

SEC NEWS DIGEST

Issue 98-134

July 14, 1998

COMMISSION ANNOUNCEMENTS

CHANGE IN THE MEETING: CANCELLATION OF MEETING

The closed meeting scheduled for Thursday, July 16, 1998, at 11:00 a.m., has been cancelled.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

ENFORCEMENT PROCEEDINGS

MUNICIPALITIES CONSENT TO RELIEF

The Commission announced that it has issued an order directing that 38 Mississippi counties, cities and towns (collectively, the municipalities) cease and desist from committing or causing violations or future violations of the antifraud provisions of the federal securities laws. The municipalities consented to the relief without admitting or denying the findings in the order. The order found as follows:

Between 1987 and April 1996, the municipalities individually issued, offered and sold 73 separate urban renewal revenue note issues in amounts ranging from \$2 million to \$5 million, totaling approximately \$282,800,000. The notes were sold based upon unqualified opinions from bond counsel which concluded that interest on the notes would be exempt from federal income tax. The notes were issued in reliance on exceptions to the anti-arbitrage provisions of the Internal Revenue Code which permit municipalities to issue securities and invest the proceeds at a higher rate, provided the funds, among other things, are reasonably expected to be used for qualifying municipal projects within a three year period. In this case, the bulk of the offering proceeds from each offering was invested at a higher yield than the notes sold in the offerings.

Despite representations to the contrary, at the time of the offerings, none of the municipalities had the resources, intent or expectation to utilize any proceeds from the offerings, other than a premium or fee derived from the arbitrage profit, for capital projects. The lack of a reasonable expectation to utilize more than a small portion of the proceeds for capital projects made the temporary period exception inapplicable, creating a substantial risk that the U.S. Internal Revenue Service would declare interest on the notes subject to the federal income tax. That substantial risk was not disclosed to investors or prospective investors.

In its Order, the Commission stated that issuers may not blindly rely on professionals, such as bond counsel, to ensure that factual representations being made by the issuers are accurate. In this case, the practice of executing offering documents containing factual representations, without first reading the documents closely enough to ascertain whether they were accurate as to the essential purposes of the offering, was reckless. (Rel. 33-7554; 34-40194; File No. 3-9650)

CIVIL ACTION AGAINST DERRYL PEDEN

The Commission announced that it filed a civil action against Derryl W. Peden (Peden), an attorney in Jackson, Mississippi. The Commission's complaint charges that between 1987 and April 1996, Peden violated the antifraud provisions of the securities laws by, among other things, causing 39 Mississippi counties, cities and towns (collectively, the municipalities) to issue and sell urban renewal revenue notes based on an opinion from Peden, as bond counsel, that interest on the notes was exempt from the federal income tax. In fact, a substantial risk existed that interest on the notes was not tax exempt. That risk was not disclosed to investors.

On December 2, 1994, the Commission issued a cease and desist order against Peden, directing that he cease and desist from committing or causing violations or future violations of Section 10(b) and Rule 10b-5 (see Rel. 34-35045). That order was based on fraudulent offerings of purportedly tax exempt municipal bonds unrelated to the notes in this case. Peden's subsequent conduct was a violation of that order.

The municipalities individually issued, offered and sold 74 separate urban renewal revenue note issues in amounts ranging from \$2 million to \$5 million, totaling approximately \$287,300,000. The notes were issued in reliance on exceptions to the anti-arbitrage provisions of the Internal Revenue Code which permit municipalities to issue securities and invest the proceeds at a higher rate, provided the funds, among other things, are reasonably expected to be used for qualifying municipal projects within a three year period. In this case, the bulk of the offering proceeds from each offering was invested at a higher yield than the notes sold in the offerings.

However, despite representations to the contrary, at the time of the offerings, none of the municipalities had the resources, intent or expectation to utilize any proceeds from the offerings, other than a premium or fee derived from the arbitrage profit, for capital projects.

