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# SEC DOCKET

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This listing does not affect the legal status of any document published in this issue.

## SIGNIFICANT ITEMS

### RULES

33-6470 Solicitation of Comments on the Shelf Registration Rule (Rule 415), Which Relates to the Registration of Securities to be Offered and Sold on a Delayed or Continuous Basis (File No. S7-979—Comment Period Expires: September 12, 1983).....

The following releases relate to self/regulatory organization rule proposals and/or adoptions

34-19844	34-19849	34-19857
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34-19848	34-19854	34-19859

**COMMERCE, CLEARING, HOUSE, INC.**  
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abetted by Reid, failed to provide clients with a written disclosure statement, also required by the Adviser's Act.

In its papers filed in Court, the SEC further alleged that Reid, from April 4, 1983 to the present, engaged in a fraudulent course of conduct by placing orders to purchase securities with broker-dealers on behalf of INRG and paying for them through INRG with purchase money checks delivered on or after settlement date. Prior to the settlement date, Reid placed orders with broker-dealers, on behalf of INRG, to sell those same securities. At the time of delivery of the purchase money checks, Reid would obtain proceeds, from the broker-dealers, which funds were deposited in INRG's bank account prior to presentation at said bank of the purchase money checks.

The Commission's Complaint alleged that in total, Reid, on behalf of Defendant INRG, placed orders for the purchase of securities totaling \$489,530 at times when INRG had insufficient funds to pay for those securities causing three brokers losses of \$44,409.66.

Finally, the SEC's papers alleged that INRG, aided and abetted by Reid, received and enjoyed the beneficial use of credit for the purchasing and carrying securities in contravention of the Exchange Act and Federal Reserve Requirements.

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**Litigation Release No. 10146/September 30, 1983**

*SEC v. LESLIE D. MURDOCK, GLEN DIAL, MICHAEL L. ALLRED, LEE WALKER, JOHN HUDSON, CURTIS NELSON, DWAIN KNIGGE, AMERICAN REGISTRAR & TRANSFER CO.* (USDC, Colorado, Civil Action No. 83-Z-777)

Robert H. Davenport, Administrator of the Denver Regional Office of the Securities and Exchange Commission (Commission), announced that on September 9, 1983, The Honorable Zita Weinshienk, Judge of the U.S. District Court for the District of Colorado, entered an Order of Permanent Injunction against Glen Dial (Dial) of the La Tuna Federal Correctional Institution, Anthony, New Mexico. The Order permanently enjoined Dial from further violations of Section 10(b) and Rule 10b-5 promulgated thereunder of the Securities Exchange Act of 1934 (Exchange Act), as amended, and Sections 17(a), (1), (2) and (3) and 5(a) and (c) of the Securities Act of 1933 (Securities Act), as amended. The Court further ordered Dial to provide an accounting of the

proceeds realized by him from the sale of the stock of Golden Phoenix, Inc. The Court reserved jurisdiction over any disgorgement by Dial.

Dial consented to the Entry of Final Judgment of Permanent Injunction and Other Equitable Relief without admitting or denying the allegations in the Commission's Amended Complaint, which was filed on June 3, 1983.

For further information, see Litigation Release No. 9991/May 6, 1983.

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**Litigation Release No. 10147/September 30, 1983**

*SECURITIES AND EXCHANGE COMMISSION v. NITRON, INC. AND SAMUEL NISSIM* United States District Court for the District of Columbia, Civil Action No. 83-2872

The Securities and Exchange Commission announced the filing on September 29 of a civil injunctive action in the United States District Court for the District of Columbia against Nitron, Inc., a manufacturer of semiconductor devices located in Cupertino, California, and Samuel Nissim, a director of Nitron who served as its president and chairman until 1983. The complaint charges that Nitron and Nissim filed or caused to be filed with the Commission and released or caused to be released to the public, materially false and misleading statements concerning the revenues to be derived by Nitron pursuant to a contract to manufacture video game arcades and cassettes for Astrocade, Inc., a privately-held seller of home video games, concerning the substance and purpose of certain agreements between Nitron and Astrocade, and concerning the financial condition of Nitron and Astrocade. Nitron was also charged with failing to file an annual report and several periodic reports with the Commission during 1982 and 1983.

