

sec news digest

Issue 88-79

April 26, 1988

COMMISSION ANNOUNCEMENTS

WEEKLY CALENDAR

The following is a schedule of speaking engagements, Congressional testimony, Commission hearings and other public events involving the Commission for the week of May 1, 1988. (Commission Meetings are announced separately in the News Digest)

Monday, May 2nd

- * Chairman Ruder will testify before the Oversight and Investigations Subcommittee of the House of Representatives at 10:00 a.m. in Room 2123, Rayburn House Office Building. The subject will be recommendations made by the National Commission on Fraudulent Financial Reporting.

ADMINISTRATIVE PROCEEDINGS

FREDERICK H. RACE, IV SANCTIONED

The Commission ordered public administrative proceedings under the Securities Exchange Act of 1934 against Frederick H. Race, IV, a registered representative. The Order alleges that Race violated the antifraud and credit extension provisions of the Exchange Act when he (1) falsified new account information; (2) opened and traded through a nominee customer account while his own account was restricted from making securities purchases; (3) placed an order to purchase securities with the intention of paying for such securities with the proceeds of the sales of said securities; (4) issued and tendered checks in payment for purchases of securities, which checks were dishonored for lack of sufficient funds; and (5) obtained, on at least five separate occasions, purpose credit in a manner which failed to conform with Regulation T.

Race consented, without admitting or denying the allegations, to an Order providing for a 60-day suspension from association with any broker-dealer, investment company, investment adviser, or municipal securities dealer and undertook to make restitution of his profits. (Rel. 34-25592)

JOHN E. KILFOYLE SANCTIONED

The Commission instituted public administrative proceedings under the Securities Exchange Act of 1934 against John E. Kilfoyle, a person associated with a registered broker-dealer. Simultaneously, the Commission accepted Kilfoyle's Offer of Settlement in which, without admitting or denying the Commission's findings, except for the finding that he was permanently enjoined by the U.S. District Court for the Central District of California from violations of the antifraud provisions in SEC v. Kurt A. Grey and John E. Kilfoyle, Civ. No. 88-01500 JWC (GHKx) (CD Cal.), he consented to an order suspending him for 30 days from association with any broker, dealer, investment adviser, investment company, or municipal securities dealer. In the Order, the Commission found that Kilfoyle aided and abetted insider trading violations by Grey by receiving from him material, nonpublic information concerning a tender offer for securities of Early California Industries, Inc. (ECI) and then effecting profitable transactions in ECI stock for a brokerage client who was a friend of Grey's. (Rel. 34-25596)

HOLDING COMPANY ACT RELEASES

SOUTHERN ELECTRIC INTERNATIONAL, INC.

A supplemental order has been issued authorizing Southern Electric International, Inc., subsidiary of The Southern Company (Southern), to issue and sell unsecured notes from time to time prior to December 31, 1990 in the aggregate principal amount not exceeding \$30 million at any one time outstanding. Jurisdiction has been reserved over the issuance of an additional \$45 million of notes. (Rel. 35-24625 - April 22)

THE OHIO POWER COMPANY

An order has been issued authorizing The Ohio Power Company, subsidiary of American Electric Power Company, Inc., to issue and sell from time to time through December 31, 1988 first mortgage bonds, in one or more series, and/or unsecured promissory notes in an aggregate principal amount of up to \$200 million. (Rel. 35-24626 - April 22)

THE COLUMBIA GAS SYSTEM, INC.

