

# sec news digest

Issue 96-64

April 8, 1996

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## COMMISSION ANNOUNCEMENTS

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### TENTH EDGAR CONFERENCE SCHEDULED

An EDGAR Filer Conference has been scheduled for Monday, April 15. The conference will be held in the Jefferson Auditorium at the Department of Agriculture South Building at 14th Street and Independence Avenue S.W., in Washington D.C. At the conference, the SEC will present the status of EDGAR, a discussion of the EDGAR Rules, and a demonstration of the EDGARLink software. Although the Jefferson Auditorium can accommodate more people than the Commission Meeting Room used in previous conferences, space is limited to the number of seats in the facility (500). To reserve space, please register for the conference by calling (202) 942-8800 or leave a message on our request line (202) 942-8600. When you register, please give your name, your company, and your telephone number.

The conference will begin at 9:00 a.m. and is expected to end at about 5:00 p.m. Enter the facility by the Wing 4 entrance, which is in the middle of the Independence Avenue side of the building. The Wing 1 entrance is handicapped accessible. The guards will have the list of registered attendees, which will streamline the process of admitting you to this Government facility. You will need to bring a picture ID that was issued by a federal or state agency, such as a driver's license, to be admitted. Work IDs will not be accepted. You will be able to enter the Jefferson Auditorium, located approximately 100 yards to the right of the Wing 4 entrance guard's desk, at 8:00 a.m. For those conference attendees who arrive earlier than that time, the Department of Agriculture Cafeteria, located in Wing 3 of the facility, will be open.

It is recommended that you do not bring computer equipment, tape recorders, or portable telephones with you to the conference. If you do, you MUST register this equipment when you enter the Department of Agriculture Building by giving the guards the serial number, make, and model of the equipment and your name, business, and social security number. This information will be used to authenticate ownership of the equipment when you leave the building. Please note that all briefcases and large bags will be searched upon leaving the facility.

Please also note that no solicitation of any kind is permitted in this Government building. For example, filing agents and training agents will not be permitted to leave brochures describing their services on the registration desk or on the chairs of those attending the conference, nor will they be permitted to give this information to conference attendees who are entering or leaving the Jefferson Auditorium.

If you have any questions about the conference, please call (800) 942-8800.

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 Nancy Wolynetz, Office of Administrative and Personnel Management, to make arrangements. Ms. Wolynetz can be reached at (202) 942-4091 or at a TTY number (202) 942-4075. Staff members at the Commission are encouraged to contact Ms. Wolynetz if they receive inquiries on availability of auxiliary aides. If you wish to have a sign-language interpreter, please contact Ms. Wolynetz by C.O.B. April 8.

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## ENFORCEMENT PROCEEDINGS

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### COMMISSION DISMISSES DHB CAPITAL GROUP, INC.'S APPLICATION FOR REVIEW

The Commission has dismissed an application for review of a decision of the National Association of Securities Dealers, Inc. (NASD) to deny the application of DHB Capital Group, Inc. (DHB) for inclusion on the Nasdaq SmallCap Market. The NASD determined that DHB failed to meet the \$3.00 minimum bid price requirement required for initial inclusion. The NASD also denied DHB's application because David Brooks, DHB's controlling shareholder, officer and director, has a history of securities law violations. Brooks presently is subject to both a permanent injunction, entered on his consent, against aiding and abetting violations of certain provisions of the Securities Exchange Act of 1934, and a 1992 Commission order, also entered on Brooks' consent, barring him from association with any broker, dealer, municipal securities dealer, investment adviser, or investment company. The Commission's order provides that Brooks may apply to the Commission after five years to become so associated.