The Commission's complaint seeks a permanent injunction, enjoining Peden from violating the antifraud provisions, disgorgement of his ill-gotten gains from the scheme, civil penalties and an order directing that Peden comply with the requirements of the cease and desist order previously entered against him. [SEC v. Derryl W. Peden, Civil Action No. 398-CV-483, WS, S.D. Miss.] (LR-15807)

LESLIE MERSKY PERMANENTLY ENJOINED

The Commission announced that on June 26, a Final Judgment as to defendant Leslie Mersky (Mersky) was entered in United States District Court for the Southern District of Texas. Without admitting or denying the allegations in the Commission's complaint, Mersky consented to be permanently enjoined from future violations of the antifraud provisions of the federal securities laws found in Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934, and Rules 10b-5 and 10b-6 thereunder. The Commission's complaint, filed November 23, 1992, alleged that Mersky, and others, participated in a scheme to distribute and manipulate the securities of Bancus Richmond, Inc., a now defunct penny stock company he and Glenn Schuster controlled.

The Court also ordered Mersky to pay disgorgement in the amount of \$114,782.14, plus prejudgment interest of \$127,352.80, representing his gains from the conduct alleged in the complaint. However, all disgorgement and prejudgment interest was waived based on Mersky's demonstrated financial inability to pay. [SEC v. Glenn A. Schuster, et al., H-92-3598, USDC/SD TX, Houston] (LR-15806)

INVESTMENT COMPANY ACT RELEASES

MORGAN STANLEY & CO. INCORPORATED

A notice has been issued giving interested persons until August 3, 1998, to request a hearing on an application filed by Morgan Stanley & Co. Incorporated (Morgan Stanley) to amend a prior order. The prior order, among other things, permits registered investment companies to own a greater percentage of the total outstanding voting stock of each AJL PEPS Trust for which Morgan Stanley serves, or will serve, as the principal underwriter (Trust) than that permitted by Section 12(d)(1) of the Investment Company Act. The requested amendment would permit companies that are excluded from the definition of investment company under Section 3(c)(1) or 3(c)(7) of the Act to own a greater percentage of the total outstanding voting stock of a Trust than that permitted by Section 12(d)(1)(A) of the Act. (Rel. IC-23311 - July 10)

CYPRESSTREE ASSET MANAGEMENT CORPORATION, ET AL.

A notice has been issued giving interested persons until August 4, 1998, to request a hearing on an application filed by CypressTree Asset Management Corporation, et al. for an order under Section 6(c) granting an exemption from Sections 18(c) and 18(i) of the Act and Rule 23c-3 under the Act, and under Section 17(d) of the Act and Rule 17d-1 under the Act, to permit certain registered closed-end investment companies to issue multiple classes of shares, impose distribution and service fees, and early withdrawal charges. Applicants also request an amendment to a prior order. (Rel. IC-23312 - July 10)

WRL SERIES FUND, INC. AND WRL INVESTMENT MANAGEMENT, INC.

A notice has been issued giving interested persons until August 4, 1998, to request a hearing on an application filed by WRL Series Fund, Inc. and WRL Investment Management, Inc. for an order under Section 6(c) of the Investment Company Act exempting applicants from Section 15(a) of the Act and Rule 18f-2 under the Act. The order would permit applicants to enter into and materially amend subadvisory agreements without obtaining shareholder approval. (Rel. IC-23313 - July 10)

HOLDING COMPANY ACT RELEASES

ENTERGY CORPORATION

An order has been issued authorizing Entergy Corporation, a registered holding company, to issue and sell, through December 31, 2010, up to 12 million shares of its common stock to participants in Entergy's 1998 Equity Ownership Plan. (Rel. 35-26895)

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.

