

sec news digest

Issue 96-106

June 6, 1996

ENFORCEMENT PROCEEDINGS

INITIAL DECISION IN THE MATTER OF NORSUL OIL & MINING, LTD., AND WAYNE FOWLER

An administrative law judge has ordered Norsul Oil & Mining, Ltd., (Norsul) and Wayne E. Fowler to cease and desist from violating Section 13(a) of the Securities Exchange Act of 1934 and rules thereunder, and from causing such violations. Norsul has also been ordered to retain the services of an accountant acceptable to the Commission's Division of Corporation Finance and to take steps, in the absence of any exemption, to comply with the reporting provisions, rules, or regulations of the Commission pursuant to Section 13(a). Norsul, a Canadian company whose securities are registered with the Commission, has a single office in Marietta, Georgia. In 1989 Norsul received \$1.4 million as the result of a suit against Texaco and Gulf over profits from Ecuadorian oil production. Norsul alleged its only asset is an interest in a gold property in Ecuador. Norsul and Mr. Fowler admitted the violations alleged in the Order Instituting Proceedings, but claimed Norsul was financially unable to comply with the Commission's reporting requirements. (Initial Decision No. 90)

COMMISSION ISSUES ORDER DIRECTING TRANSCORP PENSION SERVICES, INC. TO CEASE AND DESIST SECURITIES VIOLATIONS

The Commission entered an Order pursuant to Section 21C of the Exchange Act, ordering Transcorp Pension Services, Inc. (Transcorp) to cease and desist from violating or causing violations of the broker-dealer registration provisions of the Exchange Act. Transcorp consented to the Order without admitting or denying the Commission's findings.

The Order finds that Transcorp, at least until September 1994, improperly operated as an unregistered broker-dealer in violation of Section 15(a) of the Exchange Act by performing such activities as writing checks on behalf of clients to pay for securities transactions, charging clients transaction based fees, receiving trade confirmations and account statements for the clients, forwarding subscription documents to no-load mutual funds, and physically holding various client securities.

Transcorp serves as a pension administrator for approximately 30,000 self-directed individual retirement accounts (IRAs) and Qualified Retirement Plans (Plans) and administers over \$700 million in IRA customer and Plan participant assets, including over \$70 million in cash. Prior to mid-1994, Transcorp had IRA customers and/or Plan participants located in every state. (Rel. 34-37278)

PERMANENT INJUNCTION AGAINST RAND CORPORATION DEFENDANTS

On August 8, the Honorable G. Ernest Tidwell, United States District Judge for the Northern District of Georgia, entered orders of permanent injunction, enjoining Cathleen M. Kane (C. Kane), Gary L. Kane (G. Kane), Kevin Sakser (Sakser), Alan Whiteside (Whiteside), and Joshua A. Alvarez (Alvarez) from violating Section 5 and Section 17(a) of the Securities Act of 1933, and Section 15(a)(1) and Section 10(b) of the Securities Exchange Act of 1934 and Rules 10b-5 thereunder.

The defendants consented to the relief without admitting or denying the allegations set forth in a complaint filed by the Commission on September 23, 1994. The Court further ordered the defendants to pay disgorgement as follows: C. Kane to pay \$68,000; G. Kane to pay \$58,000; Sakser to pay \$24,479; Whiteside to pay \$44,500; and Alvarez to pay \$15,000. The court waived payment of the disgorgement and declined to impose civil penalties based upon sworn representations by each defendant concerning his inability to pay said amounts.

The Commission alleged that the defendants violated the registration, antifraud and broker-dealer registration requirements of the federal securities laws in the offering of common stock. Rand Instrument Corporation was purportedly in the business of developing and selling night vision equipment for military applications to the United States government and to foreign governments. [SEC v. Rand Instrument Corporation, Alan E. Rand, Cathleen M. Kane, Gary L. Kane, Michael J. Fousse, Kevin Sakser, Alan Whiteside, and Joshua A. Alvarez, N.D. Ga., Civil Action No. 1:94-DV-2539-GET] (LR-14931)

INVESTMENT COMPANY ACT RELEASES

WARBURG, PINCUS MANAGED BOND TRUST

An order has been issued under Section 8(f) of the Investment Company Act declaring that Warburg, Pincus Managed Bond Trust has ceased to be an investment company. (Rel. IC-22003 - June 4)

NORWEST, ET AL.

A notice has been issued giving interested persons until July 1 to request a hearing on an application filed by Norwest Funds, et al.

for an order under Section 17(d) of the Investment Company Act and Rule 17d-1 thereunder to permit certain investment companies to deposit their uninvested cash balances in one or more joint accounts to be used to enter into short-term investments. (Rel. IC-22004 - June 4)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change submitted by the New York Stock Exchange (SR-NYSE-95-47) to exclude SuperDot system orders of nonmember competing market makers from the Exchange's no charge provision. (Rel. 34-37273)

The Commission approved a proposed rule change submitted by the Pacific Stock Exchange (SR-PSE-96-08) to amend Exchange Constitution Article III, Section 2(c). (Rel. 34-37274)

WITHDRAWAL GRANTED

An order has been issued granting the application of Horizon Mental Health Management Inc. to withdraw from listing and registration on its Common Stock, \$.01 Par Value on the American Stock Exchange. (Rel. 34-37275)

DELISTINGS GRANTED

An order has been issued granting the application of the Cincinnati Stock Exchange to strike from listing and registration Dayton Michigan Railroad, Common Stock, \$50.00 Par Value. (Rel. 34-37276)

An order has been issued granting the application of the Cincinnati Stock Exchange to strike from listing and registration Cincinnati Union Group, Common Stock, \$20.00 Par Value. (Rel. 34-37377)

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 CONTINENTAL AIRLINES INC /DE/, 2929 ALLEN PKWY STE 1513, HOUSTON, TX
77019 (713) 834-5000 - 65,046,762 (\$65,046,762.06) STRAIGHT BONDS. (FILE
333-4827 - MAY. 30) (BR. 3)