

# SEC NEWS DIGEST

Issue 97-236

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## ENFORCEMENT PROCEEDINGS

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### COMMISSION OBTAINS TEMPORARY RESTRAINING ORDER, ASSET FREEZE AGAINST CHICAGO PARTNERSHIP BOARD, INC. AND JAMES FRITH

On December 8, the Commission obtained an Order from the United States District Court in Chicago, Illinois temporarily restraining Chicago Partnership Board, Inc. (CPB), a registered broker-dealer, and its owner, James R. Frith, Jr. (Frith), a resident of Highland Park, Illinois, from violating the net capital, antifraud, customer protection, and books and records provisions of the federal securities laws. The Court also froze all of the assets of CPB, Frith and Adbot, Inc., another company owned by Frith. A preliminary injunction hearing is scheduled for December 15, 1997.

The Commission alleged that from approximately May 1996 through the present, Frith and CPB have diverted at least \$3.4 million in funds owed to CPB's brokerage customers in connection with transactions in limited partnership units to various improper uses, including covering CPB's operating losses, and distributions to Frith and Adbot, Inc. In doing so, CPB failed to maintain sufficient funds in a special reserve account required for the protection of customers and failed to maintain the legally required amount of net capital for an extended period. According to the complaint, CPB and Frith defrauded customers by engaging in securities transactions without disclosing CPB's perilous financial situation. In addition, CPB and Frith submitted false reports based on CPB's inaccurate books and records to the Commission and the National Association of Securities Dealers. CPB is in the business of matching buyers and sellers of limited partnerships through a modified auction process.

Also on December 5, on the application of Securities Investor Protection Corporation, the Court appointed a temporary receiver for CPB. [SEC v. James R. Frith, Jr. and Chicago Partnership Board, Inc., Defendants and Adbot, Inc., Relief Defendant, USDC, ND Ill., No. 97 C 8440, Hon. Paul Plunkett] (LR-15581)

## **FRAUD ALLEGED IN CONNECTION WITH SALES OF BULLETIN BOARD STOCK**

On December 8, the Commission filed a civil action against Trinity Gas Corporation (Trinity USA) and its President and Chief Executive Officer, Sidney W. Sers (Sers), alleging violations of Sections 5(a), 5(c), and 17(a) of the Securities Act and Section 10(b) of the Securities Exchange Act, as well as Rule 10b-5 thereunder, as well as five additional defendants named solely for purposes of relief (Relief Defendants). The Commission is seeking temporary and permanent injunctive relief against Trinity USA and Sers, the appointment of a Temporary Receiver to operate and manage Trinity USA, and disgorgement of proceeds of securities sales from all defendants, as well as civil penalties from Trinity USA and Sers.

The Commission's complaint alleged that, from mid 1996 to the present, Trinity USA and Sers offered and sold approximately \$11 million of Trinity USA securities to at least 250 investors residing in at least 13 states. In addition, the complaint alleges that Sers sold, on his own behalf and on behalf of the Relief Defendants, at least \$5.8 million of Trinity USA securities by means of the Bulletin Board trading system of the National Association of Securities Dealers; and an additional 7.8 million shares through unlicensed salesmen.

On November 6, 1997, the Commission suspended trading in the securities of Trinity USA for a single ten-day period. [SEC v. Trinity Gas Corporation and Sidney W. Sers, USDC ND/TX, Fort Worth Division, CA No.4-97CV-1018Y] (LR-15582)

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## **INVESTMENT COMPANY ACT RELEASES**

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### **DIAMONDS TRUST, DJIA TRUST RECEIPTS SERIES, PDR SERVICES CORPORATION AND ALPS MUTUAL FUNDS, INC.**

