

sec news digest

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CIVIL PROCEEDINGS

FINAL JUDGMENTS OF PERMANENT INJUNCTION ENTERED AGAINST COSME MA. DE ABOITIZ AND COLIN WALKER

The Commission announced that final judgments of permanent injunction were entered on February 4 in the U.S. District Court for the Southern District of New York against Cosme Ma. de Aboitiz and Colin Walker, the remaining defendants in SEC v. PepsiCo, Inc., et al. The July 1, 1985 complaint alleged violations of the antifraud, reporting and books and records provisions of the securities laws in connection with PepsiCo. Inc.'s reports and financial statements filed with the Commission and disseminated to the public by PepsiCo from 1979 through the third quarter of 1982. Aboitiz and Walker are former high level employees of PepsiCo's bottling operations in the Philippines and in Mexico, respectively.

Without admitting or denying the allegations contained in the complaint, Aboitiz and Walker consented to the Final Judgments restraining and enjoining them from violations of the antifraud provisions of the Securities and Exchange Acts, and from aiding and abetting violations of the antifraud, reporting and books and records provisions of the Exchange Act. (SEC v. PepsiCo, Inc., et al., USDC SDNY, Civil Action No. 85-CIV-5022. (LR-10995))

BESICORP GROUP, INC. ENJOINED

The Commission announced that on January 31 the U.S. District Court for the District of Columbia entered a Final Judgment of Permanent Injunction against Besicorp Group, Inc., of Ellenville, New York. The Judgment restrained and enjoined Besicorp from failing to file timely annual and quarterly reports.

In its December 3, 1985 complaint, the Commission alleged that Besicorp, as part of a continuing course of violative conduct extending over several years, failed to file its Annual Report on Form 10-K for its fiscal year ended May 31, 1985 and its Quarterly Report on Form 10-Q for its fiscal quarter ended August 31, 1985. Besicorp, consenting to the Court's Judgment, admitted that it had filed late seven Annual and Quarterly Reports. (SEC v. Besicorp Group, Inc., USDC DC, Civil Action No. 85-3820). (LR-10996)

INVESTMENT COMPANY ACT RELEASES

MUNICIPAL INVESTORS TRUST OF AMERICA, SERIES 1 AND SUBSEQUENT SERIES

An order has been issued exempting Municipal Investors Trust of America, Series 1 and Subsequent Series, and the sponsor of such unit investment trusts, Miller & Schroeder Financial, Inc., from the provisions of Section 19(b) of the Investment Company Act, and granting the sponsor confidential treatment for certain statements contained in Commission filings. (Rel. IC-14931 - Feb. 5)

MERRILL LYNCH RETIREMENT BENEFIT GOVERNMENT SECURITIES FUND, INC.

A notice has been issued giving interested persons until February 26 to request a hearing on an application filed by Merrill Lynch Retirement Benefit Government Securities Fund, Inc. (Applicant), a registered open-end, diversified, management investment company, for an order exempting it from the provisions of Sections 2(a)(32), 2(a)(35), 22(c) and 22(d) and Rule 22c-1. The exemption permits Applicant and any other registered mutual fund or series thereof which may be managed or distributed by Merrill Lynch Asset Management, Inc. or its affiliates, to assess (and in certain cases, waive,) a contingent deferred sales charge on certain redemptions of their shares. (Rel. IC-14932 - Feb. 5)

HOLDING COMPANY ACT RELEASES

INDIANA & MICHIGAN ELECTRIC COMPANY

A notice has been issued giving interested parties until March 3 to request a hearing on a proposal by Indiana & Michigan Electric Company, and other direct or indirect subsidiaries of American Electric Power Company, Inc., a registered holding company, to render affiliated and nonassociated river transportation services. (Rel. 35-24013 - Feb. 5)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING GRANTED

An order has been issued granting the application of the American Stock Exchange to strike the common stock, no par value, of DERWOOD INVESTMENT TRUST from listing and registration thereon. (Rel. 34-22866)

