

# sec news digest

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## CIVIL PROCEEDINGS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

PAUL F. O'NEIL ENJOINED

The Boston Regional Office announced that on July 8 the Honorable Walter J. Skinner of the U.S. District Court of Massachusetts entered an Order of Permanent Injunction against Paul F. O'Neil. The defendant consented to the entry of the order without admitting or denying the allegations in the Commission's complaint. The injunction enjoins and restrains O'Neil from further aiding and abetting violations of Section 31(a) of the Investment Company Act of 1940 and Rule 31a-1 thereunder, and from further violations of Section 34(a) and 34(b) of the Investment Company Act.

The Commission's complaint alleged that O'Neil and other defendants violated and aided and abetted violations of the books and records provisions of the Investment Company Act over a period of approximately ten years and while employed by the New England Merchants National Bank, in connection with custodial and shareholder recordkeeping services provided several investment companies (the Funds) by New England Merchants National Bank.

Further, the Commission's complaint alleged that O'Neil and other defendants altered certain books and other documents of the Funds by incorrectly recording (1) sales and redemptions of the Funds' securities, (2) the number of shares held by shareholders of the Funds, and (3) the dates, numbers of shares and prices of shares in certain accounts. Also alleged in the complaint is that O'Neil and other defendants made untrue statements of and omitted to state material facts in certain records required to be kept by registered investment companies regarding (1) sales of the Funds' securities, (2) shareholder ownership, (3) the amount of capital shares of the Funds owned by shareholders, and (4) redemptions of the Fund's securities. (SEC v. Edward J. Falvey, et al., Civil Action No. 82-0197-S, U.S.D.C. District of Massachusetts). (LR-9728)

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## CRIMINAL PROCEEDINGS

JAMES MITCHELL NEWMAN SENTENCED

The New York Regional Office announced that on July 16 James Mitchell Newman of Demarest, New Jersey, was sentenced by the Honorable Charles S. Haight, Jr., U.S. District Judge for the Southern District of New York, to one year and a day in jail and the payment of a \$10,000 fine. Judge Haight also sentenced Newman to three years of probation conditioned upon his performance of voluntary unpaid community service.

On February 3, 1981, a federal grand jury in Manhattan indicted Newman on 15 counts of securities fraud and conspiring with four other defendants to commit securities fraud by using material, nonpublic information about impending mergers and takeovers to effect transactions in the securities of the target companies.

Newman was convicted on May 21, 1982 after a five-week jury trial. (U.S. v. James Mitchell Newman, et al., 82 Cr. 166, S.D.N.Y.). (LR-9726)

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## INVESTMENT COMPANY ACT RELEASES

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### NORTH RIVER SECURITIES CO., INC.

An order, pursuant to Section 8(f) of the Investment Company Act of 1940, has been issued on an application of North River Securities Co., Inc. (Applicant), through its successor North Oceanic Securities Co., Inc., declaring that Applicant has ceased to be an investment company, as defined by the Act. (Rel. IC-12574 - Aug. 3)

### GOVERNMENT MONEY INSTRUMENT TRUST

A notice has been issued giving interested persons until August 30 to request a hearing on the application of Government Money Instruments Trust (Applicant), a registered open-end, diversified, management investment company, for an order, pursuant to Section 6(c) of the Investment Company Act of 1940, exempting Applicant from the provisions of Section 2(a)(41) of the Act and Rules 2a-4 and 22c-1 thereunder to the extent necessary to permit Applicant to value its assets by means of the amortized cost method of valuation. (Rel. IC-12575 - Aug. 3)

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## HOLDING COMPANY ACT RELEASES

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### GULF POWER COMPANY

An order has been issued authorizing Gulf Power Company, subsidiary of The Southern Company, to amend its charter to (1) create a new series of preferred stock with a par value of \$10 and (2) modify certain provisions relating to calculation of net income available for dividends and gross income available for interest. Gulf Power also proposes to request authorization of its preferred stockholders to issue or assume unsecured securities until July 1, 1989 having maturities of less than 10 years in excess of 10 percent of capital, surplus and secured debt with certain provisions. Gulf Power also proposes to solicit proxies in connection with the above. (Rel. 35-22595 - Aug. 3)

