

# sec news digest

Issue 89-122

LIBRARY  
JUN 28 1989  
U.S. SECURITIES AND  
EXCHANGE COMMISSION

June 28, 1989

---

## COMMISSION ANNOUNCEMENTS

---

### COMMISSION RELEASES SPEECH

The Commission today released a speech by Richard G. Ketchum, Director of the Division of Market Regulation, given on June 16, 1989, at the Business Week/Securities Week conference on Challenges Facing the Securities Industry held in New York City. Director Ketchum explores issues of market structure and future developments in the securities markets.

### ORDER GRANTING APPEAL OF FOIA REQUEST

The General Counsel sent a letter to Pamela Ivy Bell, Esquire, in response to her appeal of the Freedom of Information Act (FOIA) Officer's determination to deny access to information concerning Sunrise Partners under FOIA Exemption 7(A). The General Counsel determined that the information -- depositions and securities account statements -- was not exempt from disclosure under FOIA Exemption 7(A), which protects information that reveals the nature and focus of an agency's law enforcement activities. 5 U.S.C. 552(b)(7)(A). The General Counsel remanded the request to the FOIA Officer to determine the extent to which other FOIA exemptions apply. (Rel. FOIA-115)

---

## CIVIL PROCEEDINGS

---

### COMPLAINT ALLEGES PENNY STOCK AND OFFERING FRAUD

The Philadelphia Regional Office announced that on June 27 the Commission filed a Complaint in the U.S. District Court for the Eastern District of Pennsylvania against Lawrence Murray, Financial Management Professional Corporation (FMPC) and Venture Frontiers Corporation. The Complaint, which seeks injunctive relief, accountings and disgorgement, alleges violations of the registration and antifraud provisions of the securities laws.

The Complaint charges that in an effort to increase the price of the common stock of Venture Frontiers, a penny stock, Venture Frontiers and Murray issued a series of false and misleading press releases which misrepresented the conditional nature and expected profitability of two overseas joint ventures in which Venture Frontiers held an interest. As a result of these announcements, the price of Venture stock increased from \$0.03 - 0.06 (bid/ask) to \$0.81 - 0.87 (bid/ask) over a two month period in 1985. The Complaint further charges that FMPC and Murray misappropriated over \$641,000 raised from thirty-three investors in blind pool limited partnership offerings. FMPC acted as promoter for the offerings and as general partner. The offering documents contained numerous material misrepresentations and omissions, including a statement that eighty percent of the offering proceeds would be invested. (SEC v. Lawrence Murray, et al, ED PA, Civil Action No. 89-4716) (LR-12138)

---

## INVESTMENT COMPANY ACT RELEASES

---

### NORTH AMERICAN SECURITY LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until July 18 to request a hearing on an application by North American Security Life Insurance Company, NASL Variable Account (the "Account"), NASL Financial Services, Inc., and Wood Logan Associates Inc. for an order pursuant to Section 6(c) of the Investment Company Act of 1940, granting exemptions from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the Act to the extent necessary to permit the deduction of mortality and expense risk charges from the assets of the Account. (Rel. IC-17027 - June 23)

## PAY 'N SAVE, INC.

A notice has been issued giving interested persons until July 17 to request a hearing on an application by Pay 'n Save, Inc. for a temporary order pursuant to Section 6(c) of the Investment Company Act of 1940 exempting Applicant from all provisions of the Act during the period June 29, 1989, through March 1, 1990. (Rel. IC-17028 - June 23)

## THOMSON MCKINNON INVESTMENT TRUST

A notice has been issued giving interested persons until July 14 to request a hearing on an application by Thomson McKinnon Investment Trust (TMIT), Cash Accumulation Trust, Thomson McKinnon Accumulation Plan Trust (collectively, "Investment Companies"), Thomson McKinnon Asset Management L.P. (TMAMLP), and Prudential Securities Group Inc. (Acquiror) for an exemption under Section 6(c) from the provisions of Section 15(a) of the Investment Company Act of 1940 to permit (i) the implementation without formal shareholder approval of new investment advisory agreements between the Investment Companies and TMAMLP, and new sub-advisory agreements between TMAMLP and the sub-advisers to two series of TMIT, in each case as approved by the Investment Companies' Boards of Trustees, (ii) TMAMLP and the sub-advisers to receive, subject to shareholder approval, fees earned under the new agreements from the date on which Acquiror first acquires more than 25% of the outstanding voting securities of Thomson McKinnon Inc. until the date the new agreements are approved or disapproved by shareholders of the respective Investment Companies, which period shall not exceed 120 days. (Rel. IC-17029 - June 23)

