

SEC NEWS DIGEST

Issue 99-225

November 23, 1999

COMMISSION ANNOUNCEMENTS

COMMISSION MEETINGS

CLOSED MEETING - WEDNESDAY, DECEMBER 1, 1999 - 11:00 A.M.

The subject matter of the closed meeting scheduled for Wednesday, December 1, 1999, at 11:00 a.m., will be: Institution and settlement of injunctive actions; and Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

ENFORCEMENT PROCEEDINGS

CEASE AND DESIST ORDER ENTERED AGAINST WINDSWEPT ENVIRONMENTAL GROUP, INC.

On November 22, the Commission instituted administrative proceedings against Windswept Environmental Group, Inc. (Windswept or Company). The Commission simultaneously accepted Windswept's Offer of Settlement.

In its Order, the Commission found that from 1994 through October 1996, Windswept issued more than four million shares of stock, in most instances for little or no consideration, to a group of individuals who exercised undisclosed control over the Company. The Commission also found that, in its periodic filings with the Commission, Windswept failed to disclose the true circumstances surrounding the issuance of this stock and made numerous untrue statements of material fact or omitted to state material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading. The Commission further found that Windswept's books and records, including corporate resolutions, falsely reflected stock issuances to fictitious investors and shell companies, and that Windswept failed to adopt

internal accounting controls sufficient to accurately reflect the true nature of the stock issuances.

The Commission ordered Windswept to cease and desist from committing or causing the violation of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (Securities Act), and Sections 10(b), 13(a) and 13(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rules 10b-5, 12b-20, 13a-1, 13a-13, and 13b2-1 thereunder. In addition, the Commission ordered that Windswept complete certain undertakings. (Rels. 33-7780; 34-42165; File No. 3-10107)

COMMISSION ISSUES ORDER APPROVING PUBLICATION OF NOTICE OF PROPOSED PLAN OF DISGORGEMENT DISTRIBUTION AND PROCEDURES FOR COMMENT

The Commission announced that on November 23 it issued an order (Order) to the Division of Enforcement to publish a notice of the Proposed Plan of Disgorgement Distribution and Opportunity for Comment by Third Parties (Proposed Plan) in the SEC News Digest, the SEC Docket and on the SEC Internet Home Page. The Proposed Plan provides for distribution of \$200,000.00 to former retail customers of Americorp Securities, Inc. (Americorp). The funds to be distributed represent a portion of Americorp's unjust enrichment from a fraudulent scheme by Americorp and its president, Drew Edgar Schaefer, involving the March 3, 1994 initial public offering (IPO) of securities in PHC, Inc. The Order specifies that any person wishing to comment on the Proposed Plan must do so in writing within 30 days following the publication of the notice. (Rels. 33-7781; 34-42171; File No. 3-9367)

SEC OBTAINS MORE THAN \$500,000 FROM FOREIGN DEFENDANTS IN INSIDER TRADING CASE, INCLUDING SETTLEMENT WITH FORMER ABB ASEA BROWN BOVERI VICE PRESIDENT

The Commission announced that on November 19 Judge Denise L. Cote of the U.S. District Court for the Southern District of New York signed final judgments in an insider trading case requiring, among other things, payment of more than \$400,000 in settlement of the SEC's illegal insider trading charges against Ron Slegers, a former vice president of Swiss-based ABB Asea Brown Boveri Ltd., and the Dutch company he owns.

The SEC's case involves allegations of illegal insider trading in the stock and call options on the stock of Netherlands-based Elsag Bailey Process Automation, N.V. during the weeks before the October 14, 1998 public announcement that ABB had agreed to make a cash tender offer for Elsag. The SEC alleges in an amended complaint filed on November 17, 1998, among other things, that (1) Ron Slegers, then a vice president for ABB in Zurich, Switzerland, who was involved in formulating ABB's tender offer for Elsag; (2) International Structures Consulting, B.V., a Dutch company wholly owned by Slegers; and (3) Astrid Verkaik, a personal friend of Slegers', illegally purchased stock and call options on the stock of Elsag for more than \$150,000 in advance of the October 14, 1998 announcement.

