

SEC NEWS DIGEST

Issue 98-175

September 10, 1998

COMMISSION ANNOUNCEMENTS

DIVISION OF CORPORATION FINANCE ISSUES STAFF LEGAL BULLETIN NO. 7 ON COMMISSION'S PLAIN ENGLISH RULE

On September 4, the staff of the Division of Corporation Finance issued Staff Legal Bulletin No. 7 (CF). The bulletin provides information concerning the plain English rule and amendments adopted by the Commission on January 22, 1998.

Generally, the rule and amendments, scheduled to take effect on October 1, 1998, require companies filing registration statements under the Securities Act of 1933 to use plain English in the forefront of these filings; write the balance of the documents in a clear, understandable manner; and design the materials so that they are visually inviting and easy to read. Staff Legal Bulletin No. 7 represents staff views that will help filers and the general public understand these new provisions. It is not a rule, regulation or Commission statement and the Commission has neither approved nor disapproved its content.

For further information concerning the rule or the bulletin, contact Carolyn A. Miller, Attorney-Adviser, at (202) 942-2890. (Press Rel. 98-82)

RULES AND RELATED MATTERS

GRANT OF EXEMPTIVE RELIEF FROM CERTAIN PROVISIONS OF THE TENDER OFFER REGULATIONS

The Commission granted an exemptive order from certain provisions of the Securities Exchange Act of 1934 (Exchange Act) to Marsh & McLennan Companies, Inc. with regard to a tender offer for the Ordinary Shares and American Depositary Shares of Sedgwick Group plc. The order granted relief from certain withdrawal rights provisions of Section 14(d)(5) of the Exchange Act and Rules 14d-7

and 14d-10, thereunder, and confirmed that the offer could employ certain practices consistent with U.K. law and practice. For further information contact Laurie Green at (202) 942-2920. (Rel. 34-40401; International Series Rel. 1155)

ENFORCEMENT PROCEEDINGS

OLDE DISCOUNT CORP., ERNEST OLDE, STANLEY SNIDER AND DANIEL KATZMAN SANCTIONED FOR FRAUDULENT SALES PRACTICE ABUSES

The Commission announced today that it instituted and settled administrative proceedings, against Olde Discount Corp. (Olde), a nationwide broker-dealer, Ernest J. Olde (E. Olde), the founder, chairman and majority shareholder of Olde's parent company, Stanley A. Snider (Snider), Olde's national sales manager and Daniel D. Katzman (Katzman), a regional manager. The Commission's Order Instituting Proceedings (Order) found that Olde's compensation, production, hiring and training policies combined to create an environment in which certain Olde registered representatives engaged in a variety of sales practice abuses such as churning customer accounts, effecting unauthorized and unsuitable trades, and misrepresenting and omitting to disclose material facts to customers.

The Order further found that Olde was primarily liable for its representatives' violative sales practices because they occurred in an environment created by Olde's policies and, as a result, Olde violated the antifraud provisions of Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(c)(1) of the Securities Exchange Act of 1934 and Rules 10b-5 and 15c1-2. E. Olde was found to have failed reasonably to supervise with a view of preventing such violations because he formulated and oversaw the adoption of most of these policies; such policies made it difficult to establish procedures and a system for applying such procedures which could have prevented the violations. Snider and Katzman implemented these policies and induced certain of the violations because they acted, at a minimum, recklessly in failing to respond adequately to certain problems brought to their attention that could be expected to and did occur given these policies. E. Olde, Snider and Katzman were each a cause of Olde's violations due to the foregoing conduct which they knew or should have known would contribute to such violations. The respondents consented to the entry of the Order without admitting or denying its findings.

The Commission ordered Olde to pay a \$4 million civil penalty, and Olde, Snider and Katzman to pay \$1 million, \$100,000, and \$50,000, respectively. In addition, the Commission barred Snider and Katzman from association with any broker, dealer, municipal securities dealer, investment adviser or investment company, with the right to reapply for association in a non-supervisory capacity after 5 years. Ernest Olde was suspended from association from such entities for 1

year. The Commission also ordered each of the respondents to cease and desist from further violations.

