

sec news digest

Issue 95-51

March 16, 1995

COMMISSION ANNOUNCEMENTS

Following is a schedule of Commission meetings which will be conducted under provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding open meetings on Wednesday mornings. Otherwise, meetings will be scheduled according to the requirements of agenda items under consideration.

Visitors are welcome at all open meetings, insofar as space is available.

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. 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 Nancy Wolynetz, Office of Administrative and Personnel Management, to make arrangements. Ms. Wolynetz can be reached at (202) 942-4091 or at a TTY number (202) 942-4075. Staff members at the Commission are encouraged to contact Ms. Wolynetz if they receive inquiries on availability of auxiliary aids.

OPEN MEETING - TUESDAY, MARCH 21, 1995 - 10:00 A.M.

The subject matter of the open meeting scheduled for Tuesday, March 21, 1995, at 10:00 a.m., will be:

The Commission will hear oral argument on an appeal by Ahmed Mohamed Soliman, a registered investment adviser and formerly a registered representative, from the decision of an administrative law judge. For further information, please contact Kathleen A. O'Mara at (202) 942-0923.

CLOSED MEETING - TUESDAY, MARCH 21, 1995 - FOLLOWING 10:00 A.M. OPEN MEETING

The subject matter of the closed meeting scheduled for Tuesday, March 21, 1995, following the 10:00 a.m. open meeting will be: Post oral argument discussion; Institution of injunctive actions; Settlement of injunctive actions; Institution of administrative proceedings of an enforcement nature; and Settlement of administrative proceedings of an enforcement nature.

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 (202) 942-7070.

ENFORCEMENT PROCEEDINGS

COMPLAINT FILED AGAINST VICTOR INCENDY, JOHN SIRMANS, J.B. VAN ZANTEN, LAWRENCE MOSES, BERNARD LEVY AND RODNEY HEDGES

On March 10, the Commission filed a complaint in the United States District Court, Southern District of Florida, seeking permanent injunctions, ancillary relief and civil penalties against Victor G. Incendy (Incendy), John T. Sirmans (Sirmans), J.B. Van Zanten a/k/a Jeannette Incendy (Van Zanten), Lawrence D. Moses (Moses), Bernard H. Levy (Levy), and Rodney B. Hedges (Hedges). The complaint also seeks civil penalties pursuant to the Insider Trading Sanctions Act of 1984 against Incendy, Sirmans and Moses and an officer/director bar against Incendy, Sirmans, Van Zanten and Moses.

Incendy, Sirmans, Van Zanten, and Moses were officers and/or directors of Cascade International, Inc. (Cascade), a public corporation engaged in the business of retailing proprietary cosmetics and other fashion products through fashion boutiques and counters which Cascade purportedly owned and operated. On November 20, 1991, Incendy disappeared and Cascade collapsed.

The complaint alleges that since at least 1988, Incendy, Sirmans and Van Zanten knowingly, willfully and/or recklessly prepared, caused and/or allowed to be filed with the Commission false and misleading Forms and a registration statement. Specifically, the number of cosmetic counters and fashion boutiques operated by Cascade, as well as Cascade's total assets and revenues, were substantially overstated. Levy, Cascade's independent auditor, issued opinions that falsely represented that Cascade's financial statements were audited in accordance with GAAS and were presented in accordance with GAAP.

The complaint also alleges that Incendy, Sirmans, and Moses, while in possession of material, non-public information, traded in Cascade's stock in breach of their fiduciary duty to shareholders. Incendy and Sirmans obtained proceeds of at least \$6,600,000 and Moses at least \$4,800,000 from these transactions. Hedges, a registered representative with various broker-dealers, facilitated these trades by Incendy and failed to disclose to his customers that an officer of Cascade was using nominee accounts to trade in Cascade stock. [SEC v. Incendy, et al., USDC, SD Fla., Civil Action No. 95-8147-CIV-RYSKAMP] (LR-14439)

