

sec news digest

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COMMISSION ANNOUNCEMENTS

COMMISSION AND NASAA ANNOUNCE 1995 CONFERENCE ON FEDERAL-STATE SECURITIES REGULATION AND REQUEST COMMENTS ON THE TENTATIVE AGENDA

The Commission and the North American Securities Administrators Association, Inc. (NASAA) announced that the annual conference on Federal-State Securities Regulation will be held on March 27, 1995. Because participation at the conference is generally limited to Commission and NASAA personnel, the release indicates that interested persons should participate by providing written comments by March 22, 1995.

Comments should be submitted in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Mail Stop 6-9, Washington, D.C. 20549, and refer to File No. S7-6-95. FOR FURTHER INFORMATION CONTACT: William E. Toomey or Richard K. Wulff at (202) 942-2950. (Rel. 33-7137)

ENFORCEMENT PROCEEDINGS

COMPLAINT FILED AGAINST JEFFREY HAYS, MARLEN JOHNSON AND JAMES NILSSON

The Commission announced that on February 8 a complaint was filed in the U.S. District Court for the Northern District of Texas (Dallas Division) against Jeffrey C. Hays (Hays), Marlen V. Johnson (Johnson) and James A. Nilsson (Nilsson).

The complaint alleges that Hays and Johnson implemented a market manipulation and stock distribution scheme involving the common stock of Kentana and, as it later became known, Silicon Disk Corp. (Silicon) and Canadian Piper Air Corp. (Canadian Piper), in violation of the registration, reporting and antifraud provisions of the federal securities laws. The complaint alleges that as part of the manipulation, Hays, Johnson and Nilsson prepared and disseminated false press releases and filed false reports with the Commission concerning, among other things, their involvement with the company as promoters and control persons, the value of a subsidiary, and the company's purported acquisition of Piper Aircraft Corp.

In addition to injunctive relief, the complaint seeks an order requiring the defendants to disgorge illicit profits obtained in connection with their fraudulent activities, plus prejudgment interest, an order for civil penalties to be imposed, and an order barring defendants Hays and Johnson from serving as an officer or director of any public company. [SEC v. Jeffrey C. Hays, et al., USDC/NDTX (Dallas) Civ. Act. No. 395CV0250-G] (LR-14412)

WILLARD THOMPSON PERMANENTLY ENJOINED

The Commission announced that Willard N. Thompson (Thompson), a defendant in a civil action filed by the Commission in the United States District Court for the Southern District of New York on September 30, 1994, has consented to the entry of a permanent injunction. Thompson, a real estate consultant and business partner of defendant Robert J. McNulty (McNulty), was charged with failing to make required filings with the Commission pursuant to Section 13(d) of the Exchange Act and Rule 13d-1 promulgated thereunder in connection with the acquisition of securities by Centaur Development, Inc., a corporation controlled by Thompson and McNulty. The Court's order, entered on December 27, 1994, enjoins Thompson from further violations of the above-referenced statute and rule, and orders Thompson to pay a civil penalty to the United States Treasury in the amount of \$2,500.00. [SEC v. Robert J. McNulty, et al., Civil Action No. 94 Civ. 7114, MBM] (LR-14413)

ADMINISTRATIVE PROCEEDINGS AGAINST RITA BARBATO

On February 16, the Commission instituted administrative proceedings, simultaneously accepting an offer of settlement and issuing an Order making findings and imposing sanctions against Rita Barbato, formerly known as Rita Askandar, who was a registered representative with the now-defunct brokerage firm Stuart-James Co., Inc. Without admitting or denying any allegations, Barbato consented to the Order, which makes findings that she engaged in various sales practices in violation of the

antifraud provisions of the federal securities laws. Specifically, the Order finds that Barbato made unwarranted predictions about the future prices of securities, made misrepresentations concerning the risks associated with securities she was recommending, churned customer accounts she controlled, and wilfully caused trading in customer accounts which was unsuitable. Barbato resides in Tampa, Florida, and is not currently employed as a registered representative. The Commission's Order permanently bars Barbato from association with any broker, dealer, municipal securities dealer, investment adviser or investment company, orders her to cease and desist from violations of the antifraud provisions of the federal securities laws, and orders her to pay disgorgement of \$12,500, which represents commissions derived from her violative conduct. (Rel. 33-7138; 34-35383)