A notice has been issued giving interested persons until December 29 to request a hearing on an application filed by Diamonds Trust, DJIA Trust Receipts Series (Trust), PDR Services Corporation (Sponsor) and ALPS Mutual Funds, Inc. Applicants request an order that would permit the Trust, a unit investment trust whose portfolio will consist of the component stocks of the Dow Jones Industrial Average (DJIA), to issue non-redeemable securities (DJIA Trust Receipts); permit secondary market transactions in DJIA Trust Receipts at negotiated prices; permit dealers to sell DJIA Trust Receipts to purchasers in the secondary market unaccompanied by a prospectus, when prospectus delivery is not required by the Securities Act of 1933; permit certain expenses associated with the creation and maintenance of the Trust to be borne by the Trust rather than the Sponsor; exempt the Sponsor from the Act's requirement that it purchase, or place with others, \$100,000 worth of DJIA Trust Receipts; permit affiliated persons of the Trust to deposit securities into, and receive securities from, the Trust in

connection with the purchase and redemption of DJIA Trust Receipts; and permit the Trust to reimburse the Sponsor and/or the American Stock Exchange, Inc. for payment of an annual licensing fee to Dow Jones & Company, Inc. (Rel. IC-22927 - December 5)

#### **PARTNER WEALTH FUND I, L.P.**

A notice has been issued giving interested persons until December 30 to request a hearing on an application filed by Partner Wealth Fund I, L.P. for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-22928 - December 5)

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#### **HOLDING COMPANY ACT RELEASES**

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#### **THE SOUTHERN COMPANY, ET AL.**

An order has been issued authorizing a proposal of The Southern Company (Southern), a registered holding company and four of its public-utility subsidiaries (Subsidiaries). The Subsidiaries have been authorized to amend their respective Articles of Incorporation (Proposed Amendment) to eliminate a provision limiting the issuance of debt securities. Southern has been authorized to acquire shares of preferred stock of the Subsidiaries under a cash tender offer, and sell to the respective Subsidiaries the preferred stock so acquired. (Rel. 35-26791)

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#### **SELF-REGULATORY ORGANIZATIONS**

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#### **IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE**

The American Stock Exchange filed a proposed rule change (SR-Amex-97-46) to list and trade commodity index preferred or debt securities on futures contracts for: corn; soybeans; wheat; a corn, soybean and wheat index; the "total return" variation of the J.P. Morgan Commodity Index (JPMCI); the "excess return" variation of the JPMCI; and the total return and excess return versions of the Energy, Base Metal and Precious Metal subindices of the JPMCI. Publication of the notice is expected in the Federal Register during the week of December 8. (Rel. 34-39402)

#### **APPROVAL OF PROPOSED RULE CHANGES**

The Commission approved a proposed rule change submitted by the Chicago Stock Exchange (SR-CHX-97-20) that would amend Rule 37(a) of Article XX of the Exchange's Rules to clarify that the guarantee available under the Exchange's BEST System is limited to both the size and price associated with the best bid and offer. Publication of the proposal is expected in the Federal Register during the week of December 8. (Rel. 34-39403)

The Commission approved a proposed rule change filed by MBS Clearing Corporation (SR-MBSCC-97-5) that clarifies liability for nonparticipant transactions. Publication of the proposal is expected in the Federal Register during the week of December 8. (Rel. 34-39405)

#### PROPOSED RULE CHANGE

The Philadelphia Stock Exchange filed a proposed rule change (SR-PHLX-97-42) to amend Floor Procedure Advice C-7 to specify a floor broker's responsibility to be loud and audible and positioned to be heard by a majority of the trading crowd and to permit fines to be levied for violations. Publication of the proposal is expected in the Federal Register during the week of December 8. (Rel. 34-39404)

#### DELISTINGS GRANTED

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration Town & Country Corporation, Class A Common Stock, \$0.01 Par Value. (Rel. 34-39406)

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration Substance Abuse Technologies, Inc., Common Stock, \$0.01 Par Value and Class A Preferred Stock, Par Value \$0.01. (Rel. 34-39410)

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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.

