

# sec news digest

Issue 95-161

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## ENFORCEMENT PROCEEDINGS

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### ADMINISTRATIVE PROCEEDINGS INSTITUTED, FINDINGS MADE AND SANCTIONS IMPOSED AGAINST ROBERT MATTHEW MCGEE

The Commission instituted and settled cease-and-desist and administrative proceedings against Robert Matthew McGee (McGee). Without admitting or denying the findings contained therein, McGee consented to entry of an Order finding that he willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and imposing remedial sanctions (Order). The Order finds that McGee, while employed at Signet Bank/Virginia, either paid artificially low, or received artificially high, prices on securities transactions involving a Signet customer and a Signet account he opened for a relative's corporation.

The Order requires McGee to cease and desist from violating the antifraud provisions and bars McGee from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. The Order also requires McGee to disgorge \$20,023.76, plus prejudgment interest to the date of the Order, but waives payment of all but \$12,500 in disgorgement, and waives payment of a civil penalty, based upon McGee's demonstrated inability to pay. (Rel. 34-36116)

### CEASE-AND-DESIST PROCEEDINGS INSTITUTED AGAINST PAUL GILES, VINCENT RIGGIO, AND MICHAEL SANTOS

The Commission today announced the entry of an Order Instituting Cease and Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act (Exchange Act) and Findings and Order of the Commission containing findings that Paul Giles (Giles), Vincent Riggio (Riggio), and Michael Santos (Santos) each violated Sections 10(a) and 10(b) of the Exchange Act and Rule 10b-21(T) thereunder, 17 C.F.R. § 240.10b-21(T), permanently adopted as 17 C.F.R. § 240.10b-21. Simultaneous with the institution of these proceedings, the Commission accepted the Offers of Settlement of Giles, Riggio, and Santos, in which each, without admitting or denying the findings, consented to the entry of a Cease and Desist Order and agreed to the disgorgement of illegal profits.

The Commission found that Giles, with respect to five public offerings, Riggio, with respect to three public offerings, and Santos, with respect

to four public offerings, sold securities short during the period after the registration statement was filed, but before the offered shares became publicly available, and subsequently covered the short positions with securities purchased in the public offerings, violating Sections 10(a) and 10(b) of the Exchange Act and Rule 10b-21(T) thereunder. The Commission further found that Giles, Riggio, and Santos realized illegal profits in the amounts of \$41,962.50, \$1,562.50, and \$4,025, respectively, and ordered each to disgorge those profits, plus prejudgment interest thereon. (Rel. 34-36118)

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## INVESTMENT COMPANY ACT RELEASES

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### NEW ENGLAND VARIABLE LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until September 11, 1995 to request a hearing on an application by New England Variable Life Insurance Company, New England Variable Life Separate Account and New England Securities Corporation for an order, pursuant to Sections 6(c) of the Investment Company Act, to permit the offer and sale of certain flexible premium variable life insurance policies that permit Applicants to waive the front-end sales charge imposed on premiums paid after the twentieth policy year, and waive notice of refund and withdrawal rights. (Rel. IC-21311 - August 16)

### THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until September 11, 1995 to request a hearing on an application filed by The Minnesota Mutual Life Insurance Company (Minnesota Mutual), Minnesota Mutual Variable Life Account, and MIMLIC Sales Corporation (collectively, Applicants). Applicants request an order under Section 6(c) of the Investment Company Act granting exemptions from Sections 27(a)(1) and 27(a)(3) of the Act and paragraphs (b)(13)(i) and (b)(13)(ii) of Rule 6e-2 thereunder. Applicants request exemptive relief to the extent necessary to permit the issuance and sale of a new rider to Minnesota Mutual's Variable Adjustable Life Insurance Contracts (VAL Contracts) that will provide contract owners the option of scheduling automatic face amount increases each contract year in an amount selected by the VAL Contract owners at the time of initial purchase of the VAL Contract. (Rel. IC-21313 - August 17)

### MERRILL LYNCH, PIERCE, FENNER & SMITH

A notice has been issued giving interested persons until September 12, 1995 to request a hearing on an application filed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, et al. for an order under Sections 6(c) and 17(b) of the Investment Company Act exempting applicants from Section 17(a) of the Act. The order would permit the trustees of certain unit investment trusts to place orders to sell municipal bond portfolio securities of the trusts with the trust sponsors, who then will serve as introducing dealers. As introducing dealers, the sponsors will retain a clearing broker to sell the securities for the trusts

through a wire service. (IC-21314 - August 18)

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## SELF REGULATORY ORGANIZATIONS

