

# sec news digest

Issue 85-118

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JUN 2 1985  
EXCHANGE COMMISSION

June 19, 1985

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## NOTICE OF COMMISSION MEETINGS

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Following is a schedule of Commission meetings which will be conducted under provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday morning. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration.

Visitors are welcome at all open meetings, insofar as space is available.

Meetings will be held in the Commission Meeting Room, Room 1C30, at the Commission's headquarters building, 450 Fifth Street, NW, Washington, DC. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

### OPEN MEETING - THURSDAY, JUNE 27, 1985 - 10:00 a.m.

The subject matter of the June 27 open meeting will be:

(1) Consideration of a release announcing the adoption of Securities Exchange Act Rule 3a4-1 to provide that under certain specified circumstances persons associated with an issuer of securities who participate in a sale of those securities shall not be deemed "brokers," as defined in Section 3(a)(4) of the Securities Exchange Act of 1934. FOR FURTHER INFORMATION, PLEASE CONTACT Susan J. Walters at (202) 272-2848.

(2) Consideration of whether to grant the order by Central Power and Light Company (CP&L), a wholly owned subsidiary of Central and South West Corporation (CSW), a registered holding company, relating to the authorization of CP&L to issue and sell \$90 million aggregate principal amount of first mortgage bonds through December 31, 1986. This proposal was noticed by the Commission on February 26, 1985 (HCAR No. 23615), and the City of Brownsville, Texas has intervened and requested a hearing. FOR FURTHER INFORMATION, PLEASE CONTACT Robert P. Wason at (202) 272-7684.

(3) Consideration of (a) whether to publish for comment proposed amendments to Regulation S-X which would govern disclosure of information related to certain repurchase and reverse repurchase transactions, (b) whether to request comments on possible future rulemaking for a broad range of financial transactions, and (c) authorization for the Chief Accountant to recommend to the Financial Accounting Standards Board that a project on "financial assets and transactions," to include repurchase and reverse repurchase transactions, be placed on its agenda. FOR FURTHER INFORMATION, PLEASE CONTACT Mike McLaughlin at (202) 272-2130.

### CLOSED MEETING - THURSDAY, JUNE 27, 1985 - FOLLOWING THE OPEN MEETING

The subject matter of the June 27 closed meeting will be: Formal orders of investigation; Report of investigation; Settlement of injunctive action; Institution of administrative proceeding of an enforcement nature; Institution of injunctive action.

AT TIMES CHANGES IN COMMISSION PRIORITIES REQUIRE ALTERATIONS IN THE SCHEDULING OF MEETING ITEMS. FOR FURTHER INFORMATION AND TO ASCERTAIN WHAT, IF ANY, MATTERS HAVE BEEN ADDED, DELETED OR POSTPONED, PLEASE CONTACT: David Powers at (202) 272-2091

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## RULES AND RELATED MATTERS

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### REGULATION AFDB ADOPTED

The Commission adopted a new exemptive regulation, Regulation AFDB, which specifies the periodic and other reports which are required to be filed by the African Development Bank as a result of primary distributions of securities in the United States. (Rel. 33-6589)

FOR FURTHER INFORMATION CONTACT: Martin Meyrowitz at (202) 272-3250

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## COMMISSION ANNOUNCEMENTS

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### ADDITION TO WEEKLY CALENDAR

Chairman John S.R. Shad will testify on June 20 before the House Telecommunications Subcommittee hearing on government securities. The hearing will begin at 9:30 a.m. in Room 2123, Rayburn House Office Building.

MARY PODESTA NAMED ACTING ASSOCIATE DIRECTOR,  
CAROLYN B. LEWIS NAMED ACTING ASSISTANT DIRECTOR

Kathryn B. McGrath, Director of the Division of Investment Management, announced that Mary Podesta has been named Acting Associate Director (legal and disclosure) in the Division and Carolyn B. Lewis has been named Acting Assistant Director in charge of the Division's Office of Disclosure Policy and Review. Both appointments became effective on June 13.

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## CIVIL PROCEEDINGS

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### COMPLAINT FILED AGAINST WILLIAM G. KUHEN

The Fort Worth Regional Office filed a complaint on June 11 in the U.S. District Court for the Northern District of Texas seeking a permanent injunction against William G. Kuhen, formerly of Dallas, Texas.

