

# sec news digest

Issue 96-77

April 25, 1996

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## ENFORCEMENT PROCEEDINGS

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### COURT ENTERS PRELIMINARY INJUNCTION ORDER AGAINST INVESTMENT ADVISERS MICHAEL PIERCE AND JOCELYN O'ROURKE

The Commission announced that on April 23 the Honorable Reginald C. Lindsay of the U.S. District Court for the District of Massachusetts entered a preliminary injunction order against Michael Anthony Pierce d/b/a Pierce & Associates and Jocelyn Jane O'Rourke, both of Worcester, Massachusetts, enjoining them from further misappropriation of client funds and ordering repatriation and other equitable relief.

The Commission's complaint alleges that Pierce and O'Rourke, both registered as representatives and investment advisers, violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Pierce violated Sections 206(1) and 206(2) of the Advisers Act. The complaint also alleges that Pierce and O'Rourke misappropriated at least \$1.7 million from at least 23 clients. To conceal the fraud, Pierce created and sent to clients false statements and other documents. Both Pierce and O'Rourke caused periodic payments to be made to certain clients to make it falsely appear that their funds had been invested as directed. [SEC v. Michael A. Pierce (d/b/a Pierce & Associates) and Jocelyn Jane O'Rourke, Civil Action No. 96-10600-RCL, USDC, D. MA.] (LR-14889)

### COMPLAINT FILED AGAINST ROSEANN MARTUCCI, JAY HARTMAN, AND GARR MANAGEMENT SERVICES, INC.

On April 25, the Commission filed a complaint in U.S. District Court for the Southern District of New York against Roseann Martucci, Jay R. Hartman, and Garr Management Services, Inc. The complaint alleges that the defendants engaged in unlawful insider trading after they obtained confidential information misappropriated from a law firm in violation of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 thereunder. The complaint further alleges that, as a group, the defendants and their

tippees realized illegal profits totalling approximately \$111,478. The Commission is seeking to enjoin each of the defendants from violating the provisions of the federal securities laws described above; disgorgement from the defendants of illegal profits realized by the defendants and any of their tippees; and a civil penalty pursuant to the Insider Trading and Securities Fraud Enforcement Act.

This matter was filed as a case related to a prior civil action instituted and settled by the Commission (See Litigation Release No. LR-14447, SEC v. Sheri I. Kleinbaum, Richard A. Kleinbaum, and Jennifer M. Kleinbaum, 95 Civ. 1963, PKL, SDNY). [SEC v. Roseann Martucci, Jay R. Hartman and Garr Management Services, Inc., USDC SDNY, 96 Civ. 3030, PKL] (LR-14890)

#### COMPLAINT FILED AGAINST EDWARD WARREN EIZMAN

On April 25, the Commission filed an insider trading action against Edward Warren Eizman in the United States District Court for the Southern District of New York. The Commission alleged that, from at least June through December 1994, Eizman purchased the securities of six companies, and caused at least thirteen others to purchase such securities, while in possession of material nonpublic information about possible mergers or acquisitions involving those companies he received from a close friend, Richard Woodward, an attorney formerly associated with Cravath, Swaine & Moore. The six issuers were Cravath clients or possible merger partners of Cravath clients. The mergers and acquisitions included the acquisition of Caesars World by ITT, the acquisition of Chiron Corporation by Ciba-Geigy Ltd., and the proposed acquisition of CBS, Inc. by QVC, Inc. Eizman and the people he caused to trade made total profits of approximately \$360,000.

In a related action, on June 28, 1995, Richard Woodward and his brother, John Woodward, each consented to the entry of a permanent injunction filed by the Commission, and the disgorgement of \$25,000 and \$85,000, respectively [LR 14548]. On the same day, Richard and John Woodward entered a plea of guilty to a one-count felony information in the Southern District of New York charging them with conspiracy to engage in an insider trading scheme. [SEC v. Edward Warren Eizman, Civil Action No. 96 Civ. 3029, PKL, USDC, SDNY] (LR-14891)

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## INVESTMENT COMPANY ACT RELEASES

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### PRINCIPAL AGGRESSIVE GROWTH FUND, INC., ET AL.

