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U.S. SECURITIES AND  
EXCHANGE COMMISSION

# sec news digest

Issue 84-68

April 6, 1984

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## NOTICE OF COMMISSION MEETINGS

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### CHANGES IN THE MEETING: ADDITIONAL ITEM

The following additional item will be considered at an open meeting scheduled for Thursday, April 12, at 10:00 a.m.:

Consideration of whether to issue releases: setting aside, in part, proposed fees of the National Association of Securities Dealers, Inc. (NASD) as an inappropriate limitation on the Institutional Networks Corporation's access to certain NASD quotation information; expanding the current proceeding to cover quotation information on all securities in the NASDAQ system; modifying the terms of the interim relief currently in effect; and approving, in part, and disapproving, in part, the NASD's proposed fees. FOR FURTHER INFORMATION, PLEASE CONTACT William Uchimoto at (202) 272-2409.

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## ADMINISTRATIVE PROCEEDINGS

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### JAMES AND DANIEL COVELLO BARRED

The Commission instituted and settled administrative proceedings against James L. and Daniel V. Covello. The order arises out of civil injunctions against both Covellos and the conviction of James Covello, upon a plea of guilty, to a two-count felony indictment charging conspiracy and violation of the antifraud provisions of the securities laws. The Covellos consented to being barred from association with any broker, dealer, municipal securities dealer or investment company. (Rel. 34-20826) [see LR-10328]

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## CIVIL PROCEEDINGS

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### JAMES AND DANIEL COVELLO ENJOINED; COMPLAINT AMENDED TO ADD LEONARD DIRUSSO AND CHRISTOPHER W. MOFFAT

The Commission announced that on April 5 Judge Charles S. Haight, Jr., U.S. District Court for the Southern District of New York, entered permanent injunctions against James L. and Daniel V. Covello enjoining them from further violations of the anti-fraud and tender offer provisions of the Securities Exchange Act of 1934. In addition, James and Daniel Covello were ordered to disgorge \$120,042.78 and \$70,351.94,

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### NOTICE - ACCOUNTANTS-COMPUTER SPECIALISTS

The SEC Office of Information Systems Management is seeking experienced Computer Specialists knowledgeable in COBOL, large data base management systems, time sharing, on-line teleprocessing systems, large scale main-frame experience, preferably IBM, and job control language. Send application form 171 or resume to Edith Hocutt, SEC Office of Personnel, Room 1C45, 450 Fifth Street, N.W., Washington, DC 20549, telephone no. (202) 272-7068. Positions are available at GS-9 \$20,965; GS-11 \$25,366; and GS-12 \$30,402.

The SEC also has needs for accountants with CPA's and a minimum of three years public accounting experience to work in Washington and in some Regional Offices. Send resume to Jeanne Marie Patterson, Office of Personnel (address above), telephone no. (202) 272-7064.

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respectively, in profits obtained through trading alleged by the Commission to have been based on the receipt of material, nonpublic information improperly obtained from Sullivan & Cromwell, a prominent New York law firm. The Covellos consented to the injunctions and orders of disgorgement without admitting or denying the Commission's allegations.

The allegations against the Covellos arise out of a lawsuit filed last January charging nine individuals with trading on inside information improperly obtained from Sullivan & Cromwell [see LR-9862].

In a related action, the Commission yesterday filed a motion before Judge Haight seeking leave to amend its complaint to add two defendants, Leonard DiRusso and Christopher W. Moffat, who are alleged to have violated the antifraud and tender offer provisions of the securities laws. Both were, until recently, also employed at Sullivan & Cromwell, where they worked with Alan Ihne. The Commission alleges that DiRusso and Moffat assisted Ihne in misappropriating material non-public information from Sullivan & Cromwell, and that all three traded and made profits by having their friend, James Covello, make concealed purchases for them in his account.

Prior to the Covello settlement, two other defendants had consented to permanent injunctions. All other defendants have consented to the preliminary injunction, and the Commission's case is proceeding against them. (SEC v. Dominick Musella, et al., 83 Civ. 342 [CSH], S.D.N.Y.). (LR-10328) [see Rel. 34-20725]

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## INVESTMENT COMPANY ACT RELEASES

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### PIONEER FUND, INC.