The complaint alleges that Kuhen raised \$5 to \$6 million from the offer and sale of promissory notes and that these funds were pooled, invested in the options markets and managed in violation of the registration provisions of the Securities, Investment Company and Advisers Acts. The complaint also alleges that Kuhen violated the antifraud provisions of the Securities, Exchange and Advisers Acts by misrepresenting the annual return to investors, that he was a successful options trader and that his program was profitable, and by failing to disclose that investors' funds would be used for his office and personal expenses and to make payments to earlier investors. (SEC v. William G. Kuhen, CA 3-85-1090-G). (LR-10788)

### COMPLAINT NAMES GEORGE W. HOSS AND GREGORY W. MAXWELL

The Los Angeles Regional Office filed a complaint on May 31 in the U.S. District Court for the Central District of California seeking a permanent injunction against George W. Hoss and Gregory W. Maxwell, principals of LSI Corporation, enjoining them from further violations of the antifraud provisions and from aiding and abetting further violations of the reporting provisions of the securities laws. LSI petitioned for relief under Chapter 7 of the Bankruptcy Code in March 1984.

The complaint alleges that: Hoss and Maxwell disseminated false information to the general public and to LSI's market makers by way of press releases, news articles and misleading financial statements concerning LSI's financial condition; Hoss and Maxwell aided and abetted LSI's filing of a Form 10K with the Commission which contained false and misleading statements and omitted to state material facts about LSI's financial condition; and Maxwell traded in LSI stock on the basis of material non-public information, and requests disgorgement of all profits obtained by Maxwell in those transactions. (SEC v. George W. Hoss and Gregory W. Maxwell, USDC CDCA, Civil Action No. 85-3633-R). (LR-10789)

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## CRIMINAL PROCEEDINGS

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### BERNARD LEBLANC, OTHERS SENTENCED

The Chicago Regional Office announce that on June 13 Bernard E. LeBlanc, Michael J. LeBlanc and Rodney V. Kilbreath were sentenced at Detroit, Michigan by U.S. District Judge Richard F. Suhrheinrich. Bernard LeBlanc received a 21-month prison term, followed by five years probation and a \$10,000 fine. Michael LeBlanc was ordered imprisoned for 60 days, followed by five years probation and a \$1,000 fine. Kilbreath was sentenced to 16 months imprisonment, followed by five years probation and a \$10,000 fine. All three individuals entered pleas of guilty on March 27, 1985 to one

count each of securities and mail fraud in the sale of trust certificates and mortgage-backed promissory notes through Remvest Securities, and the misrepresentation and failure to state material facts concerning the safety and liquidity of such investments. The case is continued as to defendants Francis D. LeBlanc. (U.S. v. Francis LeBlanc, et al., CR 84-20450, USDC EDMI, S. Div.). (LR-10787)

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## INVESTMENT COMPANY ACT RELEASES

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EASTWEST PENNY STOCK FUND, INC.;  
AMERICAN CAPITAL OPTION INCOME FUND, INC.

Orders have been issued declaring that Eastwest Penny Stock Fund, Inc. and American Capital Option Income Fund, Inc. have ceased to be investment companies. (Rel. IC-14580; IC-14581 - June 17)

NORTH AMERICAN SECURITY LIFE INSURANCE COMPANY

An order has been issued exempting North American Security Life Insurance Company, NASL Variable Account (the Account) and NASL Financial Services, Inc. from the provisions of Sections 26(a) and 27(c)(2) of the Investment Company Act, permitting the deduction of certain mortality and expense risk charges from the Account in the sale of certain flexible premium deferred variable annuity contracts. (Rel. IC-14582 - June 17)

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## SELF-REGULATORY ORGANIZATIONS

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NOTICE OF PROPOSED RULE CHANGE

The Options Clearing Corporation filed a proposed rule change (SR-OCC-85-7) to establish an OCC pilot program permitting OCC Clearing Members to deposit escrow receipts in lieu of OCC margin for short stock index call option positions. Publication of the proposal is expected to be made in the Federal Register during the week of June 17. (Rel. 34-22152)