In connection with these charges, the complaint alleges that on March 18, 1982, Nitron announced the signing of a contract with Astrocade which it expected to generate \$32 million in revenues by the end of 1982 and \$72 million during 1983, without disclosing that both Nitron and Astrocade would require substantial new financing in order to fund the project and that Astrocade's obligation to pay for the products manufactured by Nitron was contingent upon Astrocade's sale of the products. Nitron also failed, according to the Commission's allega-

tions, to correct its projections when substantial problems developed with the contract due, among other things, to Astrocade's financial difficulties. The complaint further alleges that Nitron made less than \$7 million in sales to Astrocade prior to December 31, 1982, by which time Astrocade had filed a petition to reorganize under Chapter XI of the Bankruptcy Reform Act.

In filing the action, the Commission seeks permanent injunctions against Nitron and Nissim from violations of the antifraud and reporting provisions of the federal securities laws.

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**Litigation Release No. 10148/September 30, 1983**

*UNITED STATES v. ERWIN M. BOSLER*  
(D.C.R.I., CR. 1983)

The Honorable Lincoln C. Almond, United States Attorney for the District of Rhode Island and Willis H. Riccio, Regional Administrator for the Boston Regional Office of the Securities and Exchange Commission today jointly announced that Erwin M. Bosler ("Bosler"), 77 Hoffman Avenue, Apt. 1, Cranston, Rhode Island, pleaded guilty to one Count of an Information filed in the United States District Court for the District of Rhode Island.

The Information charged Bosler with a violation of the anti-fraud provisions of the Securities Act of 1933 in connection with the offer and sale of debentures of EMB Associates, Inc., d/b/a Max Sugarman Funeral Home, Inc. of Providence, Rhode Island.

According to the Information, from on or about August, 1973 up to June 1982, Bosler wilfully employed a device, scheme and artifice to defraud and obtained money and property by omitting to state material facts relative to the Max Sugarman Funeral Home, Inc. debentures. The Information charged that Bosler failed to disclose material facts concerning the safety of an investment in the debentures, the amount of debentures outstanding, the use made of proceeds from debenture sales and the financial condition and business outlook for the Max Sugarman Funeral Home, Inc.

The Information charged Bosler with obtaining \$55,000 from two Warwick, Rhode Island investors as the result of the foregoing course of conduct.

Bosler's plea was made before Senior United States District Judge Raymond J. Pettine who

deferred sentence pending receipt of a presentence report.

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**Litigation Release No. 10149/September 30, 1983**

*SECURITIES AND EXCHANGE COMMISSION v. FEDERAL BANK & TRUST CO., LTD., et al.*, United States District Court for the Southern District of Florida, West Palm Beach Division, Civil Action No. 83-8540, CIV. JCP.

The Securities and Exchange Commission announced today the filing of a Complaint in the United States District Court for the Southern District of Florida against Federal Bank & Trust Co., Ltd. ("FB&T") and 20 other defendants. The Commission's Complaint seeks a permanent injunction and other ancillary relief including an accounting and disgorgement against the defendants, enjoining them variously from violating Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") and Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder. The Commission also sought and obtained a Temporary Restraining Order freezing the assets held in any brokerage account of defendant Miller-Carnegie Securities, Ltd., ("Miller-Carnegie") located in the United States, and temporarily restraining and enjoining Miller-Carnegie from further violations of Section 15(a) of the Exchange Act.

The Commission's Complaint alleges that, beginning on or about May 1978, the defendants variously engaged in a scheme to defraud over 2,000 U.S. investors of \$16 million by offering U.S. investors an opportunity to invest in an arbitrage trading program involving U.S. government securities in managed accounts of FB&T, a bank organized under the laws of St. Vincent, Grenadines. The primary inducement utilized by the promoters of this scheme was the promise of a write-off or tax deduction of eight times the investor's contribution in the year of investment.

