

sec news digest

Issue 96-67

April 11, 1996

COMMISSION ANNOUNCEMENTS

SEC STATEMENT REGARDING INTERNATIONAL ACCOUNTING STANDARDS

The Commission is pleased that the IASC has undertaken a plan to accelerate its developmental efforts with a view toward completion of the requisite core set of standards by March 1998. The Commission supports the IASC's objective to develop, as expeditiously as possible, accounting standards that could be used for preparing financial statements used in cross-border offerings. From the Commission's perspective, there are three key elements to this program and the Commission's acceptance of its results:

- The standards must include a core set of accounting pronouncements that constitutes a comprehensive, generally accepted basis of accounting;
- The standards must be of high quality -- they must result in comparability and transparency, and they must provide for full disclosure; and
- The standards must be rigorously interpreted and applied.

The Commission is committed to working with its securities regulatory colleagues, through IOSCO, and with the IASC to provide the necessary input to achieve the goal of establishing a comprehensive set of international accounting standards. As soon as the IASC completes its project, accomplishing each of the noted key elements, it is the Commission's intention to consider allowing the utilization of the resulting standards by foreign issuers offering securities in the U.S.

ENFORCEMENT PROCEEDINGS

COMMISSION REMANDS EXCHANGE DISCIPLINARY PROCEEDING AGAINST JONATHAN FEINS

The Commission has set aside the disciplinary proceeding brought by the American Stock Exchange, Inc. (AMEX or the Exchange) against Jonathan Feins, a former regular member of the AMEX and a two-dollar broker. The Exchange had found that Feins had engaged in conduct inconsistent with just and equitable principles of trade, had engaged in conduct detrimental to the interest or welfare of the Exchange, and had exercised control over another account. The AMEX had censured Feins, barred him for three years from membership or association in any capacity with any AMEX member or member organization, and fined him \$50,000.

The Commission found that the Exchange's written decision lacked the specificity required by Section 6(d)(1) of the Securities Exchange Act of 1934, which requires an exchange to supply a statement, satisfying specific criteria, in support of any disciplinary action against a person associated with an exchange member. The Commission therefore remanded the proceeding, with some instructions, to the Exchange for a more complete statement of the AMEX's decision. (Rel. 34-37091)

COMMISSION SUSTAINS NASD ACTION AGAINST MAYER AMSEL

The Commission has sustained NASD disciplinary action against Mayer A. Amsel of Brooklyn, New York. Amsel was principal trader and a salesman for A.T. Brod & Co., Inc., an NASD member firm. The NASD censured Amsel, barred him in all capacities, and fined him \$100,000.

The Commission found that Amsel engaged in a fraudulent scheme involving the parking of stock from the firm's trading account. Amsel effected unauthorized purchases from that account for inactive customer accounts and for seven fictitious accounts that he established at the firm. The Commission found that the most plausible explanation for Amsel's actions was the fact that the firm's president refused to pay Amsel his share of the trading profits as long as there were long positions in Amsel's trading account. The Commission further found that Amsel violated recordkeeping and credit extension provisions in connection with his scheme in that he prepared false new account forms and false purchase and sale orders for the fictitious accounts, and entered purchase orders for those accounts knowing that no payment would be made.

The Commission also found that Amsel engaged in a pattern of trading in the stock of Frontier Industries Inc. of Utah that improperly diverted profits to certain favored accounts (three of which were controlled by Amsel's brother) at the expense of the firm. In addition, Amsel improperly caused the firm to pay the favored accounts preferential prices for Frontier that were denied to other customers. In connection with this scheme, Amsel committed additional violations of recordkeeping provisions.

In sustaining the sanctions imposed by the NASD, the Commission cited Amsel's deliberate and serious misconduct as well as his "disturbing disregard for the standards that govern the securities industry." (Rel. 34-37092)

COURT ENTERS TEMPORARY RESTRAINING ORDER AGAINST INVESTMENT ADVISERS MICHAEL ANTHONY PIERCE AND JOCELYN JANE O'ROURKE

The Commission announced that on April 9 the Honorable Reginald C. Lindsay of the U.S. District Court for the District of Massachusetts entered a temporary restraining order against Michael Anthony Pierce d/b/a Pierce & Associates and Jocelyn Jane O'Rourke, both of Worcester, Massachusetts, restraining them from further theft of client funds and ordering repatriation of misappropriated monies.

