT TR FUND FIFTY SEVENTH INTERM TERM SER,  
CNE LIBERTY PLZ 165 BROADWAY, NEW YORK, NY 10080 - INDEFINITE SHARES. DEPOSITOR:  
DEAN WITTER REYNOLDS INC, MERRILL LYNCH PIERCE FENNER & SMITH, PAINWEBBER INC,  
SHEARSON LEHMAN AMERICAN EXPRESS INC. (FILE 2-96077 - FEB. 26) (BR. 17 - NEW ISSUE)
- F-6 WITWATERSRAND NIGEL LTD, 48 WALL ST, C/O BANK OF NEW YORK,  
NEW YORK NY 10015, T3 - 10,000,000 (\$500,000)  
DEPCISITARY RECEIPTS FOR COMMON STOCK. (FILE 2-96079 - FEB. 26) (BR. 99 - NEW ISSUE)
- S-8 HOGAN SYSTEMS INC, 5080 SPECTRUM DR, STE 400E, DALLAS, TX 75248 (214) 386-0020 -  
3,000,000 (\$3,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. 444,445 COMMON STOCK.  
(FILE 2-96080 - FEB. 26) (BR. 9)
- S-1 STERLING FORBES CAPITAL CORP, 126 N WOODLAND BLVD STE B, DELAND, FL 32720  
(904) 736-0137 - 2,500,000 (\$2,500,000) COMMON STOCK. 2,500,000 (\$5,000,000)  
COMMON STOCK. 250,000 (\$275,000) COMMON STOCK. (FILE 2-96090 - FEB. 25) (BR. 11  
- NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND MULTISTATE SERIES 1C, CNE LIBERTY PLZ 165 BROADWAY,  
C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES.  
(FILE 2-96092 - FEB. 26) (BR. 17 - NEW ISSUE)
- S-8 INTERNATIONAL HARVESTER CO /DE/, 401 N MICHIGAN AVE, CHICAGO, IL 60611  
(312) 836-2000 - 5,000,000 (\$9,937.50) COMMON STOCK. (FILE 2-96094 - FEB. 27) (BR. 13)
- S-8 CAMSON OIL CORP, 366 MADISON AVE, NEW YORK, NY 10017 (212) 687-5522 (FILE 2-96095 -  
FEB. 26) (BR. 13)
- S-8 ALASKA MUTUAL BANCORPORATION, 601 W FIFTH AVE, ANCHORAGE, AK 99501 (907) 274-3561 -  
50,000 (\$862,500) COMMON STOCK. (FILE 2-96098 - FEB. 25) (BR. 1)
- N-1A BANKERS SYSTEMS OMNI GOVERNMENT SECURITIES FUND INC, 6815 SAUKVIEW DR, P O BOX 97,  
ST CLOUD, MN 56302 (800) 328-1375 - INDEFINITE SHARES. (FILE 2-96099 - FEB. 25)  
(BR. 17 - NEW ISSUE)
- S-6 NATIONAL MUNICIPAL TR SPECIAL TRUSTS DISCCUNT SER TWENTY TWO, ONE NEW YORK PLZ,  
C/O THOMSON MCKINNON SECURITIES INC, NEW YORK, NY 10004 - 13,000 (\$14,300,000)  
UNIT INVESTMENT TRUST. DEPOSITOR: THOMSON MCKINNON SECURITIES INC. (FILE 2-96066 -  
FEB. 26) (BR. 18 - NEW ISSUE)
- S-1 ROYAL INTERNATIONAL OPTICAL CORP, 2760 IRVING BLVD, DALLAS, TX 75207 (214) 638-1397  
- 375,000 (\$5,062,500) COMMON STOCK. 532,500 (\$7,188,750) COMMON STOCK. (FILE  
2-96067 - FEB. 26) (BR. 2)
- S-2 EMERSON RADIO CORP, ONE EMERSON LN, SECAUCUS, NJ 07094 (201) 865-4343 - 207,254  
(\$2,901,556) COMMON STOCK. (FILE 2-96068 - FEB. 26) (BR. 12)
- S-3 UNITED JERSEY BANKS, 301 CARNEGIE CENTER, P O BOX 2066, PRINCETON, NJ 08540  
(609) 987-3200 - 182,700 (\$6,668,550) COMMON STOCK. (FILE 2-96070 - FEB. 25) (BR. 1)
- S-8 ALTOS COMPUTER SYSTEMS, 2641 ORCHARD PARKWAY, SAN JOSE, CA 95134 (408) 946-6700 -  
500,000 (\$6,125,000) COMMON STOCK. (FILE 2-96071 - FEB. 25) (BR. 9)
- S-14 FIRST COLEBROOK BANCORP INC, 147 MAIN ST, COLEBROOK, NH 03576 (603) 237-5551 -  
9,478 (\$758,240) COMMON STOCK. (FILE 2-96072 - FEB. 25) (BR. 2 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND THIRTY FOURTH INSURED SERIES,  
CNE LIBERTY PLZ 165 BROADWAY, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY  
10080 - INDEFINITE SHARES. (FILE 2-96075 - FEB. 26) (BR. 16 - NEW ISSUE)