

SEC NEWS DIGEST

Issue 98-185

September 24, 1998

COMMISSION ANNOUNCEMENTS

CHAIRMAN LEVITT, BARRY BARBASH AND RICHARD LINDSEY TO TESTIFY

On September 29, Chairman Levitt, accompanied by Barry Barbash, Director of the Division of Investment Management, and Richard Lindsey, Director of the Division of Market Regulation, will testify before the House Subcommittee on Finance and Hazardous Materials. The testimony, which concerns transparency in the U.S. debt market and mutual fund fees and expenses, will be delivered at a hearing which begins at 9:30 a.m. in Room 2123 of the Rayburn House Office Building.

SEC CHARGES 41 PEOPLE IN 13 ACTIONS INVOLVING MORE THAN \$25 MILLION IN MICROCAP FRAUD

The Commission announced today the filing of thirteen enforcement actions against forty-one defendants across the country for their involvement in fraudulent microcap schemes that bilked investors of more than \$25 million. Some of the fraudulent schemes involved bogus medical "breakthroughs," sham hotel renovations, phony stock certificates and the stock manipulation of on-line department store Shopping.com.

In nine injunctive actions and two administrative proceedings the SEC alleges that the defendants violated the antifraud provisions of the federal securities laws by manipulating thirteen microcap stocks. In many of these cases the defendants engaged in "pump and dump" schemes and manipulated the stock price of microcap companies by disseminating materially false and misleading information about the financial condition, business relationships and future stock price of those companies, among other things.

SEC Director of Enforcement Richard H. Walker said, "We are dedicated to ferreting out and prosecuting those who prey on innocent investors. Our actions against the scam artists charged in today's actions, who issue and sell these phony investments, demonstrate that the Commission's coordinated attack against microcap fraud is paying dividends."

The defendants in these cases profited from the fraud, often by selling cheap insider stock after pumping up the stock price, receiving a total of approximately \$25 million in ill-gotten gains. Among the schemes:

A Florida company allegedly in the business of building golf practice facilities instead taught its investors an expensive lesson. The company was really running a Ponzi scheme, cheating more than 350 investors in 16 states out of approximately \$15 million. (SEC v. James T. Staples, et al.)

A Utah company claimed to have developed a new data transmission technology called "Digital Wave Modulation," and the company's stock soared from \$3.50 to more than \$40 a share. Prices collapsed when the company failed to produce a promised prototype, but not before the company's chairman and his children sold approximately \$3 million worth of their shares in this classic "pump and dump" scheme. (SEC v. International Automated Systems, Inc., et al.)

A biotech firm in Las Vegas falsely claimed the company had an exclusive license to market "breakthrough" medical devices. The company also lied about its efforts to market a new line of nutritional supplements. (SEC v. Bio-Tech Industries, Inc., et al.)

Con artists in South Florida sold unregistered shares in bogus hotel renovation and condominium projects. In fact, they printed the certificates themselves and kept the money from their sale. (SEC v. VII Visionary Investments, Inc., et al.)

A Los Angeles area broker-dealer racked up more than \$4 million for itself by rigging the market for shares of an on-line retailer, Shopping.com. (SEC v. Waldron & Co., Inc.)

The Commission charged three defendants with publishing purportedly "independent" news reports about 50 microcap companies that paid the defendants almost \$400,000 in stock and cash to promote them. The newsletter was sent to approximately 60,000 readers each month. (SEC v. Hall, et al.)

SEC Chairman Arthur Levitt said, "Putting microcap fraudsters out of business is a top priority of this Commission, and I am pleased with the progress we've made. Investors can help this effort and protect themselves by asking tough questions, not giving their money to strangers and reporting suspicious behavior. While securities fraud may never become extinct, we are working to put microcap fraudsters on the endangered species list."

Prior to charging the defendants in these actions, the Commission had suspended trading in the stock of eight of the issuers involved in the pump and dump schemes for a single, ten-day period based on the dissemination of false and misleading information about the companies. The Commission's suspension of trading stopped the ongoing manipulations and placed an additional burden on broker-dealers to update their files with accurate information about the companies, pursuant to Rule 15c2-11 under the Securities Exchange Act of 1934, before they resumed or began quoting the securities.

The SEC encourages investors to get the facts before they invest. They should call the SEC or their state's securities regulator to find out whether the investment is registered. They should also ask their state's securities regulator whether the broker and the firm are licensed to do business in the state and whether either has a history of complaints.

Investors should avoid being swept away by a sales pitch, especially one that promises spectacular returns or emphasizes unproven products in development. They should learn as much as they can about the company, including how long it has been in business, what its products or services are, and whether it has made money for investors in the past. If the investment is touted by broadcast or print media or on the Internet, investors should ask whether payments have been made to promote the investment.

