

SEC NEWS DIGEST

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COMMISSION ANNOUNCEMENTS

WILLIAM MCLUCAS ANNOUNCES HIS DEPARTURE FROM THE COMMISSION

William R. McLucas, Director of the Securities and Exchange Commission's Division of Enforcement, today announced he intends to leave the Commission within the next several months. Mr. McLucas said that he has not reached any final decision about what he will do next.

Mr. McLucas joined the Commission's Division of Enforcement in 1977 and has served as the Enforcement Director for the past eight years -- longer than any other Enforcement Director in Commission history. (Press Rel. 98-9)

COMMISSION MEETINGS

CLOSED MEETING - THURSDAY, JANUARY 29, 1998 - 10:00 A.M.

The subject matter of the closed meeting scheduled for Thursday, January 29, 1998, at 10:00 a.m., will be: Institution and settlement of injunctive actions; and Institution 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 at (202) 942-7070.

ENFORCEMENT PROCEEDINGS

DECISION REVOKING JOHN D'ACQUISTO'S INVESTMENT ADVISER REGISTRATION AND BARRING HIM FROM ASSOCIATING WITH AN INVESTMENT ADVISER

In an administrative proceeding brought under Sections 203(e) and 203(f) of the Investment Advisers Act, the Commission concluded that the public interest warranted sanctions against John F. D'Acquisto.

The Commission found that in 1995 the United States District Court for the Southern District of California had permanently enjoined D'Acquisto from violating the antifraud provisions of the federal securities laws. The permanent injunction arose out of D'Acquisto's fraudulent conduct in raising \$6.8 million from two investors by offering and selling securities in prime investment and asset enhancement programs. The Commission also found that D'Acquisto was registered as an investment adviser during the time of his misconduct.

Based on the permanent injunction and its determination of the public interest, the Commission revoked D'Acquisto's investment adviser registration and barred him from the investment adviser business. In determining the public interest, the Commission inferred from D'Acquisto's 1997 criminal conviction in an unrelated action that if given the opportunity D'Acquisto will pursue further illegal activity. (Rel. IA-1696; File No. 3-8899)

TEMPORARY RESTRAINING ORDER AND ASSET FREEZE ENTERED AGAINST DANIEL SCHNEIDER, GLOBAL AMERICAN PROSPERITY FOUNDATION AND FINANCIAL SOVEREIGN ACQUISITION TRUST

The Commission announced today that it obtained an emergency restraining order prohibiting the illegal sale of bonds, purportedly backed by gold, issued in the 19th century by the now defunct Chicago, Saginaw and Canada Railroad Co. (Saginaw). These bonds, according to the complaint, are worthless as investments, having value only as historical memorabilia. The order also prohibited the fraudulent sale of interests in a prime bank-type trading program. Judge William F. Downes entered his temporary restraining order on January 20, 1998, against Daniel E. Schneider (Schneider), a resident of Worland, Wyoming, and related entities Global American Prosperity Foundation (GAPF) and Financial Sovereign Acquisition Trust (FAST). The Order also granted a freeze of assets held by Schneider, GAPF and FAST, an accounting and repatriation of assets. The Commission's complaint alleged that during 1997, Schneider, GAPF and FAST raised a total of at least \$2 million from at six, and possibly more than 30, investors nationwide through the sale of Saginaw bonds and through a bank debenture trading program in which the Saginaw bonds or other assets purportedly could be used to generate substantial returns. Schneider, GAPF and FAST falsely represented, among other things, that the Saginaw bonds were backed by gold bullion and worth up to \$100 million each, "top" world bank debentures existed and traded in a legitimate market, certain investor funds would be invested in a trading program, and investors in the Saginaw bonds and the trading program would realize extremely high rates of return. Schneider diverted more than \$196,000 of investor funds to purchase real estate or for other personal uses.

