

sec news digest

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U.S. SECURITIES AND
EXCHANGE COMMISSION

COMMISSION ANNOUNCEMENTS

JONATHAN G. KATZ NAMED COMMISSION SECRETARY

The Securities and Exchange Commission today announced that Jonathan G. Katz has been appointed as Secretary. The appointment will be effective July 6, 1986.

Mr. Katz is currently Director of the Commission's Office of Consumer Affairs and Information Services. In that capacity, he has been responsible for overseeing the Public Reference Room handling investor complaints, and directing the Freedom of Information Act and Privacy Act Programs. He has also been instrumental in the development of a dissemination policy for the operational Edgar system.

Prior to employment with the Commission, Mr. Katz worked at the Justice Department, where he was Special Assistant to the Director of the National Institute of Justice, and at the Law Enforcement Assistance Administration. He has also served as Special Assistant U.S. Attorney for the District of Columbia.

After receiving an A.B. from Colgate University, Mr. Katz earned a J.D. from the University of Pittsburgh Law School. He is a member of the Pennsylvania and District of Columbia Bars.

MEETING/CONFERENCE TRAVEL

The Securities Exchange Act of 1934, as amended in August 1983, gives the Commission authority to accept payment and reimbursement from non-federal entities to defray the cost of travel and subsistence expenses incurred by Commission members and staff while participating in meetings and conferences concerning the agency's responsibilities.

George G. Kundahl, Executive Director, on June 23 released the following compilation of payments and reimbursements for such travel during the quarter ending March 31, 1986:

<u>Type of Traveller</u>	<u>Number of Trips</u>	<u>Host Paid</u>	<u>SEC Paid</u>
Member	3	\$ 2,386.45	\$ 0
Staff	68	\$11,105.21	\$8,044.28

(Rel. 34-23367 - June 23)

ADMINISTRATIVE PROCEEDINGS

PROCEEDINGS INSTITUTED, SANCTIONS IMPOSED AGAINST SECO SECURITIES, INC. AND STANLEY RICHARDS

The Commission simultaneously instituted administrative proceedings and imposed sanctions against Stanley Richards of Denver and Seco Securities, Inc., a Denver, Colorado broker-dealer. Both Clearing and Richards consented to the findings and sanctions without admitting or denying the allegations.

The Commission found that Richards and Clearing violated the securities laws in the antifraud provisions in the sale of unregistered stock of Golden Phoenix, Inc. (from May through December 1980 and March 1982) and Master Security Services, Inc. (from April through August 1982). The Commission also found that Clearing violated, and Richards aided and abetted violations of Section 15(b) of the broker-dealer registration laws (from January 1982 until October 1985) in Clearing's failure to amend its Form BD registration with SEC to reflect its name changes and ownership and officers.

The Commission's sanctions provide, among other things, that Richards be suspended for 90 days from association with any broker or dealer. He is barred from association in a proprietary or supervisory capacity for 15 months and may apply for re-association after 15 months. Clearing's broker-dealer registration was revoked. (Rel. 34-23301 - June 5)

PROCEEDINGS AGAINST DOUGLAS J. EBBITT; ORDER MODIFIED

An order modifying a prior order imposing remedial sanctions against Douglas J. Ebbitt has been issued. The Order postpones the date on which the suspension of Ebbitt is scheduled to commence from June 2, 1986 to July 24, 1986. The Order imposing remedial sanctions, which was issued by the Commission on May 23, 1986, was based upon Ebbitt's Offer of Settlement consenting to findings that Ebbitt violated the antifraud provisions of the securities laws while a trader at Donald Sheldon Government Securities, Inc. and a suspension from association with any regulated entity for forty-five days. (Rel. 34-23315 - June 10)

CIVIL PROCEEDINGS

CIVIL INJUNCTION ENTERED AGAINST RICHARD J. BASTIEN

On June 25 Judge Sporkin entered a permanent injunction in an action filed by the Commission in the U.S. District Court for the District of Columbia against Richard J. Bastien (Bastien), an officer of subsidiaries of The Charter Company (Charter) of Jacksonville, Florida. The injunction prohibits Bastien from violating the antifraud provisions of the Securities Exchange Act in connection with the purchase or sale of securities and orders Bastien to disgorge \$11,785, representing the loss avoided, when, according to the Commission's allegations, he had nonpublic knowledge of Charter's substantial loss of trade credit necessary to buy crude oil and other products. Bastien consented to the injunction without admitting or denying the Commission's allegations. (SEC v. Richard J. Bastien, USDCDC, CA86-1774)(LR-11136)

COMPLAINT NAMES HARRY EDWARD THOMAS AND OTHERS

The Denver Regional Office and Salt Lake City Branch Office announced filing a complaint in U.S. District Court for the District of Utah on April 14 seeking permanent injunctions against Harry Edward Thomas of Sandy, Utah, Petro Corp. of Salt Lake City, Thomas R. Blonquist and Robert R. Brown, Salt Lake City attorneys, and C. O'Neil Rasmussen, a Salt Lake City C.P.A.