Registration statements may be obtained in person or by writing to the Commission's Public Reference Branch at 450 Fifth Street, N.W., Washington, D.C. 20549 or at the following e-mail box address: <public info @ sec>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

S-1 SUPERIOR NATIONAL INSURANCE GROUP INC, 26601 AGOURA RD, , CALABASAS, CA
91302 (818) 880-1600 - 6,548,664 (\$109,690,122) COMMON STOCK (FILE
333-58579 - JUL. 07) (BR. 1)

S-8 VERISIGN INC/CA, 1390 SHOREBIRD WAY, MOUNTAIN VIEW, CA 94043
(650) 961-7500 - 208,809 (\$7,673,730 75) COMMON STOCK. (FILE 333-58583 -
JUL. 07) (BR. 3)

S-8 GULFSTREAM AEROSPACE CORP, P O BOX 2206,
500 GULFSTREAM RD - TRAVIS FIELD, SAVANNAH, GA 31402 (912) 964-3000 -
555,200 (\$23,873,600) COMMON STOCK. (FILE 333-58585 - JUL. 07) (BR. 5)

S-8 MOBILE AMERICA CORP, P O BOX 10729, JACKSONVILLE, FL 32247
(904) 363-6339 - 315,000 (\$3,135,425 08) COMMON STOCK (FILE 333-58587 -
JUL. 07) (BR. 1)

S-8 GULF WEST BANKS INC, 425 22ND AVE N, ST PETERSBURG, FL 33704
(813) 894-5696 - 722,000 (\$9,295,750) COMMON STOCK. (FILE 333-58589 -
JUL. 07) (BR. 7)

S-8 BON TON STORES INC, 2801 E MARKET ST, YORK, PA 17402 (717) 757-7660 -
500,000 (\$5,970,000) COMMON STOCK (FILE 333-58591 - JUL 07) (BR. 2)

S-8 CONTROL DEVICES INC, 228 NORTHEAST ROAD, STANDISH, ME 04084
(207) 642-4535 - 666,666 (\$9,208,324 12) COMMON STOCK (FILE 333-58593 -
JUL. 07) (BR. 5)

S-4 CBS CORP, 51 WEST 52ND STREET, 11 STANWIX STREET, NEW YORK, NY 10019
(212) 975-4321 - 500,000,000 (\$500,000,000) STRAIGHT BONDS (FILE
333-58595 - JUL 07) (BR. 7)

S-3 SAFEWAY INC, 5918 STONERIDGE MALL RD, PLEASANTON, CA 94588
(510) 467-3000 - 28,750,000 (\$1,185,075,000) COMMON STOCK (FILE
333-58597 - JUL 07) (BR. 2)

S-8 BURR BROWN CORP, 6730 S TUCSON BLVD, TUCSON, AZ 85706 (602) 746-1111 -
3,600,000 (\$76,725,000) COMMON STOCK. (FILE 333-58599 - JUL 07) (BR 5)

S-8 V I TECHNOLOGIES INC, 155 DURYEA RD, MELVILLE, NY 11747 (516) 752-7314
- 89,445 (\$1,011,846 56) COMMON STOCK (FILE 333-58601 - JUL 07) (BR 1)

S-8 FSC SEMICONDUCTOR CORP, 333 WESTERN AVENUE, MAIL STOP 01 00,
SOUTH PORTLAND, MA 04106 (207) 775-8100 - 500,000 (\$5,000,000)
COMMON STOCK (FILE 333-58603 - JUL 07) (BR 5)

S-8 PETSMART INC, 19601 N 27TH AVE, STE C-100, PHOENIX, AZ 85027
(602) 580-6100 - 5,271,430 (\$52,055,371.25) COMMON STOCK (FILE 333-58605
- JUL 07) (BR 2)

S-8 COMMERCIAL FEDERAL CORP, 2120 S 72ND ST, OMAHA, NE 68124 (402) 554-9200
- 2,400,000 (\$75,600,000) COMMON STOCK (FILE 333-58607 - JUL. 07)
(BR 7)