UNLISTED TRADING GRANTED

Orders have been issued granting the applications of the following stock exchanges for unlisted trading privileges in the common stock of 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 - six issues. (Rel. 34-22863); the Philadelphia Stock Exchange - three issues. (Rel. 34-22864); and the Boston Stock Exchange - six issues (two separate applications with three issues each). (Rel. 34-22867; 34-22868)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGES

The Commission approved, on an accelerated basis, proposed rule changes filed by the Philadelphia Stock Exchange, Inc.: (SR-Phlx-85-33) to extend the commencement of closing rotations in expiring equity options on the business day prior to expiration from 4:00 p.m. to 4:10 p.m. or until the time when a final price for the underlying stock is established in the primary market. (Rel. 34-22855); and (SR-Phlx-86-2) to extend its Allocation and Specialist Evaluation Pilot Program through July 1, 1986. (Rel. 34-22856)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule filed under Rule 19b-4 by the Pacific Stock Exchange Inc. (SR-PSE-85-32) to delete Rule XVII of the PSE Rules of the Board of Governors, which currently provides, among other things, that the PSE approve telephone communications between off-floor non-members and the PSE trading floor. (Rel. 34-22857)

NOTICE OF PROPOSED RULE CHANGE

The National Association of Securities Dealers, Inc. filed a proposed rule change effective immediately (SR-NASD-86-1) amending Schedule A of the NASD By-Laws to require payment of a \$500 fee by a member firm seeking to employ or continuing to employ as an associated person any individual subject to a disqualification from association with a member.

Publication of the proposal is expected to be made in the Federal Register during the week of February 10. (Rel. 34-22861)

TRUST INDENTURE ACT RELEASES

CHRYSLER FINANCIAL CORPORATION

An order has been issued under the Trust Indenture Act of 1939 on an application by Chrysler Financial Corporation that the trusteeship of Irving Trust Company under two

Chrysler indentures is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Irving from acting as trustee under either indenture. (Rel. TI-1071)