In the temporary restraining order, Judge Downes also ordered two named relief defendants, California resident Norman Fadel (Fadel) and Utah resident Ken Karlson (Karlson) to freeze assets derived from the fraud of Schneider, GAPF and FAST. Fadel and Karlson received approximately \$96,000 and \$354,000 from Schneider, GAPF and

FAST, respectively. The Commission requested the emergency action to prevent Schneider, GAPF, FAST, Fadel and Karlson from transferring or liquidating any funds. The Commission wishes to thank the Wyoming Secretary of State's Securities Division for its assistance in this matter. [SEC v. Daniel E. Schneider, et al., Civil Action No. 98-CV-0014-D, USDC Wyo.] (LR-15622)

WILLIAM FROMM SETTLES INSIDER TRADING CASE

The Commission announced today the filing of a complaint in the United States District Court for the Western District of Missouri against William M. Fromm for trading in Purolator Products Company common stock while in possession of material, nonpublic information that he misappropriated and for advising two individuals, who traded, of his belief that Mark IV Industries, Inc. was likely to acquire Purolator. According to the complaint, prior to the October 3, 1994 announcement that Mark IV and Purolator had entered into a definitive merger agreement, Fromm misappropriated material, nonpublic information from Mark IV and its Dayco Products, Inc. subsidiary and, based on that information and certain publicly available information, formed the belief that Mark IV was likely to acquire Purolator. The Commission further alleged that Fromm then purchased a total of 2,000 Purolator shares and advised two individuals, who purchased Purolator shares, of his belief. Fromm consented to the entry of a final judgment enjoining him from violating Sections 10(b) and 14(e) of the Exchange Act and related rules, ordering him to disgorge \$213,750, plus prejudgment interest of \$4,076.36, and ordering him to pay a penalty of \$13,750. [SEC v. William M. Fromm, Civil Action No. 98-0092-CV-W-3, W.D. Mo.] (LR-15625)

INVESTMENT COMPANY ACT RELEASES

FIDELITY ADVISOR SERIES I, ET AL.

A notice has been issued giving interested persons until February 16, 1998, to request a hearing on an application filed by Fidelity Advisor Series I, et al. for an order under Section 6(c) of the Investment Company Act granting an exemption from Sections 13(a), 18(f), and 21(b) of the Act, under Sections 6(c) and 17(b) of the Act granting an exemption from Sections 17(a)(1) and (3) of the Act, and under Rule 17d-1 under the Act to permit certain transactions in accordance with Section 17(d) of the Act and Rule 17d-1. The order would permit certain registered open-end funds and unregistered funds to enter into insurance agreements with an affiliated mutual insurance company. The insurance company would provide limited insurance coverage for certain money market assets held by the funds. (Rel. IC-23004 - January 20)

HOLDING COMPANY ACT RELEASES

CINERGY CORP.

An order has been issued authorizing Cinergy Corp., a registered public-utility holding company, to issue and sell short-term notes and commercial paper in outstanding amounts of up to \$2 billion and certain additional shares of its common stock, through December 31, 2002. (Rel. 35-26819)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The Chicago Board Options Exchange filed a proposed rule change (SR-CBOE-97-65) relating to the placing of orders over the outside telephone lines at the equity trading posts. Publication of the proposal is expected in the Federal Register during the week of January 19. (Rel. 34-39556)

The Depository Trust Company filed a proposed rule change (SR-DTC-97-17) to modify DTC's Coupon Collection Service to include corporate bearer bonds in addition to municipal bearer bonds. Publication of the proposal is expected in the Federal Register during the week of January 26. (Rel. 34-39561)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The Chicago Stock Exchange filed a proposed rule change (SR-CHX-97-33), which is immediately effective, relating to regulatory cooperation. Publication of the proposal is expected in the Federal Register during the week of January 19. (Rel. 34-39557)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change submitted by the National Association of Securities Dealers (SR-NASD-97-78). The order approves the amended rule language that addresses the release of additional disciplinary information required to be disclosed pursuant to amended Forms U-4, U-5, and BD. (Rel. 34-39562)

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.

