

sec news digest

Issue 94-237

December 14, 1994

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 - MONDAY, DECEMBER 19, 1994 - 10:00 A.M.

The subject matter of the open meeting scheduled for Monday, December 19, 1994, at 10:00 a.m., will be:

The Commission will hear oral argument on an appeal by George Salloum, former head trader of Thomas James Associates, Inc., and by the Commission's Division of Enforcement, from an administrative law judge's initial decision. For further information, please contact Kermit B. Kennedy at (202) 942-0879.

CLOSED MEETING - MONDAY, DECEMBER 19, 1994 - FOLLOWING THE OPEN MEETING

The subject matter of the closed meeting scheduled for Monday, December 19, 1994, following the 10:00 a.m. open meeting will be: Post oral argument discussion; Institution of administrative proceedings of an enforcement nature; Settlement of administrative proceedings of an enforcement nature; Institution of injunctive actions; and Settlement of injunctive action.

OPEN MEETING - TUESDAY, DECEMBER 20, 1994 - 10:00 A.M.

The subject matter of the open meeting scheduled for Tuesday, December 20, 1994, at 10:00 a.m., will be:

1. Consideration of a release that would adopt amendments to Rule 19b-4 and Form 19b-4 under the Securities Exchange Act of 1934 (Act) to expand the scope of proposed rule changes filed by self-regulatory organizations (SROs) that may become effective immediately. The release also would adopt amendments to Rules 6a-2, 15Aj-1, 17a-21, and Form X-15AJ-2 under the Act to streamline and conform requirements for SROs and the Municipal Securities Rulemaking Board to file certain information annually. For further information, please contact Andrew S. Margolin, at (202) 942-0073.
2. Consideration of whether to adopt proposed Rule 17a-23 and form 17A-23, to establish recordkeeping and reporting requirements for brokers and dealers that operate automated trading systems. The rule would require registered broker-dealer sponsors of these systems to maintain participant, volume and transaction records, and to report system activity periodically to the Commission. The Commission published the proposed Rule and Form for comment on January 9, 1994. For further information, please contact Kristen N. Geyer (202) 942-0799.

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.

NEW FACSIMILE NUMBER FOR THE OFFICE OF THE CHIEF ACCOUNTANT

Effective December 21, 1994, the facsimile phone number for the Commission's Office of the Chief Accountant will be changed. The new number will be (202) 942-9656. Persons who use fax as a means of communicating with that office should note the change. Callers to the former number will not be redirected to the new number.

LES AND RELATED MATTERS

ADOPTION OF AMENDMENTS TO REGULATION S-X AND FORM 20-F TO STREAMLINE FINANCIAL STATEMENT REQUIREMENTS AND PROPOSAL OF AMENDMENTS TO RULES 138 AND 139 TO CLARIFY THE AVAILABILITY OF THE RESPECTIVE SAFE HARBOR

The Commission adopted proposals designed to streamline financial statement requirements for U.S. issuers relating to significant foreign equity investees and business acquisitions, proposals to streamline financial schedule requirements for all issuers, proposals relating to foreign issuer's accounting for business combinations and proposals with respect to foreign issuers' choice of reporting currency and reporting for operations in hyperinflationary economies. FOR FURTHER INFORMATION, PLEASE CONTACT: Wayne Carnall at (202) 942-2960. (Rels. 33-7117; 34-35093; International Series Rel. 757; 33-7118; 34-35094; International Series Rel. 758; Rel. 33-7119; 34-35095; International Series Rel. 759)

The Commission also proposed amendments to the broker-dealer research report safe harbor provisions of Rules 138 and 139 to clarify the availability of the rules for reports involving an expanded class of issuers, including sizable first-time foreign private issuers. FOR FURTHER INFORMATION, PLEASE CONTACT: Annemarie Tierney at (202) 942-2990. (Rel. 33-7120; International Series Rel. 760; File No. S7-36-94)

ENFORCEMENT PROCEEDINGS

MARK HAMEL PLEADS GUILTY TO FIFTEEN COUNTS OF SECURITIES FRAUD AND CONSPIRACY

On December 8, the United States Attorney for the District of Massachusetts announced that Mark J. Hamel, 32, of Peabody, Massachusetts, pleaded guilty to fifteen counts of conspiracy and securities fraud in connection with his sale of shares of Fairmont Resources Inc. (Fairmont), a Canadian oil and gas company.

