

SEC NEWS DIGEST

Issue 97-89

May 8, 1997

ENFORCEMENT PROCEEDINGS

IN THE MATTER OF GARY DIVALL AND PAUL MAGNUSON

The Commission instituted public administrative proceedings pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 (Exchange Act), against Gary J. DiVall and Paul E. Magnuson. Simultaneously, DiVall and Magnuson submitted offers of settlement, which the Commission accepted. Accordingly, the Commission entered an Order instituting administrative proceedings, making findings and imposing remedial sanctions. The Order finds that DiVall and Magnuson each violated the antifraud provisions of the Securities Act of 1933 and the books and records, reporting and antifraud provisions of the Exchange Act, and bars each of them from association with any broker, dealer, municipal securities dealer, investment adviser or investment company.

Specifically, the Order finds that DiVall and Magnuson were general partners of three public partnerships, DiVall Insured Income Fund Limited Partnership, DiVall Insured Income Properties 2 Limited Partnership and DiVall Income Properties 3 Limited Partnership, (collectively, DiVall Funds). The Order further finds that, between 1988 and 1992, DiVall and Magnuson made misrepresentations and omissions of material fact to investors and to the DiVall Funds' auditors concerning their personal use of over \$2.6 million that they had misappropriated from the DiVall Funds. The Order also finds that DiVall and Magnuson failed to keep adequate books and records reflecting their use of those investor funds for personal purposes, and, as controlling persons of the DiVall Funds, caused the filing of false and misleading periodic reports with the Commission. Finally, the Order finds that DiVall and Magnuson were, by consent, permanently enjoined by the Commission from violating the above described provisions of the federal securities laws. (Rel. 34-38578)

IN THE MATTER OF DOUGLAS DAMON, ROBERT DAVIS AND KENNETH KOLOVITZ

The Commission instituted public administrative proceedings pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 (Exchange Act), against Douglas R. Damon, Robert M. Davis and Kenneth R. Kolovitz. Simultaneously, Damon, Davis and Kolovitz

submitted offers of settlement, which the Commission accepted. Accordingly, the Commission entered an Order instituting proceedings, making findings and imposing remedial sanctions. The Order finds that Damon, Davis and Kolovitz each violated the antifraud provisions of the Securities Act of 1933 and the securities registration and broker-dealer registration and antifraud provisions of the Exchange Act, and bars each of them from association with any broker, dealer, municipal securities dealer, investment adviser or investment company.

Specifically, the Order finds that, from approximately 1989 through October 1990, Damon operated Union Credit of Illinois Corporation (UCC), which purportedly purchased and leased machines for use by small retail businesses, for the sole purpose of issuing and offering securities. The Order further finds that, during that time, Damon, Davis and Kolovitz offered and sold unregistered UCC securities by making misrepresentations and omissions of material fact to investors concerning the use of their funds, the source of repayment to them, the risks associated with UCC securities and the returns they might realize. Finally, the Order finds that Damon, Davis and Kolovitz were, by consent, permanently enjoined by the Commission from violating the above described provisions of the federal securities laws. (Rel. 34-38579)

INVESTMENT COMPANY ACT RELEASES

SMITH BARNEY, INC., ET AL.

An order has been issued on an application filed by Smith Barney, Inc., et al. under Section 6(c) of the Investment Company Act for exemptions from Sections 2(a)(32), 2(a)(35), 22(d), and 26(a)(2) of the Act and Rule 22c-1 thereunder. The order also grants relief under Section 11(a) to modify a prior order granting an exemption from Section 11(c) permitting certain exchange offers of trust units. (Rel. IC-22655 - May 6)

HOLDING COMPANY ACT RELEASES

GPU NUCLEAR, INC., ET AL.

