

SEC NEWS DIGEST

Issue 98-202

October 20, 1998

COMMISSION ANNOUNCEMENTS

COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted under provisions of the Government in the Sunshine Act. Meetings will be scheduled according to the requirements of agenda items under consideration.

Meetings will be held in the Commission Meeting Room, Room 1C30, at the Commission's headquarters building, 450 Fifth Street, N.W., Washington, D.C. Visitors are welcome at all open meetings, insofar as space is available. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

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 Rochelle Franks, Office of Administrative and Personnel Management, to make arrangements. Ms. Franks can be reached at TTY number (202) 942-9558. If you are calling from a non-TTY number, please call the Relay Service at 1-800-877-8339.

OPEN MEETING - TUESDAY, OCTOBER 27, 1998 - 10:00 A.M.

The subject matter of the open meeting scheduled for Tuesday, October 27, 1998, at 10:00 a.m., will be:

The Commission will hear oral argument on an appeal by Joseph J. Barbato from an administrative law judge's initial decision. For further information, contact Joan L. Loizeaux or Sara Crovitz at (202) 942-0950.

CLOSED MEETING - TUESDAY, OCTOBER 27, 1998 - FOLLOWING THE OPEN MEETING

The subject matter of the closed meeting scheduled for Tuesday, October 27, 1998, following the 10:00 a.m. open meeting, will be: Institution and settlement of injunctive actions; Institution and settlement of administrative proceedings of an enforcement nature; and Post argument discussion.

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.

RULES AND RELATED MATTERS

FINAL RULE DEFINING "IMPROPER PROFESSIONAL CONDUCT" UNDER RULE 102(e)

The Commission has issued a release adopting an amendment to Rule 102(e) of the Commission's Rules of Practice. Under Rule 102(e), the Commission can censure, suspend or bar persons who appear or practice before it. The amendment clarifies the Commission's standard for determining when accountants engage in "improper professional conduct." (Refs. 33-7593; 34-40567; 35-26929; 39-2369; IA-1771; IC-23489)

ENFORCEMENT PROCEEDINGS

NINETEEN BROKERAGE FIRMS SETTLE ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS FOR FAILING TO MAKE TIMELY YEAR 2000-RELATED DISCLOSURE

On October 20, the Commission accepted settlement offers from 19 brokerage firms for failing to timely file all or part of their Form BD-Y2K. The Form is designed to provide the Commission and the public with important information concerning the firms' efforts to ensure that their computer systems are prepared for the Year 2000. Filings were required to be made on August 31, 1998 with both the SEC and the self-regulatory organization overseeing the brokerage firm. Firms having a minimum net capital requirement of \$5,000 were required to file Part I of the form. Firms having a minimum net capital requirement of \$100,000 were also required to file Part II of the form which provides a lengthier narrative.

In their settlement offers, each firm, without admitting or denying the Commission's findings, agreed to the issuance of an Order Instituting Administrative and Cease and Desist Proceedings, Making Findings, Imposing Remedial Sanctions, and Ordering Respondents to Cease-and-Desist. The findings by the Commission are divided into three categories. First, the Commission finds that eight firms (a) were required to file Part I of Form BD-Y2K on or before August 31, 1998; and (b) as of October 2, 1998 had failed to do so. The Order requires each of these firms to pay a \$5,000 civil penalty. Second, the Commission finds that eight firms (a) were required to file both Part I and Part II of Form BD-Y2K on or before August 31, 1998; and (b) as of October 2, 1998 had filed Part I but not Part II. The Order requires each of these firms to pay a \$15,000 civil penalty. Third, the Commission finds that three firms (a) were required to

file both Part I and Part II of Form BD-Y2K on or before August 31, 1998; and (b) as of October 2, 1998 had filed neither part. The Order requires each of these firms to pay a \$25,000 civil penalty.

