

# sec news digest

Issue 86-18

JAN 29 1986

January 28, 1986

U.S. SECURITIES AND  
EXCHANGE COMMISSION

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## CIVIL PROCEEDINGS

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### COMPLAINT FOR INSIDER TRADING AND CORPORATE DISCLOSURE FRAUD; JACK ERLANGER CONSENTS

The New York Regional Office filed a complaint on January 9 in the U.S. District Court for the Southern District of New York to enjoin Ronald Hengen, Jack Erlanger, Howard Harlow, Samuel Rubenstein and Andrew Rosen from future violations of the securities laws.

The complaint alleges that: (1) between September 6 and October 5, 1983, Hengen, while performing public relations services for Puritan Fashions Corporation, received material, non-public financial information which he directly and indirectly tipped to Erlanger and Harlow, two brokers, who then traded and caused trades in Puritan stock; (2) Rubenstein and Rosen issued a false and misleading shareholder letter around September 22, 1983; (3) between September 1 and October 5, 1983, Rubenstein, as co-trustee of Puritan's Pension Trust Fund and while aware of Puritan adverse financial condition, caused the Trust Fund to sell Puritan stock; and (4) Rubenstein and Rosen failed to disclose material information rendering an outstanding public financial projection misleading.

Simultaneously with the filing of the complaint, Erlanger, without admitting or denying the complaint's allegations, consented to an injunction and payment of \$50,000. The civil injunctive action is pending against the remaining defendants. (SEC v. Ronald Hengen, et al., 86 Civ. 306 [MP], SDNY). (LR-10981)

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## INVESTMENT COMPANY ACT RELEASES

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### IRI STOCK FUND, INC.

A notice has been issued giving interested persons until February 18 to request a hearing on an application filed by IRI Stock Fund, Inc., Midas Gold Shares & Bullion, Inc. and IRI Securities Corporation, for an order permitting certain offers of exchange. (Rel. IC-14911 - Jan. 24)

### NEWTON TAX-FREE FUND, INC.

A notice has been issued giving interested persons until February 18 to request a hearing on an application of Newton Tax-Free Fund, Inc., for an order declaring that it has ceased to be an investment company. (Rel. IC-14912 - Jan. 24)

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## HOLDING COMPANY ACT RELEASES

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### YANKEE ATOMIC ELECTRIC COMPANY

A supplemental order has been issued authorizing Yankee Atomic Electric Company, subsidiary of New England Electric System and Northeast Utilities, to make certain amendments to its credit agreement regarding bank borrowings of up to \$15 million presently scheduled to mature on June 30, 1990. Among other things, the interest rates are being reduced and the maturity date has been extended to June 30, 1991. (Rel. 35-23996 - Jan. 24)

### THE CONNECTICUT LIGHT AND POWER COMPANY

An order has been issued authorizing The Connecticut Light and Power Company and Western Massachusetts Electric Company, subsidiaries of Northeast Utilities, to enter into term-loan and rate-swap agreements. (Rel. 35-23997 - Jan. 24)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING SOUGHT

Notices have been issued giving interested persons until February 14 to comment on the applications of the following stock exchanges for unlisted trading privileges in the specified number of issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system: Pacific Stock Exchange - one issue. (Rel. 34-22828); and the Philadelphia Stock Exchange - one issue. (Rel. 34-22831)

### DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike the common stock, first preferred stock 4% non-cumulative and second preferred stock 4% non-cumulative of READING COMPANY from listing and registration thereon. (Rel. 34-22829)

### WITHDRAWALS GRANTED

Notices have been issued giving interested persons until February 14 to comment on the applications of the following companies to withdraw the specified securities from listing and registration on the following stock exchanges: Pacific Stock Exchange - MARSHALL INDUSTRIES, common stock, par value \$1.00 per share. (Rel. 34-22830); and the American Stock Exchange - DYNALECTRON CORPORATION, common stock, \$.10 par value. (Rel. 34-22832)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGES

Proposed rule changes have been filed under Rule 19b-4 by : The Chicago Board Options Exchange, Inc. (SR-CBOE-85-52) that would extend the exercise cutoff time for foreign currency options consistent with the rules of the Options Clearing Corporation. (Rel. 34-22833); (SR-CBOE-86-2) to allow up to six expiration months in foreign currency options with no expiration month being more than 12 months out. (Rel. 34-22836); and The Pacific Stock Exchange, Inc. (SR-PSE-85-36) to permit increased usage of hand signals as a means of communication on the options floor. (Rel. 34-22834)

Publication of the proposals are expected to be made in the Federal Register during the weeks of January 27, January 27 and February 3, respectively.

### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The Chicago Board Options Exchange, Inc. filed a proposed rule change which became effective under Section 19(b)(3)(A). The proposed rule change (SR-CBOE-85-47) extends a waiver of transaction fees on foreign currency options contracts to February 28, 1986. (Rel. 34-22835)

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## SECURITIES ACT REGISTRATIONS

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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-18 SOUTHLAND ESTATE WINERY INC, 505 N SYCAMORE ST, ROSE HILL, NC 28458 (919) 289-3888 - 200,000 (\$2,000,000) COMMON STOCK. 200,000 (\$2,000,000) COMMON STOCK. (FILE 33-2582-A - JAN. 14) (BR. 11 - NEW ISSUE)

S-8 QUINTEL CORP, 2078 E UNIVERSITY DR, TEMPE, AZ 85281 (602) 894-1981 - 100,000 (\$500,000) COMMON STOCK. (FILE 33-2712 - JAN. 17) (BR. 8)

S-8 QUINTEL CORP, 2078 E UNIVERSITY DR, TEMPE, AZ 85281 (602) 894-1981 - 250,000 (\$1,250,000) COMMON STOCK. (FILE 33-2713 - JAN. 17) (BR. 8)

- S-3 PACIFICORP, 1600 PACIFIC FIRST FEDERAL CTR, 851 SW SIXTH AVE, PORTLAND, OR 97204 (503) 243-5190 - 5,000,000 (\$152,500,000) COMMON STOCK. (FILE 33-2714 - JAN. 21) (BR. 8)
- S-8 MITCHELL ENERGY & DEVELOPMENT CORP, 2001 TIMBERLOCH PL, WOODLANDS, TX 77380 (713) 363-5500 - 1,300,000 (\$1,300,000) OTHER SECURITIES INCLUDING VOTING TRUST. 100,000 COMMON STOCK. (FILE 33-2716 - JAN. 16) (BR. 4)
- S-6 NUVEEN TAX EXEMPT UNIT TRUST INSURED SERIES 76, 333 W WACKER DR, C/O JOHN NUVEEN & CO INC, CHICAGO, IL 60606 - INDEFINITE SHARES. (FILE 33-2718 - JAN. 17) (BR. 18 - NEW ISSUE)
- S-6 HUTTON E F TAX EXEMPT TRUST NATIONAL INSURED SERIES 20, ONE BATTERY PK PLZ, C/O E F HUTTON & CO INC, NEW YORK, NY 10004 - 2,427 (\$2,499,810) UNIT INVESTMENT TRUST. DEPOSITOR: HUTTON E F & CO INC. (FILE 33-2719 - JAN. 21) (BR. 18 - NEW ISSUE)
- S-6 HUTTON E F TAX EXEMPT TRUST MULTISTATE SERIES 28, ONE BATTERY PK PLZ, C/O E F HUTTON & CO INC, NEW YORK, NY 10004 - 2,427 (\$2,499,810) UNIT INVESTMENT TRUST. (FILE 33-2720 - JAN. 21) (BR. 18 - NEW ISSUE)
- S-1 FIRST CAPITAL HOLDINGS CORP, 1900 AVE OF THE STARS, LOS ANGELES, CA 90067 (213) 271-9260 - 3,837,800 (\$221,606,814) COMMON STOCK. (FILE 33-2726 - JAN. 17) (BR. 12)
- N-1A MASON LEGG INSTITUTIONAL GROWTH TRUST INC, 7 E REDWOOD ST, BALTIMORE, MD 21202 (301) 539-3400 - INDEFINITE SHARES. (FILE 33-2752 - JAN. 16) (BR. 16 - NEW ISSUE)
- S-1 BROWN ALEX INC, 135 E BALTIMORE ST, BALTIMORE, MD 21202 (301) 727-1700 - 316,789 (\$7,286,147) COMMON STOCK. (FILE 33-2753 - JAN. 16) (BR. 11)
- S-8 FIRST EMPIRE STATE CORP, ONE M&T PLZ, BUFFALO, NY 14240 (716) 842-5445 - 10,000,000 (\$10,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. 40,000 (\$2,790,000) COMMON STOCK. (FILE 33-2755 - JAN. 16) (BR. 1)
- S-3 RYLAND ACCEPTANCE CORP FOUR, 10221 WINCOPIN CIRCLE, COLUMBIA, MD 21044 (301) 964-6400 - 500,000,000 (\$500,000,000) MORTGAGE BONDS. (FILE 33-2757 - JAN. 16) (BR. 11)
- S-3 ATLANTA GAS LIGHT CO, 235 PEACHTREE ST NE, ATLANTA, GA 30302 (404) 584-4000 - 85,000,000 (\$85,000,000) MORTGAGE BONDS. (FILE 33-2763 - JAN. 17) (BR. 7)
- S-3 ILLINOIS POWER CO, 500 S 27TH ST, DECATUR, IL 62525 (217) 424-6600 - 100,000,000 (\$100,000,000) MORTGAGE BONDS. (FILE 33-2764 - JAN. 17) (BR. 8)
- S-3 CINCINNATI GAS & ELECTRIC CO, 139 E FOURTH ST, CINCINNATI, OH 45202 (513) 381-2000 - 2,000,000 (\$40,750,000) COMMON STOCK. (FILE 33-2767 - JAN. 17) (BR. 7)
- S-8 EDUCATIONAL COMPUTER CORP, 5882 S TAMPA AVE, ORLANDO, FL 32809 (215) 687-2600 - 160,000 (\$1,720,000) COMMON STOCK. (FILE 33-2768 - JAN. 17) (BR. 8)
- S-3 AMERICAN INTERNATIONAL GROUP INC, 70 PINE ST, NEW YORK, NY 10270 (212) 770-7000 - 2,875,000 (\$299,000,000) COMMON STOCK. (FILE 33-2771 - JAN. 17) (BR. 10)
- S-4 MERCHANTS NATIONAL CORP, ONE MERCHANTS PLZ, STE 415-E, INDIANAPOLIS, IN 46255 (317) 267-7000 - 165,000 (\$7,425,000) COMMON STOCK. (FILE 33-2772 - JAN. 17) (BR. 11)
- S-8 EMERSON ELECTRIC CO, 8000 W FLORISSANT AVE, P O BOX 4100, ST LOUIS, MO 63136 (314) 553-2000 - 4,100 (\$16,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. 310,000 COMMON STOCK. (FILE 33-2773 - JAN. 17) (BR. 3)
- S-8 EMERSON ELECTRIC CO, 8000 W FLORISSANT AVE, P O BOX 4100, ST LOUIS, MO 63136 (314) 553-2000 - 1,000 (\$4,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-2774 - JAN. 17) (BR. 3)
- S-6 MUNICIPAL SECURITIES TRUST HIGH INCOME SERIES 3, 55 WATER ST, C/O BEAR STEARNS & CO INC, NEW YORK, NY 10041 - 20,000 (\$21,000,000) UNIT INVESTMENT TRUST. (FILE 33-2777 - JAN. 17) (BR. 16 - NEW ISSUE)
- S-4 WAYNE BANCORP INC /NEW/, 112 W LIBERTY ST, WOOSTER, OH 44691 (216) 264-1222 - 420,000 (\$13,881,000) COMMON STOCK. (FILE 33-2778 - JAN. 16) (BR. 1 - NEW ISSUE)
- S-8 RHODES INC, 4370 PEACHTREE RD N E, ATLANTA, GA 30319 (404) 264-4600 - 3,000,000 (\$3,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-2780 - JAN. 17) (BR. 1)