Without admitting or denying the SEC's substantive allegations, Slegers, International Structures, and Verkaik consented to the entry of a final judgment permanently enjoining them from violations of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 thereunder, and requiring disgorgement of \$408,938 in trading profits plus prejudgment interest of \$26,871.53.

Independent of the settlements described above, Pierre Bottinelli, a registered representative for Schroder & Co., Inc. in Switzerland, was dismissed without prejudice as a defendant in this case.

In addition, a final judgment by default was entered against C.J. Broekema, a resident of the Netherlands, for failing to defend the SEC's action. The SEC alleged that Broekema illegally bought almost \$50,000 worth of Elsig stock the day before the public announcement of ABB's tender offer. The judgment permanently enjoins Broekema from violations of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 thereunder, and requires disgorgement of \$40,156.25 in trading profits plus prejudgment interest of \$2,075.58, and a civil penalty of \$56,018.83.

Euro Security Fund and Angelus Trading, Inc., two European-based investment funds, defendants in this or a related case, previously settled the SEC's insider trading charges involving Elsig stock purchases by consenting to the entry of final judgments requiring, among other things, payment of almost \$11 million. See Litigation Release No. 16208 (July 12, 1999).

The SEC's litigation in this case continues against the remaining ten defendants and one or more unknown other persons or entities. For more information about this case see Litigation Release Nos. 15942 (October 20, 1998) and 15981 (November 19, 1998). [SEC v. Euro Security Fund, et al., Civil Action No. 98 Civ. 7347, SDNY, DLC, MHD] (LR-16367)

INVESTMENT COMPANY ACT RELEASES

NOTICES OF DEREGISTRATIONS UNDER THE INVESTMENT COMPANY ACT

For the month of November 1999, a notice has been issued giving interested persons until December 14, 1999, to request a hearing on any of the following applications for an order under Section 8(f) of the Investment Company Act declaring that the applicant has ceased to be an investment company:

The Berwyn Fund, Inc. [File No. 811-9309]
Chicorp Equity Trust [File No. 811-6299]
CVO Greater China Fund, Inc. [File No. 811-8760]
MBL Variable Contract Account - 12 [File No. 811-5849]
(Rel. IC-24146 - November 19)

THE FIRST AUSTRALIA PRIME INCOME FUND, INC., ET AL.

A notice has been issued giving interested persons until December 13, 1999, to request a hearing on an application filed by The First Australia Prime Income Fund, Inc. and The First Commonwealth Fund, Inc. The applicants request an order under Section 6(c) of the Investment Company Act for an exemption from Section 19(b) of the Act and Rule 19b-1 under the Act to make periodic distributions of net long-term capital gains in any one taxable year with respect to their common stock and/or preferred stock, so long as they maintain in effect distribution policies. (Rel. IC-24147 - November 19)

CONNING ASSET MANAGEMENT COMPANY, ET AL.

A notice has been issued giving interested persons until December 13, 1999, to request a hearing on an application filed by Conning Asset Management Company, et al. for an order exempting applicants from Section 15(a) of the Investment Company Act. The order would permit the implementation, without prior shareholder approval, of an interim investment advisory agreement and interim subadvisory agreements (New Agreements) for a period of up to 150 days beginning on the later of the date on which Metropolitan Life Insurance Company acquires all the common stock of GenAmerica Corporation from General American Mutual Holding Company or the date the requested order is issued, and continuing until the date the New Agreements are approved or disapproved by shareholders of the relevant investment company (but in no event later than April 30, 2000) (Interim Period). The order also would permit the payment of all fees earned under the New Agreements during the Interim Period following shareholder approval. (Rel. IC-24148 - November 19)

AIM ADVISORS, INC., ET AL.

