

SEC NEWS DIGEST

Issue 96-143

July 30, 1996

COMMISSION ANNOUNCEMENTS

PETITION FOR REHEARING TO BE FILED IN JOHNSON v. SEC

The General Counsel of the Securities and Exchange Commission, Richard H. Walker, announced today that a petition for rehearing will be filed shortly by the Commission in Johnson v. SEC, with a suggestion for rehearing in banc before the entire federal court of appeals for the District of Columbia Circuit. In Johnson, on June 21, a three-judge panel of the court of appeals decided that the five-year statute of limitations in 28 U.S.C. 2462, which applies to a proceeding for a "civil fine, penalty, or forfeiture, pecuniary or otherwise," barred a Commission administrative proceeding brought five-and-a-half years after the underlying conduct. The Commission found that a former broker-dealer branch manager had failed reasonably to supervise a sales representative who stole money from his clients and imposed a censure and six-month suspension from supervisory functions. The panel rejected the Commission's argument that Section 2462 does not apply because the statutory purpose of such a proceeding is to protect the public from future harm stemming from professional unfitness, not to punish or penalize. The Commission intends to assert in its rehearing request that the panel erred and that the case is of exceptional importance warranting rehearing in banc.

ENFORCEMENT PROCEEDINGS

SEC v. THE BENNETT FUNDING GROUP, INC.

Patrick R. Bennett (Patrick Bennett) has consented to the entry of a preliminary injunction against future violations of the antifraud provisions of the federal securities laws (Preliminary Injunction) without admitting the allegations of the Commission's lawsuit against him. The Preliminary Injunction also freezes Patrick Bennett's assets until the Commission's action is ultimately resolved.

In its complaint, filed on March 28, 1996, the Commission alleges that The Bennett Funding Group, Inc. (BFG), a finance company; Patrick Bennett, formerly BFG's chief financial officer; and certain BFG affiliates fraudulently offered and sold over \$570 million worth of securities from 1991 through 1995. In April, a trustee was appointed to administer the estates of BFG and certain of its affiliates, which filed for relief under the Bankruptcy Code on March 29, 1996. Criminal charges have been asserted against Patrick Bennett for perjury before the Commission and for securities fraud.

The parties to the Commission's lawsuit have agreed that discovery and certain motion practice will be stayed until criminal charges against Patrick Bennett are resolved. That stay does not affect the Commission's ongoing investigation of the facts surrounding BFG. [SEC v. The Bennett Funding Group, Inc., Patrick R. Bennett, Bennett Management and Development Corporation, Bennett Receivables Corporation and Bennett Receivables Corporation-II, 96 Civ. 2237, SDNY, JES] (LR-14991; AAE Rel. 805)

EQUITY AU, INC. CONSENTS TO INJUNCTION

On July 30, the Commission filed a complaint in the United States District Court for the District of Columbia against Equity AU, Inc. The complaint alleges that Equity AU, a publicly-owned gold mining and exploration company located in Mena, Arkansas, failed to make available to the investing public current, accurate information about its financial condition and results of operation through the filing of periodic reports with the Commission as required by the Securities Exchange Act of 1934 (Exchange Act). Specifically, the complaint alleges that Equity AU has not filed its Annual Report on Form 10-K for the fiscal year ended December 31, 1995, four Quarterly Reports on Form 10-Q, and seven Notifications of Late Filing with respect to its delinquent reports and failed to timely file two Annual Reports and a Quarterly Report on Form 10-Q. The Commission seeks to compel Equity AU to file certain delinquent periodic reports and to enjoin Equity AU from further violations of Section 13(a) of the Exchange Act of 1934 and Rules 12b-25, 13a-1 and 13a-13 thereunder. Simultaneously with the filing of the Commission's complaint, Equity AU consented to the entry of a Final Judgment granting the relief sought by the Commission and admitted that it had not filed and had filed late the periodic reports as described above. [SEC v. Equity AU, Inc., Case No. 96-CV-01775, D.D.C.] (LR-14993)

INVESTMENT COMPANY ACT RELEASES

RENAISSANCE CAPITAL GROWTH & INCOME FUND III, INC.