An order has been issued authorizing a proposal by GPU Nuclear, Inc., both a service company and a public utility subsidiary company of GPU, Inc. (GPU), a registered holding company, to perform a range of non-nuclear technical, training, management and consulting services for Jersey Central Power & Light Company, Metropolitan Edison Company, and Pennsylvania Electric Company, all public-utility subsidiary companies of GPU; GPU International, Inc., a non-utility subsidiary company of GPU; GPU Service, Inc., a service company subsidiary of GPU; and GPU Generation, Inc., both a service

company and a public utility subsidiary company of GPU. (Rel. 35-26715)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The Delta Clearing Corp. has filed a proposed rule change (SR-DCC-97-2) regarding its options trading procedures. Publication is expected in the Federal Register during the week of May 5. (Rel. 34-38568)

The Philadelphia Stock Exchange filed a proposed rule change (SR-Phlx-97-16) relating to changes to the equity and index option quote spread parameters. Publication of the proposal is expected in the Federal Register during the week of May 12. (Rel. 34-38576)

WITHDRAWAL GRANTED

An order has been issued granting the application of Safeway Inc. to withdraw from listing and registration its Common Stock, \$.01 Par Value, on the Pacific Exchange. (Rel. 34-38577)

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-8 PLAINTREE SYSTEMS INC, 9 HILLSIDE AVE, WALTHAM, MA 02154 (617) 290-5800
- 1,000,000 (\$3,530,000) COMMON STOCK. (FILE 333-6852 - APR 30) (BR 3)

S-8 GUITAR CENTER INC, 5155 CLARETON DR, AGOURA HILLS, CA 91301
(818) 735-8800 - 2,384,752 (\$28,745,887) COMMON STOCK (FILE 333-26257 -
MAY. 01) (BR 2)

S-4 SECURITY CAPITAL GROUP INC/, 125 LINCOLN AVE, 125 LINCOLN AVENUE,
SANTA FE, NM 87501 (915) 877-3900 - \$101,029,642
WARRANTS, OPTIONS OR RIGHTS (FILE 333-26259 - MAY. 01) (BR 8)

S-8 BROOKS FIBER PROPERTIES INC, 425 WOODS MILL RD S STE 300, TOWN & COUNTY,
MO 63017 - 3,000,000 (\$55,500,000) COMMON STOCK (FILE 333-26261 -
MAY. 01) (BR 3)

S-4 SECURITY CAPITAL GROUP INC/, 125 LINCOLN AVE, 125 LINCOLN AVENUE,
SANTA FE, NM 87501 (915) 877-3900 - \$46,926,322
WARRANTS, OPTIONS OR RIGHTS (FILE 333-26263 - MAY 01) (BR 8)

SB-2 APOLLO BIOPHARMACEUTICS INC, ONE KENDALL SQUARE,
BUILDING 200 SUITE 2200, CAMBRIDGE, MA 02139 (617) 621-7154 - 575,000
COMMON STOCK 50,000 WARRANTS, OPTIONS OR RIGHTS. 675,000 COMMON STOCK.
(FILE 333-26265 - MAY. 01) (BR. 9)

S-4 SECURITY CAPITAL GROUP INC/, 125 LINCOLN AVE, 125 LINCOLN AVENUE,
SANTA FE, NM 87501 (915) 877-3900 - \$102,044,037
WARRANTS, OPTIONS OR RIGHTS. (FILE 333-26267 - MAY. 01) (BR. 8)

SB-2 INTERNATIONAL ISOTOPES INC, 2600 LONGHORN BLVD, STE 105, AUSTIN, TX
78758 (512) 834-1822 - 2,530,000 (\$25,300,000) COMMON STOCK. 220,000
(\$22) WARRANTS, OPTIONS OR RIGHTS 220,000 (\$2,640,000) COMMON STOCK
(FILE 333-26269 - MAY 01) (BR. 9 - NEW ISSUE)

