

SEC NEWS DIGEST

Issue 97-79

April 24, 1997

ENFORCEMENT PROCEEDINGS

COMPLAINT FILED AGAINST JERRY KILGORE

The Central Regional Office announced that on March 28 the Commission filed a complaint in the U.S. District Court for the District of Colorado seeking a permanent injunction and officer and director bar against and civil penalties in the amount of \$25,000 from, Jerry G. Kilgore of Aurora, Colorado, the former president, treasurer and director of Microtech Medical Systems, Inc. (Microtech).

According to the complaint, between 1992 and 1994 Kilgore misappropriated approximately \$370,000 from Microtech by making unauthorized withdrawals from Microtech's bank account and by causing Microtech to pay unauthorized bonuses to himself and unearned consulting fees to relatives. The Commission further alleged that Kilgore falsified Microtech's books and records and made false statements to Microtech's accountants with the result that Microtech's financial statements were materially false and misleading. [SEC v. Jerry G. Kilgore, USDC, D. Colo. Civ. Act. No. 97-Z-633] (LR-15345)

MOTION FOR JUDGMENT OF CIVIL CONTEMPT FILED AGAINST JAY BISHOP, FORMER CEO OF CONTINENTAL WIRELESS CABLE TELEVISION, INC.; JUDGMENT ENTERED AGAINST CONTINENTAL

On April 21, the Commission filed a motion for judgment of civil contempt against Jay R. Bishop, based on his failure to pay any but a small portion of the \$995,000 in disgorgement as ordered by the judgment entered February 12, 1996, by the Honorable Edward J. Schwartz, United States District Judge for the Southern District of California, after granting the Commission's motion for summary judgment. Previously, on September 20, 1995, the Court entered an order permanently enjoining Bishop from further violations of the securities registration provisions of Sections 5(a) and 5(c) of the Securities Act of 1933, the antifraud provisions of Section 17(a) of the Securities Act and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and the broker-dealer registration provisions of Section 15(a)(1) of the Exchange Act. Bishop had fraudulently offered and sold securities in the form of

interests in two wireless cable television "general partnerships," resulting in misappropriation of approximately 75% of \$39 million raised from 2,574 investors.

On April 17, the Court permanently enjoined Continental, pursuant to its consent, from violations of the above provisions, and ordered that its Receiver disgorge all receivership assets, less Court-approved fees and expenses, pursuant to a distribution plan to be approved by the Court. For further information see LR-14118, LR-14163, LR-14630, LR-14690, and LR-14800. [SEC v. Continental Wireless Cable Television, Inc., et al., Civil Action No. 94-0737S, CGA, S.D. Cal.] (LR-15347)

SETTLEMENT REACHED WITH ANOTHER DEFENDANT IN INSIDER TRADING CASE

The Commission announced that on March 3 the United States District Court for the Southern District of New York entered a Final Consent Judgment of Permanent Injunction and Other Relief against Jeffrey F. Green. According to the Commission's complaint, filed on March 6, 1995, Green engaged in insider trading by purchasing the stock of Motel 6, L.P., and Norton Co. while in possession of material, nonpublic information concerning planned tender offers for those companies (SEC v. Borlinghaus, et al., 95 Civ. 1520, SDNY).

The consent judgment permanently enjoins Green from further violations of the antifraud provisions of the federal securities laws (specifically, Sections 10(b) and 14(e) of the Securities Exchange Act of 1934, and Rules 10b-5 and 14e-3 promulgated thereunder), and orders Green to disgorge profits of \$421,261, plus prejudgment interest on that amount. However, all but \$179,800 of the disgorgement and prejudgment interest is waived based on Green's demonstrated inability to pay, and a civil penalty was not imposed.

Green also consented to an administrative order to be entered barring him from association with any broker, dealer, investment company, investment adviser or municipal securities dealer. [SEC v. Michale Borlinghaus, Joseph Latona, Leonard Bellezza, Jeffrey F. Green, Joseph P. Greenwald, and Heinz Grein, 95 Civ. 1520, USDC, SDNY, JFK] (LR-15346)

CORRECTION

The April 23 issue of the Digest announced that on April 26 a temporary restraining order was entered freezing the assets of Stephen J. Murphy a.k.a. Jack Davis (LR-15344). In fact, the temporary restraining order was entered on April 21.