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-18 SONS & DAUGHTERS CO LTD PARTNERSHIP, 1576 BROADWAY STE 308, C/O OMNIBUS PRODUCTIONS, NEW YORK, NY 10036 (212) 265-2238 - 50 (\$3,500,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-2822-NY - JAN. 24) (BR. 11 - NEW ISSUE)
- S-18 QUATTRO G INC, 335 LAKE AVE, LYNDHURST, NJ 07071 (201) 896-1582 - 1,625,000 (\$3,250,000) COMMON STOCK. 162,500 (\$162) WARRANTS, OPTIONS OR RIGHTS. 162,500 (\$422,500) COMMON STOCK. (FILE 33-2826-NY - JAN. 24) (BR. 11 - NEW ISSUE)
- S-18 ADVANCED DIAGNOSTIC VENTURES INC, 11 PARK PL STE 1715, NEW YORK, NY 10007 (212) 766-4661 - 1,500,000 (\$75,000) COMMON STOCK. 15,000,000 (\$1,500,000) COMMON STOCK. 15,000,000 (\$3,000,000) COMMON STOCK. (FILE 33-2829-NY - JAN. 27) (BR. 12 - NEW ISSUE)
- S-18 ARTHOTRONICS INC, 5402 ELIOTS OAK RD, COLUMBIA, MD 21044 (301) 730-8393 - 600,000 (\$600,000) COMMON STOCK. 900,000 (\$900,000) COMMON STOCK. UNDERWRITER: MICHELIN & CO INC. (FILE 33-2902-W - JAN. 24) (BR. 4 - NEW ISSUE)
- S-18 CAPFILM INC, GREYLOCK ST, LEE, MA 01238 (413) 243-1587 - 2,800,000 (\$2,800,000) COMMON STOCK. 280,000 (\$100) WARRANTS, OPTIONS OR RIGHTS. 280,000 (\$350,000) COMMON STOCK. UNDERWRITER: HUBERMAN MARGARETTEN & STRAUSS INC, MARICH R B INC. (FILE 33-2914-NY - JAN. 23) (BR. 3 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND SIXTY EIGHTH INSURED SERIES, ONE LIBERTY PLZ 21ST FL, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES. (FILE 33-2950 - JAN. 30) (BR. 17 - NEW ISSUE)
- S-6 SEARS TAX EXEMPT INVESTMENT TRUST CA MUN PORT SER 32, 130 LIBERTY ST, C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 - 11,000 (\$11,220,000) UNIT INVESTMENT TRUST. (FILE 33-2952 - JAN. 30) (BR. 16 - NEW ISSUE)
- S-3 DELTA AIR LINES INC/DE/, HARTSFIELD ATLANTA INTL AIRPORT, ATLANTA, GA 30320 (404) 765-2600 - 300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE 33-2972 - JAN. 30) (BR. 10 - NEW ISSUE)
- S-1 SYNERCOM TECHNOLOGY INC, 10405 CORPORATE DR, PO BOX 27, SUGAR LAND, TX 77478 (713) 240-5000 - 800,000 (\$11,220,000) COMMON STOCK. 1,500,000 (\$21,000,000) COMMON STOCK. (FILE 33-2979 - JAN. 29) (BR. 10 - NEW ISSUE)
- S-8 AMERICAN EXPRESS CO, AMERICAN EXPRESS PLZ, NEW YORK, NY 10004 (212) 323-2000 - 48,000,000 (\$48,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-2980 - JAN. 29) (BR. 12)
- S-8 BANK OF BOSTON CORP, 100 FEDERAL ST, BOSTON, MA 02110 (617) 434-2200 - 60,000 (\$3,510,000) COMMON STOCK. 9,347,124 (\$9,347,124) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-2981 - JAN. 29) (BR. 1)
- S-6 NUVEEN TAX EXEMPT UNIT TRUST SERIES 368, 333 E WACKER DR, C/O JOHN NUVEEN & CO INC, CHICAGO, IL 60606 - INDEFINITE SHARES. (FILE 33-2982 - JAN. 29) (BR. 17 - NEW ISSUE)
- S-1 ENZYMES OF AMERICA INC, 50633 RYAN RD, UTICA, MI 48087 (313) 731-6424 - 460,000 (\$4,600,000) COMMON STOCK. 920,000 (\$2,760,000) COMMON STOCK. 40,000 (\$40) WARRANTS, OPTIONS OR RIGHTS. 40,000 (\$440,000) COMMON STOCK. 80,000 (\$240,000) COMMON STOCK. UNDERWRITER: EVANS & CO INC. (FILE 33-2983 - JAN. 29) (BR. 9 - NEW ISSUE)
- S-1 ASSOCIATED INNS & RESTAURANTS CO OF AMERICA, 9250 E COSTILLA AVE STE 300, ENGLEWOOD, CO 80112 (303) 779-1219 - 1,150,000 (\$14,950,000) COMMON STOCK. (FILE 33-2984 - JAN. 29) (BR. 12 - NEW ISSUE)

