

SEC NEWS DIGEST

Issue 99-114

June 15, 1999

COMMISSION ANNOUNCEMENTS

SMALL BUSINESS REGISTRATION AND REPORTING FORMS AND REGULATIONS AVAILABLE ON SEC WEBSITE

The Division of Corporation Finance has added a new section to the Small Business Information web page on the Commission's website at www.sec.gov. The new section, Small Business Forms and Associated Regulations, will provide guidance to small businesses as they prepare their SEC filings under the Securities Act of 1933 and Securities Exchange Act of 1934.

Questions or comments regarding the new section should be directed to Jackie Walker or Herbert Scholl in the Office of EDGAR & Information Analysis, Division of Corporation Finance at (202) 942-2940. (Press Rel. 99-65)

ENFORCEMENT PROCEEDINGS

SEC CHARGES COMPANY INSIDER AND TWO FRIENDS WITH INSIDER TRADING

The Commission today filed a complaint in the United States District Court for the District of Columbia charging Brian Patrick Burns, Jr. and two longtime friends, Albert Joseph Pandolfi and Stanley Alvin Pandolfi, with insider trading in advance of an April 1998 public announcement that Neurex Corp., a California biopharmaceutical company, would be acquired by Elan Corporation, plc. The complaint alleges that Burns, then an in-house attorney with Neurex, learned of the possible acquisition of his company on the morning of April 27, 1998. Later that day, Burns tipped Albert Pandolfi about the acquisition and recommended that Albert's father, Stanley Pandolfi, purchase Neurex stock. Both of the Pandolfis purchased Neurex common stock and call options on April 27, 1998. The Neurex acquisition was publicly announced before the opening of the market on April 29, 1998. As a result of the announcement, the price of Neurex's stock opened on April 29 at \$ 28.50, up \$8.75 from the previous day's close. Both Albert and Stanley Pandolfi sold their Neurex securities later that day, realizing total illicit profits of \$83,663. Burns did not purchase any Neurex securities prior to the

announcement. The Commission alleges that as a result of the conduct described above, the defendants violated Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, and is seeking permanent injunctions, disgorgement, and monetary penalties against the defendants.

All three defendants have consented to entry of final judgments permanently enjoining them from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, without admitting or denying the facts alleged in the complaint. Pursuant to the terms of their settlement agreements, Albert and Stanley Pandolfi will pay disgorgement in the amounts of \$15,000 and \$25,000 respectively, and based upon their demonstrated financial inability to pay additional amounts, \$43,663 in disgorgement will be waived and no civil penalties will be imposed. Burns has agreed to pay \$43,663 in disgorgement, representing the remainder of his tipples' profits; \$4,540 in pre-judgment interest; and a civil penalty of \$43,663.

The Commission gratefully acknowledges the assistance provided by The American Stock Exchange in the investigation of this matter. [SEC v. Brian Patrick Burns, Jr., Albert Joseph Pandolfi and Stanley Alvin Pandolfi, Civil Action No. 99CV1546, GK, D.D.C.] (LR-16187)

INVESTMENT COMPANY ACT RELEASES

MONITOR INVESTORS, L.P., ET AL.

A notice has been issued giving interested persons until July 6, 1999, to request a hearing on an application filed by Monitor Investors, L.P., et al. for an order under Sections 6(b) and 6(e) of the Investment Company Act in connection with the formation of limited partnerships and other pooled investment vehicles (Investment Partnerships) to be offered to certain key employees and qualified participants of Monitor Company, Inc. Each Investment Partnership will be an "employees' securities company" within the meaning of Section 2(a)(13) of the Act. (Rel. IC-23870 - June 11)

HOLDING COMPANY ACT RELEASES

THE AES CORPORATION

A notice has been issued giving interested persons until July 6, 1999, to request a hearing on an application filed under Section 3(a)(5) of the Act by The AES Corporation (AES), a Delaware corporation not currently subject to the Act. AES requests an order exempting it from all provisions of the Act except Section 9(a)(2) following the consummation of its acquisition of CILCORP Inc., an Illinois public-utility holding company exempt from registration

under Section 3(a)(1) of the Act by Rule 2. Through the acquisition, AES would acquire the holding company's Illinois public-utility subsidiary company, Central Illinois Light Company. (Rel. 35-27036)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The National Association of Securities Dealers filed a notice of filing and request for accelerated approval of a proposed rule change (SR-NASD-99-25) to establish a pilot program to reduce Level 1 market data fees. Publication of the proposal is expected in the Federal Register during the week of June 14. (Rel. 34-41499)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change submitted by the Chicago Board Options Exchange (SR-CBOE-99-06) increasing the maximum size of orders on the Dow Jones High Yield Select 10 Index eligible for automatic execution. Publication of the proposal is expected in the Federal Register during the week of June 14. (Rel. 34-41509)