The Commission's complaint alleges that Pierce and O'Rourke, both registered as representatives and investment advisers, violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Pierce violated Sections 206(1) and 206(2) of the Advisers Act. The complaint also alleges that Pierce and O'Rourke misappropriated at least \$1.7 million from at least 23 clients. To conceal the fraud, Pierce created and sent to clients false statements and other documents. Both Pierce and O'Rourke caused periodic payments to be made to certain clients to make it falsely appear that their funds had been invested as directed. [SEC v. Michael A. Pierce (d/b/a Pierce & Associates) and Jocelyn J. O'Rourke, Civil Action No. 96-10600-RCL, D. Mass.] (LR-14869)

INSIDER TRADING COMPLAINT FILED AGAINST JOHN O'GRADY

On April 11, the Commission filed an insider trading action in the United States District Court for the District of New Jersey against John P. O'Grady. The Commission's complaint alleges that O'Grady purchased securities of Margaretten Financial Corporation while in possession of material nonpublic information concerning the company's potential merger. The complaint alleges that O'Grady obtained this information from his wife, who worked as the confidential secretary to Margaretten's chief executive officer and chairman of the board. O'Grady made illicit profits of \$14,534.82. The complaint seeks a permanent injunction against O'Grady, disgorgement of all profits received from the insider trading, and a civil penalty.

Without admitting or denying the allegations in the complaint, O'Grady consented to the entry of a Final Judgment permanently enjoining him from violating Section 10(b), and Rule 10b-5 thereunder, of the Securities Exchange Act of 1934, and ordering him to pay \$14,534.82 in disgorgement, \$2,435.25 in prejudgment interest, and a \$14,534.82 penalty pursuant to the Insider Trading Sanctions Act of 1984 for a total amount of \$31,504.99. [SEC v. John P. O'Grady, USDC, D.N.J.] (LR-14870)

INVESTMENT COMPANY ACT RELEASES

THE ASIA TIGERS FUND, INC., ET AL.

A notice has been issued giving interested persons until May 6 to request a hearing on an application filed by The Asia Tigers Fund, Inc., et al. for an order under Rule 17d-1 under the Investment Company Act. The order would permit an affiliated person of certain investment companies to receive a fee based upon the proceeds derived from loans of the investment companies' portfolio securities for its services as lending agent. (Rel. IC-21878 - April 9)

EVERGREEN TRUST, ET AL.

A notice has been issued giving interested persons until May 6 to request a hearing on an application filed by Evergreen Trust, et al. for an order under Section 6(c) of the Investment Company Act for an exemption from Sections 13(a)(2), 13(a)(3), 18(f)(1), 22(f), and 22(g) of the Act, and Rule 2a-7 thereunder, under Sections 6(c) and 17(b) of the Act for an exemption from Section 17(a)(1) of the Act, and pursuant to Rule 17d-1 under the Act. The order would permit certain investment companies to enter into deferred compensation arrangements with their trustees. (Rel. IC-21879 - April 9)

DELAWARE GROUP FOREIGN INVESTORS GOVERNMENT FUND, L.P.

A notice has been issued giving interested persons until May 6 to request a hearing on an application filed by Delaware Group Foreign Investors Government Fund, 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-21880 - April 10)

EAI SELECT MANAGERS EQUITY FUND, ET AL.

A notice has been issued giving interested persons until May 6 to request a hearing on an application filed by EAI Select Managers

Equity Fund (Fund) and Evaluation Associates Capital Markets, Incorporated (Manager) for an order under Section 6(c) of the Investment Company Act for an exemption from Section 15(a). The order would permit subadvisers selected by the Manager to serve as investment advisers to the Fund without receiving prior shareholder approval. (Rel. IC-21881 - April 10)

DELAWARE GROUP FOREIGN INVESTORS HIGH-YIELD FUND, L.P.

A notice has been issued giving interested persons until May 6 to request a hearing on an application filed by Delaware Group Foreign Investors High-Yield Fund, 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-21882 - April 10)

SELF-REGULATORY ORGANIZATIONS

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until April 30 to comment on the application of Stephan Company to withdraw from listing and registration on the American Stock Exchange its Common Stock, \$1.00 Par Value. (Rel. 34-37093)

PROPOSED RULE CHANGE

The Chicago Board Options Exchange filed a proposed rule change (SR-CBOE-96-19) relating to eligibility requirements for participation on the RAES system in SPX options. Publication of the notice is expected in the Federal Register during the week of April 8. (Rel. 34-37078)

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change (SR-NASD-96-06) filed by the National Association of Securities Dealers. The rule change increases the fees required of those issuers who apply for an exception to the listing or maintenance standards of The Nasdaq Stock Market, Inc. (Rel. 34-37088)

The Commission approved a proposed rule change (SR-CBOE-96-05) filed by the Chicago Board Options Exchange to amend Exchange Rule 24.14, which provides for disclaimers of liability on behalf of designated index reporting authorities. (Rel. 34-37090)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission has granted accelerated approval to a proposed rule change (SR-CBOE-96-12) submitted by the Chicago Board Options Exchange to change the method for determining the exercise settlement value of Nasdaq-100 options. Publication of the notice is expected in the Federal Register during the week of April 15. (Rel. 34-37089)

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.