APPROVAL OF PROPOSED RULE CHANGE

The New York, Boston, Philadelphia, American, Pacific, Midwest and Cincinnati Stock Exchanges have filed proposed rule changes under Rule 19b-4 and in connection with an amendment to the Intermarket Trading System Plan (SR-NYSE-85-24; SR-BSE-85-5; SR-Phlx-85-19; SR-Amex-85-20; SR-PSE-85-17; SR-MSE-85-2; and SR-CSE-85-3) to amend their rules to clarify procedures regarding locked markets. (Rel. 34-22153)

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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-6 HUTTON INVESTMENT TRUST SHORT INTER TERM US TREASURY SER 3, ONE BATTERY PARK PLZ, C/D E F HUTTON & CO INC, NEW YORK, NY 10004 - INDEFINITE SHARES. (FILE 2-98290 - JUN. 07) (BR. 18 - NEW ISSUE)
- N-1A INDUSTRIAL SERIES TRUST, 1665 PALM BEACH LAKES BLVD, STE 604, WEST PALM BEACH, FL 33401 (305) 471-2929 - INDEFINITE SHARES. (FILE 2-98292 - JUN. 07) (BR. 17 - NEW ISSUE)
- S-8 GROLIER INC, SHERMAN TURNPIKE, DANBURY, CT 06816 (203) 797-3500 - 600,000 (\$2,808,750) COMMON STOCK. (FILE 2-98293 - JUN. 10) (BR. 11)
- S-1 SEAMAN FURNITURE CO INC, 393 OLD COUNTRY RD, CARLE PLACE, NY 11514 (516) 333-8365 - 1,714,000 (\$32,566,000) COMMON STOCK. 586,000 (\$11,134,000) COMMON STOCK. (FILE 2-98294 - JUN. 10) (BR. 1 - NEW ISSUE)