An order has been issued on an application filed by AIM Advisors, Inc., et al. for an exemption from Sections 18(c) and 18(i) of the Investment Company Act, Rule 23c-3 under the Act, and pursuant to Section 17(d) of the Act and Rule 17d-1 under the Act. The order permits certain registered closed-end investment companies to issue multiple classes of shares, and impose asset-based distribution fees and early withdrawal charges. (Rel. IC-24149 - November 22)

HOLDING COMPANY ACT RELEASES

JERSEY CENTRAL POWER & LIGHT COMPANY

An order has been issued extending through March 31, 2005, the authorization of Jersey Central Power & Light Company (JCP&L), a public utility subsidiary of GPU, Inc., a registered holding company, to acquire obligations of its electric customers, having an aggregate value of up to \$15 million, and to incur up to \$750,000 in administrative and other related expenses, arising from

participation by these customers in the JCP&L Home Energy Loan Program, Solar Water Heating Conversion Program, and Electric Heat Conversion Program. (Rel. 35-27104)

THE SOUTHERN COMPANY, ET AL.

A notice has been issued giving interested persons until December 14, 1999, to request a hearing on a proposal by The Southern Company (Southern), a registered holding company, and its subsidiaries, Alabama Power Company, Gulf Power Company, Mississippi Power Company, Savannah Electric and Power Company, Georgia Power Company, Southern Communications Services, Inc., Southern Company Energy Solutions, Inc., Southern Company Services, Inc., Southern Energy Resources, Inc., and Southern Nuclear Operating Company. Applicants request authority for Southern to issue common stock to shareholders and to employees in the Southern holding company system under the Southern Investment Plan, the Southern Company Employee Savings Plan, and the Southern Company Employee Stock Ownership Plan. (Rel. 35-27105)

NEW ENGLAND ELECTRIC SYSTEM, ET AL.

A notice has been issued giving interested persons until December 14, 1999, to request a hearing on a proposal by New England Electric System (NEES), a registered holding company, all of its utility and nonutility subsidiaries, and Eastern Utilities Associates (EUA), a registered holding company, and all of its utility and nonutility subsidiaries, (Applicants) for EUA to merge with and into NEES, with NEES as the surviving entity (Transaction). In addition, Applicants propose that NEES' and EUA's utility subsidiaries merge, with NEES' utility subsidiaries as the surviving entities (Utility Subsidiary Mergers). As part of the Utility Subsidiary Mergers, Applicants propose that one of NEES' utility subsidiaries assume the pollution control revenue bonds and preferred stock of the EUA utility subsidiary it is acquiring. Applicants also seek authority for the indirect acquisition by NEES of EUA's nonutility subsidiaries and for the merger of NEES' and EUA's service companies, with NEES' service company as the surviving entity. Applicants also propose for NEES to assume certain of EUA's guaranty of certain EUA and EUA subsidiary debt instruments. Further, NEES seeks additional short-term borrowing authority, if necessary, to consummate the Transaction. Applicants also propose that the EUA subsidiaries be allowed to participate in the NEES system money pool. Applicants also propose that NEES and its subsidiaries be allowed to pay dividends out of capital or unearned surplus. (Rel. 35-27105)

NORTHEAST UTILITIES, ET AL.

A notice has been issued giving interested persons until December 14, 1999, to request a hearing on a proposal by Northeast Utilities (NU), a registered public utility holding company, and its subsidiaries. Applicants propose to pay dividends and/or repurchase stock out of capital or unearned surplus. NU also proposes to issue shares of stock. (Rel. 35-27105)

NORTHEAST UTILITIES, ET AL.

A notice has been issued giving interested persons until December 14, 1999, to request a hearing on a proposal by Northeast Utilities (NU), a registered holding company and Northeast Generation Services Company (NGSC) an indirect nonutility subsidiary of NU. NU proposes to: (1) enter into assumption agreements; (2) make capital contributions, through June 30, 2001, in an aggregate amount not to exceed \$475 million; and (3) use financing proceeds to invest in exempt wholesale generators (EWG) and foreign utility companies (FUCO) and to issue guarantees of the obligations of these entities in an amount that, when added to NU's aggregate investment in EWGs and FUCOs would not at any time exceed 100% of NU's consolidated retained earnings. NGSC also proposes to provide services to Northeast Generation Company at other than cost. (Rel. 35-27105)

CHEVRON CORPORATION, ET AL.