For more tips on how to invest wisely and protect against investment fraud, investors should call the SEC toll-free at (800) SEC-0330 or visit the SEC's website at www.sec.gov.

These enforcement actions are part of the Commission's four-pronged approach to attacking microcap fraud: enforcement, inspections, investor education and regulation. For more information about the SEC's response to Microcap fraud and the litigation releases for each of these cases, visit the SEC's Microcap Fraud Information Center at <http://www.sec.gov/news/extra/microcap.htm>.

The SEC acknowledges the valuable assistance of the staff of the National Association of Securities Dealers Regulation, Inc. in referring a number of these matters. (Press Rel. 98-92)

ENFORCEMENT PROCEEDINGS

INITIAL DECISION ISSUED IN RITA VILLA

On September 23, pursuant to the Equal Access to Justice Act, 5 U.S.C. Section 504, and Subpart B of the Commission's Rules of Practice, 17 C.F.R. Section 201.31 et seq., an administrative law judge ordered the Commission to pay Rita Villa (Villa) \$122,075.22 as attorney's fees, plus an additional \$29,172.18 for reimbursement of costs.

On October 20, 1994, the Division of Enforcement (Division) alleged that Villa caused First Capital Holdings Corp. to violate reporting and recordkeeping provisions of the Securities and Exchange Act of 1934 by filing a materially deficient Form 10-K for the year ending 1990. On May 4, 1994, an administrative law judge concluded that the Division failed to prove a prima facie case and granted Villa's motion for a directed verdict. The Commission upheld the judge's dismissal of the proceeding.

Concluding that Villa was a "prevailing party" in an "adversary adjudication" that was not "substantially justified," the administrative law judge ordered the Commission to pay Villa's attorney's fees and costs associated with the dismissed administrative proceeding. (Initial Decision No. 132; File No. 3-8527-EAJ)

ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST NYLIFE SECURITIES, INC. FOR FAILURE TO SUPERVISE

On September 23, the Commission instituted public administrative proceedings against NYLIFE Securities, Inc. (NYLIFE Securities), a broker-dealer subsidiary of the New York Life Insurance Company for failure reasonably to supervise. Without admitting or denying the findings in the Order, NYLIFE Securities consented to a censure, to pay a \$200,000 penalty, and to comply with undertakings to adopt enhanced supervisory procedures.

The Commission's Order finds that NYLIFE Securities failed reasonably to supervise a registered representative who worked in a one-person, off-site office in Worcester, Massachusetts, and a registered representative who worked in a NYLIFE Securities branch office in Buffalo, New York. Over a seven-year period, the registered representatives misappropriated approximately \$4.5 million from their customers by convincing them to purchase securities and make checks payable to their own entities, and then depositing the customers' checks into their own accounts. The Commission found that NYLIFE Securities' supervisory procedures were inadequate because it failed to conduct unannounced inspections of registered representatives who worked in off-site offices, failed adequately to review registered representatives' customer files, and lacked adequate procedures to ensure that the responsibility delegated to the Buffalo registered representative's supervisor was being diligently exercised. (Rel. 34-40459; File No. 3-9712)

ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST JOHN FORTIER

On September 23, the Commission instituted public administrative proceedings against John T. Fortier (Fortier) of Lewiston, New York, a registered representative of NYLIFE Securities, Inc. The Commission's Order alleges that Fortier was convicted of mail fraud and tax evasion, and on June 30, 1998, was sentenced to prison for 61 months and ordered to pay restitution of over \$2 million. The criminal charges alleged that Fortier, who did business as Fortier Financial Group, operated a fraudulent investment scheme. Between 1992 and 1996, he convinced family, friends and clients to invest approximately \$2.5 million with him through Fortier Financial Group, and he used the money for his personal expenditures. Fortier consented to a Commission Order barring him from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. (Rel. 34-40460; File No. 3-9713)

DAVID FREITAG BARRED

The Commission announced the entry of an Order Instituting Public Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings and Imposing Remedial Sanctions (Order) against David E. Freitag (Freitag). Freitag consented to the entry of the Order without admitting or denying the Commission's findings, except as to the Commission's jurisdiction and the entry of an order of permanent injunction by default against Freitag, which was admitted. From February 1987 to January 1994, Freitag was a registered representative associated with two broker-dealers registered with the Commission. Freitag is currently an inmate at the U.S. Federal Penitentiary in Oxford, Wisconsin.