S-4 ADVANCED LIGHTING TECHNOLOGIES INC, 32000 AURORA RD, SUITE 1, SOLON, OH
44139 (440) 519-0500 - 100,000,000 (\$100,000,000) PREFERRED STOCK (FILE
333-58609 - JUL. 07) (BR 5)

S-3 ITEQ INC, 2727 ALLEN PKWY STE 760, HOUSTON, TX 77019 (713) 285-2700 -
742,039 (\$5,634,858.65) COMMON STOCK. (FILE 333-58611 - JUL 07) (BR 6)

S-3 ADVANCED LIGHTING TECHNOLOGIES INC, 32000 AURORA RD, SUITE 1, SOLON, OH
44139 (440) 519-0500 - 300,000,000 (\$300,000,000) PREFERRED STOCK (FILE
333-58613 - JUL 07) (BR. 5)

S-8 HUDSON RIVER BANCORP INC, ONE HUDSON CITY CENTRE, HUDSON, NY 12534
(518) 828-4600 - 261,200 (\$3,272,836) COMMON STOCK (FILE 333-58615 -
JUL 07) (BR. 7)

S-3 QWEST COMMUNICATIONS INTERNATIONAL INC, 100 QUEST TOWER,
555 SEVENTEENTH STREET, DENVER, CO 80202 (303) 291-1400 - 3,414,000
(\$123,416,100) COMMON STOCK (FILE 333-58617 - JUL. 07) (BR 7)

S-8 BOOKS A MILLION INC, 402 INDUSTRIAL LN, BIRMINGHAM, AL 35211
(205) 942-3737 - 1,500,000 (\$6,750,000) COMMON STOCK (FILE 333-58619 -
JUL. 07) (BR 2)

S-4 ADVANCED LIGHTING TECHNOLOGIES INC, 32000 AURORA RD, SUITE 1, SOLON, OH
44139 (440) 519-0500 - 100,000,000 (\$100,000,000) PREFERRED STOCK. (FILE
333-58621 - JUL 07) (BR. 5)

S-8 COMPUCOM SYSTEMS INC, 7171 FOREST LN, DALLAS, TX 75230 (214) 265-3600 -
1,000,000 (\$5,365,700) COMMON STOCK. (FILE 333-58623 - JUL 07) (BR 3)

S-8 ENSCO INTERNATIONAL INC, 2700 FOUNTAIN PL, 1445 ROSS AVE STE 2700,
DALLAS, TX 75202 (214) 922-1500 - 11,300,000 (\$196,690,625) COMMON STOCK
(FILE 333-58625 - JUL 07) (BR. 4)

S-8 DCI TELECOMMUNICATIONS INC, 611 ACCESS RD, STRATFORD, CT 06497
(203) 380-0910 - 247,000 COMMON STOCK. (FILE 333-58627 - JUL. 07) (BR. 7)

S-3 NORTH FACE INC, 2013 FARALLON DR, SAN LEANDRO, CA 94577 (510) 618-3500
- 1,698,395 (\$41,186,078.75) COMMON STOCK. (FILE 333-58629 - JUL. 07)
(BR 2)

SB-2 OUTLOOK SPORTS TECHNOLOGY INC, 4400 N FEDERAL HIGHWAY, SUITE 410,
BOCA RATON, FL 33431 (561) 750-7528 - 8,080,000 (\$35,748,187 50)
COMMON STOCK (FILE 333-58631 - JUL. 07) (NEW ISSUE)

S-8 SYQUEST TECHNOLOGY INC, 47071 BAYSIDE PKWY, FREMONT, CA 94538
(510) 226-4000 - 6,500,000 (\$9,445,475) COMMON STOCK. (FILE 333-58633 -
JUL 07) (BR. 3)

S-3 METAL MANAGEMENT INC, 500 N DEARBORN ST, STE 405, CHICAGO, IL 60610
(312) 645-0700 - 2,455,537 (\$26,004,136 83) COMMON STOCK. (FILE 333-58635
- JUL 07) (BR 2)