The criminal action against Hamel is based on facts alleged by the Commission in an action filed on August 31, 1994, captioned SEC v. Shull, et al., Civ. Action No. 94-11759-REK (D. Mass.). The Commission's complaint alleges that Hamel, a former stockbroker, and eight other defendants violated Section 10(b) of the Securities Exchange

Act of 1934, Rule 10b-5 thereunder, and Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933. The complaint alleges that certain of the defendants acquired a controlling interest in Fairmont and that the paid kickbacks to Hamel and other U.S. brokers to induce them to recommend and sell Fairmont stock to their retail brokerage customers. According to the complaint, Hamel and the other brokers failed to disclose the kickback scheme to their customers who purchased Fairmont. The complaint further alleges that the price of and market for Fairmont stock were artificially enhanced by this kickback scheme (SEC v. Robert L. Shull, et al., Civ. Action No. 94-11759-REK, D. MA). For further information, see LR-14213 and LR-14342. [U.S. v. Mark J. Hamel, Criminal No. 94-10326NG, D. MA.] (LR-14352)

CIVIL INJUNCTIVE ACTION AGAINST JOHN W. WALSH, JR., INTERCAP MONITORING CORPORATION, SECURITY DATA GROUP, INC., INTERCAP MONITORING INCOME FUND IV-A, LTD., INTERCAP MONITORING INCOME FUND IV-B, LTD., INTERCAP MONITORING INCOME FUND IV-C, LTD., INTERCAP MONITORING INCOME FUND IV-D, LTD., INTERCAP MONITORING INCOME FUND V, LTD., AND INTERCAP MONITORING INCOME FUND V-B, LTD.

The Commission announced that it has filed in U.S. District Court for the District of Minnesota a civil action against the above-referenced defendants requesting injunctive and other relief. The defendants are in the business of buying, and holding for investment purposes, residential and business security alarm monitoring contracts. Defendants collectively sold at least \$34,000,000 in limited partnership securities to over 3,000 public and private investors residing in Minnesota and at least 30 other states.

In its complaint, the Commission alleged that from approximately January 1988 through the spring of 1992, the defendants variously made misrepresentations and omissions concerning (1) cash flow distributions of prior partnership funds to assist in the offer or sale of subsequent partnership funds, (2) transactions with affiliates, and (3) the intended use of proceeds of certain limited partnerships. Certain of the defendants also engaged in the offer of unregistered securities.

The Commission in its complaint seeks to enjoin the above-referenced defendants variously from violating the registration, antifraud and reporting provisions of the federal securities laws. The complaint also seeks an accounting and disgorgement from Walsh, InterCap Monitoring Corporation, and Security Data Group, Inc. of all illicit gains as a result of the illegal activities set forth in the complaint. The Commission also requested that the court order Walsh to pay civil penalties pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act. [SEC v. JOHN W. WALSH, JR., INTERCAP MONITORING CORPORATION, SECURITY DATA GROUP, INC., INTERCAP MONITORING INCOME FUND IV-A, LTD., INTERCAP MONITORING INCOME FUND IV-B, LTD., INTERCAP MONITORING INCOME FUND IV-C, LTD., INTERCAP MONITORING INCOME FUND IV-D, LTD., INTERCAP MONITORING INCOME FUND V, LTD., and INTERCAP MONITORING INCOME FUND V-B, LTD., U.S. District Court for the District of Minnesota, Civil Action No. 3-94-CV-1573] (LR-14353)

