

sec news digest

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U.S. SECURITIES AND
EXCHANGE COMMISSION

RULES AND RELATED MATTERS

RESCISSION OF AND AMENDMENTS TO REGULATORY STANDARDS FOR BROKER-DEALERS IN SECO PROGRAM

The Commission approved the rescission of and amendments to rules under the Securities Exchange Act of 1934 which prescribe regulatory standards for broker-dealers in the SECO Program. The Commission also adopted an amendment to Rule 15b9-1 under the Act which exempts certain exchange members engaged in a limited over-the-counter securities business from the requirement of joining a registered securities association under Section 15(b)(8) of the Act. The Commission is requesting comments on amended Rule 15b9-1. These changes, necessitated by amendments to the Act contained in Public Law No. 98-38, 87 Stat. 205, become effective December 6, 1983.

Comments should be submitted in triplicate to the Office of the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, not later than January 3, 1984, and should refer to File No. S7-1003. (Rel. 34-20409)

FOR FURTHER INFORMATION CONTACT: Katherine A. England at (202) 272-2411

WITHDRAWAL OF PROPOSED RULE 15b7-1

The Commission has withdrawn proposed Rule 15b7-1 under the Securities Exchange Act of 1934 and proposed amendments to Rule 15b9-1. Both of these rules relates to the SECO Program which will be eliminated effective December 6, 1983. (Rel. 34-20410)

FOR FURTHER INFORMATION CONTACT: Katherine England at (202) 272-2411

ADMINISTRATIVE PROCEEDINGS

NASD ACTION AGAINST EUGENE J. ERDOS AFFIRMED

The Commission affirmed sanctions imposed by the NASD on Eugene J. Erdos, of Seattle, who was associated with an NASD member firm. The NASD censured Erdos, fined him \$10,000, and suspended him from association with any member firm for six months.

The Commission found, as had the NASD, that Erdos made unsuitable recommendations to Mrs. C., a 75 year old retired widow with limited assets and income, and engaged in excessive trading in her account. Despite the fact that Mrs. C.'s financial situation called for conservative investments, Erdos' recommendations included options and securities transactions on margin. Moreover, during 1977, Erdos, who controlled Mrs. C's account, effected more than 130 transactions for Mrs. C in an amount totaling more than \$1.2 million, generating commission for Erdos of more than \$25,000.

In affirming the sanctions imposed by the NASD, the Commission stated that Erdos' dealings with Mrs. C reflected "a callous disregard of his fundamental responsibility to deal fairly with the public." (Rel. 34-20376)

CIVIL PROCEEDINGS

COMPLAINT AMENDED TO ADD THREE DEFENDANTS

On November 9 Judge Charles Haight, U.S. District Court for the Southern District of New York, issued a temporary restraining order against Alan Robert Ihne, and authorized the Commission to amend its complaint to add him as a defendant. Ihne, Manager of Office Services of Sullivan & Cromwell, is charged with misappropriating material non-public information from Sullivan & Cromwell and giving it to the defendants already named in the action. He is charged with violations of the antifraud provisions and of the provision prohibiting trading on material non-public information in connection with tender offers. On November 17 Ihne consented to the entry of a Preliminary Injunction.

On November 22 Judge Haight authorized the Commission to amend its complaint again to add three additional defendants, James Stivaletti, Daniel Covello and James Covello. All three are employed by brokerage firms. Stivaletti is charged with participating in Ihne's scheme by receiving information from Ihne and transmitting it to the Musella group defendants previously named. The Covello brothers are charged with trading based on material non-public information misappropriated and given to them by Ihne. Stivaletti and the Covello brothers are charged with violations of the antifraud provisions and the provision prohibiting trading on material non-public information in connection with tender offers. (SEC v. Musella, et al., USDC SDNY, Civil Action No. 83 Civ. 342). (LR-10205)

COMPLAINT NAMES NORTH AMERICAN INTERNATIONAL CORP., OTHERS

The Seattle Regional Office filed a complaint on November 9 in the U.S. District Court for Idaho seeking injunctive relief against North American International Corporation, a Utah corporation, Gerald Lee Eastman of Orem, Utah, Kenneth V. Orr of Logan, Utah, and LaRoy Orr of Ogden, Utah based on alleged violations of the registration and antifraud provisions of the securities laws. The complaint alleged that the defendants engaged in fraudulent conduct in selling approximately \$12 million in unregistered promissory notes, evidences of indebtedness and investment contracts issued by the defendants to about 900 members of the public since May 1979. (SEC v. North American Corporation, et al., USDC ID, Civil Action No. 83-4164). (LR-10207)

INVESTMENT COMPANY ACT RELEASES

MASSACHUSETTS FINANCIAL DEVELOPMENT FUND INC.

