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U.S. SECURITIES AND  
EXCHANGE COMMISSION

# sec news digest

Issue 90-79

April 24, 1990

## NOTICE OF COMMISSION MEETINGS

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 - FRIDAY, APRIL 27, 1990 - 1:00 p.m.

The subject matter of the April 27th open meeting will be:

The Commission will hear oral argument in connection with its review of an administrative law judge's initial decision with respect to Arthur James Huff. FOR FURTHER INFORMATION, PLEASE CONTACT Herbert Efron at (202) 272-7400.

### CLOSED MEETING - APRIL 27, 1990 - Following Open Meeting

The subject matter of the April 27th closed meeting will be: Post oral argument discussion.

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: Amy Kroll at (202) 272-2200.

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## RULES AND RELATED MATTERS

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### RULE 144A ADOPTED; COMMENTS SOLICITED

The Commission today released Rule 144A on the resale of restricted securities and changes to the methods of determining the holding period of restricted securities under Rules 144 and 145. Additionally, the Commission is soliciting further public comment on the definition of qualified institutional buyer as it applies to banks and savings and loan institutions under the Rule as adopted today. Comments should be submitted in triplicate on or before 45 days after publication in the Federal Register to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Refer to File S7-23-88. All submissions will be available for public inspection at the Commission Public Reference Room. (Rel. 33-6862)

### CLARIFICATION OF NO-ACTION POSITION WITH RESPECT TO "UPTICK" REQUIREMENT

The Commission today published an interpretation by the Division of Market Regulation clarifying the terms of a letter to Merrill Lynch, Pierce, Fenner & Smith, Inc. (dated December 17, 1986) where the Division took a no-action position with respect to application of the "uptick" requirement of Rule 10a-1 under the Securities Exchange Act to certain index arbitrage transactions. The release addresses misperceptions by market participants and the public regarding the scope of relief afforded by the original letter. Among other things, today's release emphasizes that the no-action position: (1) applies only to "unwinding" index arbitrage positions, and does not apply to short sales in connection with the establishment of index arbitrage positions; (2) does not apply to the unwinding of an index arbitrage position that was established offshore unless the holder of the index arbitrage long stock position purchased its securities from a seller that acted in compliance with Rules 10a-1 and 3b-3 or other comparable foreign law; and (3) applies only where, in unwinding an index arbitrage position, action is taken to reverse both sides of the position as nearly simultaneously as practicable. Today's release also clarifies the application of the aggregation requirement of Rule 3b-3 to such transactions. FOR FURTHER INFORMATION, CONTACT Larry Bergmann at (202) 272-2836 or Blair Corkran at (202) 272-2848. (Rel. 34-27938)

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## COMMISSION ANNOUNCEMENTS

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### SEC CHAIRMAN TO HOLD PRESS BRIEFING

SEC Chairman Richard C. Breeden will hold a press briefing today at 2:30 p.m. at the Securities and Exchange Commission in Room 1C30, 450 Fifth Street, N.W., Washington, D.C.

### WEEKLY CALENDAR

#### Wednesday, April 25, 1990

Chairman Richard C., Breeden will testify before the Subcommittee on Telecommunications and Finance of the Energy and Commerce Committee of the House of Representatives on Wednesday, April 25. The subject of the hearing, which is

scheduled to begin at 9:30 a.m. in Room 2322 of the Rayburn House Office Building is H.R. 4497, the Penny Stock Reform Act of 1990.

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## CIVIL PROCEEDINGS

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### MICHAEL MILKEN, LOWELL MILKEN TO BE PERMANENTLY ENJOINED

The Commission today announced that Final Judgments of Permanent Injunction and Other Relief are expected to be entered as to Michael R. Milken and Lowell J. Milken by the U.S. District Court for the Southern District of New York. The Final Judgments, which are to be entered by consent without admitting or denying the allegations, will settle the Commission's civil injunctive action against these two defendants and will be entered simultaneously with Michael Milken's guilty plea to six felony counts. Both Michael and Lowell Milken will be permanently enjoined from all future violations of the federal securities laws which each is alleged to have violated. In its Complaint in that action, the Commission alleged that Michael Milken, Lowell Milken and others devised and carried out a fraudulent scheme including insider trading, stock manipulation, fraud on clients of Drexel Burnham Lambert Incorporated (Drexel), failure to make required disclosures of beneficial ownership of securities, and violations of margin rules as well as other securities law violations.

