

sec news digest

Issue 86-108

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ADMINISTRATIVE PROCEEDINGS

PROCEEDINGS INSTITUTED AGAINST MARK D. SEIGEL AND JOHN J. GRAFFEO

The Commission instituted and settled public administrative proceedings against Mark D. Seigel and John J. Graffeo based on injunctions entered against them in SEC v. Coastal Securities Corp., No. 85-2996 EMT (JRx), CDCA on April 30. Seigel and Graffeo were principals of Coastal, which was forced into liquidation by the Securities Investor Protection Corporation after the National Association of Securities Dealers discovered a severe net capital deficiency. The Commission: (1) permanently barred Seigel and Graffeo from associating with any broker, dealer, municipal securities dealer, investment company or investment adviser in a proprietary, supervisory or financial principal capacity; (2) barred Graffeo from any association with such entities in any capacity except that after three years he may apply to associate only in a non-proprietary, non-supervisory, or non-financial principal capacity; and (3) suspended Seigel from any association for one year. (Rel. 34-23230)

DOUGLAS J. EBBITT AND PAUL A. STEETS CITED

The Commission issued orders making findings and imposing remedial sanctions against Douglas J. Ebbitt and Paul A. Steets, two respondents in a previously-instituted administrative proceeding, In the Matter of Donald T. Sheldon, et al. The orders were entered following offers of settlement by Ebbitt and Steets. Ebbitt, formerly a trader at Donald Sheldon Government Securities, Inc., consented, without admitting or denying, to findings that he wilfully violated or aided and abetted violations of the antifraud provisions of the securities laws in connection with transactions in government securities. Steets, formerly a registered representative with Donald Sheldon & Co. Inc., consented, without admitting or denying, to findings that he wilfully violated or aided and abetted violations of the antifraud and suitability provisions of the securities laws and rules of the Municipal Securities Rulemaking Board in connection with transactions in municipal securities. The orders suspend Ebbitt and Steets from association in any capacity with any broker, dealer, investment company, investment adviser or municipal securities dealer for 45 days. (Rel. 34-23270-Ebbitt; 34-23271-Steets)

CIVIL PROCEEDINGS

INJUNCTION SOUGHT AGAINST TOMAHAWK INDUSTRIES, INC. AND ROBERT S. PITTS

The Atlanta Regional Office filed a civil action on May 20 in the U.S. District Court for the Western District of Tennessee seeking to enjoin Tomahawk Industries, Inc. and Robert S. Pitts, of Memphis, Tennessee, from violating the registration, antifraud and reporting provisions of the securities laws. The complaint alleges that beginning in 1983 and continuing to at least October 1985, Tomahawk and Pitts sold unregistered Tomahawk common stock to over 150 persons in 14 states, thereby realizing in excess of \$1.4 million. The complaint further alleges that Tomahawk and Pitts misrepresented or omitted material facts concerning, among other things, the acquisition of subsidiaries by Tomahawk, the reduction of Tomahawk's outstanding debt, the financial condition of Tomahawk and the effect on Tomahawk's cash flow of a contract to supply natural gas. In addition, the complaint alleges that Tomahawk, aided and abetted by Pitts, failed to file or timely file annual, quarterly and current reports and that Pitts failed to file reports respecting his acquisition and disposition of Tomahawk stock. (SEC v. Tomahawk Industries, Inc., USDC WDTN, Civil Action No. 86-2393-GA). (LR-11114)

INVESTMENT COMPANY ACT RELEASES

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

A notice has been issued giving interested persons until June 23 to request a hearing on an application of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Shearson Lehman Brothers Inc., Prudential-Bache Securities Inc., Dean Witter Reynolds Inc. and Paine Webber Incorporated (Sponsors) and certain unit investment trusts sponsored by them (Funds), for an order exempting them from the provisions of Sections 2(a)(32), 2(a)(35), 22(c), and 26(a)(2) of the Investment Company Act and Rule 22c-1 to permit assessment of sales charges for units of the Funds to be made on a deferred basis, including imposition of a contingent deferred sales charge (subject to waiver). The order also approves offers of exchange. (Rel. IC-15120 - May 29)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY

An order has been issued authorizing Consolidated Natural Gas Company, a registered holding company, to acquire the common stock of a nonaffiliated insurance company for a total investment not exceeding \$2 million. (Rel. 35-24112 - May 28)