An order has been issued under Rule 17d-1 of the Investment Company Act to Princor Management Corporation (Princor Management), Principal Aggressive Growth Fund, Inc., Principal Asset Allocation Fund, Inc., Principal Balanced Fund, Inc., Principal Bond Fund, Inc., Principal Capital Accumulation Fund, Inc., Principal Emerging Growth Fund, Inc., Principal Government Securities Fund, Inc., Principal Growth Fund, Inc., Principal High Yield Fund, Inc., Principal Money Market Fund, Inc., Principal Special Markets Fund, Inc., Principal World Fund, Inc., Princor Balanced Fund, Inc., Princor Blue Chip Fund, Inc., Princor Bond Fund, Inc., Princor Capital Accumulation Fund, Inc., Princor Cash Management Fund, Inc., Princor Emerging Growth Fund, Inc., Princor Government Securities Income Fund, Inc., Princor Growth Fund, Inc., Princor High Yield Fund, Inc., Princor Tax-Exempt Bond Fund, Inc., Princor Tax-Exempt Cash Management Fund, Inc., Princor Utilities Fund, Inc., Princor World Fund, Inc. (collectively, Funds). The order permits the Funds and such other registered investment companies that in the future are advised by Princor Management or an affiliated person thereof (collectively, Future Funds) to use a single joint trading account to invest their daily cash balances in one or more short-term investment transactions, including repurchase agreements and short-term money market instruments, to the extent permitted by each Fund's or Future Fund's investment objectives, policies and restrictions. (Rel. IC-21912 - April 23)

### THE MEXICO EQUITY AND INCOME FUND, INC.

A notice has been issued giving interested persons until May 20 to request a hearing on an application filed by The Mexico Equity and Income Fund, Inc. for an order under Section 10(f) of the Investment Company Act. The order would permit applicant to purchase securities in underwritten public offerings in Mexico in which an affiliated person of its Mexican investment adviser or U.S. co-adviser participates as a principal underwriter. (Rel. IC-21913; IS-973 - April 24)

### BERGER INSTITUTIONAL PRODUCTS TRUST, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting Berger Institutional Products Trust (Trust) and Berger Associates, Inc. (Berger Associates) from the provisions of Sections 9(a), 13(a), 15(a) and 15(b) of the Act, and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder. The order provides exemptions to the extent necessary to permit shares of the Trust and

shares of any other investment company that is designed to fund insurance products and for which Berger Associates, or any of its affiliates, may serve as investment adviser, administrator, manager, principal underwriter or sponsor to be sold to and held by variable annuity and variable life insurance separate accounts of both affiliated and unaffiliated life insurance companies; and qualified pension and retirement plans outside the separate account context. (Rel. IC-21914 - April 24)

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## SELF REGULATORY ORGANIZATIONS

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### APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change (SR-Amex-96-08) filed by the American Stock Exchange which will allow the Amex to list and trade standardized options on the Amex Gold BUGS<sup>SM</sup> Index, a modified equal-dollar weighted index developed by the Amex and comprised of gold mining company stocks (or American Depositary Receipts thereon) which are traded on the Amex or the New York Stock Exchange. Publication of the approval order is expected in the Federal Register during the week of April 29. (Rel. 34-37139)

### PROPOSED RULE CHANGE

The Chicago Stock Exchange filed Amendment Nos. 2, 3, and 4 to a proposed rule change (SR-CHX-95-25) to establish a minor rule violation procedure and reporting plan. Publication of the proposal is expected in the Federal Register during the week of April 29. (Rel. 34-37140)

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## SECURITIES ACT REGISTRATIONS

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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-1 PEHUENCHE ELECTRICITY CO INC, MONEDA 1025, SIXTH FL, SANTIAGO CHILE, F3  
(562) 671-7201 - 170,000,000 (\$170,000,000)  
FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE 333-3390 - APR. 12) (BR. 8  
- NEW ISSUE)

S-8 DIGIMEDIA USA INC, 100 W CYPRESS CREEK RD, 600, FT LAUDERDALE, FL 33309  
(305) 938-1181 - 200,000 (\$50,000) COMMON STOCK. (FILE 333-3444 - APR. 10)  
(BR. 10)

REGISTRATIONS CONT.

