

# SEC NEWS DIGEST

Issue 97-152

August 7, 1997

---

## COMMISSION ANNOUNCEMENTS

---

## COMMISSION MEETINGS

### CLOSED MEETING - THURSDAY, AUGUST 14, 1997 - 10:00 A.M.

The subject matter of the closed meeting scheduled for Thursday, August 14, 1997, at 10:00 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

---

### ADMINISTRATIVE PROCEEDINGS AGAINST TED WESTERFIELD

The Commission has instituted public administrative proceedings pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (Exchange Act) against Ted Harold Westerfield (Westerfield). In the Order, the Division of Enforcement alleges that from approximately April 1990 through April 1991, Westerfield, while an account executive with Gruntal & Co., a registered broker-dealer, paid kick-backs to the portfolio manager of a mutual fund, which were generated from commissions on high-yield bond transactions by the mutual fund.

The Order is based upon the entry of a permanent injunction against Westerfield and Westerfield's prior criminal conviction. On December 31, 1996, the U.S. District Court for the Southern District of New York entered judgment against Westerfield based on Westerfield's criminal conviction for violating Section 10(b) of Exchange Act and Rule 10b-5 thereunder, for aiding and abetting violations of Section 206 of the Investment Advisers Act of 1940 (Advisers Act), and for other violations of federal statutes.

Westerfield was ordered to pay restitution of up to \$105,465.50 to the mutual fund company, based upon the amount of his future income.

On June 3, 1997, the U.S. District Court for the Southern District of New York entered a Final Judgment of Permanent Injunction permanently enjoining Westerfield from violating or aiding and abetting violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 204 of the Advisers Act and Rule 204-1(b)(1), (2) and (3) thereunder, and from violating or conspiring to violate Section 17(e) of the Investment Company Act of 1940. Westerfield was ordered to pay disgorgement in the amount of \$210,931, together with prejudgment interest in the amount of \$133,896, with the proviso that Westerfield could offset restitution paid in the criminal case against the disgorgement ordered in the civil action.

A hearing will be scheduled to determine whether the allegations against Westerfield are true, and, if so, what, if any remedial sanction is appropriate in the public interest. (Rel. 34-38904)

#### INITIAL DECISION RELEASED IN THE MATTER OF FREDERICK GARTZ

Administrative Law Judge Brenda P. Murray found that in 1991-92, Frederick C. Gartz, the former manager of PaineWebber's office in Naples, Florida, violated the antifraud provisions of the securities statutes in connection with sales of certain limited partnerships and real estate investment trusts, "direct investments or private placements," which PaineWebber marketed aggressively through its nationwide network of registered representatives. Judge Murray ordered Mr. Gartz to cease and desist from committing or causing any violations or any future violations of the antifraud provisions of the securities statutes, and barred him from being associated with any broker or dealer and any member of a national securities exchange or registered securities association with the right to reapply in a non-supervisory, non-proprietary capacity in two years. Last year, the Commission found that PaineWebber had violated Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 in connection with the offer and sale of direct investments between 1986 and 1992. For more information, see Order Instituting Public Administrative Proceedings, Making Findings, Imposing Remedial Sanctions, and Issuing Cease and Desist Order, PaineWebber Incorporated, 61 SEC Docket 179, Jan. 17, 1996. (Initial Decision No. 113)

#### JUDGMENT AGAINST CHARLES BROWN

The Commission announced that on July 23 the Honorable Robert C. Broomfield, United States District Judge, issued a Judgment against an Arizona businessman, Charles Douglas Brown (Brown), 58, for his role in a \$10.7 million scheme involving the fraudulent sale of investments in a Treasury securities trading program.

The Commission alleges in its complaint that the defendants, including Brown, raised the \$10.7 million from approximately 149

investors in Arizona and California through the sale of interests in investment trusts (Trusts) and other programs. The defendants represented to investors that: investor funds would only be used to purchase and trade Treasury securities; investors would receive 1% per month in profits from trading Treasury securities; if the 1% monthly return from trading profits were not achieved, investors' funds would be returned; and only after payment of the 1% monthly return, would the trustees of the Trusts, sales agents, and others be paid from excess trading profits.