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change submitted by the Pacific Stock Exchange (SR-PSE-97-01) to clarify the scope of the Exchange's rule concerning the limited liability of the Exchange, its affiliates, index licensors, and administrators in connection with indexes on which options are listed or traded on the Exchange. (Rel. 34-38530)

The Commission approved a proposed rule change filed by the National Association of Securities Dealers (SR-NASD-97-11) relating to the release of disciplinary information. Publication of the order is expected in the Federal Register during the week of April 21. (Rel. 34-38537)

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-1 GENERAL GEOPHYSICS CO, 1 RUE LEON MIGAUX, 91341 MASSY FRANCE, IO -
1,035,000 (\$86,246,550) FOREIGN COMMON STOCK (FILE 333-6800 - APR 16)
(BR 4)
- F-6 COMPAGNIE GENERALE DE GEOPHYSIQUE /ADR/, 48 WALL ST,
C/O BANK OF NEW YORK, NEW YORK, NY 10286 (212) 815-1727 - 20,000,000
(\$1,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK (FILE 333-6804 -
APR 16) (BR 4)
- S-1 ACORN PRODUCTS INC, 500 DUBLIN AVENUE, COLUMBUS, OH 43216 (614) 222-4400
- \$48,500,000 COMMON STOCK (FILE 333-25325 - APR 17) (BR 6 - NEW ISSUE)
- S-3 AMERICAN REAL ESTATE INVESTMENT CORP, 1670 BROADWAY, SUITE 3350, DENVER,
CO 80202 (303) 869-4700 - 1,419,465 (\$14,133,047) COMMON STOCK (FILE
333-25327 - APR 17) (BR. 8)
- SB-2 MAXIMUS FUND I LLC, 8318 N UNIVERSITY, PEORIA, IL 61615 (309) 691-5706
- 25,000 (\$25,000,000) LIMITED PARTNERSHIP CERTIFICATE (FILE 333-25331 -
APR 17) (BR 9 - NEW ISSUE)
- S-8 ASAHI AMERICA INC, 35 GREEN ST, MALDEN, MA 02148 (317) 321-5409 -
150,000 (\$1,106,250) COMMON STOCK (FILE 333-25333 - APR 17) (BR 6)
- S-8 ASAHI AMERICA INC, 35 GREEN ST, MALDEN, MA 02148 (317) 321-5409 -
20,000 (\$150,000) COMMON STOCK (FILE 333-25335 - APR 17) (BR 6)
- S-8 ASAHI AMERICA INC, 35 GREEN ST, MALDEN, MA 02148 (317) 321-5409 -
330,000 (\$2,499,032.50) COMMON STOCK (FILE 333-25337 - APR 17) (BR 6)
- S-1 DATAFLEX CORP, 2145 CALUMET ST, CLEARWATER, FL 34625 (908) 321-1100 -
270,000 (\$894,375) COMMON STOCK (FILE 333-25339 - APR 17) (BR 3)
- S-3 ECOSCIENCE CORP/DE, 10 ALVIN COURT, EAST BRUNSWICK, NJ 08816
(908) 432-8200 - 1,196,000 (\$1,722,240) COMMON STOCK (FILE 333-25341 -
APR 17) (BR 4)

S-8 NATIONAL COMPUTER SYSTEMS INC, 11000 PRAIRIE LAKES DR, EDEN PRAIRIE, MN 55344 (612) 829-3000 - 15,874 (\$396,850) COMMON STOCK (FILE 333-25343 - APR 17) (BR 3)

S-3 COLUMBUS ENERGY CORP, 1660 LINCOLN ST #2400, DENVER, CO 80264 (303) 861-5252 - 450,029 (\$4,444,036) COMMON STOCK. (FILE 333-25345 - APR 17) (BR 4)

S-3 CONSOLIDATED NATURAL GAS CO, 625 LIBERTY AVE CNG TOWER, 22ND FL, PITTSBURGH, PA 15222 (412) 227-1000 (FILE 333-25347 - APR 17) (BR 4)

S-8 AMRESKO INC, 700 N PEARL ST, SUITE 2400 LB 342, DALLAS, TX 75201 (214) 953-7700 - 3,875,000 (\$66,639,531) COMMON STOCK. (FILE 333-25349 - APR 17) (BR 8)

S-3 RAILAMERICA INC /DE/, 301 YAMATO RD STE 1190, 1800 DIAGONAL RD, BOCA RATON, FL 33431 (407) 994-6015 - 3,656,440 (\$16,673,366) COMMON STOCK (FILE 333-25351 - APR. 17) (BR 5)

S-3 AMRESKO INC, 700 N PEARL ST, SUITE 2400 LB 342, DALLAS, TX 75201 (214) 953-7700 - 1,590,947 (\$26,151,191.31) COMMON STOCK (FILE 333-25353 - APR 17) (BR 8)

S-4 DYNACORP, 2000 EDMUND HALLEY DR, RESTON, VA 22091 (703) 264-0330 - 100,000,000 (\$99,484,000) STRAIGHT BONDS (FILE 333-25355 - APR. 17) (BR 6)

S-3 SPARTAN MOTORS INC, 1000 REYNOLDS RD, P O BOX 440, CHARLOTTE, MI 48813 (517) 543-6400 - 200,000 (\$1,350,000) COMMON STOCK. (FILE 333-25357 - APR 17) (BR 5)

S-8 ALL AMERICAN FOOD GROUP INC, 9 LAW DRIVE, FAIRFIELD, NJ 07006 (201) 244-9336 - 600,000 (\$750,000) COMMON STOCK. (FILE 333-25359 - APR 17) (BR 9)