S-3 PHOENIX NETWORK INC, 1687 COLE BOULEVARD, 11TH FLOOR, GOLDEN, CO 80401
(415) 981-3000 - 4,677,662 (\$10,232,385 63) COMMON STOCK. 422,224
(\$1,266,672) WARRANTS, OPTIONS OR RIGHTS. (FILE 333-26271 - MAY. 01)
(BR 3)

S-8 MORTON INTERNATIONAL INC /IN/, 100 NORTH RIVERSIDE PLAZA, CHICAGO, IL
60606 (312) 807-2000 - 570,000 (\$16,245,000) COMMON STOCK (FILE
333-26273 - MAY 01) (BR 4)

S-8 MORTON INTERNATIONAL INC /IN/, 100 NORTH RIVERSIDE PLAZA, CHICAGO, IL
60606 (312) 807-2000 - 1,750,000 (\$49,875,000) COMMON STOCK. (FILE
333-26275 - MAY 01) (BR 4)

S-8 MORTON INTERNATIONAL INC /IN/, 100 NORTH RIVERSIDE PLAZA, CHICAGO, IL
60606 (312) 807-2000 - 10,000,000 (\$285,000,000) COMMON STOCK. (FILE
333-26277 - MAY 01) (BR. 4)

S-8 MORTON INTERNATIONAL INC /IN/, 100 NORTH RIVERSIDE PLAZA, CHICAGO, IL
60606 (312) 807-2000 - 22,750 (\$648,375) COMMON STOCK (FILE 333-26279 -
MAY 01) (BR 4)

S-8 MORTON INTERNATIONAL INC /IN/, 100 NORTH RIVERSIDE PLAZA, CHICAGO, IL
60606 (312) 807-2000 - 87,000 (\$2,479,500) COMMON STOCK. (FILE 333-26281 -
MAY 01) (BR. 4)

S-2 UNITED GROCERS INC /OR/, 6433 SE LAKE RD, MILWAUKIE, OR 97222
(503) 833-1000 - 250,000 (\$15,382,500) COMMON STOCK 50,000,000
(\$50,000,000) STRAIGHT BONDS (FILE 333-26285 - APR 30) (BR 2)

S-8 THERMO-MIZER ENVIRONMENTAL CORP, 528 ORITAN AVE, RIDGEFIELD, NJ 07657
(201) 941-5805 - 10,000 (\$10,000) COMMON STOCK (FILE 333-26287 - MAY 01)
(BR 1)

S-8 MEDAPHIS CORP, 2700 CUMBERLAND PKWY STE 300, ATLANTA, GA 30339
(770) 319-3300 - 1,500,000 (\$7,031,250) COMMON STOCK (FILE 333-26289 -
APR 29) (BR 1)

S-8 MEDAPHIS CORP, 2700 CUMBERLAND PKWY STE 300, ATLANTA, GA 30339
(770) 319-3300 - 1,025,000 (\$4,804,687 50) COMMON STOCK. (FILE 333-26291 -
APR 29) (BR 1)

S-3 SECURE COMPUTING CORP, 2675 LONG LAKE RD, ROSEVILLE, MN 55113
(612) 628-2700 - 148,727 (\$1,003,907.25) COMMON STOCK (FILE 333-26293 -
MAY 01) (BR 3)

S-8 FIELDWORKS INC, 9961 VALLEY VIEW RD, EDEN PRAIRIE, MN 55344
(612) 947-0896 - 1,800,000 (\$9,675,000) COMMON STOCK. (FILE 333-26297 -
MAY 01) (BR 3)

S-8 AUTOLIV INC, 3350 AIRPORT RD, OGDEN, UT 84405 (801) 629-9800 -
1,000,000 (\$21,690,000) COMMON STOCK. (FILE 333-26299 - MAY 01) (BR 5)

S-8 PETCO ANIMAL SUPPLIES INC, 9125 REHCO RD, SAN DIEGO, CA 92121
(619) 453-7845 - 1,336,497 (\$26,649,750 18) COMMON STOCK (FILE 333-26301
- MAY 01) (BR 2)