S-3 CYBERGUARD CORP, 2000 WEST COMMERCIAL BLVD, SUITE 200, FORT LAUDERDALE,
FL 33309 (954) 958-3900 - 299,482 (\$2,779,192.96) COMMON STOCK (FILE
333-58637 - JUL 07) (BR. 3)

S-3 ROSS SYSTEMS INC/CA, 2 CONCOURSE PARKWAY, SUITE 800, ATLANTA, GA 30328
(770) 351-9600 - 1,995,510 (\$10,102,269.37) COMMON STOCK (FILE 333-58639
- JUL 07) (BR 3)

S-4 CONCENTRIC NETWORK CORP, 10590 N TANTAU AVE, CUPERTINO, CA 95014
(408) 342-2800 - 150,000 (\$150,000,000) PREFERRED STOCK (FILE 333-58641 -
JUL 07) (BR 7)

N-2 REDSS TRUST I, WORLD FINANCIAL CENTER, OPPENHEIMER TOWER, NEW YORK, NY
10281 - 1,150,000 (\$11,500,000)
CONVERTIBLE PREFERRED SHARE OF BENEFICIAL INTEREST (FILE 333-58645 -
JUL 07) (NEW ISSUE)

S-3 DELTA AIR LINES INC /DE/, HARTSFIELD ATLANTA INTL AIRPORT,
1030 DELTA BLVD, ATLANTA, GA 30320 (404) 715-2600 - 1,500,000,000
(\$1,500,000,000) STRAIGHT BONDS (FILE 333-58647 - JUL 07) (BR 5)

S-8 MIDWEST BANC HOLDINGS INC, 501 W NORTH AVE, MELROSE PARK, IL 60160
(708) 865-1053 - 500,000 (\$8,937,500) COMMON STOCK (FILE 333-58649 -
JUL 07) (BR 7)

S-8 GROUP MAINTENANCE AMERICA CORP, 8 E GREENWAY PLAZA, SUITE 1500, HOUSTON,
TX 77046 (713) 860-0100 - 368,800 (\$6,661,450) COMMON STOCK. (FILE
333-58651 - JUL 07) (BR. 6)

S-3 ONLINE SYSTEM SERVICES INC, 1800 GLENARM PLACE, STE 800, DENVER, CO
80202 (303) 296-9200 - 574,281 (\$6,065,843) COMMON STOCK. (FILE 333-58653
- JUL 07) (BR 3)

S-1 FURNISHINGS INTERNATIONAL INC, 4000 LIFESTYLE COURT, HIGH POINT, NC
27265 (336) 878-7000 (FILE 333-58655 - JUL 07) (NEW ISSUE)

- S-8 NATIONS BANK CORP, NATIONS BANK CORPORATE CENTER, 100 N TRYON ST,
CHARLOTTE, NC 28255 (704) 386-5000 - 40,000,000 (\$3,101,250,000)
COMMON STOCK. (FILE 333-58657 - JUL. 08) (BR. 7)
- S-3 ADVENT SOFTWARE INC /DE/, 301 BRANNAN ST, SAN FRANCISCO, CA 94107
(415) 543-7696 - 170,000 (\$7,203,750) COMMON STOCK (FILE 333-58659 -
JUL. 08) (BR. 9)
- S-3 COCENSYS INC, 201 TECHNOLOGY DR, IRVINE, CA 92618 (949) 753-6100 -
6,380,000 (\$16,288,200) COMMON STOCK. (FILE 333-58663 - JUL 08) (BR 1)
- S-3 OWENS & MINOR INC/VA/, 4800 COX RD, GLEN ALLEN, VA 23060 (804) 747-9794
- 2,640,000 (\$132,000,000) PREFERRED STOCK (FILE 333-58665 - JUL 08)
(BR. 1)