- S-8 MONEY STORE INC /NJ, 2840 MORRIS AVE, UNION, NJ 07083 (908) 686-2200 - 2,800,000 (\$69,650,000) COMMON STOCK (FILE 333-41309 - DEC 02) (BR. 8)
- S-8 CHROMATICS COLOR SCIENCES INTERNATIONAL INC, 5 EAST 80TH ST, NEW YORK, NY 10021 (212) 717-6544 - 1,000,000 (\$14,500,000) COMMON STOCK (FILE 333-41311 - DEC 01) (BR. 1)
- S-8 DBT ONLINE INC, 5550 WEST FLAMINGO RD, STE B-5, LAS VEGAS, NV 89103 (702) 257-1112 - 1,200,000 (\$31,200,000) COMMON STOCK (FILE 333-41313 - DEC. 01) (BR 3)
- S-3 SIRCO INTERNATIONAL CORP, 24 RICHMOND HILL AVENUE, SUITE 700, STAMFORD, CT 06901 (203) 359-4100 - 425,000 (\$1,487,500) COMMON STOCK (FILE 333-41315 - DEC. 01) (BR 2)
- S-4 SMARTALK TELESERVICES INC, 1640 S SEPULVEDA BLVD, SUITE 500, LOS ANGELES, CA 90025 (310) 444-8800 - 4,846,640 (\$4,705,240) COMMON STOCK. (FILE 333-41317 - DEC 02) (BR 3)

S-4 CAVALIER HOMES INC, HWY 41 NORTH & CAVALIER RD, P O BOX 300, ADDISON, AL  
35540 (205) 747-1575 - 7,609,189 (\$71,336,145) COMMON STOCK (FILE  
333-41319 - DEC. 02) (BR 6)

S-8 PLATINUM SOFTWARE CORP, 195 TECHNOLOGY DR, IRVINE, CA 92718  
(714) 453-4000 - 712,357 (\$5,455,395.96) COMMON STOCK (FILE 333-41321 -  
DEC. 01) (BR 3)

S-8 BANC STOCK GROUP INC, 1105 SCHROCK RD, STE 437, COLUMBUS, OH 43229  
(614) 848-5100 - 1,000,000 (\$2,640,000) COMMON STOCK. (FILE 333-41323 -  
DEC 01) (BR 8)

S-8 LEARNING TREE INTERNATIONAL INC, 6053 W CENTURY BLVD, LOS ANGELES, CA  
90045 (310) 417-9700 - 1,500,000 (\$37,031,250) COMMON STOCK (FILE  
333-41325 - DEC 01) (BR 7)

S-8 RADIANT SYSTEMS INC, 1000 ALDERMAN DR, STE A, ALPHARETTA, GA 30202  
(770) 772-3000 - 100,000 (\$2,000,000) COMMON STOCK (FILE 333-41327 -  
DEC 01) (BR. 3)

S-3 INMC MORTGAGE HOLDINGS INC, 155 N LAKE AVE, MSN 35 13, PASADENA, CA  
91101 (800) 669-2300 (FILE 333-41329 - DEC 02) (BR. 8)

S-8 HANSEN NATURAL CORP, 2401 E KATELLA AVE STE 650, ANAHEIM, CA 92806  
(714) 634-4200 - 500,000 (\$1,065,000) COMMON STOCK (FILE 333-41333 -  
DEC 02) (BR 2)

S-4 FULTON FINANCIAL CORP, ONE PENN SQ, PO BOX 4887, LANCASTER, PA 17604  
(717) 291-2411 - 3,966,249 (\$211,202,759.25) COMMON STOCK (FILE  
333-41335 - DEC 02) (BR 7)

S-8 MCAFEE ASSOCIATES INC, 2710 WALSH AVE, STE 200, SANTA CLARA, CA 95051  
(408) 988-3832 - 6,248,982 (\$291,624,482.87) COMMON STOCK (FILE  
333-41337 - DEC 02) (BR 3)

S-4 HIBERNIA CORP, 313 CARONDELET ST, NEW ORLEANS, LA 70130 (504) 533-5552  
- 13,317,236 (\$83,232,725) COMMON STOCK (FILE 333-41339 - DEC 02)  
(BR 7)

S-8 FLORIDA PANTHERS HOLDINGS INC, 450 EAST LAS OLAS BOULEVARD, 10TH FL,  
FT LAUDERDALE, FL 33301 (954) 768-1900 - 2,400,000 (\$42,825,000)  
COMMON STOCK (FILE 333-41341 - DEC 02) (BR 5)

S-8 SEI CORP, 1 FREEDOM VALLEY DRIVE, OAKS, PA 19456 (610) 676-1000 -  
1,000,000 (\$42,000,000) COMMON STOCK (FILE 333-41343 - DEC 02) (BR 8)