- S-3 AT&T UNIVERSAL FUNDING CORP, 5201 AMELIA EARHART DR, SALT LAKE CITY, UT 84116 (904) 954-7500 - 1,800,000,000 (\$1,800,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 333-2878 - MAR. 28) (BR. 11)
- S-8 LAWYERS TITLE CORP, 6630 W BROAD ST, RICHMOND, VA 23230 (804) 281-6700 - 900,000 (\$16,875,000) COMMON STOCK. (FILE 333-2884 - MAR. 28) (BR. 9)
- S-1 PAGEMART WIRELESS INC, 6688 NORTH CENTRAL EXPRESSWAY, STE 800, DALLAS, TX 75206 (214) 750-5809 - \$92,000,000 COMMON STOCK. (FILE 333-3012 - APR. 01) (BR. 7)
- S-1 INSITE VISION INC, 965 ATLANTIC AVE, ALAMEDA, CA 94501 (510) 865-8800 - 1,500,000 (\$8,718,750) COMMON STOCK. (FILE 333-3102 - APR. 02) (BR. 4)
- S-8 DIVERSIFAX INC, 39 STRINGHAM AVE, VALLEY STREAM, NY 11530 (212) 635-0005 - 500,000 (\$2,700,000) COMMON STOCK. (FILE 333-3122 - MAR. 29) (BR. 6)
- S-8 OMEGA HEALTHCARE INVESTORS INC, 905 W EISENHOWER CIRCLE STE 110, ANN ARBOR, MI 48103 (313) 747-9790 - 750,000 (\$12,571,875) COMMON STOCK. (FILE 333-3124 - MAR. 29) (BR. 6)

RECENT 8-K 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.

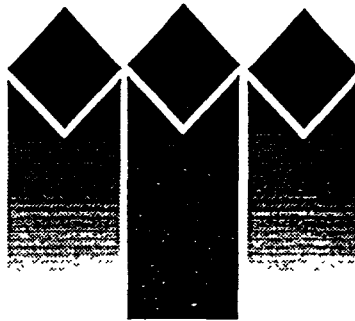
The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Room (when ordering, please give the date of the report).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

