

# sec news digest

Issue 88-233

December 6, 1988

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U.S. SECURITIES AND  
EXCHANGE COMMISSION

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## ADMINISTRATIVE PROCEEDINGS

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### THOMAS C. SHIU BARRED

The Commission accepted an Offer of Settlement submitted by Thomas C. Shiu in response to the Commission's July 29, 1988 institution of public administrative proceedings against him under Sections 203(e) and 203(f) of the Investment Advisers Act of 1940.

Shiu, without admitting or denying the allegations of the Commission's Order Instituting Proceedings, consented to the Order finding that he was enjoined on November 3, 1987 in the U.S. District Court for the Northern District of Illinois from future violations of the registration and antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934, revoking his registration as an investment adviser, and barring him from association with any broker, dealer, investment adviser, investment company, or municipal securities dealer.

The Order Instituting Proceedings and the Complaint underlying the above injunctive action alleged that from 1984 to 1987, Shiu raised over \$3.9 million from over 100 investors in the fraudulent offer and sale of unregistered securities in the form of an investment pool in Shiu's company, T.M. Hesh Financial Group. (Rel. IA-1140)

### PROCEEDING INSTITUTED AGAINST WILLIAM GRANT

The Commission instituted an administrative proceeding under Section 15(c)(4) of the Securities Exchange Act of 1934 against William Grant, a general partner of Amster & Co. (formerly known as Lafer, Amster & Co.) and a former chairman of MacKay Shields Financial Corp. The proceeding was instituted to determine whether Grant failed to comply with Section 13(d) of the Exchange Act and Rules 13d-1 and 13d-2 of the Commission's Rules by, among other things, not disclosing the full extent of his beneficial ownership of the common stock of Graphic Scanning Corp. (including shares held in MacKay portfolios over which he had discretion) in a joint Schedule 13D and related Amendments filed with the Commission.

Simultaneously, Grant agreed to settle the proceeding by consenting to the Opinion and Order, under Rule 15(c)(4), without admitting or denying its contents, finding that he failed to comply with Section 13(d) and Rules 13d-1 and 13d-2 and ordering that he comply with these provisions. (Rel. 34-26339)

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## CIVIL PROCEEDINGS

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### CIVIL INJUNCTIVE ACTION FILED AGAINST AMSTER & CO., OTHERS

The New York Regional Office commenced a civil injunctive action on December 5 against Amster & Co., formerly known as Lafer, Amster & Co. (LACO), Arnold Marvin Amster, Barry Stuart Lafer, and Joel Richard Packer. The Complaint charges that defendants made false, inaccurate and untimely disclosures in filings concerning their beneficial ownership of Graphic Scanning Corp. securities. The Complaint also charges all defendants except Packer with securities fraud.

Graphic was the object of a proxy fight successfully waged by defendants and others in 1986. The Complaint alleges that defendants illegally delayed disclosing that they were considering and planning a proxy contest for control of Graphic and were soliciting the support of third parties and, subsequently, that they had decided to go forward. In addition, the Complaint alleges that the defendants' disclosures on those subjects mischaracterized defendants' purpose and contained false and misleading statements concerning, among other things, the reason for the changes of purpose and the dates on which they occurred.

In addition to injunctive relief, the Complaint seeks disgorgement of at least \$167,500 from LACO and \$17,500 each from Amster and Lafer. (SEC v. Amster & Co., et al., 88 Civ. 8587, CSH, USDC SDNY). (LR-11928)

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## CRIMINAL PROCEEDINGS

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### WILLIAM HAROLD ANTHONY SENTENCED

The U.S. Attorney for the Northern District of Georgia and the Atlanta Regional Office announced that on November 18 William Harold Anthony of Roswell, Georgia was sentenced to 15 years imprisonment and restitution of \$3 million in connection with securities and mail fraud charges. Judge Richard C. Freeman also imposed five years probation to follow Anthony's prison sentence, during which time Anthony is prohibited from engaging in the sale and promotion of securities, commodities, or undeveloped investment opportunities. In addition, Anthony was ordered to establish and pay his back taxes.

On September 1 Anthony pled guilty to a four-count information which consisted of two counts of securities fraud and two counts of mail fraud. The information charged that from about February 1985 to about August 1987, Anthony, operating through 22 companies known as the Gold Key Group and Gold Key Associates, one of which was Investment Management Associates, a registered investment adviser, defrauded 320 investors of \$4,600,000 through the sale of investment contracts and limited partnership interests.

