

# SEC NEWS DIGEST

Issue 97-82

April 29, 1997

---

## ENFORCEMENT PROCEEDINGS

---

### INVESTMENT ADVISER SETTLES FAILURE TO SUPERVISE CHARGES WITH THE COMMISSION

Alliance Capital Management L.P. (Alliance) submitted an offer of settlement, which the Commission accepted, in connection with its failure reasonably to supervise Roger W. Honour (Honour), who was a portfolio manager employed by Alliance between 1990 and 1992. Alliance agreed to be censured, pay a \$100,000 penalty and retain an independent consultant to review and revise its personal trading policies and oversight procedures.

Alliance's supervisory failures allowed Honour to engage in a pattern of personal trading in conflict of interest with Alliance's clients. While at Alliance, he traded on 23 instances in securities in which Alliance's clients were also trading under conditions that resulted in a conflict of interest. His trading created a conflict because of the proximity of his personal trades and client trades, and the low trading volume of the security he was trading, in comparison to the size of the clients' trades. (Rel. IA-1630)

### COMMISSION ALLEGES INSIDER TRADING BY DAVID SCHMIDT AND WILLARD WHITEHURST

The Commission announced today the filing of a complaint in federal court in the District of Columbia against David A. Schmidt and Willard A. Whitehurst for insider trading in connection with purchases of Purolator Products Company common stock. Schmidt consented to the entry of a final judgment enjoining him from violating Sections 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3, ordering him to disgorge \$105,241.99, plus prejudgment interest of \$23,332.96, and ordering him to pay a penalty of \$68,206.93. Whitehurst similarly consented to the entry of a final judgment enjoining him from violating the same provisions, ordering him to disgorge \$4,240.62, plus prejudgment interest of \$940.16, and ordering him to pay a penalty of \$19,826.56.

According to the complaint, in September 1994, Whitehurst, while in possession of material, nonpublic information concerning negotiations between Mark IV Industries, Inc. and Purolator, caused Schmidt to purchase 575 shares of Purolator common stock for Whitehurst and tipped Schmidt about the negotiations. Schmidt also purchased 4,325 shares for himself, and his three tippees purchased 10,273 shares. The purchasers realized total profits of about \$109,483. [SEC v. David A. Schmidt and Willard A. Whitehurst, Civil Action No. 97-878, JLG, DDC] (LR-15352)

---

#### INVESTMENT COMPANY ACT RELEASES

---

##### INTRUST KANSAS TAX EXEMPT BOND FUND, ET AL.

An order has been issued on an application filed by INTRUST Kansas Tax Exempt Bond Fund (Acquiring Fund), a series of INTRUST Funds Trust, SEI Kansas Tax Free Income Portfolio (Reorganizing Portfolio), a series of the SEI Tax Exempt Trust, INTRUST Bank, N.A., and SEI Fund Management under Section 17(b) granting an exemption from Section 17(a) of the Investment Company Act. The order permits the Acquiring Fund to acquire all of the assets and assume all of the stated liabilities of the Reorganizing Portfolio. Because of certain affiliations, applicants may not rely on Rule 17a-8 under the Act. (Rel. IC-22638 - April 25)

##### WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 5 AND 6, ET AL.

A notice has been issued giving interested persons until May 23 to request a hearing on an application filed by WNC Housing Tax Credit Fund VI, L.P., Series 5 and 6 (Partnership), and its general partner, WNC & Associates, Inc. for an order under Section 6(c) of the Investment Company Act. The order would exempt the Partnership from all provisions of the Act and permit the Partnership to invest in limited partnerships that engage in the ownership and operation of apartment complexes for low and moderate income persons. (Rel. IC-22639 - April 28)

---

#### HOLDING COMPANY ACT RELEASES

---

##### WESTERN MASSACHUSETTS ELECTRIC COMPANY

An order has been issued authorizing Western Massachusetts Electric Company (WMECO), a wholly owned electric utility subsidiary of Northeast Utilities, a registered holding company, to organize a wholly owned special purpose corporation, to be called WMECO Receivables Corporation (WRC), for the sole purpose of purchasing certain of WMECO's eligible accounts receivable. The order also authorizes WRC to issue shares of common stock, and WMECO to acquire those shares. WMECO may also make, directly and indirectly, general

and initial equity contributions to WRC. (Rel. 35-26710)