A notice has been issued giving interested persons until April 30 to request a hearing on an application by Pioneer Fund, Inc. (the Fund), a registered open-end, diversified, management investment company, and Pioneering Management Corporation (the Adviser). The application requests an order granting certain exemptions and approvals to permit the Fund to form a wholly-owned, open-end investment company (the Subsidiary), transfer assets to the Subsidiary, and to permit the Fund, the Adviser and the Subsidiary to organize, fund, operate, and spin-off the Subsidiary in the manner described in the application. (Rel. IC-13862 - Apr. 3)

### LUTHERAN BROTHERHOOD U.S. GOVERNMENT SECURITIES FUND, INC.

An order has been issued declaring that Lutheran Brotherhood U.S. Government Securities Fund, Inc. has ceased to be an investment company. (Rel. IC-13863 - Apr. 4)

### MERRILL LYNCH BASIC VALUE FUND, INC.

An order has been issued granting an exemption from Section 22(d) of the Investment Company Act and amending a prior order for Merrill Lynch Basic Value Fund, Inc., Merrill Lynch Capital Fund, Inc., Merrill Lynch Special Value Fund, Inc., Merrill Lynch Pacific Fund, Inc., Merrill Lynch Municipal Bond Fund, Inc., Merrill Lynch Corporate Bond Fund, Inc., Merrill Lynch Funds Distributor, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated. (Rel. IC-13864 - Apr. 4)

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## HOLDING COMPANY ACT RELEASES

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### APPALACHIAN POWER COMPANY

An order has been issued authorizing Appalachian Power Company, subsidiary of American Electric Power Company, Inc., to offer a rail-to-river, coal transloading service to its affiliate, Ohio Power Company, and possibly, other affiliates. The transfer fee for such service will be limited to the cost of providing such service, including a provision for capital fixed charges. (Rel. 35-23272 - Apr. 5)

### MICHIGAN POWER COMPANY KINGSPORT POWER COMPANY

Supplemental orders have been issued authorizing Michigan Power Company and Kingsport Power Company, subsidiaries of American Electric Power Company, Inc., to issue and sell up to \$5 and \$2 million, respectively, of long-term notes to banks at any time through December 31, 1984. (Rel. 35-23273; 35-23274 - Apr. 5)

## SELF-REGULATORY ORGANIZATIONS

### NOTICE OF PROPOSED RULE CHANGE

The New York Stock Exchange, Inc. filed a proposed rule change (SR-NYSE-84-10) to adopt a modified version of the "Allocation Plan" -- procedures governing the allocation of the right to trade options on individual stocks -- to enable the NYSE to participate in the Plan along with the other options exchanges. Publication of the proposal is expected to be made in the Federal Register during the week of April 9. (Rel. 34-20821)

### APPROVAL OF PROPOSED RULE CHANGES

The Commission approved proposed rule changes filed by: The Philadelphia Stock Exchange, Inc. (SR-Phlx-84-1) to permit Phlx to trade options on the French franc. (Rel. 34-20822); and The American Stock Exchange, Inc. (SR-Amex-84-4) to expand the use of the spread priority rule for specialists, which is expected to enhance spread market depth and liquidity. (Rel. 34-20823)

## MISCELLANEOUS

### THE WYATT COMPANY

An order has been issued granting the application of The Wyatt Company, under Section 12(h) of the Securities Exchange Act of 1934, for an exemption from the registration requirements of Section 12(g) of that Act. (Rel. 34-20813)