A notice has been issued giving interested persons until December 14, 1999, to request a hearing on a proposal by Chevron Corporation (Chevron), Chevron U.S.A. Inc. (Chevron USA), Illinova Corporation (Illinova), an Illinois public-utility holding company exempt from registration under Section 3(a)(1) of the Act, and Energy Convergence Holding Company (New Dynegy) that New Dynegy acquire Illinova. New Dynegy states that it will qualify for an exemption from registration under Section 3(a)(1) of the Act and Rule 2 under the Act. Chevron and Chevron USA will seek no-action relief under Section 2(a)(7) of the Act concerning their status following the acquisition. (Rel. 35-27105)

NEW CENTURY ENERGIES, INC., ET AL.

A supplemental order has been issued authorizing a proposal by New Century Energies, Inc. (New Century), a registered holding company, Public Service Company of Colorado, an electric and gas utility subsidiary company of New Century, and NC Enterprises (Enterprises), an intermediate subsidiary holding company of New Century (together, Applicants). The Applicants propose to extend the authorization period specified in an earlier order for Enterprises to enter into a sales-leaseback agreement and related transactions. (Rel. 35-27106)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The Philadelphia Stock Exchange filed a proposed rule change (SR-Phlx-99-42) relating to Exchange Rule 98 and the structure of its Emergency Committee, and other changes. (Rel. 34-42156)

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-98-74) relating to amendments to NASD Rule 3110(f) governing the use of predispute arbitration agreements with customers. Publication of the proposal is expected in the Federal Register during the week of November 22. (Rel. 34-42160)

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

- S-3 RESEARCH ENGINEERS INC, 22700 SAVI RANCH PARKWAY, YORBA LINDA, CA 92887
(714) 974-2500 - 1,149,208 (\$10,630,174) COMMON STOCK. (FILE 333-11138 - OCT. 13) (BR. 3)
- S-3 AT HOME CORP, 450 BROADWAY STREET, REDWOOD CITY, CA 94063 (650) 569-5000
- 4,610,968 (\$184,524,060) COMMON STOCK. (FILE 333-91001 - NOV. 16)
(BR. 3)
- S-3 SYNOVUS FINANCIAL CORP, 901 FRONT AVENUE, STE 301, COLUMBUS, GA 31901
(706) 649-2267 - 902,798 (\$19,608,772) COMMON STOCK. (FILE 333-91007 - NOV. 16) (BR. 7)
- S-8 SNYDER COMMUNICATIONS INC, 6903 ROCKLEDGE DR 15TH FL,
TWO DEMOCRACY CENTER, BETHESDA, MD 20817 (301) 468-1010 - 23,400,000
(\$322,762,500) COMMON STOCK. (FILE 333-91009 - NOV. 16) (BR. 8)
- S-3 DOUBLE EAGLE PETROLEUM & MINING CO, 777 OVERLAND TRAIL, PO BOX 766,
CASPER, WY 82602 (307) 237-9330 - 500,000 (\$1,928,600) COMMON STOCK.
(FILE 333-91013 - NOV. 16) (BR. 4)
- S-8 PROGRESSIVE TELECOMMUNICATIONS CORP, 601 CLEVELAND STREET, SUITE 930,
CLEARWATER, FL 33755 (727) 466-9898 - 331,500 (\$1,614,375) COMMON STOCK.
(FILE 333-91023 - NOV. 16) (BR. 5)
- S-8 AMERICAN BIO MEDICA CORP, 122 SMITH ROAD, KINDERHOOK, NY 12106
(800) 227-1243 - 2,000,000 (\$4,529,728) COMMON STOCK (FILE 333-91025 - NOV. 16) (BR. 9)
- S-8 DOW CHEMICAL CO /DE/, 2030 DOW CENTER, MIDLAND, MI 48674 (517) 636-1000
- 100,000,000 (\$100,000,000) COMMON STOCK. (FILE 333-91027 - NOV 16)
(BR. 2)
- S-8 INTERPHASE CORP, 13800 SENLAC DR, DALLAS, TX 75234 (214) 654-5000 -
1,000,000 (\$17,450,000) COMMON STOCK. (FILE 333-91029 - NOV 16) (BR 3)

