

# sec news digest

Issue 92-144

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## ADMINISTRATIVE PROCEEDINGS

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### PROCEEDINGS AGAINST ANTHONY GRAVER

The Commission announced that on July 15 public administrative proceedings were instituted pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 (Exchange Act) and Sections 203(e) and (f) of the Investment Advisers Act of 1940 against Paul Anthony Graver (Graver) and P.A. Graver & Associates, Inc. (Graver Associates). Graver is the President and Chairman of Graver Associates, a registered broker-dealer and investment adviser. Simultaneously with the institution of the proceedings, the Commission accepted an Offer of Settlement wherein, without admitting or denying the findings, Graver and Graver Associates consented to the entry of an Order.

The Order finds that on July 1 a final judgment of permanent injunction was entered against Graver permanently enjoining him from further violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and from aiding and abetting violations of Section 15(c) of the Exchange Act and Rule 15c1-2 thereunder. The Order bars Graver from association with any broker, dealer, investment adviser, investment company or municipal securities dealer. The Order censures Graver Associates and orders Graver and Graver Associates to comply with their undertaking to withdraw Graver Associates broker-dealer and investment adviser registrations with the commission within 30 days (SEC v. Paul Anthony Graver, 92 Civ. 4275, N.D. Ill. July 1, LR-13292). (Refs. 34-30939; IA-1322)

### ADMINISTRATIVE PROCEEDINGS INSTITUTED AND SETTLED AGAINST SPECIALTY ADVISORS CORP. AND CHARLES PARISI

On July 20, the Commission issued an Order Instituting Administrative Proceedings against Specialty Advisors Corp. (Specialty), a registered investment adviser located in Los Angeles and Charles F. Parisi (Parisi), the President of Specialty. The Order finds that Specialty, aided and abetted by Parisi, failed to timely reimburse the Specialty Managers Trust (Fund) during 1989 and 1990 for its portion of the Fund's expenses. The Order also finds that Specialty and Parisi caused the Fund to file false reports with the Commission during 1990 concerning the expense reimbursement for 1989 and Specialty, aided and abetted by Parisi, failed to disclose its precarious

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financial condition to the Fund during 1990. In addition, Specialty failed to keep proper books and records for its advisory business from September 1988 through November 1990. Further, Specialty failed to cause the Fund to properly accrue sufficient expenses during 1989 causing shares in the Fund to be sold at materially incorrect net asset values.

Simultaneously with the Institution of the Order, the Commission accepted Specialty's and Parisi's Offer of Settlement, whereby without admitting or denying the Commission's findings, Specialty's registration as an investment adviser is revoked, Parisi agrees to cease and desist from future violations, and agrees to be barred from association with any investment adviser and investment company and agrees to be suspended from associating with any broker-dealer or municipal securities dealer for six months. (Rel. IA-1321; IC-18856)

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## **CIVIL PROCEEDINGS**

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### **FINAL JUDGMENTS ON CONSENT FILED AGAINST DEFENDANTS DEEPAK GULATI, DTI FINANCIAL, INC. AND D. GULATI & ASSOCIATES, INC.**

The Commission announced on July 23 the filing of final judgments on consent (Final Judgments) against defendants Deepak Gulati (Gulati), DTI Financial, Inc. (DTI) and D. Gulati & Associates, Inc. (DGA). Under the terms of the Final Judgments, without admitting or denying the allegations of the Commission's complaint, Gulati, DTI and Gulati Associates have consented to permanent injunctions against violating the registration and antifraud provisions of the federal securities laws, and to disgorge, jointly and severally, 3,220,478.10, plus prejudgment interest of \$254,539.90. It is further ordered that Gulati, DTI and Gulati Associates each separately pay civil penalties of 1,900,487.10 under the Securities Enforcement Remedies and Penny Stock Reform Act of 1990.

The Commission's complaint alleged that the defendants offered and sold unregistered securities in the form of DGA promissory notes paying 12% interest, and certain limited partnership units of Telecommunication Security Associates, LP (TSA), by means of material misstatements and omissions. Among other things, the complaint alleges that the defendants falsely claimed the notes were backed by 150% collateral. The Final Judgments are subject to court approval. [SEC v. Deepak Gulati, DTI Financial, Inc. and D. Gulati & Associates, Inc., 92 Civ. 1213, PNL, USDC, SDNY] (LR-13320)

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## **INVESTMENT COMPANY ACT RELEASES**

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### **NORTH AMERICAN SECURITY TRUST, ET AL.**

A notice has been issued giving interested persons until August 17, 1992 to request a hearing on an application filed by North American Security Trust, et al. for an order pursuant to Sections 6(c) and 17(b) of the Investment Company Act. The order

would grant an exemption from Section 17(a) of the Act to permit each present or future portfolio of North American Security Trust and NASL Series Trust to engage in principal transactions with securities dealers that may be deemed to be affiliated persons of affiliated persons of the portfolio solely because of subadvisory relationships with one or more of applicants' other portfolios. (Rel. IC-18860 - July 22)

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## HOLDING COMPANY ACT RELEASES

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### OHIO VALLEY ELECTRIC CORPORATION

An order has been issued authorizing Ohio Valley Electric Corporation, an electric public-utility subsidiary company of American Electric Power Company, Inc., a registered holding company, to issue and sell through December 31, 1994 up to a \$25 million aggregate principal amount of its short-term notes outstanding at any one time. (Rel. 35-25586)

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## ACQUISITION OF SECURITIES

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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 CUSIF 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
AIRSHIELD COMPOSITES INTL TRICAPITAL MGMT ET AL	COM 13D	7/ 8/92	122 19.3	00942099 0.0	NEW
ALLIED WASTE INDS INC HAMBRO EDC LPI	COM 13D	7/13/92	751 7.3	01958930 0.0	NEW
ALLIED WASTE INDS INC VAN WEELDEN THOMAS	COM 13D	7/13/92	524 5.1	01958930 0.0	NEW

ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
DESOTO INC	COM		874	25059510	
GAMCO INVESTORS INC ET AL	13D	7/21/92	21.5	20.0	UPDATE
FOREMOST CORP AMER	COM		3,109	34546910	
FREY FOUNDATION ET AL	13D	6/16/92	29.0	32.3	UPDATE
GALVEST INC	COM PAR \$0.10		5,493	36416920	
PRIMEENERGY CORP ET AL	13D	7/14/92	80.4	77.1	UPDATE
INTER-CITY PRODS CORP	ORD		9,272	46599710	
CENTRAL CAPITAL CORP ET AL	13D	6/30/92	42.7	42.7	UPDATE
MILLER INDUSTRIES INC	COM		289	60054820	
NAPOLITANO ANGELO	13D	6/ 1/92	13.5	5.1	UPDATE
NAM TAI ELECTRS INC	COM PAR \$0.02		2,962	62986520	
KOO MING KOWN	13D	7/13/92	56.6	17.4	UPDATE
NEW GENERATION FOODS INC	COM		1,231	64446330	
FLUM PARTNERS ET AL	13D	6/ 1/92	48.4	48.5	UPDATE
RAPITECH SYS INC	COM		5,553	75381010	
COHEN MORTON A ET AL	13D	7/ 8/92	47.3	38.3	UPDATE
TECHNE CORP	COM		537	87837710	
ANGEN INC	13D	6/20/92	5.9	0.0	NEW
ZAPATA CORP	COM		49,227	98907010	
GLAZER MALCOLM I	13D	7/13/92	38.8	0.0	NEW