

# SEC NEWS DIGEST

Issue 97-208

October 28, 1997

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## COMMISSION ANNOUNCEMENTS

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### MEMORANDUM OF UNDERSTANDING SIGNED BY SEC, CFTC, BANK OF ENGLAND AND FINANCIAL SERVICES AUTHORITY

The United States Securities and Exchange Commission (SEC), the Commodity Futures Trading Commission (CFTC), and the Bank of England jointly announced the signing of a Memorandum of Understanding setting forth a pragmatic approach for cooperating and sharing supervisory information. It is the first formal understanding among US and UK securities, futures and banking regulators.

SEC Chairman Arthur Levitt, CFTC Commissioner Barbara Holum, and Bank of England Governor Eddie George, signed the MOU on behalf of their respective agencies. Howard Davies, Chairman of the new UK financial regulator, Financial Services Authority, also signed the MOU to confirm that its provisions will continue upon the transfer of banking supervision from the Bank to the Financial Services Authority some time next year.

The MOU will enhance the ability of the regulators to obtain information about the activities of US and UK internationally active firms, including information about their internal controls and risk management systems. The MOU also sets forth procedures for cooperating to address potentially significant market events experienced by US or UK securities or banking firms. The MOU is expected to improve the effectiveness of financial supervision in an era of cross-border and cross-sectoral activity. (Press Rel. 97-96)

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## ENFORCEMENT PROCEEDINGS

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### LOUIS ALBANESE DISCIPLINED FOR FAILURE TO COMPLY PROMPTLY WITH NEW YORK STOCK EXCHANGE REQUEST FOR HIS TESTIMONY

The Commission has sustained New York Stock Exchange disciplinary action against Louis F. Albanese of Fairfield, Connecticut. The Exchange found that Albanese violated its rules by failing to comply promptly with a request by the Exchange's Division of Enforcement to provide testimony concerning activities that occurred while Albanese

was employed by Exchange members. The NYSE censured Albanese and barred him from membership, allied membership, and approved person status, and from employment or association in any capacity with any member or member organization, until he complied with the Exchange's request and then for an additional two weeks. Albanese provided the testimony in June 1996.

Before the Commission, Albanese did not dispute that he refused to provide testimony until several months after the Exchange had requested that he do so. He contended, however, that the Exchange staff should have delayed the testimony date as Albanese had requested, until Albanese's mental health had improved. The Commission began its analysis by observing that the Exchange relies upon the full and prompt cooperation of its members and associated persons in conducting an investigation. The Commission stated that -- given Albanese's clear obligation, as a registered person, to furnish requested information to the Exchange -- Albanese had the burden of demonstrating that his condition rendered him unable to comply. Based on its review of the record, the Commission concluded that Albanese failed to meet his burden, either in discussions with the Exchange staff, or through the evidence Albanese ultimately presented to the Exchange disciplinary hearing panel that presided over this action. The Commission sustained the sanctions imposed as neither excessive nor oppressive. (Rel. 34-39280; File No. 3-9189)

#### CIVIL AND ADMINISTRATIVE PROCEEDINGS AGAINST RANDALL BRADBURY, ET AL.

The Commission announced that on October 7 Final Judgment was entered against defendants Randall E. Bradbury (Bradbury), The Bradbury Financial Group, Inc. (BFG), and T.B.F.G. International, Ltd. (TBFG) enjoining them from future violations of the securities laws and ordering them to pay disgorgement but waiving disgorgement, and not imposing civil penalties, on the basis of their inability to pay. Bradbury, BFG, and TBFG consented to the entry of the Final Judgment without admitting or denying the allegations in the Commission's complaint.

The Commission also announced the entry of an Order by the Commission barring Bradbury from the securities industry and revoking BFG's registration as an investment adviser. Bradbury and BFG consented to the entry of the Order as part of the settlement.

The complaint, filed on May 13, 1996, alleged, among other things, that from approximately February 1992 through approximately February 1994, Bradbury and BFG defrauded advisory clients and other investors by making material misrepresentations, and omitting to state material information, concerning securities that Bradbury recommended and/or sold to them. [SEC v. Randall E. Bradbury, The Bradbury Financial Group, Inc., and T.B.F.G. International, Ltd., 96 CV 758, RSP/DNH, NDNY] (LR-15543); Administrative Proceeding (Rel. 34-39279 and IA-1680; File No. 3-9482)