INVESTMENT COMPANY ACT RELEASES

FEDERAL KEMPER LIFE ASSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until January 6 to request a hearing on an application filed by Federal Kemper Life Assurance Company (FKLA), FKLA Variable Separate Account (Separate Account), any other separate account established in the future by FKLA or an affiliated life insurance company to support certain scheduled premium, single premium, or flexible premium variable life insurance contracts issued by FKLA or an affiliated life insurance company (Contracts), and Kemper Financial Services, Inc. (collectively, Applicants). The application requests an order pursuant to Section 6(c) of the Investment Company Act granting exemptions from the provisions of Section 27(c)(2) of the Act, and Rules 6e-2(c)(4)(v) and 6e-3(T)(c)(4)(v) thereunder, to permit Applicants to deduct from premium payments an amount approximately equal to the increase in the federal tax liability resulting from the receipt of premium payments in connection with the Contracts. (Rel. IC-20764 -December 12)

PROVIDENTMUTUAL LIFE AND ANNUITY COMPANY OF AMERICA, ET AL.

A notice has been issued giving interested persons until January 6 to request a hearing on an application filed by Providentmutual Life and Annuity Company of America (Providentmutual), Providentmutual Variable Life Separate Account, and PML Securities Company, (collectively, Applicants). The Applicants request an order under Section 6(c) of the Investment Company Act for exemptions from Section 27(c)(2) of the Act and Rule 6e-3(T)(c)(4)(v) thereunder. The Applicants request relief to the extent necessary to permit them and other separate accounts that Providentmutual may establish in the future to support flexible premium variable life insurance contracts to deduct from premium payments received an amount that is reasonable in relation to Providentmutual's increased federal tax burden resulting from the application of Section 848 of the Internal Revenue Code of 1986, as amended. (Rel. IC-20765 - December 12)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by the Municipal Securities Rulemaking Board (SR-MSRB-94-13) under Section 19(b)(2) of the Securities Exchange Act. The rule change relates to the depository eligibility of new issue municipal securities and will become effective February 7, 1995. (Rel. 34-35079)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the American Stock Exchange (SR-Amex 94-54) relating to the listing of options on the Amex Airline Index, has become immediately effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the notice is expected in the Federal Register during the week of December 19. (Rel. 34-35084)

PROPOSED RULE CHANGE

The Philadelphia Stock Exchange filed a proposed rule change (SR-Phlx-94-58) to amend Rule 229 governing the execution of PACE orders. Publication of the proposal is expected in the Federal Register during the week of December 19. (Rel. 34-35089)

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 XECHEM INTERNATIONAL INC, 100 JERSEY AVE E, BLDG B STE 310,
NEW BRUNSWICK, NJ 08901 (908) 247-3300 - 200,000 (\$2,512,000) COMMON STOCK.
(FILE 33-87034 - DEC. 06) (BR. 8)
- S-4 INFORMATION SYSTEMS ACQUISITION CORP, BLDG 800, 435 DEVON PARK DR,
WAYNE, PA 19087 (610) 293-0600 - 3,100,000 (\$7,275,925) COMMON STOCK.
(FILE 33-87036 - DEC. 06) (BR. 12)
- S-2 BIO REFERENCE LABORATORIES INC, 481 EDWARD H ROSS DR, ELMWOOD PARK, NJ
07407 (201) 791-2600 - 200,000 (\$1,025,000) COMMON STOCK. (FILE 33-87054 -
DEC. 05) (BR. 6)
- S-8 ACC CORP, 400 WEST AVENUE, ROCHESTER, NY 14611 (716) 987-3000 - 350,000
(\$5,600,000) COMMON STOCK. (FILE 33-87056 - DEC. 05) (BR. 7)
- S-8 LONE STAR CASINO CORP, 600 TRAVIS, SUITE 6868, HOUSTON, TX 77002
(713) 225-6800 - 1,000,000 (\$1,040,000) COMMON STOCK. (FILE 33-87058 -
DEC. 05) (BR. 12)
- S-8 VALUE HOLDINGS INC, 6272 S DIXIE HWY, MIAMI, FL 33143 (305) 666-3165 -
430,000 (\$189,200) COMMON STOCK. 275,000 WARRANTS, OPTIONS OR RIGHTS.
275,000 (\$137,500) COMMON STOCK. (FILE 33-87060 - DEC. 05) (BR. 11)

REGISTRATIONS CONT.