THE NARRAGANSETT ELECTRIC COMPANY

An order has been issued authorizing The Narragansett Electric Company, subsidiary of New England Electric System, to acquire any or all of its outstanding first mortgage bonds, Series J, N, O and P, which aggregate \$73.7 million, and to issue and sell up to \$75 million of new first mortgage bonds. (Rel. 35-24113 - May 29)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change filed by: The National Association of Securities Dealers, Inc. (SR-NASD-86-10) to amend Article III, Section 1 of its Rules of Fair Practice to change the guidelines for fees that NASD members may charge issuers for forwarding proxy and other materials to the issuer's shareholders. (Rel. 34-23283); and The Pacific Clearing Corporation (SR-PCC-85-8) to amend its Rule IX, Section 2 to permit non-members to pay amounts less than \$1,000 due PCC in connection with its SCD Service with non-certified or non-cashiers' checks. PCC will continue to require non-members to pay PCC with certified and cashiers' checks for amounts equal to or exceeding \$1,000. The proposed rule change also clarifies PCC's authority to require, in its discretion, certified checks for any amount due PCC from either members or non-members. (Rel. 34-23284)

NOTICE OF PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board filed a proposed rule change under Rule 19b-4 (SR-MSRB-86-9) to require inter-dealer and customer confirmations to designate whether securities are subject to federal taxation. Publication of the proposal is expected to be made in the Federal Register during the week of June 9. (Rel. 34-23285)

TRUST INDENTURE ACT RELEASES

ACF INDUSTRIES, INC.

An order has been issued under the Trust Indenture Act of 1939 on an application by ACF Industries, Inc. that the trusteeship of Fleet National Bank is not so likely to involve a material conflict of interest as to make it necessary to disqualify Fleet from acting as trustee under an existing indenture qualified under the Act and a new indenture which will not be immediately qualified under the Act. (Rel. TI-2011)