ADMINISTRATIVE PROCEEDINGS AGAINST STEPHEN PHILLIPS

On February 16, the Commission instituted administrative proceedings, simultaneously accepting an offer of settlement and issuing an order making findings and imposing sanctions against Stephen B. Phillips, a former regional vice-president of the now-defunct brokerage firm Stuart-James Co., Inc. Without admitting or denying any allegations, Phillips consented to the order which makes findings that he engaged in various sales practices in violation of the antifraud provisions of the federal securities laws. The violative conduct was largely part of a failed effort by Phillips to effect a short squeeze in the securities of The Cedar Group, Inc., and included making price predictions, unauthorized trades, unsuitable recommendations, making false and misleading statements to brokers whom he supervised knowing they would communicate such information to their customers as an inducement to purchase stock, repeatedly pressuring his brokers to purchase Cedar, preventing his brokers from selling Cedar, and accumulating customer market orders for Cedar and holding them until just before the end of the trading day, at which time he would make a large purchase of Cedar in the market. Phillips resides in Windermere, Florida, and is currently a self-employed business consultant. The Commission's Order permanently bars Phillips from association with any broker, dealer, municipal securities dealer, investment adviser or investment company, orders him to cease and desist from violations of the antifraud provisions of the federal securities laws, orders him to pay disgorgement of commissions derived from his violative conduct, but waives such disgorgement based on Phillips's sworn financial statement. (Rel. 33-7139; 34-35384)

CIVIL ACTION FILED AGAINST SEQUOIA SYSTEMS, INC., GABRIEL FUSCO, KENT ALLEN, KEITH JOHNSON AND EDWIN HUDSON, JR.

The Commission announced the filing today of a complaint in the United States District Court for the District of Columbia against Sequoia Systems, Inc. (Sequoia), Gabriel P. Fusco, Kent R. Allen, Keith D. Johnson and Edwin J. Hudson, Jr. The complaint alleges that Sequoia violated Sections 10(b), 13(a) and 13(b)(2)(A) and (B) of the Securities

Exchange Act and Rules 10b-5, 13a-1, 13a-13 and 12b-20 thereunder in connection with material overstatements of revenue and income set forth in Forms 10-Q for the first and second quarters of fiscal 1991 and the first, second and third quarters of fiscal 1992, as well as in Forms 10-K for fiscal years 1991 and 1992.

The complaint alleges that Fusco (Sequoia's former Chairman, President and CEO), Allen (Sequoia's former CFO), Johnson (a former Sequoia Vice President) and Hudson (a former Sequoia salesman) violated Section 10(b) of the Exchange Act and Exchange Act Rules 10b-5 and 13b2-1 in connection with Sequoia's financial statements. The complaint further alleges that Fusco, Allen and Hudson violated Section 13(b)(5) of the Exchange Act and that Fusco, Allen and Johnson violated Exchange Act Rule 13b2-2. The complaint further alleges that Fusco and Allen violated Section 10(b) and Rule 10b-5 by selling Sequoia stock while in possession of material nonpublic information concerning the ongoing accounting fraud. The complaint seeks injunctive relief, an officer and director bar against Fusco, and the payment of disgorgement and/or penalties by each of the individual defendants.

Simultaneously with the filing of the complaint, Sequoia, Fusco, Allen and Johnson consented, without admitting or denying the allegations of the complaint, to the entry of permanent injunctions prohibiting them from committing violations, and future violations, of the Exchange Act. Fusco, Allen and Johnson also variously agreed to pay penalties, disgorgement and prejudgment interest. Fusco also consented to the entry of an order barring him from serving as an officer or director of a public company. See also In the Matter of James Edward Palmer and John Louis Thonet, (Rel. 34-35385 ; AAER-645); and In the Matter of Thomas Milo Somers (Rel. 34-35386; AAER-646). [SEC v. Sequoia Systems, Inc., Gabriel P. Fusco, Kent R. Allen, Keith D. Johnson and Edwin J. Hudson, Jr., USDC DC, Civil Action No. 95-CV-0321] (LR-14417; AAER-647)