An order has been issued authorizing The Columbia Gas System, Inc., a registered holding company, to issue and sell in one or more transactions through December 31, 1989 an aggregate principal amount not exceeding \$300 million of debentures, at competitive bidding, or medium-term notes with maturities of from nine months to ten years, offered publicly through an agent or agents on a periodic basis, pursuant to an exception from competitive bidding. (Rel. 35-24627 - April 22)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

A proposed rule change has been filed under Rule 19b-4 by: The National Association of Securities Dealers, Inc. (SR-NASD-87-35) to amend the language of Article V, Section 1 and 2 of its Rules of Fair Practice to be consistent with the language used in Section 15A(b)(7) of the Securities Exchange Act and Article XIV of the NASD By-Laws to reflect the NASD's position on the use of disgorgement as a sanction in disciplinary proceedings. (Rel. 34-25608); and The Chicago Board Options Exchange (SR-CBOE-88-8) to raise the margin requirements applicable to industry index options. (Rel. 34-25609)

Publication of the proposals are expected to be made in the Federal Register during the week of April 25.

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by the Options Clearing Corporation (SR-OCC-87-17) that permits it to accept securities issued or guaranteed by the Canadian government to satisfy OCC margin and clearing fund deposit requirements. (Rel. 34-25610)

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-6 SHEARSON LEHMAN HUTTON UNIT TRUSTS TAX FREE STATE SERIES 1,
TWO WORLD TRADE CNTR - 104TH FLR, C/O SHEARSON LEHMAN HUTTON INC, NEW YORK, NY 10048 -
INDEFINITE SHARES. DEPOSITOR: SHEARSON LEHMAN HUTTON INC. (FILE 33-21164 - APR. 15)
(BR. 18 - NEW ISSUE)

I-14 FN NETWORK TAX FREE MONEY MARKET FUND INC, 767 FIFTH AVE, NEW YORK, NY 10153
(212) 230-2130 (FILE 33-21243 - APR. 14) (BR. 18 - NEW ISSUE)