- S-18 WESTSTAR COMMUNICATIONS III, 8008 SACRAMENTO ST, FAIR OAKS, CA 95628 (916) 967-4723 - 640 (\$3,200,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-5759-LA - MAY. 28) (BR. 7 - NEW ISSUE)
- S-18 NUTEK CORP /DE/, 722 LA PRENDA RD, LOS ALTOS, CA 94022 (415) 941-6112 - 2,200,000 (\$4,400,000) COMMON STOCK. 50,000 (\$50) WARRANTS, OPTIONS OR RIGHTS. 50,000 (\$110,000) COMMON STOCK. (FILE 33-5760-LA - MAY. 15) (BR. 3 - NEW ISSUE)
- S-18 MAGNOLIA FOODS INC, 9636 NORTH MAY AVE STE 275, OKLAHOMA CITY, OK 73120 (405) 755-1559 - 552,000 (\$2,760,000) COMMON STOCK. 552,000 (\$1,656,000) COMMON STOCK. 48,000 (\$48) WARRANTS, OPTIONS OR RIGHTS. 96,000 (\$288,000) COMMON STOCK. 48,000 (\$144,000) COMMON STOCK. UNDERWRITER: HOUGHIN ADAMSON & CO INC. (FILE 33-5930-FW - MAY. 22) (BR. 12 - NEW ISSUE)
- N-2 MURDOCK CAPITAL CORP, 1100 10TH ST, GREELEY, CO 80632 - 3,000,000 (\$3,000,000) COMMON STOCK. 300,000 WARRANTS, OPTIONS OR RIGHTS. 300,000 (\$360,000) COMMON STOCK. UNDERWRITER: MARICH RR INC. (FILE 33-5988 - MAY. 28) (BR. 18 - NEW ISSUE)
- S-2 BANK OF SAN FRANCISCO CO HOLDING CO, 351 CALIFORNIA ST, SAN FRANCISCO, CA 94104 (415) 981-2111 - 200,000 (\$2,200,000) COMMON STOCK. 575,000 (\$6,325,000) COMMON STOCK. (FILE 33-5995 - MAY. 28) (BR. 1)
- S-3 CENTEL CORP, OHARE PLZ 5725 N E RIVER RD, CHICAGO, NE 60631 (312) 399-2500 - 80,000,000 (\$80,000,000) STRAIGHT BONDS. (FILE 33-5996 - MAY. 28) (BR. 7)
- S-3 CITICORP, 399 PARK AVE, NEW YORK, NY 10043 (212) 559-1000 - 5,000,000 (\$309,375,000) COMMON STOCK. (FILE 33-5997 - MAY. 28) (BR. 1)
- F-2 REUTERS HOLDINGS PLC, 85 FLEET ST, LONDON EC4P 4AJ ENGLAND, XO - 12,190,818 (\$81,780,070) FOREIGN COMMON STOCK. (FILE 33-5998 - MAY. 28) (BR. 7)
- S-3 TELERATE INC, ONE WORLD TRADE CTR, NEW YORK, NY 10048 (212) 938-5200 - 559,000 (\$1,375,140) COMMON STOCK. (FILE 33-5999 - MAY. 28) (BR. 12)
- S-8 GRAPHIC TECHNOLOGY INC, 14824 W 117TH ST, OLATHE, KS 66062 (913) 829-8000 - 75,000 (\$907,527) COMMON STOCK. (FILE 33-6000 - MAY. 28) (BR. 11)
- N-1A VANGUARD INDEX BOND FUND, 1300 MCCRIS DR, PO BOX 2600, VALLEY FORGE, PA 19482 (215) 648-6000 - INDEFINITE SHARES. (FILE 33-6001 - MAY. 28) (BR. 18 - NEW ISSUE)
- S-8 HOME INTERSTATE BANCORP, 2633 CHERRY AVE, SIGNAL HILL, CA 90806 (213) 426-8166 - 750,000 (\$2,750,000) COMMON STOCK. (FILE 33-6002 - MAY. 28) (BR. 2)
- S-6 MUNICIPAL INVESTMENT TRUST FUND MULTISTATE SERIES 26, ONE LIBERTY PLZ 21ST FL, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC, MERRILL LYNCH PIERCE FENNER & SMITH INC, PAINWEBBER INC, PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN BROTHERS INC. (FILE 33-6003 - MAY. 28) (BR. 17 - NEW ISSUE)
- S-8 ITT CORP, 320 PARK AVE, NEW YORK, NY 10022 (212) 752-6000 - 1,000,000 (\$46,250,000) COMMON STOCK. (FILE 33-6004 - MAY. 28) (BR. 13)
- S-6 NUVEEN TAX EXEMPT UNIT TRUST INSURED SERIES 91, 333 WEST WACKER DR, C/O JOHN NUVEEN & CO INC, CHICAGO, IL 60606 - INDEFINITE SHARES. DEPOSITOR: NUVEEN JOHN & CO INC. (FILE 33-6005 - MAY. 28) (BR. 18)
- S-3 JERSEY CENTRAL POWER & LIGHT CO, MADISON AVE AT PUNCH BOWL RD, MORRISTOWN, NJ 07960 (201) 455-8200 - 100,000,000 (\$100,000,000) MORTGAGE BONDS. (FILE 33-6006 - MAY. 29) (BR. 13)
- S-3 JERSEY CENTRAL POWER & LIGHT CO, MADISON AVE AT PUNCH BOWL RD, MORRISTOWN, NJ 07960 (201) 455-8200 - 10,000,000 (\$102,000,000) PREFERRED STOCK. (FILE 33-6007 - MAY. 29) (BR. 13)
- S-2 PARK ELECTROCHEMICAL CORP, 5 DAKOTA DR, LAKE SUCCESS, NY 11042 (516) 354-4100 - 34,500,000 (\$34,500,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE 33-6029 - MAY. 28) (BR. 3)
- S-1 NFS FINANCIAL CORP, 157 MAIN ST, NASHUA, NH 03061 (603) 880-2011 - 3,066,667 (\$42,320,000) COMMON STOCK. (FILE 33-6030 - MAY. 28) (BR. 1 - NEW ISSUE)
- S-2 EXCHANGE INTERNATIONAL CORP/NEW, 120 S LASALLE ST, CHICAGO, IL 60603 (312) 781-8200 - 1,150,000 (\$28,750,000) COMMON STOCK. (FILE 33-6031 - MAY. 29) (BR. 2)