The complaint further alleges that contrary to these representations, the defendants operated a Ponzi-like scheme that paid investors their 1% monthly return from other investors' funds, failed to return investors' funds after suffering large trading losses, misappropriated investor funds for their personal benefit, and transferred over \$3 million of investor funds to Bahamian bank accounts.

The Judgment permanently enjoins Brown from future fraud and registration violations of the federal securities laws. Specifically, the Judgment enjoins Brown from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 (Securities Act), Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder. The Judgment additionally orders that Brown shall pay disgorgement, prejudgment interest and, if appropriate, civil penalties in amounts subsequently to be determined by the Court. Brown consented to the entry of the Judgment without admitting or denying the Commission's allegations.

On May 5, 1997, the Commission obtained a temporary restraining order against defendants Steven Robert Shoop (Shoop) and Anthony Ghirardello Marriott to freeze their assets to protect investor funds.

The other defendants to the Commission's action are: Southwest Income Trust; Advantage Income Trust; and Investors Trading Trust; Palo Verde 136, Inc.; Advantage Marketing Group, Inc.; FLC Corporation; and Donn K. Phillips. All of these other defendants are located in Arizona.

The complaint alleges that all defendants violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The complaint further alleges that the Trusts, Shoop, and Brown sold unregistered securities in violation of Sections 5(a) and 5(c) of the Securities Act, and that the Trusts operated an unregistered investment company in violation of Section 7(a) of the Investment Company Act of 1940.

The Commission acknowledges the cooperation and assistance provided in this matter by the Securities Division of the Arizona Corporations Commission. [SEC v. Southwest Income Trust, et al., Civil Action No. 97-0953 PHX RCB] (LR-15431)

SEC v. SHAHRYAR SOROOSH

The Commission announced today that on August 5 the Honorable Vaughn R. Walker of the United States District Court of the Northern District of California, issued a Judgment and Findings of Fact and Conclusions of Law holding that Shahryar Soroosh, a resident of Saratoga, California violated the federal securities laws by engaging in insider trading. The Court ordered Soroosh to disgorge \$505,819.00 plus prejudgment interest. The Court's opinion follows a four-day bench trial earlier this year.

The Court found that Soroosh, a forty year old, former senior software engineer at Octel Communications Corporation (Octel), amassed a substantial short position in the stock and options of Octel while in possession of material, nonpublic information concerning an Octel software delay. The delay was publicly announced on October 24, 1996. Upon the announcement, the price of Octel's common stock fell by over 35%, from \$24.50 to \$15.70 per share. As a result, Soroosh realized profits of over \$500,000, based on his 35,000 share short position and his 80 put contracts, all of which he had accumulated in the weeks before the announcement. The Commission instituted its suit within days of the trading, on October 29, 1996.

The Court rejected Soroosh's defense that his trading was part of a pattern of trading, finding that the trading at issue was out of the ordinary, and rejected his assertion that he did not possess material, nonpublic information. The Court concluded that Soroosh's "trading activity and the circumstances surrounding it were consistent with the possession of insider knowledge and he has offered no plausible explanation otherwise."

The Commission acknowledges the assistance of NASD Regulation, Inc. in this matter. For further information see Litigation Releases 15141 (October 30, 1996) and 15143 (November 1, 1996). [SEC v. Shahryar Soroosh, USDC, ND CA, Civil Action No. C 96-3933, VRW] (15433)

COMPLAINT FILED AGAINST MICHAEL SNOWHITE, ET AL.