- S-8 US CAN CORP, 900 COMMERCE DR, SUITE 302, OAK BROOK, IL 60521
(708) 571-2500 - 258,600 (\$4,937,644) COMMON STOCK. (FILE 333-91031 -
NOV. 16) (BR. 6)
- S-4 CH ENERGY GROUP INC, 284 SOUTH AVE, Poughkeepsie, NY 12601
(914) 452-2000 - 200,000 (\$7,387,500) COMMON STOCK. (FILE 333-91033 -
NOV. 16) (BR. 2)
- S-2 BELMONT BANCORP, 325 MAIN ST, BRIDGEPORT, OH 43912 (740) 695-3323 -
\$10,000,000 COMMON STOCK. (FILE 333-91035 - NOV. 16) (BR. 7)
- S-3 VIDEO CITY INC, 370 ANAPOLA AVENUE SUITE 208, TORRANCE, CA 90501
(310) 533-3900 - 1,149,226 (\$1,845,277) COMMON STOCK. (FILE 333-91037 -
NOV. 16) (BR. 5)
- S-3 SICOR INC, 19 HUGHES, IRVINE, CA 92618 (949) 455-4700 - 9,542,500
(\$43,836,336.50) COMMON STOCK. (FILE 333-91039 - NOV. 16) (BR. 1)
- S-8 INTEGRATED ELECTRICAL SERVICES INC, 515 POST OAK BLVD, SUITE 450,
HOUSTON, TX 77027 (713) 860-1500 - 2,000,000 (\$25,750,000) COMMON STOCK.
(FILE 333-91041 - NOV. 16) (BR. 6)
- S-8 STOCKGROUP COM HOLDINGS INC, 1000 789 W PENDER STREET,
VANCOUVER BRITISH COLUMBIA, CANADA V6C 1H2, A2 (604) 331-0995 - 2,000,000
(\$3,820,100) COMMON STOCK. (FILE 333-91043 - NOV. 16) (BR. 9)
- S-8 ONSALE INC, 1350 WILLOW ROAD, SUITE 100, MENLO PARK, CA 94025
(650) 470-2400 - 1,631,333 (\$32,626,660) COMMON STOCK. (FILE 333-91045 -
NOV. 16) (BR. 2)
- S-8 SAFETY 1ST INC, 210 BOYLSTON ST, CHESTNUT HILL, MA 02167 (617) 964-7744
- 816,854 (\$4,003,540) COMMON STOCK. (FILE 333-91047 - NOV. 16) (BR. 6)
- SB-2 BIG FLASH CORP, 56 WEST 400 SOUTH, STE 220, SALT LAKE CITY, UT 84101
(801) 322-3401 - 1,500,000 (\$150,000) COMMON STOCK. (FILE 333-91049 -
NOV. 16) (NEW ISSUE)
- S-3 VERIO INC, 8005 SOUTH CHESTER STREET, SUITE 200, ENGLEWOOD, CO 80112
(303) 645-1900 - 7,200,000 (\$349,200,000) PREFERRED STOCK. 9,195,311
(\$77,318,521.88) COMMON STOCK. (FILE 333-91051 - NOV. 16) (BR. 3)
- S-8 URS CORP /NEW/, 100 CALIFORNIA ST, STE 500, SAN FRANCISCO, CA 94111
(415) 774-2700 - 6,900,000 (\$139,110,120) COMMON STOCK (FILE 333-91053 -
NOV. 16) (BR. 6)
- S-8 FIRSTAMERICA AUTOMOTIVE INC /DE/, 601 BRANNAN STREET,
C/O S EDMUND RESCINITI, SAN FRANCISCO, CA 94107 (702) 329-4990 - 1,500,000
(\$1,470,000) COMMON STOCK. (FILE 333-91055 - NOV. 16) (BR. 2)
- S-8 CAPITAL HOLDINGS INC, 5520 MONROE ST, SYLVANIA, OH 43560 (419) 885-7379
- 200,000 (\$5,750,000) COMMON STOCK. (FILE 333-91057 - NOV. 16) (BR. 7)
- S-8 NEXT LEVEL COMMUNICATIONS INC, 6085 STATE FARM DRIVE, LOHNERT PARK, CA
94928 (707) 584-6820 - 16,550,785 (\$331,015,700) COMMON STOCK. (FILE
333-91059 - NOV. 16) (BR. 7)
- S-8 CAPITAL HOLDINGS INC, 5520 MONROE ST, SYLVANIA, OH 43560 (419) 885-7379
- 477,000 (\$13,713,750) COMMON STOCK. (FILE 333-91061 - NOV 16) (BR 7)
- S-8 CAPITAL HOLDINGS INC, 5520 MONROE ST, SYLVANIA, OH 43560 (419) 885-7379
- 86,541 (\$951,951) COMMON STOCK. (FILE 333-91063 - NOV. 16) (BR 7)
- S-8 COMMERCIAL FEDERAL CORP, 2120 S 72ND ST, OMAHA, NE 68124 (402) 554-9200
- 48,480 (\$965,055) COMMON STOCK. (FILE 333-91065 - NOV 16) (BR. 7)
- S-8 TRINITY INDUSTRIES INC, 2525 STEMMONS FREEWAY, DALLAS, TX 75207
(214) 631-4420 - 750,000 (\$21,750,000) COMMON STOCK. (FILE 333-91067 -
NOV. 16) (BR. 5)
- S-4 INTRAWARE INC, 25 ORINDA WAY, ORINDA, CA 94563 (925) 446-8729 -
\$36,550,000 COMMON STOCK. (FILE 333-91069 - NOV 16) (BR 7)

