

# SEC NEWS DIGEST

Issue 96-171

September 9, 1996

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## COMMISSION ANNOUNCEMENTS

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### NOTICE TO OUR READERS

As of September 10, 1996, the Commission will no longer be posting material on the FedWorld bulletin board. All material available for release to the public at noon each day will be posted on the Commission's Internet website ([www.sec.gov](http://www.sec.gov)) by approximately 2:00 p.m. each day. Any comments or questions concerning this matter should be submitted in writing to Carlene Akins, SEC News Digest Editor, Office of Public Affairs, Policy Evaluation and Research, Securities and Exchange Commission, Mail Stop 7-1, Washington, D.C. 20549. Readers may also use the FedWorld mail function to leave an e-mail message for Carlene Akins.

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## RULES AND RELATED MATTERS

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### ORDER EXECUTION OBLIGATIONS - CORRECTED RELEASE

On September 6, the Commission issued a corrected release (No. 34-37619A, File No. S7-30-95) on Order Execution Obligations. The new release corrects minor errors and adds text inadvertently omitted from the original release issued on August 29, 1996 (No. 34-37619). The corrected release should appear in the Federal Register on September 12.

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## ENFORCEMENT PROCEEDINGS

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### CEASE-AND-DESIST ORDER ENTERED AGAINST ADVANCED MEDICAL PRODUCTS, INC., CLARENCE GROFF AND JAMES BROWN

The Commission announced the simultaneous institution of cease-and-desist proceedings and the acceptance of Offers of Settlement submitted by Advanced Medical Products, Inc., Clarence P. Groff and James H. Brown in which the Respondents consented to the issuance of a Cease-and-Desist Order against them.

The Commission's Order makes findings that AMP, under the direction of Groff and Brown, engaged in improper revenue recognition practices causing it to overstate its net sales by at least 18.65%, 29.89%, 5.0% and 30.86% as reported in its Forms 10-Q filed with the Commission for the periods ended September 30, 1991, December 31, 1991, September 30, 1992 and December 31, 1992, respectively. Additionally, AMP's improper revenue recognition practices caused it to overstate income before taxes by approximately \$113,000 as reported in its Form 10-K filed with the Commission for the period ended June 30, 1992, and by approximately \$130,000, \$249,000 and \$172,000 as reported in its Forms 10-Q for the periods ended September 30, 1991, December 31, 1991 and December 31, 1992, respectively. AMP, Groff and Brown consented to the issuance of the Order without admitting or denying any of the findings set forth in the Order.

The Order requires AMP, Groff and Brown to cease-and-desist from committing or causing any violations of the antifraud and issuer reporting provisions of the federal securities laws. (Rel. Nos. 33-7327; 34-37649; AAE Rel. 812)

#### INDICTMENT AGAINST ROBERT BRETSCHEIDER FOR FRAUD AND MONEY LAUNDERING

On August 28, Michael R. Stiles, United States Attorney for the Eastern District of Pennsylvania announced a 50 count indictment against Robert J. Bretschneider (Bretschneider) for mail and wire fraud and money laundering in connection with a scheme to defraud investors in five limited partnerships he had formed and managed since 1989. The press release acknowledged that the charges resulted from the combined investigative efforts of the Philadelphia District Office of the United States Securities and Exchange Commission (SEC) and the Lansdale, Pennsylvania Office of the Federal Bureau of Investigation.

The indictment charges that Bretschneider collected more than \$2.1 million from 60 investors of his limited partnerships for the purpose of investing in real estate ventures. The indictment further alleges that Bretschneider defrauded investors of his limited partnerships by failing to make promised investments and misappropriating investor funds for his personal use. Investors lost in excess of \$1 million as a result of the scheme. The case was presented to the Grand Jury by Assistant United States Attorney Edwald Zittlau who has been assigned to prosecute the case. [U.S. v. Robert J. Bretschneider, USDC, EDPA, Criminal No. 96-387] (LR-15035)

#### CORPORATE DIRECTORS, ATTORNEY AND PROMOTER SETTLE FRAUD CHARGES

On August 28, the United States District Court for the Southern District of New York entered final judgments of permanent injunction and other relief by consent against William Scott Smith (Smith), William G. Smith (William Smith), Anthony Skulski (Skulski), Alicia Grady Skulski (Alicia Skulski), and Raul N. Rodriguez (Rodriguez) in a case involving fraud in connection with an initial public

offering.