A notice has been issued giving interested persons until August 20 to request a hearing on a proposal by the Commission to declare on its own motion, under Section 8(f) of the Investment Company Act, that the registration of Renaissance Capital Growth & Income Fund III, Inc., under Section 8(a) of the Act has ceased to be in effect, as of March 14, 1994, when it elected to be regulated as a business development company under Section 54(a) of the Act. (Rel. IC-22105 - July 26)

HOLDING COMPANY ACT RELEASES

CNG TRANSMISSION CORPORATION, ET AL.

A notice has been issued giving interested persons until August 19 to request a hearing on a proposal by CNG Transmission Corporation (Transmission), a wholly-owned subsidiary of Consolidated Natural Gas Company (Consolidated), a registered holding company, and CNG Iroquois, Inc. (CNGI), a wholly-owned subsidiary of Transmission, which currently holds a 9.4% partnership interest in Iroquois Gas Transmission System L.P. (Partnership) to authorize; CNGI to increase its interest in the Partnership from 9.4% to 16% at a price of approximately \$15 million; extensions, through June 30, 2001, of prior approvals authorizing CNGI and Transmission to provide guarantees, indemnities and other forms of credit support to the Partnership and CNGI, respectively; CNGI to increase its authorized share capital from 5,000 shares, \$10,000 par value, to 10,000 shares; and, CNGI to buy back, through June 30, 2001, shares of its common stock, issued and sold to Transmission. (Rel. 35-26547)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by the Government Securities Clearing Corporation (SR-GSCC-96-04) relating to the participation by interdealer brokers in the repo netting system. (Rel. 34-37482)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

Delta Clearing Corp. filed a proposed rule change (SR-DCC-96-10) to give notice that it has authorized GFI Group Inc. to act as an interdealer broker in DCC's system for clearance and settlement of U.S. Treasury repurchase and reverse repurchase agreement transactions. Publication is expected in the Federal Register during the week of July 29. (Rel. 34-37488)

DELISTING GRANTED

An order has been issued granting the application of the Boston Stock Exchange to strike from listing and registration UFP Technologies, Inc., Common Stock, \$.01 Par Value. (Rel. 34-37489)

SIGNIFICANT NO-ACTION, EXEMPTIVE AND INTERPRETIVE LETTERS

The following is a list of significant no-action, exemptive and interpretative letters recently issued by the Division of Investment Management. These letters express the view of the Division respecting novel or important questions arising under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940. Copies of these letters may be obtained by writing to the Public Reference Room, Securities and Exchange Commission, Washington, D.C. 20549, or by making a request in person at the Public Reference Room, 450 Fifth Street, N.W., Room 1024, Washington, D.C., stating the name of the subject company, the Act and the Section of the Act to which it relates and the public availability date.

<u>COMPANY</u>	<u>ACT/SECTION/RULE OR RELEASE</u>	<u>DATE MAILED</u>	<u>PUBLIC AVAILABILITY DATE</u>
Firststar Corporation	ICA'40, Section 22(d), Rule 22d-1	4/11/96	4/11/96
Rowe Price-Fleming International, Inc.	ICA'40, Section 10(f), Rule 10f-3	4/12/96	4/12/96
Cova Financial Services Life Insurance Company	1933 Act, Section 5	4/15/96	4/15/96

<u>COMPANY</u>	<u>ACT/SECTION/RULE OR RELEASE</u>	<u>DATE MAILED</u>	<u>PUBLIC AVAILABILITY DATE</u>
J.P. Morgan Investment Management Inc.	IAA'40, Rule 206(4)-1(a)(5)	5/7/96	5/7/96
United Export Import Bank	ICA'40, Section 17(f), Rule 17f-5	5/13/96	5/13/96
Munder Capital Management	IAA'40, Rule 206(4)-1(b)	5/17/96	5/17/96
John B. Kennedy	IAA'40, Rule 206(4)-2	6/5/96	6/5/96
Managed Futures Association	ICA'40, Sections 3(a)(3), 3(b)(1)	7/15/96	7/15/96