The Complaint further alleges that the promoters in various offering materials described the trading program which they offered as arbitrage trading in U.S. Treasury bills ("T-Bills") and mortgage backed certificates guaranteed by the Government National Mortgage Association ("Ginnie Maes"). The offering materials represented that several arbitrage transactions would be necessary in order to create a tax write-off equal to eight times the initial investment.

U.S.D.P.



# SEC DOCKET

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This listing does not affect the legal status of any document published in this issue.

### SIGNIFICANT ITEMS

#### RULES

IA-888      Recission of Rule 202-1 which excludes from registration as Investment Advisers certain persons who offer investment advice to employee benefit plans sponsored by their employers .....

SIPA-113      Approval of a rule submitted by the Securities Investor Protection Corporation which establishes a uniform procedure for the liquidation of Standardized Options positions in proceedings and establishes a uniform method for calculating the value of such Standardized Options Positions for distribution to customers of the debtor firm .....

The following releases relate to self-regulatory organization rule proposals and/or adoptions

34-20313	34-20317	34-20321	34-20327	34-20331
34-20314	34-20318	34-20323	34-20328	
34-20315	34-20320	34-20324	34-20330	

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volves the sale of securities in the form of investment contracts. Tolleson is the founder of TAFEI. In 1975, Tolleson was enjoined from violations of the federal securities laws for participation in a scheme virtually identical to TAFEI, and in 1977 he was convicted of violations of the Ohio securities laws and spent approximately one year in prison. The complaint also alleges that, in connection with the offer and sale of memberships in TAFEI, the defendants have made misstatements and omissions of material fact regarding, among other things: the risks involved in purchasing interests in TAFEI; the use of proceeds from the sale of interests in TAFEI; the financial condition of TAFEI; the financial condition of Tolleson, the financial condition of TAFEI employees; the past criminal and civil violations of law by Tolleson; and the amount of profit that investors in TAFEI could expect. (SEC v. The American Free Enterprise Institute, et al., U.S.D.C.D. Ariz., Civil Action No. 83-1903-PHX-CAM).

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**Litigation Release No. 10202/November 17, 1983**

**SECURITIES AND EXCHANGE COMMISSION v. NITRON, INC. AND SAMUEL NISSIM** United States District Court for the District of Columbia, Civil Action No. 83-2872

The Securities and Exchange Commission announced today the settlement of a civil injunctive action filed on September 29, against Nitron, Inc. a manufacturer of semiconductor devices located in Cupertino, California. (See Litigation Release No. 10147; September 30, 1983). Nitron, without admitting or denying any of the allegations in the complaint, consented to the entry of an order permanently enjoining it from violating certain reporting and anti-fraud provisions of the Securities Exchange Act of 1934.

The complaint charged that Nitron and Samuel Nissim, a director of Nitron who served as Nitron's president and chairman until 1983, filed or caused to be filed with the Commission and released or caused to be released to the public, materially false and misleading statements concerning the revenues to be derived by Nitron pursuant to a contract to manufacture video game arcades and cassettes for Astrocade, Inc., a privately-held seller of home video games, concerning the substance and purpose of certain agreements between Nitron and Astrocade, and concerning the financial condition of Nitron and

Astrocade. Nitron was also charged with failing to timely file an annual report and several periodic reports with the Commission during 1982 and 1983.

The action is still pending with respect to defendant Nissim, against whom the Commission seeks a permanent injunction from violations of the antifraud and reporting provisions of the federal securities laws.

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**Litigation Release No. 10203/November 17, 1983**

**SECURITIES AND EXCHANGE COMMISSION v. SIDNEY POPKIN** (United States District Court for the District of Columbia) Civil Action No. 83-3425

The Securities and Exchange Commission ("Commission") today announced the filing of a civil injunctive action in the United States District Court for the District of Columbia against Sidney Popkin a resident of Jacksonville, North Carolina alleging violations of the antifraud provisions of the Securities Act of 1933 and the antifraud, manipulation, credit and beneficial ownership reporting provisions of the Securities Exchange Act of 1934. Without admitting or denying the allegations in the Complaint, Popkin consented to the entry of a Final Judgment of Permanent Injunction restraining and enjoining him from further violations of the provisions of the federal securities laws he was alleged to have violated.