- F-6 ANGLO AMERICAN PLATINUM CORP LTD, 111 WALL ST, C/O BANK OF NEW YORK, NEW YORK, NY 10286 (212) 495-1727 - 10,000,000 (\$500,000)  
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-3484 - APR. 12) (BR. 99)
- F-6 JCI LTD, 48 WALL ST, C/O BANK OF NEW YORK, NEW YORK, NY 10286  
(212) 951-1727 - 10,000,000 (\$500,000)  
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-3486 - APR. 12) (BR. 99)
- S-3 P-COM INC, 3175 S WINCHESTER BLVD, CAMPBELL, CA 95008 (408) 866-3666 -  
2,012,500 (\$40,250,000) COMMON STOCK. (FILE 333-3558 - APR. 16) (BR. 8)
- S-3 RURAL METRO CORP /DE/, 8401 EAST INDIAN SCHOOL RD, SCOTTSDALE, AZ 85251  
(602) 944-3886 - \$4,700,625 COMMON STOCK. (FILE 333-3562 - APR. 16)  
(BR. 4)
- S-8 HORTON D R INC /DE/, 1901 ASCENSION BLVD, STE 100, ARLINGTON, TX 76006  
(817) 856-8200 - 200,000 (\$1,912,000) COMMON STOCK. (FILE 333-3570 -  
APR. 16) (BR. 9)
- S-8 HORTON D R INC /DE/, 1901 ASCENSION BLVD, STE 100, ARLINGTON, TX 76006  
(817) 856-8200 - 1,000,000 (\$9,560,000) COMMON STOCK. (FILE 333-3572 -  
APR. 16) (BR. 9)
- S-11 FIRST UNION RESIDENTIAL SECURITIZATION TRANSACTIONS INC,  
301 SOUTH COLLEGE ST, CHARLOTTE, NC 28202 - 1,000,000 (\$1,000,000)  
PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 333-3574 - APR. 16)  
(BR. 11)
- S-1 HARVEYS CASINO RESORTS, HWY 50 & STATELINE AVE, P O BOX 128, LAKE TAHOE,  
NV 89449 (702) 588-2411 - 150,000,000 (\$150,000,000) STRAIGHT BONDS.  
(FILE 333-3576 - APR. 16) (BR. 11)
- S-1 COLLAGENEX PHARMACEUTICALS INC, 301 SOUTH STATE ST, NEWTON, PA 18940  
(215) 579-7388 - \$37,087,500 COMMON STOCK. (FILE 333-3582 - APR. 16)  
(BR. 4 - NEW ISSUE)
- S-1 LODGENET ENTERTAINMENT CORP, 808 WEST AVENUE NORTH, SIOUX FALLS, SD  
57104 (605) 330-1330 - 3,450,000 (\$48,093,000) COMMON STOCK. (FILE  
333-3586 - APR. 16) (BR. 7)
- F-1 LERNOUT & HAUSPIE SPEECH PRODUCTS NV, SINT KRISPIJNSTRAAT 7, 8900 IEPER,  
BELGIUM, C9 (325) 722-8888 - 2,185,000 (\$74,016,875) COMMON STOCK. (FILE  
333-3590 - APR. 16) (BR. 10)
- S-1 AFFYMETRIX INC, 3380 CENTRAL EXPRESSWAY, SANTA CLARA, CA 95051 -  
5,750,000 (\$74,750,000) COMMON STOCK. (FILE 333-3648 - APR. 15) (BR. 8)
- S-1 AVIATION SALES CO, 6905 NW 25TH ST, MIAMI, FL 33122 (305) 592-4055 -  
3,737,500 (\$74,750,000) COMMON STOCK. (FILE 333-3650 - APR. 15) (BR. 9  
- NEW ISSUE)
- S-8 PERMA FIX ENVIRONMENTAL SERVICES INC, 3406 OAKCLIFF ROAD SUITE D-1,  
ATLANTA, GA 30340 (404) 847-9990 - 253,000 (\$277,050) COMMON STOCK. (FILE  
333-3664 - APR. 15) (BR. 8)
- S-3 U S ROBOTICS CORP/DE/, 8100 N MCCORMICK BLVD, SKOKIE, IL 60076  
(847) 982-5010 - 347,249 (\$43,015,469.88) COMMON STOCK. (FILE 333-3666 -  
APR. 15) (BR. 7)
- S-8 TRM COPY CENTERS CORP, 5208 N E 122ND AVENUE, PORTLAND, OR 97230  
(503) 257-8766 - 300,000 (\$1,210,937.50) COMMON STOCK. (FILE 333-3668 -  
APR. 15) (BR. 6)
- S-8 XATA CORP /MN/, 500 E TRAVELERS TRAIL, BURNSVILLE, MN 55337  
(612) 894-3680 - 216,667 (\$1,516,669) COMMON STOCK. (FILE 333-3670 -  
APR. 15) (BR. 9)