TEMPORARY RESTRAINING ORDER ENTERED AGAINST PLEASURE TIME, INC. (dba TELEPHONE INFORMATION SYSTEMS), GROUP DYNAMICS DOWNLINE, AND OTHERS

On March 13, the U.S. District Court for the Southern District of Ohio entered a temporary restraining order (including an asset freeze) against Pleasure Time, Inc. dba Telephone Information Systems, Minette Acra-Kelly dba Group Dynamics Downline, Minette Acra-Kelly, and Richard A. Welch. The Midwest Regional Office filed its complaint on March 13, 1995, alleging that the above-mentioned defendants and John C. Hicks, residents of Florida, Indiana and Ohio, violated antifraud and registration provisions of the federal securities laws. The complaint alleges that the defendants offered and sold unregistered securities in the form of investment contracts to approximately 20,000 investors, raising over \$3 million. Investors were told that they could participate in enormous profits from a world wide telephone lottery, which would purportedly raise \$300 million per week. Sales were made primarily through a multi-level marketing system, in which investors were given financial incentives to recruit other investors. Much of the recruiting was done through various computer on-line services. The complaint alleged, among other things, that defendants misrepresented and failed to disclose various legal and technological impediments to the proposed lottery. [SEC v. Pleasure Time, Inc., d\b\ Telephone Information Systems, et al., SD Ohio, Civil Action No. C-1-95-178] (LR-14440)

ORDERS OF PERMANENT INJUNCTION, DISGORGEMENT AND OTHER RELIEF ISSUED AGAINST PROMOTER AND BROKERS NAMED IN FRAUDULENT KICKBACK SCHEME

On March 14, the United States District Court for the District of Massachusetts entered final orders against Patrick Collins, Mark Hamel, Robert Raffa and Jeffrey Fernandez. Without admitting or denying the Commission's allegations, Collins, Hamel, Raffa and Fernandez consented to the entry of final judgments which enjoined them from violating Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; ordered disgorgement of \$237,500, \$234,466, \$91,977 and \$30,665, respectively; enjoined Hamel and Fernandez from violating Section 5 of the Securities Act; and imposed a civil penalty of \$25,000 against Raffa. However, disgorgement was waived and no civil penalty was imposed against Collins, Hamel and Fernandez based upon their financial condition.

The complaint alleges that, from January 1993 through September 1993, Collins, Robert Shull and Leonard Fiessel paid kickbacks worth over \$400,000 to Hamel, Raffa, Fernandez and other stockbrokers to induce them to sell Fairmont Resources Inc. stock to their customers. The complaint further alleges that Hamel, Raffa and Fernandez failed to disclose the kickback scheme to their customers and that more than 150 customers in seventeen states purchased over 1,000,000 shares of Fairmont stock at prices artificially enhanced by the kickbacks. Previously, Raffa and Hamel pleaded guilty to securities fraud charges. [SEC v. Robert L. Shull, Leonard E. Fiessel, Colleen A. Fiessel, Patrick A. Collins, Mark J. Hamel, Robert J. Raffa, Jeffrey J. Fernandez, Michael J. Murphy and William Cho, Civil Action No. 94-11759, REK, D. Mass.] (LR-14441)

FINAL ORDER ENTERED IN SEC V. ERNST & YOUNG

On March 15, the SEC announced the settlement of this enforcement action against Ernst & Young. The complaint alleged that Ernst & Young lacked independence as auditor of two issuers, RepublicBank Corporation and Cullum Companies, as a consequence of financial dealings between those companies and partners of the firm. Without adjudication of any issue of law or fact, Ernst & Young consented to the entry of a "Final Order" by which the Court ordered Ernst & Young to comply with an undertaking to comply with standards and guidelines issued by the Commission and the accounting profession regarding the independence of auditors of registrants' financial statements relating to loans, leases and other business relationships with audit clients. The Final Order provides that the SEC shall not bring any further civil or administrative action against Ernst & Young or its partners or employees based on the matters alleged in the complaint. [SEC v. Ernst & Young, Civil Action No. 3-91-2267-X, ND Tex.] (LR-14442; AAE Rel. 655)

INVESTMENT COMPANY ACT RELEASES

TREASURY FIRST INC.

