

C-2

SEC NEWS DIGEST

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June 7, 1999

ENFORCEMENT PROCEEDINGS

SEC OBTAINS ORDER OF PERMANENT INJUNCTION AGAINST RAYMOND O'BRIEN

The Commission announced today that Judge Patrick Michael Duffy of the United States District Court for the District of South Carolina entered an Order of Permanent Injunction and Other Relief against Raymond C. O'Brien (O'Brien) restraining and enjoining him from further violations of Sections 5(a), 5(c), 17(a) and 17(b) of the Securities Act of 1933 (Securities Act) and Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder. O'Brien consented to the entry of the permanent injunction without admitting or denying the allegations of the Commission's complaint. The Court also ordered disgorgement against O'Brien in the amount of \$892,761 but waived payment based upon O'Brien's demonstrated inability to pay. The Court did not impose a civil penalty base upon O'Brien's demonstrated inability to pay.

The Commission's complaint, filed on July 1, 1998, alleged that Green Oasis Environmental, Inc. (Green Oasis) and William D. Carraway (Carraway) published a series of false and misleading press releases prepared by the public relations firm the company retained, owned and controlled by O'Brien. Carraway paid O'Brien and others to publish purportedly objective descriptions about the company and to encourage positive discussion about the company in Internet news groups. Carraway and O'Brien used these false press releases to increase investor interest in the company.

The complaint sought a permanent injunction against the defendants Green Oasis and Carraway to prevent their future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 (Securities Act) and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder; a permanent injunction against defendant O'Brien to prevent his future violations of Sections 5(a), 5(c), 17(a) and 17(b) of the Securities Act, and Sections 10(b) and 15(a)(1) of the Exchange Act and Rule 10b-5 thereunder; and a permanent injunction against defendant Reece to prevent his future violation of Section 17(b) of the Securities Act. The complaint also sought disgorgement, prejudgment interest and civil penalties from defendants Carraway and O'Brien and civil penalties from defendant Ronald V. Reece (Reece). The Commission's complaint also sought disgorgement from Mary Ann Carraway of the

gains from her sales of Green Oasis securities. Judge Duffy previously entered Orders of Permanent Injunction against Green Oasis in August 1998 and against Reece in December 1998. Litigation is ongoing against Carraway and Mary Ann Carraway. [SEC v. Green Oasis Environmental, Inc., William D. Carraway, Raymond C. O'Brien and Ronald V. Reece, Defendants, and Mary Ann Carraway, Relief Defendant, Civil Action No. 2:98-1913-23, D.S.C.] (LR-16174)

SEC OBTAINS ORDER OF PERMANENT INJUNCTION AGAINST KEITH KNUTSSON

The Commission announced today that Judge Clarence Cooper of the United States District Court for the Northern District of Georgia entered an Order of Permanent Injunction and Other Relief against Keith Knutsson (Knutsson) restraining and enjoining him from further violations of Section 17(a) of the Securities Act of 1933 (Securities Act) and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder. Knutsson consented to the entry of the permanent injunction without admitting or denying the allegations of the Commission's complaint. The Court ordered disgorgement against Knutsson and relief defendant Kaldi in the amount of \$779,395 for each defendant but waived payment based upon Knutsson's and Kaldi's demonstrated inability to pay. The Court did not impose a civil penalty against Knutsson based upon Knutsson's demonstrated inability to pay.

The Commission's complaint, filed on August 29, 1997, alleged that Knutsson conducted a fraudulent offering of notes, options to acquire stock and investment contracts purportedly to finance the establishment of Kaldi Koffee, an entity which Knutsson proposed to form for the purpose of opening a chain of specialty coffee shops in Europe. In the offering, Knutsson made misrepresentations including ones related to rate of return on investment and use of proceeds. In actuality, Knutsson misappropriated the money he raised, using it to pay for several trips to Europe, two Paris apartments and other personal expenses. As a corporation controlled by Knutsson that received investor funds, Kaldi was sued as a relief defendant.