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### PROPOSED RULE CHANGES

The MBS Clearing Corporation filed a proposed rule change (SR-MBSCC-95-05) under Section 19(b) of the Securities Exchange Act. The proposed rule change seeks the authority to release clearing data relating to participants' clearance and settlement activity. Publication of the proposals expected in the Federal Register during the week of August 21. (Rel. 34-36107)

The National Securities Clearing Corporation has filed a proposed rule change (SR-NSCC-95-11) under Section 19(b) of the Securities Exchange Act. The proposal will authorize NSCC to use intrabank transfers of funds for settlement obligations until such time as NSCC implements its same-day funds settlement system. (Rel. 34-36112)

On July 3, 1995, the Philadelphia Stock Exchange filed with the Commission, pursuant to Rule 19b-4 under the Securities Exchange Act a proposed rule change (SR-PHLX-95-50) to amend PHLX Rule 722(c)(6), "Time Within Which Margin or 'Mark-to-Market' Must Be Obtained," to provide that margin for a short foreign currency option ("FCO") position in a customer account or full cash payment for a long FCO position in a customer account must be obtained within five business days following the date on which the customer entered into the FCO position. Publication of the notice is expected to appear in the Federal Register during the week of August 21. (Release No. 34-36114)

### PARTIAL ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The National Association of Securities Dealers has filed a proposed rule change (SR-NASD-95-33) under Rule 19b-4 of the Exchange Act to modify temporarily the operation of its SelectNet service and its Small Order Execution System during periods of unusually high Nasdaq broadcast volume. The Commission granted partial accelerated approval of the proposal. Publication of the proposal is expected in the Federal Register during the week of August 21. (Rel. 34-36115)

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## RECENT 8K FILINGS

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Form 8-K is used by companies to file current reports on the following events:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.

Item 8. Change in Fiscal Year.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Room (when ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
ALLIANCE GAMING CORP	NV				X						06/30/95AMEND
ALLIANCE GAMING CORP	NV				X						06/30/95AMEND
ALLIED WASTE INDUSTRIES INC	DE				X		X				08/18/95
AMES DEPARTMENT STORES INC	DE				X						01/27/96
BEDFORD PROPERTY INVESTORS INC/MD	MD			X							08/10/94
BEBAS CREATIONS INC	CA				X						08/18/95
BENEFICIAL CORP	DE				X						08/17/95
BRITE VOICE SYSTEMS INC	KS			X							08/09/95
CEC INDUSTRIES CORP	NV			X							08/16/95
CIMCO INC /DE/	DE			X		X	X				08/12/95
COMBANCORP	CA						X				08/26/94AMEND
COMMERCIAL FEDERAL CORP	NE						X				08/15/95
DOVER CORP	DE			X		X					08/07/95AMEND
ENERGY VENTURES INC /DE/	DE				X		X				06/30/95AMEND
FEDERAL EXPRESS CORP	DE						X				08/18/95
FIRST BANK SYSTEM INC	DE			X			X				08/06/95
FIRST FINANCIAL CORP OF WESTERN MARYLAND	DE				X		X				08/10/95
FLORIDA GAMING CORP	DE				X		X				08/14/95
FORD CREDIT AUTO RECEIVABLES CORP	DE				X		X				07/31/95
FRONTIER CORP /NY/	NY			X							08/16/95
GREEN TREE FINANCIAL CORP	MN				X		X				08/17/95
HONDO OIL & GAS CO	DE				X						08/18/95
KANSAS GAS & ELECTRIC CO /KS/	KS			X							08/18/95
LEHMAN ABS CORP HOME EQUITY LOAN ASSET B	DE				X		X				07/28/95
LEHMAN ABS CORP LEHMAN HOME EQUITY LOAN					X		X				07/28/95
LONG ISLAND LIGHTING CO	NY				X						08/18/95
MBNA CORP	MD				X						07/31/95
NBI INC	DE			X							08/11/95
NORTH CAROLINA RAILROAD CO	NC				X		X				08/10/95
NU TECH BIO MED INC	DE				X		X				08/11/95
POLARIS INDUSTRIES INC/MN	MN			X							08/18/95AMEND
RCL TRUST 1995-1	DE			X		X					07/31/95
ROTECH MEDICAL CORP	FL						X				06/20/95AMEND
STONE & WEBSTER INC	DE				X						08/16/95
UNION TEXAS PETROLEUM HOLDINGS INC	DE				X						08/18/95
VSE CORP	DE				X						08/18/95
WESTERN RESOURCES INC /KS	KS			X							08/18/95
WORLDWAY CORP	NC			X			X				08/17/95AMEND
XYTRONYX INC	DE				X		X				08/18/95

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