The complaint alleges Thomas and Petro violated the registration provisions of federal securities laws through the sale of unregistered securities and Thomas and Petro, aided and abetted by Brown, violated the anti-fraud provisions of those laws through transactions in the same securities.

The complaint further alleges Thomas, aided and abetted by Blonquist and Rasmussen, violated the antifraud provisions by publishing false and misleading statements relating to a reorganization of Magma Energy and Petrol Corp. (now Pentec International, Inc.), a publicly held Utah corporation. The complaint seeks disgorgement from Thomas of illegally obtained profits derived from alleged insider trading of Magma's stock.

On April 15, Judge J. Thomas Greene entered a final judgment of permanent injunction against Rasmussen who consented without admitting or denying allegations of the complaint. (SEC v. Harry Edward Thomas, et. al, USDC, Utah, No.86-C-0313G)(LR-11138)

COMPLAINT NAMES DOUGLASS F. DURHAM

The Fort Worth Regional Office announced that on May 30 the Commission filed a complaint in the U.S. District Court for the Northern District of Texas (Dallas) against Douglass F. Durham, formerly of Dallas, now residing in Phoenix. The complaint seeks an order to permanently enjoin the defendant from further violations of the registration, broker-dealer and antifraud provisions of the federal securities laws, and seeks an accounting and disgorgement.

The complaint alleges that Durham, as owner and CEO of Ammo, Inc., Marble Falls Oil Corporation and Sunwood Energy, Inc., all of Dallas, violated the registration and broker-dealer provisions in raising approximately \$3.6 million from the offer and sale of fractional undivided interests in 10 oil and gas wells to over 180 investors residing in 21 states.

The complaint also alleges that in connection with the offers and sales, Durham misrepresented and omitted to state certain material facts, such as the drilling and completion costs of the wells, the financial condition of Durham and his companies and the success of Durham's previous drilling operations. (SEC v. Douglass F. Durham, CA 3-86-1455-D)(LR-11139)

DAVID A. COLLINS NAMED IN AMENDED COMPLAINT

The Fort Worth Regional Office announced that on June 4 a second amended complaint was filed in the U.S. District Court for the Eastern District of Arkansas in SEC v. Collins Securities Corporation (CSC), et al. CSC was charged on April 16, 1985 with violations of the net capital and customer protection rules. An amended complaint charged David A. Collins (Collins) with aiding and abetting those violations.

The second amended complaint additionally charges Collins with violations of the anti-fraud provisions of the federal securities laws in the offer and sale of U.S. Treasury Bonds. Specifically, it alleges that in March 1984 Collins caused a customer to lose some \$100,000 by placing a purchase and sale of U.S. Treasury Bonds, originally intended as a firm trade, into the customer's account without the customer's authorization or knowledge. Permanent injunctions are sought against both CSC and Collins.

On April 16, 1985, CSC, without admitting or denying the allegations of the original SEC complaint, consented to a preliminary injunction from future violations of the net capital provisions, and to the appointment of a temporary receiver. On September 4, 1985, a receiver was appointed a trustee for the liquidation of the business of CSC. (SEC v. Collins Securities Corporation, et al, CA-LR-C-85-280)(LR-11140)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING PRIVILEGES SOUGHT

An order has been issued giving interested persons until July 10 to comment on the application of the Philadelphia Stock Exchange for unlisted trading privileges in four issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-23357)

