

sec news digest

Issue 95-66

April 6, 1995

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE PROCEEDINGS AGAINST ROBERT MAGNAN

On April 5, the Commission settled public administrative proceedings against Robert A. Magnan. The Commission had instituted the proceedings on May 19, 1994 (See Securities Act Release No. 33-7062; Exchange Act Release No. 34-34078). The Order Making Findings and Imposing Remedial Sanctions on Robert A. Magnan (Order) found that during the period from in or about June 1988 through May 1993 Magnan, while working as a stockbroker for The Stuart-James Company, Inc., Sovereign Equity Management Corp., and PaineWebber, Inc., violated certain antifraud provisions of the federal securities laws by making materially false and misleading statements to customers about securities he was recommending. The Order found that, for example, Magnan made predictions of future stock prices without a reasonable basis; misrepresented the risks associated with speculative investments; induced customers to purchase stock by falsely telling them that he would limit their possible losses by causing their stock to be sold if its price declined by a certain amount; made unsuitable investment recommendations to customers who followed such recommendations; and effected unauthorized transactions in customers' accounts. The Commission also found that Magnan willfully caused trading in customers' accounts he controlled that was excessive and unsuitable in light of those customers' investment objectives and the character of their accounts.

The Commission ordered that Magnan be barred from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. The Commission further ordered that Magnan cease and desist from committing or causing violations or any future violation

of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Finally, the Commission ordered that Magnan disgorge \$505,344, pay prejudgment interest thereon, but waived \$445,344 of the disgorgement and all interest thereon based on a sworn personal financial statement submitted by Magnan. (Rel. 33-7155; 34-35565)

MOTZFELDT FUNDING CORPORATION AND GITTE MECHLENBURG CONSENT TO PERMANENT INJUNCTION

The Commission announced that on March 23 Judge John E. Sprizzo of the United States District Court for the Southern District of New York entered a Final Judgment of Permanent Injunction By Consent against Motzfeldt Funding Corporation (Motzfeldt) and Birgit (Gitte) Mechlenburg (Mechlenburg) enjoining further violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933. Motzfeldt and Mechlenburg consented to the injunction without admitting or denying the Commission's allegations.

The Commission's complaint alleged as follows, in part: Mechlenburg, Motzfeldt, and a third defendant raised funds from investors by means of an offering document which represented that the money would be used in a so-called "roll trade program" purportedly involving the purchase and sale of standby letters of credit, promissory bank notes, and promissory bank guarantees. None of the funds raised were in fact invested in such transactions. The offering document also represented that a \$50,000 loan to Motzfeldt would be repaid from "roll trade" profits. The offering materials contained false and misleading statements concerning Motzfeldt and its "guarantee" of repayment of the \$50,000 (See Lit. Rel. Nos. 13669 and 14320). [SEC v. Motzfeldt Funding Corporation, Birgit Mechlenburg a/k/a Gitte Mechlenburg, and Samuel J. Abraham, 93 Civ. No. 3942, JES, USDC, SDNY] (LR-14459)

INVESTMENT COMPANY ACT RELEASES

AETNA INSURANCE COMPANY OF AMERICA, ET AL.

An order has been issued under Section 6(c) of the Investment Company Act exempting Aetna Insurance Company of America (Aetna); Variable Annuity Account I of Aetna, Variable Annuity Account II of Aetna, and any other Separate Accounts established in the future by Aetna (collectively, Separate Accounts) to support certain variable annuity contracts (Contracts) or such other variable annuity contracts that are substantially similar in all material respects to such Contracts (Other Contracts) and that may be issued in the future by Aetna; and

Aetna Life Insurance and Annuity Company and certain other principal underwriters of the Contracts (collectively, Applicants), from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the Act. Applicants have been granted exemptive relief to the extent necessary to permit the deduction of a mortality and expense risk charge from the assets of the Separate Accounts in connection with the offer and sale of the Contracts and the Other Contracts. (Rel. IC-20987 - April 5)

VOLTAIRE CAPITAL, INC.

An order has been issued under Section 8(f) of the Investment Company Act declaring that Voltaire Capital, Inc. has ceased to be an investment company. (Rel. IC-20988 - April 5)

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION, ET AL.