In connection with the settlement and his guilty pleas, Michael Milken will pay \$600 million -- \$200 million for criminal fines and penalties and \$400 million in civil disgorgement to pay claims of public investors and others.

As part of the settlement, Michael Milken has agreed to cooperate with the Commission in continuing investigations and to testify "in all administrative and judicial proceedings brought by the Commission and in all Commission investigations as the Commission may require." Lowell Milken has undertaken to truthfully, forthrightly and fully disclose all information about which the Commission may inquire and to testify in all investigations, administrative and judicial proceedings at which the Commission requests his testimony.

Effective immediately are those provisions in Michael Milken's Final Judgment requiring that he immediately make available to the Commission security to guarantee the payment of his \$400 million civil disgorgement payment, which payment is to be made after sentencing. The remaining provisions of the Final Judgments will become effective after Michael Milken is sentenced pursuant to his guilty plea entered in Information SS 89 Cr. 0041 (KMW) (S.D.N.Y.).

On the effective date of the Final Judgments, the Commission will institute public administrative proceedings against Michael Milken and Lowell Milken pursuant to Section 15(b)(6) of the Securities Exchange Act. Simultaneous with the institution of these proceedings, they will both submit offers of settlement consenting to findings by the Commission that (1) Michael and Lowell Milken have been permanently enjoined by the U.S. District Court of the Southern District of New York from violating securities laws, and (2) Michael Milken pleaded guilty to six felony counts. Based on these findings, the Commission will order that Michael Milken and Lowell Milken be permanently barred from association with any broker, dealer, investment adviser, investment company, or municipal securities dealer. [SEC v. Michael R. Milken, Lowell J. Milken, et al., 88 Civ 6209 (MP) (SDNY 1988)] (LR-12454)

## COMPLAINT NAMES MORTON S. NEIMAN

The Commission today filed a Complaint in the U. S. District Court for the Southern District of Florida against Morton S. Neiman alleging that Neiman violated Sections 10(b) and 14(e) of the Securities Exchange Act and related Rules 10b-5 and 14e-3 in connection with his trading in the securities of Shopwell, Inc. (Shopwell). Simultaneously with the filing of the action, Morton S. Neiman (Neiman), without admitting or denying the allegations of the Complaint, consented to the entry of a permanent injunction against future violations, and agreed to disgorge his profits of \$6,650, plus interest of \$2,585.43, and to pay a civil penalty of \$13,300, for a total of \$22,535.43.

The Commission alleges that on May 9, 1986, an A&P corporate officer, in connection with his employment duties at A&P, learned that A&P was preparing to acquire Shopwell. On May 14, 1986, the A&P corporate officer disclosed material non-public information to Neiman concerning A&P's proposed acquisition of Shopwell. On May 15, 1986, Neiman, while in possession of this material non-public information, purchased 1,000 shares of Shopwell stock. On June 3, 1986, the Great Atlantic & Pacific Tea Company ("A&P") announced a tender offer for Shopwell at \$31 per share. [SEC v. Morton S. Neiman, USDC SDFla No. 90-0972 Civ. Nesbitt] (LR-12455)

## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

### DELISTINGS GRANTED

Orders have been issued granting the applications of the following exchanges to strike from listing and registration the specified securities: Midwest Stock Exchange - Public Service Company of Indiana, Inc., 4.16% Cumulative Preferred B (\$25 par); and 4.32% Cumulative Preferred C (\$25 par) (Rel. 34-27920); and American Stock Exchange - NCF Financial Corp. Common Stock (1 cent par) (Rel. 34-27925).

## SELF-REGULATORY ORGANIZATIONS

### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

Proposed rule changes filed by the following organizations are immediately effective: National Association of Securities Dealers (SR-NASD-90-15) adopting a new \$50 per month fee for NASD members who use the NASD's Automated Confirmation Transaction Service service desk, to be available to members who do not have NASDAQ equipment and who transact fewer than five trades each day (Rel. 34-27908); and (SR-NASD-90-19) to modify the service charges for the Automated Confirmation Transaction Service (ACT) (Rel. 34-27912); and New York Stock Exchange (SR-NYSE-90-18) to increase the NYSE's fingerprint processing fee (Rel. 34-27913); and (SR-NYSE-90-13) to increase the examination development fee for the Series 7 Examination from \$10 to \$40 (Rel. 34-27914).