ADMINISTRATIVE PROCEEDING AGAINST JAMES EDWARD PALMER AND JOHN LOUIS THONET

The Commission today announced the institution and simultaneous settlement of a public administrative proceeding pursuant to Section 21C of the Securities Exchange Act of 1934 (Exchange Act) against James Edward Palmer (Palmer) and John Louis Thonet (Thonet), a former employee of Sequoia Systems, Inc. (Sequoia). Palmer and Thonet, without admitting or denying the Commission's findings, consented to the issuance of an order finding that each violated Exchange Act Rule 13b2-1 and caused violations of Sections 13(a) and 13(b)(2)(A) and (B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-13 and 13b2-2 allegedly committed by Sequoia and certain officers, directors and/or employees of Sequoia. The Commission's Order requires Palmer and Thonet to cease and desist from violating, and committing future violations, of Exchange

Act Rule 13b2-1, and to further cease and desist from causing violations, and future violations, of Sections 13(a) and 13(b)(2)(A) and (B) of the Exchange Act and Exchange Act Rules 12b-20, 13a-1, 13a-13 and 13b2-2.

The Commission's Order finds, among other things, that Palmer failed to disclose the execution of a side letter modifying the terms of a purchase order and created a false written report that was provided to Sequoia's auditors. The Commission's Order also finds that Thonet issued undisclosed side letters and induced a Sequoia customer to provide a false audit confirmation and letter to Sequoia's auditors. See also [SEC v. Sequoia Systems, Inc., Gabriel P. Fusco, Kent R. Allen, Keith D. Johnson and Edwin J. Hudson, Jr., Civil Action No. 95-CV-0321, D.D.C., February 16, 1995] (LR-14417; AAER-647); and In the Matter of Thomas Milo Somers (Rel. 34-35386; AAER-646). (Rel. 34-35385; AAER-645)

ADMINISTRATIVE PROCEEDING AGAINST THOMAS MILO SOMERS

The Commission today announced the institution and simultaneous settlement of a public administrative proceeding pursuant to Section 21C of the Securities Exchange Act of 1934 (Exchange Act) against Thomas Milo Somers (Somers), a former Vice President of a private corporation. Somers, without admitting or denying the Commission's findings, consented to the issuance of an order finding that he caused violations of Section 13(a) of the Exchange Act and Exchange Act Rules 13a-1 and 13b2-2 allegedly committed by Sequoia Systems, Inc. (Sequoia) and certain officers, directors and/or employees of Sequoia. The Commission's Order requires Somers to cease and desist from causing violations, and future violations, of Section 13(a) of the Exchange Act and Exchange Act Rules 13a-1 and 13b2-2.

The Commission's Order finds, among other things, that Somers created a false audit confirmation and letter in which he falsely represented that his company's obligations to pay Sequoia were unconditional and that payment would be made by a certain date. See also [SEC v. Sequoia Systems, Inc., Gabriel P. Fusco, Kent R. Allen, Keith D. Johnson and Edwin J. Hudson, Jr., Civil Action No. 95-CV-0321, D.D.C. February 16, 1995] (LR-14417; AAER-647); and In the Matter of James Edward Palmer and John Louis Thonet, (Rel. 34-35385; AAER-645). (Rel. 34-35386; AAER-646)

INVESTMENT COMPANY ACT RELEASES

ANCHOR NATIONAL LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting Anchor National Life Insurance Company (Anchor National), Variable Annuity Account Two (Separate Account), and Vista

Broker-Dealer Services, Inc. from Sections 26(a)(2) and 27(c)(2) of the Act to the extent necessary to permit the deduction of mortality, expense risk, and distribution expense risk charges from the assets of the Separate Account under certain individual and group variable annuity contracts (Contracts) funded through the Separate Account, and under materially similar contracts which may be funded in the future through the Separate Account; and the assets of any other separate account established in the future by Anchor National in connection with the issuance of contracts which are materially similar to the Contracts. (Rel. IC-20899 - February 15)