An order has been issued under Section 6(c) of the Investment Company Act exempting New York Life Insurance and Annuity Corporation (NYLIAC), NYLIAC LifeStages Annuity Separate Account (Separate Account) and NYLIFE Distributors, Inc. (collectively, Applicants) from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the Act. Applicants have been granted exemptive relief to the extent necessary to permit the deduction of a mortality and expense risk charge from the assets of the Separate Account, or of any other similar separate account(s) established by NYLIAC, in connection with the offer and sale of certain flexible premium variable annuity contracts (Contracts) and of any other variable annuity contracts (Other Contracts) that are substantially similar in all material respects to the Contracts offered by NYLIAC. Exemptive relief also has been granted to certain other broker-dealers which may serve in the future as a principal underwriter of the Contracts or Other Contracts. (Rel. IC -20989 - April 6)

HOLDING COMPANY ACT RELEASES

THE SOUTHERN COMPANY

A notice has been issued giving interested persons until May 1 to request a hearing on a proposal by The Southern Company (Southern), a registered holding company. Southern proposes, from time to time through December 31, 2005, to issue up to one million shares of its common stock pursuant to The Outside Directors Stock Plan for Subsidiaries of The Southern Company (Plan). Southern also proposes

to submit the Plan for consideration and action by its stockholders at the annual meeting of such stockholders to be held on May 24, 1995. Consequently, and as provided in Rule 62(d), Southern further requests that it be allowed to solicit proxies for voting on the proposed Plan by its stockholders. It may do so. (Rel. 35-26265)

AMERICAN ELECTRIC POWER CO., INC., ET AL.

An order has been issued authorizing American Electric Power Company, Inc. (American), a registered holding company, to make additional investments in its nonutility subsidiary company, AEP Energy Services, Inc. (AEPES), in the amount of \$45 million for activities associated with AEPES' energy consulting business. American and AEPES also propose to expand the amount of guarantees or assumptions of liabilities made on behalf of AEPES to \$200 million. AEPES seeks to provide power project related services, energy management and demand side management services and other consulting services to associates and nonassociates. AEPES also proposes to amend certain service agreements with associates. Finally, AEPES seeks to organize and finance subsidiary companies to perform its authorized services. (Rel. 35-26266)

EASTERN UTILITIES ASSOCIATES, ET AL.

An order has been issued authorizing a proposal by Eastern Utilities Associates (EUA), a registered holding company, and EUA Cogenex (Cogenex), a wholly owned nonutility subsidiary company of EUA, and Northeast Energy Management, Inc. (NEM), and EUA Cogenex-Canada Inc. (Cogenex-Canada), two wholly owned nonutility subsidiary companies of Cogenex company. EUA proposes to invest through December 31, 1997, up to \$50 million in Cogenex through loans, capital contributions, or stock purchases, \$25 million of which could be borrowed from the EUA system credit lines. Cogenex proposes various financing transactions up to an aggregate maximum amount of \$200 million, which would include the EUA investment. Cogenex also proposes to extend its authority to invest up to \$20 million in Cogenex-Canada and \$9.1 million in NEM. Jurisdiction has been reserved over Cogenex's issuance and sale through December 31, 1997, of up to \$150 million of notes and bonds (Notes and Bonds) and EUA's guarantee of or equity maintenance agreement for the Notes and Bonds pending completion of the record. (Rel. 35-26267)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The Options Clearing Corporation filed a proposed rule change (SR-OCC-95-03) relating to OCC's Exercise-by-Exception procedures applicable to

expiring Index Options. Publication of the proposal is expected in the Federal Register during the week of April 10. (Rel. 34-35566)

The Options Clearing Corporation filed a proposed rule change (SR-OCC-95-02) seeking to make the Stock Loan/Hedge Program available to accounts established for market makers and specialists. Publication of the proposal is expected in the Federal Register during the week of April 10. (Rel. 34-35567)

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 NATIONAL HEALTH LABORATORIES HOLDINGS INC,
4225 EXECUTIVE SQUARE SUITE 800, LAJOLLA, CA 92037 (619) 550-0600 -
3,290,420 (\$20,176,855) COMMON STOCK. (FILE 33-58307 - MAR. 30) (BR. 6)
- S-3 COMNET CELLULAR INC, 5990 GREENWOOD PLZ BLVD STE 300, ENGLEWOOD, CO
80111 (303) 694-3234 - 330,000 (\$7,961,250) COMMON STOCK. PREFERRED STOCK.
(FILE 33-58309 - MAR. 30) (BR. 7)
- S-8 UNITED STATES LIME & MINERALS INC, 12221 MERIT DRIVE SUITE 500, DALLAS,
TX 75251 (214) 991-8400 - 380,000 (\$2,028,750) COMMON STOCK. (FILE
33-58311 - MAR. 30) (BR. 2)
- S-8 SHOWBOAT INC, 2800 FRENONT ST, LAS VEGAS, NV 89104 (702) 385-9125 -
2,000,000 (\$36,506,000) COMMON STOCK. (FILE 33-58315 - MAR. 30) (BR. 11)
- S-3 AMERICAN GENERAL CORP /TX/, 2929 ALLEN PKWY, HOUSTON, TX 77019
(713) 522-1111 (FILE 33-58317 - MAR. 30) (BR. 9)
- S-3 EKCO GROUP INC /DE/, 98 SPIT BROOK RD, NASHUA, NH 03062 (603) 888-1212
- 500,000 (\$3,093,750) COMMON STOCK. (FILE 33-58319 - MAR. 30) (BR. 6)
- S-8 AMERISOURCE DISTRIBUTION CORP, PO BOX 959, VALLEY FORGE, PA 19482
(215) 296-4480 - 2,571,478 (\$51,429,560) COMMON STOCK. (FILE 33-58321 -
MAR. 30) (BR. 4)
- S-8 WHITTAKER CORP, 10880 WILSHIRE BLVD STE 800, LOS ANGELES, CA 90024
(213) 475-9411 - 1,000,000 (\$20,125,000) COMMON STOCK. (FILE 33-58323 -
MAR. 31) (BR. 6)