The Commission found that a sufficient factual basis existed for the NASD to deny DHB's application and that the NASD acted with respect to DHB both fairly and in accordance with its Rules, which it applied in a manner consistent with the purposes of the securities laws. The Commission did not find unreasonable the NASD's concerns about Brooks' past conduct and his proposed level of involvement in DHB. (Rel. 34-37069)

## APPEAL FROM NASD DISQUALIFICATION OF ROSARIO RUGGIERO DISMISSED

The Commission dismissed the appeal of Rosario R. Ruggiero, who had sought to remain associated with an NASD member despite a statutory disqualification. In February 1995, the U.S. District Court for the Southern District of New York had enjoined Ruggiero from violation of anti fraud and antimanipulation provisions of the securities laws (SEC v. Lorin, 90 Civ. 7461, HB). As a result, Ruggiero became subject to a statutory disqualification. The NASD had denied the application of Ruggiero's employer to continue as an NASD member if it retained Ruggiero.

Ruggiero argued that the conduct underlying the injunction occurred in 1987 and that he had been employed since that time without incident. The Commission noted however that Ruggiero had failed to submit to the NASD an amended registration form disclosing the entry of the injunction. Moreover, although the NASD notified his employer in March 1995 of the injunction and requested that the firm file an amended registration form, nothing was submitted until the NASD brought this proceeding. Given the seriousness of the violations and these failures, the Commission concluded that Ruggiero's employer had failed to make an adequate showing that its employment of Ruggiero would be appropriate. (Rel. 34-37070)

## COMMISSION DISMISSES APPEAL FROM NASD DISQUALIFICATION OF MORTON KANTROWITZ

The Commission has dismissed the appeal of Morton Kantrowitz of West Orange, New Jersey. In October 1992, in the Supreme Court of the State of New York, Kantrowitz pled guilty to the crime of falsifying business records in the second degree, a misdemeanor, and was sentenced to a one-year period of conditional discharge. As a result, Kantrowitz became subject to a statutory disqualification. Kantrowitz recently sought employment with Rickel & Associates, Inc. (Rickel), a member firm of the National Association of Securities Dealers, Inc. (NASD). The NASD denied Rickel's application to continue as an NASD member if it employed Kantrowitz.

The Commission found that his New York conviction reflects poorly on Kantrowitz's integrity. The Commission stated that its concern about Kantrowitz's integrity was underscored by the fact that, at an earlier point in Kantrowitz's career, the Commission suspended Kantrowitz from association with a broker or dealer, and obtained an injunction against his committing securities fraud. The Commission concluded that the NASD's decision to deny the application gave proper regard to the public interest and the protection of investors. (Rel. 34-37071)

## COMMISSION SUSTAINS NASD DISCIPLINARY ACTION AGAINST CHARLES KAUTZ

The Commission sustained disciplinary action against Charles E. Kautz of Clearwater, Florida. The NASD had found that, on ten separate occasions, Kautz had caused registered representatives under his supervision falsely to report that they were the selling agent for variable annuities contracts. The sales had in fact been made by Kautz. The representatives were required to return 85 percent of the commissions on the sale to Kautz. The NASD concluded that Kautz had violated Article III, Sections 1 and 21(a) of the NASD's Rules of Fair Practice. The NASD censured Kautz, fined him \$5,000, and suspended him for 30 days.

Kautz admitted the facts, but argued that the representatives had acted voluntarily. The Commission found that Kautz did not literally coerce the representatives to sign. However, the firm had stringent sales quotas, and the representatives understood that they could lose their jobs if they did not meet these sales quotas.

Kautz also argued that his actions were common practice at the firm. The Commission stated that it could not conclude on the record before it that Kautz's supervisor was aware of this practice. It noted that, even if the firm had permitted such a practice, this would not excuse Kautz's entry of false information on firm records. The Commission noted that entry of accurate information on broker-dealer records is necessary to effective NASD oversight of its members. (Rel. 34-37072)

## COMMISSION DISMISSES APPLICATION FOR REVIEW OF NASD DECISION TO DELIST GUNTHER INTERNATIONAL LTD. FROM NASDAQ SMALLCAP MARKET

The Commission has dismissed an application for review of a decision of the National Association of Securities Dealers, Inc. (NASD) to delist Gunther International Ltd., an issuer formerly listed on the Nasdaq SmallCap Market. The NASD found that Gunther was not in compliance with the required standard for capital and surplus. The Commission found that a sufficient factual basis existed to delist Gunther and that the NASD acted fairly and in accordance with its Rules. (Rel. 34-37073)

## COMMISSION SUSTAINS NASD DISCIPLINARY ACTION AGAINST RONALD H.V. JUSTISS

The Commission has sustained the disciplinary action taken by the National Association of Securities Dealers, Inc. (NASD or the Association) against Ronald H.V. Justiss of Denver, Colorado. The NASD had found that Justiss brought into a NASD testing center and then reviewed unauthorized material while taking a qualification examination. The NASD had censured Justiss and barred him in all capacities.

