

sec news digest

Issue 85-89

U.S. SECURITIES AND
EXCHANGE COMMISSION

May 8, 1985

COMMISSION ANNOUNCEMENTS

WEEKLY CALENDAR

The following is a schedule of speaking engagements, Congressional testimony, Commission hearings and other public events involving the Commission for the week of May 12, 1985. (Commission Meetings are announced separately in the News Digest)

Wednesday, May 15

- * Chairman Shad will testify before the House Subcommittee on Commerce, Consumer & Monetary Affairs concerning Bevill, Bresler & Schulman Government Securities. The hearing is scheduled to begin at 9:30 a.m. in Room 2154, Rayburn House Office Building.

ADMINISTRATIVE PROCEEDINGS

FRANK W. HUMPHERYS CENSURED

The Commission censured Frank W. Humpherys of Littleton, Colorado. In 1980, Humpherys was operations manager of J. Daniel Bell & Company, Inc., a Denver brokerage firm. The Commission found Humpherys responsible for Bell's failure to reflect on its position record numerous securities that were carried for customers' accounts. The Commission further found that Humpherys intended that result, since he wished to conceal Bell's violation of an agreement it had made with the NASD that it would not hold customers' securities.

The Commission concluded that the lenient sanction imposed on Humpherys by an administrative law judge was fully warranted in the public interest. It re-emphasized the importance of its recordkeeping rules, characterizing them as "a keystone of the surveillance of brokers and dealers by [its] staff and by the securities industry's self-regulatory bodies." (Rel. 34-21991)

CIVIL PROCEEDINGS

NOTICE OF APPEAL FILED RE DRYSDALE SECURITIES CORPORATION

The Commission filed a notice of appeal on May 2 to the U.S. Court of Appeals for the Second Circuit from the district's court judgment dismissing the enforcement action against Drysdale Securities Corporation. The complaint charged violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 and Rule 10b-5 in transactions in U.S. government securities. According to the complaint, false financial statements of a government securities dealer were used to induce institutional investors to enter into repurchase and reverse repurchase agreements in U.S. government securities. In May 1982, the firm failed to meet its obligations under those agreements and ultimately collapsed.

The district court, in dismissing the case, concluded that, since the alleged representations did not relate to the value of the government securities or to their issuer, the alleged fraud did not occur "in" or "in connection with" the offers, purchases or sales of the government securities. On this basis, the district court held that the alleged misconduct was not cognizable under the antifraud provisions. (SEC v. Drysdale Securities Corporation, et al., No. 83 Civil 5599, SDNY, RJS). (LR-10743)

COMPLAINT NAMES PC TELEMART, INC. AND LARRY STOCKETT

The Washington Regional Office filed a complaint for permanent injunction on May 7 in the U.S. District Court for the Eastern District of Virginia against PC Telemart, Inc. and Larry Alan Stockett.

The complaint alleges that the defendants filed with the Commission and disseminated to the public false and misleading registration statements and prospectuses in violation of the antifraud provisions of the securities laws. According to the complaint, these documents falsely stated the development stage of PC's primary product - an electronic software shopping service called TELEMART. The complaint also alleges that the defendants violated the antifraud provisions by distributing press releases which they knew contained materially false and misleading statements about the company's primary product. Moreover, the complaint alleges that PC filed and distributed a false and misleading quarterly report and that Stockett aided and abetted the company's violation of the reporting provisions of the securities laws. (SEC v. PC Telemart, Inc. and Larry Alan Stockett, EDVA, Civil Action No. 85-0544-A). (LR-10745)

W. PAUL THAYER, OTHERS ENJOINED

The Commission announced that on May 7 Judge Jerry Buchmeyer, U.S. District Court for the Northern District of Texas, entered final consent judgments of permanent injunction enjoining W. Paul Thayer, Billy Bob Harris and Gayle L. Schroder from future violations of the antifraud and tender offer provisions of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3. The Court also entered orders requiring disgorgement of \$555,000 from Thayer, \$275,000 from Harris, and \$176,383 from Schroder, in profits which resulted from their alleged insider trading scheme.

In addition, Harris, a former registered representative with A.G. Edwards & Sons, Inc., in Dallas, Texas, agreed to an administrative order permanently barring him from acting as, or becoming associated with, any broker-dealer, investment adviser, investment company or municipal securities dealer.