#### MINERAL ENERGY COMPANY

A notice has been issued giving interested persons until May 19 to request a hearing on a proposal by Mineral Energy Company (MEC), a California corporation not currently subject to the Public Utility Holding Company Act, to acquire all of the issued and outstanding common stock of Pacific Enterprises and Enova Corporation, each an exempt intrastate holding company. MEC also requests an exemption from all provisions of the Act, except Section 9(a)(2), following consummation of the proposed transactions. (Rel. 35-26711)

#### CINERGY CORP., ET AL.

A notice has been issued giving interested persons until May 19 to request a hearing on a proposal by Cinergy Corp., a registered holding company (Cinergy), Cinergy Investments, Inc. (Investments), Cinergy Services, Inc., PSI Energy, Inc., (PSI), and The Cincinnati Gas & Electric Company (CG&E), each a subsidiary of Cinergy, and Lawrenceburg Gas Company (Lawrenceburg), The West Harrison Gas and Electric Company (West Harrison), The Union Light, Heat & Power Company (Union), Miami Power Corporation (Miami), Tri-State Improvement Company and KO Transmission Company, each a subsidiary of CG&E. Applicants request authority through December 31, 2002 for: certain Cinergy subsidiaries to borrow and lend funds under a money pool; PSI, Union, Lawrenceburg, Miami and West Harrison to incur short-term borrowings; and Cinergy and Investments to guarantee the debt and other obligations of certain Cinergy subsidiaries. (Rel. 35-26711)

---

#### TRUST INDENTURE ACT RELEASES

---

#### DAIMLER-BENZ AKTIENGESELLSCHAFT

The Commission has issued an order under Section 304(d) of the Trust Indenture Act on an application by Daimler-Benz Aktiengesellschaft (Company). With respect to the 5 3/4% Subordinated Mandatory Convertible Notes to be issued by the Company (Notes), the Commission conditionally exempts the Notes and the Company from the requirements of Sections 310 through 318 of the Act to the extent such requirements otherwise would apply. With respect to an indenture (Indenture) among the Company and Citibank N.A. as trustee (Trustee), the Commission conditionally exempts specified provisions of the Indenture, the Trustee, and the Company from the requirements of Section 316(b), Section 317(a), and Section 310(a)(5) of the Act to the extent such requirements otherwise would apply. (Rel. TI-2353)

---

## SIGNIFICANT NO-ACTION, EXEMPTIVE AND INTERPRETIVE LETTERS

---

### NO-ACTION LETTER ISSUED UNDER SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT

The staff of the Division of Investment Management has issued a no-action letter stating that it would not recommend enforcement action to the Commission if issuers intending to rely on the exclusion from regulation under Section 3(c)(7) of the Investment Company Act issue securities to qualified purchasers in accordance with rules adopted by the Commission in Investment Company Act Release No. IC-22597 (Rules), prior to the effective date of the Rules.

The staff expressed the view that it would not recommend enforcement action provided that an issuer will issue its securities only to persons who meet the definition of qualified purchaser under the Act and the requirements of the Rules at the time of their acquisition of such securities, and in the event that the Rules do not take effect (or continue) pursuant to a joint resolution of disapproval under the procedures set forth in the Small Business Regulatory Enforcement Fairness Act of 1996 (a Disapproval), will fully comply with any new rules that the Commission may adopt in response to the Disapproval and take all action necessary to comply with such new rules as if they had been in effect since April 9, 1997. The position is limited to actions taken by issuers prior to the earlier of the effective date of the Rules, or any Disapproval occurring prior to the effective date. [Davis Polk & Wardwell, pub. avail. Apr. 24, 1997.] (File No. 132-3; Ref. No. 97-177-CC)

---

## 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-6 DAIMLER BENZ AKTIENGESELLSCHAFT /ADR/, 111 WALL ST, C/O CITIBANK NA,  
NEW YORK, NY 10043 (212) 657-7527 - 40,000 (\$200,000)  
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-6796 - APR. 16) (BR 99  
- NEW ISSUE)

F-6 DAIMLER BENZ AKTIENGESELLSCHAFT /ADR/, 111 WALL ST, C/O CITIBANK NA,  
NEW YORK, NY 10043 (212) 657-7527 - 400,000 (\$200,000)  
DEPOSITARY RECEIPTS FOR COMMON STOCK (FILE 333-6798 - APR. 16) (BR 99)