- F-3 RANK GROUP FINANCE PLC, 6 CONNAUGHT PL, LONDON, X0 (171) 706-1111 - 150,000,000 (\$150,000,000) STRAIGHT BONDS. (FILE 333-8178 - JAN 07) (BR 5)
- F-3 BRITISH GAS FINANCE INC, 1100 LOUISIANA STE 2500, HOUSTON, TX 77002 (713) 752-8100 - 850,000,000 (\$850,000,000) FOREIGN GOVERNMENT AND AGENCY DEBT (FILE 333-8188 - JAN 12) (BR. 4)
- F-1 CABLE & WIRELESS COMMUNICATIONS PLC, 26 RED LION SQUARE, LONDON WC1R 4HQ UK, X0 (171) 528-2000 - 2,000,000,000 (\$2,000,000,000) FOREIGN GOVERNMENT AND AGENCY DEBT (FILE 333-8194 - JAN 13) (BR 3)
- S-4 HORTON D R INC /DE/, 1901 ASCENSION BLVD, STE 100, ARLINGTON, TX 76006 (817) 856-8200 - 29,296,069 (\$429,806,967 40) COMMON STOCK. (FILE 333-44279 - JAN. 15) (BR 6)
- S-8 N2K INC, 55 BROAD ST 26TH FL, NEW YORK, NY 10004 - 1,500,000 (\$25,500,000) COMMON STOCK. (FILE 333-44283 - JAN 15) (BR 2)
- S-8 N2K INC, 55 BROAD ST 26TH FL, NEW YORK, NY 10004 - 500,000 (\$8,550,000) COMMON STOCK (FILE 333-44285 - JAN 15) (BR. 2)
- S-8 PRIME HOSPITALITY CORP, 700 RTE 46 E, FAIRFIELD, NJ 07004 (973) 882-1010 - 2,384,431 (\$42,770,731 06) COMMON STOCK (FILE 333-44287 - JAN 15) (BR 5)
- S-8 RESOURCE BANCSHARES MORTGAGE GROUP INC, 7909 PARKLANE ROAD SUITE 150, COLUMBIA, SC 29223 (803) 741-3000 - 520,249 (\$8,844,233) COMMON STOCK (FILE 333-44289 - JAN. 15) (BR 8)
- S-3 INFORMATION ANALYSIS INC, 11240 WAPLES MILL RD #400, FAIRFAX, VA 22030 (703) 383-3000 - 1,390,896 (\$24,166,818) COMMON STOCK (FILE 333-44291 - JAN 15) (BR 9)
- S-3 SPS TECHNOLOGIES INC, 101 GREENWOOD AVE, STE 470, JENKINTOWN, PA 19046 (215) 517-2006 - 130,530 (\$5,237,516 25) COMMON STOCK (FILE 333-44293 - JAN 15) (BR 6)
- S-3 INTERFERON SCIENCES INC, 783 JERSEY AVE, NEW BRUNSWICK, NJ 08901 (908) 249-3250 - 200,000 (\$1,606,250) COMMON STOCK (FILE 333-44295 - JAN 15) (BR. 1)
- S-3 GTE NORTH INC, 600 HIDDEN RIDGE, HQE04B12, IRVING, TX 75038 (214) 718-5600 - 550,000,000 (\$550,000,000) STRAIGHT BONDS (FILE 333-44297 - JAN. 15) (BR 3)
- S-3 HELLER FINANCIAL COMMERCIAL MORTGAGE ASSET CORP, 500 W MONROE, CHICAGO, IL 60661 (312) 441-7000 - 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES (FILE 333-44299 - JAN 15) (BR 8 - NEW ISSUE)
- S-3 DONNELLEY R R & SONS CO, 77 W WACKER DR, CHICAGO, IL 60601 (312) 326-8000 - 4,400,000 (\$163,803,156) COMMON STOCK (FILE 333-44303 - JAN 15) (BR 5)
- S-3 PEASE OIL & GAS CO /CO/, 751 HORIZON COURT STE 203, P O BOX 60219, GRAND JUNCTION, CO 81506 (970) 245-5917 - 5,545,802 (\$9,705,154) COMMON STOCK (FILE 333-44305 - JAN 15) (BR 4)
- S-3 KELLOGG CO, ONE KELLOGG SQ, P O BOX 3599, BATTLE CREEK, MI 49016 (616) 961-2000 - 200,000,000 (\$200,000,000) STRAIGHT BONDS (FILE 333-44309 - JAN 15) (BR 2)
- S-1 LAMONTS APPAREL INC, 12413 WILLOWS ROAD N E , KIRKLAND, WA 98034 (206) 814-5461 - 2,854,356 (\$5,264,049.83) WARRANTS, OPTIONS OR RIGHTS 2,941,886 (\$294,188.60) COMMON STOCK (FILE 333-44311 - JAN 15) (BR. 2)