The Commission will also seek dismissal of its request for injunctive relief against Sandra K. Ryno, Dr. Doyle L. Sharp, Juli Williams and Julia D. Rooker. The case will continue against the two remaining defendants, William H. Mathis and Malcolm B. Davis. (SEC v. W. Paul Thayer, et al., CA-3-84-0471-R, NDTX). (LR-10746)

HOLDING COMPANY ACT RELEASES

ATLEE M. KOHL

A notice has been issued giving interested persons until May 31 to request a hearing on a proposal by Atlee M. Kohl that he be permitted to acquire, either directly or indirectly, common shares of Southwestern Electric Service Company, an electric utility company, in such amounts that he will own directly or indirectly more than 5% but no more than 10% of Southwestern's common stock. (Rel. 35-23682 - May 7)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until May 28 to comment on the application of the Cincinnati Stock Exchange for unlisted trading privileges in nine issues which are listed and registered on one or more other national securities exchange and are reported in the consolidated transactions reporting system. (Rel. 34-22017)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Chicago Board Options Exchange, Inc. filed a proposed rule change (SR-CBOE-85-15) to exempt options of MCI Communications from the options eligibility standard in CBOE Rule 5.3(a)(iv). Publication of the proposal is expected to be made in the Federal Register during the week of May 6. (Rel. 34-22016)

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 MISSION VALLEY BANCORP, 555 PETERS ST, PLEASANTON, CA 94566 (415) 462-2452 - 234,000 (\$2,508,319) COMMON STOCK. (FILE 2-97177 - APR. 19) (BR. 2)
- S-18 INTERNATIONAL ACQUISITION CONSULTANTS INC, 1877 BROADWAY, BOULDER, CO 80503 (303) 442-6839 - 1,250,000 (\$125,000) COMMON STOCK. (FILE 2-97205-D - APR. 22) (BR. 11 - NEW ISSUE)
- S-6 SEARS TAX EXEMPT INVESTMENT TRUST NEW YORK MUN PORT SER 15, 130 LIBERTY ST, C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 - 5,500 (\$5,410,000) UNIT INVESTMENT TRUST. (FILE 2-97333 - APR. 26) (BR. 16 - NEW ISSUE)
- F-6 CASIO COMPUTER CO LTD, ONE WALL ST, C/O IRVING TRUST CO, NEW YORK, NY 10015 (212) 487-5745 - 10,000,000 (\$1,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 2-97373 - APR. 29) (BR. 99 - NEW ISSUE)
- S-1 AMALGAMATED SUGAR CO, FIRST SECURITY BANK BLDG, OGDEN, UT 84401 (801) 399-3481 - 100,000 (\$100,000,000) STRAIGHT BONDS. (FILE 2-97384 - APR. 29) (BR. 4)
- S-1 ARNEL INC, 5545 N W 35TH AVE, FORT LAUDERDALE, FL 33309 (305) 486-6161 - 200,000 (\$2,150,000) COMMON STOCK. 1,100,000 (\$12,685,000) COMMON STOCK. (FILE 2-97385 - APR. 29) (BR. 2)
- S-1 INTERNATIONAL HYDRON CORP, 185 CROSSWAYS PARK DR, WOODBURY, NY 11797 (516) 364-1700 - 34,500,000 (\$34,500,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE 2-97387 - APR. 30) (BR. 8)
- S-14 FIRST UNION CORP, FIRST UNION PLZ, CHARLOTTE, NC 28288 (704) 374-6525 - 8,490,800 (\$241,881,250) COMMON STOCK. (FILE 2-97389 - APR. 30) (BR. 1)
- S-1 INSPIRATION RESOURCES CORP, 250 PK AVE, NEW YORK, NY 10177 (212) 503-3100 - 1,322,550 (\$6,943,388) COMMON STOCK. (FILE 2-97390 - APR. 30) (BR. 1)
- S-3 THORATEC LABORATORIES CORP, 2023 EIGHTH ST, BERKELEY, CA 94710 (415) 841-1213 - 1,027,478 (\$11,014,776.70) COMMON STOCK. (FILE 2-97392 - APR. 30) (BR. 8)
- S-3 THORATEC LABORATORIES CORP, 2023 EIGHTH ST, BERKELEY, CA 94710 (415) 841-1213 - 140,187 (\$1,219,206.37) COMMON STOCK. (FILE 2-97393 - APR. 30) (BR. 8)
- S-1 CHIEF AUTOMOTIVE SYSTEMS INC, 1924 E 4TH ST, GRAND ISLAND, NE 68802 (308) 384-9747 - 1,150,000 (\$18,831,250) COMMON STOCK. (FILE 2-97394 - APR. 30) (BR. 4)
- S-8 ARVIN INDUSTRIES INC, 1531 E 13TH ST, COLUMBUS, IN 47201 (812) 379-3984 - 375,000 (\$7,312,500) COMMON STOCK. (FILE 2-97395 - APR. 30) (BR. 4)
- S-8 ARMCO INC, 703 CURTIS ST, MIDDLETON, OH 45043 (513) 425-2267 - 1,269,841 (\$10,000,000) COMMON STOCK. (FILE 2-97396 - APR. 30) (BR. 6)
- S-15 BAXTER TRAVENOL LABORATORIES INC, ONE BAXTER PKWY, DEERFIELD, IL 60015 (312) 948-2000 - 6,982,793 (\$73,109,842) COMMON STOCK. (FILE 2-97397 - APR. 30) (BR. 8)
- S-8 CONRAC CORP, THREE LANDMARK SQ, STAMFORD, CT 06901 (203) 348-2100 - 556,787 (\$7,586,222) COMMON STOCK. (FILE 2-97399 - APR. 30) (BR. 8)
- S-6 EMPIRE STATE MUNICIPAL EXEMPT TRUST SERIES 68, 6 E 43RD ST, C/O GLICKENHAUS & CO, NEW YORK, NY 10017 - 13,000 (\$13,000,000) UNIT INVESTMENT TRUST. (FILE 2-97400 - APR. 30) (BR. 16)
- S-8 OWENS ILLINOIS INC, ONE SEAGATE, TOLEDO, OH 43666 (419) 247-5000 - 1,009,561 (\$44,546,879) COMMON STOCK. (FILE 2-97401 - APR. 30) (BR. 10)