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-1 WEITZER HOMEBUILDERS INC, 5901 NW 151ST STREET SUITE 120, MIAMI LAKES, FL 33014 (305) 665-4200 - 2,701,786 (\$21,614,288) COMMON STOCK. 200,000 (\$200) WARRANTS, OPTIONS OR RIGHTS. 200,000 (\$1,920,000) COMMON STOCK. UNDERWRITER: JOSEPHAL LYON & ROSS INC, SOUTHEAST RESEARCH PARTNERS INC. (FILE 33-89076 - FEB. 03) (BR. 10)
- S-3 CCFNB BANCORP INC, 232 E ST, BLOOMSBURG, PA 17815 (717) 784-4400 - 500,000 (\$7,500,000) COMMON STOCK. (FILE 33-89094 - FEB. 02) (BR. 1)
- S-8 MTL INC, 3108 CENTRAL DR, PLANT CITY, FL 33567 (813) 754-4725 - 300,000 (\$4,500,000) COMMON STOCK. (FILE 33-89096 - FEB. 02) (BR. 4)
- F-6 POWERGEN PLC/ADR, ST. ANDERWS SQUARE, EDINBURGH EH2 2YB SCOTLAND, NY 10286 (212) 495-1784 - 5,000,000 FOREIGN COMMON STOCK. (FILE 33-89098 - FEB. 06)
- F-6 NATIONAL POWER PLC, 101 BARCLAY ST, C/O BANK OF NEW YORK, NEW YORK, NY 10286 (212) 495-1784 - 5,000,000 DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-89100 - FEB. 06) (NEW ISSUE)
- F-1 NATIONAL POWER PLC /ENG/, WINDMILL HILL BUSINESS PK WHITEHILL WAY, SWINDON WILTSHIRE SN5 6PB ENGL, XO - 30,000 (\$225,300) FOREIGN COMMON STOCK. (FILE 33-89102 - FEB. 06)
- F-1 POWERGEN PLC, 53 NEW BROAD STREET, LONDON EC2M 1JJ ENGLAND, XO - 30,000 (\$248,100) FOREIGN COMMON STOCK. (FILE 33-89104 - FEB. 06) (BR. 7 - NEW ISSUE)
- F-6 NATIONAL POWER PLC, 101 BARCLAY ST, C/O BANK OF NEW YORK, NEW YORK, NY 10286 (212) 495-1784 - 5,000,000 (\$250,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-89112 - FEB. 06)

REGISTRATIONS CONT.