The firms falling into the first category are: Bowling Green Securities, Inc.; Intra Network Securities, Inc.; Investment Services Capital Corp.; Mayhill Agency, Inc.; Neutral Switch, Inc.; The Transportation Group (Securities) Limited; FPS Broker Services, Inc.; and The Partners Financial Group, Inc. The firms falling into the second category are: Arbitrage Partners, Inc.; Bluestone Capital Partners, L.P.; General Re Securities Corporation; Haberman Brothers; Mahler & Emerson, Inc.; Pellinore Securities Corp.; Rensselaer Securities Corp.; and Robert E. Meyers & Co. The firms falling into the third category are: M.R. Beal & Company; First of America Securities, Inc.; and King Financial Services, Inc.

These actions are part of a joint effort with the NASD and the NYSE to ensure that firms comply with their Year 2000 disclosure obligations. (Rel. 34-40573; File No. 9758)

CEASE-AND-DESIST AND ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST EIGHTEEN BROKERAGE FIRMS FOR FAILING TO MAKE TIMELY YEAR 2000-RELATED DISCLOSURE

On October 20, the Commission instituted public administrative and cease-and-desist proceedings against 18 brokerage firms for failing to timely file all or part of Form BD-Y2K. The Form is designed to provide the Commission and the public with important information concerning the firm's efforts to ensure that its computer systems are prepared for the Year 2000. Filings were required to be made on August 31, 1998 with both the SEC and the self-regulatory organization overseeing the brokerage firm. Firms having a minimum net capital requirement of \$5,000 were required to file Part I of the form. Firms having a minimum net capital requirement of \$100,000 were also required to file Part II of the form which provides a lengthier narrative.

The SEC's Order alleges that as of October 2, 1998: (a) eight firms that were required to file Part I of Form BD-Y2K had failed to do so; (b) five firms that were required to file both Parts I and II of Form BD-Y2K had failed to file Part II; and (c) five firms that were required to file both Parts I and II of Form BD-Y2K had filed neither part.

The eight firms that did not timely file Part I are: Allegheny Financial Programs, Inc.; Atlantic-Pacific Capital, Inc.; Comstock Partners, L.L.C.; Constitution Securities, Inc.; Elswick, Banks and Associates, Inc.; McGlone & Co.; Phoenix Financial Services Corp.; and Laguna Financial Corp. The five firms that did not timely file Part II are: Gelber Securities, Inc.; J.W. Barclay & Co., Inc.; Multi Spectrum Investing Corporation; Stonegate Securities, Inc.; and V.B.C. Securities. The five firms that did not timely file Parts I and II are: Alden Capital Markets, Inc.; Bettinger & Leech Financial Corp.; E.C. Capital, Ltd.; J. Robbins Securities, L.L.C.; and William Scott & Co., L.L.C.

A hearing will be held to determine whether these allegations are true, and, if so, to determine what remedial sanctions are appropriate and in the public interest.

These actions are part of a joint effort with the NASD and the NYSE to ensure that firms comply with their Year 2000 disclosure obligations. (Rel. 34-40574; File No. 3-9759)

RICHARD WARREN AND RICHARD WARREN & ASSOCIATES, INC. ENJOINED AND ORDERED TO DISGORGE \$7.2 MILLION; CITADEL ENTERPRISES, INC. ORDERED TO DISGORGE \$2 MILLION

On October 13, the U.S. District Court for the Northern District of California granted permanent injunctions against Richard Warren & Associates, Inc. (RWA), and Richard E. Warren (Warren). The Court's order enjoins them from violating Section 17(a) of the Securities Act of 1933 (Securities Act), Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder. The order also requires RWA and Warren, jointly and severally, to disgorge \$7.2 million plus interest and requires relief defendant Citadel Enterprises Ltd. (Citadel), an Isle of Man entity, to disgorge \$2.05 million plus interest.