- S-8 COBE LABORATORIES INC, 1185 OAK ST, LAKEWOOD, CO 80215 (303) 232-6800 - 360,000 (\$7,920,000) COMMON STOCK. (FILE 33-6032 - MAY. 29) (BR. 8)
- S-2 SHOWBOAT INC, 2800 E FREMONT ST, LAS VEGAS, NV 89104 (702) 385-9123 - 1,150,000 (\$23,000,000) COMMON STOCK. (FILE 33-6033 - MAY. 29) (BR. 11)
- S-3 ANCHOR HOOKING CORP, 109 N BROAD ST, LANCASTER, OH 43130 (614) 687-2111 - 70,000,000 (\$70,000,000) STRAIGHT BONDS. (FILE 33-6035 - MAY. 29) (BR. 9)
- S-3 BOISE CASCADE CORP, ONE JEFFERSON SQ, BOISE, ID 83728 (208) 384-6161 - 2,000,000 (\$100,000,000) PREFERRED STOCK. 100,000,000 CONVERTIBLE DEBENTURES AND NOTES. (FILE 33-6036 - MAY. 29) (BR. 8)
- S-3 AMERICAN EXPRESS CO, AMERICAN EXPRESS TWR, WORLD FINANCIAL CTR, NEW YORK, NY 10285 (212) 323-2000 - 500,000,000 (\$500,000,000) STRAIGHT BONDS. (FILE 33-6038 - MAY. 23) (BR. 12)
- S-2 UNION PLANTERS CORP, 67 MADISON AVE, UNION PLANTERS BANK BLDG, MEMPHIS, TN 38103 (901) 523-6000 - 1,150,000 (\$38,237,500) COMMON STOCK. (FILE 33-6039 - MAY. 29) (BR. 1)
- S-8 APPLIED MATERIALS INC, 3050 BOWERS AVE, SANTA CLARA, CA 95051 (408) 727-5555 - 200,000 (\$2,950,000) COMMON STOCK. (FILE 33-6041 - MAY. 29) (BR. 9)
- S-8 APPLIED MATERIALS INC, 3050 BOWERS AVE, SANTA CLARA, CA 95051 (408) 727-5555 - 600,000 (\$8,850,000) COMMON STOCK. (FILE 33-6042 - MAY. 29) (BR. 9)
- S-3 AIRBORNE FREIGHT CORP /DE/, 3101 WESTERN AVE, P O BOX 662, SEATTLE, WA 98111 (206) 285-4600 - 25,000,000 (\$25,000,000) STRAIGHT BONDS. (FILE 33-6043 - MAY. 29) (BR. 4)
- S-8 ADT INC, ONE WORLD TRADE CTR STE 9200, NEW YORK, NY 10048 (212) 558-1100 - 90,000,000 (\$90,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-6044 - MAY. 29) (BR. 5)
- S-1 LYNCH CORP, 369 PASSAIC AVE, FAIRFIELD, NJ 07006 (201) 882-0900 - 23,000,000 (\$23,000,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE 33-6045 - MAY. 29) (BR. 10)

REGISTRATIONS EFFECTIVE

May 12: Bankers First Corporation, 33-4179; Bull & Bear Group, Inc., 2-98534; The Central Bancorporation, Inc., 33-4964; Cetus Corporation, 33-5334; Citizens Fidelity Corporation, 33-4585; Commodore International Limited, 2-96348; FFB Corp., 33-3613; Forum Capital Corporation, 33-3879-LA; General Telephone Company of Ohio, 33-5494; IMS International, Inc., 33-4300; Mapit Corporation, 33-3326-D; MCA Inc., 33-5482; Morgan/Clifton Fund Limited Partnership, 33-2966-LA; Multiple Equity Investments Corp., 33-4212-D; The Vista Organization Partnership, L.P., 33-3743; Wealth Monitors Fund, 33-3149.

May 13: Amana Mutual Funds Trust, 2-96924; American Express Company, 33-5181; Bancorp of Mississippi, Inc., 33-4852; Campbell Red Lake Mines Limited, 33-5130; Cimco, 33-4509; Countrywide Credit Industries, Inc., 33-5222; Countrywide Mortgage Obligations, Inc., 33-3274; Environmental Systems Company, 33-5364; Gantos, Inc., 33-4504; Glenborough Limited, 33-3657; Hercules Incorporated, 33-5499; Home Shopping Network, Inc., 33-4356; Kincaid Furniture Co., Inc., 33-5050; Matrix Corporation, 33-5442; Mid-South Insurance Company, 33-4522; The Music Shop, Inc., 33-3770-C; Patten Corporation, 33-5131; Su-Tech Corporation, 33-3308-NY; TRC Companies, Inc., 33-4896; 20th Century Industries, Inc., 33-4421; United Cities Gas Company, 33-5046; USAmericancs, Inc., 33-5115; Verazzana Ventures, Ltd., 33-3442-LA; Western Digital Corporation, 33-3601.