The Commission today announced the filing of a complaint in the United States District Court for the Northern District of California against Michael Snowwhite, BLS Consulting, Charles Boratgis, Paul Land, Shelley Olander, Morrey Wasserman, 900 Financial Services, L.L.C., David Kane, and Sam Sarcinelli d/b/a S&S Consultants, alleging that the defendants violated certain of the antifraud, securities registration, and broker-dealer registration provisions of the federal securities laws in connection with the sale of general partnership units in a 900 telephone line venture. BLS partner Jeffrey Stern is named as a relief defendant.

Simultaneously with the filing of the complaint, and without admitting or denying the allegations made against them, five of the ten defendants, Snowwhite, Olander, Wasserman, 900 Financial, and

Kane, consented to the entry of a Final Judgment of Permanent Injunction and Other Relief permanently enjoining them from future violations of Sections 5 and 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. They also agreed to pay disgorgement of amounts obtained through the conduct alleged in the complaint, subject to waiver based upon their sworn Statements of Financial Condition and contingent upon the accuracy and completeness of those statements.

Sarcinelli, also simultaneously with the filing of the complaint, and without admitting or denying the allegations made against him, consented to the entry of a Final Judgment of Permanent Injunction and Other Relief permanently enjoining him from future violations of Sections 5 of the Securities Act of 1933 and Section 15(a) of the Securities Exchange Act of 1934. In addition, Sarcinelli agreed to disgorge \$10,000.00. [SEC v. Michael Snowwhite, BLS Consulting, Charles Boratgis, Paul Land, Jeffrey Stern, Shelley Olander, Morrey Wasserman, 900 Financial, L.L.C., David Kane, and Sam Sarcinelli d/b/a S&S Consulting, USDC NDCA., C-97-2888, VRW] (LR-15434)

**INTERIM DISTRIBUTION OF FUNDS TO INVESTORS IN MATRIX INVESTMENT ADVISERS, INC. AND SECURITY FINANCIAL, INC.**

The Commission today announced that on August 6 the Honorable Thomas A. Flannery, Senior United States District Judge, issued an order approving an interim distribution of funds to investors who had invested funds with two investment advisers: Matrix Investment Advisors, Inc. (Matrix) and Security Financial, Inc. (SFI). The Commission filed its complaint in this matter in March 1997, alleging violations of the books and records provisions of the Investment Advisers Act of 1940 against Matrix, SFI, and two affiliates. The Special Agent appointed in this matter has identified approximately \$11.2 million in funds available for distribution to Matrix and SFI investors. The Court's order and the Special Agent's interim distribution plan call for the Special Agent to distribute a total of approximately \$5 million to Matrix and SFI investors at this time. With this interim distribution, and taking into account any prior withdrawals, each investor will have received at least fifty percent of the money he deposited with Matrix or SFI. Once the Special Agent is reasonably assured that all investor funds have been properly accounted-for, he intends to propose a plan of distribution for the remaining funds. The final distribution plan will be submitted to the Court for approval, with notice to all investors. See also Litigation Release No. 15297, dated March 17, 1997. [SEC v. Trustcap Financial Group, Inc., Matrix Investment Advisors, Inc., Security Financial, Inc., and Matrix Capital Management, Inc., Civil Action No. 1:97CV00513, D.D.C.] (LR-15436)

---

**INVESTMENT COMPANY ACT RELEASES**

---

## PIMCO ADVISORS FUNDS

An order has been issued under Section 8(f) of the Investment Company Act declaring that PIMCO Advisors Funds has ceased to be an investment company. (Rel. IC-22779 - August 6)

---

## SELF-REGULATORY ORGANIZATIONS

---

### DELISTINGS GRANTED

An order has been issued granting the application of the Boston Stock Exchange to strike from listing and registration Holly Holdings, Inc., Common Stock, No Par Value; Common Stock Purchase Warrants and its 10% Series D Preferred Stock. (Rel. 34-38905)

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Foodbrands America, Inc., Common Stock, \$0.01 Par Value, and its 10 3/4% Senior Subordinated Notes, due May 15, 2006. (Rel. 34-38906)