## CIVIL ACTION AGAINST ROY HANDOJO

On October 20, the Commission filed an amended complaint in its insider trading case against Roy Handojo (Handojo ) in the United States District Court for the Southern District of New York. The amended complaint alleges that Handojo, an Indonesian national and visiting analyst formerly employed in the Financial Institutions Group at J.P. Morgan & Co., Inc.'s New York office (J.P. Morgan), engaged in flagrant insider trading in five companies involved in four separate merger negotiations in which J.P. Morgan's Financial Institutions Group was participating as an adviser. From July through September 1997, in each of the merger transactions, Handojo purchased securities days before the companies publicly announced that they had entered into definitive merger agreements. Handojo reaped more than \$477,000 in profits from his trades. The Commission's complaint alleges that Handojo violated Section 10(b) of the Securities and Exchange Act of 1934 and Rule 10b-5 thereunder, and seeks injunctive relief and disgorgement.

The amended complaint alleges that, without any prior trading experience, the 25 year old Hondojo purchased 6,209 shares of the common stock of Signet Banking Corp., a J.P. Morgan client, less than a week before the July 21, 1997 announcement of Signet's acquisition by First Union Corp. Handojo realized approximately \$90,000 in profits when he later sold the stock. He also bought 12,500 shares of ACC Consumer Finance Corp. common stock several days before the August 25, 1997 announcement that Household International, another J.P. Morgan client, would acquire ACC by merger. ACC's stock soared 34% on the day of the announcement, and Handojo sold his entire position for approximately \$60,000 in profits. In addition, in the three days prior to the August 29, 1997 announcement of NationsBank Corporation's acquisition of Barnett Banks, Inc., a J.P. Morgan client, Handojo purchased 280 Barnett call options, 80 call options in NationsBank, and 500 shares of stock in each bank. In the week following the announcement, which caused a 24% surge in Barnett's stock price, Handojo sold all his Barnett shares and call options for a total profit of more than \$214,000. Finally, in the two weeks before the September 15, 1997 announcement that Star Banc Corp. would acquire Great Financial Corp., Handojo purchased 21,900 shares of Great Financial common stock. At the time of Handojo's purchases, J.P. Morgan was acting as an adviser to an Ohio-based bank holding company in its competing effort to acquire Great Financial. Handojo still holds 17,800 of his Great Financial shares. Based on Great Financial's closing price three days after the news announcement, the total profits Handojo reaped from his trading is more than \$115,000. Although the Commission was aware of Handojo's purchases of Great Financial at the time it filed its original complaint on September 12, 1997, the Commission excluded those purchases from the complaint because the merger negotiations were still nonpublic.

On September 12, 1997, the Court ordered a temporary freeze of the assets in defendant's brokerage and bank accounts, and granted the Commission expedited discovery and other ancillary relief. A preliminary injunction hearing is scheduled for October 29, 1997.

The Commission's investigation is continuing. For further information, see LR-15492, dated September 12, 1997. [SEC v. Roy Handojo, Civil Action No. 97-Civ. 6805, SDNY, LAP] (LR-15540)

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## SECURITIES ACT REGISTRATIONS

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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>.