PROPOSED RULE CHANGES

The New York Stock Exchange filed a proposed rule change (SR-NYSE-99-19) to adopt a new interpretation to Rule 35 (Floor Employees to be Registered). Publication of the proposal is expected in the Federal Register during the week of June 14. (Rel. 34-41514)

The New York Stock Exchange filed a proposed rule change (SR-NYSE-99-20) relating to Examination Specifications and Content Outline for the Front Line Specialist Clerk Qualification Examination (Series 21). Publication of the proposal is expected in the Federal Register during the week of June 14. (Rel. 34-41515)

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-99-02) to clarify the way that various NASD rules relating to "public offerings" apply to offerings of securities under Rule 504 of Regulation D, and to clarify other aspects of NASD rules relating to "public offerings." Publication of the proposal is expected in the Federal Register during the week of June 14. (Rel. 34-41519)

DELISTINGS GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Fracmaster Ltd., Common Shares, without par value. (Rel. 34-41521)

An order has been issued granting the application of the Boston Stock Exchange to strike from listing and registration SAC Technologies, Inc., Common Stock, \$.01 par value per share. (Rel. 34-41523)

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.

Registration statements may be obtained in person or by writing to the Commission's Public Reference Branch at 450 Fifth Street, N.W., Washington, D.C. 20549 or at the following e-mail box address: <publicinfo@sec>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

- F-3 TELEPHONES OF MEXICO/, PARQUE VIA 190-1016, COLONIA CUAUHEMOC, MEXICO CITY, 05 (525) 703-3990 - 1,250,000,000 (\$1,250,000,000) FOREIGN COMMON STOCK (FILE 333-10416 - JUN. 03) (BR. 7)
- F-9 TALISMAN ENERGY INC, 2400 855 2ND ST SW, CALGARY ALBERTA CANADA T2P 4J9, A0 (403) 237-1234 - 150,000,000 (\$150,000,000) FOREIGN PREFERRED STOCK. (FILE 333-10424 - JUN. 04) (BR. 4)
- S-8 CRH PUBLIC LTD CO, BELGARD CASTLE CLONDALKIN, DUBLIN 22 IRELAND, L2 - 250,000 (\$4,315,000) FOREIGN COMMON STOCK. (FILE 333-10430 - JUN. 07) (BR. 6)
- S-4 CHANCELLOR MEDIA CORP/, 1845 WOODALL RODGERS FREEWAY, SUITE 1300, DALLAS, TX 75201 (214) 922-8700 - 54,648,985 (\$1,810,112,275) COMMON STOCK. (FILE 333-80173 - JUN. 08) (BR. 7)
- S-8 FIRST AMERICAN FINANCIAL CORP, 114 E FIFTH ST, SANTA ANA, CA 92701 (714) 558-3211 - 2,400,000 (\$37,125,600) COMMON STOCK. (FILE 333-80179 - JUN. 07) (BR. 1)
- S-8 TRUE NORTH COMMUNICATIONS INC, 101 E ERIE ST, CHICAGO, IL 60611 (312) 425-6500 - 850,000 (\$20,451,000) COMMON STOCK (FILE 333-80239 - JUN. 09) (BR. 2)
- S-3 CAPE ODYSSEY INC, 4801 WEST 81 STREET, SUITE 112, BLOOMINGTON, MN 55437 (612) 837-9917 - 4,525,000 (\$4,525,000) COMMON STOCK. (FILE 333-80241 - JUN. 09) (BR. 9)
- S-4 ESENJAY EXPLORATION INC, 500 N WATER STREET, SUITE 1100, CORPUS CHRISTI, TX 78471 (512) 883-7464 - 1,645,814 (\$6,017,504.06) COMMON STOCK (FILE 333-80243 - JUN. 09) (BR. 4)
- F-3 ROYAL AHOLD, ALBERT HEIJNWEJ 1, P O BOX 33, 1500 EA ZAANDAM THE, P7 (FILE 333-80245 - JUN. 09) (BR. 2)