S-8 MEMRY CORP, 57 COMMERCE DR, BROOKFIELD, CT 06804 (203) 740-7311 -
2,000,000 (\$6,600,000) COMMON STOCK (FILE 333-44313 - JAN 15) (BR 4)

SB-2 AQUA CLARA BOTTLING & DISTRIBUTION INC, 10720 72ND STREET NORTH,
STE 909, LARGO, FL 33777 (813) 548-7105 - 1,333,334 (\$3,833,335)
PREFERRED STOCK 445,000 (\$1,810,625) COMMON STOCK (FILE 333-44315 -
JAN 15)

S-8 STARTEC GLOBAL COMMUNICATIONS CORP, 10411 MOTOR CITY DR, BETHESDA, MD
20817 (301) 365-8959 - 1,019,766 (\$19,375,554) COMMON STOCK. (FILE
333-44317 - JAN 15) (BR 3)

S-8 SIGNAL TECHNOLOGY CORP, 955 BENECIA AVE, SUNNYVALE, CA 94086
(408) 730-6318 - 300,000 (\$1,481,250) COMMON STOCK (FILE 333-44319 -
JAN 15) (BR 5)

S-3 RAYTHEON CO/, 141 SPRING STREET, C/O RAYTHEON CO, LEXINGTON, MA 02173
(781) -86-2-66 - \$3,000,000,000 STRAIGHT BONDS. (FILE 333-44321 - JAN 15)
(BR 5)

S-4 PHYSICIAN SALES & SERVICE INC /FL/, 4345 SOUTHPOINT BLVD, STE 250,
JACKSONVILLE, FL 32216 (904) 332-3000 - 17,735,119 (\$598,560,266.25)
COMMON STOCK (FILE 333-44323 - JAN 15) (BR 1)

S-4 FIRST KEYSTONE FINANCIAL INC, 22 WEST STATE ST, MEDIA, PA 19063
(610) 565-6210 - 16,200,000 (\$16,200,000) COMMON STOCK (FILE 333-44325 -
JAN 15) (BR 7)

S-8 JLK DIRECT DISTRIBUTION INC, STATE ROUTE 981 S, P O BOX 231, LATROBE, PA
15650 (412) 539-5000 - 2,000,000 (\$52,835,195) COMMON STOCK (FILE
333-44327 - JAN 15) (BR 6)

S-4 METROCALL INC, 6677 RICHMOND HWY, ALEXANDRIA, VA 22306 (703) 660-6677 -
200,000,000 (\$200,000,000) STRAIGHT BONDS (FILE 333-44329 - JAN 15)
(BR 3)

S-4 COMMERCIAL BANCSHARES INC /WV/, 415 MARKET ST, PO BOX 1427, PARKERSBURG,
WV 26101 (304) 424-0300 - 141,902 (\$7,221,393) COMMON STOCK. (FILE
333-44331 - JAN 15) (BR 7)