In a complaint filed on January 31, 1995, the Commission alleged that Melbourne Capital Corporation (Melbourne), a blind pool and blank check company, raised approximately \$246,000 from investors through its initial public offering (IPO) in May 1989, and subsequent exercise of its warrants; that Smith, the undisclosed promoter, contrived to place his nephew, William Smith, and two friends, Skulski and Alicia Skulski, as the nominee officers and directors of Melbourne; that they and Smith then misused and misappropriated the IPO and warrant proceeds; and that Melbourne made materially false and misleading filings with the Commission -- all drafted, reviewed or signed by Melbourne's attorney, Rodriguez.

Smith, Rodriguez, William Smith, Skulski and Alicia Skulski each consented, without admitting or denying the allegations contained in the Commission's complaint, to the entry of final judgments permanently enjoining each of them from violating Section 17(a) of the Securities Act of 1933 (Securities Act), and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 and to the entry of final judgments ordering the disgorgement of their illicit gains, and prejudgment interest thereon.

Smith also consented to the entry of a final judgment permanently enjoining him from violating Sections 13(b)(2), 15(a), 15(c)(1) and 15(d) of the Exchange Act and Rules 12b-20, 15c1-5, 15c1-6, 15d-1 and 15d-13, and permanently barring him, pursuant to Section 21(d)(2) of the Exchange Act, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act. [SEC v. Melbourne Capital Corporation, William Scott Smith, Raul N. Rodriguez, William G. Smith, Anthony Skulski, Alicia Grady Skulski, and S.S. Investors, Inc., 95 Civ. 0678, SHS, SDNY] (LR-15036)

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## INVESTMENT COMPANY ACT RELEASES

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### AMERICAN SKANDIA LIFE ASSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting American Skandia Life Assurance Corporation (American Skandia), American Skandia Life Assurance Corporation Variable Account B (Class 2 Sub-Accounts) (Separate Account), and American Skandia Marketing, Inc. (Marketing) from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the Act. The order provides exemptions to the extent necessary to permit the deduction of a mortality and expense risk charge from the assets of the Separate Account or any other separate account established in the future by American Skandia to support certain flexible premium variable annuity contracts (Contracts), as well as other variable annuity contracts (Future Contracts) issued in the future by American Skandia that are substantially similar in all material respects to

the Contracts. The exemptive relief also permits the offer and sale of Contracts and Future Contracts for which certain broker-dealers other than Marketing serve as the distributor and/or principal underwriter. (Rel. IC-22199 - September 5)

#### UST MASTER VARIABLE SERIES, INC.

A notice has been issued giving interested persons until September 30 to request a hearing on an application filed by UST Master Variable Series, Inc. (Applicant) for an order declaring that Applicant has ceased to be an investment company. (Rel. IC-22200 - September 5)

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#### HOLDING COMPANY ACT RELEASES

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#### NEW ENGLAND ELECTRIC SYSTEM

A notice has been issued giving interested persons until September 30 to request a hearing on a proposal by New England Electric System, a registered public-utility holding company, to issue and sell short-term notes to banks from time to time, through October 31, 2001, in outstanding principal amounts of up to \$100 million. (Rel. 35-26568)

#### ENTERGY CORPORATION

A notice has been issued giving interested persons until September 30 to request a hearing on a proposal by Entergy Corporation, a registered holding company, to issue and sell unsecured notes in outstanding principal amounts of up to \$500 million that will be payable no later than December 31, 2002 under a credit facility with banks. (Rel. 35-26568)

#### NORTHEAST UTILITIES, ET AL.

A notice has been issued giving interested persons until September 30 to request a hearing on a proposal by Northeast Utilities and certain subsidiaries to enter into and perform agreements for various interest rate management instruments, including interest rate swaps, caps, floors, collars or other similar instruments, in connection with existing and future debt, through the period ending December 31, 2001. (Rel. 35-26568)

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#### SELF-REGULATORY ORGANIZATIONS

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#### APPROVAL OF PROPOSED RULE CHANGES

The Commission has approved a proposed rule change (SR-Phlx-96-19) filed by the Philadelphia Stock Exchange to establish a firm

facilitation exemption. (Rel. 34-37635)

The Commission approved a proposed rule change filed by the Chicago Board Options Exchange (SR-CBOE-96-46) to revise Interpretation and Policy .01(d) under Exchange Rule 17 related to tolling of the time period for settlement of disciplinary cases. (Rel. 34-37642)

#### PROPOSED RULE CHANGES

The Delta Clearing Corp. has filed a proposed rule change (SR-DCC-96-09) relating to modifications to DCC's rules to enable DCC participants to deposit U.S. Treasury securities as a form of margin. Publication is expected in the Federal Register during the week of September 9. (Rel. 34-37639)

The Chicago Stock Exchange filed a proposed rule change (SR-CHX-96-21) regarding the treatment of "stop" orders and "stopped" orders. Publication of the proposal is expected in the Federal Register during the week of September 9. (Rel. 34-37644)