Olde also is to waive applicable statutes of limitation defenses in related arbitration proceedings filed by present or former Olde customers by March 9, 1999.

As part of the Commission's order, Olde is also to adopt and implement those policies and procedures as may be recommended by an independent consultant, who is to review Olde's compensation, production, hiring and training policies. (Rel. 33-7577; 34-40423; File No. 3-9699)

45-DAY BROKER-DEALER SUSPENSION, \$10,000 PENALTY AND CEASE AND DESIST ORDER ENTERED AGAINST ANDREW PAUL TOMASKO

On September 10, the Commission issued an Order pursuant to Sections 15(b)(6) and 21C of the Securities Exchange Act of 1934 against Andrew Paul Tomasko, a broker in the Clarks Summit, Pennsylvania office of Rutherford, Brown & Catherwood, for aiding and abetting and causing violations of Section 10(b) and Rule 10b-5 of the Exchange Act by executing a trade for a customer knowing that the customer was in possession of material nonpublic information.

The Commission's Order finds that Tomasko's client, John Martines, learned from Harry Morgan, a director of First Eastern Corporation, that the bank would be acquired by PNC Bank. Martines discussed the information with Tomasko. Tomasko knew that Morgan was a director of First Eastern, and knew that Morgan had confirmed to Martines that First Eastern would be acquired. Tomasko also knew, or was reckless in not knowing, that Morgan's statement to Martines violated Morgan's duty of trust and confidence to First Eastern. After disclosing his conversation with Morgan, Martines requested that Tomasko execute a purchase of 1,000 shares of First Eastern stock for his account on Monday, July 26, 1993, the next trading day. On July 26, 1993, Tomasko executed a purchase of 1,000 shares for his client Martines at \$17.75 per share, for a total purchase price of \$17,750. On July 27, 1993, after the announcement of the merger between First Eastern and PNC, First Eastern's stock price rose to approximately \$25 per share. That same day, Tomasko executed a sale of 1,000 shares of First Eastern stock for Martines, at \$25.125 per share, resulting in an overnight profit of \$7,375 for Martines.

The Commission's Order finds that, by executing a trade for Martines, knowing that Martines was in possession of material nonpublic information obtained in breach of duties owed to First Eastern, Tomasko caused violations and willfully aided and abetted violations of Section 10(b) and Rule 10b-5 thereunder.

Tomasko has consented, without admitting or denying the Commission's findings, to the entry of the Order, which requires him to cease and desist from causing or aiding and abetting violations of Section 10(b) and Rule 10b-5, suspends Tomasko from association with any broker or dealer for forty-five days, and orders him to pay a civil

penalty of \$10,000. (Rel. 34-40425; File No. 3-9701)

COURT FREEZES PROCEEDS OF SUSPICIOUS TRADING IN SECURITIES OF USCS INTERNATIONAL, INC.

The Commission obtained a TRO against certain unknown persons who purchased call options and common stock of USCS International, Inc. just before the announcement on September 2, 1998 that DST Systems, Inc. intended to acquire USCS. The complaint alleged that the unknown persons purchased 200 out-of-the-money USCS call options and 61,800 shares of USCS common stock through an account in Zurich, Switzerland on September 2. The unknown purchasers sold all 61,800 shares of USCS common stock the next day for profits of as much as \$500,000. The Court's TRO froze the approximately \$2 million in proceeds from the sales, which settle on September 9. The complaint alleges violations of Section 10(b) of the Exchange Act and Rule 10b-5, and seeks permanent injunctive relief, the disgorgement of all illegal profits, and the imposition of civil monetary penalties. [SEC v. One Or More Unknown Purchasers of Call Options and Common Stock of USCS International, Inc., No. 98-Civ-6327, SDNY] (LR-15875)

COMMISSION OBTAINS ORDER OF PERMANENT INJUNCTION AGAINST GREEN OASIS ENVIRONMENTAL, INC.

