

sec news digest

Issue 96-28

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COMMISSION ANNOUNCEMENTS

TEMPORARY DESIGNATION OF "COVERED EXECUTIVE BRANCH EMPLOYEES" UNDER THE LOBBYING DISCLOSURE ACT OF 1995

Chairman Levitt has temporarily designated Members of the Commission and employees appointed to Schedule C positions as "covered executive branch officials" under the Lobbying Disclosure Act of 1995 (Act). This temporary designation is based on the requirements of the statute and guidance received to date. It is possible that additional employee designations will be made following further guidance from the Secretary of the U.S. Senate, Clerk of the U.S. House of Representatives, and/or the Office of Personnel Management.

The temporary designation covers all Commissioners upon taking the oath of office and all employees appointed to Schedule C positions. The consequence of being a "covered executive branch official" is that registration and other reporting requirements arising under the Act may apply to the person making a contact of the kind referred to in the statute with the covered official. The Act imposes no obligation on any covered official other than to answer yes if asked by a person making a lobbying contact whether he or she is a covered executive branch official. The Act does not apply when a person makes a lobbying contact with a Commission employee who is not a covered executive branch official.

Questions regarding the coverage of the Lobbying Disclosure Act should be submitted to Virginia Canter, Assistant Ethics Counsel, at (202) 942-0970.

ELECTRONIC FILING OF FORMS 3, 4, 5 AND 144

The Commission recently has modified the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system to allow persons desiring to do so to file electronically securities ownership and transaction reports pursuant to Section 16(a) of the Securities Exchange Act of 1934 (Forms 3, 4 and 5). Persons required to file notifications of proposed sale of securities pursuant to Rule 144 under the Securities Act of 1933 (Form 144) also may now file electronically, where the issuer of the securities is a public company. The Commission encourages the electronic filing of these documents and will facilitate that process to the fullest extent possible. Efforts will be made to simplify the process further in connection with future EDGAR programming and design. Interested persons are invited to make suggestions as to how to facilitate the electronic filing of these documents by writing to David T. Copenhafer, Director, Office of Planning, Administration and Security, Office of Information Technology, Mail Stop 0-4, 450 Fifth Street, N.W., Washington, D.C. 20549 or by calling him at (202) 942-8800. Meanwhile, filers considering electronic filing of these documents on the current system may benefit from the following guidance.

Each person filing Forms 3, 4, 5 and 144 electronically must have his or her own set of EDGAR access codes (a Central Index Key or "CIK" number and a CIK Confirmation Code, or "CCC"), which are obtained by filing a Form ID with the Commission. These codes are used to identify the filer to the EDGAR system. Filers also receive a password to log on to the EDGAR system or to change the CCC.

Questions have been asked about how companies that choose to do so may assist filers in the electronic filing process. If a company, by agreement with the filer, assumes the responsibility to submit a Form 3, 4, 5 or 144, it may do so in a filing agent capacity. In that case, the company would submit the filing using its own access codes to make the transmission, and the CIK and CCC of the person with the filing obligation (included in the submission header) to identify that person as the filer.

If the person with the filing obligation has not yet applied for EDGAR access codes, the company may file a Form ID for any person who authorizes it to do so. A company may file a set of Forms ID on behalf of some or all of its Forms 3, 4, 5 and 144 filers, or it may file a single Form ID listing each person for whom access codes are desired. In either case, each individual will be assigned unique access codes. One action a company may wish to take to ease the management of multiple access codes would be to change the CCC for each person to be the same code for all who give their permission to do so. The unique CIK number for each person, however, may not be changed.

Once the company has prepared the filing, using the filer's codes in the submission header as described above, it would log on to the EDGAR system using the company's own password and transmit the filing. If the company is submitting more than one filing as an agent for its insiders or others, all filings may be submitted during a single transmission session using the EDGARLink software, as described in the EDGAR Filer Manual. Of course, filers always have the option to file their own Forms ID and file electronically for themselves or through an agent other than the company.

Forms ID are available in the EDGAR Filer Manual; they also may be obtained from the Commission's publications unit by calling (202) 942-4046 and asking for Form ID (SEC 2084). Questions about the procedures outlined above should be directed to EDGAR Filer Support at (202) 942-8900.

