

SEC NEWS DIGEST

Issue 97-28

February 11, 1997

RULES AND RELATED MATTERS

COMMISSION PROPOSES DEFINITION UNDER THE NATIONAL SECURITIES MARKETS IMPROVEMENTS ACT OF 1996

The Commission today issued a release proposing a definition of the term "prepared by or on behalf of the issuer" for purposes of newly revised Section 18 of the Securities Act. The definition would clarify when certain offering documents are subject to state regulation. FOR FURTHER INFORMATION, CONTACT: James R. Budge, Special Counsel, Division of Corporation Finance at (202) 942-2950. (Rel. 33-7388; File No. S7-6-97)

ENFORCEMENT PROCEEDINGS

IN THE MATTER OF OAKWOOD COUNSELORS, INC. AND PAUL SHERMAN

The Commission announced the institution and settlement of public administrative proceedings against Oakwood Counselors, Inc. (Oakwood), a registered investment adviser located in Morganville, New Jersey, and Paul J. Sherman, Oakwood's president.

The Order makes the following findings: From January 1989 through August 1995, Oakwood and Sherman failed to disclose to Oakwood's clients the existence of a soft dollar arrangement with a broker-dealer (Broker-Dealer). Under the soft dollar arrangement, Oakwood and Sherman directed brokerage to the Broker-Dealer in exchange for soft dollar credits. Oakwood and Sherman used the soft dollar credits to cover some of Oakwood's administrative expenses, as well as to pay for certain brokerage and research services. These administrative expenses included phone bills, office equipment, client solicitation fees, and client accounting and marketing expenses.

Without admitting or denying the Commission's findings, Oakwood and Sherman consented to be ordered to cease and desist from violating Sections 206(1), 206(2) and 207 of the Advisers Act and to pay civil penalties of \$25,000 each. In addition, Oakwood consented to pay disgorgement of \$298,499 plus prejudgment interest thereon of

\$121,264 and to comply with certain undertakings. (Rel. IA-1614)

FINAL JUDGMENTS ENTERED AGAINST PURCHASERS OF DURACELL CALL OPTIONS

The Commission announced that it has obtained final judgments providing for the recovery of more than \$1 million in illicit trading profits and the imposition of \$1.77 in civil penalties resulting from purchases of call options of Duracell International Inc. in September 1996. On September 16, 1996, the Commission filed a complaint alleging that certain unknown purchasers of Duracell call options had engaged in unlawful insider trading thorough Swiss and Bahamian accounts in advance of a September 12, 1996 merger announcement by Duracell and The Gillette Company. Immediately upon filing its complaint, the Commission also obtained a court order freezing the proceeds of the illicit trading described in the complaint.

With respect to the Swiss account described in the complaint, the court entered a final judgment against Lennox, S.A., a Swiss firm with discretionary trading authority over the account, permanently enjoining Lennox from violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and ordering Lennox to disgorge \$450,698.83 in trading profits and prejudgment interest. Without admitting or denying the allegations of the complaint, Lennox consented to entry of the final judgment against it.

With respect to the Bahamian account described in the complaint, the court entered a final judgment by default against certain unknown purchasers permanently enjoining them from violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, ordering them to disgorge \$603,275 in trading profits and prejudgment interest, and imposing a civil penalty in the amount of \$1,770,000. The judgment will be satisfied in part from the trading proceeds previously frozen in the Bahamian account.

The Commission acknowledges the assistance and cooperation of the American Stock Exchange in connection with its investigation of this matter. [SEC v. Certain Purchasers of Call Options of Duracell International, Inc., Docket No. 96 Civ. 7017, USDC, SDNY] (LR-15250)

COMMISSION SEEKS TO COMPEL DIGITAL PRODUCTS CORPORATION TO FILE DELINQUENT PERIODIC REPORTS

On February 11, the Commission filed a complaint in the United States District Court for the District of Columbia against Digital Products Corporation. The complaint alleges that Digital, a Florida-based company engaged in manufacturing automatic telephone dialers and house arrest monitoring equipment, failed to make available to the investing public current and accurate information about its financial condition and results of operation through the filing of periodic reports with the Commission as required by the Securities Exchange Act of 1934 (Exchange Act). Specifically, the complaint alleges that Digital has not filed its Annual Report on Form 10-K for the fiscal year ended March 31, 1996, two Quarterly