- S-3 ZOLL MEDICAL CORPORATION, 32 SECOND AVENUE, BURLINGTON, MA 01803
(617) 229-0020 - 218,059 (\$8,286,242) COMMON STOCK. (FILE 333-91071 -
NOV. 16) (BR. 5)
- S-3 CALIFORNIA MICRO DEVICES CORP, 215 TOPAZ ST, MILPITAS, CA 95035
(408) 263-3214 - 980,000 (\$6,308,750) COMMON STOCK. (FILE 333-91073 -
NOV. 16) (BR. 5)
- S-8 CIT GROUP INC, 1211 AVE OF THE AMERICAS, NEW YORK, NY 10036
(212) 536-1390 - 11,297,000 (\$256,328,930) COMMON STOCK. (FILE 333-91075 -
NOV. 16) (BR. 7)
- S-8 CIT GROUP INC, 1211 AVE OF THE AMERICAS, NEW YORK, NY 10036
(212) 536-1390 - 500,000 (\$11,345,000) COMMON STOCK. (FILE 333-91077 -
NOV. 16) (BR. 7)
- S-8 CIT GROUP INC, 1211 AVE OF THE AMERICAS, NEW YORK, NY 10036
(212) 536-1390 - 5,100,000 (\$115,719,000) COMMON STOCK. (FILE 333-91079 -
NOV. 16) (BR. 7)
- S-8 COLOPMAX TECHNOLOGIES INC, 14251 A CHAMBERS ROAD, TUSTIN, CA 92780
(714) 666-2020 - 250,000 (\$1,318,750) COMMON STOCK. (FILE 333-91081 -
NOV. 17) (BR. 5)
- S-3 SONOSITE INC, PO BOX 3003, 22100 BOTHEL EVERETT HWY, BOTHELL, WA 98041
- 1,250,000 (\$40,625,000) COMMON STOCK. (FILE 333-91083 - NOV. 17)
(BR. 5)
- S-1 VIGNETTE CORP, 901 SOUTH MOPAC EXPRESSWAY, SUITE 300, AUSTIN, TX 78746
(512) 502-0223 - 1,413,925 (\$246,729,913) COMMON STOCK. (FILE 333-91085 -
NOV. 17) (BR. 3)