S-3 ENERGY BIOSYSTEMS CORP, 4200 RESEARACH FOREST DR, THE WOODLANDS, TX  
77381 (713) 364-6100 - 6,500,000 (\$35,750,000) COMMON STOCK (FILE  
333-25583 - APR. 22) (BR. 1)

S-8 CLASSIC RESTAURANTS INTERNATIONAL INC /CO/,  
3091 GOVERNORS LAKE DR BLDG 100 STE 500, SUITE 14, NORCROSS, GA 30071  
(770) 729-9010 - 390,000 (\$536,250) COMMON STOCK (FILE 333-25585 -  
APR 22) (BR. 9)

S-8 DOMINION RESOURCES INC /VA/, 901 E BYRD ST, WEST TOWER, P O BOX 26532,  
RICHMOND, VA 23219 (804) 775-5700 - 3,000,000 (\$103,125,000) COMMON STOCK  
(FILE 333-25587 - APR 22) (BR. 4)

S-8 KING WORLD PRODUCTIONS INC, 1700 BROADWAY, NEW YORK, NY 10019  
(212) 315-4000 - 1,000,000 (\$35,625,000) COMMON STOCK (FILE 333-25591 -  
APR 22) (BR 5)

S-1 SYSCOMM INTERNATIONAL CORP, 275 MARCUS BLVD, HAUPPAUGE, NY 11788  
(516) 273-2300 - 2,160,000 (\$16,256,160) COMMON STOCK (FILE 333-25593 -  
APR 22) (BR 3 - NEW ISSUE)

S-8 BANKUNITED FINANCIAL CORP, 255 ALHAMBRA CIRCLE, CORAL GABLES, FL 33134  
(305) 569-2000 - 1,100,000 (\$11,000,000) COMMON STOCK 100,000  
(\$1,495,900) PREFERRED STOCK. (FILE 333-25595 - APR 22) (BR 7)

S-8 RED BRICK SYSTEMS INC, 485 ALBERTO WAY, LOS GATOS, CA 95032  
(408) 399-3200 - 1,475,967 (\$9,778,281 38) COMMON STOCK. (FILE 333-25597 -  
APR 22) (BR. 3)

S-4 BANCFIRST CORP /OK/, 101 N BROADWAY STE 200, D, OKLAHOMA CITY, OK 73102  
(405) 270-1000 - 25,000,000 (\$25,000,000) STRAIGHT BONDS (FILE 333-25599  
- APR 22) (BR 7)

S-8 TRAVELERS GROUP INC, 388 GREENWICH ST, LEGAL DEPT 20TH FLOOR, NEW YORK,  
NY 10013 (212) 816-8000 - 3,000,000 (\$150,187,500) COMMON STOCK (FILE  
333-25603 - APR. 22) (BR. 1)

S-8 TRAVELERS PROPERTY CASUALTY CORP, ONE TOWER SQUARE, HARTFORD, CT 06183  
(860) 277-0111 - 500,000 (\$16,625,000) COMMON STOCK (FILE 333-25605 -  
APR 22) (BR 1)

S-4 SHERWIN WILLIAMS CO, 101 PROSPECT AVE NW, CLEVELAND, OH 44115  
(216) 566-2200 - \$300,000,000 STRAIGHT BONDS (FILE 333-25607 - APR 22)  
(BR 4)

S-8 PREMIERE RADIO NETWORKS INC, 15260 VENTURA BLVD SUITE 500, SHERMAN OAKS,  
CA 94103 (818) 377-5300 - 1,588,877 (\$14,156,319) COMMON STOCK (FILE  
333-25609 - APR. 22) (BR. 3)

S-8 RESOURCE BANCSHARES MORTGAGE GROUP INC, 7909 PARKLANE ROAD SUITE 150,  
COLUMBIA, SC 29223 (803) 741-3000 - 43,286 (\$614,228) COMMON STOCK (FILE  
333-25611 - APR 22) (BR 8)

S-8 RESOURCE BANCSHARES MORTGAGE GROUP INC, 7909 PARKLANE ROAD SUITE 150,  
COLUMBIA, SC 29223 (803) 741-3000 - 429,195 (\$2,626,673) COMMON STOCK  
(FILE 333-25613 - APR. 22) (BR 8)

S-4 PREMIERE TECHNOLOGIES INC, 3399 PEACHTREE ROAD NE,  
LENOX BUILDING SUITE 400, ATLANTA, GA 30326 (404) 262-8400 - 2,500,000  
(\$58,750,000) COMMON STOCK (FILE 333-25615 - APR 22) (BR 3)