Reports on Form 10-Q for the fiscal quarters ended June 30, 1996 and September 30, 1996, and one Notification of Late Filing with respect to its delinquent reports. The Commission seeks to compel Digital to file its delinquent periodic reports and to enjoin Digital from further violations of Section 13(a) of the Exchange Act of 1934 and Rules 12b-25, 13a-1 and 13a-13 thereunder. [SEC v. Digital Products Corporation, Case No. 97-CV-00276, D.D.C.] (LR-15252)

HOLDING COMPANY ACT RELEASES

ENTERGY CORPORATION

A notice has been issued giving interested persons until March 3 to request a hearing on a proposal by Entergy Corporation, a registered holding company, to issue and sell through December 31, 2000, up to an additional twenty million shares of its authorized but unissued common stock, par value \$.01 per share pursuant to its Dividend Reinvestment and Stock Purchase Plan. (Rel. 35-26661)

ALLEGHENY POWER SYSTEM, INC., ET AL.

A notice has been issued giving interested persons until March 3 to request a hearing on a proposal by Allegheny Power System, Inc. and its wholly owned nonutility subsidiary, AYP Capital, Inc. (AYP) to allow, through December 31, 1999, AYP or one or more special purpose subsidiaries to: (i) to market and sell to industrial, commercial and residential customers located within the United States, appliance and equipment repair warranties, service plans, or other maintenance agreements, covering heating and air conditioning systems and other major appliances; and (ii) to engage in the consulting for, marketing, selling, leasing, financing, and acquisition and installation of power quality devices to customers located within the United States. (Rel. 35-26661)

CINERGY CORP., ET AL.

An order has been issued authorizing Cinergy Corp. (Cinergy), a registered holding company, Cinergy Investments, Inc. (Investments), Cinergy's nonutility subsidiary, and Cinergy's wholly-owned service company subsidiary, Cinergy Services, Inc. (Cinergy Services) to market a wide variety of energy-related products and services exclusively to nonassociates. Specifically, Cinergy and Investments propose: (1) to form a wholly-owned nonutility subsidiary company, Cinergy Solutions, Inc. (Solutions), to conduct such activities directly or indirectly, and to finance customer purchases of goods and services offered in connection with such activities; (2) to provide guaranties to Solutions in an aggregate amount at any one time outstanding not to exceed \$250 million through December 31, 2001; and (3) for Solutions to form subsidiaries, acquire, directly or indirectly through subsidiaries, securities or assets of nonassociate companies. Cinergy Services proposes to provide an expanded range of support services to Solutions (including any

subsidiary thereof) and other system nonutility companies pursuant to an amendment to the existing Cinergy system nonutility service agreement. (Rel. 35-26662)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The Pacific Stock Exchange filed a proposed rule change (SR-PSE-97-01) to clarify the scope of the Exchange's rule concerning the limitation of liability of the Exchange, its affiliates, index licensors, and administrators in connection with indexes on which options are listed or traded on the Exchange. Publication of the proposal is expected in the Federal Register during the week of February 10. (Rel. 34-38253)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change (SR-PSE-97-04) filed by the Pacific Stock Exchange which replaces references to "Form SIPC-6" and "Form SIPC-7" with general references to "SIPC forms and assessments" has become effective pursuant to Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the notice is expected in the Federal Register during the week of February 10. (Rel. 34-38257)

CORRECTION

In the February 10th issue of the Digest, under the heading "Delistings Granted", an order granting the application of the American Stock Exchange to strike from listing and registration Prism Entertainment Corp., Common Stock, \$.01 Par Value, was assigned an incorrect release number, 34-38258. The correct release number is 34-38259.

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.

SB-2 MACROVIEW COMMUNICATIONS CORP, 16 E 52ND ST 3RD FL, NEW YORK, NY 10022
- 150,000 (\$52,500) COMMON STOCK. (FILE 333-6346 - JAN. 27) (BR. 9
- NEW ISSUE)

SB-3 SYNETIC INC, 669 RIVER DRIVE, ELMWOOD PARK, NJ 07407 (201) 703-3400 -
115,000,000 (\$115,000,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE

333-21041 - FEB. 04) (BR. 6)

S-8 DELTA & PINE LAND CO, ONE COTTON ROW, SCOTT, MI 38772 (601) 742-3351 -
1,440,000 (\$55,260,000) COMMON STOCK. (FILE 333-21049 - FEB. 04) (BR. 2)

S-8 NEOPROBE CORP, 425 METRO PLACE N, STE 400, DUBLIN, OH 43017
(614) 793-7500 - 10,000 (\$10) COMMON STOCK. (FILE 333-21053 - FEB. 04)
(BR. 1)