### PROPOSED RULE CHANGES

Proposed rule changes have been filed by: Pacific Stock Exchange (SR-PSE-90-12) to allow the PSE to list and trade index warrants based on the Nikkei Stock Average (Rel. 34-27915); and (SR-PSE-90-11) to allow the PSE to list warrants based on major foreign

and domestic market indexes (Rel. 34-27919); and the American Stock Exchange (SR-Amex-90-04) to allow the Amex to list warrants based on the Amex Major Market Index (Rel. 34-27916).

## 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 RS FINANCIAL CORP, 219 FAYETTEVILLE ST MALL, RALEIGH, NC 27601 (919) 833-7511 - 220,000 (\$220,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-34279 - APR. 09) (BR. 2)
- S-8 DIAMOND SHAMROCK INC, 9830 COLONNADE BLVD, SAN ANTONIO, TX 78230 (512) 641-6800 - 1,000,000 (\$23,937,500) COMMON STOCK. (FILE 33-34306 - APR. 13) (BR. 3)
- S-3 MOTEL 6 LP, 14651 DALLAS PKWY STE 500, DALLAS, TX 75240 (214) 386-6161 - 410,400 (\$5,104,350) COMMON STOCK. (FILE 33-34307 - APR. 13) (BR. 12)
- S-8 CYPRESS SEMICONDUCTOR CORP /DE/, 3901 N FIRST ST, SAN JOSE, CA 95134 (408) 943-2600 - 4,300,000 (\$49,987,500) COMMON STOCK. (FILE 33-34310 - APR. 13) (BR. 3)
- S-3 SUN ELECTRIC CORP, ONE SUN PKWY, CRYSTAL LAKE, IL 60014 (815) 459-7700 - 1,209,769 (\$18,751,419) COMMON STOCK. (FILE 33-34347 - APR. 13) (BR. 8)
- S-1 RADICE CORP, 2101 CORPORATE BLVD NW, BOCA RATON, FL 33431 (407) 241-5777 - 460,000 (\$1,150,000) COMMON STOCK. (FILE 33-34351 - APR. 13) (BR. 5)
- S-1 TEREX TRAILER CORP, 10900 HARPER AVE, DETROIT, MI 48213 (313) 267-1000 - 125,378,000 (\$125,378,000) STRAIGHT BONDS. (FILE 33-34354 - APR. 13) (BR. 4 - NEW ISSUE)
- S-1 ARCADIAN CORP/DE/, 6750 POPLAR AVE STE 600, MEMPHIS, TN 38183 (901) 758-5200 - 312,977 (\$3,129,770) COMMON STOCK. (FILE 33-34357 - APR. 13) (BR. 2 - NEW ISSUE)
- S-8 MOMENTUM DISTRIBUTION INC, KOLL CENTER BELLEVUE, 500-108TH AVE NE STE 1500, BELLEVUE, WA 98004 (206) 646-6550 - 100,000 (\$1,775,000) COMMON STOCK. (FILE 33-34393 - APR. 17) (BR. 13)
- S-6 NUVEEN TAX EXEMPT UNIT TRUST SERIES 553, 333 WEST WACKER DR, C/O JOHN NUVEEN & CO INC, CHICAGO, IL 60606 - INDEFINITE SHARES. (FILE 33-34394 - APR. 17) (BR. 22 - NEW ISSUE)

### REGISTRATIONS EFFECTIVE

Mar. 23: Lion Capital Corp., 33-32923-FW

Mar. 30: American Information Technologies Corp., 33-34006; Baroid Corp., 33-33599; Beneficial Corp., 33-33909; T. Rowe Price Index Trust, Inc., 33-32859; Solv-Ex Corp., 33-32958; Toro Co., 33-33757; United Telecommunications, Inc., 33-33924; and Wolverine Exploration Co., 33-33174.