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-8 ELECTRO SENSORS INC, 6111 BLUE CIRCLE DR, MINNETONKA, MN 55343 (612) 930-0100 - 100,000 (\$468,750) COMMON STOCK. (FILE 333-8603 - JUL. 23) (BR. 5)
- S-3 T CELL SCIENCES INC, 115 FOURTH AVE, NEEDHAM, MA 02194 (617) 433-0771 - 5,000,000 (\$13,750,000) COMMON STOCK. (FILE 333-8607 - JUL. 23) (BR. 1)
- S-8 GREENE COUNTY BANCSHARES INC, MAIN & DEPOT STREET, GREENEVILLE, TN 37744 (423) 639-5111 - 32,000 (\$5,705,000) COMMON STOCK. (FILE 333-8609 - JUL. 23) (BR. 7)
- S-8 AMERICAN DIGITAL COMMUNICATIONS INC, 3773 CHERRY CREEK N DR, STE 615, DENVER, CO 80206 (303) 377-9486 - 4,000,000 (\$2,000,000) COMMON STOCK. (FILE 333-8611 - JUL. 23) (BR. 8)
- S-8 ANSYS INC, 201 JOHNSON RD, HOUSTON, PA 15342 (412) 764-3304 - 2,460,000 (\$28,136,250) COMMON STOCK. (FILE 333-8613 - JUL. 23) (BR. 3)
- S-3 AFGL INTERNATIONAL INC, 850 THIRD AVE, NEW YORK, NY 10022 (212) 248-5200 - 3,364,711 (\$11,355,899.63) COMMON STOCK. (FILE 333-8615 - JUL. 23) (BR. 9)
- S-8 INTEG INCORP, 2800 PATTON ROAD, 2800 PATTON ROAD, ST PAUL, MN 55113 - 2,213,333 (\$20,196,663) COMMON STOCK. (FILE 333-8617 - JUL. 23) (BR. 5)
- S-3 ELECTRONIC DATA SYSTEMS CORP /DE/, 5400 LEGACY DR, H3-3D-05, PLANO, TX 75024 (214) 605-5491 - 2,000,000 (\$94,750,000) COMMON STOCK. (FILE 333-8621 - JUL. 23) (BR. 3)