REGISTRATIONS CONT.

- S-8 ORPHAN MEDICAL INC, 13911 RIDGEDALE DR SUITE 475, MINNETONKA, MN 55305  
(612) 541-1868 - 1,250,000 (\$9,843,750) COMMON STOCK. (FILE 333-3674 -  
APR. 15) (BR. 4)
- S-8 FORESTRY INTERNATIONAL INC, 3573 EAST SUNRISE DRIVE STE 225, TUCSON, AZ  
85718 (520) 299-9447 - 2,490,985 (\$640,183.15) COMMON STOCK. (FILE  
333-3680 - APR. 16) (BR. 9)
- S-8 BINGO & GAMING INTERNATIONAL INC, 8310 CAPITAL OF TEXAS HIGHWAY NORTH,  
SUITE 350, AUSTIN, TX 78731 (512) 345-3550 - 225,000 (\$123,750)  
COMMON STOCK. (FILE 333-3690 - APR. 16) (BR. 5)
- S-4 WELLPOINT HEALTH NETWORKS INC BLUE CROSS OF CALIFORNIA, 21555 OXNARD ST,  
WOODLAND HILLS, CA 91367 (818) 703-2345 - 66,366,500 (\$2,231,573,562)  
COMMON STOCK. (FILE 333-3292 - APR. 08) (BR. 9 - NEW ISSUE)
- S-8 APACHE GROUP INC, 3025 N E 188TH STREET, N MIAMI, FL 33180  
(407) 998-2722 - 450,000 (\$413,000) COMMON STOCK. (FILE 333-3554 -  
APR. 15) (BR. 2)
- S-8 APACHE GROUP INC, 3025 N E 188TH STREET, N MIAMI, FL 33180  
(407) 998-2722 - 450,000 (\$413,000) COMMON STOCK. (FILE 333-3556 -  
APR. 15) (BR. 2)
- F-1 MEPC PLC, 3582 MARYLAND PARKWAY, LAS VEGAS, NV 89109 - 200,000,000  
(\$200,000,000) FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE 333-3578 -  
APR. 16) (BR. 6)
- S-3 CAPITAL ONE FINANCIAL CORP, 2980 FAIRVIEW PARK DR, STE 1300,  
FALLS CHURCH, VA 22182 (703) 205-1000 - 200,000,000 (\$200,000,000)  
STRAIGHT BONDS. (FILE 333-3580 - APR. 16) (BR. 12)
- S-4 DISH LTD, 90 INVERNESS CIRCLE EAST, ENGLEWOOD, CO 80112 (303) 799-8222  