The complaint sought a permanent injunction against defendant Knutsson to prevent future violations of Section 17(a) of the Securities Act of 1933 (Securities Act) and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder. The complaint also sought disgorgement, prejudgment interest and civil penalties from defendant Knutsson and disgorgement and prejudgment interest from relief defendant Kaldi. [SEC v. Keith Knutsson, Defendant and Kaldi, Inc., Relief Defendant, Civil Action No. 1:97-2514-CC, ND Ga.] (LR-16175)

RECIDIVIST SECURITIES VIOLATOR'S NEW OIL AND GAS AND MICROCAP SCHEMES SHUT DOWN BY SEC

~~On June 3, Judge Robert B. Maloney, United States District Judge for the Northern District of Texas, issued a temporary restraining order halting a fraudulent scheme devised by Brent A. Wagman (Wagman), a former broker and recidivist securities law violator. Since 1997,~~

two privately held corporations under Wagman's control, Redbank Petroleum, Inc., (Redbank) and Ameritech Petroleum, Inc., (Ameritech) have offered and sold approximately \$15 million in so-called high interest corporate notes (corporate notes) to investors in six states. According to the Commission's complaint, the corporate notes were offered to retirees and others as risk-free investments with above market rates of return, and as being backed by an unconditional guarantee by an independent insurance company. In fact, no such guarantee existed. Rather than using investors' monies for their stated purposes, funds were diverted to fund the operations of several other entities under Wagman's control, and for personal expenses of Wagman and his office assistant, Margaret F. Swinney (Swinney), who assisted Wagman in perpetrating the fraud. Wagman also used investors' funds as "Ponzi" payments to lull existing investors and to lure new ones.

One of the Wagman-controlled companies which received proceeds from the corporate note offerings was Lyric International, Inc. (Lyric), a microcap company whose stock is traded on the NASD Bulletin Board. Lyric, at Wagman's request, issued press releases, made Internet postings and used other promotional documents to promote its acquisition of major assets from Redbank and Ameritech. These promotions were false and misleading because they failed to disclose that the acquisitions were not arms-length transactions or that the assets had been acquired from a related entity that had been sanctioned for securities violations. While Lyric's stock was being touted, Wagman sold a significant amount of his own holdings and reaped over \$380,000. [SEC v. Redbank Petroleum, Inc., et al., 3:99-CV-1267-T, USDC, ND/TX, Dallas Division] (LR-16176)

INVESTMENT COMPANY ACT RELEASES

NORWEST ADVANTAGE FUNDS, ET AL.

A notice has been issued giving interested persons until June 28 to request a hearing on an application filed by Norwest Advantage Funds, et al. for an order exempting applicants from Section 17(b) of the Investment Company Act. The order would permit an in-kind redemption of shares of the Index Fund, a series of Norwest Advantage Funds, by an affiliated shareholder. (Rel. IC-23857 - June 3)

FIRST DEFINED PORTFOLIO FUND LLC

A notice has been issued giving interested persons until June 30 to request a hearing on an application filed by First Defined Portfolio Fund LLC. Applicant seeks an order pursuant to Section 6(c) of the Investment Company Act exempting Applicant and any other open-end ~~investment company or series thereof advised by First Trust Advisors~~ L.P. (First Trust Advisors) or any entity controlled by or under common control with First Trust Advisors that follows the same investment strategy as the Target 10 Series, the Target 5 Series, or

the Global Target 15 Series of Applicant, from the provisions of Section 12(d)(3) of the Act to the extent necessary to permit the Target 10 Series to invest up to 10.5%, the Target 5 Series to invest up to 20.5%, and the Global Target 15 Series to invest up to 7.5%, of their respective total assets in securities of issuers that derive more than 15% of their gross revenues from securities related activities. (Rel. IC-23858 - June 4)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change and Amendment No. 1 thereto and granted accelerated approval to Amendment Nos. 2 and 3 to a proposed rule change submitted by the National Association of Securities Dealers (SR-NASD-97-76) relating to clearing agreements. (Rel. 34-41468)