The Order finds that Freitag was permanently enjoined by default on January 21, 1997, from violating the antifraud and registration provisions of the federal securities laws. Freitag's permanent injunction resulted from his operation of a Ponzi scheme which fraudulently raised at least \$7 million from at least 243 investors. The Order bars Freitag from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. (Rel. 34-40462; File No. 3-9714)

DANIEL GOTTHILF, CPA, REINSTATED TO PRACTICE BEFORE THE COMMISSION AS AN ACCOUNTANT

By order dated April 21, 1994, the Commission, pursuant to then Rule 2(e) of the Commission's Rules of Practice, suspended Daniel L. Gotthilf from practicing before it as an accountant with the right to apply for reinstatement after a period of two and a half years. The Commission now finds that Gotthilf has satisfied the requirements for reinstatement and, pursuant to now Rule 102(e)(5) of the Commission's Rules of Practice, has granted his application to practice before it as an accountant. (Rel. 34-40461; AAE Rel. 1078; File No. 3-8344)

COMMISSION SETTLES PROCEEDING AGAINST RAYMOND NEWBERG

On September 23, the Commission settled a cease and desist proceeding against Raymond R. Newberg. The proceeding was previously instituted on September 30, 1997.

In its Order, the Commission found that Newberg caused violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rules 10b-5 and 10b-9 thereunder by allowing a bank account held in his name to be used to receive and distribute proceeds from fraudulent securities transactions by two former registered representatives from June 1991 until September 1992.

The Commission found that these fraudulent transactions involved the misappropriation of client funds by the registered representatives, the registered representatives failure to disclose their ownership of securities, and the registered representatives' use of

undisclosed nominees to purchase and sell securities in public offerings.

The Commission also found that Newberg acted as an undisclosed nominee for the two registered representatives in a public offering of securities in August 1991. (Rels. 33-7582; 34-40464; File No. 3-9456)

CASE INSTITUTED AGAINST FORMER PORTFOLIO MANAGER AND SALESMAN IN CONNECTION WITH CS FIRST BOSTON OFFSHORE CASH RESERVE FUND AND CS FIRST BOSTON INVESTMENT MANAGEMENT CORPORATION CONSENTS TO PAY \$500,000 PENALTY

On September 23, the Commission instituted contested administrative and cease and desist proceedings against Sean P. Brennan and Keith E. Walsh. In the Order, the Division of Enforcement alleges that Brennan and Walsh in late 1993 and early 1994 engaged in fraudulent conduct with respect to an offshore fund known as The CS First Boston Offshore Cash Reserve Fund (Fund). The Division alleges that, contrary to the Fund's offering circular and investment policies, Walsh invested most of the Fund's net assets in risky derivative securities. Net losses in the Fund were approximately \$24 million. The Division also alleges that Walsh inflated the values of certain securities in the Fund's investment portfolio. With respect to Brennan, the Division alleges that he distributed false and misleading marketing materials and that he knowingly misrepresented, among other things, the size of the Fund, the number of investors in the Fund, and the content and composition of the Fund.

The Division alleges that Brennan and Walsh violated or caused, and willfully violated, aided, abetted, counseled, commanded, induced or procured violations of the antifraud provisions -- Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act. The Division seeks civil money penalties and administrative sanctions against both respondents. A hearing will be held before an administrative law judge to determine if the allegations are true and if true, what if any remedial relief is appropriate and in the public interest.

In a related settled administrative and cease and desist proceeding (In the Matter of CS First Boston Investment Management Corporation, Administrative Proceeding File No. 3-9715) the Commission found that CS First Boston Investment Management Corporation (CSFBIMC), the Fund's investment adviser, willfully violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act in connection with the fraudulent conduct of Walsh and Brennan described above, and that CSFBIMC failed reasonably to supervise its employees with a view to preventing violations of the federal securities laws. Without admitting or denying the allegations CSFBIMC consented to cease and desist from committing or causing any violations of, and committing or causing any future violations of, Section 17(a) of the Securities Act, Section 10(b) of the Exchange

Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act and to pay a civil money penalty of \$500,000. CSFBIMC also consented to be censured.

In another related settled administrative proceeding (In the Matter of Nicholas C. Bogard, Administrative Proceeding File No. 3-9717), the Commission found that Nicholas C. Bogard, Brennan's supervisor during the relevant time, failed reasonably to supervise him with a view to preventing his violations. The Commission found that Bogard, who had received information that Brennan had previously misrepresented facts to clients, failed to adequately increase his supervision of Brennan's activities to prevent distribution of false information to clients. Without admitting or denying the allegations, Bogard consented to pay a civil money penalty of \$10,000 and to the imposition of a three-month suspension from association with a broker, dealer or investment adviser and a six-month supervisory suspension. (Rel. 33-7584; 34-40466; IA-1755; IC-23463; File No. 3-9716)

COMMISSION INSTITUTES ADMINISTRATIVE PROCEEDINGS AGAINST JOSEPH PELLECHIA FOR FAILING REASONABLY TO SUPERVISE IN CONNECTION WITH UNREGISTERED DISTRIBUTION OF MICROCAP STOCK

