

sec news digest

Issue 83-249

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RULES AND RELATED MATTERS

APPLICATIONS FOR REGISTRATION OF FOREIGN INVESTMENT COMPANIES IN THE UNITED STATES

The Commission has issued a release advising any foreign investment company domiciled in a civil law country which desires to sell its shares in the United States to consider organizing a separate company in the United States and offering the latter's shares in this country instead of filing an application under Section 7(d) of the Investment Company Act of 1940 for permission to register under the Act and sell its own shares. The release also announces that the Commission is recommending legislation to the Congress to amend Section 7(d) of the Act to make it easier for operating foreign investment companies to register with the Commission when that is consistent with the purposes of the Act and the protection of investors. (Rel. IC-13691)

FOR FURTHER INFORMATION CONTACT: Brian M. Kaplowitz at (202) 272-3024

CIVIL PROCEEDINGS

COMPLAINT NAMES ROBERT E. SCHULMAN

The Commission filed a complaint in the U.S. District Court for the District of Columbia against Robert E. Schulman alleging violations of Section 17(a)(2) and (3) of the Securities Act of 1933 and Section 13(a) of the Securities Exchange Act of 1934.

The complaint alleges that: Schulman, a certified public accountant, did not have a reasonable basis for issuing an unqualified opinion on the financial statements of Quality Care, Inc. for fiscal 1978, that his examination was not conducted in accordance with generally accepted auditing standards, and that Quality Care's financial statements were not presented in accordance with generally accepted accounting principles (GAAP); during fiscal year 1978, Quality Care sold approximately \$2.68 million of investor-owned franchises and recognized this amount as revenue in its financial statements; and Quality Care's reported net earnings of \$940,509 were inflated by approximately \$1.29 million because the recognition of the \$2.68 million franchise fee revenue was premature and inconsistent with GAAP and the standards set forth in the American Institute of Certified Public Accountants' Industry Accounting Guide entitled Accounting for Franchise Fee Revenue.

Concurrently with the filing of the complaint, the Court entered a Final Judgment of Permanent Injunction, whereby Schulman, without admitting or denying the allegations, consented to a Final Judgment of Permanent Injunction which enjoins him from violating Section 17(a)(2) and (3) of the Securities Act and Section 13(a) of the Exchange Act. Schulman, who is not currently practicing before the Commission, is also permanently restrained and enjoined from appearing or practicing before the Commission. However, six months subsequent to the date of this Final Judgment, his application to practice before the Commission will be granted if he attends at least 80 hours of professional seminars or college courses and has his work reviewed by a certified public accountant acceptable to the Commission for six months after commencing practice before the Commission. (SEC v. Robert E. Schulman, USDC DC, Civil Action No. 83-3765). (LR-10245)

INVESTMENT COMPANY ACT RELEASES

ANCHOR NATIONAL LIFE INSURANCE COMPANY

An order has been issued exempting Anchor National Life Insurance Company and America Pathway II Separate Account from the provisions of Sections 26(a) and 27(c)(2) of the Investment Company Act to permit transactions described in the application.
(Rel. IC-13690 - Dec. 23)

HOLDING COMPANY ACT RELEASES

THE CONNECTICUT LIGHT AND POWER COMPANY

An order has been issued authorizing The Connecticut Light and Power Company (CL&P), subsidiary of Northeast Utilities, to enter into a loan agreement with the State of New Hampshire (Issuer). The Issuer will then loan the proceeds of the issuance and sale of \$10 million of pollution control bonds to CL&P. CL&P will make payments to the Issuer of the principal, interest, and premium, if any, on the bonds as they become due. The bonds will be remarketable, and CL&P will enter into an agreement with Citibank, N.A. under which Citibank will remarket the bonds. CL&P will also enter into a Letter of Credit Agreement with Citibank to secure the loan agreement.
(Rel. 35-23177 - Dec. 23)

SYSTEM FUELS, INC.