- S-8 NEWPORT CORP, 1791 DEERE AVE, IRVINE, CA 92714 (714) 863-3144 - 250,000 (\$1,781,250) COMMON STOCK. (FILE 33-87062 - DEC. 05) (BR. 8)
- S-8 APPLIED LASER SYSTEMS /CA, 2067 COMMERCE DR, MDEFORD, OR 97504 (503) 776-7700 - 2,000,000 (\$2,100,000) COMMON STOCK. (FILE 33-87064 - DEC. 05) (BR. 3)
- S-8 MID AMERICA REALTY INVESTMENTS INC, 11506 NICHOLAS ST, STE 100, OMAHA, NE 68154 (402) 496-3300 - 175,000 (\$1,290,625) COMMON STOCK. (FILE 33-87066 - DEC. 05) (BR. 5)
- S-3 FIDELITY FEDERAL BANCORP, 18 N W FOURTH ST, P O BOX 1347, EVANSVILLE, IN 47706 (812) 424-0921 - 1,500 (\$1,500,000) STRAIGHT BONDS. 1,500 (\$150,000) WARRANTS, OPTIONS OR RIGHTS. 150,000 (\$2,962,500) COMMON STOCK. (FILE 33-87068 - DEC. 05) (BR. 2)
- SB-2 POSITIVE RESPONSE TELEVISION INC, 14724 VENTURA BLVD, STE 600, SHERMAN OAKS, CA 91403 (818) 380-6900 - 627,302 (\$10,507,308.50) COMMON STOCK. (FILE 33-87070 - DEC. 05) (BR. 12)
- S-8 POSITIVE RESPONSE TELEVISION INC, 14724 VENTURA BLVD, STE 600, SHERMAN OAKS, CA 91403 (818) 380-6900 - 600,000 (\$6,505,359.24) COMMON STOCK. (FILE 33-87072 - DEC. 05) (BR. 12)
- S-6 AUSA SERIES LIFE ACCOUNT, 4 MANHATTANVILLE RD, PURCHASE, NY 10577 - INDEFINITE SHARES. (FILE 33-86696 - NOV. 25) (BR. 20 - NEW ISSUE)
- S-6 AUSA SERIES LIFE ACCOUNT, 4 MANHATTANVILLE RD, PURCHASE, NY 10577 - INDEFINITE SHARES. (FILE 33-86700 - NOV. 25) (BR. 20)
- SB-2 NUMANICS INC, 330 VANDERBILT MOTOR PKWY, SUITE 300, HAUPPAUGE, NY 11788 - 5,000 (\$5,000) COMMON STOCK. (FILE 33-86844-NY - NOV. 30) (BR. 14 - NEW ISSUE)
- S-1 QCF BANCORP INC, 501 CHESTNUT ST, VIRGINIA, MN 55792 (218) 741-2040 - 1,917,625 (\$19,176,250) COMMON STOCK. (FILE 33-87044 - DEC. 06) (BR. 1 - NEW ISSUE)
- S-8 CAPSURE HOLDINGS CORP, 2 N RIVERSIDE PLZ STE 600, CHICAGO, IL 60606 (312) 879-1900 - 500,000 (\$6,593,750) COMMON STOCK. (FILE 33-87048 - DEC. 07) (BR. 10)
- SB-2 SPARTA SURGICAL CORP, 7068 KOLL CENTER PARKWAY STE 401, BERNAL CORPORATE PARK, PLEASANTON, CA 94566 (510) 417-8812 - 6,250,000 (\$23,950,000) COMMON STOCK. (FILE 33-87074 - DEC. 06) (BR. 8)
- S-4 HEARTLAND WIRELESS COMMUNICATIONS INC, 903 N BOWSER SUITE 140, RICHARDSON, TX 75081 (214) 479-9244 - 380,000 (\$1,463,281) COMMON STOCK. (FILE 33-87076 - DEC. 06) (BR. 7)
- S-8 FORSCHNER GROUP INC, ONE RESEARCH DRIVE, SHELTON, CT 06484 (203) 929-6391 - 1,200,000 (\$13,950,000) COMMON STOCK. (FILE 33-87078 - DEC. 06) (BR. 9)
- S-8 EPIC DESIGN TECHNOLOGY INC /CA/, 2901 TASMAN DR, STE 212, SANTA CLARA, CA 95054 (408) 988-2997 - 1,525,749 (\$29,752,105.50) COMMON STOCK. (FILE 33-87080 - DEC. 06) (BR. 9)