The Commission announced today that Judge Patrick Michael Duffy of the United States District Court for the District of South Carolina entered an Order of Permanent Injunction and Other Relief against Green Oasis Environmental, Inc. (Green Oasis). Green Oasis consented to the entry of the permanent injunction without admitting or denying the allegations of the Commission's complaint. William D. Carraway (Carraway) signed the consent on the company's behalf.

The Commission's complaint alleges that Green Oasis and Carraway effected the scheme by publishing a series of false and misleading press releases prepared by the public relations firm the company retained, owned and controlled by Raymond C. O'Brien (O'Brien). Carraway paid O'Brien and others to publish purportedly objective descriptions about the company and to encourage positive discussion about the company in Internet news groups. Carraway and O'Brien used these false press releases to increase investor interest in the company. Carraway and O'Brien encouraged Ronald V. Reece (Reece) to publish positive information about the company in numerous Internet news group messages he wrote and in an electronic newsletter he published about the company. In his publications, Reece claimed to be merely an interested investor and denied receiving any consideration from the company. In fact, the company gave Reece a valuable discount on his purchase of the company's securities and paid his travel expenses, all of which he failed to disclose in his publications.

The complaint seeks a permanent injunction against the defendants Green Oasis and Carraway to prevent their future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 (Securities Act) and Section 10(b) of the Securities Exchange Act of

1934 (Exchange Act) and Rule 10b-5 thereunder; a permanent injunction against defendant O'Brien to prevent his future violations of Sections 5(a), 5(c), 17(a) and 17(b) of the Securities Act, and Sections 10(b) and 15(a)(1) of the Exchange Act and Rule 10b-5 thereunder; and a permanent injunction against defendant Reece to prevent his future violation of Section 17(b) of the Securities Act. The complaint also seeks an accounting, disgorgement, prejudgment interest and civil penalties from defendants Carraway and O'Brien and civil penalties from defendant Reece. The commission's complaint also seeks disgorgement from Mary Ann Carraway of the gains from her sales of Green Oasis securities. [SEC v. Green Oasis Environmental, Inc., William D. Carraway, Raymond C. O'Brien and Ronald V. Reece, Defendants, and Mary Ann Carraway, Relief Defendant. Civil Action No. 2:98-1913-23, D.S.C., (LR-15876)

INVESTMENT COMPANY ACT RELEASES

DIVERSIFIED INVESTORS PORTFOLIOS AND DIVERSIFIED INVESTMENT ADVISORS, INC.

An order has been issued on an application filed by Diversified Investors Portfolios and Diversified Investors Advisors, Inc. under Section 6(c) of the Investment Company Act for an exemption from Section 15(a) of the Act and Rule 18f-2 under the Act. The order permits applicants to enter into and materially amend subadvisory contracts without obtaining shareholder approval. (Rel. IC-23428 - September 9)

AMERICAN GENERAL SERIES PORTFOLIO COMPANY 2, ET AL.

An order has been issued on an application filed by American General Series Portfolio Company 2, American General Series Portfolio Company 3 and The Variable Annuity Life Insurance Company under Section 6(c) of the Investment Company Act exempting applicants from Section 15(a) of the Act and Rule 18f-2 under the Act. The order permits applicants to enter into and materially amend subadvisory agreements without obtaining shareholder approval. (Rel. IC-23429 - September 9)

HOLDING COMPANY ACT RELEASES

CONECTIV, ET AL.