A notice has been issued giving interested persons until December 13 to request a hearing on an application of Massachusetts Financial Development Fund, Inc., Sun Growth Fund Inc. (collectively, the Funds), Massachusetts Financial Services Company, and Sun Life Assurance Company of Canada. The application requests an order to permit the Funds to merge by means of the transaction described in the application, and exempting that transaction from the provisions of Section 17(a) of the Investment Company Act. (Rel. IC-13633 - Nov. 22)

RELATED FOREST CITY ELDERLY HOUSING LIMITED PARTNERSHIP II

An order has been issued on an application of Related Forest City Elderly Housing Limited Partnership II, a Massachusetts limited partnership, and its managing general partner, The Related Companies, Inc., a Delaware corporation, exempting the Partnership from all provisions of the Investment Company Act. (Rel. IC-13634 - Nov. 22)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC under the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form, Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a Rights Offering; File number and date filed; Assigned Branch; If the registration statement is a New Issue; and [S] denoting SHELF REGISTRATION under Rule 415.

- (S-1) FRANCHISEIT CORPORATION, Two Park Ave., New York, NY 10016 (212) 684-4230 - 2,500,000 units. Underwriter: Individual's Securities, Ltd., 20 Broadhollow Rd., Melville, NY 11747 (516) 421-3934, (800) 645-5000 (outside NY State), or (800) 832-5385 (within NY State). The company intends to assist public and private companies seeking to franchise their products. (File 2-88017 - Nov. 21) (Br. 6 - New Issue)
- (S-3) VOLT INFORMATION SCIENCES, INC., 101 Park Ave., New York, NY 10178 (212) 309-0200 - 85,891 shares of common stock. The company and its subsidiaries provide contract engineering, design and technical support for various high technology-related companies. (File 2-88018 - Nov. 21) (Br. 6) [S]
- (S-8/S-3) THE PLANTERS CORPORATION, 131 North Church St., Rocky Mount, NC 27801 (919) 977-8211 - 246,784 shares of common stock. (File 2-88019 - Nov. 21) (Br. 1) [S]
- (S-3) ENERGY CONVERSION DEVICES, INC., 1675 West Maple Rd., Troy, MI 48084 (313) 280-1900 - 826,156 units. Underwriter: Janney Montgomery Scott Inc. The company is establishing business arrangements for the commercialization of products utilizing amorphous and related materials. (File 2-88020 - Nov. 22) (Br. 8) [S]
- (S-3) DOVER CORPORATION, 277 Park Ave., New York, NY 10172 (212) 826-7160 - 110,326 shares of common stock. The company manufactures a variety of specialized industrial products. (File 2-88021 - Nov. 22) (Br. 9) [S]
- (S-8) MPSI SYSTEMS INC., 8282 South Memorial Dr., Tulsa, OK 74133 (918) 250-9611 - 500,000 shares of common stock. (File 2-88022 - Nov. 22) (Br. 9)
- (S-8) EXCOA OIL & GAS, INC., 1600 Broadway, #1628, Denver, CO 80202 (303) 831-9182 - 2,300,000 shares of common stock. (File 2-88024 - Nov. 22) (Br. 4)
- (S-8) ASSOCIATED COMMUNICATIONS CORPORATION, 200 Gateway Towers, Pittsburgh, PA 15222 (412) 281-1907 - 100,000 shares, each, of Class A, and Class B common stock. (File 2-88025 - Nov. 22) (Br. 2)
- (S-3) FORD MOTOR CREDIT COMPANY, The American Rd., Dearborn, MI 48121 (313) 322-3000 - \$750 million of medium-term notes, due from nine months to five years from date of issue. Underwriters: Goldman, Sachs & Co. and Merrill Lynch Capital Markets. (File 2-88027 - Nov. 22) (Br. 2) [S]
- (S-1) MEDIQ INCORPORATED, One MEDIQ Plaza, Pennsauken, NJ 08110 (609) 665-9300 - \$30 million of convertible senior subordinated debentures, due 2003. Underwriter: Drexel Burnham Lambert Incorporated. The company provides services to the health care industry. (File 2-88029 - Nov. 22) (Br. 10)
- (S-1) ENERGY METHODS PETROLEUM INCOME FUND-SERIES D, Suite 500, 303 East 17th Ave., Denver, CO 80203 (303) 861-5700 - \$125 million of preformation interests in limited partnerships. (File 2-88030 - Nov. 22) (Br. 3 - New Issue) [S]
- (S-8) COLONIAL GAS COMPANY, 40 Market St., Lowell, MA 01853 (617) 458-3171 - 80,000 shares of common stock. (File 2-88031 - Nov. 22) (Br. 7)
- (S-1) SIGNAL FINANCE CORPORATION, Robinson Plaza Three, P.O. Box 2944, Pittsburgh, PA 15230 (412) 787-7670 - \$30 million of investment certificates. (File 2-88034 - Nov. 22) (Br. 1) [S]
- (S-8) PEOPLES RESTAURANTS, INC., 115 Spring Valley Rd., Richardson, TX 75083-2190 - 400,000 shares of common stock. (File 2-88035 - Nov. 22) (Br. 7)
- (S-8) MCDONALD & COMPANY INVESTMENTS, INC., 2100 Central National Bank Bldg., Cleveland, OH 44114 (216) 623-2000 - 300,000 shares of common stock. (File 2-88036 - Nov. 22) (Br. 7)
- (S-1) CARMEL BANCORPORATION, 200 Clocktower Pl., Carmel, CA 93922 (408) 624-9500 - 320,000 shares of common stock. (File 2-88040 - Nov. 23) (Br. 2)
- (S-3) THE TRAVELERS CORPORATION, One Tower Sq., Hartford, CT 06115 (203) 277-0111 - 5,000,000 shares of common capital stock. (File 2-88041 - Nov. 23) (Br. 10)
- (S-8) ICOT CORPORATION, P.O. Box 7248, 830 Maude Ave., Mountain View, CA 94039 (415) 964-4635 - 650,000 shares of common stock. (File 2-88042 - Nov. 23) (Br. 10)