## 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-3 DRAVO CORP. ONE OLIVER PLAZA, PITTSBURGH, PA 15222 (412) 566-3000 - 600,000 (\$8,325,000) COMMON STOCK. (FILE 2-89929 - MAR. 29) (BR. 9)
- S-19 ALBIN REAL ESTATE FUND I, 11811 N E 1ST ST, STE 203, BELLEVUE, WA 98005 (206) 454-8181 - 4,000 (\$4,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 2-90150-S - MAR. 26) (BR. 6 - NEW ISSUE)
- S-8 GENERAL ELECTRIC CO. 3125 EASTON TURNPIKE, FAIRFIELD, CT 06431 (203) 373-2431 - 6,000,000 (\$186,900,000) OTHER SECURITIES INCLUDING VOTING TRUST. 80,000,000 (\$812,800,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 2-90203 - MAR. 28) (BR. 8)
- S-8 INTERNATIONAL HYDRON CORP, 210 CROSSWAYS PARK DR, WOODBURY, NY 11797 (516) 364-1700 - 800,000 (\$8,880,000) COMMON STOCK. (FILE 2-90210 - MAR. 29) (BR. 8)
- S-8 COVINGTON TECHNOLOGIES, 2451 E ORANGETHORPE AVE, FULLERTON, CA 92631 (714) 879-0111 - 500,000 (\$1,125,000) COMMON STOCK. (FILE 2-90214 - MAR. 29) (BR. 6)
- S-8 INTEL CORP. 3065 BOWERS AVE, SANTA CLARA, CA 95051 (408) 987-8080 - 15,000,000 (\$532,500,000) COMMON STOCK. (FILE 2-90217 - MAR. 29) (BR. 8)
- S-8 C3 INC. 11425 ISAAC NEWTON SQUARE SOUTH, RESTON, VA 22090 (703) 471-6000 - 270,360 (\$2,703,600) COMMON STOCK. (FILE 2-90220 - MAR. 29) (BR. 10)
- S-8 PRICE COMMUNICATIONS CORP. 45 RUCKERFELLER PLAZA, NEW YORK, NY 10020 (212) 582-1510 - 312,500 (\$1,704,438) COMMON STOCK. (FILE 2-90221 - MAR. 29) (BR. 7)
- S-8 SUN BANKS INC. SUN BANK NA BLDG, 200 S ORANGE AVE, ORLANDO, FL 32801 (305) 237-4524 - 14,004 (\$260,992) COMMON STOCK. (FILE 2-90222 - MAR. 29) (BR. 1)
- S-19 PRUDENTIAL BANCORPORATION, 1100 THIRD AVE, SEATTLE, WA 98101 (206) 382-7500 - 821,561 (\$7,394,049) COMMON STOCK. (FILE 2-90226 - MAR. 29) (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's) % OWNED	CUSIP/ PRIOR%	FILING STATUS
ADAC LABS TRAMIEL HELEN ET AL	COM 13D	3/22/84	494 5.2	00531310 0.0	NEW
AVIATION SIMULATIONS TECH RAM ISLAND INC ET AL	COM 13D	3/26/84	481 32.2	05367310 0.0	NEW
BARBER GREENE CO B.V OCEANIC FINANCE CO ET AL	COM 13D	2/21/84	926 40.6	06713110 19.9	UPDATE
CARTER HAWLEY HALE STORES LIMITED INC	COM 14D-1	4/ 4/84	699 2.0	14622710 0.0	NEW
CITIZENS TR CO PORTSMOUTH VA DELTA GROUP INC ET AL	COM 13D	3/20/84	97 18.8	17725310 10.2	UPDATE
DATAWAVE INC SIRBU P/RICHARD	COM 13D	2/24/84	20,071 35.3	23790810 0.0	NEW
BORSEY CORP SHAMROCK ASSOC ET AL	COM 13D	3/30/84	690 21.4	25843510 19.4	UPDATE
DURHAM CORP BAILEY JAMES H POU JR ET AL	COM 13D	3/29/84	1,111 42.3	26669610 42.1	UPDATE
TCOT CORP SILVERMAN ARNOLD NATHAN	COM 13D	2/21/84	468 5.4	45104610 5.7	UPDATE
INFORMATION DISPLAYS INC LEVY LEONARD ET AL	COM PAR \$0.50 13D	3/21/84	1,262 41.4	45670420 34.0	UPDATE
INTERSTATE MTR FIGHT SYS RAFKIND GEORGE J ET AL	COM 13D	3/26/84	452 14.1	46102710 0.0	NEW
JAMES MADISON LTD AUGER ULYSSES G ET AL	COM 13D	3/30/84	74 9.0	47033010 3.7	UPDATE
RANCHERS EXPL & DEV CORP SUNSHINE MINING CO	COM 14D-1	4/ 4/84	438 7.7	75200610 9.4	UPDATE
SEISCOM DELTA INC SMITH L.S. ET AL	COM 13D	3/23/84	1,353 33.9	81606810 31.9	UPDATE
SIPPICAN OCEAN SYS INC RAM ISLAND INC ET AL	COM 13D	3/26/84	558 17.0	82990210 0.0	NEW
TSC CORP RAM ISLAND INC ET AL	COM 13D	3/26/84	406 33.4	87283010 0.0	NEW