On September 24, the Commission instituted public administrative proceedings against Joseph W. Pellechia (Pellechia), a former branch manager of the Staten Island branch office of Datek Securities Corp. (Datek), to determine whether he failed reasonably to supervise Sheldon Maschler (Maschler), a Datek broker. In the Order Instituting Proceedings the Division of Enforcement (Division) alleges that, while under Pellechia's supervision, Maschler executed an unregistered distribution of the stock of Alter Sales Co., Inc. (ASI), a microcap issuer, in violation of Section 5 of the Securities Act of 1933. According to the Division, the circumstances of the trading in the account were such that they raised red flags suggesting a possible unregistered distribution, and that Pellechia failed to determine if Maschler had fulfilled his duty to investigate whether the sales required registration. The Division alleges that Pellechia thereby failed to assure that the responsibilities that the securities laws impose on brokers as gatekeepers to the public markets to ascertain that they are not selling unregistered securities were carried out. (Rel. 34-40468; File No. 3-9718)

BARNARD SACKETT ENJOINED IN CASE CHARGING THAT HE FRAUDULENTLY OFFERED TO SELL FICTITIOUS SECURITIES TO FOUNDATION FOR NEW ERA PHILANTHROPY BANKRUPTCY TRUSTEE

The Commission announced that on September 14 the Honorable Anita Brody, United States District Court Judge for the Eastern District of Pennsylvania, issued a final judgment that permanently enjoins defendant Barnard Sackett (Sackett) from committing securities fraud. The Commission's complaint, which was filed on September 22, 1997, alleges, among other things, that Sackett, together with defendants John H. Schriek and Enviroland, Ltd., solicited the Bankruptcy Estate for the Foundation For New Era Philanthropy, Inc.

in Philadelphia, Pennsylvania, as well as at least one other investor, to invest as much as \$100 million in fraudulent "prime bank" securities. The complaint further alleges that the defendants guaranteed investors the repayment of principal and returns on their investments at the annual rate of at least 360% and as great as 528%. The final judgment permanently enjoins Sackett from further violating Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934, but does not impose a civil penalty against Sackett based on his demonstrated inability to pay. Sackett consented to the entry of the final judgment without admitting or denying the allegations contained in the complaint. The Commission's action remains pending against defendants Schriek and Enviroland. [SEC v. Barnard Sackett, John H. Schriek and Enviroland, Ltd., 97 Civ. 5934, USDC, ED Pa.] (LR-15894)

UNKNOWN PURCHASERS OF USCS SECURITIES FAIL TO APPEAR; COURT CONTINUES ASSET FREEZE

The U.S. District Court entered a Preliminary Injunction Freezing Assets and Granting Other Relief against certain unknown purchasers of common stock and call options of USCS International, Inc. The Order supersedes and continues indefinitely the Court's Temporary Restraining Order, which had frozen more than \$1.9 million in proceeds linked to the unknown defendants' purchase and sale of USCS securities. The unknown defendants failed comply with the Court's Order to identify themselves, and they did not attend the hearing or otherwise contest the Commission's application for the Preliminary Injunction. The complaint alleges that the unknown purchasers attempted to hide their identities by trading through accounts at a Swiss bank. [SEC v. One or More Unknown Purchasers of Call Options and Common Stock of USCS International, Inc., No. 98-Civ-6327, SDNY] (LR-15895)

FINAL JUDGMENT ON CONSENT ENTERED AGAINST PAUL CULOTTA

The Commission announced the filing on September 23 of a final judgment on consent against Paul V. Culotta of Houston, Texas in the United States District Court for the Southern District of New York. According to the Commission's complaint, filed on May 14, 1998, Culotta violated the antifraud and certain reporting provisions of the federal securities laws in his capacity as an officer of Viral Testing Systems, Inc. (VTS) and LS Capital Corporation (Lone Star) by omitting material information in Lone Star's initial registration statement and amendments and in VTS' public filings concerning the ownership of Lone Star at the time VTS spun off Lone Star to its shareholders.

Without admitting or denying the allegations in the Commission's complaint, Culotta consented to a permanent injunction against future violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 (Exchange Act), and Rules 10b-5 and 13b2-1, and from future violations as a controlling person of Sections 13(a) and 13(b) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13. [SEC v. Paul

V. Montle, LS Capital Corporation, Paul V. Culotta, Carol C. Martino, CMA Noel, Ltd., Mario J. Iacoviello, Ilan Arbel, and Europe American Capital Corporation, USDC, SDNY, 98 Civ. 3446, MP] (LR-15896)

SEC v. RANGARAO PANGULURI, ET AL.