In his appeal to the Commission, Justiss focused on his claim that the sanction was too severe. The Commission concluded that the sanction was warranted and refused to reduce the bar to a 60-day suspension, as Justiss requested. The Commission further concluded that Justiss' misconduct flouted the ethical standards to which members of the securities industry must adhere and threatened the integrity of the NASD's testing process. (Rel. 34-37074)

#### NASD ACTION AGAINST ELI BOGGS COMBS SET ASIDE

The Commission has set aside National Association of Securities Dealers, Inc. (NASD) action taken with respect to Eli Boggs Combs of Austin, Texas. The Commission also has ordered the NASD to permit Combs's association with an NASD member.

The NASD had denied the application of FFP Securities, Inc., an NASD member, to permit Combs's association with that firm as a registered representative. The NASD acted on the basis of Combs's 1992 nolo contendere plea in Texas district court to two felony counts of aggravated sexual assault. The plea was entered pursuant to Texas's deferred adjudication statute.

The Commission concluded that the NASD's action did not accord with NASD rules. The applicable NASD By-Laws provision in effect when the NASD denied the application specified that persons are subject to disqualification from association with an NASD member if they have been convicted of any felony or misdemeanor involving or arising out of one or more types of specified conduct. The offense of sexual assault was not included among the types of conduct specified in the By-Laws.

The NASD recently revised its By-Laws to specify that conviction of any felony is a basis for "disqualification." (Rel. 34-37075)

#### ORDER OF PERMANENT INJUNCTION BY DEFAULT ENTERED AGAINST JARCO, INC.

On March 25, Judge John Grady of the United States District Court for the Northern District of Illinois entered an Order of Permanent Injunction by Default against Defendant Jarco, Inc. (Order). The Order enjoins Jarco, Inc. from committing future violations of the securities registration and antifraud provisions of the federal securities laws. The Order specifically asserts that the Court shall retain jurisdiction of this matter to determine, among other things, the liability of the other remaining Defendants and whether Jarco, Inc. shall be required to pay disgorgement, prejudgment interest and civil penalties.

The amended complaint, filed on October 6, 1995, alleged that between December 1987 and March 1991, Jarco, Inc. and others fraudulently offered and sold investments in the form of unregistered Jarco, Inc. promissory notes to the public raising over

\$1 million from at least twenty-three investors residing in Illinois and Indiana. The amended complaint further alleged that Jarco, Inc. misrepresented and omitted to state material facts regarding, among other things, the risks, returns and duration of the investment, the true nature of the investment and the use of investor funds. [SEC v. Weyman B. Sinyard, et al., N.D. Ill., Civil Action File No. 94C-5856] (LR-14863)

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

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##### **NORAM ENERGY CORP.**

A notice has been issued giving interested persons until April 29 to request a hearing on an application filed by NorAm Energy Corporation for an order of exemption in connection with its contemplated acquisition, for an aggregate investment of up to \$100 million over the next five-year period, of minority interests in businesses to establish and operate natural gas pipeline and distribution systems throughout Latin America. (Rel. 35-26502; IS-964)

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

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##### **APPROVAL OF PROPOSED RULE CHANGE**

The Commission approved a proposed rule change submitted by the American Stock Exchange (SR-Amex-96-04) to make certain "housekeeping" changes and other revisions to its membership procedures. (Rel. 34-37068)

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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 HAWAIIAN ELECTRIC INDUSTRIES INC, 900 RICHARDS ST, HONOLULU, HI 96813  
(808) 543-5662 - 5,000,000 (\$176,550,000) COMMON STOCK. (FILE 333-2103 -  
APR. 01) (BR. 7)

REGISTRATIONS CONT.