NAME OF ISSUER	STATE CODE	BK ITEM NO.								DATE	COMMENT	
		1	2	3	4	5	6	7	8			
MCI CORP	MI					X					04/08/96	
MEDQUIST INC	NJ					X	X				04/01/96	
MERIDIAN BANCORP INC	PA						X				02/23/96	
MERIT SECURITIES CORP SERIES 3						X	X				03/28/96	
MERIT SECURITIES CORP SERIES 4						X	X				03/28/96	
MERIT SECURITIES CORP SERIES 5	VA					X	X				03/28/96	
MICROELECTRONIC PACKAGING INC /CA/	CA					X	X				03/27/96	
MINNESOTA POWER & LIGHT CO	MN					X					03/29/96	
MONEY STORE CALIFORNIA INC 1995-A								X			11/15/95	
MONEY STORE CALIFORNIA INC 1995-B								X			10/16/95	
MONEY STORE D C INC 1995-A								X			11/15/95	
MONEY STORE D C INC 1995-B								X			10/16/95	
MONEY STORE EMPIRE STATE INC 1995-A								X			11/15/95	
MONEY STORE EMPIRE STATE INC 1995-B								X			10/16/95	
MONEY STORE HOME EQUITY CORP 1995-A								X			11/15/95	
MONEY STORE HOME EQUITY CORP 1995-B								X			10/16/95	
MONEY STORE INC TMS SBA LN BK ADJ RT CT								X			03/29/96	
MONEY STORE INVESTMENT CORP	NJ					X	X				03/22/96	
MONEY STORE INVESTMENT CORP	NJ							X			03/29/96	
MONEY STORE KENTUCKY INC 1995-A								X			11/15/95	
MONEY STORE KENTUCKY INC 1995-B								X			10/16/95	
MONEY STORE MICHIGAN INC 1995-A								X			11/15/95	
MONEY STORE MINNESOTA INC 1995-A								X			11/15/95	
MONEY STORE MINNESOTA INC 1995-B								X			10/16/95	
MONEY STORE OF NEW YORK INC	NY					X	X				03/22/96	
MONEY STORE OHIO INC 1995-A								X			11/15/95	
MONOCACY BANCSHARES INC	MD		X					X			04/01/96	
MOOG INC	NY					X	X				03/27/96	AMEND
MOTELS OF AMERICA INC	DE							X			01/23/96	AMEND
NORWOOD PROMOTIONAL PRODUCTS INC	TX							X			01/23/96	AMEND
OAKWOOD MORTGAGE INVESTORS INC						X	X				03/15/96	
PHARMA PATCH PUBLIC LIMITED CO						X	X				04/01/96	
PORTLAND GENERAL CORP /OR	OR							X			04/04/96	
PORTLAND GENERAL ELECTRIC CO /OR/	OR							X			04/04/96	
QLT PHOTOTHERAPEUTICS INC	CA									NO ITEMS	04/01/96	
REDWOOD EMPIRE BANCORP	CA							X			04/09/96	
REGIONAL ACCEPTANCE CORP	NC					X	X				03/29/96	
REINSURANCE GROUP OF AMERICA INC	MO					X	X				03/22/96	
RESOURCE GENERAL CORP	OH	X									03/25/96	
REUNION RESOURCES CO	DE					X	X				04/02/96	
REYNOLDS DEBBIE HOTEL & CASINO INC	NV							X			04/05/96	
ROANOKE GAS CO	VA		X								04/09/96	
S W FINANCIAL CORP	CO	X	X			X	X				03/28/96	
SAXON MORTGAGE SECURITIES CORP SERIES 19	VA					X	X				03/25/96	
SEARS CREDIT ACCOUNT MASTER TRUST II	NY					X	X				03/26/96	
SEIBELS BRUCE GROUP INC	SC		X								04/08/96	
SOFTDESK INC	DE							X			01/22/96	AMEND
STORAGE USA INC	TX					X	X				04/05/96	
STRUCTURED ASSET SECURITIES CORP SERIES	DE					X	X				10/25/95	
STYLES ON VIDEO INC	DE					X	X				03/29/96	
SUBMICRON SYSTEMS CORP	DE		X					X			03/26/96	
SUNPORT MEDICAL CORP						X	X				03/20/96	

8K REPORTS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
TAYLOR ANN STORES CORP	DE					X	X			04/08/96	
TMS MORTGAGE INC 1995-A							X			11/15/95	
TMS MORTGAGE INC 1995-B							X			10/16/95	
UNOCAL CORP	DE					X				04/09/96	
VALLEY NATIONAL BANCORP	NJ					X				04/02/96	
VALLICORP HOLDINGS INC	DE					X	X			03/22/96	
VALLICORP HOLDINGS INC	DE						X			03/27/96	
VIKING CAPITAL GROUP INC	UT					X	X			03/08/96	
WARNER INSURANCE SERVICES INC	DE					X	X			03/28/96	
WEIS MARKETS INC	PA					X				03/27/96	
XYTRONYX INC	DE					X	X			04/01/96	

SEC SYMPOSIUM



**FINANCIAL ACCOUNTING
AND REPORTING OF
INTANGIBLE ASSETS**

Sponsored by:

United States Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

April 11-12, 1996

Overview

Intangible assets have received substantial attention in recent years from academicians, companies and standard setters alike. Industries that utilize and rely on these assets comprise a growing segment of our economy. Notwithstanding this, and for a variety of reasons, many of these assets are not currently recognized or measured in financial reports.

The symposium is designed to further the existing dialogue on emerging issues related to intangible assets and explore potential improvements to the reporting model with respect to such assets. More specifically, the symposium will address a variety of issues related to the financial accounting and reporting of these assets from the perspective of preparers and users of financial reports, academicians, and standard setters. Issues to be discussed include: the nature and types of intangible assets, such as human capital and intellectual property, among others; measurement and reliability concerns; the significance of intangible assets from the perspective of investors and other users of financial reports; and the experiences of domestic and foreign accounting regulators with respect to intangible assets.

THURSDAY, APRIL 11, 1996

1:00-1:15 Welcome

- Steven M.H. Wallman, Commissioner
U.S. Securities and Exchange Commission

1:15-2:15 Plenary Remarks on Intangible Assets

- Olena E. Berg, Assistant Secretary for Pension and Welfare Benefits Administration
U.S. Department of Labor
- Dr. Joseph E. Stiglitz, Chairman,
Council of Economic Advisers

2:15-3:45 Panel 1: A User Perspective on Intangible Assets

Moderator: Patricia McQueen, Association for Investment Management and Research

This panel will focus on important issues related to intangible assets from the perspective of users of financial reports. Such issues may include the utility of the current reporting system with respect to intangible assets, other sources of information on intangible assets, reliability issues, and comparability concerns.