On September 17, the United States District Court for the Central District of California Commission entered Final Judgments against defendants Rangarao Panguluri, Ravindra Alapati, Syam Gaddam, Gowtami Gaddam, and Ravi Makam, in the second of two related "bad news" insider trading cases involving the securities of Alpha 1 Biomedicals, Inc. (Alpha 1) and SciClone Pharmaceuticals., Inc. (SciClone). The Commission's complaint alleged that, in April 1994, Panguluri, then a Fellow at Wayne State University in Detroit, Michigan, tipped a group of doctors practicing in Anaheim, California about the negative results of clinical tests of a new drug developed by Alpha 1 and licensed to SciClone. Prior to the public announcement of the test results, the doctors traded in the securities of Alpha 1 and SciClone and, as a result, avoided losses and realized profits in the amount of \$137,256.

The Final Judgments to which Alapati, the Gaddams, and Makam consented, without admitting or denying the complaint's allegations, enjoin them from further violations of antifraud provisions of the Securities Exchange Act of 1934 (Exchange Act) and order them to pay disgorgement of \$61,000, \$16,931, and \$59,325, respectively, plus prejudgment interest thereon, and to pay civil penalties of \$61,000, \$16,931, and \$59,325, respectively. In addition, the Final Judgment to which Panguluri consented, without admitting or denying the complaint's allegations, enjoins him from further violations of antifraud provisions of the Exchange Act and orders him to pay a civil penalty of \$75,000, an amount equal to the total avoided losses and realized profits of his direct tippees. [SEC v. Rangarao Panguluri, et al., Civil Action No. SACV 97-298 GLT, EEX, C.D. Cal.] (LR-15905)

INVESTMENT COMPANY ACT RELEASES

LONDON PACIFIC LIFE & ANNUITY COMPANY AND LPLA SEPARATE ACCOUNT ONE

A notice has been issued giving interested persons until October 19, 1998, to request a hearing on an application filed by London Pacific Life & Annuity Company (London Pacific) and LPLA Separate Account One (Separate Account One) (collectively, Applicants). Applicants seek an order pursuant to Section 26(b) approving the substitution of shares of the International Magnum Portfolio of Morgan Stanley Universal Funds, Inc. for shares of the International Stock Portfolio of LPT Variable Insurance Series Trust held by Separate Account One to fund certain variable annuity contracts issued by London Pacific. (Rel. IC-23443 - September 22)

DG INVESTOR SERIES, ET AL.

An order has been issued on an application filed by DG Investor Series, et al. under Section 6(c) of the Investment Company Act for an exemption from Section 15(a) of the Act. The order amends a prior order permitting the implementation, without prior shareholder approval, of new advisory and sub-advisory agreements. (Rel. IC-23445 - September 22)

ORDERS OF DEREGISTRATION UNDER THE INVESTMENT COMPANY ACT

Orders have been issued under Section 8(f) of the Investment Company Act declaring that each of the following has ceased to be an investment company:

- John Hancock Limited Term Government Fund
[File No. 811-1678]
(Rel. IC-23446 - September 23, 1998)
- ND Insured Income Fund, Inc.
[File No. 811-6238]
(Rel. IC-23447 - September 23, 1998)
- Putnam Investment Grade Intermediate Municipal Trust
[File No. 811-7628]
(Rel. IC-23448 - September 23, 1998)
- Putnam Intermediate Tax Exempt Fund
[File No. 811-7151]
(Rel. IC-23449 - September 23, 1998)
- Qualivest Fund
[File No. 811-8526]
(Rel. IC-23450 - September 23, 1998)
- TCW/DW Strategic Income Trust
[File No. 811-7693]
(Rel. IC-23451 - September 23, 1998)
- Steadman Technology and Growth Fund
[File No. 811-1542]
(Rel. IC-23452 - September 23, 1998)
- FMB Funds, Inc.
[File No. 811-6420]
(Rel. IC-23453 - September 23, 1998)
- The Walnut Street Funds, Inc.
[File No. 811-7552]
(Rel. IC-23454 - September 23, 1998)
- Hartford U.S. Government Money Market Fund, Inc.
[File No. 811-3661]
(Rel. IC-23455 - September 23, 1998)
- Management of Managers Money Market Fund
[File No. 811-3754]
(Rel. IC-23456 - September 23, 1998)
- Management of Managers Special Equity Fund
[File No. 811-3751]
(Rel. IC-23457 - September 23, 1998)
- Management of Managers Capital Appreciation Fund
[File No. 811-3752]
(Rel. IC-23458 - September 23, 1998)

Management of Managers International Equity Fund
[File No. 811-3746]
(Rel. IC-23459 - September 23, 1998)
Management of Managers Short and Intermediate Bond Fund
[File No. 811-3753]
(Rel. IC-23460 - September 23, 1998)
G.T. Global Developing Markets Fund, Inc.
[File No. 811-8138]
(Rel. IC-23461 - September 23, 1998)
Templeton Latin America Small Cap Fund, Inc.
[File No. 811-8864]
(Rel. IC-23462 - September 23, 1998)

THE FRANCE GROWTH FUND, INC.