- S-8 MCN CORP, 500 GRISWOLD ST, DETROIT, MI 48226 (313) 256-5500 - 900,000 (\$20,925,000) COMMON STOCK. (FILE 333-2105 - APR. 01) (BR. 8)
- S-8 MCN CORP, 500 GRISWOLD ST, DETROIT, MI 48226 (313) 256-5500 - 600,000 (\$13,950,000) COMMON STOCK. (FILE 333-2107 - APR. 01) (BR. 8)
- S-3 MINNESOTA POWER & LIGHT CO, 30 W SUPERIOR ST, DULUTH, MN 55802 (218) 722-2641 - 5,000,000 (\$135,312,500) COMMON STOCK. (FILE 333-2109 - APR. 01) (BR. 8)
- S-8 TECH OPS SEVCON INC, ONE BEACON ST, BOSTON, MA 02108 (617) 523-2030 - 100,000 (\$1,400,000) COMMON STOCK. (FILE 333-2113 - APR. 01) (BR. 8)
- S-6 NUVEEN TAX FREE UNIT TRUST SERIES 859, 333 W. WACKER, CHICAGO, IL 60606 (312) 917-7786 - INDEFINITE SHARES. (FILE 333-2117 - APR. 01) (NEW ISSUE)
- S-8 BISCAYNE APPAREL INC /FL/, 1373 BROAD ST, 2665 SOUTH BAYSHORE DRIVE SUITE 800, CLINTON, NJ 07013 (201) 473-3240 - 150,000 (\$89,070) COMMON STOCK. (FILE 333-2119 - APR. 01) (BR. 8)
- S-8 FAIR ISAAC & COMPANY INC, 120 N REDWOOD DR, SAN RAFAEL, CA 94903 (415) 472-2211 - 1,000,000 (\$30,375,000) COMMON STOCK. (FILE 333-2121 - APR. 01) (BR. 6)
- S-8 MAGNA GROUP INC, ONE MAGNA PLACE, 1401 S BRENTWOOD BLVD, ST LOUIS, MO 63144 (314) 963-2500 - 100,000 (\$2,237,500) COMMON STOCK. (FILE 333-2123 - APR. 01) (BR. 1)
- S-8 MAGNA GROUP INC, ONE MAGNA PLACE, 1401 S BRENTWOOD BLVD, ST LOUIS, MO 63144 (314) 963-2500 - 1,000,000 (\$22,375,000) COMMON STOCK. (FILE 333-2125 - APR. 01) (BR. 1)
- S-8 MAY DEPARTMENT STORES CO, 611 OLIVE ST, ST LOUIS, MO 63101 (314) 342-6300 - 12,000 (\$575,250) COMMON STOCK. (FILE 333-2127 - APR. 01) (BR. 1)
- S-3 AMERICA WEST AIRLINES INC, 4000 E SKY HARBOR BLVD, STE 2100, PHOENIX, AZ 85034 (602) 693-0800 - 804,334 (\$17,092,098) COMMON STOCK. (FILE 333-2129 - APR. 01) (BR. 3)
- S-3 ADC TELECOMMUNICATIONS INC, 4900 W 78TH ST, MINNEAPOLIS, MN 55343 (612) 938-8080 - 299,600 (\$10,261,300) COMMON STOCK. (FILE 333-2133 - APR. 01) (BR. 7)
- S-8 TYSON FOODS INC, 2210 W OAKLAWN DR, SPRINGDALE, AR 72764 (501) 290-4000 - 4,000,000 (\$92,000,000) COMMON STOCK. (FILE 333-2135 - APR. 01) (BR. 4)
- S-3 INTERNATIONAL PAPER CO /NEW/, TWO MANHATTANVILLE RD, PURCHASE, NY 10577 (914) 397-1500 - COMMON STOCK. (FILE 333-2137 - APR. 01) (BR. 8)