S-8 AUTOLIV INC, 3350 AIRPORT RD, OGDEN, UT 84405 (801) 629-9800 -
1,250,000 (\$27,112,500) COMMON STOCK (FILE 333-26303 - MAY 01) (BR. 5)

S-3 ROM TECH INC, 2000 CABOT BLVD, SUITE 110, LANGHORNE, PA 19047
(215) 750-6606 - 1,436,097 (\$6,013,656.10) COMMON STOCK. (FILE 333-26305 -
MAY 01) (BR. 9)

SB-2 TEAM COMMUNICATION GROUP INC, 12300 WILSHIRE BLVD, SE 400, LOS ANGELES,
CA 90025 (310) 442-3500 - 1,688,870 (\$11,406,370) COMMON STOCK 1 (\$5)
WARRANTS, OPTIONS OR RIGHTS 130,000 (\$1,170,000) COMMON STOCK (FILE
333-26307 - MAY 01) (BR. 9)

S-8 INVESTMENT TECHNOLOGY GROUP INC, 900 THIRD AVE, 2ND FLOOR, NEW YORK, NY
10022 (212) 755-6800 - 5,045,857 (\$81,895,280.90) COMMON STOCK (FILE
333-26309 - MAY. 01) (BR. 8)

S-8 SPORTSMANS GUIDE INC, 411 FARWELL AVENUE SO, ST PAUL, MN 55075
(612) 451-3030 - 400,000 (\$1,309,375) COMMON STOCK. (FILE 333-26311 -
MAY 01) (BR. 2)

S-8 SPORTSMANS GUIDE INC, 411 FARWELL AVENUE SO, ST PAUL, MN 55075
(612) 451-3030 - 44,878 (\$291,489) COMMON STOCK. (FILE 333-26313 -
MAY. 01) (BR. 2)

S-8 SPORTSMANS GUIDE INC, 411 FARWELL AVENUE SO, ST PAUL, MN 55075
(612) 451-3030 - 60,000 (\$150,000) COMMON STOCK (FILE 333-26315 -
MAY 01) (BR. 2)

S-8 SPORTSMANS GUIDE INC, 411 FARWELL AVENUE SO, ST PAUL, MN 55075
(612) 451-3030 - 35,000 (\$122,375) COMMON STOCK (FILE 333-26317 -
MAY 01) (BR. 2)

S-8 PROTEIN POLYMER TECHNOLOGIES INC, 10655 SORRENTO VALLEY RD, SAN DIEGO,
CA 92121 (619) 558-6064 - 500,000 (\$1,125,000) COMMON STOCK (FILE
333-26319 - MAY 01) (BR 1)

S-4 COMPASS BANCSHARES INC, 15 SOUTH 20TH ST, P O BOX 10566, BIRMINGHAM, AL
35233 (205) 933-3000 - 1,537,500 (\$18,108,540) COMMON STOCK (FILE
333-26325 - MAY 01) (BR 7)

S-3 RAVEN INDUSTRIES INC, 205 E 6TH ST, PO BOX 5107, SIOUX FALLS, SD 57117
(605) 336-2750 - 93,701 (\$2,108,272.50) COMMON STOCK (FILE 333-26327 -
MAY. 01) (BR 2)

S-8 PULITZER PUBLISHING CO, 900 NORTH TUCKER BLVD, ST LOUIS, MO 63101
(314) 340-8000 - 500,000 (\$22,815,000) COMMON STOCK (FILE 333-26329 -
MAY 01) (BR 5)

S-3 UNITED TECHNOLOGIES CORP /DE/, UNITED TECHNOLOGIES BLDG,
ONE FINANCIAL PLZ, HARTFORD, CT 06101 (203) 728-7000 - 1,000,000
(\$7,694,000) COMMON STOCK (FILE 333-26331 - MAY 01) (BR 5)