- S-3 DOME MINES LTD, 1 FIRST CANADIAN PL STE 2700, P O BOX 270,  
TORONTO ONTARIO CANADA M5X 1H1, A6 0000 (416) 364-3453 - 15,000,000 (\$173,750,000)  
FOREIGN COMMON STOCK. 5,000,000 (\$1,250,000) FOREIGN COMMON STOCK. (FILE 2-98296 -  
JUN. 10) (BR. 1)
- S-6 SEARS TAX EXEMPT INVESTMENT TRUST LONG TER MUN PORT SER 45, 130 LIBERTY ST,  
C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 - 22,000 (\$22,440,000)  
UNIT INVESTMENT TRUST. (FILE 2-98300 - JUN. 10) (BR. 16 - NEW ISSUE)
- S-6 SEARS TAX EXEMPT INVESTMENT TRUST LONG TER MUN PORT SER 46, 130 LIBERTY ST,  
C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 - 22,000 (\$22,440,000)  
UNIT INVESTMENT TRUST. (FILE 2-98301 - JUN. 10) (BR. 16 - NEW ISSUE)
- S-3 MANUFACTURERS HANOVER CORP, 270 PARK AVE, NEW YORK, NY 10017 (212) 286-6000 - 625  
(\$312,500,000) PREFERRED STOCK. (FILE 2-98302 - JUN. 10) (BR. 1)
- S-8 RYAN HGMES INC, 100 RYAN CT, PITTSBURGH, PA 15205 (412) 276-8000 - 700,000  
(\$17,150,000) COMMON STOCK. (FILE 2-98304 - JUN. 10) (BR. 9)
- S-8 COMMONWEALTH TELEPHONE ENTERPRISES INC, 46 PUBLIC SQ, P O BOX 3000, WILKES BARRE, PA  
18703 (717) 825-1100 - 200,000 (\$6,100,000) COMMON STOCK. (FILE 2-98305 - JUN. 10)  
(BR. 7)
- S-8 COMMONWEALTH TELEPHONE ENTERPRISES INC, 46 PUBLIC SQ, P O BOX 3000, WILKES BARRE, PA  
18703 (717) 825-1100 - 1,624,125 (\$1,624,125) OTHER SECURITIES INCLUDING VOTING TRUST.  
53,250 COMMON STOCK. (FILE 2-98306 - JUN. 10) (BR. 7)
- S-8 TUCSON ELECTRIC POWER CO, 220 W 6TH ST, TUCSON, AZ 85702 (602) 622-6661 - 200,000  
(\$8,054,000) COMMON STOCK. (FILE 2-98307 - JUN. 10) (BR. 8)
- S-3 FIRST JERSEY NATIONAL CORP, 2 MONTGOMERY ST, JERSEY CITY, NJ 07302 (201) 547-7000 -  
1,150,000 (\$38,387,000) COMMON STOCK. (FILE 2-98308 - JUN. 11) (BR. 2)
- S-8 BURROUGHS CORP/DE, BURROUGHS PL, DETROIT, MI 48232 (313) 972-7000 - 300,000  
(\$15,602,812) COMMON STOCK. (FILE 2-98317 - JUN. 07) (BR. 10 - NEW ISSUE)
- S-18 ARIZONA APPETITOS STORES INC, 629 W PIERSON, PHOENIX, AZ 85013 (602) 265-9283 -  
2,000,000 (\$3,000,000) COMMON STOCK. 2,000,000 (\$5,000,000) COMMON STOCK. 200,000  
(\$100) WARRANTS, OPTIONS OR RIGHTS. 200,000 (\$360,000) COMMON STOCK. (FILE  
2-98152-LA - JUN. 03) (BR. 12 - NEW ISSUE)
- S-3 INCO LTD, 1 FIRST CANADIAN PL, TORONTO ONTARIO M5X 1C4, A6 (416) 361-7511 -  
1,000,000 (\$14,000,000) COMMON STOCK. (FILE 2-98224 - JUN. 06) (BR. 1)
- S-6 MUNICIPAL INVESTMENT TRUST FUND TWENTY THIRD CALIF INS SERIE,  
ONE LIBERTY PLZ 165 BROADWAY, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY  
10080 - INDEFINITE SHARES. (FILE 2-98309 - JUN. 11) (BR. 17 - NEW ISSUE)
- S-6 GOVERNMENT SECURITIES INCOME FUND GNMA SERIES X, ONE LIBERTY PLAZA 165 BROADWAY,  
C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES.  
(FILE 2-98310 - JUN. 11) (BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND SIXTIETH INTERMEDIATE TER SE,  
ONE LIBERTY PLZ 165 BROADWAY, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY  
10080 - INDEFINITE SHARES. (FILE 2-98311 - JUN. 11) (BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND MULTISTATE SERIES 1J, ONE LIBERTY PLZ 165 BROADWAY,  
C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES.  
(FILE 2-98312 - JUN. 11) (BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND FORTY FOURTH INSURED SERIES,  
ONE LIBERTY PLZ 165 BROADWAY, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY  
10080 - INDEFINITE SHARES. (FILE 2-98313 - JUN. 11) (BR. 17 - NEW ISSUE)
- S-11 MERIDITH REALTY EQUITIES INC, 99 PARK AVE, STE 1600, NEW YORK, NY 10016 - 3,737,500  
(\$74,750,000) COMMON STOCK. 325,000 WARRANTS, OPTIONS OR RIGHTS. 162,500  
(\$3,900,000) COMMON STOCK. 162,500 (\$3,575,000) COMMON STOCK. (FILE 2-98315 -  
JUN. 11) (BR. 5 - NEW ISSUE)
- S-2 DEPOSIT GUARANTY CORP, 210 E CAPITOL ST, P O BOX 730, JACKSON, MS 39205  
(601) 354-8497 - 23,000,000 (\$23,000,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE  
2-98316 - JUN. 11) (BR. 1)
- S-8 DESOTO INC, 1700 S MOUNT PROSPECT RD, BOX 5030, DES PLAINES, IL 60017 (312) 391-9000  
- 250,000 (\$8,500,000) COMMON STOCK. (FILE 2-98318 - JUN. 11) (BR. 2)