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.
- Item 8. Change in Fiscal Year.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Room (when ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
TELEDYNE INC	DE					X		X		04/01/96	
TIME WARNER INC	DE					X		X		04/03/96	
TIME WARNER INC	DE					X		X		04/04/96	
TOPRO INC	CO		X					X		06/30/96AMEND	
TRACK DATA CORP	DE	X	X					X		03/26/96	
TRANS WORLD INSURANCE CO								X		03/19/96	
TRANS WORLD INSURANCE CO								X		03/26/96	
TRANSWORLD INC CO CLASSNOTES TR 1995-I A								X		03/19/96	
TRANSWORLD INS CO CLASSNOTES TR 1995-I A								X		12/04/95	
TRANSWORLD INS CO CLASSNOTES TR 1995-I A								X		03/26/96	
TUCSON ELECTRIC POWER CO	AZ					X				03/27/96	
U S PAWN INC	CO					X				04/01/96	
U S WEST COMMUNICATIONS INC	CO		X							04/04/96	
UNIONBANCAL CORP	CA				X		X			04/01/96	
US WEST INC	CO		X							04/04/96	
VANGUARD CELLULAR SYSTEMS INC	NC							X		04/04/96	
VISTA 2000 INC	DE					X	X			03/08/96	
WANG LABORATORIES INC	DE					X	X			04/03/96	
1ST BERGEN BANCORP	NJ					X				03/29/96	
AEI REAL ESTATE FUND XVI LTD PARTNERSHIP	MN					X				03/22/96	
AMERICAN ACQUISITION CORP /NJ/	NJ	X			X	X	X			03/21/96	
ANDROS INC	DE	X						X		03/25/96	
APACHE CORP	DE					X	X			03/27/96AMEND	
ARCH PETROLEUM INC /NEW/	NV							X		01/31/96AMEND	
ASSET SECURITIZATION CORP	DE					X	X			03/25/96	
AT&T CORP	NY					X				03/21/96	
BACHMAN INFORMATION SYSTEMS INC /MA/	MA					X				03/25/96	
BE AEROSPACE INC	DE							X		03/26/96	
CALENERGY CO INC	DE		X							04/08/96	
CAPTEC FRANCHISE CAPITAL PARTNERS LP III	DE					X				04/02/96	
CASHMYP CORP	CO					X				04/03/96	
CELADON GROUP INC	DE					X	X			04/03/96	
CENTURA BANKS INC	NC					X	X			04/03/96	
CHASE MANHATTAN BANK NATIONAL ASSOCIATIO						X	X			03/15/96	
CKE RESTAURANTS INC	DE							X		04/03/96	