S-8 COUNTRY STAR RESTAURANTS INC, 11150 SANTA MONICA BLVD, STE 4060W,
LOS ANGELES, CA 90025 (310) 268-2200 - 450,000 (\$435,937.50) COMMON STOCK.
(FILE 333-21055 - FEB. 04) (BR. 9)

S-4 TV FILME INC, SCS QUADRA 07-B1A, ED EXEC TOWER SALA 601,
BRASILIA DF 70.300-9, D5 (203) 324-1400 - 140,000,000 (\$140,000,000)
STRAIGHT BONDS. (FILE 333-21057 - FEB. 04) (BR. 3)

S-8 BIO FLUORESCENT TECHNOLOGIES INC, 7373 N SCOTTSDALE RD, STE D-222,
SCOTTSDALE, AZ 85253 (602) 596-0269 - 2,600,000 (\$1,092,000) COMMON STOCK.
(FILE 333-21061 - FEB. 04) (BR. 1)

S-8 NUEVO ENERGY CO, 1331 LAMAR ST STE 1650, HOUSTON, TX 77010
(713) 652-0706 - 1,400,000 (\$71,575,000) COMMON STOCK. (FILE 333-21063 -
FEB. 04) (BR. 4)

S-3 ATWOOD OCEANICS INC, 15835 PARK TEN PL DR, SUITE 200, HOUSTON, TX 77084
(713) 492-2929 - 1,725,000 (\$109,321,875) COMMON STOCK. (FILE 333-21065 -
FEB. 04) (BR. 4)

S-3 FINANCIAL ASSET SECURITIES CORP, 600 STEAMBOAT RD, GREENWICH, CT 06830
(203) 625-2700 - 1,000,000,000 (\$1,000,000,000)
OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-21071 - FEB. 04)
(BR. 8)

S-3 INTERNATIONAL BUSINESS MACHINES CORP, ONE OLD ORCHARD RD, ARMONK, NY
10504 (914) 765-1900 - 3,000,000,000 (\$3,000,000,000) STRAIGHT BONDS.
(FILE 333-21073 - FEB. 04) (BR. 3)

S-8 INTERNATIONAL NETWORK SERVICES, 1213 INNSBRUCK DRIVE, SUNNYVALE, CA
94089 (408) 542-0100 - 9,948,835 (\$212,413,039.10) COMMON STOCK. (FILE
333-21075 - FEB. 04) (BR. 7)

S-3 WORLD ACCESS INC, 945 E PACES FERRY ROAD, SUITE 2240, ATLANTA, GA 30326
(404) 231-2025 - 4,512,312 (\$38,918,691) COMMON STOCK. (FILE 333-21079 -
FEB. 04) (BR. 2)

S-1 ALTERNATIVE DISTRIBUTION SYSTEMS INC, 935 W 175TH ST, HOMEWOOD, IL 60430
(708) 799-4990 - 1,840,000 (\$22,080,000) COMMON STOCK. (FILE 333-21081 -
FEB. 04) (BR. 4 - NEW ISSUE)

S-8 MISSISSIPPI VALLEY BANCSHARES INC, 700 CORPORATE PLZ DR, ST LOUIS, MO
63105 (314) 268-2580 - 200,000 (\$9,400,000) COMMON STOCK. (FILE 333-21083
- FEB. 04) (BR. 7)

S-8 PARADIGM ADVANCED TECHNOLOGIES INC, 5140 YONGE ST STE 1525,
NORTH YORK ONT CANAD, A6 (416) 222-9629 - 10,000,000 (\$3,750,000)
COMMON STOCK. (FILE 333-21087 - FEB. 04) (BR. 9)

S-3 NEVADA POWER CO, 6226 W SAHARA AVE, LAS VEGAS, NV 89102 (702) 367-5000
- 125,000,000 (\$125,000,000) STRAIGHT BONDS. (FILE 333-21091 - FEB. 04)
(BR. 4)

S-8 PRICE/COSTCO INC, 999 LAKE DRIVE, ISSAQUAH, WA 98027 (619) 581-5350 -
5,000,000 (\$125,940,000) COMMON STOCK. (FILE 333-21093 - FEB. 04) (BR. 2)

S-3 AMERICAN PHOENIX GROUP INC /DE, 1177 HIGH RIDGE RD, SUITE 6, STAMFORD,
CT 06905 - 1,850,005 (\$5,839,078.29) COMMON STOCK. 6,149,018
(\$4,035,293.07) WARRANTS, OPTIONS OR RIGHTS. 6,149,018 (\$23,058,817.50)
COMMON STOCK. (FILE 333-21097 - FEB. 04) (BR. 9)