- S-8 RESEARCH FRONTIERS INC, 240 CROSSWAYS PARK DR, WOODBURY, NY 11797
(516) 364-1902 - 450,000 (\$4,019,682) COMMON STOCK. (FILE 333-8623 -
JUL. 23) (BR. 1)
- S-1 CENTURY BANCORP INC /NC, 22 WINSTON STREET, THOMASVILLE, NC 27360
(910) 475-4663 - 357,075 (\$17,853,750) COMMON STOCK. (FILE 333-8625 -
JUL. 23) (NEW ISSUE)
- S-8 SGV BANCORP INC, 225 NORTH BARRANCA AVE, WEST COVINA, CA 91791
(818) 859-4200 - 40,000 (\$320,000) COMMON STOCK. (FILE 333-8627 - JUL. 23)
(BR. 7)
- S-8 WALKER INTERACTIVE SYSTEMS INC, MARATHON PLZ THREE NORTH, 303 SECOND ST,
SAN FRANCISCO, CA 94107 (414) 495-8811 - 600,000 (\$6,150,000) COMMON STOCK.
(FILE 333-8629 - JUL. 23) (BR. 3)
- S-8 FIRST COASTAL CORP, 36 THOMAS DRIVE, WESTBROOK, ME 04092 (207) 774-5000
- 130,000 (\$650,000) COMMON STOCK. (FILE 333-8631 - JUL. 23) (BR. 7)
- S-1 DIEDRICH COFFEE, 2144 MICHELSON DRIVE, STE A, IRVINE, CA 92626
(714) 260-1600 - 2,530,000 (\$29,095,000) COMMON STOCK. (FILE 333-8633 -
JUL. 23)
- S-8 ONE UP CORP, 5 CAMPUS CIRCLE, SUITE 100, WESTLAKE, TX 76262
(718) 965-4172 - 320,000 (\$320,000) COMMON STOCK. (FILE 333-8635 -
JUL. 23) (BR. 5)
- S-8 HEARTSTREAM INC/DE, 2401 FOURTH AVENUE, STE 300, SEATTLE, WA 98121
(206) 443-7630 - 2,580,374 (\$16,738,490) COMMON STOCK. (FILE 333-8637 -
JUL. 23) (BR. 1)
- S-3 HCIA INC, 300 EAST LOMBARD ST, BALTIMORE, MD 21202 (410) 332-7532 -
2,549,201 (\$129,371,950) COMMON STOCK. (FILE 333-8639 - JUL. 23) (BR. 3)
- S-8 PAIRGAIN TECHNOLOGIES INC /CA/, 14402 FRANKLIN AVE, TUSTIN, CA 92680
(714) 832-9922 - 200,000 (\$10,425,000) COMMON STOCK. (FILE 333-8641 -
JUL. 23) (BR. 3)
- S-8 COMMUNITY FINANCIAL HOLDING CORPORATION, 222 HADDON AVE, WESTMONT, NJ
08108 (609) 869-7900 - 310,839 (\$3,564,863.50) COMMON STOCK. (FILE
333-8643 - JUL. 23) (BR. 7)
- S-3 ANTIGUA FUNDING CORP, 1209 ORANGE ST, WILMINGTON, DE 19801
(302) 658-7581 - 1,000,000 (\$1,000,000) STRAIGHT BONDS. (FILE 333-8645 -
JUL. 23) (NEW ISSUE)
- S-1 INFINITY FINANCIAL TECHNOLOGY INC, 640 CLYDE COURT, MOUNTAIN VIEW, CA
94043 (415) 940-6100 - 2,702,500 (\$40,537,500) COMMON STOCK. (FILE
333-8647 - JUL. 23) (NEW ISSUE)
- S-3 WOODROAST SYSTEMS INC, 10250 VALLEY VIEW ROAD, SUITE 145, EDEN PRAIRIE,
MN 55344 (612) 944-5113 - 425,200 (\$599,532) WARRANTS, OPTIONS OR RIGHTS.
(FILE 333-8649 - JUL. 23) (BR. 2)
- S-8 SILICON GRAPHICS INC /CA/, 2011 N SHORELINE BLVD P O BOX 7311,
MS 6U-710, MOUNTAIN VIEW, CA 94039 (415) 960-1980 - 6,033,106
(\$123,301,603.88) COMMON STOCK. (FILE 333-8651 - JUL. 23) (BR. 3)
- S-4 TRICO BANCSHARES /, TRI COUNTIES BANK ADMINISTRATION,
40 PHILADELPHIA DRIVE, CHICO, CA 95973 (916) 898-0300 - 125,000
(\$1,987,500) COMMON STOCK. (FILE 333-8655 - JUL. 23) (BR. 7)
- S-1 MANSUR INDUSTRIES INC, 8425 SW 129 TERRACE, MIAMI, FL 33156
(305) 232-6768 - 1,127,500 (\$8,832,500) COMMON STOCK. 85,000 (\$85)
WARRANTS, OPTIONS OR RIGHTS. 85,000 (\$816,000) COMMON STOCK. (FILE
333-8657 - JUL. 23)
- S-3 ADVANCED TISSUE SCIENCES INC, 10933 N TORREY PINES RD, LA JOLLA, CA
92037 (619) 450-5730 - 275,000 (\$2,906,750) COMMON STOCK. (FILE 333-8659 -
JUL. 23) (BR. 1)

- S-8 THERMOGENESIS CORP, 11431 SUNRISE GOLD CIRCLE SUITE A, RANCHO CORDOVA,
CA 95742 (916) 638-8357 - 1,002,000 (\$4,258,500) COMMON STOCK. (FILE
333-8661 - JUL. 24) (BR. 5)
- S-4 ROBOTIC VISION SYSTEMS INC, 425 RABRO DR EAST, HAUPPAUGE, NY 11788
(516) 273-9700 - 12,035,643 (\$27,832,424) COMMON STOCK. (FILE 333-8663 -
JUL. 24) (BR. 5)
- S-8 CHART INDUSTRIES INC, 35555 CURTIS BLVD, EASTLAKE, OH 44095
(216) 946-2525 - 100,000 (\$1,318,750) COMMON STOCK. (FILE 333-8665 -
JUL. 23) (BR. 6)
- S-8 CHART INDUSTRIES INC, 35555 CURTIS BLVD, EASTLAKE, OH 44095
(216) 946-2525 - 75,000 (\$989,062.50) COMMON STOCK. (FILE 333-8667 -
JUL. 23) (BR. 6)
- S-4 PUBLIC STORAGE INC /CA, 600 N BRAND BLVD, SUITE 300, GLENDALE, CA 91203
(818) 244-8080 - 2,157,484 (\$42,610,309) COMMON STOCK. (FILE 333-8671 -
JUL. 24) (BR. 8)