- S-4 PFDLAW INDUSTRIES INC, P O BOX 1100, 255 W ST SOUTH, DRIFIA ONTARIO CANADA L3V 6L3, A6 (705) 325-6121 - 535,278 (\$2,141,112) FOREIGN COMMON STOCK. 1,338,195 FOREIGN GOVERNMENT AND AGENCY DEBT. 1,070,556 (\$2,676,390) FOREIGN COMMON STOCK. (FILE 33-2985 - JAN. 29) (BR. 6)
- S-1 ASSOCIATED INNS & RESTAURANTS CO OF AMERICA, 9250 E COSTILLA AVE STE 300, ENGLEWOOD, CO 80112 (303) 779-1219 - 28,750,000 (\$28,750,000) STRAIGHT BONDS. UNDERWRITER: DONALDSON LUFKIN & JENRETTE SECURITIES C. (FILE 33-2987 - JAN. 29) (BR. 12)
- S-3 TRIANGLE INDUSTRIES INC, PO BOX 2600, NEW BRUNSWICK, NJ 08903 (201) 745-5500 - 380,000 (\$6,175,000) COMMON STOCK. 380,000 (\$6,270,000) PREFERRED STOCK. (FILE 33-2989 - JAN. 30) (BR. 6)
- S-3 UNITED WATER RESOURCES INC, 200 OLD HOOK RD, HARRINGTON PARK, NJ 07640 (201) 784-9434 - 500,000 (\$11,687,500) COMMON STOCK. (FILE 33-2990 - JAN. 30) (BR. 8)
- S-8 NOVA PHARMACEUTICAL CORP, 5210 EASTERN AVE, BALTIMORE, MD 21224 (301) 522-7000 - 2,500,000 (\$19,450,000) COMMON STOCK. (FILE 33-2992 - JAN. 30) (BR. 8)
- S-3 UNITED STATES STEEL CORP/DE, 600 GRANT ST RM 6026, PITTSBURGH, PA 15230 (412) 433-1121 - 1,000,000 (\$104,000,000) PREFERRED STOCK. 2,380,000 (\$1,190,000) COMMON STOCK. 2,380,000 WARRANTS, OPTIONS OR RIGHTS. UNDERWRITER: SALOMON BROTHERS INC, SHEARSON LEHMAN BROTHERS INC, STANLEY MORGAN & CO INC. (FILE 33-2993 - JAN. 30) (BR. 4)
- S-1 MCDONALD & CO INVESTMENTS INC, 2100 CENTRAL NATL BANK BLDG, CLEVELAND, OH 44114 (216) 623-2000 - 20,000,000 (\$20,000,000) CONVERTIBLE DEBENTURES AND NOTES. UNDERWRITER: GOLDMAN SACHS & CO, MCDONALD & CO SECURITIES INC. (FILE 33-2994 - JAN. 30) (BR. 12)
- S-14 LIBERTY FINANCIAL GROUP INC, 202 N BROAD ST, PHILADELPHIA, PA 19102 (215) 864-7630 - 61,550 (\$1,908,050) COMMON STOCK. (FILE 33-2995 - JAN. 28) (BR. 2)
- S-1 UNITED INSURANCE COMPANIES INC, WILLIAM SQ AT LAS COLINAS, 5215 N OCONNOR STE 1800, IRVING, TX 75039 (214) 869-4800 - 1,150,000 (\$14,950,000) COMMON STOCK. UNDERWRITER: BEAR STEARNS & CO INC, DICKINSON R G & CO. (FILE 33-2998 - JAN. 30) (BR. 9)
- S-11 DREXEL BURNHAM LAMBERT REAL ESTATE ASSOCIATES IV, 405 LEXINGTON AVE, NEW YORK, NY 10174 (212) 986-2800 - 100,000 (\$50,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: DREXEL BURNHAM LAMBERT INC. (FILE 33-2999 - JAN. 30) (BR. 5 - NEW ISSUE)
- S-1 ISC SYSTEMS CORP, E 901 SECOND AVE, SPOKANE, WA 99220 (509) 536-5050 - 1,600,000 (\$24,000,000) COMMON STOCK. 1,390,000 (\$20,850,000) COMMON STOCK. (FILE 33-3001 - JAN. 30) (BR. 9)
- S-6 KEMPER GOVERNMENT SECURITIES TRUST GNMA PORTFOLIO SERIES 12, 120 S LASALLE ST, C/O KEMPER SALES CO, CHICAGO, IL 60603 - INDEFINITE SHARES. (FILE 33-3002 - JAN. 30) (BR. 16 - NEW ISSUE)
- S-6 HUTTON INVESTMENT TRUST CONVERTIBLE UNIT INVT TR SERIES 7, ONE BATTERY PK PLZ, C/O E F HUTTON & CO INC, NEW YORK, NY 10004 - INDEFINITE SHARES. (FILE 33-3004 - JAN. 30) (BR. 18 - NEW ISSUE)
- S-1 SYNERGEN INC, 1885 33RD ST, BOULDER, CO 80301 (303) 938-6200 - 100,000 (\$1,100,000) COMMON STOCK. 1,395,000 (\$15,345,000) COMMON STOCK. (FILE 33-3005 - JAN. 30) (BR. 7)