- 658,000 (\$1,628,899) COMMON STOCK. (FILE 333-3584 - APR. 10) (BR. 8)
- S-1 INTERCEL INC/DE, 1239 O G SKINNER DR, WEST POINT, GA 31833  
(706) 645-9520 - 25,000,000 (\$25,000,000) STRAIGHT BONDS. (FILE 333-3588 -  
APR. 16) (BR. 7)
- S-3 MILLS CORP, 3000 K ST NW, STE 400, WASHINGTON, DC 20007 (202) 965-3600  
- 1,500,000 (\$26,531,250) COMMON STOCK. (FILE 333-3596 - APR. 16) (BR. 6)
- S-3 PARAGON GROUP INC, 7557 RAMBLER RD, STE 1200, DALLAS, TX 75231  
(214) 891-2000 - 5,021,193 (\$86,615,579.25) COMMON STOCK. (FILE 333-3598 -  
APR. 16) (BR. 5)
- S-3 GTECH HOLDINGS CORP, 55 TECHNOLOGY WAY, WEST GREENWICH, RI 02817  
(401) 392-1000 - 11,302,500 (\$346,139,062.50) COMMON STOCK. (FILE  
333-3602 - APR. 17) (BR. 10)
- F-10 TEE COMM ELECTRONICS INC, 775 MAIN ST EAST,  
MILTON ONTARIO CANADA L9T 3Z3, A6 (905) 878-8181 - 80,500,000  
(\$59,343,900) CONVERTIBLE DEBENTURES AND NOTES. (FILE 333-3604 - APR. 17)  
(BR. 8)
- S-1 ALPHA HOSPITALITY CORP, 12 E 49TH ST, NEW YORK, NY 10017 (212) 750-3500  
- 5,572,918 (\$17,328,865) COMMON STOCK. (FILE 333-3606 - APR. 17) (BR. 12)
- S-8 UPPER PENINSULA ENERGY CORP /NEW/, 600 LAKESHORE DR, P.O BOX 130,  
HOUGHTON, MI 49931 (906) 487-5000 - 152,500 (\$2,955,450) COMMON STOCK.  
(FILE 333-3608 - APR. 16) (BR. 7)
- S-B UNITED MEXICAN STATES, 450 PARK AVENUE, C/O NAFINSA SECURITIES INC,  
NEW YORK, NY 10022 - 2,500,000,000 (\$2,500,000,000)  
FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE 333-3610 - APR. 17) (BR. 9)

REGISTRATIONS CONT.