### GEORGIA POWER COMPANY

A notice has been issued giving interested persons until August 30 to request a hearing by Georgia Power Company, subsidiary of The Southern Company, whereby Georgia will issue and sell at competitive bidding up to \$250 million of first mortgage bonds and up to \$75 million of preferred stock, without par value but with a stated value of up to \$100 per share, in one or more series from time to time not later than June 30, 1983. The proceeds of the sales will be used to finance, in part, Georgia's business as an electric utility company. (Rel. 35-22594 - Aug. 3)

### ST. JOE MINERALS CORPORATION

A notice has been issued giving interested persons until September 1 to request a hearing on an application by St. Joe Minerals Corporation that it be declared not to be an electric utility company pursuant to Section 2(a)(3) of the Public Utility Holding Company Act of 1935. (Rel. 35-22593 - Aug. 3)

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## SELF-REGULATORY ORGANIZATIONS

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### CORRECTED NOTICE OF FILING OF PROPOSED RULE CHANGE

The Pacific Stock Exchange, Incorporated has filed a proposed rule change pursuant to Rule 19b-4 (SR-PSE-82-8) which would amend the term "combination order" and establish procedures under which combination orders may have priority over the public limit order book. Publication of the proposal is expected to be made in the Federal Register during the week of July 28. (Rel. 34-18846A)

## APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Options Clearing Corporation (SR-OCC-82-5) that would permit OCC to (a) release, on the exercise settlement date, margin deposited by members in respect of equity options in cases where settlement would be effected through a correspondent clearing corporation and (b) release, on the date settlement is deemed to have been made, margin deposited with respect to debt options in cases where exercise settlement is effected through the netting of a clearing member's delivery and receive obligations to OCC. Publication of the proposal is expected to be made in the Federal Register during the week of July 26. (Rel. 34-18922)

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## TRUST INDENTURE ACT RELEASES

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### MERRILL LYNCH & CO., INC.

A notice has been issued granting interested persons until August 30 to request a hearing on an application by Merrill Lynch & Co., Inc., pursuant to Section 310(b)(i)(ii) of the Trust Indenture Act of 1939, declaring that the trusteeship of Citibank, N.A. as trustee under an indenture with Merrill Lynch is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Citibank, N.A. from acting as trustee under the indenture of Merrill Lynch. (Rel. TI-740)

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## SECURITIES ACT REGISTRATIONS

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The following registration statements have been filed with the SEC pursuant to the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form, Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a rights offering; File number and date filed; Assigned Branch; if the registration statement is a New Issue; and [S] denoting SHELF REGISTRATION pursuant to Rule 415.

- (S-8) ANDERSON, GREENWOOD & CO., 5425 South Rice Ave., Houston, TX 77081 (713) 668-0631 - 100,000 shares of common stock. (File 2-78732 - Aug. 6) (Br. 6)
- (S-3) NIAGARA MOHAWK POWER CORPORATION, 300 Erie Boulevard West, Syracuse, NY 13202 (315) 474-1511 - \$75 million of first mortgage bonds, Series due August 1, 2012. Underwriters: Salomon Brothers Inc. and Merrill Lynch White Weld Capital Markets Group. The company is engaged in the electric and gas utility business. (File 2-78733 - Aug. 6) (Br. 6)
- (S-8) APPLIED SOLAR ENERGY CORPORATION, 15251 East Don Julian Rd., City of Industry, CA 91749 (213) 968-6581 - 230,000 shares of common stock. (File 2-78734 - Aug. 6) (Br. 9)
- (S-3) CHEMICAL NEW YORK CORPORATION, 277 Park Ave., New York, NY 10172 (212) 310-6161 - 2,000,000 shares of adjustable rate cumulative preferred stock, Series B. Underwriters: The First Boston Corporation, Merrill Lynch White Weld Capital Markets Group, Goldman, Sachs & Co., and Salomon Brothers Inc. (File 2-78735 - Aug. 6)
- (N-1) NUVEEN TAX-FREE RESERVES, INC., 115 South LaSalle St., Chicago, IL 60603 (312) 782-2655 - an indefinite number of shares of common stock. (File 2-78736 - Aug. 6) (Br. 18 - New Issue)
- (N-1) NUVEEN CASH RESERVES, INC., 115 South LaSalle St., Chicago, IL 60603 (312) 782-2655 - an indefinite number of shares of common stock. (File 2-78737 - Aug. 6) (Br. 18 - New Issue)
- (S-1) ATLANTIC RESEARCH CORPORATION, 5390 Cherokee Ave., Alexandria, VA 22314 (703) 642-4000 - 450,000 shares of common stock. Underwriters: Bache Halsey Stuart Shields Incorporated and Jefferies & Company, Inc. The company is engaged in the development and manufacture of solid propellant rocket motors and data communications test equipment. (File 2-78736 - Aug. 6) (Br. 2)