- F-1 BENCKISER NV, WORLD TRADE CENTER AMSTERDAM AIRPORT TOW,  
ER C SCHIPHOLBLVD 229 1118 BH SCHIPHOL A, THE NETHERLANDS, P8 -  
\$50,000,000 FOREIGN COMMON STOCK. (FILE 333-7806 - OCT. 20) (BR. 4  
- NEW ISSUE)
- S-8 NETWORK CONNECTION INC, 1324 UNION HILL RD, ALPHARETTA, GA 30201  
(404) 751-0889 - 100,000 (\$799,505) COMMON STOCK. (FILE 333-38313 -  
OCT 21) (BR 3)
- S-8 NETWORK CONNECTION INC, 1324 UNION HILL RD, ALPHARETTA, GA 30201  
(404) 751-0889 - 1,202,000 (\$9,096,643 51) COMMON STOCK (FILE 333-38315 -  
OCT 21) (BR 3)
- S-8 USA TECHNOLOGIES INC, 200 PLANT AVENUE, WAYNE, PA 19087 (610) 989-0340  
- 40,000 (\$22,400) COMMON STOCK. (FILE 333-38319 - OCT. 21) (BR 7)
- S-8 VAIL RESORTS INC, 137 BENCHMARK ROAD, C/O ANACONDA TOWER, AVON, CO 81620  
(970) 845-2950 - 3,545,510 (\$97,281,703.38) COMMON STOCK. (FILE 333-38321  
- OCT 21) (BR. 5)
- S-4 FEDERATED PURCHASER INC, 268 CLIFFWOOD AVENUE, CLIFFWOOD, NJ 07721  
(908) 290-2900 - 4,882,644 (\$1,633,287) COMMON STOCK (FILE 333-38323 -  
OCT 21) (BR 6)
- S-8 CHILDTIME LEARNING CENTERS INC, 38345 WEST 10 MILE RD, STE 100,  
FARMINGTON HILLS, MI 48335 (810) 476-3200 - 100,000 (\$1,275,000)  
COMMON STOCK (FILE 333-38325 - OCT. 21) (BR. 1)
- S-3 SHEFFIELD PHARMACEUTICALS INC, 30 ROCKEFELLER PLAZA, SUITE 4515,  
NEW YORK, NY 10112 (212) 957-6600 - 2,893,334 (\$6,504,401) COMMON STOCK.  
(FILE 333-38327 - OCT 21) (BR 9)
- S-1 SPECTRA PHYSICS LASERS INC, 1335 TERRA BELLA AVENUE, BUILDING 7,  
MOUNTAIN VIEW, CA 94043 (650) 961-2550 - \$31,878,000 COMMON STOCK. (FILE  
333-38329 - OCT. 21) (BR. 6 - NEW ISSUE)
- S-3 GUESS INC ET AL/CA/, 1444 SOUTH ALAMEDA ST, LOS ANGELES, CA 90021  
(213) 765-3100 - 216,216 (\$2,027,025) COMMON STOCK. (FILE 333-38333 -  
OCT. 21) (BR 2)

- S-4 AMERISERVE FOOD DISTRIBUTION INC, 17975 WEST SARAH LN, STE 100,  
BROOKFIELD, WI 53045 (414) 792-9300 - 350,000,000 (\$350,000,000)  
STRAIGHT BONDS. (FILE 333-38337 - OCT. 21) (BR. 2)
- S-1 ICON CMT CORP, 1200 HARBOR BLVD LINCOLN HARBOR, 201-601-2000, WEEKAWKEN,  
NJ 07087 - \$57,500,000 COMMON STOCK. (FILE 333-38339 - OCT. 21) (BR. 3)
- S-8 QUAD CITY HOLDINGS INC, 2118 MIDDLE RD, PO BOX 395, BETTENDORF, IA 52722  
(319) 344-0600 - 50,000 (\$1,087,500) COMMON STOCK. (FILE 333-38341 -  
OCT. 21) (BR. 7)
- S-8 PRICESMART INC, 4649 MORENA BLVD, SAN DIEGO, CA 92117 (619) 581-4530 -  
700,000 (\$9,385,513 77) COMMON STOCK. (FILE 333-38345 - OCT. 21) (BR. 2)
- S-3 TOLL CORP, 3103 PHILMONT AVE, HUNTINGDON VALLEY, PA 19006 (215) 938-8000  
- 289,000,000 (\$289,000,000) COMMON STOCK. (FILE 333-38347 - OCT. 21)  
(BR 8)
- S-8 BANKNORTH GROUP INC /NEW/ /DE/, 300 FINANCIAL PLAZA, P O BOX 5420,  
BURLINGTON, VT 05401 (802) 658-9959 - 525,000 (\$30,121,875) COMMON STOCK.  
(FILE 333-38349 - OCT. 21) (BR. 7)
- S-4 USWEB CORP, 2880 LAKESIDE DR SUITE 350, SANTA CLARA, CA 95054  
(408) 987-3200 - \$183,333,337 COMMON STOCK. (FILE 333-38351 - OCT 21)  
(BR 5)
- S-8 BANKNORTH GROUP INC /NEW/ /DE/, 300 FINANCIAL PLAZA, P O BOX 5420,  
BURLINGTON, VT 05401 (802) 658-9959 - 600,000 (\$34,425,000) COMMON STOCK  
(FILE 333-38353 - OCT 21) (BR 7)
- S-3 TELEPHONE & DATA SYSTEMS INC, 30 NORTH LASALLE STREET SUITE 400,  
CHICAGO, IL 60602 (312) 630-1900 (FILE 333-38355 - OCT 21) (BR. 3)
- S-3 COMMODORE APPLIED TECHNOLOGIES INC, 150 EAST 58TH STE 3400, NEW YORK, NY  
10155 (212) 308-5800 - 4,933,895 (\$24,501,876 69) COMMON STOCK (FILE  
333-38357 - OCT. 21) (BR 4)
- S-4 SILICON VALLEY GROUP INC, 101 METRO DRIVE, SUITE 400, SAN JOSE, CA 95110  
(408) 441-6700 - 1,400,000 (\$26,660,000) COMMON STOCK. (FILE 333-38359 -  
OCT 21) (BR 5)
- S-4 HIGHWAYMASTER COMMUNICATIONS INC, 16479 DALLAS PKWY, STE 710, DALLAS, TX  
75248 (214) 732-2500 - 125,000,000 (\$125,000,000) STRAIGHT BONDS (FILE  
333-38361 - OCT 21) (BR. 6)
- S-8 CONCORD COMMUNICATIONS INC, 33 BOSTON POST ROAD WEST, MARLBORO, MA 01752  
(508) 460-4646 - 375,000 (\$7,007,812 50) COMMON STOCK. (FILE 333-38363 -  
OCT 21) (BR 3)
- S-3 WALDEN RESIDENTIAL PROPERTIES INC, 5400 LBJ FREEWAY STE 400,  
C/O ONE LINCOLN CENTRE, DALLAS, TX 75240 (214) 788-0510 (FILE 333-38365 -  
OCT 21) (BR 8)
- S-3 INGERSOLL RAND CO, 200 CHESTNUT RIDGE RD, PO BOX 8738, WOODCLIFF LAKE,  
NJ 07675 (201) 573-0123 - 1,200,000,000 (\$1,200,000,000) COMMON STOCK  
(FILE 333-38367 - OCT 21) (BR. 5)
- S-4 MEDPARTNERS INC, 3000 GALLERIA TOWER, STE 1000, BIRMINGHAM, AL 35244  
(205) 733-8996 - 2,502,072 (\$59,027,753 75) COMMON STOCK. (FILE 333-38369  
- OCT 21) (BR 1)
- S-1 METRIKA SYSTEMS CORP, 5788 PACIFIC CENTER BLVD, SAN DIEGO, CA 92121  
(619) 450-9811 - 967,828 (\$16,578,894) COMMON STOCK. (FILE 333-38371 -  
OCT. 21) (BR 5)
- S-8 PHARMOS CORP, TWO INNOVATION DR, ALACHUA, FL 32615 (904) 462-1210 -  
2,254,102 (\$4,600,087) COMMON STOCK. (FILE 333-38373 - OCT 21) (BR 1)
- S-8 UCI MEDICAL AFFILIATES INC, 1901 MAIN ST MAIL CODE 1105, SUITE 1200,  
COLUMBIA, SC 29201 (803) 252-3661 - 20,000 (\$50,000) COMMON STOCK (FILE  
333-38375 - OCT. 21) (BR. 1)
- S-8 VERITAS DGC INC, 3701 KIRBY DR, STE 112, HOUSTON, TX 77098