ENFORCEMENT PROCEEDINGS

CHARLES WILLIAMS SANCTIONED

The Commission announced today the entry of an Order Instituting Proceedings, Making Findings, Imposing Remedial Sanctions and Imposing a Cease-and-Desist Order (Order) against Charles Russell Williams (Williams). Williams consented to the entry of the Order without admitting or denying the Commission's findings. The Order found that Williams willfully violated the reporting, brochure delivery, and books and records provisions of the Investment Advisers Act of 1940 (Advisers Act).

Specifically, the Order finds that Williams failed to file Forms ADV-S for the fiscal years 1989 - 1994 and failed to timely file amendments to Form ADV to properly reflect certain information; failed to provide a copy of Form ADV, Part II or an equivalent disclosure document to his new and prospective clients and to annually deliver a copy of such disclosure document to his clients; and failed to keep, or keep accurate, certain books and records. The Order against Williams provides for: a censure, a \$5,000 civil penalty, certain remedial undertakings and an order to cease and desist from committing or causing any violation, and committing or causing any future violation, of the above Advisers Act provisions. As part of his undertakings, Williams must review, adopt, implement and maintain new and/or revised policies and procedures designed to reasonably prevent and detect violations of the federal securities laws, provide training to employees designed reasonably to effect compliance with the implemented policies and procedures and to provide to the Commission's staff an affidavit detailing the policies and procedures implemented. (Rel. IC-21752)

WESTCAP SECURITIES, L.P.

The Commission entered an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions (Order) against Westcap Securities, L.P. (Westcap), a registered broker-dealer, for failing reasonably to supervise several registered representatives with a view towards preventing their violations of the antifraud provisions of the federal securities laws. Westcap consented to the entry of an order without admitting or denying findings that, from March 1993 through March 1994, these representatives made material misrepresentations and/or omissions that rendered other statements made materially false or misleading, in connection with their offer and sale of Real Estate Mortgage Investment Conduits (REMICs) to seven Westcap customers. Further, certain registered representatives traded one of these customers' account in an excessive manner. Annualized turnover in that account was 13.28 and commissions, as a percent of average equity, were 24.83 percent. Westcap did not have adequate procedures to ensure that complete and accurate risk disclosure materials regarding liquidity, market and extension risks of certain REMICs sold to these customers were provided, nor did Westcap investigate unusually active accounts identified by its compliance officer. Westcap recently filed a Form BDW, which has not gone effective. The Commission orders revocation of Westcap's registration; disgorgement of net commissions of \$445,340.60 and payment of prejudgment interest of \$83,878.90; and payment of a civil money penalty of \$300,000. (Rel. 34-36845)

ADMINISTRATIVE PROCEEDINGS ENTERED AGAINST AND SIMULTANEOUSLY SETTLED BY
ROC HATFIELD

The Commission has entered an Order Instituting Administrative Proceedings Pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934, Making Findings and Imposing Remedial Sanctions (Order) against Roc G. Hatfield (Hatfield) of Palm Harbor, Florida. The Commission simultaneously accepted Hatfield's Offer of Settlement, in which he agreed to be permanently barred from association with any broker, dealer, municipal securities dealer, investment adviser, or investment company and permanently barred from participation in any penny stock offering, while neither admitting nor denying the allegations in the proceeding.

The Order alleged that from at least August 1993 until at least September 1994, Hatfield was the chief executive officer and a director of Marada Capital, Inc., which operated as an unregistered broker dealer.

The Order further alleged that on September 8, 1995, a final judgment of permanent injunction and other relief was entered, by

consent, against Hatfield, permanently enjoining him, directly, indirectly and/or as a control person, from violations of the registration, antifraud, broker-dealer registration and penny stock disclosure provisions of the federal securities laws (SEC v. Marada Global Corporation, et al., Case No. 94-1504-CIV-T-21A, M.D. Fla.). (Rel. 34-36846)

ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST JON EDELMAN

The Commission instituted public administrative proceedings pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 (Exchange Act) against Jon Edelman (Edelman). Edelman is a former principal of Arbitrage Management Company.