An order has been issued under Section 8(f) of the Investment Company Act declaring that Treasury First Inc. has ceased to be an investment company. (Rel. IC-20955 - March 14)

TRANSAMERICA TAX-FREE FUNDS TRUST

An order has been issued under Section 8(f) of the Investment Company Act declaring that Transamerica TaxFree Funds Trust has ceased to be an investment company. (Rel. IC-20956 - March 14)

TRANSAMERICA STRATEGIC INCOME FUND

An order has been issued under Section 8(f) of the Investment Company Act declaring that Transamerica Strategic Income Fund has ceased to be an investment company. (Rel. IC-20957 - March 14)

HOLDING COMPANY ACT RELEASES

CENTRAL AND SOUTH WEST CORPORATION, ET AL.

An order has been issued authorizing a proposal by Central and South West Corporation, a registered holding company, and four wholly owned electric utility subsidiary companies -- Central Power and Light Company, Public Service Company of Oklahoma, Southwestern Electric Power Company, and West Texas Utilities Company -- to engage in meter reading, billing, and collecting services for water and gas utilities provided by cities, counties and governmental authorities located in or near the service territories of the utilities. (Rel. 35-26250)

COLUMBIA GAS SYSTEM, INC., ET AL.

A supplemental order has been issued authorizing a proposal by Columbia Gas System, Inc. (Columbia), a registered holding company, 17 wholly owned distribution, transmission, exploration and development, and other subsidiary companies of Columbia, and 12 subsidiary companies of TriStar Ventures (TriStar Ventures Subsidiaries), one of the 17 wholly owned Columbia subsidiary companies, for the 12 TriStar Ventures Subsidiaries to invest in, but not to borrow from, an Intrasystem Money Pool through 1996. (Rel. 35-26251)

SELF-REGULATORY ORGANIZATIONS

DELISTING GRANTED

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration International Movie Group, Inc., Common Stock, \$0.01 Par Value. (Rel. 34-35493)

WITHDRAWALS SOUGHT

A notice has been issued giving interested persons until April 6 to comment on the application of Conversion Industries, Inc. to withdraw its Common Stock, No Par Value, from listing and registration on the American Stock Exchange. (Rel. 34-35494)

A notice has been issued giving interested persons until April 6 to comment on the application of Polaris Industries, Inc. to withdraw its Common Stock, \$.01 Par Value, from listing and registration on the American Stock Exchange. (Rel. 34-35495)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the Philadelphia Stock Exchange (SR-Phlx-95-09) has become immediately effective. The proposed rule change amends Exchange Rule 803 to adopt listing standards for equity linked notes. Publication of the order is expected in the Federal Register during the week of March 20. (Rel. 34-35479)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change filed by the Midwest Securities Trust Company (SR-MSTC-94-21) implementing an automated balance certificate program. (Rel. 34-35484)

APPROVAL OF PROPOSED AMENDMENT TO THE OPTIONS PRICE REPORTING AUTHORITY PLAN

The Commission has approved the proposed amendment (S7-8-90) to the Options Price Reporting Authority (OPRA) Plan filed by OPRA that provides for the unbundling of services for foreign currency and index options. Publication of the order in the Federal Register is expected during the week of March 20. (Rel. 34-35487; International Series Rel. 792)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change submitted by the American Stock Exchange (SR-Amex- 94-46) and granted accelerated approval to Amendment No. 1 to revise the qualification examinations administered by the Amex. (Rel. 34-35488)

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.