(713) 512-8300 - 500,000 (\$21,421,900) COMMON STOCK. (FILE 333-38377 - OCT. 21) (BR. 4)

S-1 FOCAL INC, 4 MAGUIRE ROAD, LEXINGTON, MA 02173 (617) 280-7800 - 2,875,000 (\$37,375,000) COMMON STOCK. (FILE 333-38379 - OCT. 21) (BR. 1)

S-1 USN COMMUNICATIONS INC, 10 SOUTH RIVERSIDE PLAZA STE 401, CHICAGO, IL 60606 (312) 906-3600 - \$90,000,000 COMMON STOCK. (FILE 333-38381 - OCT 21) (BR 3)

S-11 CABOT INDUSTRIAL TRUST, TWO CENTER PLAZA, SUITE 200, BOSTON, MA 02108 (617) 723-0900 - \$115,000,000 COMMON STOCK. (FILE 333-38383 - OCT. 21) (NEW ISSUE)

S-8 KIMBERLY CLARK CORP, P O BOX 619100, DFW AIRPORT STATION, DALLAS, TX 75261 (214) 281-1200 - 6,000,000 (\$299,250,000) COMMON STOCK. (FILE 333-38385 - OCT 21) (BR. 4)

S-3 BANC ONE CORP /OH/, 100 E BROAD ST, COLUMBUS, OH 43271 (614) 248-5944 (FILE 333-38387 - OCT 21) (BR. 7)

S-1 PENWEST PHARMACEUTICALS CO, 2981 ROUTE 22, PATTERSON, NY 12563 (914) 878-3414 - 2,875,000 (\$34,500,000) COMMON STOCK. (FILE 333-38389 - OCT 21) (NEW ISSUE)