S-8 TELTONE CORP, 22121 20TH AVE SE, BOTHELL, WA 98021 (206) 487-1515 -
320,000 (\$120,000) COMMON STOCK (FILE 333-26333 - MAY 01) (BR 3)

S-8 AQUAGENIX INC/DE, 6500 NW 15TH AVE, FORT LAUDERDALE, FL 33309
(954) 975-7771 - 100,000 (\$500,000) COMMON STOCK (FILE 333-26335 -
MAY 01) (BR 9)

S-3 ORANGE & ROCKLAND UTILITIES INC, ONE BLUE HILL PLZ, PEARL RIVER, NY
10965 (914) 352-6000 - 500,000 (\$15,219,000) COMMON STOCK (FILE
333-26337 - MAY 01) (BR. 4)

S-3 DILLARD DEPARTMENT STORES INC, 1600 CANTRELL RD, LITTLE ROCK, AR 72201
(501) 376-5200 - 400,000,000 (\$400,000,000) STRAIGHT BONDS (FILE
333-26343 - MAY 01) (BR. 2)

S-3 JUST FOR FEET INC, 153 CAHABA VALLEY PKWY N, PELHAM, AL 35124
(205) 403-8000 - 188,969 (\$2,787,293) COMMON STOCK. (FILE 333-26345 -
MAY 01) (BR. 2)

S-3 NORTH AMERICAN TECHNOLOGIES GROUP INC /MI/, 4710 BELLAIRE BLVD,
SUITE 301, BELLAIRE, TX 77401 (713) 662-2699 - 31,159,360 (\$17,527,140)
COMMON STOCK (FILE 333-26347 - APR 30) (BR 4)

S-3 MODACAD INC, 1954 COTNER AVE, LOS ANGELES, CA 90025 (310) 312-6632 -
1,610,000 (\$10,465,000) COMMON STOCK (FILE 333-26349 - MAY. 01) (BR. 9)

S-4 GENZYME CORP, ONE KENDALL SQ, CAMBRIDGE, MA 02139 (617) 252-7500 -
4,000,000 (\$20,880,000) COMMON STOCK (FILE 333-26351 - MAY. 01) (BR. 1)

SB-2 ANTEX BIOLOGICS INC, 300 PROFESSIONAL DR, GAITHERSBURG, MD 20879
(301) 590-0129 - 71,030 (\$50,001) COMMON STOCK. (FILE 333-26353 - MAY 01)
(BR 1)

S-3 CONSUMER PORTFOLIO SERVICES INC, 2 ADA STE 100, IRVINE, CA 92618
(714) 753-6800 - 100,000,000 (\$100,000,000) EQUIPMENT TRUST CERTIFICATES.
(FILE 333-26355 - MAY. 01) (BR 7)

S-1 CAL DIVE INTERNATIONAL INC, 13430 NORTHWEST FREEWAY STE 350, HOUSTON, TX
77040 (713) 690-1818 - \$51,000,000 COMMON STOCK. (FILE 333-26357 -
MAY 01) (BR 4)

S-8 SONIC CORP, 101 PARK AVENUE, STE 1400, OKLAHOMA CITY, OK 73102
(405) 280-7654 - 150,000 (\$2,044,500) COMMON STOCK (FILE 333-26359 -
MAY 01) (BR 2)

S-11 LEXREIT PROPERTIES INC, 41 S HIGH ST 24TH ST, HUNTINGTON CENTER,
COLUMBUS, OH 43215 (614) 759-1566 - 960,000 (\$1,440,000) COMMON STOCK.
(FILE 333-26363 - MAY. 01) (NEW ISSUE)

S-4 WINSTAR COMMUNICATIONS INC, 230 PARK AVENUE SUITE 3126, 40TH FL,
NEW YORK, NY 10169 (212) 687-7577 - 300,000 (\$300,000,000) STRAIGHT BONDS.
(FILE 333-26367 - MAY. 02) (BR. 3)