- S-3 PARKER HANNIFIN CORP, 17325 EUCLID AVE, CLEVELAND, OH 44112 (216) 531-3000 - 210,070 (\$6,275,841) COMMON STOCK. (FILE 2-97402 - APR. 30) (BR. 9)
- S-3 UNITED BANCORP OF ARIZONA, 3300 N CENTRAL AVE, PHOENIX, AZ 85012 (602) 248-2399 - 936,865 (\$32,087,626) COMMON STOCK. (FILE 2-97405 - APR. 30) (BR. 2)
- S-8 KIMBERLY CLARK CORP, 5215 N OCONNOR RD, IRVING, TX 75039 (214) 830-1200 - 30,000,000 (\$30,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. 15,000,000 (\$15,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 2-97406 - APR. 30) (BR. 8)
- S-8 CELANESE CORP, 1211 AVENUE OF THE AMERICAS, NEW YORK, NY 10036 - 373,750 (\$34,618,593) COMMON STOCK. (FILE 2-97408 - APR. 30) (BR. 2)
- S-3 EASCO CORP, 201 N CHARLES ST STE 2100, BALTIMORE, MD 21201 (301) 837-9550 - 380,152 (\$7,412,964) COMMON STOCK. (FILE 2-97410 - APR. 30) (BR. 6)
- S-8 CRUMP COMPANIES INC, 5350 POPLAR AVE, MEMPHIS, TN 38119 (901) 761-1550 - 7,880,000 (\$7,880,000) OTHER SECURITIES INCLUDING VOTING TRUST. 280,950 COMMON STOCK. (FILE 2-97425 - APR. 30) (BR. 10)

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

COMPANY	ITEMS NO.	DATE	
AMERICAN RECREATION CENTERS INC	5	04/01/85	
CB&T BANCSHARES INC	5,7	04/16/85	
CITIBANK NA	2	04/25/85	
CITIBANK NA	2	04/29/85	
EASCO CORP	5,7	05/03/85	
ECONOMIC ADVISORS INC	5,7	04/19/85	
FIRST NATIONAL BANCORP /GA/	5	05/01/85	
GOLDEN NEST HOMES	4,7	05/02/85	
INTERNATIONAL AMERICAN HOMES INC	5	04/24/85	
INTERSTATE POWER CO	5	04/30/85	
KAPPA NETWORKS INC	7	01/30/85	AMEND
LEARNING ANNEX INC	7	02/20/85	AMEND
LEARNING ANNEX INC	2,7	04/15/85	
MANSON INDUSTRIES INC	2,7	04/29/85	
MAY ENERGY PARTNERS LTD	2,7	04/18/85	
MIDWEST NATIONAL CORP	1,7	05/02/85	
MW INVESTORS OF WASHINGTON	5,7	05/02/85	
MORRISON KNUDSEN CO INC	5	05/03/85	
NEVADA RESOURCES INC	5	04/04/85	
NTN COMMUNICATIONS INC	7	03/13/85	
OFFICIAL INDUSTRIES INC	2,7	04/24/85	
OHIO FERRO ALLOYS CORP	5	04/24/85	
SALOMON BROTHERS MORTGAGE SECURITIES V I	5	04/02/85	
SEMICON INC	4	04/22/85	
TEXAS AMERICAN BANCSHARES INC	5	04/25/85	
TULL J H INDUSTRIES INC	1,7	04/19/85	
UNITED FINANCIAL BANKING COMPANIES INC	5	05/01/85	
UNITED NEW MEXICO FINANCIAL CORP	5	03/23/85	
WOODS COMMUNICATION CORP	3,5	05/01/85	