An order has been issued regarding System Fuels, Inc. (SFI), subsidiary of Arkansas Power & Light Company, Louisiana Power & Light Company, Mississippi Power & Light Company, and New Orleans Public Service Inc. (Operating Companies), authorizing the financing of SFI's 1984 fuel supply programs for the benefit of the Operating Companies. SFI proposes to make additional borrowings from the Operating Companies during 1984 of up to \$125 million. The amount of the borrowings, including the amount outstanding on December 31, 1983, will not exceed an estimated \$227 million.
(Rel. 35-23178 - Dec. 23)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGES

The Chicago Board Options Exchange, Incorporated has filed proposed rule changes under Rule 19b-4: (SR-CBOE-83-61) to revise its rule concerning precedence for facilitation orders and its rule concerning the sequence of execution for orders including both options and other securities. (Rel. 34-20513); and (SR-CBOE-83-41, 42, 45-52, 54-60) to permit CBOE to list and trade standardized put and call options on 17 indices published by Standard & Poor's. (Rel. 34-20514)

Publication of the proposals are expected to be made in the Federal Register during the week of December 26.

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-6) NUVEEN TAX-EXEMPT BOND FUND, SERIES 291, 209 South LaSalle St., Chicago, IL 60604 - an indefinite number of units. Depositor: John Nuveen & Co. Incorporated. (File 2-88494 - Dec. 19) (Br. 18 - New Issue)
- (S-1) FERROFLUIDICS CORPORATION, 40 Simon St., Nashua, NH 03061 (603) 883-9800 - 250,000 shares of common stock. The company manufactures and markets proprietary products based on magnetic fluid technology. (File 2-88497 - Dec. 19) (Br. 10)
- (S-1) COMPUTER SYNERGY, INC., 2201 Broadway, Oakland, CA 94612 (415) 444-3434 - 625,000 shares of common stock. Underwriter: Van Kasper & Company. The company designs, markets, installs and supports integrated computer systems for acute care hospitals. (File 2-88533 - Dec. 21) (Br. 7 - New Issue) [S]
- (S-3) MIDDLE SOUTH UTILITIES, INC., 225 Barrone St., New Orleans, LA 70112 (504) 529-5262 - 2,000,000 shares of common stock. Underwriter: The First Boston Corporation. (File 2-88539 - Dec. 21) (Br. 8) [S]
- (S-18) J-TRON, INC., 6198 Butler Pike, Blue Bell, PA 19422 (215) 643-3939 - 2,500,000 units. (File 2-88542 - Dec. 21) (Br. 6 - New Issue)
- (N-1A) CLIPPER FUND, INC., 9401 Wilshire Blvd., Suite 1175, Beverly Hills, CA 90212 (213) 278-4461 - an indefinite number of shares of common stock. (File 2-88543 - Dec. 21) (Br. 18 - New Issue)
- (S-14) FIRST FINANCIAL CORPORATION, 300 Wisconsin Ave., Waukesha, WI 54481 (414) 547-0111/(715) 341-0400 - 800,000 shares of common stock. (File 2-88550 - Dec. 21) (Br. 2)
- (S-1) DMA SYSTEMS CORPORATION, 601 Pine Ave., Goleta, CA 93117 (805) 683-3811 - 800,000 shares of common stock. Underwriters: Montgomery Securities and E.F. Hutton & Company Inc. The company designs, manufactures and markets fixed/removable Winchester disk drives. (File 2-88551 - Dec. 22) (Br. 9 - New Issue)
- (S-6) MULTISTATE TAX EXEMPT UNIT TRUST, SERIES 2, One New York Plaza, New York, NY 10004 - 10,000 units. Depositors: Moseley, Hallgarten, Estabrook & Weeden Inc. and Advest Inc. (File 2-88557 - Dec. 22) (Br. 16 - New Issue)
- (S-3) MCA INC., 100 Universal City Plaza, Universal City, CA 91608 (213) 985-4321 - 235,000 shares of common stock. (File 2-88559 - Dec. 22) (Br. 3) [S]
- (S-18) PYRAMID MAGNETICS, INC., 9817 Variel Ave., Chatsworth, CA 91311 (213) 998-0825 - 800,000 shares of common stock. Underwriter: First Affiliated Securities, Inc. The company manufactures and sells components, principally ceramic sliders and ferrite backbars, for magnetic recording heads used in disk drives. (File 2-88563 - Dec. 22) (Br. 8 - New Issue) [S]
- (S-14) LECO ENTERPRISES, INC., 45 Rockefeller Plaza, New York, NY 10111 (212) 246-8000 - 161,932 shares of common stock. (File 2-88565 - Dec. 22) (Br. 2 - New Issue)
- (S-1) ENVIRONMENTAL TECHNOLOGY (U.S.), INC., 1018 28th St., Orlando, FL 32805 (305) 843-0400 - 900,000 shares of common stock. Underwriter: Laidlaw Adams & Peck Inc. and Allen C. Ewing & Co. The company has developed, and is beginning to manufacture and market products, and to offer auxiliary research and design services in the waste water management and metals recovery markets. (File 2-88576 - Dec. 22) (Br. 7 - New Issue)
- (S-2) AMPAL-AMERICAN ISRAEL CORPORATION, 10 Rockefeller Plaza, New York, NY 10020 (212) 586-3232 - \$10 million of ten-year, 10% redeemable debentures, Series UU, due 1993. Underwriter: Ampal Securities Corporation. The company finances, principally through loans and equity investments, industrial, financial, advanced technology, governmental, commercial and agricultural enterprises. (File 2-88581 - Dec. 22) (Br. 1)
- (S-2) QUANEX CORPORATION, 1900 West Loop South, Suite 1500, Houston, TX 77027 (713) 961-4600 - \$100 million of senior mortgage bonds, due 1999. Underwriter: Drexel Burnham Lambert Incorporated. The company is a producer of hot rolled special quality steel bars. (File 2-88583 - Dec. 22) (Br. 6)
- (S-8) ENZO BIOCHEM, INC., 325 Hudson St., New York, NY 10013 (212) 741-3838 - 975,000 shares of common stock. (File 2-88584 - Dec. 22) (Br. 2)
- (S-14) HOWARD WEILL FINANCIAL CORPORATION, 211 Carondelet St., New Orleans, LA 70130 (504) 588-2711 - 1,646,227 shares of common stock. (File 2-88585 - Dec. 23) (Br. 1 - New Issue)