A notice has been issued giving interested persons until October 19, 1998 to request a hearing on an application filed by The France Growth Fund, Inc., a registered closed-end management investment company. Applicant requests an order under Section 6(c) of the Investment Company Act granting an exemption from Section 19(b) of the Act and Rule 19b-1 under the Act to permit it to make up to four distributions of net long-term capital gains in any taxable year, so long as it maintains in effect a distribution policy with respect to its common stock calling for quarterly distributions of a fixed percentage of its net asset value. (Rel. IC-23464 - September 23)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change submitted by the Nasdaq Stock Market, Inc. (Nasdaq) (SR-NASD-98-25) which amends NASD Rule 7010 to establish an annual, scaled administrative fee, payable by Nasdaq market data distributors or vendors, for data usage monitoring costs and other administrative expenses incurred by Nasdaq. Publication in the Federal Register is expected during the week of September 28. (Rel. 34-40454)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposal rule change submitted by the National Association of Securities Dealers (SR-NASD-98-01) to revise the NASD's rules regarding ECNs and to require NASD members to provide Nasdaq staff with certain information. Publication of the notice and order is expected in the Federal Register during the week of September 28. (Rel. 34-40455)

PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board filed a notice of filing of Amendment No. 1 (SR-MSRB-97-15) which amends its previously proposed rule change to Rule G-11(g)(i), on sales of new issue

municipal securities during the underwriting period. Publication of the notice in the Federal Register is expected during the week of September 28. (Rel. 34-40456)

WITHDRAWALS SOUGHT

A notice has been issued giving interested persons until October 13, 1998, to comment on the application of Specialty Teleconstructors, Inc. to withdraw its Common Stock, \$.01 Par Value, from listing and registration on the Pacific Exchange. (Rel. 34-40457)

A notice has been issued giving interested persons until October 13, 1998, to comment on the application of Room Plus, Inc. to withdraw its Common Stock, \$.00133 Par Value, and its Redeemable Common Stock Purchase Warrants, from listing and registration on the Boston Stock Exchange. (Rel. 34-40458)

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.

F-9 COMINCO LTD, 500 200 BURRARD ST, VANCOUVER BC CANADA, A1 (000) 000-0000
- 200,000,000 (\$200,000,000) STRAIGHT BONDS. (FILE 333-9388 - SEP. 11)
(BR. 4)

S-3 CHESAPEAKE UTILITIES CORP, 909 SILVER LAKE BLVD, PO BOX 615, DOVER, DE
19904 (302) 734-6799 - 214,251 (\$3,756,088) COMMON STOCK. (FILE 333-63381
- SEP 15) (BR. 2)

S-8 SEITEL INC, 50 BRIAR HOLLOW LN, WEST BLDG 7TH FLR, HOUSTON, TX 77027
(713) 627-1990 - 2,388,000 (\$24,103,875) LIMITED PARTNERSHIP CERTIFICATE.
(FILE 333-63383 - SEP. 15) (BR. 4)

S-2 PRO FAC COOPERATIVE INC, 90 LINDEN PL, P O BOX 682, ROCHESTER, NY 14603
(716) 383-1850 - 7,000,000 (\$7,000,000) PREFERRED STOCK. (FILE 333-63385 -
SEP. 15) (BR. 4)

S-8 SIGMATRON INTERNATIONAL INC, 2201 LANDMEIER RD, ELK GROVE VILLAGE, IL
60007 (708) 956-8000 - 105,000 (\$831,250) COMMON STOCK. (FILE 333-63389 -
SEP. 15) (BR. 5)

S-3 INTELICALL INC, 2155 CHENAULT STE 410, CARROLLTON, TX 75006
(214) 416-0022 - 3,765,152 (\$3,914,000) COMMON STOCK. (FILE 333-63391 -
SEP. 15) (BR. 7)

S-8 CSK AUTO CORP, 645 E MISSOURI AVENUE, PHOENIX, AZ 85012 (602) 265-9200
- 2,718,379 (\$41,516,572) COMMON STOCK. (FILE 333-63393 - SEP. 15)
(BR. 2)

S-8 VIAD CORP, 1850 N CENTRAL AVE, SUITE 2212, PHOENIX, AZ 85077
(602) 207-4000 - 1,940,000 (\$45,529,375) COMMON STOCK. (FILE 333-63397 -
SEP. 15) (BR. 5)

S-8 VIAD CORP, 1850 N CENTRAL AVE, SUITE 2212, PHOENIX, AZ 85077
(602) 207-4000 - 1,500,000 (\$35,203,125) COMMON STOCK. (FILE 333-63399 -
SEP. 15) (BR. 5)

