

sec news digest

LIBRARY

Issue 90-84

MAY 2 1990

May 1, 1990

**U.S. SECURITIES AND
EXCHANGE COMMISSION**

ADMINISTRATIVE PROCEEDINGS

ADMINISTRATIVE PROCEEDINGS DISMISSED AGAINST THOMAS R. MEINDERS

The Denver Regional Office announced that, on April 17, the Commission dismissed administrative proceedings against Thomas R. Meinders (Meinders). Meinders was a respondent "In the Matter of The Stuart-James Co. Inc., et al." (Administrative Proceeding 3-7164). The proceedings against the other respondents in that matter are currently being litigated.

Meinders undertook to testify in the proceedings in accordance with a proffer of evidence. He also undertook to associate with a broker or dealer for a three-year period only in a supervised, non-supervisory capacity and to provide the Commission with appropriate affidavits of his compliance with this undertaking. The Commission reserved the right to reinstitute the proceedings should Meinders violate his undertakings. (Rel. 34-27927)

NASD ACTION AGAINST KIM G. GIRDNER AFFIRMED

The Commission has affirmed disciplinary action taken by the NASD against Kim G. Girdner, of Sandy, Utah, former president of an NASD member firm. The NASD censured Girdner, fined him \$15,000, suspended him from association with any member for one year, and barred him from association with any member in a principal capacity.

The Commission found, as had the NASD, that Girdner was responsible for his firm's failure to comply with net capital, recordkeeping, and reporting provisions, and for its failure to register a salesman with the NASD. It further found that Girdner, aware that large unsecured debits in defaulting customer accounts could have a substantial adverse impact on his firm's net capital position, arranged sham transactions to make it appear that stock purchased in those accounts which had not been paid for had been resold to other accounts, thereby concealing the debits. In affirming the sanctions imposed by the NASD, the Commission stated: "The kind of deliberate deception in which [Girdner] engaged has consistently been dealt with by the imposition of very severe penalties." (Rel. 34-27937)

CIVIL PROCEEDINGS

WELLSHIRE SECURITIES, INC., OTHERS PRELIMINARILY ENJOINED

U.S. District Court Judge Kevin Thomas Duffy, Southern District of New York, on April 27, issued an opinion which preliminarily enjoins Wellshire Securities, Inc., a brokerage firm located in New York, New York, with six branch offices, and approximately 100 brokers; Robert Cohen, Wellshire's President; Carol Martino, Wellshire's Executive Vice President; Joseph Jenkins, Jr., a former broker at Wellshire; Alan Diamond, Wellshire's former trader; and Ventura Inc., a publicly traded leasing company, from violating the antifraud provisions of the federal securities laws.

The Commission's Complaint alleges, and Judge Duffy found, that from June 1988 to the present, Wellshire, under the direction and supervision of Cohen and Martino, has operated as a penny stock "boiler room," selling speculative securities to the investing public through the use of abusive sales practices. Further, the Complaint alleges, and Judge Duffy found, that Wellshire and Cohen, aided and abetted Diamond, manipulated the market for Ventura.

The Complaint also alleges that Ventura supplied Wellshire with false and misleading information about the company which ultimately reached the investing public, and Judge Duffy preliminarily enjoined Ventura based on such allegations. However, Robert Beck and Richard Sands, directors of Ventura, were not preliminarily enjoined by Judge Duffy. [SEC v. Wellshire Securities, Inc., et al., USDC, SDNY, 90 Civ. 1707 (KTD)] (LR-12460)

MICHAEL O. INGOLDSBY GUILTY OF INSIDER TRADING

A Boston, Massachusetts jury, on April 24, found in an action brought by the Commission that Michael O. Ingoldsby, a Massachusetts businessman, illegally purchased stock of Artel Communications Corporation while in possession of material, nonpublic information concerning a management change. Ingoldsby's executive head-hunting firm had been retained to find Artel a new CEO. Ingoldsby bought 23,500 shares of Artel stock for approximately \$72,000 on the day the new CEO started to work at Artel, but before the news had been announced in a press release to the investing public.

The Commission charged, and the jury found, that these purchases violated the anti-fraud provisions of Section 10(b) of the Securities and Exchange Act and Rule 10b-5.

Additional evidence was submitted to the court on April 26 with respect to the relief that should be ordered. That decision is currently pending before the court. [SEC v. Michael O. Ingoldsby, Civil Action No. 88-1001-MA (D. Mass.)] (LR-12461)

INVESTMENT COMPANY ACT RELEASES

BURNHAM FUND

A notice has been issued giving interested persons until May 24 to request a hearing on an application filed by The Burnham Fund Inc., formerly The Drexel Burnham Fund Inc., for an amendment to an existing order of the Commission, which granted an

exemption from Sections 2(a)(32), 2(a)(35), 22(c), and 22(d) of the Investment Company act and Rules 22c-1 and 22d-1 to permit the applicant to impose a contingent deferred sales charge. The requested relief would permit the applicant to impose a contingent deferred sales charge under additional circumstances. (Rel. IC- 17462 - Apr. 27)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration the Earle M. Jorgensen Company Common Stock (\$1 par). (Rel. 34-27952)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the National Association of Securities Dealers (SR-NASD-88-23) relating to the PORTAL System. (Rel. 34-27956)