(S-1) BANKERS LIFE COMPANY SEPARATE ACCOUNT C, 711 High St., Des Moines, IA 50307 - pension builder group variable annuity contracts (not issued in predetermined amounts or units). (File 2-78747 - Aug. 6) (Br. 20)

## ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within ten days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds five percent. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within 45 days after the end of the calendar year in which the person became subject to Section 13(d)(1). Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1.

Below is a list of recent filings of Schedules 13D and 14D, which includes the following information: Column 1 - the company purchased (top), and the name of the purchaser; Column 2 - the type of security purchased; Column 3 - the type of form filed; Column 4 - the date the transaction occurred; Column 5 - the current number of shares (in 000's) owned (top) and the current percent owned; Column 6 - the CUSIP number (top) and the prior percent owned; and Column 7 - the status of the filing, i.e., new, update, or revision.

		FORM	EVENT DATE	SHRS (000) / % OWNED	CUSIP / PRIOR %	FILING STATUS
AVM CORP BAIRD BRENT D ET AL	COM	13D	7/23/82	204 / 13.7	00240810 / 12.5	UPDATE
ALBA WALDENSIAM INC HICKORY FURNITURE CO ET AL	COM	13D	7/21/82	430 / 31.9	01204110 / 28.8	UPDATE
AMERICAN FIBER OPTICS CORP MARLINE RESOURCES CO INC	COM	13D	7/29/82	0 / N/A	02590010 / N/A	UPDATE
AMERICAN FIBER OPTICS CORP SIERRA VENTURES	COM	13D	7/23/82	308 / 17.9	02590010 / 0.0	NEW
COMMERCIAL DECAL INC GABELLI MARIO J	COM	13D	8/ 2/82	118 / 9.6	20162710 / 7.9	UPDATE
DELLWOOD FOODS INC HAYMEN & KERN TRUST ET AL	COM	13D	7/28/82	237 / 39.8	24703110 / 39.9	UPDATE
DELMED INC RAYMOND JOSEPH J	COM	13D	6/24/82	1,312 / 13.5	24711410 / 0.0	NEW
DEVON GROUP INC LOEB JOHN L ET AL	COM PAR \$0.70	13D	7/22/82	490 / 55.0	25180010 / 22.9	UPDATE
GREAT FIDELITY LIFE INS CO MUTUAL SECURITY LIFE INS	COM	13D	7/23/82	990 / 59.0	39051410 / 53.4	UPDATE
HARTFORD NATL CORP ALLYN CORP ET AL	COM	13D	7/27/82	183 / 6.2	41665510 / 5.5	UPDATE
MID-SOUTH BANCORP INC WOMACK B FRANK	COM	13D	6/15/81	38 / 7.9	59542710 / 0.0	NEW
NATL HARDGOODS DISTRIB INC MUTUAL SHARES CORP ET AL	COM	13D	4/ 2/82	93 / 14.2	63632510 / 7.3	UPDATE
SONIC DEV CORP BELL FRANK S. JR	COM	13D	6/ 1/82	68 / 17.6	83545310 / 17.3	UPDATE
SYMBOL TECHNOLOGIES INC HCI HOLDINGS LTD	COM	13D	7/ 7/82	210 / 7.7	87150810 / 8.9	UPDATE
TR 3 INDS INC COOK FRANKLIN CHARLES ET AL	COM	13D	7/12/82	725 / 15.5	87264110 / 0.0	NEW
WILSON H J INC VENDAMERICA B V	COM	13D	6/ 3/82	1,834 / 23.7	97210610 / 21.1	UPDATE