- S8-2 N-VISION INC, 7915 JONES BRANCH DR, STE 1B-10, MCLEAN, VA 22102
(703) 506-8808 - 2,000,000 (\$15,000,000) COMMON STOCK. 100,000 (\$910,000)
WARRANTS, OPTIONS OR RIGHTS. 100,000 (\$1,040,000) COMMON STOCK. (FILE
33-90020 - MAR. 07) (BR. 12 - NEW ISSUE)
- F-6 FUJI PHOTO FILM CO LTD/ADR/, 1 CHASE MANHATTAN PLAZA,
CHASE MANHATTAN BANK, NEW YORK, NY 10081 (212) 552-1305 - 10,000,000
(\$500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-90068 - MAR. 07)
(BR. 99 - NEW ISSUE)
- F-6 BRIDGESTONE CORP /ADR/, 1 CHASE MANHATTAN PLAZA, CHASE MANHATTAN PLAZA,
NEW YORK, NY 10081 (212) 552-1305 - 10,000,000 (\$500,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-90070 - MAR. 07) (BR. 99
- NEW ISSUE)
- F-6 DEN DANSKE BANK AF 1871 AKTIESELSKAB /ADR/, 1 CHASE MANHATTAN PLAZA,
C/O CHASE MANHATTAN BANK, NEW YORK, NY 10081 (212) 552-1305 - 10,000,000
(\$500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-90076 - MAR. 07)
(BR. 99 - NEW ISSUE)
- F-6 SHARP CORP, 1 CHASE MANHATTAN PLAZA, CHASE MANHATTAN BANK, NEW YORK, NY
10081 (212) 552-1305 - 10,000,000 (\$500,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-90082 - MAR. 07) (BR. 99
- NEW ISSUE)
- F-1 ASIA PULP & PAPER CO LTD, 3 SHENTON WAY, 25-01 SHENTON HOUSE,
SINGAPORE 0106, UO - 124,200,000 (\$496,800,000) FOREIGN COMMON STOCK.
UNDERWRITER: CS FIRST BOSTON, MORGAN STANLEY & CO INC, SMITH BARNEY INC.
(FILE 33-90102 - MAR. 07) (BR. 8 - NEW ISSUE)
- F-6 ASIA PULP & PAPER CO LTD /ADR/, 48 WALL ST, BANK OF NEW YORK, NEW YORK,
NY 10286 (212) 495-1727 - 100,000,000 (\$5,000,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-90104 - MAR. 07) (BR. 99
- NEW ISSUE)
- S-8 HEALTH MANAGEMENT INC, 80 AIR PARK DRIVE, RONKONKOMA, NY 11779
(516) 981-0034 - 1,017,557 (\$17,204,574.10) COMMON STOCK. (FILE 33-90130 -
MAR. 08) (BR. 5)
- S-8 KOALA CORP /CO/, 4390 MCNEMEMY ST, ST PAUL, MI 55127 (612) 490-1535 -
200,000 (\$1,050,000) COMMON STOCK. (FILE 33-90134 - MAR. 08) (BR. 8)
- S-8 SEMICON TOOLS INC /NV/, 55 WEBSTER AVE, NEW ROCHELLE, NY 10801
(914) 636-4325 - 760,000 (\$380,000) COMMON STOCK. (FILE 33-90136 -
MAR. 08) (BR. 2)
- S-3 WALDEN RESIDENTIAL PROPERTIES INC, 13601 PRESTON RD STE 800 W, DALLAS,
TX 75240 (214) 788-0510 - 217,000 (\$4,340,000) COMMON STOCK. (FILE
33-90138 - MAR. 08) (BR. 5)

REGISTRATIONS CONT.