A notice has been issued giving interested persons until October 5, 1998, to request a hearing on a proposal by Conectiv, a registered holding company, and its wholly owned subsidiary, Atlantic City Electric Company (ACE). ACE proposes to amend its charter to eliminate a provision restricting the amount of securities representing unsecured indebtedness issuable by ACE. In addition,

Conectiv proposes to purchase, via tender offer, outstanding shares of ACE's preferred stock and ACE proposes to acquire the shares from Conectiv. An order was issued authorizing Conectiv to solicit proxies from shareholders to obtain their approval of the proposed amendment and the effective date of the order was accelerated under Rule 62(d). (Rel. 35-26914)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change (SR-CHX-98-20) filed by the Chicago Stock Exchange relating to a policy of the Specialist Assignment and Evaluation Committee. (Rel. 34-40408)

WITHDRAWALS SOUGHT

A notice has been issued giving interested persons until September 28, 1998, to comment on the application of The Source Information Management Company to withdraw its Common Shares, \$0.01 Par Value, from listing and registration on the Boston Stock Exchange. (Rel. 34-40402)

A notice has been issued giving interested persons until September 28, 1998, to comment on the application of Bogen Communications International, Inc. to withdraw its Common Stock, \$.001 Par Value and its Redeemable Warrants to purchase one share of Common Stock, from listing and registration on the American Stock Exchange. (Rel. 34-40403)

A notice has been issued giving interested persons until September 28, 1998, to comment on the application of Siem Industries Inc. (Formerly, Norex Industries, Inc.) to withdraw its Common Shares, \$0.25 Par Value, from listing and registration on the American Stock Exchange. (Rel. 34-40421)

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: <public info @ sec>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

- S-1 SELECT COMFORT CORP, 6105 TRENTON LANE NORTH SUITE 100, PLYMOUTH, MN 55442 (612) 551-7000 - \$110,000,000 COMMON STOCK (FILE 333-62793 - SEP 03) (BR 6)
- S-4 SIMONDS INDUSTRIES INC, 135 INTERVALE RD, FITCHBURG, MA 01420 (978) 343-3731 - 100,000,000 (\$100,000,000) STRAIGHT BONDS (FILE 333-62795 - SEP 03) (BR 36 - NEW ISSUE)
- S-4 BIRCH TELECOM INC /MO, 1004 BALTIMORE AVE, STE 900, KANSAS CITY, MO 64105 - 115,000,000 (\$115,000,000) STRAIGHT BONDS (FILE 333-62797 - SEP 03) (BR 37)
- S-8 BERRY PETROLEUM CO, P O BIN X, P O BOX X, TAFT, CA 93268 (805) 769-8811 - 250,000 (\$3,117,200) COMMON STOCK (FILE 333-62799 - SEP 03) (BR 4)
- S-8 EATON VANCE CORP, 24 FEDERAL ST, BOSTON, MA 02110 (617) 482-8260 - 2,671,682 (\$28,549,806.22) COMMON STOCK (FILE 333-62801 - SEP 03) (BR 7)
- S-8 COHU INC, 5755 KEARNY VILLA RD, SAN DIEGO, CA 92123 (619) 277-6700 - 450,000 (\$6,835,500) COMMON STOCK (FILE 333-62803 - SEP. 03) (BR 5)
- S-8 HORIZON PHARMACIES INC, 275 W PRINCETON DR, PRINCETON, TX 75407 (972) 736-2424 - 450,000 (\$3,712,500) COMMON STOCK (FILE 333-62805 - SEP 03) (BR 9)
- S-8 IVC INDUSTRIES INC, 500 HALLS MILL ROAD, FREEHOLLD, NJ 07728 (908) 308-3000 - 3,000,000 (\$4,312,500) COMMON STOCK (FILE 333-62807 - SEP 03) (BR 1)
- S-8 DAUGHERTY RESOURCES INC, 120 PROSPEROUS PLACE, SUITE 201, LEXINGTON, KY 40509 (602) 279-2070 - 155,517 (\$155,517) COMMON STOCK (FILE 333-62809 - SEP 03) (BR 4)
- S-2 DELTA OMEGA TECHNOLOGIES INC, 119 IDA ROAD, BROUSSARD, LA 70518 (318) 367-6400 - 1,019,747 (\$318,671) COMMON STOCK (FILE 333-62813 - SEP 03) (BR 2)
- S-4 CENTENNIAL COMMUNICATIONS CORP, 1600 WYNKOOP ST STE 300, DENVER, CO 80202 (303) 405-0475 - 40,000,000 (\$40,000,000) STRAIGHT BONDS (FILE 333-62815 - SEP 03) (BR 37)
- S-8 IDEC PHARMACEUTICALS CORP / DE, 11011 TORREYANA ROAD, SAN DIEGO, CA 92121 (619) 550-8500 - 975,000 (\$19,012,500) COMMON STOCK (FILE 333-62817 - SEP 03) (BR 1)
- S-3 INVISION TECHNOLOGIES INC, 7151 GATEWAY BLVD, NEWARK, CA 94560 (510) 739-2400 - 180,000 (\$1,119,600) COMMON STOCK (FILE 333-62821 - SEP 03) (BR 5)
- S-8 DTM CORP /TX/, 1611 HEADWAY CIRCLE, BUILDING 2, AUSTIN, TX 78754 (512) 339-2922 - 300,000 (\$432,000) COMMON STOCK (FILE 333-62823 - SEP 03) (BR 5)
- S-8 GLOBAL A INC, 2300 NORTHLAKE CENTRE DR, SUITE 200, TUCKER, GA 30084 (770) 496-4565 - 50,000 (\$425,000) COMMON STOCK (FILE 333-62827 - SEP 03) (BR 1)
- S-8 VASCO DATA SECURITY INTERNATIONAL INC, 1919 S HIGHLAND AVE, STE 118 C, LOMBARD, IL 60148 (630) 932-8844 - 5,000,000 (\$20,312,500) COMMON STOCK (FILE 333-62829 - SEP 03) (BR 3)