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 LIGHTFOOT ENTERPRISES INC, 615 CENTRAL SF, STE 226, ALBUQUERQUE, NM 87103
(505) 242-2721 - 1,000,000 (\$100,000) COMMON STOCK. 5,000,000 (\$1,000,000)
COMMON STOCK. 5,000,000 (\$2,000,000) COMMON STOCK. 5,000,000 (\$3,000,000)
COMMON STOCK. (FILE 33-6362-LA - JUN. 04) (BR. 1) - NEW ISSUE)
- S-18 NATIONAL VISION SERVICES INC, 4201 N 24TH ST, STE 300, PHOENIX, AZ 85016
(602) 956-7287 - 600,000 (\$3,000,000) COMMON STOCK. 60,000 (\$300,000) COMMON STOCK.
60,000 (\$60) WARRANTS, OPTIONS OR RIGHTS. 60,000 (\$360,000) COMMON STOCK.
UNDERWRITER: BOND RICHMAN & CO, RICHTER COHEN & CO DEPOSITOR: WARD WILLIAM RD SR.
(FILE 33-6366-LA - JUN. 10) (BR. 8 - NEW ISSUE)
- S-18 RAPITECH SYSTEMS INC, MONTEBELLO CORPORATE PARK, SUFFERN, NY 10901 (914) 368-3000 -
575,000 (\$4,025,000) COMMON STOCK. 50,000 (\$50) WARRANTS, OPTIONS OR RIGHTS. 50,000
(\$420,000) COMMON STOCK. UNDERWRITER: BLAIR DH & CO INC, FIRST BOSTON CORP. (FILE
33-6456-NY - JUN. 12) (BR. 9 - NEW ISSUE)
- S-18 FIRST AMERICA FINANCIAL CORP, ONE E MAIN ST, ROCHESTER, NY 14614 (716) 232-4724 -
1,500,000 (\$2,000,000) COMMON STOCK. UNDERWRITER: MONMOUTH INVESTMENTS INC. (FILE
33-6461-NY - JUN. 13) (BR. 5 - NEW ISSUE)
- S-18 WORLD WIDE RINGO INC, 400 E MINERAL AVE, LITTLETON, CO 80122 (303) 795-3288 -
172,500,000 (\$1,725,000) COMMON STOCK. 15,000,000 (\$1,500) COMMON STOCK. UNDERWRITER:
BLINDER ROBSINSON & CO INC. (FILE 33-6503-D - JUN. 13) (BR. 7 - NEW ISSUE)