---

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

- S-8 RIO TINTO PLC, 6 ST JAMES SQ, LONDON SW1Y 4LD ENGL, X0 (011) 441-7193 -  
520,000 (\$8,782,800) FOREIGN COMMON STOCK. (FILE 333-7328 - JUL 25)  
(BR 6)
- S-8 HEARTSOFT INC, 3101 HEMLOCK CIRCLE, BROKEN ARROW, OK 74012  
(918) 251-1066 - 2,000,000 (\$1,500,000) COMMON STOCK. (FILE 333-7338 -  
JUL. 29) (BR 9)
- S-8 DONCASTERS PLC, 162 COTTAGE ST, SPRINGFIELD, MA 01101 - 1,875,000  
(\$22,910,156 25) FOREIGN COMMON STOCK (FILE 333-7340 - JUL 29) (BR 6)
- S-8 CANADIAN OCCIDENTAL PETROLEUM LTD, 1500 635 8TH AVE SW,  
CALGARY ALBERTA CANADA T2P 3Z1, A0 (403) 234-6700 - 1,000,000  
(\$25,812,500) FOREIGN COMMON STOCK. (FILE 333-7344 - JUL 29) (BR 4)

S-8 UNIQUE CASUAL RESTAURANTS INC, ONE CORPORATE PLACE, 55 FERNCROFT RD,  
DANVERS, MA 01923 (508) 774-9115 - 400,000 (\$2,737,500) COMMON STOCK.  
(FILE 333-32501 - JUL 31) (BR. 2)

S-8 UNIQUE CASUAL RESTAURANTS INC, ONE CORPORATE PLACE, 55 FERNCROFT RD,  
DANVERS, MA 01923 (508) 774-9115 - 1,250,000 (\$8,554,687 50) COMMON STOCK  
(FILE 333-32503 - JUL. 31) (BR. 2)

S-8 AMERICAN WAGERING INC, 675 GRIER DR, LAS VEGAS, NV 89119 (702) 735-0101  
- 200,000 (\$2,062,600) COMMON STOCK (FILE 333-32505 - JUL 31) (BR 5)

S-3 CATALYTICA INC, 430 FERGUSON DRIVE, MOUNTAIN VIEW, CA 94043  
(415) 960-3000 - 6,635,263 (\$26,541,052) COMMON STOCK. (FILE 333-32507 -  
JUL 31) (BR. 1)

S-8 GENERAL MILLS INC, NUMBER ONE GENERAL MILLS BLVD, MINNEAPOLIS, MN 55426  
(612) 540-2311 - 7,000,000 (\$7,000,000)  
OTHER SECURITIES INCLUDING VOTING TRUST. 50,000 (\$3,400,000) COMMON STOCK.  
(FILE 333-32509 - JUL 31) (BR 2)

S-8 MORRISON KNUDSEN CORP//, 27400 E FIFTH ST, HIGHLAND, CA 92346  
(909) 884-4811 - 500,000 (\$6,656,250) COMMON STOCK (FILE 333-32511 -  
JUL. 31) (BR. 6)

S-3 RES CARE INC /KY/, 10140 LINN STATION ROAD, LOUISVILLE, KY 40223  
(502) 394-2100 - 35,000 (\$713,125) COMMON STOCK. (FILE 333-32513 -  
JUL 31) (BR 1)

S-2 WILLIAMS INDUSTRIES INC, 2849 MEADOW VIEW RD, FALLS CHURCH, VA 22042  
(703) 560-5196 - 1,080,294 (\$6,144,172.12) COMMON STOCK (FILE 333-32515 -  
JUL 31) (BR 6)

S-3 HAIN FOOD GROUP INC, 50 CHARLES LINDBERGH BLVD, UNIONDALE, NY 11553  
(516) 237-6200 - 3,277,901 (\$22,330,700 56) COMMON STOCK (FILE 333-32517  
- JUL 31) (BR 9)

S-8 FINANCIAL FEDERAL CORP, 400 PARK AVE, 8TH FLOOR, NEW YORK, NY 10022  
(212) 888-3344 - 587,482 (\$8,923,852) COMMON STOCK (FILE 333-32519 -  
JUL 31) (BR 7)