S-8 ZYGO CORP, LAUREL BROOK RD, MIDDLEFIELD, CT 06455 (860) 347-8506 -
1,400,000 (\$22,925,000) COMMON STOCK. (FILE 333-44333 - JAN 15) (BR 1)

S-1 MLC HOLDINGS INC, 11150 SUNSET HILLS ROAD, SUITE 110, RESTON, VA 20190
(703) 834-5710 - 2,984,305 (\$34,830,583 75) COMMON STOCK (FILE 333-44335
- JAN 15) (BR 7)

S-8 CRAFTMADE INTERNATIONAL INC, 2700 112TH ST, GRAND PRAIRIE, TX 75050
(214) 647-8099 - 45,000 (\$510,300) COMMON STOCK (FILE 333-44337 -
JAN 15) (BR 6)

S-3 EINSTEIN NOAH BAGEL CORP, 14123 DENVER W PARKWAY, P O BOX 4086, GOLDEN,
CO 80401 (303) 202-9300 - 2,320,094 (\$14,291,780) COMMON STOCK (FILE
333-44339 - JAN 15) (BR 2)

S-3 BIKERS DREAM INC, 1420 VILLAGE WAY, SANTA ANA, CA 92705 (714) 835-8464
- 245,616 (\$199,440) COMMON STOCK. (FILE 333-44341 - JAN 15) (BR 5)

S-8 ENERGY VENTURES INC /DE/, 5 POST OAK PARK, STE 1760, HOUSTON, TX 77027
(713) 297-8428 - 34,800 (\$1,355,112) COMMON STOCK. (FILE 333-44345 -
JAN 15) (BR 4)

S-3 SONIC SOLUTIONS/CA/, 101 ROWLAND WAY STE 110, NOVATO, CA 94945
(415) 893-8000 - 1,522,000 (\$7,518,680) COMMON STOCK. (FILE 333-44347 -
JAN 15) (BR 3)

S-4 IRIDIUM OPERATING LLC, 1575 EYE STREET N W, WASH, DC 20006
(202) 326-5600 - 301,500,000 (\$301,500,000) STRAIGHT BONDS (FILE
333-44349 - JAN 15)

S-3 COMFORCE CORP, 2001 MARCUS AVE, LAKE SUCCESS, NY 11042 (516) 328-7300 -
75,758 (\$558,715) COMMON STOCK (FILE 333-44351 - JAN 15) (BR 7)

- S-8 EINSTEIN NOAH BAGEL CORP, 14123 DENVER W PARKWAY, P O. BOX 4086, GOLDEN,
CO 80401 (303) 202-9300 - 6,313,148 (\$38,888,980) COMMON STOCK (FILE
333-44353 - JAN 15) (BR. 2)
- S-1 COWLITZ BANCORPORATION, 927 COMMERCE AVE, LONGVIEW, WA 98632
(206) 423-9800 - 1,150,000 (\$14,950,000) COMMON STOCK (FILE 333-44355 -
JAN 15)
- S-3 OMNICOM GROUP INC, 437 MADISON AVE, NEW YORK, NY 10022 (212) 415-3700 -
2,523,415 (\$98,728,611.88) COMMON STOCK. (FILE 333-44357 - JAN 15)
(BR 2)
- S-1 FIRST SIERRA FINANCIAL INC, TEXAS COMMERCE TOWER, 70TH FLOOR,
600 TRAVIS STREET, HOUSTON, TX 77002 (713) 221-8822 - 5,000,000
(\$89,375,000) COMMON STOCK. (FILE 333-44361 - JAN 16) (BR 7)
- S-3 ROSS SYSTEMS INC/CA, 2 CONCOURSE PARKWAY, SUITE 800, ATLANTA, GA 30328
(770) 351-9600 - 273,084 (\$870,455.25) COMMON STOCK (FILE 333-44363 -
JAN 16) (BR 3)