S-1 SLM HOLDING CORP, 11600 SALLIE MAE DR, RESTON, VA 21093 (703) 810-3000 - 555,015 (\$89,288,038) COMMON STOCK (FILE 333-38391 - OCT. 21) (BR 8)

S-1 DAWSON GEOPHYSICAL CO, 208 S MARIENFELD, MIDLAND, TX 79701 (915) 682-7356 - 1,725,000 (\$39,028,125) COMMON STOCK (FILE 333-38393 - OCT 21) (BR 4)

S-4 ORCAD INC, 9300 SW NIMBUS AVE, BEAVERTON, OR 97008 (503) 671-9500 - \$7,749,000 COMMON STOCK (FILE 333-38395 - OCT 21) (BR 9)

SB-2 TAG IT PACIFIC INC, 3820 SOUTH HILL STREET, LOS ANGELES, CA 90037 (213) 234-9606 - 1,642,000 (\$13,957,000) COMMON STOCK (FILE 333-38397 - OCT 21) (NEW ISSUE)

S-1 EPIX MEDICAL INC, 71 ROGERS ST, CAMBRIDGE, MA 02142 (617) 499-1406 - 2,587,500 (\$33,637,500) COMMON STOCK (FILE 333-38399 - OCT 21) (BR 1)

S-3 COMMUNITY MEDICAL TRANSPORT INC, 45 MORRIS ST, YONKERS, NY 10705 (914) 963-6666 - 196,454 (\$417,465) COMMON STOCK. (FILE 333-38401 - OCT. 21) (BR 9)

S-1 FLEXIINTERNATIONAL SOFTWARE INC/CT, 2 ENTERPRISE DRIVE, SHELTON, CT 06484 (203) 925-3040 - 3,450,000 (\$41,400,000) COMMON STOCK (FILE 333-38403 - OCT 21)

S-1 VIRTUAL MORTGAGE NETWORK INC, 4590 MACARTHUR BLVD, SUITE 175, NEWPORT BEACH, CA 92660 (714) 252-0700 - \$51,221,731 COMMON STOCK (FILE 333-38405 - OCT. 21)

S-4 CONTINENTAL AIRLINES INC /DE/, 2929 ALLEN PKWY STE 2010, HOUSTON, TX 77019 (713) 834-5000 - 155,000,000 (\$155,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 333-38407 - OCT. 21) (BR 5)

S-3 CRIIMI MAE INC, 11200 ROCKVILLE PIKE, ROCKVILLE, MD 20852 (301) 816-2300 (FILE 333-38409 - OCT 21) (BR. 8)

S-8 GOLDEN PANTHER RESOURCES LTD, 1111 W HASTINGS ST #211, SUITE 150, VANCOUVER, A1 84101 (801) 272-2457 - 2,200,000 (\$1,600,000) COMMON STOCK (FILE 333-38411 - OCT 21) (BR. 3)

S-3 ADFLEX SOLUTIONS INC, 2001 W CHANDLER BLVD, CHANDLER, AZ 85224 (602) -78-6-84 - 3,105,000 (\$70,250,625) COMMON STOCK (FILE 333-38413 - OCT. 21) (BR 6)

S-8 SUMMA INDUSTRIES, 21250 HAWTHORNE BLVD , SUITE 500, TORRANCE, CA 90503 (310) 792-7024 - 400,000 (\$3,350,000) COMMON STOCK (FILE 333-38415 - OCT. 22) (BR 6)

- S-3 CALYPTE BIOMEDICAL CORP, 1440 FOURTH STREET, BERKELEY, CA 94710 -  
2,600,999 (\$13,161,054.94) COMMON STOCK. (FILE 333-38417 - OCT. 21)  
(BR. 1)
- S-3 HORIZON HEALTH CORP /DE/, 1500 WATERS RIDGE DR, STE 320, LEWISVILLE, TX  
75057 (817) 387-4775 - 1,426,000 (\$38,947,625) COMMON STOCK (FILE  
333-38421 - OCT 22) (BR. 1)
- S-4 STONE ENERGY CORP, 625 E KALISTE SALOOM RD, LAFAYETTE, LA 70508  
(318) 237-0410 - 100,000,000 (\$100,000,000) STRAIGHT BONDS (FILE  
333-38425 - OCT. 22) (BR. 4)
- S-3 VWR SCIENTIFIC PRODUCTS CORP, 1310 GOSHEN PARKWAY, WEST CHESTER, PA  
19380 (610) 431-1700 - 3,025,000 (\$70,543,000) COMMON STOCK. (FILE  
333-38427 - OCT. 22) (BR. 2)