The Order Instituting Public Proceedings alleges that Edelman was convicted on February 4, 1991, in the United States District Court for the Southern District of New York, of violating 26 U.S.C. §§ 7206(1) and (2), which make it a felony to file an income tax return that is verified as being made under penalty of perjury, but which is known to be materially false, and of violating 18 U.S.C. § 371, which makes it a felony to conspire to defraud the Internal Revenue Service. Administrative proceedings were originally instituted against Edelman on May 10, 1994. However, actual service of the Order Instituting Proceedings could not be effected on Edelman at that time. Accordingly, on October 12, 1994, the Commission entered an order discontinuing, without prejudice, the administrative proceedings against Edelman. New proceedings against Edelman have now been instituted.

A hearing will be scheduled to determine whether the allegations are true and, if so, what, if any, remedial sanctions are appropriate. (Rel. 34-36847)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The American Stock Exchange filed a proposed rule change (SR-Amex-96-04) to make changes to its membership admission procedures. Publication of the proposal is expected in the Federal Register during the week of February 19. (Rel. 34-36834)

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-96-05) to amend Part VIII and Part XIV of Schedule D to the NASD By-Laws to revise the fee structure for the Mutual Fund Quotation Service (Service) and update the name of the Service in the NASD Rules. (Rel. 34-36840)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change (SR-DTC-95-25) filed by The Depository Trust Company that allows participants to make intraday withdrawals of principal and income payments. (Rel. 34-36842)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The Depository Trust Company filed a proposed rule change (SR-DTC-96-04), which became effective upon filing, revising certain fees related to same-day funds settlement system. Publication of the proposal is expected in the Federal Register during the week of February 19. (Rel. 34-36844)

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.

- SB-2 CHIC CHICK INC, 7 PENN PLAZA, NEW YORK, NY 10001 (212) 714-2442 -
5,258,000 (\$18,732,800) COMMON STOCK. 150,000 (\$150)
WARRANTS, OPTIONS OR RIGHTS. (FILE 333-862-NY - FEB. 01) (BR. 11
- NEW ISSUE)
- F-10 BIOCHEM PHARMA INC, 10900 HAMON ST, MONTREAL CANADA, E6 (514) 681-1744
- 3,450,000 (\$150,730,500) COMMON STOCK. (FILE 333-1014 - FEB. 06)
(BR. 4)
- S-1 GALAGEN INC, 4001 LEXINGTON AVE N, ARDEN HILLS, MN 55440 (612) 481-2105
- 2,300,000 (\$29,900,000) COMMON STOCK. (FILE 333-1032 - FEB. 06) (BR. 4
- NEW ISSUE)
- S-1 BELCO OIL & GAS CORP, 767 FIFTH AVE, 46TH FL, NEW YORK, NY 10153
(212) 644-2200 - 5,750,000 (\$103,500,000) COMMON STOCK. (FILE 333-1034 -
FEB. 06) (BR. 3 - NEW ISSUE)
- SB-2 AMERICAN AERO MED INC, 1325 PARKWAY DR, STE 200, WALL TOWNSHIP, NJ 07719
(908) 938-4424 - 2,740,730 (\$23,296,205) COMMON STOCK. 1 (\$5)
WARRANTS, OPTIONS OR RIGHTS. 325,000 (\$3,315,000) COMMON STOCK. (FILE
333-1036 - FEB. 06) (BR. 3 - NEW ISSUE)
- S-1 LEGACY SOFTWARE INC, 8521 RESEDA BLVD, NORTHRIDGE, CA 91324
(818) 885-5773 - 1,884,351 (\$13,190,457) COMMON STOCK. (FILE 333-1054 -
FEB. 07) (BR. 9 - NEW ISSUE)
- S-3 ENDOSONICS CORP, 6616 OWENS DRIVE, PLEASANTON, CA 94588 (510) 734-0464
- 350,877 (\$4,495,611.56) COMMON STOCK. (FILE 333-1058 - FEB. 07) (BR. 8)

REGISTRATIONS CONT.