8K REPORTS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
CNL AMERICAN PROPERTIES FUND INC	MD	X	X	X						03/06/96	
CNL INCOME FUND XVII LTD	FL	X			X					03/19/96	
COMMUNITY FINANCIAL CORP /IL/	IL			X	X					03/25/96	
CONNECTICUT LIGHT & POWER CO	CT			X						03/30/96	
CONNECTIVITY & TECHNOLOGIES INC	CO	X	X	X	X					02/08/96	
CONSIL CORP	ID			X	X					04/02/96	
CONTINENTAL CHOICE CARE INC	NJ			X						03/26/96	
CUMBS INC MORT PASS THR CERT SER 1996-E				X	X					03/27/96	
DALLAS GOLD & SILVER EXCHANGE INC /NV/	NV			X						04/04/96	
DEBARTOLO REALTY CORP	OH			X	X					03/26/96	
DENBURY RESOURCES INC		X			X					03/26/96	
DIMON INC	VA					X				06/07/95AMEND	
DISCOVER CARD MASTER TRUST I	DE			X						04/01/96	
DISNEY ENTERPRISES INC	DE			X	X					03/07/96	
EARTHGRAINS CO	DE					X				03/25/96	
FALCON CABLE SYSTEMS CO	CA			X	X					04/04/96	
FIRST INDUSTRIAL REALTY TRUST INC	MD	X	X	X						03/20/96	
FLEET FINANCIAL GROUP INC	RI			X	X					04/05/96AMEND	
FLORSHEIM SHOE CO /DE/	DE	X			X					03/22/96	
FRENCH FRAGRANCES INC	FL	X	X	X						03/20/96	
GATEWAY ENERGY CORP/NE	DE				X					01/24/96AMEND	
GENERAL PUBLIC UTILITIES CORP /PA/	PA			X						04/02/96	
IMMULOGIC PHARMACEUTICAL CORP /DE	DE			X	X					04/03/96	
J P MORGAN COMMERCIAL MORT FI COR MT PS	NY			X						03/25/96	
JAMES RIVER BANKSHARES INC	VA			X						12/14/95	
JERSEY CENTRAL POWER & LIGHT CO	NJ			X						04/02/96	
KCD HOLDINGS INC	NV			X						03/06/96	
KINARK CORP	DE					X				02/27/96AMEND	
LANXIDE CORP	DE			X	X					03/28/96	
LOCKHEED MARTIN CORP	MD			X						04/04/96	
LSB FINANCIAL CORP	IN			X	X					04/03/96	
LSI INDUSTRIES INC	OH			X						03/29/96	
MACERICH CO	MD				X					04/05/96AMEND	
MAUI CAPITAL CORP	CO	X			X					03/21/96	
MCCRORY CORP	DE			X	X					03/27/96	
MEDAPHIS CORP	DE			X	X					03/13/96	
MEMOREX TELEX N V	DE			X	X					04/04/96	
MONEY STORE INC /NJ	NJ				X					03/25/96	
MONEY STORE INC CLASSNOTES TR 1995-I ASS					X					03/25/96	
MORGAN GROUP INC	IN			X	X					03/19/96AMEND	
NATURAL HEALTH TRENDS CORP	FL				X					01/22/96AMEND	
NEOPROBE CORP	DE				X					04/02/96	
NETVANTAGE INC	DE			X	X					04/02/96	
NEWCOR INC	DE			X						10/31/96	
NORTHEAST UTILITIES	MA			X						03/30/96	
PACIFIC REHABILITATION & SPORTS MEDICINE	DE			X	X					04/02/96	
PARAGON TRADE BRANDS INC	DE			X						03/28/96	
PETRO UNION INC	CO			X	X					02/20/96	
PHOENIX MEDICAL TECHNOLOGY INC	DE	X			X					03/22/96	
PLATINUM TECHNOLOGY INC	DE				X					02/08/96AMEND	
PRINCETON DENTAL MANAGEMENT CORP	DE			X						03/21/96	
PUBLIC SERVICE CO OF NEW HAMPSHIRE	NH			X						03/30/96	
QUANTUM LEARNING SYSTEMS INC	NV	X								04/02/96	
R&G MORTGAGE CORP				X	X					03/24/96	
RESIDENTIAL ACCREDIT LOANS INC MOR PS TH					X					03/28/96	
SECURITY FEDERAL BANCORP INC	DE			X	X					02/19/96AMEND	

BK REPORTS CONT.

NAME OF ISSUER	STATE CODE	BK ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
SILICON VALLEY RESEARCH INC	CA				X			X		03/29/96	
SITE HOLDINGS INC	DE				X					03/11/96	
SOMANETICS CORP	MI				X	X				04/03/96	
SPORTS HEROES INC	DE				X	X				03/25/96	
STRUCTURED MORT SEC CORP MORT PS TH CT S					X	X				09/30/94	
SUMMIT FAMILY RESTAURANTS INC	DE				X	X				04/02/96	
SUN COMMUNITIES INC	MD							X		04/02/96	
SUPERIOR BANK FSB AFC MORT LM AST BK CT			X					X		03/22/96	
TELTRONICS INC	DE				X	X				04/05/96	
TIS MORTGAGE INVESTMENT CO	MD				X					03/28/96	
TODAYS MAN INC	PA				X					03/11/96	
TRANSWORLD INS CO CLASSNOTES TR 1995-1 A								X		03/25/96	
TRANSWORLD INSURANCE CO								X		03/25/96	
TREMONT CORPORATION	DE				X	X				04/02/96	
TYCO TOYS INC	DE				X					03/22/96	
U S DIAGNOSTIC LABS INC	DE				X	X				03/29/96	
UNITED INSURANCE COMPANIES INC	DE				X	X				04/01/96	
VALKI INC /DE/	DE		X							03/14/96	
VETERINARY CENTERS OF AMERICA INC	DE				X					10/03/95	
WALT DISNEY CO/	DE				X	X				03/07/96	
WELLS FARGO & CO	DE							X		04/04/96	
WESTERN MASSACHUSETTS ELECTRIC CO	MA				X					03/30/96	
WOOLWORTH CORPORATION	NY				X	X				04/02/96	