- S-1 ANDRX CORP, 4001 SW 47 AVE STE 201, FORT LAUDERDALE, FL 33314  
(305) 584-0300 - 1,955,000 (\$25,415,000) COMMON STOCK. (FILE 333-3614 -  
APR. 17) (BR. 4)
- S-8 SARGENT INC, 2472 EAST RD 8 NORTH, P O BOX 150, MONTE VISTA, CO 81144  
(719) 852-3564 - 500,000 (\$90,000) COMMON STOCK. (FILE 333-3622 - APR. 17)  
(BR. 3)
- S-3 JP REALTY INC, 35 CENTURY PARKWAY, SALT LAKE CITY, UT 84115  
(801) 486-3911 - 3,692,409 (\$71,300,417.79) COMMON STOCK. (FILE 333-3624 -  
APR. 17) (BR. 5)
- S-11 HFC REVOLVING CORP, 2700 SANDERS RD, PROSPECT HEIGHTS, IL 60070  
(847) 564-7968 - 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES.  
(FILE 333-3626 - APR. 17) (BR. 11)
- S-8 UNION FINANCIAL BANCSHARES INC, 203 WEST MAIN ST, UNION, SC 29379  
(864) 427-7692 - 74,692 (\$2,240,760) COMMON STOCK. (FILE 333-3628 -  
APR. 17) (BR. 2)
- S-4 AMERICAN COMMUNICATIONS SERVICES INC, 131 NATIONAL BUSINESS PKWY,  
STE 100, ANNAPOLIS, MD 20701 (310) 617-4200 - 120,000,000 (\$64,571,366)  
STRAIGHT BONDS. (FILE 333-3632 - APR. 17) (BR. 8)
- S-8 SPACEHAB INC \WA\, 1215 JEFFERSON DAVIS HIGHWAY, STE 1501, ARLINGTON, VA  
22202 (703) 414-8100 - 269,988 (\$3,239,856) COMMON STOCK. (FILE 333-3634 -  
APR. 17) (BR. 12)
- S-8 SPACEHAB INC \WA\, 1215 JEFFERSON DAVIS HIGHWAY, STE 1501, ARLINGTON, VA  
22202 (703) 414-8100 - 250,000 (\$3,562,500) COMMON STOCK. (FILE 333-3638 -  
APR. 17) (BR. 12)
- S-8 ELECTRONICS COMMUNICATIONS CORP, 4 MADISON RD, FAIRFIELD, NJ 07004  
(201) 808-8862 - 100,000 (\$187,500) COMMON STOCK. (FILE 333-3662 -  
APR. 15) (BR. 7)
- S-8 APACHE GROUP INC, 3025 N E 188TH STREET, N MIAMI, FL 33180  
(407) 998-2722 - 1,000,000 (\$150,000) COMMON STOCK. (FILE 333-3672 -  
APR. 15) (BR. 2)
- S-8 IRT INDUSTRIES INC, 1700 E LAS OLAS BLVD, PENTHOUSE III,  
FORT LAUDERDALE, FL 33301 (954) 761-7617 - 150,000 (\$862,500) COMMON STOCK.  
(FILE 333-3676 - APR. 16) (BR. 12)
- S-8 IRT INDUSTRIES INC, 1700 E LAS OLAS BLVD, PENTHOUSE III,  
FORT LAUDERDALE, FL 33301 (954) 761-7617 - 150,000 (\$862,500) COMMON STOCK.  
(FILE 333-3678 - APR. 16) (BR. 12)
- S-3 WOODROAST SYSTEMS INC, 10250 VALLEY VIEW ROAD, SUITE 145, EDEN PRAIRIE,  
MN 55344 (612) 944-5113 - 232,286 (\$1,074,322.75) COMMON STOCK. (FILE  
333-3682 - APR. 16) (BR. 11)
- S-8 CINEMASTAR LUXURY THEATERS INC, 431 COLLEGE BLVD, OCEANSIDE, CA 92057  
(619) 630-2011 - 587,500 (\$4,810,156.25) COMMON STOCK. (FILE 333-3684 -  
APR. 16) (BR. 11)
- S-8 ASCEND COMMUNICATIONS INC, 1275 HARBOR BAY PKWY, ALAMEDA, CA 94502  
(510) 769-6001 - 109,200 (\$107,016) COMMON STOCK. (FILE 333-3686 -  
APR. 16) (BR. 10)
- S-3 LEXINGTON CORPORATE PROPERTIES INC, 355 LEXINGTON AVE, NEW YORK, NY  
10017 (212) 692-7200 (FILE 333-3688 - APR. 16) (BR. 6)
- S-8 YAHOO INC, 635 VAQUEROS AVE, SUNNYVALE, CA 94086 (408) 328-3300 -  
8,204,600 (\$114,207,271.44) COMMON STOCK. (FILE 333-3694 - APR. 17)  
(BR. 10)

REGISTRATIONS CONT.