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-3 BAY VIEW CAPITAL CORP, 2121 S EL CAMINO REAL, SAN MATEO, CA 94403 (415) 573-7300
(FILE 33-32416 - DEC. 06) (BR. 1)
- S-1 UNIROYAL CHEMICAL ACQUISITION CORP, BENSON RD, MIDDLEBURY, CT 06749 (203) 573-2000
- 260,000,000 (\$260,000,000) FLOATING RATE NOTES. (FILE 33-34407 - APR. 24) (BR. 1)
- F-6 EPN S A DE C V /FI, SIERRA MOJADA 626,
11050 MEXICO D F, 05 - 50,000,000 (\$5,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK.
(FILE 33-34454 - APR. 23) (BR. 99 - NEW ISSUE)
- S-8 FOURTH FINANCIAL CORP, 100 N BROADWAY, WICHITA, KS 67202 (316) 261-4444 - 1,300,000
(\$34,775,000) COMMON STOCK. (FILE 33-34455 - APR. 23) (BR. 1)
- S-8 PSI RESOURCES INC, 1000 E MAIN ST, PLAINFIELD, IN 46168 - 1,000,000 (\$17,000,000)
COMMON STOCK. (FILE 33-34456 - APR. 23) (BR. 1 - NEW ISSUE)
- S-3 FIRST MICHIGAN BANK CORP, 115 CLOVER AVE, HOLLAND, MI 49423 (616) 459-4186 -
200,000 (\$3,350,000) COMMON STOCK. (FILE 33-34457 - APR. 23) (BR. 2)
- S-8 INTEGRATED DEVICE TECHNOLOGY INC, 3236 SCOTT BLVD, SANTA CLARA, CA 95054
(408) 727-6116 - 1,200,000 (\$8,250,000) COMMON STOCK. (FILE 33-34458 - APR. 23)
(BR. 3)
- S-8 CBT CORP /KY/, 333 BROADWAY, PADUCAH, KY 42001 (502) 575-5100 - 70,000 (\$2,502,500)
COMMON STOCK. 3,000,000 OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-34459 -
APR. 23) (BR. 2)
- S-8 WEYERHAEUSER CO, TACOMA, WA 98477 (206) 924-5272 - \$1,700,000
OTHER SECURITIES INCLUDING VOTING TRUST. 65,385 COMMON STOCK. (FILE 33-34460 -
APR. 23) (BR. 10)

REGISTRATIONS CONT.

- S-8 FIRST MICHIGAN BANK CORP, 115 CLOVER AVE, HOLLAND, MI 49423 (616) 459-4186 - 200,000 (\$3,300,000) COMMON STOCK. (FILE 33-34461 - APR. 23) (BR. 2)
- S-4 FIRST EASTERN CORP /PA/, FIRST EASTERN PLZ, PUBLIC SQ, WILKES BARRE, PA 18768 (717) 826-4623 - 107,500 (\$2,928,300) COMMON STOCK. (FILE 33-34479 - APR. 20) (BR. 1)
- S-4 FIRST AMERICAN FINANCIAL CORP, 114 E FIFTH ST, SANTA ANA, CA 92701 (714) 558-3211 - 376,930 (\$11,252,000) COMMON STOCK. (FILE 33-34488 - APR. 23) (BR. 9)
- S-8 LIVE ENTERTAINMENT INC, 1500 SHERMAN WAY, VAN NUYS, CA 91406 (818) 988-5060 - 4,700,000 (\$4,700,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-34489 - APR. 23) (BR. 7)
- S-3 WHIRLPOOL CORP /DE/, WHIRLPOOL CNTR 2000 M-63, C/O CORPORATE SECRETARY, BENTON HARBOR, MI 49022 (616) 926-5000 - 500,000,000 (\$500,000,000) STRAIGHT BONDS. (FILE 33-34490 - APR. 23) (BR. 10)
- S-8 TRISTATE BANCORP INC, 7124 MIAMI AVE, CINCINNATI, OH 45243 (513) 561-4450 - 86,183 (\$1,249,653.50) COMMON STOCK. (FILE 33-34493 - APR. 23) (BR. 2)

SEC PUBLIC INFORMATION NUMBERS

Members of the public seeking information and/or material from the Commission continue to complain of being incorrectly referred to the wrong telephone number by Commission staff. The following information is furnished to assist you in directly calling the appropriate office:

Consumer Affairs (202-272-7440): Investor inquiries and complaint processing information.

Freedom of Information Branch (202-272-7420): Requests concerning FOIA, Privacy Act, Sunshine Act, confidential treatment matters, etc.

Personnel Locator (202-272-2550): Requests for names and phone numbers of Commission personnel.

Public Affairs (202-272-2650): Information about matters in the SEC News Digest, the Commission's operations, and calls from the press not directed to particular individuals, and other related matters.

Public Reference (202-272-7450): Requests for information on whether or not a document has been filed, etc.

Publications Unit (202-272-7460/7461): Requests for forms, studies, directories, etc.

Office of the Secretary (202-272-2600): Requests for information on the Commission calendar.