REGISTRATIONS CONT.

- S-3 BRADLEY REAL ESTATE INC, 250 BOYLSTON ST, BOSTON, MA 02116
(617) 421-0680 (FILE 33-87084 - DEC. 06) (BR. 6)
- S-8 INTEGRATED CIRCUIT SYSTEMS INC, 2435 BLVD OF THE GENERALS, MORRISTOWN,
PA 19403 (610) 630-5300 - 1,000,000 (\$8,312,500) COMMON STOCK. (FILE
33-87086 - DEC. 06) (BR. 3)
- S-4 WES TENN BANCORP INC, 200 WEST WASHINGTON AVE, COVINGTON, TN 38019
(901) 476-7166 - 79,979 (\$4,398,845) COMMON STOCK. (FILE 33-87088 -
DEC. 06) (BR. 2)
- S-8 SPECTRUM HOLOBYTE INC, 2490 MARINER SQ LOOP STE 100, ALAMEDA, CA 94501
(510) 522-3584 - 400,000 (\$53,350,000) COMMON STOCK. (FILE 33-87092 -
DEC. 06) (BR. 10)
- SB-2 OSTRICH RESEARCH & TECHNOLOGIES CO INC, 4 SKYLINE DR EAST,
CLARKS SUMMIT, PA 18411 (800) 521-1132 - 1,000,000 (\$5,000,000)
COMMON STOCK. 100,000 (\$100) WARRANTS, OPTIONS OR RIGHTS. 100,000
(\$600,000) COMMON STOCK. (FILE 33-87094 - DEC. 06) (BR. 3 - NEW ISSUE)
- S-8 CISCO SYSTEMS INC, 170 W TASMAN DR, SAN JOSE, CA 95134 (408) 526-4000 -
4,000,000 (\$130,250,000) COMMON STOCK. (FILE 33-87096 - DEC. 06) (BR. 10)
- S-8 PRIMARY DEVELOPMENT CORP, P.O. BOX 60243, P.O. BOX 60243, MIDLAND, TX
79711 (915) 561-9911 - 196,667 (\$2,950) COMMON STOCK. (FILE 33-87098 -
DEC. 06) (BR. 3)
- S-8 CISCO SYSTEMS INC, 170 W TASMAN DR, SAN JOSE, CA 95134 (408) 526-4000 -
658,554 (\$1,045,125.20) COMMON STOCK. (FILE 33-87100 - DEC. 06) (BR. 10)
- S-8 DATAMARINE INTERNATIONAL INC, 53 PORTSIDE DR, POCASSET, MA 02559
(508) 563-7151 - 5,000 (\$18,750) COMMON STOCK. (FILE 33-87154 - DEC. 07)
(BR. 8)
- S-8 FB&T FINANCIAL CORP/VA/, 4117 CHAIN BRIDGE RD, FAIRFAX, VA 22030
(703) 359-9371 - 90,000 (\$1,417,500) COMMON STOCK. (FILE 33-87156 -
DEC. 06) (BR. 1)
- S-8 SAVANNAH FOODS & INDUSTRIES INC, P O BOX 339, SAVANNAH, GA 31402
(912) 234-1261 - 750,000 (\$9,000,000) COMMON STOCK. (FILE 33-87158 -
DEC. 05) (BR. 4)