---

## HOLDING COMPANY ACT RELEASES

---

### CONSOLIDATED NATURAL GAS COMPANY

A supplemental order has been issued releasing jurisdiction over certain portions of a proposal by CONSOLIDATED NATURAL GAS COMPANY, a registered holding company, and its subsidiaries, CNG Coal Company, CNG Development Company, CNG Energy Company, CNG Producing Company and its subsidiary CNG Pipeline Company, CNG Research Company, CNG Trading Company, CNG Transmission Corporation, Consolidated Natural Gas Service Company, Inc., Hope Gas, Inc., The East Ohio Gas Company, The Peoples Natural Gas Company, The River Gas Company, and West Ohio Gas Company, to engage in intra-system financings through June 30, 1990. (Rel. 35-24912)

---

## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

---

### DELISTINGS GRANTED

Orders have been issued granting the applications of the New York Stock Exchange to strike from listing and registration the common stock, \$.01 par value, of FORMICA CORPORATION; (Rel. 34-26962) and the common stock, \$.01 par value, of SILICON SYSTEMS, INC. (Rel. 34-26963)

---

## SELF-REGULATORY ORGANIZATIONS

---

### NOTICE OF PROPOSED RULE CHANGES

Proposed rule changes have been filed under Rule 19b-4 by: The Options Clearing Corporation (SR-OCC-89-4) to convert OCC's index option escrow receipt pilot program to permanent status and effect certain amendments to OCC's index option escrow receipt form. (Rel. 34-26951); and The Pacific Stock Exchange (SR-PSE-89-16) to create a one-year pilot program which would require trading crowds to provide a depth of ten contracts on non-broker/dealer customer orders. (Rel. 34-26957) Publication of the proposals are expected to be made in the Federal Register during the week of June 26.