S-3 UNITED STATES CELLULAR CORP, 8410 W BRYN MAWR AVE, STE 700, CHICAGO, IL  
60631 (773) 399-8900 - 400,000,000 (\$400,000,000) STRAIGHT BONDS (FILE  
333-32521 - JUL 31) (BR 3)

S-3 INNOVASIVE DEVICES INC, 734 FOREST ST, MARLBOROUGH, MA 01752  
(508) 434-6000 - 1,885,000 (\$17,436,250) COMMON STOCK (FILE 333-32523 -  
JUL 31) (BR. 1)

S-3 AMERICAN EXPRESS CO, AMERICAN EXPRESS TWR, WORLD FINANCIAL CN,  
200 VESEY ST 49TH FLOOR, NEW YORK, NY 10285 (212) 640-2000 - 1,000,000  
(\$79,969,000) COMMON STOCK (FILE 333-32525 - JUL 31) (BR 8)

S-3 HIREL HOLDINGS INC, 200 E LAS OLAS BLVD, STE 1900, FORT LAUDERDALE, FL  
33301 (305) 653-7090 - 1,041,666 (\$3,031,248) COMMON STOCK. (FILE  
333-32527 - JUL. 31) (BR. 9)

S-8 ANADIGICS INC, 35 TECHNOLOGY DR, WARREN, NJ 07059 (908) 668-5000 -  
2,700,000 (\$95,658,856) COMMON STOCK (FILE 333-32533 - JUL. 31) (BR 6)

S-8 CHART INDUSTRIES INC, 35555 CURTIS BLVD, EASTLAKE, OH 44095  
(216) 946-2525 - 525,000 (\$9,450,000) COMMON STOCK (FILE 333-32535 -  
JUL 31) (BR 6)

S-8 KLA TENCOR CORP, 160 RIO ROBLES, SAN JOSE, CA 95134 (408) 434-4200 -  
2,501,603 (\$154,395,935) COMMON STOCK (FILE 333-32537 - JUL. 31) (BR 1)

S-8 VIRCO MFG CORPORATION, 2027 HARPERS WAY, TORRANCE, CA 90501  
(310) 533-0474 - 300,000 (\$8,718,750) COMMON STOCK. (FILE 333-32539 -  
JUL 31) (BR 6)

S-3 COMMONWEALTH INDUSTRIES INC/DE/, 500 WEST JEFFERSON STREET, 19TH FLOOR,  
LOUISVILLE, KY 40202 (502) -58-9-81 - 5,750,000 (\$116,078,125)  
COMMON STOCK (FILE 333-32541 - JUL 31) (BR 6)

S-8 HERTZ CORP, 225 BRAE BLVD, PARK RIDGE, NJ 07656 (201) 307-2000 -  
1,150,000 (\$30,177,094) COMMON STOCK. (FILE 333-32543 - JUL. 31) (BR. 5)

S-8 CARDIMA INC, 47266 BENICIA STREET, FREMONT, CA 94538 (510) 440-7570 -  
3,250,000 (\$15,381,049) COMMON STOCK. (FILE 333-32545 - JUL 31) (BR 1)

S-8 TERADYNE INC, 321 HARRISON AVE, MAIL STOP H93, BOSTON, MA 02118  
(617) 482-2700 - 800,000 (\$33,296,250) COMMON STOCK (FILE 333-32547 -  
JUL 31) (BR 5)

S-8 METRO NETWORKS INC, 2800 POST OAK BLVD, STE 4000, HOUSTON, TX 77056  
(713) 621-2800 - 10,000 (\$230,000) COMMON STOCK (FILE 333-32549 -  
JUL 31) (BR 3)

S-8 SUMMIT DESIGN INC, 9305 S W GEMINI DRIVE, BEAVERTON, OR 97008  
(503) 643-9281 - 196,538 (\$140,427) COMMON STOCK. (FILE 333-32551 -  
JUL 31) (BR 3)