UNITED STATES OF AMERICA  
Before The  
SECURITIES AND EXCHANGE COMMISSION

April 8, 1996

SECURITIES EXCHANGE ACT OF 1934  
Release No. 37082

Administrative Proceeding  
File No. 3-8835

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In the Matter of	:	ORDER MAKING FINDINGS AND
	:	IMPOSING SANCTIONS PURSUANT
CALVIN L. WORD	:	TO SECTIONS 15(b) and 19(h) OF
	:	THE SECURITIES EXCHANGE ACT OF
	:	1934

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I.

The Securities and Exchange Commission ("Commission") has instituted an administrative proceeding pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 ("Exchange Act"). 1/ Calvin L. Word ("Word") has submitted an Offer of Settlement ("Offer") which the Commission has determined is in the public interest to accept.

II.

Solely for the purpose of this proceeding and any other proceeding brought by or on behalf of the Commission or to which the Commission is a party, Word admits the jurisdiction of the Commission over him and the subject matter of this administrative proceeding, and, without admitting or denying any of the findings contained herein, except those contained in Section III, Paragraphs A and B, consents to the entry of this Order Making Findings And Imposing Sanctions ("Order") providing for the findings set forth in Section III below and the remedial sanctions set forth in Section IV below.

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1/ The administrative proceeding was instituted on September 28, 1995.

### III.

On the basis of this Order and the Offer by Word, the Commission finds that: 2/

- A. Word was associated with First Alliance Securities, Inc. ("First Alliance"), a registered broker-dealer, as its vice president from in or about February 1989 to in or about August 1989.
- B. On October 27, 1994, Word was convicted in the United States District Court for the Northern District of Georgia in United States v. William Lincoln, et al., Crim. Action No. 1:93-CR-0506 (N.D. Ga.) of conspiracy to commit securities fraud, based upon his conduct, in connection with the sale of penny stock, while associated with First Alliance. On March 8, 1995 Word was sentenced to sixty months imprisonment, three years supervised release, and joint and several restitution of \$2.5 million.
- C. The count of the indictment of which Word was convicted alleged that he made, and caused the First Alliance sales staff to make, material misrepresentations concerning the liquidity, suitability, and level of risk of stocks promoted by First Alliance, the current available market prices for those stocks, the reasons for increases or decreases in the prices of those stocks, the operations, financial condition and prospects of the purported issuers of those stocks, and the amounts charged by the firm for executing trades, and that Word omitted, and caused others to omit, to tell First Alliance customers that First Alliance had a policy prohibiting net-selling.

### IV.

Based upon the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions specified by Word in his Offer.

Accordingly, IT IS HEREBY ORDERED that Calvin L. Word be, and hereby is, barred from association with any broker, dealer,

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2/ The findings herein are made pursuant to Word's Offer and are not binding on any other person or entity named as a respondent in this or any other proceeding.

municipal securities dealer, investment adviser or investment company, effective immediately.

IT IS HEREBY FURTHER ORDERED that Calvin L. Word be, and hereby is, barred from participating in an offering of penny stock.

For the Commission, by its Secretary, pursuant to delegated authority.

Jonathan G. Katz  
Secretary