- S-3 HEFTEL BROADCASTING CORP, 6767 WEST TROPICANA AVE, LAS VEGAS, NV 89603
(702) 367-3322 - 2,531,684 (\$41,772,786) COMMON STOCK. (FILE 333-1060 -
FEB. 07) (BR. 7)
- F-6 DANKA BUSINESS SYSTEMS PLC /ADR/, 48 WALL ST, NEW YORK, NY
(212) 495-1727 - 20,000,000 (\$1,000,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-1062 - FEB. 07) (BR. 12)
- S-8 MORELLIS MONA II INC, 2 PARK PLZ STE 470, IRVINE, CA 92714
(714) 833-2094 - 1,086,000 (\$1,118,580) COMMON STOCK. (FILE 333-1064 -
FEB. 07) (BR. 3)
- S-8 FAMILY BARGAIN CORP, 315 EAST 62ND ST, NEW YORK, NY 10021 (212) 980-9670
- 60,000 (\$373,200) COMMON STOCK. (FILE 333-1066 - FEB. 07) (BR. 1)
- S-1 EXCEL COMMUNICATIONS INC, 9101 LBJ FREEWAY, STE 800, DALLAS, TX 75243
(214) 705-5500 - \$150,000,000 COMMON STOCK. (FILE 333-1076 - FEB. 06)
(BR. 7 - NEW ISSUE)
- S-1 FEMRX INC, 1221 INNSBRUCK DR, SUNNYVALE, CA 94089 (408) 752-8580 -
3,105,000 (\$40,365,000) COMMON STOCK. (FILE 333-1080 - FEB. 06) (BR. 8
- NEW ISSUE)
- S-1 PROFIT RECOVERY GROUP INTERNATIONAL INC, 2300 WINDY RIDGE PARKWAY,
STE 300 NORTH, ATLANTA, GA 30339 (770) 955-3815 - 5,290,000 (\$63,480,000)
COMMON STOCK. (FILE 333-1086 - FEB. 06) (BR. 10 - NEW ISSUE)
- S-3 BANK ONE TEXAS N A, 1717 MAIN ST, DALLAS, TX 75201 (214) 290-2000 -
1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 333-1092 -
FEB. 06) (BR. 11)
- S-4 SYNTELLECT INC, 15810 NORTH 28TH AVE, PHOENIX, AZ 85023 (602) 789-2800
- 4,074,642 (\$4,278,374) COMMON STOCK. (FILE 333-1094 - FEB. 06) (BR. 7)
- S-3 EQUIMED INC, 3754 LAVISTA RD, TUCKER, GA 30084 (404) 320-6211 -
4,276,674 (\$64,150,110) COMMON STOCK. (FILE 333-1096 - FEB. 06) (BR. 5)
- S-8 MICRO WAREHOUSE INC, 535 CONNECTICUT AVE, NORWALK, CT 06854
(203) 899-4000 - 869,781 (\$21,996,761.49) COMMON STOCK. (FILE 333-1098 -
FEB. 06) (BR. 2)
- S-8 ENDOVASCULAR TECHNOLOGIES INC, 1360 O BRIEN DRIVE, MENLO PARK, CA 94025
(415) 325-1600 - 1,925,000 (\$25,025,000) COMMON STOCK. (FILE 333-1100 -
FEB. 06) (BR. 8)
- S-3 STATION CASINOS INC, 2411 WEST SAHARA AVE, LAS VEGAS, NV 89102
(702) 367-2411 - 165,000,000 (\$165,000,000) STRAIGHT BONDS. 1,725,000
(\$86,250,000) PREFERRED STOCK. (FILE 333-1102 - FEB. 06) (BR. 12)
- S-1 LUNET TECHNOLOGIES INC, 3060 WILLIAMS DR, STE 507, FAIRFAX, VA 22031 -
7,613,000 (\$282,632,625) COMMON STOCK. (FILE 333-1104 - FEB. 07) (BR. 7)
- S-3 WEEKS CORP, 4497 PARK DR, NORCROSS, GA 30093 (770) 923-4076 - 300,000
(\$7,800,000) COMMON STOCK. (FILE 333-1106 - FEB. 06) (BR. 5)
- F-3 PHILIPPINE LONG DISTANCE TELEPHONE CO /ADR/, 111 WALL STREET,
C/O CITIBANK N A, NEW YORK, NY 10043 - \$500,000,000 STRAIGHT BONDS. (FILE
333-1110 - FEB. 07) (BR. 99)
- S-8 EQUIMED INC, 3754 LAVISTA RD, TUCKER, GA 30084 (404) 320-6211 -
1,646,107 (\$24,691,605) COMMON STOCK. (FILE 333-1112 - FEB. 07) (BR. 5)
- S-3 CASINO DATA SYSTEMS, 3265 W TOMPKINS AVE, LAS VEGAS, NV 89103
(702) 891-8925 - 3,650,795 (\$57,500,013.38) COMMON STOCK. (FILE 333-1114 -
FEB. 07) (BR. 9)

REGISTRATIONS CONT.