S-8 NORDSTROM INC, 1501 FIFTH AVE, SEATTLE, WA 98101 (206) 628-2111 -
10,050,000 (\$261,300,000) COMMON STOCK. (FILE 333-63403 - SEP. 15)
(BR. 2)

S-4 SOUTHTRUST CORP, 420 N 20TH ST, BIRMINGHAM, AL 35203 (205) 254-5000 -
792,918 (\$10,017,198) COMMON STOCK. (FILE 333-63405 - SEP. 15) (BR. 7)

S-8 WASTE CONNECTIONS INC/DE, 2260 DOUGLAS BLVD, SUITE 280, ROSEVILLE, CA
95661 (916) 772-2221 - 309,700 (\$5,903,656.25) COMMON STOCK. (FILE
333-63407 - SEP. 15) (BR. 6)

S-8 SUNSOURCE INC, 3000 ONE LOAN SQ, PHILADELPHIA, PA 19103 (215) 665-3650
- 18,000,000 (\$18,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE
333-63409 - SEP. 15) (BR. 6)

S-8 ARIS INDUSTRIES INC, 475 FIFTH AVE, 3RD FLOOR, NEW YORK, NY 10017
(212) 686-5050 - 3,500,000 (\$7,000,000) COMMON STOCK. (FILE 333-63411 -
SEP. 15) (BR. 2)

S-8 COCA COLA ENTERPRISES INC, 2500 WINDY RIDGE PKWY, ATLANTA, GA 30339
(770) 989-3000 - 700,000 (\$18,593,750) COMMON STOCK. (FILE 333-63413 -
SEP. 15) (BR. 2)

S-8 CABLETRON SYSTEMS INC, 35 INDUSTRIAL WAY, ROCHESTER, NH 03886
(603) 332-9400 - 493,970 (\$133,371.90) COMMON STOCK. (FILE 333-63419 -
SEP. 15) (BR. 3)

S-4 CONGOLEUM CORP, 3705 QUAKERBRIDGE RD STE 211, PO BOX 3127, MERCERVILLE,
NJ 08619 (609) 584-3000 - 100,000,000 (\$100,000,000) STRAIGHT BONDS.
(FILE 333-63421 - SEP. 15) (BR. 6)

S-3 HERCULES INC, 1313 N MARKET ST, HERCULES PLZ, WILMINGTON, DE 19894
(302) 594-5000 (FILE 333-63423 - SEP. 15) (BR. 2)

S-8 PIONEER HI BRED INTERNATIONAL INC, 700 CAPITAL SQ, 400 LOCUST ST,
DES MOINES, IA 50309 (515) 245-3500 - 2,000,000 (\$62,125,000) COMMON STOCK
(FILE 333-63425 - SEP. 15) (BR. 4)

S-3 ARAMARK CORP, THE ARA TOWER, 1101 MARKET ST, PHILADELPHIA, PA 19107
(215) 238-3000 - 400,000,000 (\$400,000,000) STRAIGHT BONDS. (FILE
333-63427 - SEP. 15) (BR. 5)

S-3 TENNESSEE GAS PIPELINE CO, 1001 LOUISIANA, EL PASO ENERGY BLDG, HOUSTON,
TX 77002 (713) 757-2131 - 500,000,000 (\$500,000,000) STRAIGHT BONDS.
(FILE 333-63429 - SEP. 15) (BR. 2)

S-8 CHAMPION ENTERPRISES INC, 2701 UNIVERSITY DR, STE 320, AUBURN HILLS, MI
48326 (810) 340-9090 - 1,419,500 (\$33,003,375) COMMON STOCK (FILE
333-63431 - SEP. 15) (BR. 6)

S-4 PRUDENTIAL SECURITIES STRUCTURED ASSETS INC, ONE SEAPORT PLZ, NEW YORK,
NY 10292 (212) 214-1000 - 80,000,000 (\$23,992,000)
EQUIPMENT TRUST CERTIFICATES. (FILE 333-63433 - SEP. 15) (BR. 8)

S-8 ASSOCIATED MATERIALS INC, 2200 ROSS AVE STE 4100 E, DALLAS, TX 75201
(214) 220-4600 - 250,000 (\$1,875,000) COMMON STOCK. (FILE 333-63435 -
SEP. 15) (BR. 6)

S-3 NCS HEALTHCARE INC, 3201 ENTERPRISE PKWY, STE 2200, BEACHWOOD, OH 44122
(216) 514-3350 - 2,141,418 (\$36,537,945) COMMON STOCK (FILE 333-63437 -
SEP. 15) (BR. 1)

S-3 ASPEN TECHNOLOGY INC /DE/, TEN CANAL PARK, CAMBRIDGE, MA 02141
(617) 949-1000 - 86,250,000 (\$86,250,000) STRAIGHT BONDS. (FILE 333-63439
- SEP. 15) (BR. 3)