S-8 LSB INDUSTRIES INC, 16 S PENNSYLVANIA, P O BOX 754, OKLAHOMA CITY, OK 73107 (405) 235-4546 - 75,000 (\$314,063) COMMON STOCK. (FILE 333-62831 - SEP 03) (BR 2)

S-1 I LINK INC, 13751 S WADSWORTH PK DR, STE 200, DRAPER, UT 84020 (801) 576-5000 - 439,315 (\$1,510,365) COMMON STOCK (FILE 333-62833 - SEP 03) (BR 1)

S-8 LSB INDUSTRIES INC, 16 S PENNSYLVANIA, P O BOX 754, OKLAHOMA CITY, OK 73107 (405) 235-4546 - 50,000 (\$209,375) COMMON STOCK (FILE 333-62835 - SEP 03) (BR 2)

S-2 SUN LIFE ASSURANCE CO OF CANADA US, SC 1335 ONE SUN LIFE EXECUTIVE PARK, WELLESLEY HILLS, MA 02181 (617) 237-6030 - 100,000,000 (\$100,000,000) VARIABLE ANNUITY ISSUES (FILE 333-62837 - SEP 03) (BR 20)

S-8 LSB INDUSTRIES INC, 16 S PENNSYLVANIA, P O BOX 754, OKLAHOMA CITY, OK 73107 (405) 235-4546 - 50,000 (\$209,375) COMMON STOCK (FILE 333-62839 - SEP 03) (BR 2)

S-8 LSB INDUSTRIES INC, 16 S PENNSYLVANIA, P O BOX 754, OKLAHOMA CITY, OK 73107 (405) 235-4546 - 25,000 (\$106,250) COMMON STOCK (FILE 333-62841 - SEP 03) (BR 2)

S-8 LSB INDUSTRIES INC, 16 S PENNSYLVANIA, P O BOX 754, OKLAHOMA CITY, OK 73107 (405) 235-4546 - 25,000 (\$103,125) COMMON STOCK (FILE 333-62843 - SEP 03) (BR 2)

S-4 CLARK MATERIAL HANDLING CO, 172 TRADE STREET, LEXINGTON, KY 40508 (606) 288-1200 - 190,000,000 (\$190,000,000) STRAIGHT BONDS (FILE 333-62845 - SEP 03) (BR 5)