The Commission approved a proposed rule change and granted accelerated approval to Amendment No. 1 to a proposed rule change submitted by the New York Stock Exchange (SR-NYSE-97-25) relating to carrying agreements. (Rel. 34-41469)

PROPOSED RULE CHANGES

The Boston Stock Exchange filed a proposed rule change (SR-BSE-99-1) to establish a pilot program to allow specialists to access the BSE's BEACON trading system from remote locations. Publication of the proposal is expected in the Federal Register during the week of June 7. (Rel. 34-41471)

The American Stock Exchange filed a proposed rule change (SR-AMEX-99-14) relating to a reduction in the Morgan Stanley High Technology Index Value. (Rel. 34-41472)

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-99-23) and Amendment No. 1 to the proposed rule change relating to locked and crossed markets that occur at or prior to the market's open. Publication of the notice in the Federal Register is expected during the week of June 7. (Rel. 34-41473)

DELISTING GRANTED

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration Polk Audio, Inc., Common Stock, par value \$.01. (Rel. 34-41474)

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.
- Item 8. Change in Fiscal Year.
- Item 9. Regulation S Offerings.

The following companies have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. 8-K reports 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: <publicinfo@sec.gov>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

NAME OF ISSUER	STATE CODE	8K ITEM NO.									DATE	COMMENT	
		1	2	3	4	5	6	7	8	9			
AASTROM BIOSCIENCES INC	MI					X	X					06/02/99	
AEP INDUSTRIES INC	DE					X	X					06/03/99	
AIRCRAFT SERVICE INTERNATIONAL GROU P INC	DE		X					X				05/20/99	
ALLSTATE CORP	DE					X						06/04/99	AMEND
ALLTRISTA CORP	IN	X						X				04/26/99	
AMERICAN BIO MEDICA CORP	NY					X	X					05/30/99	
AMERICAN INDUSTRIAL PROPERTIES REIT INC	TX					X						05/06/99	
AMERICAN INTERNATIONAL GROUP INC	DE					X	X					06/03/99	
AMERICREDIT FINANCIAL SERVICES INC	DE	X						X				05/12/99	
APPLIED GRAPHICS TECHNOLOGIES INC	DE	X				X	X					06/04/99	
ARCADIA RECEIVABLES FINANCE CORP	DE					X	X					06/02/99	
ARNOLD PALMER GOLF CO	TN					X	X					06/03/99	
ARONEX PHARMACEUTICALS INC	DE					X	X					05/25/99	
AUTOZONE INC	NV					X	X					05/26/99	
AVADO BRANDS INC	GA					X						07/04/99	
AVANI INTERN GROUP INC	NV	X										05/03/99	
BA MORTGAGE SECURITIES INC MORT PS THR CERT SER 1998-4	DE					X	X					04/25/99	
BA MORTGAGE SECURITIES INC PASS THR CERT SER 1998-5	DE					X	X					04/25/99	
BANGOR HYDRO ELECTRIC CO	ME					X						06/04/99	
BANK OF AMERICA MORTGAGE SECURITIES INC	DE					X	X					04/25/99	
BANKERS TRUST CORP	NY					X	X					06/04/99	
BRUNOS INC	AL					X	X					05/27/99	
CARDIODYNAMICS INTERNATIONAL CORP	CA					X						05/28/99	
CBS CORP	PA					X	X					05/27/99	
CELEBRITY INC	TX	X						X				05/24/99	
CELTIC INVESTMENT INC	DE					X	X					05/28/99	
CELTRIX PHARMACEUTICALS INC	DE					X	X					06/03/99	
CENTEX HOME EQUITY LOAN TRUST 1999- 2	NV					X	X					05/20/99	
CENTRAL OIL CORP	CO	X				X	X					05/20/99	