Mar. 29: FirstBank of Illinois Co., 33-33419; Gendex Corp., 33-33580; Peoples Banking Corp., 33-32963; Rally's, Inc., 33-33904; and Syntellect Inc., 33-33473.

Apr. 2: International Airline, 33-33020-A.

Apr. 9: ICN Biomedicals, Inc., 33-34016.

REGISTRATIONS EFFECTIVE CONT.

Apr. 10: Advanced Logic Research, Inc., 33-33707; Elmer Co. Ltd. Partnership, 33-22511-NY; 50th State Bancorporation, 33-32722; Fulton Ventures, Inc., 33-33263-NY; Good Guys, Inc., 33-33863; Lord Abbett Equity Fund, 33-33225; Mapco, Inc., 33-34044; Pierce International Discovery Inc., 33-30743; RMI Titanium Co., 33-33837; Ray Ellison Mortgage Acceptance Corp., 33-24149; Savannah Bancorp, Inc., 33-334005; Selas Corp. of America, 33-33712; and Xscribe Corp., 33-32689.

Apr. 11: ConAgra, Inc., 33-32982; Dean Witter Cornerstone Fund I-IV, 2-88587; Diagonostic Products Corp., 33-24972; Electricite de France, Service national, 33-27228; Enex 88-89 Income and Retirement Fund, 33-18776; General Signal Corp., 33-33929; Hook-SuperRx, Inc., 33-21994; Inland Mortgage investors Fund III, L.P., 33-24994; LG&E Energy Corp., 33-33687; Mizlou Communications Co., Inc., 33-32583; Mortgage Bancfund of America II, L.P., 33-28491; National Total Income Fund, 33-33766; PLM Equipment Growth Fund V, 33-32258; Presidential Fund I Limited Partnership, 33-20921; San Diego Gas & Electric Co., 33-34017; Sante Fe Energy Resources, Inc., 33-32831; Tonka Corp., 33-21203; Van Doren Rubber Co., Inc., 33-26210; and Vanguard International Equity Index Fund, Inc., 33-32548.

Apr. 12: Banner Life Variable Account, 33-19236; Columbia Hospital Corp., 33-33541; European Investment Bank, 33-34151; Goal Systems International Inc., 33-33616; Independent Telecommunications Network, Inc., 33-32761-S; Laurel Bancorp, Inc., 33-33301; Matlock Systems, Inc., 33-33334; NN Endeavor Variable Annuity Account, 33-33085; Pall Corp., 33-34077; Primero Entertainment Group Inc., 33-32922-LA; Ryder System, Inc., 33-33600; Sanifill, Inc., 33-33662; and Texfi Industries, Inc., 33-32485.

Apr. 13: ATC Environmental, Inc., 33-33581; FCFT, Inc., 33-32894; Imperial Chemical Industries PLC, 33-34356; Norstan, Inc., 33-34249; Ponder Industries, Inc., 33-33190; Shoreline Financial Corp., 33-34008; Sun Electric Corp., 33-34347; Tyler Three, Inc., 33-33505; Valhi, Inc., 33-34228; and World Food Products, Inc., 33-30029-NY.

Apr. 16: Craftmade International Inc., 33-33594-FW; Paine Webber Group, Inc., 33-33613; Pool Energy Services Co., 33-33726; and Procordia Corp., 33-34359.

Apr. 17: Corporate Lease Income Co. I and Corporate Lease Income Co. II, 33-33062; First Commonwealth Financial Corp., 33-33928; Franklin Tax-Advantaged High Yield Securities Fund, 33-33639; Franklin Tax-Advantaged U.S. Government Securities Fund, 33-33641; National Patent Development Corp., 33-33106; National Tax Credit Investors II, 33-33216; and West One Bancorp, 33-33045.

Apr. 18: CFAC Grantor Trust 1990-B, 33-34358-01; Chemical Bank Delaware, 33-34271 and 33-34272; Chemical Financial Acceptance Corp., 33-34258; Merrill Lynch, Sponsor of Corporate Income Fund Select High Yield Series 1, 33-29831; Province of New Brunswick, 33-34344; Spec's Music, Inc., 33-32931; Sullivan Dental Products, Inc., 33-33740; USAir, Inc., 33-33778; and Van Kampen Merritt, 33-27069.

Apr. 19: Hampshire Funding Inc., 33-33840.