- S-4 PETSMAST INC, 10000 N 31ST AVE, STE C-100, PHOENIX, AZ 85051  
(602) 944-7070 - 2,000,000 (\$75,000,000) COMMON STOCK. (FILE 333-3696 -  
APR. 17) (BR. 1)
- S-8 SWEETWATER INC, 2505 TRADE CTR AVE D, LONGMONT, CO 80503 (303) 682-4130  
- 632,915 (\$2,655,948.40) COMMON STOCK. (FILE 333-3704 - APR. 17) (BR. 9)
- S-8 HEALTH MANAGEMENT SYSTEMS INC, 401 PARK AVE SOUTH, NEW YORK, NY 10016  
(212) 685-4545 - 2,250,000 (\$60,750,000) COMMON STOCK. (FILE 333-3706 -  
APR. 17) (BR. 10)
- S-8 ONE UP CORP, 5 CAMPUS CIRCLE, SUITE 100, WESTLAKE, TX 76262  
(718) 965-4172 - 1,365,000 (\$136,500) COMMON STOCK. (FILE 333-3708 -  
APR. 17) (BR. 12)
- S-8 ONE UP CORP, 5 CAMPUS CIRCLE, SUITE 100, WESTLAKE, TX 76262  
(718) 965-4172 - 40,000 (\$40,000) COMMON STOCK. (FILE 333-3710 - APR. 17)  
(BR. 12)
- S-3 MOUNTBATTEN INC, 33 ROCK HILL RD, BALA CYNWYD, PA 19004 (215) 664-2259  
- 150,000 (\$862,500) COMMON STOCK. (FILE 333-3712 - APR. 17) (BR. 9)
- S-8 FRESH AMERICA CORP, 12450 CUTTEN RD, HOUSTON, TX 77066 (713) 444-8596 -  
450,000 (\$6,498,000) COMMON STOCK. (FILE 333-3714 - APR. 17) (BR. 8)
- S-3 RENAL TREATMENT CENTERS INC /DE/, 1180 WEST SWEDES FORD RD,  
BLDG 2, STE 300, BERWYN, PA 19312 (215) 644-4796 - 1,814,632  
(\$46,386,530.50) COMMON STOCK. (FILE 333-3716 - APR. 17) (BR. 5)
- S-8 HEMAGEN DIAGNOSTICS INC, 34-40 BEARD HILL ROAD, WALTHAM, MA 02154  
(617) 890-3766 - 500,000 (\$1,417,668.75) COMMON STOCK. (FILE 333-3718 -  
APR. 17) (BR. 4)
- S-3 ENCON SYSTEMS INC, 86 SOUTH ST, HOPKINTON, MA 01748 (508) 435-7700 -  
2,826,650 (\$6,006,631.25) COMMON STOCK. (FILE 333-3720 - APR. 17) (BR. 3)
- S-8 FOILMARK INC, 40 MELVILLE PARK RD, MELVILLE, NY 11747 (516) 694-7773 -  
400,000 (\$1,648,000) COMMON STOCK. (FILE 333-3722 - APR. 17) (BR. 6)
- S-8 FOILMARK INC, 40 MELVILLE PARK RD, MELVILLE, NY 11747 (516) 694-7773 -  
400,000 (\$1,648,000) COMMON STOCK. (FILE 333-3724 - APR. 17) (BR. 6)

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RECENT 8K FILINGS

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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.