The Commission's August 1997 complaint charged that RWA and Warren, both formerly of Fremont, California, raised approximately \$8 million from investors nationwide through two fraudulent offerings of securities. RWA and Warren misrepresented, among other things, the existence of prime bank debenture instruments, the use of investor proceeds, the rates of return, and the risks associated with the investment. Citadel received investor proceeds fraudulently obtained by RWA and Warren and held them in London bank accounts.

On August 19 and 28, 1997, respectively, the Court entered a temporary restraining order and a preliminary injunction against RWA and Warren. On August 26, 1997, the Chancery Division of the High Court of Justice of England and Wales granted the Commission's petition for a "mareva injunction" against RWA and Warren. That injunction froze the assets held world-wide by RWA and Warren and required them to disclose all such assets to the High Court. [SEC v. Richard Warren & Associates, Inc., et al., Civil Action No. C-97-3050MMC, USDC, ND CA/San Francisco Div.] (LR-15941)

COURT ORDERS EMERGENCY FREEZE OF \$6.6 MILLION FROM ALLEGED INSIDER TRADING OF STOCKS AND OPTIONS IN ELSAG BAILEY PROCESS AUTOMATION, N.V.

On October 19, the Commission obtained a temporary restraining order and asset freeze of \$6 million in proceeds from alleged insider trading in call options and common stock of Elsig Bailey Process Automation, N.V. The trading took place through ten accounts maintained by foreign institutions during the two weeks before the October 14, 1998 announcement that ABB Asea Brown Boveri Ltd. had agreed to make a cash tender offer for all of Elsig Bailey's outstanding common stock. The day after the announcement, the price

of Elsag Bailey common stock increased almost 90% from its October 13 closing price of \$19-1/4, and defendants stood to make more than \$6.6 million from their trades. The Commission alleged that the defendants engaged in illegal insider trading in violation of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 thereunder and seeks a permanent injunction, disgorgement of all illegal profits, and civil monetary penalties. [SEC v. Euro Security Fund, et al., No. 98-Civ-7347, DLC, SDNY] (LR-15942)

HOLDING COMPANY ACT RELEASES

AMERICAN ELECTRIC POWER COMPANY, INC., ET AL.

A notice has been issued giving interested persons until November 10, 1998, to request a hearing on a proposal by American Electric Power Company, Inc. (AEP), a registered holding company, and AEP Resources Service Company (Resources) (formerly AEP Energy Services, Inc.), a wholly owned service company subsidiary of AEP. AEP now proposes to extend its period of authorization from December 31, 1998 through December 31, 2001 to: (1) guarantee the debt of Resources in an amount not to exceed \$51 million; and (2) issue guarantees and assumptions of liability on behalf of Resources to third parties in an amount not to exceed \$200 million. (Rel. 35-26928)

COLUMBIA ENERGY GROUP, ET AL.

A notice has been issued giving interested persons until November 10, 1998, to request a hearing on a proposal by Columbia Energy Group (Columbia), a registered holding company, and its subsidiaries. Columbia proposes, through December 31, 2003, to: (1) issue medium and long-term debentures in an aggregate amount not to exceed \$7 billion; (2) expand and extend its guarantee authority from \$2 billion to \$5 billion; and (3) acquire, retire and redeem securities. (Rel. 35-26928)

THE SOUTHERN COMPANY

A notice has been issued giving interested persons until November 10, 1998, to request a hearing on a proposal by The Southern Company (Southern), a holding company under the Public Utility Holding Company Act of 1935 (Act). Southern proposes to form a financing subsidiary (Financing Subsidiary) for the sole purpose of effecting financing transactions. Southern proposes that the Financing Subsidiary issue long-term notes, preferred stock, stock purchase contracts, and stock purchase units. Southern also proposes that it or the Financing Subsidiary will form a Special Purpose Subsidiary (SPS) to issue preferred stock. The SPS will loan the proceeds from the stock issuance to the Financing Subsidiary. Southern proposes to guarantee the payment of dividends and distributions by the Financing Subsidiary and SPS, and otherwise provide credit support

for the Financing Subsidiary. Alternatively, Southern proposes to effectuate long-term financings directly. (Rel. 35-26928)