Apr. 20: T<sup>2</sup> Medical, Inc., 33-34250.

## ACQUISITION 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.

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 percent owned; and Column 7 - the status of the filing, i.e., new, update or revision.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ % OWNED	CUSIP/ PRIOR%	FILING STATUS
AARON RENTS INC GAMCO INVESTORS INC ET AL	COM 13D	4/17/90	389 8.3	00253510 7.3	UPDATE
BRITE VOICE SYS INC COMMERICAL FED VOICE TECH	COM 13D	3/30/90	0 0.0	11041110 16.3	UPDATE
CEDAR GROUP INC KENNEDY MARK B	COM 13D	3/15/90	468 15.7	15033210 12.4	UPDATE
CEDAR GROUP INC RUTSTEIN C LAWRENCE	COM 13D	3/15/90	390 13.1	15033210 12.4	UPDATE
CEDAR GROUP INC SCHWARTZ THEODORE A	COM 13D	3/15/90	388 13.0	15033210 12.4	UPDATE
CEDAR GROUP INC SIMYAK STEPHEN S	COM 13D	3/15/90	468 15.7	15033210 12.4	UPDATE
CEDAR GROUP INC WANG THOMAS	COM 13D	3/15/90	287 9.6	15033210 17.5	UPDATE
CHANCELLOR CORP BRUNCOR AMERICA INC ET AL	COM 13D	4/ 5/90	2,260 59.4	15882810 58.7	UPDATE
COMMUNICATIONS SYS INC GAMCO INVESTORS INC ET AL	COM 13D	4/17/90	602 14.0	20390010 12.4	UPDATE
DATAFLEX CORP LAMM JEFFREY A	COM 13D	4/ 5/90	433 13.0	23790510 23.7	UPDATE
DETREX CORP HARRIS ASSOCIATES INC	COM 13D	4/11/90	139 8.8	25068510 9.9	UPDATE
EVERGOOD PRODS CORP RICH SIDNEY	COM 13D	2/14/90	957 45.6	30014610 21.8	UPDATE
FAIR GROUNDS CORP KRANTZ BRYAN G	COM 13D	4/12/90	69 17.7	30315310 0.0	NEW
FAIR GROUNDS CORP KRANTZ MARIE GOLDIE	COM 13D	4/12/90	211 53.8	30315310 17.9	UPDATE
HAWKS INDS INC BAUPOST LTD PARTNERSHIP	COM 13D	4/16/90	0 0.0	42032310 N/A	UPDATE
MICROAMERICA INC GOLDMAN SACHS & CO	COM 13D	4/16/90	0 0.0	59493210 8.6	UPDATE

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ % OWNED	CUSIP/ PRIOR%	FILING STATUS
NECO ENTERPRISES INC LAROCHÉ DAVID F ET AL	COM 13D	4/11/90	741 75.1	62905710 73.5	UPDATE
NATIONAL WESTN LIFE INS CO TWEEDY BROWNE CO L P ET AL	CL A 13D	4/12/90	266 8.1	63852210 7.0	UPDATE
NORTH ATLANTIC INDS INC FUNDAMENTAL MGMT CORP	COM 13D	4/10/90	375 10.8	65730510 9.8	UPDATE
SAI GROUP INC FORTUNA HLDG	COM 13D	4/ 9/90	6,769 26.7	78387010 16.3	UPDATE
SHL SYSTEMHOUSE INC BCE INC	COM 13D	4/17/90	9,696 25.8	78499010 12.4	UPDATE
SCIENTIFIC INDS INC SEGASTURE JAMES S ET AL	COM 13D	2/12/90	124 18.2	80875710 14.5	UPDATE
SEITEL INC PEARLMAN HERBERT M	COM NEW 13D	4/ 6/90	347 8.5	81607430 0.0	NEW
TELE ART INC KLAUSNER JUDAH	COM NEW 13D	4/ 9/90	440 9.5	87922930 0.0	NEW
TESORO PETE CORP OAKVILLE N V	COM 13D	4/17/90	1,704 12.1	88160910 11.0	UPDATE
WELDOTRON CORP SCHLOSS WALT & EDWIN ASSOC ET	COM 13D	4/11/90	132 7.2	94939110 5.4	UPDATE