S-8 ALTERA CORP, 2610 ORCHARD PARKWAY, SAN JOSE, CA 95134 (408) 894-7000 -  
1,300,000 (\$76,171,875) COMMON STOCK (FILE 333-32555 - JUL. 31) (BR. 6)

S-8 APACHE CORP, 2000 POST OAK BLVD, ONE POST OAK CENTER STE 100, HOUSTON,  
TX 77056 (713) 296-6000 - 25,000 (\$889,063) COMMON STOCK. (FILE 333-32557  
- JUL 31) (BR 4)

S-8 IWL COMMUNICATIONS INC, 12000 AEROSPACE AVENUE, SUITE 200, HOUSTON, TX  
77034 (281) 482-0289 - 560,614 (\$3,012,852) COMMON STOCK. (FILE 333-32559  
- JUL 31) (BR 3)

S-1 SUCCESS BANCSHARES INC, ONE MARRIOTT DRIVE, LINCOLNSHIRE, IL 60069  
(847) 634-4200 - 1,380,000 (\$17,250,000) COMMON STOCK (FILE 333-32561 -  
JUL 31)

S-8 AMERICAN POWER CONVERSION CORPORATION, 132 FAIRGROUNDS RD,  
WEST KINGSTON, RI 02892 (401) 789-5735 - 7,240,000 (\$160,462,341)  
COMMON STOCK (FILE 333-32563 - JUL 31) (BR. 4)

S-3 BERKSHIRE REALTY CO INC /DE, 470 ATLANTIC AVE, BOSTON, MA 02210  
(617) 423-2233 - 400,000,000 (\$400,000,000) COMMON STOCK (FILE 333-32565  
- JUL 31) (BR 8)

S-8 BOEING CO, P O BOX 3707 MS 1F 31, SEATTLE, WA 98124 (206) 655-2121 -  
1,267,978 (\$17,939,629 03) COMMON STOCK (FILE 333-32567 - JUL 31)  
(BR 5)

S-8 CAMDEN PROPERTY TRUST, 3200 SOUTHWEST FRWY, STE 1500, HOUSTON, TX 77027  
(713) 964-3555 - 1,713,234 (\$52,681,945 50) COMMON STOCK (FILE 333-32569  
- JUL 31) (BR 8)

S-3 HA LO INDUSTRIES INC, 5980 TOUHY AVENUE, NILES, IL 60714 (708) 647-2300  
- 115,402 (\$2,942,751) COMMON STOCK (FILE 333-32571 - JUL 31) (BR 2)

S-1 INAMED CORP, 3800 HOWARD HUGHES PARKWAY STE 900, LAS VEGAS, NV 89109  
(702) 791-3388 - 1,846,071 (\$14,768,568) COMMON STOCK. (FILE 333-32573 -  
JUL 31) (BR 1)

S-3 DIRECTORS ASSET CONDUIT CORP, 7485 NEW HORIZON WAY, FREDERICK, MD 21703  
- 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES (FILE 333-32577 -  
JUL 31) (NEW ISSUE)

S-8 FELCOR SUITE HOTELS INC, 545 E JOHN CARPENTER FREEWAY, SUITE 1300,  
IRVING, TX 75062 (214) 444-4900 - 1,950,000 (\$60,958,950) COMMON STOCK  
(FILE 333-32579 - JUL 31) (BR 8)

S-8 NEORX CORP, 410 W HARRISON ST, SEATTLE, WA 98119 (206) -28-6-25 -  
1,500,000 (\$6,375,000) COMMON STOCK. (FILE 333-32583 - JUL 31) (BR 1)

S-8 HOUSTON LIGHTING & POWER CO, 1111 LOUISIANA, HOUSTON, TX 77002  
(713) 228-9211 - 361,540 (\$7,581,494) COMMON STOCK (FILE 333-32585 -  
JUL 31) (BR 4)