- S-6 WRL SERIES LIFE ACCOUNT, 201 HIGHLAND AVE, LARGO, FL 34640
(813) -58-7-18 - INDEFINITE SHARES. (FILE 33-89116 - FEB. 06) (BR. 20)
- S-8 TOP SOURCE TECHNOLOGIES INC, 2000 PGA BLVD STE 3200, PALM BEACH GARDENS,
FL 33408 (407) 775-5756 - 1,500,000 (\$8,530,500) COMMON STOCK. (FILE
33-89142 - FEB. 03) (BR. 5)
- S-8 TARGET THERAPEUTICS INC, 47201 LAKEVIEW BLVD, FREMONT, CA 94538
(510) 440-7700 - 500,000 (\$15,437,500) COMMON STOCK. (FILE 33-89148 -
FEB. 03) (BR. 8)
- S-8 CENTENNIAL TECHNOLOGIES INC, 37 MANNING RD, BILLERICA, MA 01821
(508) 670-0646 - 335,000 (\$1,896,800) COMMON STOCK. (FILE 33-89154 -
FEB. 03) (BR. 10)
- S-8 COMPUTER OUTSOURCING SERVICES INC, 360 WEST 31ST ST, NEW YORK, NY 10001
(212) 564-3730 - 350,000 (\$1,421,875) COMMON STOCK. (FILE 33-89160 -
FEB. 03) (BR. 10)
- S-3 PSC INC, 675 BASKET RD, WEBSTER, NY 14580 (716) 265-1600 - 2,377,100
(\$29,713,750) COMMON STOCK. (FILE 33-89178 - FEB. 08) (BR. 10)
- S-1 CHANTAL PHARMACEUTICAL CORP, 12121 WILSHIRE BLVD, LOS ANGELES, CA 90025
(310) 207-1950 - 1,355,000 (\$3,008,100) COMMON STOCK. (FILE 33-89180 -
FEB. 08) (BR. 4)
- S-1 TATHAM OFFSHORE INC, 7400 TEXAS COMMERCE TOWER, 600 TRAVIS ST, HOUSTON,
TX 77002 (713) 224-7400 - 8,625,000 (\$88,406,250) COMMON STOCK. (FILE
33-89182 - FEB. 08) (BR. 4)
- S-8 SENTINEL FINANCIAL CORP, 1001 WALNUT ST, KANSAS CITY, MO 64106
(816) 474-9800 - 51,342 (\$537,522.43) COMMON STOCK. (FILE 33-89184 -
FEB. 08) (BR. 1)
- S-1 SIMULA INC, 401 WEST BASELINE STE 204, TEMPE, AZ 85283 (602) 752-8918
- 1,897,500 (\$37,950,000) COMMON STOCK. (FILE 33-89186 - FEB. 08) (BR. 12)
- S-6 NORTHWESTERN MUTUAL VARIABLE LIFE ACCOUNT, 720 E WISCONSIN AVE,
MILWAUKEE, WI 53202 (414) 271-1444 - INDEFINITE SHARES. (FILE 33-89188 -
FEB. 08) (BR. 20)
- S-8 GIBRALTAR STEEL CORP, 3556 LAKE SHORE ROAD, P O BOX 2028, BUFFALO, NY
14219 (716) 826-6500 - 700,000 (\$7,595,000) COMMON STOCK. (FILE 33-89196 -
FEB. 08) (BR. 6)
- S-3 LIVING CENTERS OF AMERICA INC, 15415 KATY FREEWAY, SUITE 800, HOUSTON,
TX 77094 (713) 578-4600 - 460,000 (\$16,157,500) COMMON STOCK. (FILE
33-89198 - FEB. 09) (BR. 5)
- S-8 XENOVA GROUP PLC, 240 BATH ROAD SLOUGH SLI 4EF, BERKSHIRE ENGLAND, A1 -
868,468 (\$6,715,383.63) FOREIGN COMMON STOCK. (FILE 33-89236 - FEB. 06)
(BR. 4)
- S-8 XENOVA GROUP PLC, 240 BATH ROAD SLOUGH SLI 4EF, BERKSHIRE ENGLAND, A1 -
11,095 (\$38,832.50) COMMON STOCK. (FILE 33-89240 - FEB. 06) (BR. 4)

REGISTRATIONS CONT.

- S-2 SURETY CAPITAL CORP /DE/, 1845 PRECINCT LINE RD STE 100, HURST, TX 76054
(817) 498-8154 - 1,217,400 (\$4,413,075) COMMON STOCK. (FILE 33-89264 -
FEB. 07) (BR. 2)
- S-8 ARTISOFT INC, 2202 N FORBES BLVD, TUCSON, AZ 85745 (602) 670-7100 -
200,000 (\$1,612,500) COMMON STOCK. (FILE 33-89268 - FEB. 08) (BR. 9)
- S-8 SUGEN INC, 515 GALVESTON DR, REDWOOD CITY, CA 94063 - 1,252,550
(\$5,688,717) COMMON STOCK. (FILE 33-89270 - FEB. 08) (BR. 4)
- S-8 CONSOLIDATED TECHNOLOGY GROUP LTD, 160 BROADWAY, NEW YORK, NY 10038
(212) 233-4500 - 2,500,000 (\$2,500,000) COMMON STOCK. (FILE 33-89292 -
FEB. 09) (BR. 8)
- S-4 AMCORE FINANCIAL INC, 501 SEVENTH ST, P O BOX 1537, ROCKFORD, IL 61104
(815) 968-2241 - 1,638,960 (\$20,272,800) COMMON STOCK. (FILE 33-89296 -
FEB. 09) (BR. 1)
- S-8 HILFIGER TOMMY CORP, 6/F PRECIOUS INDUSTRIAL CENTRE, 18 CHEUNG YUE ST,
CHEUNG SHA WAN KOWLOON HONG KO, K3 (212) 840-8888 - 200,000 (\$3,962,500)
COMMON STOCK. (FILE 33-89298 - FEB. 09) (BR. 7)
- S-8 AFFINITY TELEPRODUCTIONS INC /FL, 3200 N MILITARY TRAIL, STE 200,
BOCA RATON, FL 33431 (407) 241-8100 - 400,000 (\$316,750) COMMON STOCK.
(FILE 33-89306 - FEB. 09) (BR. 11)