S-8 TOWER AIR INC, JOHN F KENNEDY INTL AIRPORT, HANGAR #17, JAMAICA, NY  
11430 (718) 553-4300 - 1,400,000 (\$6,426,434.56) COMMON STOCK. (FILE  
333-41345 - DEC 02) (BR 5)

S-8 BALTIC INTERNATIONAL USA INC, 1990 POST OAK BLVD, SUITE 1630, HOUSTON,  
TX 77056 (713) 961-9299 - 1,500,000 (\$633,000) COMMON STOCK (FILE  
333-41347 - DEC 02) (BR. 9)

S-8 CABLEVISION SYSTEMS CORP, ONE MEDIA CROSSWAYS, WOODBURY, NY 11797  
(516) 364-8450 - 1,560,000 (\$119,535,000) COMMON STOCK (FILE 333-41349 -  
DEC 02) (BR 3)

S-8 SUIZA FOODS CORP, 3811 TURTLE CREEK BLVD, STE 1300, DALLAS, TX 75219  
(214) 528-9922 - 5,037,055 (\$154,712,918.23) COMMON STOCK. (FILE  
333-41353 - DEC 02) (BR 2)

S-8 CHOICE HOTELS INTERNATIONAL INC /DE, 10750 COLUMBIA PIKE, SILVER SPRING,  
MD 20901 (301) 979-5000 - 200,000 (\$3,431,260) COMMON STOCK (FILE  
333-41355 - DEC. 02) (BR 5)

S-8 CHOICE HOTELS INTERNATIONAL INC /DE, 10750 COLUMBIA PIKE, SILVER SPRING,  
MD 20901 (301) 979-5000 - 1,000,000 (\$17,156,300) COMMON STOCK. (FILE  
333-41357 - DEC 02) (BR. 5)

S-3 SNAP ON INC, 2801 80TH ST, P O BOX 1410, KENOSHA, WI 53141  
(414) 656-5200 - 1,000,000 (\$44,062,500) COMMON STOCK. (FILE 333-41359 -  
DEC 02) (BR 5)

- S-8 INTERNATIONAL RECTIFIER CORP /DE/, 233 KANSAS ST, EL SEGUNDO, CA 90245  
(310) 322-3331 - 7,500,000 (\$105,000,000) COMMON STOCK (FILE 333-41363 -  
DEC 02) (BR 6)
- S-8 ROSLYN BANCORP INC, 1400 OLD NORTHERN BLVD, ROSLYN, NY 11576  
(516) 621-6000 - 156,530 (\$3,345,828 75) COMMON STOCK. (FILE 333-41365 -  
DEC 02) (BR 7)
- S-8 CADIZ LAND CO INC, 100 WILSHIRE BLVD, SUITE 1620, SANTA MONICA, CA 90401  
(310) 899-4700 - 60,000 (\$431,250) COMMON STOCK. (FILE 333-41367 -  
DEC 02) (BR 2)
- S-8 PARKER DRILLING CO /DE/, PARKER BLDG, EIGHT E THIRD ST, TULSA, OK 74103  
(918) 585-8221 - 4,000,000 (\$46,660,000) COMMON STOCK. (FILE 333-41369 -  
DEC 02) (BR 4)
- S-8 INTEGRATED MEASUREMENT SYSTEMS INC /OR/, 9525 SW GEMINI DR, BEAVERTON,  
OR 97008 (503) 626-7117 - 370,000 (\$6,660,000) COMMON STOCK. (FILE  
333-41371 - DEC 02) (BR 5)
- S-3 CRIIMI MAE INC, 11200 ROCKVILLE PIKE, ROCKVILLE, MD 20852 (301) 816-2300  
- 4,251,024 (\$62,957,665 44) COMMON STOCK (FILE 333-41373 - DEC 02)  
(BR 8)
- S-3 CINTAS CORP, 6800 CINTAS BLVD, P O BOX 625737, CINCINNATI, OH 45262  
(513) 459-1200 - 39,728 (\$1,524,562) COMMON STOCK (FILE 333-41377 -  
DEC 02) (BR 2)