## 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-4 PARDEE RESOURCES CC, 1400 SCUTH PENN SQUARE 15TH FL, PARDEE MANAGEMENT CO, PHILADELPHIA, PA 19102 (215) 568-4100 - 345,265 (\$4,339,981.05) COMMON STOCK. 306,015 (\$15,300,750) PREFERRED STOCK. (FILE 33-29263 - JUN. 19) (BR. 4 - NEW ISSUE)
- S-1 AMERICAN UNITED CORP, 10621 B NORTH CAK HILLS PRKWY, BATON ROUGE, LA 70810 (504) 767-3450 - 560,000 (\$3,500,000) COMMON STOCK. 2,800,000 (\$4,200,000) COMMON STOCK. 56,000 (\$100) WARRANTS, OPTIONS OR RIGHTS. 280,000 (\$420,000) COMMON STOCK. 280,000 (\$420,000) COMMON STOCK. UNDERWRITER: RICHFIELD SECURITIES INC. (FILE 33-29272 - JUN. 19) (BR. 11 - NEW ISSUE)
- S-1 COLUMBIAN OIL & GAS PRODUCTION PROGRAM 2 A LP, BANK IV TOWER STE 305, TUPEKA, KS 66603 (800) 255-3569 - 20,000 (\$20,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-29273 - JUN. 19) (BR. 3 - NEW ISSUE)
- S-18 GRAND COMPANY LIMITED PARTNERSHIP, 1350 SIXTH AVE PENTHOUSE, NEW YORK, NY 10019 (212) 765-6760 - 50 (\$4,750,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-29323-NY - JUN. 14) (BR. 11 - NEW ISSUE)
- S-1 NAVLINK INC, 4200 S HULEN ST STE 536, FORT WORTH, TX 76109 (817) 731-4034 - 500,000 (\$1,500,000) WARRANTS, OPTIONS OR RIGHTS. 500,000 (\$2,750,000) WARRANTS, OPTIONS OR RIGHTS. (FILE 33-29336 - JUN. 16) (BR. 11 - NEW ISSUE)
- S-18 UNIVERSAL SERVICES AND ACQUISITIONS INC, 2643 17TH STREET, DENVER, CO 80211 (303) 433-2501 - 3,500,000 (\$350,000) COMMON STOCK. 9,000,000 (\$90,000) WARRANTS, OPTIONS OR RIGHTS. 3,000,000 (\$30,000) WARRANTS, OPTIONS OR RIGHTS. 16,000,000 (\$4,000,000) COMMON STOCK. 6,500,000 (\$2,600,000) COMMON STOCK. (FILE 33-29340 - JUN. 16) (BR. 12 - NEW ISSUE)
- S-18 AMERICAN FIRST CAPITAL CORP, 11801 NORTH TATUM BLVD SUITE 226, PHOENIX, AZ 85028 (602) 494-0222 - 60,000 (\$600,000) COMMON STOCK. 6,000 (\$75,000) COMMON STOCK. UNDERWRITER: BAGLEY SECURITIES INC. (FILE 33-29341 - JUN. 16) (BR. 11 - NEW ISSUE)
- S-4 CHANDLERVILLE EANCSHARES INC, 3 NORTH MAIN ST, CHANDLERVILLE, IL 62627 (217) 458-2265 - 30,000 (\$937,000) COMMON STOCK. (FILE 33-29343 - JUN. 16) (BR. 1 - NEW ISSUE)
- S-1 DELPHIC ACQUISITIONS INC, 6848 S REVERE PKWY, STE 170, ENGLEWOOD, CO 80112 (303) 792-9312 - 1,000,000 (\$1,000,000) COMMON STOCK. 1,000,000 (\$1,500,000) COMMON STOCK. (FILE 33-29352 - JUN. 19) (BR. 12 - NEW ISSUE)
- S-11 ANGELES GROWTH & INCOME FUND, 10301 N PICO BLVD, LOS ANGELES, CA 90064 - 50,000 (\$50,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: ANGELES SECURITIES CORP. (FILE 33-29356 - JUN. 20) (BR. 5 - NEW ISSUE)
- S-18 ALLSTATE FINANCIAL CORP /VA/, 2700 S QUINCY ST STE 540, ARLINGTON, VA 22206 (703) 931-2274 - 1,092,500 (\$7,374,375) COMMON STOCK. UNDERWRITER: JOSEPH TAL & CO INC, LARKIN EMMETT A CO INC. (FILE 33-29378 - JUN. 16) (BR. 2)
- F-6 SMITHKLINE BEECHAM PLC/ADR/, 23 WALL ST, C/O MORGAN GUARANTY TRUST CO OF NY, NEW YORK, NY 10015 (212) 587-6013 - 133,500,000 (\$6,675,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-29381 - JUN. 16) (BR. 99)
- S-3 POTOMAC ELECTRIC POWER CO, 1900 PENNSYLVANIA AVE NW, C/O M T HOWARD RM 841, WASHINGTON, DC 20068 (202) 872-2456 - 225,000,000 (\$225,000,000) STRAIGHT BONDS. (FILE 33-29382 - JUN. 16) (BR. 7)
- S-B KINGDOM OF THAILAND, 4301 CONNECTICUT AVENUE NW, WASHINGTON, DC 20008 - 200,000,000 (\$200,000,000) STRAIGHT BONDS. (FILE 33-29386 - JUN. 19) (BR. 9 - NEW ISSUE)
- S-1 JEL SPECIALTY PRODUCTS CORP, ONE PPG PLACE, PITTSBURGH, PA 15230 (412) 338-1600 - 250,000,000 (\$250,000,000) STRAIGHT BONDS. (FILE 33-29398 - JUN. 20) (BR. 6)

REGISTRATIONS CONT.