REGISTRATIONS CONT.

- S-8 ZENITH ELECTRONICS CORP, 1000 MILWAUKEE AVE, GLENVIEW, IL 60025
(708) 391-7000 - 1,000,000 (\$7,812,500) COMMON STOCK. (FILE 33-58327 -
MAR. 31) (BR. 11)
- S-8 AMERISOURCE DISTRIBUTION CORP, PO BOX 959, VALLEY FORGE, PA 19482
(215) 296-4480 - 229,362 (\$4,587,240) COMMON STOCK. (FILE 33-58329 -
MAR. 31) (BR. 4)
- SB-2 ADSONLY GROUP INC, 2269 CHESTNUT ST, STE 637, SAN FRANCISCO, CA 94123 -
850,000 (\$5,100,000) COMMON STOCK. (FILE 33-90672 - MAR. 28) (BR. 5
- NEW ISSUE)
- SB-2 ANDEAN DEVELOPMENT CORP, 835 LAKESIDE DR, BOCA RATON, FL 33434
(407) 482-6336 - 4,620,000 (\$20,790,000) COMMON STOCK. 660,000
(\$1,485,000) PREFERRED STOCK. 60,000 WARRANTS, OPTIONS OR RIGHTS.
180,000 (\$702,000) COMMON STOCK. (FILE 33-90696 - MAR. 29) (BR. 10
- NEW ISSUE)
- S-3 MEDIC COMPUTER SYSTEMS INC, 8601 SIX FORKS ROAD STE 300, RALEIGH, NC
27615 (919) 847-8102 - 1,942,542 (\$89,842,567.50) COMMON STOCK. (FILE
33-90698 - MAR. 29) (BR. 10)
- S-8 PRI AUTOMATION INC, 805 MIDDLESEX TURNPIKE, BILLERICA, MA 01821
(508) 663-8555 - 405,000 (\$5,348,819.50) COMMON STOCK. (FILE 33-90702 -
MAR. 29) (BR. 10)
- S-3 SUMMIT PROPERTIES INC, 212 SOUTH TRYON ST, STE 500, CHARLOTTE, NC 28281
(704) 334-9905 - 500,000 (\$8,437,500) COMMON STOCK. (FILE 33-90704 -
MAR. 27) (BR. 5)
- S-3 SUMMIT PROPERTIES INC, 212 SOUTH TRYON ST, STE 500, CHARLOTTE, NC 28281
(704) 334-9905 (FILE 33-90706 - MAR. 29) (BR. 5)
- S-8 AVIALL INC, 2055 DIPLOMAT DR, DALLAS, TX 75234 (214) 956-5000 - 250,000
(\$1,515,000) COMMON STOCK. (FILE 33-90722 - MAR. 30) (BR. 3)
- S-8 AVIALL INC, 2055 DIPLOMAT DR, DALLAS, TX 75234 (214) 956-5000 - 30,000
(\$181,800) COMMON STOCK. (FILE 33-90724 - MAR. 30) (BR. 3)
- S-8 PRI AUTOMATION INC, 805 MIDDLESEX TURNPIKE, BILLERICA, MA 01821
(508) 663-8555 - 430,838 (\$1,029,702.82) COMMON STOCK. (FILE 33-90726 -
MAR. 29) (BR. 10)
- S-8 CRENDENCE SYSTEMS CORP, 3500 W WARREN AVE, FREMONT, CA 94538
(510) 657-7400 - 500,000 (\$15,315,000) COMMON STOCK. (FILE 33-90728 -
MAR. 29) (BR. 8)
- S-8 PRI AUTOMATION INC, 805 MIDDLESEX TURNPIKE, BILLERICA, MA 01821
(508) 663-8555 - 225,000 (\$4,159,687.50) COMMON STOCK. (FILE 33-90732 -
MAR. 29) (BR. 10)
- S-3 EXCALIBUR TECHNOLOGIES CORP, 9255 TOLME CENTER DR, SAN DIEGO, CA 92121
(619) 625-7900 - 625,000 (\$4,687,500) COMMON STOCK. (FILE 33-90734 -
MAR. 29) (BR. 10)

REGISTRATIONS CONT.