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
APPLIED POWER INC FOOTE DOROTHY BRUMDER	COM	13D	12/21/83	74 9.5	03822510 0.0	NEW
BEVERLY HILLS SVGS & LN ASSN REY WENER K	COM	13D	12/12/83	1,163 34.6	08808410 0.0	NEW
CAESARS WORLD INC SOSNOFF MARTIN TOBY ET AL	COM	13D	12/ 2/83	1,246 4.8	12769510 5.2	UPDATE
CAPT CRABS TAKE AWAY INC RODNEY, PACE INC ET AL	COM	13D	9/30/83	700 17.5	14067410 0.0	NEW
COMPUTER NETWORK CORP LEHMAN THEODORE H ET AL	COM	13D	12/13/83	214 11.4	20525520 25.1	UPDATE
FLUKE JOHN MFG INC FLUKE CAPITAL & MGMT SVC	COM	13D	11/14/83	2,351 31.3	34385610 29.3	UPDATE
GENERAL GROWTH PPTYS SWARTZ BEN TRUSTEE	COM SH BEN INT	13D	11/ 1/83	2,228 29.5	37001910 20.3	UPDATE
GENERAL GROWTH PPTYS SWARTZ BEN TRUSTEE	*W 1985	13D	11/ 1/83	337 22.3	37001912 0.0	NEW
GENERAL GROWTH PROPERTIES SWARTZ BEN TRUSTEE	PFD CONV SH BEN INT	13D	11/ 1/83	337 22.3	37001920 0.0	NEW
GENERAL SECURITY LIFE INS CO HOPPESS COULTER	COM	13D	12/ 9/83	33 9.4	37078410 0.0	NEW
GEORGIA-PACIFIC MAZER WILLIAM CO-EXECUTOR	SER A ADJ RATE CONV	13D	9/28/83	431 10.4	37329840 13.7	UPDATE
GEORGIA-PACIFIC ROSS DANIEL G CO-EXECUTOR	SER A ADJ RATE CONV	13D	9/28/83	198 4.8	37329840 8.1	UPDATE
MANAGEMENT ASSISTANCE INC EIDELMAN ASHER B. ET AL	COM PAR \$0.40	13D	12/20/83	530 7.5	56167150 7.4	UPDATE
MOOG INC MOOG JANE B	CL A	13D	11/30/83	205 2.4	61539420 1.0	RVISION
MOOG INC MOOG JEANNE M ET AL	CL A	13D	11/30/83	121 1.4	61539420 0.0	RVISION
MOOG INC MOOG WILLIAM C	CL A	13D	11/30/83	465 5.4	61539420 4.6	RVISION
MOOG INC MOOG JANE B	CL B	13D	11/30/83	272 3.1	61539430 1.3	RVISION