- S-6 KANSAS TAX EXEMPT TRUST SERIES 24, 120 SOUTH MARKET SUITE 610, WICHITA, KS 67202 - 1,000 (\$1,010,000) UNIT INVESTMENT TRUST. (FILE 33-21256 - APR. 15) (BR. 17 - NEW ISSUE)
- V-2 MASSMUTUAL PARTICIPATING INVESTORS, 1295 STATE ST, SPRINGFIELD, MA 01111 (413) 788-8411 - 20,000,000 (\$200,000,000) COMMON SHARES OF BENEFICIAL INTEREST. (FILE 33-21284 - APR. 18) (BR. 16 - NEW ISSUE)
- S-1 PALCO ACQUISITION CO, 101 S HANLEY, ST LOUIS, MO 63105 (314) 721-5573 - 1,600,000 (\$42,400,000) COMMON STOCK. 4,800,000 COMMON STOCK. UNDERWRITER: DONALDSON LUFKIN & JENRETTE SECURITIES C. (FILE 33-21289 - APR. 18) (BR. 2)
- S-8 CENTRAL FREIGHT LINES INC, 5601 W WACO DR, WACO, TX 76710 (817) 772-2120 - 20,000,000 (\$20,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. 319,335 COMMON STOCK. (FILE 33-21290 - APR. 18) (BR. 4)
- S-8 FIRST ESSEX BANCORP INC, 296 ESSEX ST, LAWRENCE, MA 01840 (617) 681-7500 - 800,000 (\$7,360,625) COMMON STOCK. (FILE 33-21292 - APR. 18) (BR. 2)
- S-8 BANKWORCESTER CORP, 365 MAIN ST, WORCESTER, MA 01608 (617) 831-4000 - 341,660 (\$4,356,165) COMMON STOCK. 311,140 (\$4,452,413.40) COMMON STOCK. (FILE 33-21293 - APR. 18) (BR. 2)
- S-8 PACIFIC WESTERN BANCSHARES, 333 W SANTA CLARA ST, SAN JOSE, CA 95113 (408) 244-1700 - 1,147,000 (\$5,591,625) COMMON STOCK. 191,039 (\$931,315) COMMON STOCK. (FILE 33-21294 - APR. 18) (BR. 1)
- S-8 FOURTH FINANCIAL CORP, 100 N BROADWAY, WICHITA, KS 67202 (316) 261-4670 - 500,000 (\$10,125,000) COMMON STOCK. (FILE 33-21295 - APR. 18) (BR. 1)
- S-6 FIRST TRUST COMBINED SERIES 46, 300 WEST WASHINGTON STREET, CHICAGO, IL 60606 - INDEFINITE SHARES. (FILE 33-21296 - APR. 18) (BR. 18 - NEW ISSUE)
- S-4 OLD NATIONAL BANCORP, 420 MAIN ST, EVANSVILLE, IN 47708 (812) 464-1200 - 360,061 (\$7,363,000) COMMON STOCK. (FILE 33-21297 - APR. 18) (BR. 1)
- S-3 MICHAELS STORES INC, 5931 CAMPUS CIRCLE DR, IRVING, TX 75063 (214) 580-8242 - 802,000 (\$4,561,375) COMMON STOCK. (FILE 33-21299 - APR. 18) (BR. 2)
- S-2 SEITEL INC, 16010 BARKERS POINT LN STE 550, HOUSTON, TX 77079 (713) 558-1990 - 1,494,000 (\$2,241,000) COMMON STOCK. 4,208,000 (\$2,630,000) COMMON STOCK. 2,104,000 (\$789,000) COMMON STOCK. (FILE 33-21300 - APR. 18) (BR. 11)
- S-8 ALTOS COMPUTER SYSTEMS, 2641 ORCHARD PKWY, SAN JOSE, CA 95134 (408) 946-6700 - 200,000 (\$1,950,000) COMMON STOCK. (FILE 33-21302 - APR. 18) (BR. 9)
- S-8 FRANKLIN ELECTRIC CO INC, 400 E SPRING ST, BLUFFTON, IN 46714 (219) 824-2900 - 200,000 (\$5,050,000) COMMON STOCK. (FILE 33-21303 - APR. 18) (BR. 8)
- S-3 VIRGINIA ELECTRIC & POWER CO, ONE JAMES RIVER PLAZA, RICHMOND, VA 23261 (804) 771-3000 - 300,000,000 (\$300,000,000) STRAIGHT BONDS. UNDERWRITER: GOLDMAN SACHS & CO, MERRILL LYNCH CAPITAL MARKETS. (FILE 33-21319 - APR. 19) (BR. 13)
- S-6 MERRILL LYNCH FUND OF STRIPPED ZERO U S TREA SECURITIES E, ONE LIBERTY PLZ - 21ST FLR, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10081 - INDEFINITE SHARES. DEPOSITOR: MERRILL LYNCH PIERCE FENNER & SMITH INC. (FILE 33-21320 - APR. 19) (BR. 17 - NEW ISSUE)
- V-1A HNB FUNDS GROUP, FEDERATED INVESTORS TWR, PITTSBURGH, PA 15222 (412) 288-1900 - INDEFINITE SHARES. (FILE 33-21321 - APR. 19) (BR. 22)
- S-6 NUVEEN TAX EXEMPT UNIT TRUST SERIES 466, 333 W WACKER DR, C/O JOHN NUVEEN & CO INC, CHICAGO, IL 60606 - INDEFINITE SHARES. DEPOSITOR: NUVEEN JOHN & CO INC. (FILE 33-21322 - APR. 19) (BR. 22 - NEW ISSUE)
- S-1 DIA INC, 5266 S DICKENS DR, LAS VEGAS, NV 89119 (702) 798-5791 - 16,666,667 (\$520,833) COMMON STOCK. 11,500,000 (\$230,000) COMMON STOCK. (FILE 33-21341 - APR. 18) (BR. 11)

CALLS FROM THE PUBLIC

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 (272-7440) - Investor inquiries and complaint processing information.

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

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

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

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

Publications Unit (272-7460) - Requests for forms, studies, directories, filing requirements, copy procedures, etc.

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