S-3 ALKERMES INC, 64 SIDNEY ST, CAMBRIDGE, MA 02139 (617) 494-0171 -
1,487,773 (\$7,449,435) COMMON STOCK. (FILE 33-90736 - MAR. 30) (BR. 4)

S-3 LIFECCELL CORP, 3606 RESEARCH FOREST DR, LIFECCELL CORPORATION, WOODLANDS,
TX 77381 (713) 367-5368 - 2,759,617 (\$6,209,138.25) COMMON STOCK. (FILE
33-90740 - MAR. 30) (BR. 8)

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.
- Item 8. Change in Fiscal Year.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Room (when ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

| NAME OF ISSUER | STATE CODE | 8K ITEM NO. | | | | | | | | DATE | COMMENT |
|-----------------------------------|---------------|-------------|---|---|---|---|---|---|---|----------|---------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | |
| ACCLAIM ENTERTAINMENT INC | DE | | | | | | X | X | | 03/22/95 | |
| ANGEN BOULDER INC | DE | | | | | | X | X | | 03/28/95 | |
| ANPAL AMERICAN ISRAEL CORP /NY/ | NY | | | | | | X | | | 03/28/95 | |
| ANDREWS GROUP INC /DE/ | DE | | | | | | | X | | 08/31/94 | |
| CONTINENTAL AIRLINES INC /DE/ | DE | | | | | | X | | | 12/31/94 | |
| CPAC INC | NY | | | | | | | X | | 01/16/95 | AMEND |
| DANKA BUSINESS SYSTEMS PLC | | | | | | | X | | | 03/24/95 | |
| EFTEK CORP | NV | | X | | | | | X | | 03/15/95 | |
| FEDERAL REALTY INVESTMENT TRUST | DC | | | | X | X | | | | 03/31/95 | |
| FIGGIE INTERNATIONAL INC /DE/ | DE | | X | | | | | | | 12/31/94 | |
| GENERAL RE CORP | DE | | | | | X | | | | 12/28/94 | |
| GREAT FALLS BANCORP | NJ | | | | | X | | | | 03/20/95 | |
| HEARX LTD /DE/ | DE | | | | | | | X | | 12/30/94 | AMEND |
| IMMULOGIC PHARMACEUTICAL CORP /DE | DE | | | | | X | | | | 03/17/95 | |
| INTERDIGITAL COMMUNICATIONS CORP | PA | | | | | X | | | | 03/29/95 | |
| JHM MORTGAGE SECURITIES L P | DE | | X | | | | X | | | 03/15/95 | |
| MUTUAL RISK MANAGEMENT LTD | | | | | X | | | | | 03/17/95 | AMEND |
| NATIONAL MEDIA CORP | DE | | | | | X | X | | | 03/20/95 | |
| PN HOLDINGS CORP | DE | | X | | | | X | | | 03/15/95 | |
| PROPERTY TRUST OF AMERICA | MD | | X | | | | X | | | 03/23/95 | |
| REYNOLDS METALS CO | DE | | | | | X | | | | 03/30/95 | |

8K REPORTS CONT.

| NAME OF ISSUER | STATE CODE | 8K ITEM NO. | | | | | | | | DATE | COMMENT |
|-------------------------------|---------------|-------------|---|---|---|---|---|---|---|----------|---------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | |
| SAN DIEGO GAS & ELECTRIC CO | CA | X | | | | | | | | 03/31/95 | |
| SIMMONS FIRST NATIONAL CORP | AR | X | | | | | | | | 03/31/95 | |
| SOUTHERN CALIFORNIA EDISON CO | CA | | X | | | | | | | 03/31/95 | |
| SYMS CORP | NJ | | | | | | | X | | 03/17/95 | AMEND |
| THOR ENERGY RESOURCES INC | DE | | | X | | X | | | | 03/13/95 | AMEND |
| TRANS LUX CORP | DE | | | | | | X | | | 01/17/95 | AMEND |
| WESTBANK CORP | MA | X | | | | | | | | 12/31/93 | |
| ZAPATA CORP | DE | | | X | | X | | | | 03/31/95 | |