- S-8 CARTER HAWLEY HALE STORES INC/DE, 550 S FLOWER ST, LOS ANGELES, CA 90071 - 1,250,000 (\$35,468,750) COMMON STOCK. (FILE 2-98321 - JUN. 11) (BR. 1 - NEW ISSUE)
- S-3 MOBILE COMMUNICATIONS CORP OF AMERICA/DE, 1500 CAPITAL TWRS, JACKSON, MS 39201 (601) 969-1200 - 33,196 (\$336,109.50) COMMON STOCK. (FILE 2-98322 - JUN. 11) (BR. 7)
- S-1 MICROENERGY INC, 1427 CENTRE CIR DR R, DOWNERS GROVE, IL 60515 (312) 620-8101 - 45,000,000 (\$1,500,000) COMMON STOCK. 15,000,000 (\$150,000) COMMON STOCK. 1,500,000 (\$150) WARRANTS, OPTIONS OR RIGHTS. 1,500,000 (\$198,000) COMMON STOCK. (FILE 2-98323 - JUN. 11) (BR. 3)
- S-8 INTERPUBLIC GROUP OF COMPANIES INC, 1271 AVE OF THE AMERICAS, NEW YORK, NY 10020 (212) 399-8000 - 150,000 (\$6,412,500) COMMON STOCK. (FILE 2-98324 - JUN. 11) (BR. 5)
- S-3 HORIZON BANCORP /NJ/, 334 MADISON AVE, MORRISTOWN, NJ 07960 (201) 539-7700 - 200,000 (\$5,625,000) COMMON STOCK. (FILE 2-98325 - JUN. 11) (BR. 1)
- N-1A NEW ENGLAND LIFE GOVERNMENT SECURITIES TRUST, 501 BOYLSTON ST, BOSTON, MA 02117 (617) 267-6600 - INDEFINITE SHARES. (FILE 2-98326 - JUN. 11) (BR. 20 - NEW ISSUE)
- S-8 HADCO CORP, 10 MANOR PHWY, SALEM, NH 03079 (603) 898-8000 - 350,000 (\$1,706,250) COMMON STOCK. (FILE 2-98327 - JUN. 11) (BR. 4)
- S-8 HADCO CORP, 10 MANOR PHWY, SALEM, NH 03079 (603) 898-8000 - 345,000 (\$1,681,875) COMMON STOCK. (FILE 2-98328 - JUN. 11) (BR. 4)
- S-8 UNIVAR CORP, 1600 NORTON BLDG, SEATTLE, WA 98104 (206) 447-5911 - 14,888 (\$243,791) COMMON STOCK. (FILE 2-98329 - JUN. 11) (BR. 7)
- S-8 FALCONBRIDGE LTD, COMMERCE W CT, P O BOX 40, TORONTO ONTARIO CANADA M5L 1B4, AO (416) 863-7000 - 2,399,750 (\$35,828,267) COMMON STOCK. (FILE 2-98331 - JUN. 11) (BR. 1)
- S-6 TRUST SOUTHWEST TAX EXEMPT INCOME TRUST SERIES 24, 4100 REPUBLICBANK CNTR, PO BOX 3226, HOUSTON, TX 77253 - 500 (\$510,000) UNIT INVESTMENT TRUST. (FILE 2-98334 - JUN. 11) (BR. 16 - NEW ISSUE)
- S-3 PANHANDLE EASTERN CORP, 3000 BISSONNET ST, P O BOX 1642, HOUSTON, TX 77251 (713) 664-3401 - 2,000,000 (\$76,000,000) COMMON STOCK. (FILE 2-98337 - JUN. 12) (BR. 8)
- S-3 CHESAPEAKE & POTOMAC TELEPHONE CO OF MARYLAND, 1 E PRATT ST, BALTIMORE, MD 21202 (301) 539-9900 - 125,000,000 (\$125,000,000) STRAIGHT BONDS. (FILE 2-98341 - JUN. 11) (BR. 7)
- S-3 GENERAL MOTORS ACCEPTANCE CORP, 3044 W GRAND BLVD ROOM C 269, DETROIT, MI 48202 (313) 556-5000 - 2,000,000,000 (\$2,000,000,000) STRAIGHT BONDS. (FILE 2-98353 - JUN. 12) (BR. 13)

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## RECENT 8K FILINGS

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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 Room (when ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

COMPANY	ITEMS NO.	DATE
AMERICAN MEDICAL ELECTRONICS INC	5	06/03/85
BANKVERMONT CORP	2,7	05/31/85
BSD MEDICAL CORP	NO ITEMS	06/13/85