- S-8 PEMBROKE CAPITAL INC, 720-605 ROBSON STREET,
VANCOUVER BC CANADA V6B 5J3, CO 80202 (604) 688-9963 - 4,000,000
(\$12,000,000) COMMON STOCK. (FILE 33-90140 - MAR. 08) (BR. 11)
- S-3 AMERICAN SCIENCE & ENGINEERING INC, FORT WASHINGTON, 40 ERIE ST,
CAMBRIDGE, MA 02139 (617) 868-1600 - 32,000 (\$198,080) COMMON STOCK.
(FILE 33-90142 - MAR. 08) (BR. 8)
- S-8 LICON INTERNATIONAL INC, 2442 EXECUTIVE PLAZA ROAD, PENSACOLA, FL 32504
(904) 477-0334 - 515,000 (\$241,406.25) COMMON STOCK. (FILE 33-90144 -
MAR. 08) (BR. 9)
- S-3 COLUMBUS REALTY TRUST, 15851 DALLAS PKWY, SUITE 855, DALLAS, TX 75248
(214) 387-1492 - 500,000 (\$8,812,500) COMMON STOCK. (FILE 33-90146 -
MAR. 07) (BR. 5)
- S-8 RT INDUSTRIES INC, 751 PARK OF COMMERCE, SUITE 104, BOCA RATON, FL 33487
(407) 989-1400 - 100,000 (\$250,000) COMMON STOCK. (FILE 33-90148 -
MAR. 08) (BR. 4)
- S-8 RT INDUSTRIES INC, 751 PARK OF COMMERCE, SUITE 104, BOCA RATON, FL 33487
(407) 989-1400 - 100,000 (\$250,000) COMMON STOCK. (FILE 33-90150 -
MAR. 08) (BR. 4)
- S-8 RT INDUSTRIES INC, 751 PARK OF COMMERCE, SUITE 104, BOCA RATON, FL 33487
(407) 989-1400 - 100,000 (\$250,000) COMMON STOCK. (FILE 33-90152 -
MAR. 08) (BR. 4)
- S-3 J2 COMMUNICATIONS /CA/, 10850 WILSHIRE BLVD STE 1000, LOS ANGELES, CA
90024 (213) 474-5252 - 1,753,211 (\$5,259,633) COMMON STOCK. (FILE
33-90168 - MAR. 09) (BR. 11)
- S-8 SOUTH WEST PROPERTY TRUST INC, 5949 SHERRY LANE STE 1400, DALLAS, TX
75225 (214) 369-1995 - 267,000 (\$3,471,000) COMMON STOCK. (FILE 33-90170 -
MAR. 09) (BR. 6)
- S-8 JOCKEY CLUB INC, 11111 BISCAYNE BLVD, MIAMI, FL 33161 (305) 893-3344 -
600,000 (\$390,000) COMMON STOCK. (FILE 33-90172 - MAR. 09) (BR. 12)
- S-8 AMERICA ONLINE INC, 8619 WESTWOOD CENTER DR, C/O LENNERT J LEADER CFO,
VIENNA, VA 22182 (703) 448-8700 - 177,500 (\$4,984,200) COMMON STOCK.
(FILE 33-90174 - MAR. 09) (BR. 9)
- S-8 VALUE HOLDINGS INC, 6272 S DIXIE HWY, MIAMI, FL 33143 (305) 666-3165 -
500,000 (\$109,375) COMMON STOCK. (FILE 33-90176 - MAR. 09) (BR. 11)
- S-8 COMPREHENSIVE ENVIRONMENTAL SYSTEMS INC, 72-B CABOT ST, W BABYLON, NJ
07306 (516) 694-7060 - 500,000 (\$500,000) COMMON STOCK. (FILE 33-90178 -
MAR. 09) (BR. 8)
- S-3 DEVELOPERS DIVERSIFIED REALTY CORP, 34555 CHAGRIN BLVD, MORELAND HILLS,
OH 44022 (216) 247-4700 - 300,000 (\$8,381,250) COMMON STOCK. (FILE
33-90180 - MAR. 09) (BR. 5)
- S-8 CARDINAL REALTY SERVICES INC, 6954 AMERICANA PKWY, REYNOLDSBURG, OH
43068 (614) 759-1566 - 480,000 (\$4,319,200) COMMON STOCK. (FILE 33-90184 -
MAR. 09) (BR. 5)