S-3 BERGEN BRUNSWIG CORP, 4000 METROPOLITAN DR, ORANGE, CA 92668
(714) 385-4000 - 490,142 (\$18,043,353) COMMON STOCK. (FILE 333-63441 -
SEP. 15) (BR. 1)

S-3 DIAMOND OFFSHORE DRILLING INC, 15415 KATY FREEWAY, HOUSTON, TX 77094
(713) 492-5300 - 17,682,055 (\$895,562,500) COMMON STOCK. (FILE 333-63443 -
SEP 15) (BR. 4)

S-8 ASSOCIATED MATERIALS INC, 2200 ROSS AVE STE 4100 E, DALLAS, TX 75201
(214) 220-4600 - 737,600 (\$6,035,184) COMMON STOCK. (FILE 333-63445 -
SEP. 15) (BR. 6)

S-3 ATLANTIC CITY ELECTRIC CO, 800 KING STREET, PO BOX 231, WILMINGTON, DE
19899 (609) 645-4100 - 1,200,000 (\$30,000,000)
EQUIPMENT TRUST CERTIFICATES (FILE 333-63447 - SEP. 15) (BR. 2)

S-8 CHARLES RIVER ASSOCIATES INC, 200 CLARENDON STREET, T-33, BOSTON, MA
02116 (617) 425-3000 - 970,000 (\$21,371,080) COMMON STOCK. (FILE
333-63451 - SEP. 15) (BR. 8)

S-8 CHARLES RIVER ASSOCIATES INC, 200 CLARENDON STREET, T-33, BOSTON, MA
02116 (617) 425-3000 - 243,000 (\$4,920,750) COMMON STOCK. (FILE 333-63453
- SEP. 15) (BR. 8)

S-3 CONSOLIDATED GRAPHICS INC /TX/, 5858 WESTHEIMER STE 200, HOUSTON, TX
77057 (713) 787-0977 - 364,543 (\$16,347,566) COMMON STOCK. (FILE
333-63455 - SEP. 15) (BR 5)

S-8 FSF FINANCIAL CORP, 201 MAIN ST SOUTH, HUTCHINSON, MN 55350
(612) 234-4500 - 300,000 (\$4,933,816) COMMON STOCK. (FILE 333-63457 -
SEP. 15) (BR. 7)

S-4 SEACOAST FINANCIAL SERVICES CORP, 791 PURCHASE ST, NEW BEDFORD, MA 02740
(508) 984-6000 - 12,791,539 (\$115,548,571.88) COMMON STOCK (FILE
333-63459 - SEP. 15) (BR. 7)

S-4 PRUDENTIAL SECURITIES STRUCTURED ASSETS INC, ONE SEAPORT PLZ, NEW YORK,
NY 10292 (212) 214-1000 - 58,871,740 (\$58,661,964 27)
EQUIPMENT TRUST CERTIFICATES. (FILE 333-63461 - SEP. 16) (BR. 8)

S-4 PRUDENTIAL SECURITIES STRUCTURED ASSETS INC, ONE SEAPORT PLZ, NEW YORK,
NY 10292 (212) 214-1000 - 75,000,000 (\$19,726,500)
EQUIPMENT TRUST CERTIFICATES. (FILE 333-63463 - SEP. 16) (BR. 8)

N-2 EMERGING MARKETS GROWTH FUND INC, 11100 SANTA MONICA BLVD, 15TH FLOOR,
LOS ANGELES, CA 90025 (310) 996-6000 - 12,000,000 (\$405,000,000)
COMMON STOCK. (FILE 333-63465 - SEP. 16) (BR. 22)

S-8 O REILLY AUTOMOTIVE INC, 233 S PATTERSON, SPRINGFIELD, MO 65802
(417) 862-2674 - 1,050,000 (\$30,975,000) COMMON STOCK. (FILE 333-63467 -
SEP 16) (BR. 2)

S-3 PENNSYLVANIA MANUFACTURERS CORP, THE PMA BLDG, 380 SENTRY PKWY,
BLUE BELL, PA 19422 (215) 665-5046 - 100,000,000 (\$100,000,000)
COMMON SHARES OF BENEFICIAL INTEREST. (FILE 333-63469 - SEP. 16) (BR. 1)

S-3 PMC CAPITAL I, 380 SENTRY PKWY, BLUE BELL, PA 19422 (215) 665-5046
(FILE 333-63469-01 - SEP. 16) (NEW ISSUE)

S-4 R&B FALCON CORP, 901 THREADNEEDLE, HOUSTON, TX 77079 (281) 496-5000 -
28,212,564 (\$350,167,709) COMMON STOCK. (FILE 333-63471 - SEP. 16)
(BR. 4)