S-3 PROVIDENT COMPANIES INC /DE/, 1 FOUNTAIN SQUARE, CHATTANOOGA, TN 37402 (615) 755-1011 - 6,805,125 (\$377,684,440) COMMON STOCK (FILE 333-25361 - APR 17) (BR 1)

S-8 ARK RESTAURANTS CORP, 85 FIFTH AVENUE, NEW YORK, NY 10003 (212) 206-8800 - 270,000 (\$2,497,500) COMMON STOCK (FILE 333-25363 - APR 17) (BR 2)

S-1 3DFX INTERACTIVE INC, 4435 FORTRAN DR, SAN JOSE, CA 95134 (408) 935-4400 - \$41,055,000 COMMON STOCK. (FILE 333-25365 - APR 17) (BR. 6)

S-8 XIRCOM INC, 2300 CORPORATE CENTER DR, THOUSAND OAKS, CA 91320 (805) 376-9300 - 950,000 (\$12,882,000) COMMON STOCK (FILE 333-25367 - APR 17) (BR 3)

S-8 ARQULE INC, 200 BOSTON AVE, MEDFORD, MA 02155 (617) 395-4100 - 125,000 (\$1,746,094) COMMON STOCK (FILE 333-25369 - APR 17) (BR 1)

S-8 ARQULE INC, 200 BOSTON AVE, MEDFORD, MA 02155 (617) 395-4100 - 2,672,828 (\$37,336,067) COMMON STOCK (FILE 333-25371 - APR 17) (BR 1)

S-8 XCELLENET INC /GA/, 5 CONCOURSE PKWY STE 850, ATLANTA, GA 30328 (770) -80-4-81 - 3,000,000 (\$45,824,325 75) COMMON STOCK (FILE 333-25373 - APR 17) (BR 3)

S-4 AMCORE FINANCIAL INC, 501 SEVENTH ST, P O BOX 1537, ROCKFORD, IL 61104 (815) 968-2241 - 40,000,000 (\$40,000,000) STRAIGHT BONDS (FILE 333-25375 - APR 17) (BR 7)

S-3 DRESS BARN INC, 30 DUNNIGAN DR, SUFFERN, NY 10901 (914) 369-4600 - 2,300,000 (\$32,637,000) COMMON STOCK (FILE 333-25377 - APR 17) (BR. 2)

S-8 TESORO PETROLEUM CORP /NEW/, 8700 TESORO DR, SAN ANTONIO, TX 78217 (210) 828-8484 - 1,650,000 (\$17,428,125) COMMON STOCK. (FILE 333-25379 - APR 17) (BR 4)

S-3 SUNTRUST CAPITAL II, 303 PEACHTREE ST N E , ATLANTA, GA 30308 -
\$600,000,000 PREFERRED STOCK (FILE 333-25381-02 - APR 17) (BR 7
- NEW ISSUE)

S-4 GENERAL CIGAR HOLDINGS INC, 387 PARK AVENUE SOUTH, NEW YORK, NY 10016
(212) 448-3808 - 4,554,710 (\$423,303,361) COMMON STOCK (FILE 333-25383 -
APR 17) (BR. 2)

S-4 SYLVAN LEARNING SYSTEMS INC, 1000 LANCASTER ST, BALTIMORE, MD 21202
(410) 843-8000 - 24,516,622 (\$686,465,416) COMMON STOCK (FILE 333-25385 -
APR 18) (BR. 7)

S-8 SOUTHTRUST CORP, 420 N 20TH ST, BIRMINGHAM, AL 35203 (205) 254-5000 -
38,234 (\$571,598 30) COMMON STOCK (FILE 333-25387 - APR 18) (BR 7)

SB-2 GLOBAL TELECOMMUNICATION SOLUTIONS INC, 40 ELMONT ROAD, ELMONT, NY 11003
(516) 326-1940 - \$23,000,000 COMMON STOCK \$2,200,000
WARRANTS, OPTIONS OR RIGHTS (FILE 333-25389 - APR 18) (BR 9)



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

News
Release

FOR IMMEDIATE RELEASE

97-36

SEC OPEN MEETING

Washington, D.C., April 24, 1997 -- Pursuant to provisions of the Government in the Sunshine Act, the Securities and Exchange Commission will hear oral argument on an appeal by Suzanne L. Cook from an administrative law judge's initial decision; and oral argument on an appeal by Richard H. Morrow from an administrative law judge's initial decision. The public hearings will be held on Friday April 25, starting at 9:30 a.m., in Room 6059, at Commission Headquarters, 450 Fifth Street, N.W., Washington, D.C.

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Any member of the public who requires auxiliary aids such as a sign-language interpreter or material on tape to attend a public meeting should contact Rochelle Franks, Office of Administrative and Personnel Management, to make arrangements. Ms. Franks can be reached at (202) 942-9558, or at a TTY number (202) 942-4075. Staff members at the Commission are encouraged to contact Ms. Franks if they receive inquiries on availability of auxiliary aids.