ACQUISITIONS OF SECURITIES

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 CUSIP number (top) and the prior percent owned; and Column 7 - the status of the filing, i.e., new, update, or revision.

	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
ANTA CORP ANOR HEALTHCARE CORP	COM 14D-1	11/21/83	4 0.1	03662810 0.0	NEW
BROUGHAM INDUSTRIES INC CHRYSLER CORP	COM 13D	11/11/83	100 5.6	11483010 0.0	NEW
CADENCE INDS CORP GAMCO INVESTORS INC ET AL	COM 13D	11/16/83	0 0.0	12738810 40.6	UPDATE
COAST FEDERAL SVGS & LN ASSC CULVERHOUSE HUGH F	COM 13D	11/ 2/83	234 6.4	19035010 0.0	NEW
CONTRDL SYSTEMS INC FDLKES JAMES R	COM NEW 13D	11/17/83	143 21.6	20584510 22.7	UPDATE
CORE LABS INC LITTON INDS INC	COM 13D	11/10/83	606 10.2	21867710 0.0	NEW
DMG INC EQUITY GROUP HOLDINGS	COM 13D	11/21/83	2,201 29.8	23322110 24.8	UPDATE
EASTOVER CORP SPEED LELAND R	SH BEN INT 13D	9/28/83	139 10.5	27777810 12.0	UPDATE
FOX STANLEY PHOTO PRODS INC ARVERON INVESTMENTS	COM 13D	11/17/83	283 8.0	35158610 5.8	UPDATE
HMW INDS INC SEEMALA CORP ET AL	COM 13D	11/ 4/83	30 1.9	40424510 9.8	UPDATE
HOMAC INC GOULD INVESTORS TRUST ET AL	SH BEN INT 13D	11/ 7/83	396 20.9	43685710 17.7	UPDATE
INTEL CORP INTL BUSINESS MACHINES	COM 13D	11/14/83	18,195 17.4	45814010 15.4	UPDATE
INTERACTION SYS INC C L SYSTEMS INC	CL A 13D	10/28/83	94 5.9	45891110 5.9	UPDATE
INTERACTION SYS INC HATVANY BELA R	CL A 13D	10/28/83	384 24.1	45891110 24.1	UPDATE
INTERACTION SYS INC NG HENRY H	CL A 13D	10/28/83	160 6.3	45891110 6.3	UPDATE
INTERACTION SYS INC WINSHALL WALTER A	CL A 13D	10/28/83	384 24.1	45891110 24.1	UPDATE
INTL INST APPLIED TECHNOLOGY LAMBERT DAVID M.F.	COM 13D	11/ 7/83	519 9.2	45969010 0.0	NEW