[The case resulted from an ongoing joint investigation by the Commission, the FBI, the Georgia Securities Commission, and the Northern District of Georgia U.S. Attorney's office.] (U.S. v. William Harold Anthony, et al., CR-88-376A, USDC NDGA). (LR-11925)

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## INVESTMENT COMPANY ACT RELEASES

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### MIDWEST INCOME TRUST

An order has been issued to permit Midwest Income Trust, Midwest Group Tax Free Trust, Financial Independence Trust, and all future investment companies which are advised by Midwest Advisory Services, Inc. or Financial Independence Trust Advisers, Inc. (Funds) to file financial statements signed or certified by an independent accountant selected at a board of trustee meeting held within 90 days after the beginning of each Fund's fiscal year. (Rel. IC-16672 - Dec. 2)

### PRINCIPAL EQUITY FUND ACCUMULATION PLAN; PRINCIPAL EQUITY FUND, INC.

Notices have been issued giving interested persons until December 27 to request a hearing on an application filed by Principal Equity Fund Accumulation Plan; and Principal Equity Fund, Inc. for an order declaring that they have ceased to be investment companies. (Rel. IC-16673; IC-16674 - Dec. 2)

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## HOLDING COMPANY ACT RELEASES

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### AEP GENERATING COMPANY; MASSACHUSETTS ELECTRIC COMPANY; LOUISIANA POWER & LIGHT COMPANY

Notices have been issued giving interested persons until December 27 to request a hearing on a proposal by the following companies filed under Release 35-24765, dated December 1: AEP GENERATING COMPANY - and its parent, American Electric Power Company, whereby AEP Generating proposes to issue and sell up to \$650 million of unsecured promissory notes through December 31, 1992 and the two companies propose to execute, deliver, and perform a new Capital Funds Agreement to replace the existing agreement; MASSACHUSETTS ELECTRIC COMPANY - and its parent, New England Electric System (NEES), whereby NEES will make capital contributions to Massachusetts Electric in an aggregate amount not to exceed \$30 million, through December 31, 1990; and LOUISIANA POWER & LIGHT COMPANY - subsidiary of Middle South Utilities, Inc., to finance the purchase of its nuclear fuel in the approximate amount of up to \$125 million.

## 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 SECURITY BANCORP INC /GA/, GEORGIA HWY 5, BOX 351, CANTON, GA 30114 (404) 479-1901  
- 600,000 (\$6,000,000) COMMON STOCK. (FILE 33-25552-A - NOV. 22) (BR. 1 - NEW ISSUE)

## 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.

NAME AND CLASS OF STOCK/DWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
BEAR STEARNS COS INC MATTONE VINCENT J	COM 13D	10/ 6/88	990 1.2	07390210 23.9	UPDATE
BEAR STEARNS COS INC MICHAELCHECK WILLIAM J	COM 13D	10/ 6/88	1,045 1.3	07390210 24.0	UPDATE
BRYAN STEAM CORP BRYAN NAOMI G	COM 13D	3/12/85	62 32.4	11754710 0.0	NEW
CANYON RESOURCES CORP ADDWEST GOLD	COM 13D	11/14/88	3,100 46.6	13886910 43.6	UPDATE
CHEMCLEAR INC CLEAN HARBORS INC	COM 13D	11/22/88	3,184 76.1	16358210 65.9	UPDATE
CHEROKEE GROUP MARGOLIS ROBERT ET AL	COM 13D	11/23/88	592 4.9	16444310 0.0	NEW
DIETWORKS OF AMERICA DARR JAMES J	COM 13D	11/22/88	1,600 26.2	25373910 0.0	NEW
DOWNNEY DESIGNS INTL INC DOWNNEY DAVID G ET AL	COM 13D	7/14/88	2,471 64.4	26101510 31.2	UPDATE
FLEXWATT CORP CARAVAN TRAILER RENTAL	COM 13D	10/21/88	500 5.6	33938410 0.0	NEW
FUTURA WEST INC SCOTT WILLIAM C	COM 13D	11/ 9/88	0 0.0	36114010 N/A	UPDATE

ACQUISITIONS REPORTS CONT.

GENCORP INC GAMCO INVESTORS INC ET AL	COM	13D	11/21/88	1,637 5.2	36868210 4.2	UPDATE
HANKS SEAFOOD INC MYERS ARTHUR R ET AL	COM	13D	11/29/88	1,990 86.9	41047610 86.0	UPDATE
INTERCONTINENTAL LIFE CORP LENEHAN WILLIAM H III	COM	13D	11/25/88	82 5.5	45859310 0.0	NEW
MAGMA COPPER CO NEW WARBURG PINCUS & CO ET AL	CL B	13D	11/30/88	13,057 34.3	55917720 0.0	NEW
MEDICAL TECHNOLOGY PROD HAWKINS DAVID	COM	13D	11/22/88	153 10.1	58499130 9.8	UPDATE
PLAZA COMMUNICATIONS INC CROSS THEODORE L	COM	13D	11/16/88	956 27.4	72814910 11.0	UPDATE
SPELLING AARON PRODTNS INC SPELLING AARON	CL A	13D	11/22/88	10,450 56.9	84780910 56.9	UPDATE
VOLUNTEER BANCSHARES INC TEN W & B INVESTORS CO ET AL	COM	13D	11/30/88	176 8.3	92874610 7.7	UPDATE