S-3 SEARS ROEBUCK ACCEPTANCE CORP, 3711 KENNETT PIKE, GREENVILLE, DE 19807 (302) 888-3112 - 5,000,000,000 (\$5,000,000,000) STRAIGHT BONDS (FILE 333-62847 - SEP 03) (BR 7)

S-3 EAGLEMARK INC, 4150 TECHNOLOGY WY, CARSON CITY, NV 89706 (312) 696-5380 - 1,200,000,000 (\$1,200,000,000) STRAIGHT BONDS. (FILE 333-62849 - SEP 03) (BR 8)

S-8 PARAVANT COMPUTER SYSTEMS INC /FL/, 1615A WEST NASA BLVD, ATRIUM ONE, MELBOURNE, FL 32901 (407) 727-3672 - 4,240,868 (\$7,164,715 65) COMMON STOCK (FILE 333-62851 - SEP 03) (BR 9)

S-8 UTI ENERGY CORP, 16800 GREENSPPOINT PARK, SUITE 225N, HOUSTON, TX 77060 (281) 873-4111 - 600,000 (\$4,200,000) COMMON STOCK (FILE 333-62853 - SEP 03) (BR 4)

S-3 AVALON BAY COMMUNITIES INC, 2900 EISENHOWER AVENUE, SUITE 300, ALEXANDRIA, VA 22314 (703) 329-6300 - 482,313 (\$15,946,474) COMMON STOCK (FILE 333-62855 - SEP 03) (BR 8)

S-1 FREEDOM SECURITIES CORP /DE/, ONE BEACON STREET, 617-227-1050, BOSTON, MA 02108 - 721,324 (\$9,174,340) COMMON STOCK (FILE 333-62857 - SEP 03) (BR 7)

S-8 MARINER POST ACUTE NETWORK INC, ONE RAVINA DR STE 1500, STE 800, ATLANTA, GA 30346 (678) 443-7000 - 4,000,000 (\$29,750,000) COMMON STOCK (FILE 333-62859 - SEP 03) (BR 8)

S-3 ASSOCIATES CORPORATION OF NORTH AMERICA, 250 E CARPENTER FWY, IRVING, TX 75062 (972) 652-4000 - 12,500,000,000 (\$2,500,000,000) STRAIGHT BONDS (FILE 333-62861 - SEP. 03) (BR 7)

S-3 AIRTRAN HOLDINGS INC, 1800 PHOENIX BLVD, STE 126, ATLANTA, GA 30349 (770) 907-2580 - 50,000 (\$228,125) COMMON STOCK (FILE 333-62863 - SEP 03) (BR 5)

S-2 TELMARK LLC, 333 BUTTERNUT DR, DEWITT, NY 13214 (315) 449-7935 - 25,000,000 (\$25,000,000) CONVERTIBLE DEBENTURES AND NOTES (FILE 333-62865 - SEP 03) (BR 6)

S-8 COULTER PHARMACEUTICALS INC, 550 CALIFORNIA AVE STE 200, PALO ALTO, CA
94306 (415) 842-7300 - 1,400,000 (\$25,550,000) COMMON STOCK (FILE
333-62867 - SEP 03) (BR 1)

S-8 MORGAN STANLEY DEAN WITTER & CO, 1585 BROADWAY, NEW YORK, NY 10036
(212) 761-4000 - 5,000,000 (\$270,000,000) COMMON STOCK (FILE 333-62869 -
SEP 03) (BR 7)

S-8 BERRY PETROLEUM CO, P O BIN X, P O BOX X, TAFT, CA 93268 (805) 769-8811
- 50,000 (\$623,440) COMMON STOCK (FILE 333-62871 - SEP 04) (BR 4)

S-8 BERRY PETROLEUM CO, P O BIN X, P O BOX X, TAFT, CA 93268 (805) 769-8811
- 1,000,000 (\$12,468,800) COMMON STOCK (FILE 333-62873 - SEP 04)
(BR 4)