- S-3 NEWFIELD EXPLORATION CO /DE/, 363 N SAM HOUSTON PKWY E, STE 2020,  
HOUSTON, TX 77060 (713) 847-6000 - 272,600 (\$6,160,760) COMMON STOCK  
(FILE 333-32587 - JUL. 31) (BR 4)
- S-3 FNaNB CREDIT CARD MASTER TRUST, FIRST NORTH AMERICAN NATIONAL BANK,  
1800 PARKWAY PL, MARIETTA, GA 30067 (770) 423-7900 - 1,000,000  
(\$1,000,000) EQUIPMENT TRUST CERTIFICATES (FILE 333-32591 - JUL 31)  
(NEW ISSUE)
- S-1 MEGABIOS CORP, 863A MITTEN RD, BURLINGAME, CA 94010 (415) 697-1900 -  
2,875,000 (\$37,375,000) COMMON STOCK. (FILE 333-32593 - JUL 31)
- S-1 COMFORT SYSTEMS USA INC, 4801 WOODWAY, SUITE 300 EAST, HOUSTON, TX 77056  
(713) 964-2685 - 8,000,000 (\$142,500,000) COMMON STOCK (FILE 333-32595 -  
JUL. 31) (BR. 6)
- S-3 KRANZCO REALTY TRUST, 128 FAYETTE STREET, CONSHOHOCKEN, PA 19428  
(610) 941-9292 (FILE 333-32597 - AUG. 01) (BR 8)
- S-8 COMMERCIAL BANCSHARES INC \OH\, 118 S SANDUSKY AVE, P O BOX 90,  
UPPER SANDUSKY, OH 43351 (419) 294-5781 - 150,000 (\$3,450,000)  
COMMON STOCK (FILE 333-32599 - AUG 01) (BR 7)
- S-4 BURLINGTON RESOURCES INC, 5051 WESTHEIMER, SUITE 1400, HOUSTON, TX 77056  
(713) 624-9500 - 54,824,105 (\$2,526,582,375) COMMON STOCK (FILE  
333-32603 - AUG 01) (BR 4)

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C.

LITIGATION RELEASE NO. 15434/ August 7, 1997

SECURITIES AND EXCHANGE COMMISSION V. MICHAEL SNOWHITE, BLS CONSULTING, CHARLES BORATGIS, PAUL LAND, JEFFREY STERN, SHELLEY OLANDER, MORREY WASSERMAN, 900 FINANCIAL SERVICES, L.L.C., DAVID KANE, AND SAM SARCIANELLI D/B/A/ S&S CONSULTING  
Civil Action No. C-97-2888 (VRW)

The Securities and Exchange Commission (the "Commission") today announced the filing of a Complaint in the United States District Court for the Northern District of California against Michael Snowwhite, BLS Consulting, Charles Boratgis, Paul Land, Shelley Olander, Morrey Wasserman, 900 Financial Services, L.L.C., David Kane, and Sam Sarcinelli d/b/a S&S Consultants, alleging that the defendants violated certain of the antifraud, securities registration, and broker-dealer registration provisions of the federal securities laws in connection with the sale of general partnership units in a 900 telephone line venture, Telefund Partners.

The Complaint alleges that certain of the defendants made material misrepresentations in the offering materials and in telephone solicitations, that prospective investors could receive between a 24 percent return, for a four month period, to a 203 percent return, for a sixteen month period, on their investment in Telefund, and that these and other projections of extraordinarily high returns to investors were without basis in fact. Ultimately, Telefund received a total of \$1,180,000 from investors, most of which was used to pay sales commissions and other initial start up costs, according to the Complaint. In the Complaint, the Commission seeks a permanent injunction against defendants Snowwhite, BLS, Boratgis, Land, Olander, Wasserman, 900 Financial, Kane, and Sarcinelli for violations of the foregoing provisions of the federal securities laws in connection with the offer and sale to the public of unregistered securities of Telefund. Named as a relief defendant in the Commission's suit is Jeffrey Stern, BLS partner. The Complaint also seeks disgorgement of investor funds.