S-8 INTERLINO SOFTWARE CORP, 11255 KIRKLAND WAY, KIRKLAND, WA 98033
(206) 827-1112 - 140,000 (\$743,750) COMMON STOCK. (FILE 333-21099 -
FEB. 04) (BR. 3)

S-3 LEE SARA CORP, THREE FIRST NATIONAL PLAZA, SUITE 4600, CHICAGO, IL 60602
(312) 726-2600 - 82,383 (\$3,223,646.79) COMMON STOCK. (FILE 333-21101 -
FEB. 04) (BR. 2)

F-3 WIDECOM GROUP INC, 55 CITY CENTER DR, STE 500 L5B 1M3 MISSISSAUGA,
ONTARIO, CANADA, A6 (905) 712-0505 - 3,032,500 (\$25,776,250)
FOREIGN COMMON STOCK. (FILE 333-21103 - FEB. 04) (BR. 3)

S-8 SINTER METALS INC, 50 PUBLIC SQUARE, STE 3200, CLEVELAND, OH 44113
(216) 771-6700 - 474,705 (\$12,906,279.54) COMMON STOCK. (FILE 333-21107 -
FEB. 04) (BR. 6)

S-8 MENS WEARHOUSE INC, 5803 GLENMONT DR, HOUSTON, TX 77081 (713) 295-7200
- 750,000 (\$19,830,000) COMMON STOCK. (FILE 333-21109 - FEB. 04) (BR. 2)

S-8 VIASAT INC, 2290 COSMOS COURT, CARLSBAD, CA 92009 (619) 438-8099 -
1,358,472 (\$10,691,070.05) COMMON STOCK. (FILE 333-21113 - FEB. 04)
(BR. 3)

S-3 CASCADE COMMUNICATIONS CORP, 5 CARLISLE RD, WESTFORD, MA 01886
(800) 692-2401 - 3,409,196 (\$131,254,046) COMMON STOCK. (FILE 333-21115 -
FEB. 04) (BR. 3)

S-3 CHILDRENS BROADCASTING CORP, 724 1ST ST N, 4TH FLOOR, MINNEAPOLIS, MN
55401 (612) 338-3300 - 501,395 (\$2,569,649.38) COMMON STOCK. (FILE
333-21117 - FEB. 05) (BR. 3)

S-4 OMEGA HEALTHCARE INVESTORS INC, 905 W EISENHOWER CIRCLE STE 110,
ANN ARBOR, MI 48103 (313) 747-9790 - \$100,000,000 COMMON STOCK. (FILE
333-21119 - FEB. 04) (BR. 8)

S-8 MENS WEARHOUSE INC, 5803 GLENMONT DR, HOUSTON, TX 77081 (713) 295-7200
- 208,088 (\$5,501,846.72) COMMON STOCK. (FILE 333-21121 - FEB. 04)
(BR. 2)

S-1 MEADE INSTRUMENTS CORP, 16542 MILILAN AVENUE, IRVINE, CA 92606 -
3,875,000 (\$38,755,000) COMMON STOCK. (FILE 333-21123 - FEB. 04) (BR. 1
- NEW ISSUE)

S-4 JACOR COMMUNICATIONS INC, 50 E RIVERCENTER BLVD, 12TH FLOOR, COVINGTON,
KY 41011 (606) 655-2267 - 4,596,694 (\$42,624,497)
WARRANTS, OPTIONS OR RIGHTS. (FILE 333-21125 - FEB. 04) (BR. 3)

S-3 SFX BROADCASTING INC, 150 EAST 58TH ST, 150 EAST 58TH ST, NEW YORK, NY
10155 (212) 407-9191 - 747,441 (\$24,572,122.88) COMMON STOCK. (FILE
333-21127 - FEB. 05) (BR. 3)



U.S. Securities and Exchange Commission
Washington, D.C. 20549 (202) 942-0020

News
Release

FOR IMMEDIATE RELEASE

97-11

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The Order makes the following findings: From January 1989 through August 1995, Oakwood and Sherman failed to disclose to Oakwood's clients the existence of a soft dollar arrangement with a broker-dealer (Broker-Dealer). Under the soft dollar arrangement, Oakwood and Sherman directed brokerage to the Broker-Dealer in exchange for soft dollar credits. Oakwood and Sherman used the soft dollar credits to cover some of Oakwood's administrative expenses, as well as to pay for certain brokerage and research services. These administrative expenses included phone bills, office equipment, client solicitation fees, and client accounting and marketing expenses.

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