- S-8 CABOT MEDICAL CORP, 2021 CABOT BLVD WEST, LANGHORNE, PA 19047 (215) 752-8300 - 130,909 (\$360,000) COMMON STOCK. (FILE 33-29395 - JUN. 20) (BR. 8)
- S-11 PRICE T ROWE UNDERVALUED PROPERTIES FUNC LTD, 100 EAST PRATT STREET, BALTIMORE, MD 21202 (800) 322-5669 - 4,000,000 (\$50,000,000) COMMON STOCK. UNDERWRITER: ROWE PRICE T INVESTMENT SERVICES INC. (FILE 33-29400 - JUN. 20) (BR. 6 - NEW ISSUE)
- S-1 RJR HOLDINGS CORP, 9 WEST 57TH STREET, C/O KCHLBERG KRAVIS ROBERTS & CO, NEW YORK, NY 10019 (212) 750-8300 - 5,842,020 (\$25,210,100) COMMON STOCK. (FILE 33-29401 - JUN. 20) (BR. 3)
- S-8 MORGAN FOODS INC, 6690 BETA DR STE 300, CLEVELAND, OH 44143 (216) 461-6200 - 550,000 (\$202,849) COMMON STOCK. (FILE 33-29402 - JUN. 20) (BR. 11)
- S-3 MOLECULAR BICSYSTEMS INC, 10030 BARNES CANYON RD, SAN DIEGO, CA 92121 (619) 452-0691 - 110,000 (\$2,021,250) COMMON STOCK. (FILE 33-29403 - JUN. 20) (BR. 12)
- S-8 KRCGER CO, 1014 VINE ST, CINCINNATI, OH 45202 (513) 762-4428 - 50,000,000 (\$46,030,100) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-29405 - JUN. 20) (BR. 2)
- S-1 AMERICAN MARKETING INDUSTRIES HOLDINGS INC, 10450 HOLMES RD STE 501, KANSAS CITY, MO 64131 (816) 943-5180 - \$100,000,000 STRAIGHT BONDS. UNDERWRITER: STEARSON LEHMAN HUTTON INC. (FILE 33-29406 - JUN. 12) (BR. 8 - NEW ISSUE)
- S-8 PSI HOLDINGS INC, 1000 EAST MAIN ST, PLAINFIELD, IN 46168 (317) 839-9611 - 2,500,000 (\$37,187,500) COMMON STOCK. (FILE 33-29407 - JUN. 20) (BR. 8)
- S-6 INTERNATIONAL ECON FUNC TWENTY FIRST MULTI CURRENCY SERIES, ONE LIBERTY PLZ - 21ST FLR, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10090 - INDEFINITE SHARES. (FILE 33-29416 - JUN. 21) (BR. 22)
- S-3 MORGAN J P & CO INC, 23 WALL ST, NEW YORK, NY 10015 (212) 483-2323 - 3,000,000 (\$118,875,000) COMMON STOCK. (FILE 33-29417 - JUN. 21) (BR. 13)
- S-8 GENZYME CORP, 75 KNEELAND ST, BOSTON, MA 02111 (617) 451-1923 - 125,000 (\$1,065,000) COMMON STOCK. (FILE 33-29440 - JUN. 20) (BR. 4)

**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.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS (000) / % OWNED	CUSIP / PRIOR %	FILING STATUS
BROWN ROBERT C & CO INC SCHAEFFER RONALD D ET AL	COM 13D	6/8/89	1,407 54.7	11516710 53.2	UPDATE
CITY NATL BANCSHARES SALTER SAMUEL L JR	COM 13D	5/23/89	3 5.2	17800210 0.0	NEW
COLLECTORS GUILD INTL MARWIT CAPITAL CORP	COM 13D	3/30/88	224 4.8	19450099 0.0	NEW
FIRST FINANCIAL MGMT CORP FOX PITT KELTON NY	COM 13D	6/15/89	4,273 25.2	32024510 0.0	NEW
HARLEY DAVIDSON INC HARRIS ASSOCIATES INC	COM 13D	6/14/89	1,009 11.7	41282210 10.7	UPDATE