According to the Complaint, beginning in or about November 1994, the defendants began to offer and sell to the public securities designated as "general partnership units" in Telefund, a partnership formed by defendant Snowwhite and his partner, Gregory L. Miller. Defendant Snowwhite's partner allegedly contracted with Independent Sales Organizations such as Boratgis', Land's and Stern's partnership BLS, 900 Financial, and Sarcinelli d/b/a S&S Consulting to solicit prospective investors to purchase Telefund securities. These Independent Sales Organizations, in turn, hired salespeople, including, among others, Olander and Wasserman, to solicit investors.

Simultaneously with the filing of the Complaint, and without admitting or denying the allegations made against them, Snowwhite, Olander, Wasserman, 900 Financial, and Kane consented to the entry of a Final Judgment of Permanent Injunction and Other Relief permanently enjoining them from future violations of Sections 5 and 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. These defendants also agreed to pay disgorgement of amounts obtained through the conduct alleged in the Complaint, subject to waiver based upon their sworn Statements of Financial Condition and contingent upon the accuracy and completeness of those statements.

Sarcinelli, also simultaneously with the filing of the Complaint, and without admitting or denying the allegations made against him, consented to the entry of a Final Judgment of Permanent Injunction and Other Relief permanently enjoining him from future violations of Sections 5 of the Securities Act of 1933 and Section 15(a) of the Securities Exchange Act of 1934. In addition, Sarcinelli consented to the entry of a Final Judgment which would order him to disgorge \$10,000.00.

On January 23, 1996, the Commission filed a complaint in the matter of Securities and Exchange Commission v. Gregory L. Miller, et al, C-96-0336 (MHP), in the United States District Court for the Northern District of California. Final Judgments were entered against each of the defendants on February 1, 1996, enjoining them from further violations of Sections 5 and 17(a) of the Securities Act and Sections 10(b) and 15(a) of the Exchange Act, and Rule 10b-5 thereunder, and ordering disgorgement in the amount of \$269,435.

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C.

SECURITIES AND EXCHANGE COMMISSION v. TRUSTCAP FINANCIAL GROUP, INC., MATRIX INVESTMENT ADVISORS, INC., SECURITY FINANCIAL, INC., AND MATRIX CAPITAL MANAGEMENT, INC., Civil Action No. 1:97CV00513 (D.D.C.).

Litigation Release No. 15436 / August 7, 1997

The Securities and Exchange Commission today announced that, on August 6, 1997, the Honorable Thomas A. Flannery, Senior United States District Judge, issued an order approving an interim distribution of funds to investors who had invested funds with two investment advisers: Matrix Investment Advisors, Inc. (Matrix) and Security Financial, Inc. (SFI). The Commission filed its complaint in this matter on March 13, 1997, alleging violations of the books and records provisions of the Investment Advisers Act of 1940, against Matrix; SFI; their holding company, Trustcap Financial Group, Inc.; and its recordkeeping subsidiary, Matrix Capital Management, Inc. The Court appointed a Special Agent on March 14, 1997 to, among other things, establish and implement a plan to return investor funds to Matrix's and SFI's clients.

The Special Agent has identified approximately \$11.2 million in funds available for distribution to Matrix and SFI investors. The Court's order and the Special Agent's interim distribution plan call for the Special Agent to distribute a total of approximately \$5 million to Matrix and SFI investors at this time. With this interim distribution, and taking into account any prior withdrawals, each investor will have received at least fifty percent of the money he deposited with Matrix or SFI. Once the Special Agent is reasonably assured that all investor funds have been properly accounted-for, he intends to propose a plan of distribution for the remaining funds. The final distribution plan will be submitted to the Court for approval, with notice to all investors.

The Commission's investigation of other potential violations of the federal securities laws, by the defendants and other persons or entities, in connection with this matter is continuing. See also Litigation Release No. 15297, dated March 17, 1997.