The Complaint alleges that from on or about January 1981 through August 1981 Popkin perpetrated a fraudulent free-riding scheme to amass and maintain a large portfolio of securities without meeting his obligation to pay for such securities and a fraudulent scheme to artificially inflate the price of Conner Homes Corporation ("Conner") common stock in order to profit from the resale of such stock and to increase buying power in margin securities accounts holding such stock.

The Complaint alleges that during this time period and in furtherance of his free-riding scheme, Popkin on numerous occasions ordered purchases of large blocks of over 15 different securities, including Conner, on margin for a total purchase price in excess of \$3,000,000. These orders were placed by Popkin in twelve (12) different securities accounts at one broker-dealer in the names of Popkin family members or family businesses (hereinafter "nominee accounts") controlled by Popkin. All the securities held therein were beneficially owned by Popkin.

a Final Judgment restraining and enjoining him from violating of Section 10(b) of the Securities Exchange Act of 1934. Further, Gahagan has undertaken to pay to the U.S. Treasury \$21,120.02 in cash representing the profits from the sale of the common stock and warrants of United American Energy, Inc.

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**Litigation Release No. 10259/January 12, 1984**

*SECURITIES AND EXCHANGE COMMISSION v. NITRON, INC. AND SAMUEL NISSIM* United States District Court for the District of Columbia, Civil Action No. 83-2872

The Securities and Exchange Commission announced today the settlement of a civil injunctive action filed on September 29 against Samuel Nissim, the former chief executive officer of Nitron, Inc., a manufacturer of semiconductor devices located in Cupertino, California (see Litigation Release No. 10147; September 30, 1983). Nissim, without admitting or denying any of the allegations in the complaint, consented to the entry of an order permanently enjoining him from violating certain reporting and anti-fraud provisions of the Securities Exchange Act of 1934.

The complaint charged that Nitron and Samuel Nissim, a director of Nitron who served as Nitron's president and chairman until 1983, filed or caused to be filed with the Commission and released or caused to be released to the public, materially false and misleading statements concerning the revenues to be derived by Nitron pursuant to a contract to manufacture video game arcades and cassettes for Astrocade, Inc., a privately-held seller of home video games, concerning the substance and purpose of certain agreements between Nitron and Astrocade, and concerning the financial condition of Nitron and Astrocade. Nitron was also charged with failing to timely file an annual report and several periodic reports with the Commission during 1982 and 1983.

The action with respect to Nitron was settled on November 17, 1983 with the entry of an order permanently enjoining it from violations of certain anti-fraud and reporting provisions of the Securities Exchange Act of 1934 (see Litigation Release No. 10202; November 17, 1983).

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**Litigation Release No. 10260/January 12, 1984**

*SECURITIES AND EXCHANGE COMMISSION v. DOMINICK MUSELLA, ET AL.* (United States District Court for the Southern District of New York) Civil Action No. 83-0342

The Securities and Exchange Commission today announced the entry by Judge Charles Haight, U.S. District Judge in the Southern District of New York, of a permanent injunction against Richard I. Rosenkranz, an attorney with offices in Brooklyn, enjoining him from further violations of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act") and Rules 10b-5 and 14e-3 thereunder.

The Commission had alleged that Rosenkranz, while in possession of material non-public information relating to various publicly held companies, purchased common stock or option contracts for the purchase of the common stock of these companies. The Commission had alleged that Rosenkranz, who at the time was acting as the attorney to Dominick Musella, another defendant in the action, improperly attained the material non-public information, directly or indirectly, from Alan Robert Ihne, who was manager of office services at Sullivan & Cromwell. The securities which the Commission alleged Rosenkranz purchased were MAPCO, Inc., Signode Corp., and Teson Petroleum Corp.

Rosenkranz consented to the entry of the permanent injunction without admitting or denying the Commission's allegations. The Commission's case is proceeding against the remaining defendants.