The Chicago Board Options Exchange filed a proposed rule change (SR-CBOE-96-47) to permit the subject of a CBOE investigation to submit a videotaped response to Exchange staff's notice of allegations and of specific rules that appear to have been violated given pursuant to Rule 17.2(d), in lieu of or in addition to a written response as currently permitted by Rule 17.2(d). Publication of the notice is expected in the Federal Register during the week of September 9. (Rel. 34-37646)

The Government Securities Clearing Corporation filed a proposed rule change (SR-GSCC-96-8) that proposes to reimburse certain costs related to interdealer broker netting members participation in repurchase netting arising from the lack of eligibility of intraday settling start legs for netting and settlement through GSCC. (Rel. 34-37647)

#### ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change submitted by the Pacific Stock Exchange (SR-PSE-96-23) to list Equity-Linked Notes (ELNs) for trading on the Exchange. Publication of the proposal is expected in the Federal Register during the week of September 9. (Rel. 34-37648; IS-Rel. 1016)

## 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 following companies 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			
ADVANCED POLYMER SYSTEMS INC /DE/	DE					X					08/19/96	
AMAZON NATURAL TREASURES INC	UT								X		04/10/96	AMEND
AMES DEPARTMENT STORES INC	DE					X					08/24/96	
ANTARES RESOURCES CORP	NY					X		X			08/30/96	
AQUAGENIX INC/DE	DE										08/19/96	AMEND
ARC INTERNATIONAL CORP	DE		X						X		08/14/96	
ARV ASSISTED LIVING INC	CA		X						X		08/23/96	
ASSOCIATED GROUP INC	DE					X		X			08/19/96	
AST RESEARCH INC /DE/	DE					X		X			09/06/96	
BANGOR HYDRO ELECTRIC CO	ME							X			09/06/96	
BENEFICIAL CORP	DE		X								09/04/96	
BENEFICIAL MORTGAGE CORP	DE		X								08/28/96	
BIOCONTROL TECHNOLOGY INC	PA					X					08/26/96	
BOATMENS BANCSHARES INC /MO	MO					X		X			08/29/96	
BRANDYWINE REALTY TRUST	MD		X								08/22/96	
BUSSE BROADCASTING CORP	DE					X		X			09/06/96	
CANADIAN DERIVATIVES CLEARING CORP								X	X		07/04/96	
CARLYLE INCOME PLUS LP II	DE		X					X			08/26/96	
CENTRAL MAINE POWER CO	ME					X					08/29/96	
CHANTAL SKIN CARE CORP	DE					X		X			08/05/96	AMEND
CHEUNG LABORATORIES INC	MD		X								09/06/96	
CKE RESTAURANTS INC	DE					X		X			08/27/96	
COMSAT CORP	DC		X								09/05/96	
CONSOLIDATED FREIGHTWAYS INC	DE					X		X			08/26/96	
DAYTON HUDSON RECEIVABLES CORP	MN							X			09/05/96	
DISCOVERY TECHNOLOGIES INC /KS/	KS		X								08/27/96	AMEND
DUNES HOTELS & CASINOS INC	NY					X					08/27/96	
EAGLE RIVER INTERACTIVE INC	DE							X			09/04/96	AMEND
EASTERN AIR LINES INC	DE			X							07/31/96	
EDISON CONTROLS CORP	NJ		X					X			06/21/96	AMEND
EIS INTERNATIONAL INC /DE/	DE					X					08/30/96	
EMERGENT GROUP INC	SC					X		X			08/26/96	AMEND
ENERGY CORP /DE/	DE					X					09/05/96	
ENERGY GULF STATES INC	TX					X					09/05/96	
ENERGY LOUISIANA INC	LA					X					09/05/96	