N-2 RAND CAPITAL CORP, 2200 RAND BUILDING, BUFFALO, NY 14203 (716) 853-0802  
- 1,791,122 (\$3,023,414) COMMON STOCK. (FILE 333-25617 - APR 22) (BR 18)

S-8 WESTERN ATLAS INC, 360 NORTH CRESCENT DR, BEVERLY HILLS, CA 90210  
(310) 888-2700 - 2,129,459 (\$126,037,354 56) COMMON STOCK (FILE  
333-25619 - APR 22) (BR 4)

S-8 BENCHMARK MICROELECTRONICS INC, 17919 WATERVIEW PKWY, DALLAS, TX 75252  
(214) 437-9195 - 750,000 (\$11,062,500) COMMON STOCK. (FILE 333-25621 -  
APR 22) (BR 6)

S-8 ADC TELECOMMUNICATIONS INC, 12501 WHITEWATER DR, MINNETONKA, MN 55343  
(612) 938-8080 - 400,000 (\$9,600,000) COMMON STOCK (FILE 333-25623 -  
APR 22) (BR 3)

S-8 WESTERN ATLAS INC, 360 NORTH CRESCENT DR, BEVERLY HILLS, CA 90210  
(310) 888-2700 - 500,000 (\$29,593,750) COMMON STOCK (FILE 333-25625 -  
APR 22) (BR 4)

S-3 BURLINGTON NORTHERN SANTA FE CORP, 3800 CONTINENTAL PLZ, 777 MAIN ST,  
FT WORTH, TX 76102 (817) 333-2000 - 3,000,000 (\$213,750,000) COMMON STOCK  
(FILE 333-25627 - APR 22) (BR. 5)

S-3 AIR EXPRESS INTERNATIONAL CORP /DE/. 120 TOKENEKE RD PO BOX 1231,  
DARIEN, CT 06820 (203) 655-7900 - 25,000 (\$828,125) COMMON STOCK. (FILE  
333-25629 - APR 22) (BR 5)

S-1 WASTE INDUSTRIES INC, 3949 BROWNING PLACE, RALEIGH, NC 27609  
(919) 782-0095 - 2,472,500 (\$30,906,250) COMMON STOCK (FILE 333-25631 -  
APR 22) (NEW ISSUE)

S-1 FIRST INTERSTATE BANCSYSTEM OF MONTANA INC, P O BOX 30918,  
401 NO 31ST STREET, BILLINGS, MT 59116 (406) 255-5300 - 69,751  
(\$6,000,000) COMMON STOCK (FILE 333-25633 - APR. 22) (BR 7)

S-8 HFS INC, 339 JEFFERSON RD, PARSIPPANY, NJ 07054 (201) 428-9700 -  
300,000 (\$15,937,500) COMMON STOCK (FILE 333-25635 - APR 22) (BR 4)

S-3 CAMDEN PROPERTY TRUST, 3200 SOUTHWEST FRWY, STE 1500, HOUSTON, TX 77027  
(713) 964-3555 - 2,352,161 (\$64,390,407 38)  
CONVERTIBLE PREFERRED SHARE OF BENEFICIAL INTEREST (FILE 333-25637 -  
APR 22) (BR 8)

S-8 EXTENDED STAY AMERICA INC, 450 E LAS OLAS BLVD, STE 1100,  
FORT LAUDERDALE, FL 33301 (954) 713-1600 - 1,318,252 (\$14,426,121.92)  
COMMON STOCK (FILE 333-25639 - APR. 22) (BR 5)

S-3 GREEN TREE FINANCIAL CORP, 1100 LANDMARK TOWERS, 345 ST PETER ST,  
SAINT PAUL, MN 55102 (612) 293-3400 - \$1,000,000,000  
EQUIPMENT TRUST CERTIFICATES. (FILE 333-25641 - APR 22) (BR 8)

S-3 REDWOOD TRUST INC, 591 REDWOOD HWY, STE 3100, MILL VALLEY, CA 94941  
(415) 389-7373 - \$300,000,000 COMMON STOCK (FILE 333-25643 - APR 23)  
(BR 8)

S-3 LONG ISLAND LIGHTING CO, 175 E OLD COUNTRY RD, HICKSVILLE, NY 11801  
(516) 545-5184 - \$1,000,000 COMMON STOCK (FILE 333-25645 - APR 22)  
(BR 4)