NAME OF ISSUER	STATE CODE	BK ITEM NO.									DATE	COMMENT
		1	2	3	4	5	6	7	8	9		
CENTRAL PARKING CORP	TN		X				X				03/19/99	
CHEC ASSET RECEIVABLE CORP	NV						X				05/25/99	
CHEFS INTERNATIONAL INC	DE	X									05/20/99	
CHL MORTGAGE PASS THROUGH TRUST 199 8 18	DE					X	X				04/25/99	
COMMUNICATIONS INSTRUMENTS INC	NC							X			03/19/99	AMEND
CRYOLIFE INC	FL			X							05/27/99	
CWABS INC ASSET BACKED CERTIFICATES SERIES 1998-3	DE				X	X					04/25/99	
CWABS INC ASSET-BACKED CERTIFICATES SERIES 1998-2	DE				X	X					04/25/99	
CWMBS INC MORT PASS THRO CERT SER 1 998-12	DE				X	X					04/25/99	
DELPHI INFORMATION SYSTEMS INC /DE/	DE			X							06/04/99	
DELTA FUNDING CORP /DE/	NY						X				05/17/99	
DLJ COMMERCIAL MORTGAGE CORP	DE				X	X					06/03/99	
E-MEDSOFT COM	NV							X			06/02/99	
EFI ELECTRONICS CORP	DE						X				12/31/97	AMEND
EMPI INC	MN				X	X					05/27/99	
EXCEL LEGACY CORP	DE				X	X					06/02/99	
FI TEK V INC	DE				X						06/04/99	
FIRST ALLIANCE MORTGAGE CO /DE/	CA				X	X					06/02/99	
FIRST CAPITAL INCOME PROPERTIES LTD SERIES IX	FL	X		X	X						05/21/99	
FIRST CAPITAL INCOME PROPERTIES LTD SERIES X	FL	X		X	X						05/21/99	
FLAG FINANCIAL CORP	GA				X	X					06/04/99	
FORD CREDIT AUTO RECEIVABLES TWO L P	DE				X	X					05/26/99	
FOUR MEDIA CO	DE		X			X					05/25/99	
GERALD STEVENS INC/	DE			X		X					04/30/99	AMEND
GUITAR CENTER INC	CA	X		X	X						05/28/99	
HAIN FOOD GROUP INC	DE	X			X						04/27/99	AMEND
HECTOR COMMUNICATIONS CORP	MN				X						05/27/99	
HOUSEHOLD CONSUMER LOAN TRUST 1996- 2	DE		X								05/14/99	
HUSSMANN INTERNATIONAL INC	DE		X			X					03/23/99	AMEND
IBS INTERACTIVE INC	DE				X						03/31/99	
IDM ENVIRONMENTAL CORP	NJ				X						05/21/99	
IKON RECEIVABLES LLC	DE		X			X					05/25/99	
IMPERIAL PETROLEUM INC	NV	X									04/20/99	
INFINITY BROADCASTING CORP /DE/	DE				X	X					05/27/99	
INTERNATIONAL MULTIFOODS CORP	DE				X	X					06/04/99	
INTERNET AMERICA INC	TX	X				X					02/18/99	
IRWIN HOME EQUITY TRUST ASSET BACKE D CERTIFICATES SER 1999-1	NY					X					05/15/99	
KERR MCGEE CORP	DE				X	X					02/26/99	
KINNARD INVESTMENTS INC	MN				X	X					05/17/99	
KV PHARMACEUTICAL CO /DE/	DE					X					06/02/99	AMEND
LACLEDE GAS CO	MO				X	X					05/27/99	
LEHMAN ABS CORP	DE				X	X					05/31/99	
MAIN PLACE FUNDING LLC	DE				X	X					05/25/99	
MEDQUIST INC	NJ		X			X					05/11/99	
MELLON RESIDENTIAL FUNDING COR MOR PAS THR CER SER 1999-TBC1	DE				X	X					05/25/99	
MERRILL LYNCH MORTGAGE INVESTORS IN C	DE					X					05/25/99	
MICRO THERAPEUTICS INC	DE				X	X					05/26/99	
MOBILE AMERICA CORP	FL				X	X					05/25/99	
MYERS INDUSTRIES INC	OH					X					02/04/99	AMEND