## RECENT 8-K FILINGS

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.

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.

COMPANY	ITEMS NO.	DATE	
SEARS MORTGAGE SECURITIES CORP	5,7	11/30/85	
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SEARS MORTGAGE SECURITIES CORP	5,7	11/29/86	
SEARS MORTGAGE SECURITIES CORP	5,7	11/30/86	
SEARS MORTGAGE SECURITIES CORP	5,7	11/30/86	
SHURGARD INCOME PROPERTIES EIGHT	2,7	12/27/85	
SHURGARD INCOME PROPERTIES FIVE	2,7	01/06/86	
SOUTHMARK CORP /GA/	7	12/31/85	AMEND
SPIRE CORP	5	01/09/86	
STERLING SOFTWARE INC	7	08/27/85	AMEND
STRATOFLEX INC	5	01/01/86	
SUBURBAN AIRLINES INC	5	01/07/86	
SUMMCORP	5	01/10/86	
TELECRAFTER CORP	5	01/14/86	
TIDE WEST OIL CO	1,2,6,7	01/16/86	
TIMES MIRROR CO	5,7	01/15/86	
TWENTY FIRST CENTURY ENVELOPE CO INC	5,7	01/16/86	
UNIFI INC	5	01/12/86	
VICTORIA BANKSHARES INC	5	01/16/86	
VIDEO DISPLAY CORP	5,7	12/31/85	
WASHINGTON POST CO	2,7	01/03/86	
WORLD MAIL CENTER INC	5	01/14/86	
20TH CENTURY INDUSTRIES	5,6	11/26/85	