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 CENTURA SOFTWARE CORP, 975 ISLAND DR, REDWOOD SHORES, CA 94025
(650) 596-3400 - 5,316,000 (\$8,473,320) COMMON STOCK. (FILE 333-65565 - OCT. 13) (BR. 3)
- S-8 NOVELLUS SYSTEMS INC, 3970 N FIRST ST, SAN JOSE, CA 95134 (408) 943-9700
- 1,350,000 (\$30,206,250) COMMON STOCK. (FILE 333-65567 - OCT. 13)
(BR. 5)
- S-1 MARKETWATCH COM INC, 825 BATTERY STREET, SAN FRANCISCO, CA 94111
(415) 733-0500 - \$34,500,000 COMMON STOCK. (FILE 333-65569 - OCT. 13)
(BR. 3 - NEW ISSUE)
- S-8 CELEBRITY ENTERTAINMENT INC, 214 BRAZILIAN AVE, STE 400, PALM BEACH, FL
33480 (407) 426-6992 - 200,000 (\$55,260) COMMON STOCK. (FILE 333-65575 - OCT. 13) (BR. 8)
- S-8 HARNISCHFEGER INDUSTRIES INC, 3600 SOUTH LAKE DRIVE, ST FRANCIS, WI
53235 (414) 486-6400 - 1,750,000 (\$11,970,000) COMMON STOCK. (FILE
333-65577 - OCT. 13) (BR. 5)
- S-3 CINCINNATI BELL INC /OH/, 201 E FOURTH ST 102 732, CINCINNATI, OH 45202
(513) 397-9900 - 350,000,000 (\$350,000,000) STRAIGHT BONDS. (FILE
333-65581 - OCT. 13) (BR. 7)
- SB-2 JAWS TECHNOLOGIES INC /NY, 603 7TH AVENUE SW STE 380, 403-508-5055,
CALGARY ALBERTA CANA, A0 T2P 2 (403) 508-5056 - 41,428,572 (\$11,240,000)
COMMON STOCK. (FILE 333-65583 - OCT. 13) (BR. 3)
- S-8 MEDICAL ACTION INDUSTRIES INC, 150 MOTOR PKWY, HAUPPAUGE, NY 11788
(516) 231-4600 - 850,000 (\$2,176,000) COMMON STOCK. (FILE 333-65585 - OCT. 13) (BR. 5)
- S-8 LUCAS EDUCATIONAL SYSTEMS INC, P O BOX 789, STE 550, TEMPLETON, CA 93465
(805) 434-3982 - 600,000 (\$1,050,000) COMMON STOCK. (FILE 333-65589 - OCT. 13) (BR. 9)
- S-3 CONSOLIDATED DELIVERY & LOGISTICS INC, 380 ALLWOOD ROAD, CLIFTON, NJ
07012 (973) 471-1005 - 338,216 (\$940,240) COMMON STOCK. (FILE 333-65591 - OCT. 13) (BR. 5)
- S-3 SOFTNET SYSTEMS INC, 520 LOGUE AVE, MOUNTIAN VIEW, CA 94043
(650) 965-3700 - 4,240,000 (\$31,270,000) COMMON STOCK. (FILE 333-65593 - OCT. 13) (BR. 7)
- S-8 GREENLAND CORP, 7084 MIRAMAR ROAD 4TH FL, SAN DIEGO, CA 82121
(619) 458-4226 - 674,000 (\$128,060) COMMON STOCK. (FILE 333-65595 - OCT. 13) (BR. 9)

S-3 CENTRAL HUDSON GAS & ELECTRIC CORP, 284 SOUTH AVE, POUGHKEEPSIE, NY
12601 (914) 452-2000 - 45,000,000 (\$45,000,000) STRAIGHT BONDS. (FILE
333-65597 - OCT. 13) (BR. 2)