- | | |
|---|--|
| • Lewis S. Alexander
Chief Economist
U.S. Department of Commerce | • John Bajkowski
American Association of Individual Investors |
| • Joseph J. Jelincic, Jr.
Research Analyst
California Public Employees
Retirement System | • James Morgan
National Venture Capital Association |
| • I. Rossa O'Reilly, CFA
Managing Director
CIBC Wood Gundy, Inc. (Ontario, Canada) | • Gerald White, CFA
Grace & White, Inc. |

3:45-4:00 Coffee Break

4:00-5:30 Panel 2: Preparers Perspective on Intangible Assets

Moderator: Jonathan Low, Deputy Assistant Secretary for Work and Technology Policy — U.S. Department of Labor

Discussion in this session will focus on key issues related to intangible assets that are relevant to preparers of financial reports including, among other things, methods for valuing such assets, internal uses of soft asset information, ways in which reliability concerns are addressed, and potential proprietary and competitive concerns associated with the external reporting of such assets.

- Michael Brown
Chief Financial Officer
Microsoft Corporation
- Gordon Petrash
Global Director
Intellectual Assets & Capital Management
The Dow Chemical Company
- Leif Edvinsson
Vice President and Director of
Intellectual Capital
Skandia AFS (Sweden)
- Jonathan Southern
Director of Accounting
Grand Metropolitan PLC. (U.K.)

FRIDAY, APRIL 12, 1996

9:00-10:30 Panel 1: Accounting and Reporting Research on Intangible Assets

Moderator: Professor John Elliott, Associate Professor, Johnson School of Management, Cornell University

Panelists will review and critique existing research findings related to intangible assets.

- Professor Paul Healy
Sloan School of Management
Massachusetts Institute of Technology
- Professor David Larcker
Wharton School of Business
University of Pennsylvania
- Professor Baruch Lev
Stern School of Business
New York University

10:30-12:00 Panel 2: Experience of Accounting Regulators with Respect to Intangible Assets

Moderator: Michael H. Sutton, Chief Accountant — U.S. Securities and Exchange Commission

Discussion will entail a review of the experience of accounting regulators and standard setters with respect to intangible assets, including identification of major obstacles to developing standards for intangible asset reporting.

- Dennis R. Beresford
Chairman
Financial Accounting Standards Board
- Michael Crooch
Arthur Andersen LLP
Chairman
AICPA Accounting Standards Committee
- Kurt R. Hohl
Associate Chief Accountant
Division of Corporation Finance
U.S. Securities and Exchange Commission
- James Saloman
Chief Accountant
Ontario Securities Commission
- Arthur Siegel
Price Waterhouse LLP
Chairman
AICPA SFC Practice Section Executive Committee

12:00-2:00 Lunch Break

2:00-4:30 Panel 3: "Where From Here?"

Moderator: Steven M.H. Wallman, Commissioner — U.S. Securities and Exchange Commission

This session will entail a roundtable discussion among members of the prior panels, including a review of the major issues identified at the symposium, identification of areas requiring additional research, and an analysis of steps that might help to address these issues.

- Dennis R. Beresford
Chairman
Financial Accounting Standards Board
 - Michael Brown
Chief Financial Officer
Microsoft Corporation
 - Leif Edvinsson
Vice President and Director of
Intellectual Capital
Skandia AFS (Sweden)
 - Dr. George Hatsopoulos
Chairman and President
Thermo Electron Corporation
 - Professor Baruch Lev
Stern School of Business
New York University
 - Michael H. Sutton
Chief Accountant
U.S. Securities and Exchange Commission
 - Gerald White, CFA
Grace & White, Inc.
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The Commission thanks the following persons for their valuable input in planning this symposium on intangible assets:

- Lewis S. Alexander, Chief Economist — U.S. Department of Commerce*
Dennis R. Beresford, Chairman — Financial Accounting Standards Board
Dr. Carolyn Kay Brancato — The Conference Board
Michael Brown, Chief Financial Officer — Microsoft Corporation
Michael Caccese — Association for Investment Management and Research
Allan Cook — Accounting Standards Board
John Elliott, Associate Professor — Johnson School of Management, Cornell University
Robert Elliott — KPMG Peat Marwick
Jonathan Low, Deputy Assistant Secretary for Work and Technology Policy — U.S. Department of Labor
Patricia McQueen — Association for Investment Management and Research
Joseph Moraglio — American Association of Certified Professional Accountants
Katherine Schipper, Professor — The University of Chicago Graduate School of Business