- S-18 GMNIHAM INC, 5019 HOLMES PL, BOULDER, CO 80303 - 100,000 (\$100,000) COMMON STOCK. 1,000,000 (\$100,000) COMMON STOCK. 2,000,000 (\$1,000,000) COMMON STOCK. 1,000,000 (\$1,000,000) COMMON STOCK. 1,000,000 (\$750,000) COMMON STOCK. (FILE 33-6504-D - JUN. 13) (BR. 11 - NEW ISSUE)
- S-18 MORLEX INC, 2512 S UNIVERSITY BLVD, DENVER, CO 80210 (303) 777-7949 - 30,000,000 (\$300,000) COMMON STOCK. 60,000,000 (\$1,200,000) COMMON STOCK. 3,000,000 (\$300) WARRANTS, OPTIONS OR RIGHTS. 3,000,000 (\$36,000) COMMON STOCK. (FILE 33-6505-D - JUN. 13) (BR. 12 - NEW ISSUE)
- S-6 HUTTON INVESTMENT TRUST INTERNATIONAL BOND TRUST SERIES 1, ONE BATTERY PK PLZ, C/O EF HUTTON & CO INC, NEW YORK, NY 10004 - 2,500,000 (\$2,500,000) UNIT INVESTMENT TRUST. DEPOSITOR: HUTTON E F & CO INC. (FILE 33-6552 - JUN. 17) (BR. 18 - NEW ISSUE)
- S-1 NISSAN MOTOR ACCEPTANCE CORP, 18701 S FIGUEROA ST, CARSON, CA 90248 (213) 532-3111 - 200,000,000 (\$200,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-6555 - JUN. 17) (BR. 12 - NEW ISSUE)
- S-1 GALAXY BANCORP INC, 102 E FRONT ST, PLAINFIELD, NJ 07061 (201) 755-5700 - 3,230,803 (\$35,764,989) COMMON STOCK. (FILE 33-6560 - JUN. 17) (BR. 2 - NEW ISSUE)
- S-1 WEAREVER PROCTORSILEX INC, 1039 EASTERN AVE, CHILLICOTHE, OH 45601 (614) 773-9100 - 400,000 (\$6,400,000) COMMON STOCK. 2,015,000 (\$32,400,000) COMMON STOCK. 20,000,000 (\$20,000,000) STRAIGHT BONDS. UNDERWRITER: DREXEL BURNHAM LAMBERT INC. (FILE 33-6563 - JUN. 17) (BR. 10 - NEW ISSUE)
- S-11 ML TRUST I, 2121 SAN JACINTO STE 1100, C/O MERRILL LYNCH MORTGAGE INVESTORS INC, DALLAS, TX 75201 - 1,000,000,000 (\$1,000,000,000) MORTGAGE BONDS. UNDERWRITER: MERRILL LYNCH CAPITAL MARKETS. (FILE 33-6564 - JUN. 17) (BR. 11 - NEW ISSUE)
- S-2 AMERICAN WESTERN CORP/DE, 1203 W ELKHORN, P O BOX 5009, SIOUX FALLS, SD 57117 (605) 334-0334 - 43,000 (\$505,250) COMMON STOCK. 983,950 (\$11,561,413) COMMON STOCK. (FILE 33-6565 - JUN. 18) (BR. 5)
- S-1 MICROCOM INC, 1400 PROVIDENCE HIGHWAY, NORWOOD, MA 02062 (617) 762-9310 - 200,000 (\$3,400,000) COMMON STOCK. 950,000 (\$16,150,000) COMMON STOCK. UNDERWRITER: HUTTON EF & CO INC, SALOMON BROTHERS INC. (FILE 33-6569 - JUN. 18) (BR. 10 - NEW ISSUE)
- S-2 PERCEPTRONICS INC, 6271 VARIEL AVE, WOODLAND HILLS, CA 91367 (818) 884-7470 - 73,800 (\$673,794) COMMON STOCK. 1,506,070 (\$13,750,419) COMMON STOCK. 69,000 WARRANTS, OPTIONS OR RIGHTS. 69,000 (\$373,980) COMMON STOCK. (FILE 33-6570 - JUN. 18) (BR. 8)
- S-1 UNUM CORP, 2211 CONGRESS ST, PORTLAND, ME 04122 (207) 780-2211 - 60,000,000 (\$1,800,000,000) COMMON STOCK. (FILE 33-6571 - JUN. 18) (BR. 9 - NEW ISSUE)
- S-1 GROUNDWATER TECHNOLOGY INC, 1420 PROVIDENCE HWY, STE 128, NORWOOD, MA 02062 (617) 769-7600 - 400,000 (\$6,800,000) COMMON STOCK. 700,000 (\$11,900,000) COMMON STOCK. UNDERWRITER: KIDDER PEARODY & CO INC. (FILE 33-6572 - JUN. 18) (BR. 7 - NEW ISSUE)
- S-8 SYNTREX INC, 246 INDUSTRIAL WAY WEST, EATONTOWN, NJ 07724 (201) 542-1500 - 600,000 (\$2,814,000) COMMON STOCK. (FILE 33-6575 - JUN. 18) (BR. 9)
- S-1 BEAUTICONTROL COSMETICS, 3311-400 BOYINGTON, CARROLLTON, TX 75006 (214) 458-0601 - 977,500 (\$25,170,625) COMMON STOCK. (FILE 33-6576 - JUN. 18) (BR. 4)
- S-3 HAPCOURT BRACE JOVANOVICH INC, ORLANDO, FL 32887 (305) 345-2000 - 1,292,814 (\$43,147,667) COMMON STOCK. 3,640,686 (\$121,507,896) COMMON STOCK. (FILE 33-6577 - JUN. 18) (BR. 11)
- S-8 K MART CORP, 3100 W BIG BEAVER RD, TRCY, MI 48084 (313) 642-1000 - 3,678,500 (\$188,063,310) COMMON STOCK. (FILE 33-6578 - JUN. 18) (BR. 2)
- S-11 SEAMENS CAPITAL CORP, WILMINGTON TRUST CENTER, 1100 N MARKET ST STE 780, WILMINGTON, DE 19801 - 750 (\$75,000,000) PREFERRED STOCK. UNDERWRITER: BEAR STEARNS & CO INC, FIRST BOSTON CORP, GOLDMAN SACHS & CO, SALOMON BROTHERS INC. (FILE 33-6580 - JUN. 18) (BR. 12 - NEW ISSUE)
- S-1 STANDARD COMMERCIAL TOBACCO CO INC, 2201 MILLER RD, WILSON, NC 27893 (919) 291-5507 - 1,150,000 (\$27,600,000) COMMON STOCK. (FILE 33-6582 - JUN. 18) (BR. 7)