NAME OF ISSUER	STATE CODE	BK ITEM NO.									DATE	COMMENT
		1	2	3	4	5	6	7	8	9		
NCO GROUP INC	PA		X		X	X					05/21/99	
NEW HILARITY MINING CO	ID		X								05/31/99	
NEWCARE HEALTH CORP	NV				X	X					05/21/99	
NITINOL MEDICAL TECHNOLOGIES INC	DE				X	X					06/03/99	
NORWEST ASSET SEC CORP MORT PASS TH	NY							X			05/25/99	
R CERT SER 1999 1 TRUST												
NORWEST ASSET SEC CORP MORT PASS TH	NY							X			05/25/99	
R CERT SER 1999 2 TRUST												
NORWEST ASSET SEC CORP MORT PASS TH	DE							X			05/25/99	
R CERT SER 1999-13 TRUST												
NORWEST INTEGRATED STRUCTURED ASSET	DE							X			05/25/99	
S INC SERIES 1999-1 TRUST												
NUTRAMAX PRODUCTS INC /DE/	DE							X			05/18/99	AMEND
OTTAWA FINANCIAL CORP	DE					X	X				05/26/99	
PAINWEBBER MORT ACCEPT CORP IV NEW	DE					X	X				05/27/99	
SOUTH HOME EQ TR 1999-1												
PEASE OIL & GAS CO /CO/	NV				X						06/04/99	
PRICE ENTERPRISES INC	CA				X	X					06/02/99	
QUEST DIAGNOSTICS INC	DE				X						02/17/99	
QUINTEL COMMUNICATIONS INC	DE				X	X					06/02/99	
SAF T LOK INC	FL				X	X					05/26/99	
SAFEGUARD HEALTH ENTERPRISES INC	DE				X	X					06/04/99	
SIGNAL APPAREL COMPANY INC	IN							X			03/22/99	AMEND
SKYLYNX COMMUNICATIONS INC	CO							X			03/24/99	AMEND
SOLOMON BROS MORT SEC VII INC FL RT	DE							X			05/25/99	
MRT PS THR CERT 1999 3												
SUN HYDRAULICS CORP	FL				X	X					05/21/99	
SUNSHINE MINING & REFINING CO	DE				X		X				05/27/99	
SYNETIC INC	DE							X			06/04/99	
TODD SHIPYARDS CORP	DE			X							06/27/99	
TRAVELERS BANK CREDIT CARD MASTER T	DE				X	X					05/15/99	
RUST I												
TRIANGLE IMAGING GROUP INC	FL				X						05/27/99	
TRISTAR AEROSPACE CO	DE							X			03/24/99	AMEND
UAL CORP /DE/	DE				X	X					06/04/99	
UNITED COMPANIES FINANCIAL CORP	LA				X	X					06/01/99	
US AIRWAYS GROUP INC	DE				X						05/27/99	
US AIRWAYS INC	DE				X						05/27/99	
UST INC	DE				X	X					05/27/99	
WAVO CORP	IN				X	X					05/25/99	
WESTMORELAND COAL CO	DE		X								06/04/99	
WESTWOOD ONE INC /DE/	DE				X	X					06/01/99	
WHIRLPOOL CORP /DE/	DE				X	X					06/04/99	
WITCO CORP	DE				X	X					05/31/99	
WMC SECURED ASSETS CORP	DE				X	X					05/31/99	
WMC SECURED ASSETS CORP	DE				X	X					05/31/99	
WORLD OMNI DEALER FUNDING INC	FL		X								04/30/99	