- S-8 GREENFIELD INDUSTRIES INC /DE/, 2743 PERIMETER PKWY,
BLDG ONE HUNDRED STE 100, AUGUSTA, GA 30909 (706) 863-7708 - 125,000
(\$3,562,500) COMMON STOCK. (FILE 333-1116 - FEB. 07) (BR. 2)
- S-8 GREENFIELD INDUSTRIES INC /DE/, 2743 PERIMETER PKWY,
BLDG ONE HUNDRED STE 100, AUGUSTA, GA 30909 (706) 863-7708 - 273,000
(\$7,780,500) COMMON STOCK. (FILE 333-1118 - FEB. 07) (BR. 2)
- S-3 AMERICAN MOBILE SATELLITE CORP, 10802 PARKRIDGE BLVD, RESTON, VA 22091
(703) 758-6000 - 4,600,000 (\$133,400,000) COMMON STOCK. (FILE 333-1120 -
FEB. 07) (BR. 7)
- SB-2 SMITH MIDLAND CORP, ROUTE 28, P O BOX 300, MIDLAND, VA 22728 - 175,000
(\$1,000,781.25) COMMON STOCK. (FILE 333-1128 - FEB. 08) (BR. 9)
- S-8 BOISE CASCADE OFFICE PRODUCTS CORP, 800 WEST BRYN MAWR AVE, ITASCA, IL
60143 (708) 773-5000 - 75,000 (\$3,909,375) COMMON STOCK. (FILE 333-1134 -
FEB. 07) (BR. 7)
- S-8 NEMATRON CORP, 5840 INTEFACE DRIVE, ANN ARBOR, MI 48103 (313) 994-0591
- 75,000 (\$628,125) COMMON STOCK. (FILE 333-1136 - FEB. 07) (BR. 10)
- S-8 NEMATRON CORP, 5840 INTEFACE DRIVE, ANN ARBOR, MI 48103 (313) 994-0591
- 455,000 (\$3,810,625) COMMON STOCK. (FILE 333-1138 - FEB. 07) (BR. 10)
- S-8 NEMATRON CORP, 5840 INTEFACE DRIVE, ANN ARBOR, MI 48103 (313) 994-0591
- 20,000 (\$167,500) COMMON STOCK. (FILE 333-1140 - FEB. 07) (BR. 10)
- S-8 U S PAWN INC, 7215 LOWELL BLVD, WESTMINSTER, CO 80030 (303) 657-3550 -
500,000 (\$875,000) COMMON STOCK. (FILE 333-1142 - FEB. 07) (BR. 1)
- S-8 KNICKERBOCKER L L CO INC, 30055 COMERCIO, RANCHO SANTA MARGARITA, CA
92688 (714) 858-3661 - 2,000,000 (\$1,500,000) COMMON STOCK. (FILE
333-1146 - FEB. 07) (BR. 12)
- S-8 STB SYSTEMS INC, 1651 NORTH GLENVILLE DR, RICHARDSON, TX 75081
(214) 234-8750 - 100,000 (\$956,250) COMMON STOCK. (FILE 333-1148 -
FEB. 07) (BR. 3)
- S-3 MEDICAL DEVICE TECHNOLOGIES INC, 9191 TOWNE CENTRE DR STE 430,
SAN DIEGO, CA 92122 (619) 695-9599 - 3,182,175 (\$2,421,805) COMMON STOCK.
(FILE 333-1150 - FEB. 07) (BR. 3)
- S-8 BOISE CASCADE OFFICE PRODUCTS CORP, 800 WEST BRYN MAWR AVE, ITASCA, IL
60143 (708) 773-5000 - 400,000 (\$20,850,000) COMMON STOCK. (FILE 333-1152
- FEB. 07) (BR. 7)