S-3 ABBOTT LABORATORIES, 100 ABBOTT PARK ROAD, D-322 AP6D, ABBOTT PARK, IL
60064 ((70) 8)--937- - 500,000 (\$19,937,500) COMMON STOCK. (FILE
333-65601 - OCT. 13) (BR. 1)

S-4 CATHETER TECHNOLOGY GROUP INC, 3 COMMERCE BLVD, PALM COAST, FL 32164
(904) 445-5450 - 6,390,389 (\$3,175,132) COMMON STOCK. (FILE 333-65603 -
OCT. 13) (BR. 36 - NEW ISSUE)

S-4 SYNOVUS FINANCIAL CORP, 901 FRONT AVENUE, STE 301, COLUMBUS, GA 31901
(706) 649-2267 - 1,811,284 (\$140,880,000) COMMON STOCK. (FILE 333-65605 -
OCT. 13) (BR. 7)

S-2 IMAGE ENTERTAINMENT INC, 9333 OSO AVENUE, CHATSWORTH, CA 91311
(818) 407-9100 - 2,400,000 (\$7,800,000) COMMON STOCK. (FILE 333-65611 -
OCT. 13) (BR. 5)

S-4 WASTE CONNECTIONS INC/DE, 2260 DOUGLAS BLVD, SUITE 280, ROSEVILLE, CA
95661 (916) 772-2221 - 3,000,000 (\$52,218,750) COMMON STOCK. (FILE
333-65615 - OCT. 13) (BR. 6)

S-3 PRIME RETAIL INC, 100 E PRATT ST, 1900 FLOOR, BALTIMORE, MD 21202
(410) 234-0782 - \$59,999,995 PREFERRED STOCK. 8,505,472 (\$68,043,776)
COMMON STOCK. (FILE 333-65617 - OCT. 13) (BR. 8)

S-3 CONSUMERS ENERGY CO, 212 W MICHIGAN AVE, JACKSON, MI 49201
(517) 788-0550 - 150,000,000 (\$150,000,000) STRAIGHT BONDS. (FILE
333-65619 - OCT. 13) (BR. 2)

S-8 INFORMATION ADVANTAGE INC, 7905 GOLDEN TRIANGLE DR, STE 190,
EDEN PRAIRIE, MN 55344 (612) 933-3700 - 706,944 (\$2,308,631.68)
COMMON STOCK. (FILE 333-65621 - OCT. 13) (BR. 3)

S-4 NATIONAL CITY BANCSHARES INC, 227 MAIN ST P O BOX 868, EVANSVILLE, IN
47705 (812) 464-9677 - 976,744 (\$11,392,494) COMMON STOCK. (FILE
333-65623 - OCT. 13) (BR. 7)

S-8 ALCHEMY HOLDINGS INC, 3025 N E 188TH ST, AVENTURA MI, FL 33180
(305) 932-9230 - 265,000 (\$530,000) COMMON STOCK. (FILE 333-65625 -
OCT. 13) (BR. 6)

S-8 BEL FUSE INC /NJ, 198 VAN VORST ST, JERSEY CITY, NJ 07302 (201) 432-0436
- 500,000 (\$6,218,750) COMMON STOCK. (FILE 333-65627 - OCT. 14) (BR. 5)

S-3 BOK FINANCIAL CORP ET AL, BANK OF OKLAHOMA TOWER, PO BOX 2300, TULSA, OK
74192 (918) 588-6000 - 250,000,000 (\$250,000,000) STRAIGHT BONDS. (FILE
333-65629 - OCT. 14) (BR. 7)

SB-2 WORLDWIDE ENTERTAINMENT & SPORTS CORP, 29 NORTHFIELD AVENUE, SUITE 200,
WEST ORANGE, NJ 07207 (973) 325-3244 - 4,766,666 (\$7,279,999) COMMON STOCK.
(FILE 333-65631 - OCT. 14) (BR. 9)