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT	
		1	2	3	4	5	6	7	8			
EVERGREEN INTERNATIONAL AVIATION INC	OR					X					09/05/96	
EVERGREEN RESOURCES INC	CO							X			08/21/96	AMEND
FIRST UNION CORP	NC					X					09/06/95	
FRANKLIN OPHTHALMIC INSTRUMENTS CO INC	DE					X	X				09/04/96	
FSF FINANCIAL CORP	MN					X	X				09/05/96	
GE CAPITAL MORTGAGE SERVICES INC	NJ					X	X				08/26/96	
GENERAL SCANNING INC \MA\	MA			X				X			08/27/96	
GLOBAL TELECOMMUNICATION SOLUTIONS INC	DE							X			03/01/96	AMEND
GREENFIELD INDUSTRIES INC /DE/	DE					X	X				09/03/96	
HARDINGE INC	NY					X	X				08/27/96	
HARRELL INTERNATIONAL INC	DE							X			08/09/96	
INSILCO CORP/DE/	DE			X					X		09/06/96	
INTERCELL CORP	CO			X							09/03/96	
LASERSIGHT INC /DE	DE					X	X				09/06/96	
LIGHTPATH TECHNOLOGIES INC	DE					X					08/29/96	AMEND
LOEWEN GROUP INC						X	X				09/05/96	
LOUISIANA CASINO CRUISES INC	LO					X					08/29/96	
LUCENT TECHNOLOGIES INC	DE							X			09/06/96	
MAF BANCORP INC	DE					X					08/28/96	
MANAGEMENT TECHNOLOGIES INC	NY					X	X				09/06/96	AMEND
MAXIM GROUP INC /	DE			X				X			08/30/96	
MHM SERVICES INC	DE							X			05/15/96	AMEND
MINNESOTA POWER & LIGHT CO	MN					X	X				09/03/96	
MORGAN STANLEY CAPITAL I INC	DE			X							08/26/96	
NASHVILLE COUNTRY CLUB INC	TN					X	X				08/30/96	
NATIONAL COLLEGIATE TRUST 1996-S1	DE							X			07/31/96	
NATIONSBANK CORP	NC					X	X				08/29/96	
NETVANTAGE INC	DE					X	X				09/06/96	
NEWMAN HOLDINGS INC	GA			X				X			08/22/96	
NOBLE DRILLING CORP	DE					X	X				09/06/96	
NORWEST ASSET SEC CORP MORT PASS THRO CE	NY							X			08/26/96	
OAKWOOD MORTGAGE INVESTORS INC				X	X	X	X	X	X	X	08/15/96	
OAKWOOD MORTGAGE INVESTORS INC				X	X	X	X	X	X	X	08/15/96	
OAKWOOD MORTGAGE INVESTORS INC				X	X	X	X	X	X	X	08/15/96	
OFFICE DEPOT INC	DE					X	X				09/04/96	
OPTION ONE CTS MORTGAGE LOAN TRUST 1996-	DE					X	X				05/28/96	
PACKAGING RESEARCH CORP	CO			X							08/23/96	
PENN VIRGINIA CORP	VA					X	X				09/06/96	AMEND
PHYSICIAN SUPPORT SYSTEMS INC	DE							X			06/28/96	AMEND
PHYSICIANS RESOURCE GROUP INC	DE			X		X	X				08/30/96	
PRESSTEK INC /DE/	DE							X			02/15/96	AMEND
PUBLIC STORAGE INC /CA	CA					X					08/15/96	
RAM-Z ENTERPRISES INC	DE			X	X	X	X	X	X	X	08/26/96	
REGIONAL AIR GROUP CORP	CO			X	X	X					09/03/96	
RENTECH INC /CO/	CO					X					09/04/96	
SANTA ANITA OPERATING CO	DE					X					08/16/96	
SANTA ANITA REALTY ENTERPRISES INC	DE					X					08/16/96	
SEAFIELD CAPITAL CORP	MO			X				X			06/20/96	AMEND
SEAFIELD CAPITAL CORP	MO			X				X			07/08/96	AMEND
SEITEL INC	DE			X							06/24/96	AMEND
SHEARSON UNION SQUARE ASSOCIATES LTD PAR	DE			X							09/06/96	
SOLUTIONS INC	NV			X	X	X	X	X			09/06/96	
SOUTHERN PACIFIC SECURED ASSET MORT LOAN	DE							X			08/23/96	
STAPLES INC	DE					X	X				09/04/96	
STARBASE CORP	DE					X					09/04/96	
STRUCTURED ASSET SECURITIES CORPORATION	DE					X	X				08/30/96	
SUNRISE PRESCHOOLS INC/DE/	DE			X				X			08/22/96	
SUPERIOR BANK FSB	IL					X	X				08/26/96	
SUPERIOR BANK FSB	IL					X	X				08/26/96	
SYNC RESEARCH INC	DE			X				X			08/23/96	
TEXAS AMERICAN RESOURCES INC	TX					X	X				08/30/96	

NAME OF ISSUER	STATE	8K ITEM NO.								DATE	COMMENT	
	CODE	1	2	3	4	5	6	7	8			
TOUCAN GOLD CORP	DE		X								08/23/96	
UNIFY CORP	DE			X			X				08/30/96	
UNOCAL CORP	DE				X						09/06/96	
VECTRA TECHNOLOGIES INC	WA		X				X				08/20/96	
WAYNE BANCORP INC /DE/	DE			X							09/06/96	
XATA CORP /MN/	MN		X				X				08/23/96	
ZEUS ENTERPRISES INC	NV		X				X				08/23/96	