The companies listed below 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. Copies of the reports may be purchased from the Commission's Public Reference Room (when ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
AAA NET REALTY FUND X LTD	NE		X					X		04/05/96	
AAA NET REALTY FUND XI LTD	NE		X					X		04/05/96	
ACME METALS INC /DE/	DE				X					04/23/96	
ADVANTA CORP	DE							X		04/22/96	
AEI REAL ESTATE FUND XVIII LIMITED PARTN	MN			X						04/10/96	
AGTSPTS INC	CO						X			04/22/96	
AIR PRODUCTS & CHEMICALS INC /DE/	DE				X					04/23/96	
ALANCO ENVIRONMENTAL RESOURCES CORP	AZ			X						04/16/96	
ALCO CAPITAL RESOURCE INC	DE				X	X				04/17/96	
ALCO STANDARD CORP	OH				X	X				04/17/96	
ALTEON INC /DE	DE				X	X				04/16/96	
AMERICAN ASSET ADVISERS TRUST INC	MD		X				X			04/18/96	
AMERICAN ASSET MANAGEMENT CORP	NJ			X						04/18/96	
AMERICAN BRANDS INC /DE/	DE				X	X				04/22/96	
AMVESTORS FINANCIAL CORP	KS		X				X			04/08/96	
ANDREA ELECTRONICS CORP	NY		X							04/22/96	
ANNAPOLIS BANCSHARES INC	MD				X	X				04/16/96	
APACHE CORP	DE				X	X				04/19/96	
ARV ASSISTED LIVING INC	CA				X					02/06/96AMEND	
ASCENT ENTERTAINMENT GROUP INC	DE				X	X				04/19/96	
ATLANTIC AMERICAN CORP	GA		X				X			04/23/96	
BALCOR REALTY INVESTORS 84 SERIES II	IL				X	X				04/22/96	
BALLY GAMING INTERNATIONAL INC	DE				X	X				04/17/96	
BANKATLANTIC BANCORP INC	FL				X	X				04/09/96	
BAXTER INTERNATIONAL INC	DE				X					04/19/96	
BEACON CAPITAL INVESTMENT INC	DE				X					03/21/96	
BELL ATLANTIC CORP	DE				X	X				04/21/96	
BENEFICIAL CORP	DE		X							04/22/96	
BRAZIL FAST FOOD CORP	DE		X	X			X			04/17/96	
CALENERGY CO INC	DE		X							04/22/96	
CAMBRIDGE BIOTECH CORP	DE				X	X				12/31/95	
CARDINAL BANCSHARES INC	KY				X					04/15/96	
CARDINAL HEALTH INC	OH				X	X				04/22/96	
CCB FINANCIAL CORP	NC				X					04/16/96	
CENTURA BANKS INC	NC		X				X			04/18/96	
CHANCELLOR CORP	MA		X		X	X				04/12/96	
CHICAGO RIVET & MACHINE CO	IL				X	X				04/19/96	
CINEMASTAR LUXURY THEATERS INC	CA				X	X				04/11/96	
CIS TECHNOLOGIES INC	DE				X	X				04/22/96	
CMS ENERGY CORP	MI				X					04/23/96	
CONSUMERS POWER CO	MI				X					04/23/96	
CONTINENTAL INVESTMENT CORP /GA/	GA		X							04/22/96	
COOPER INDUSTRIES INC	OH				X	X				04/23/96	
COPLEY REALTY INCOME PARTNERS I	MA		X							04/09/96	
COPYTELE INC	DE				X	X				04/17/96	
CSB FINANCIAL GROUP INC	DE				X					04/17/96	
CUC INTERNATIONAL INC /DE/	DE				X	X				04/19/96	
CUMBS INC MORTGAGE PASS THROUGH CERTIFIC	DE				X	X				03/01/96	
DANAHER CORP /DE/	DE				X					04/18/96	
DENBURY RESOURCES INC							X			04/03/96	
DISCOVER CARD MASTER TRUST I	DE				X	X				04/18/96	
ELTRON INTERNATIONAL INC	CA						X			04/15/96	

8K REPORTS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
ENSERCH CORP	TX					X				04/16/96	
ENERGY CORP /DE/	DE					X	X			04/19/96	
EQUIMED INC	PA		X				X			04/11/96	
FIRST AMERICAN FINANCIAL CORP	CA					X	X			04/23/96	
FIRST SOUTHERN BANCSHARES INC	DE					X	X			04/17/96	
FLEETWOOD CREDIT 1995-B GRANTOR TRUST	CA					X	X			04/15/96	
FLORIDA POWER CORP /	FL					X	X			04/18/96	
FLORIDA PROGRESS CORP /	FL					X	X			04/18/96	
FOREST LABORATORIES INC	DE	X								09/30/95AMEND	
FUND AMERICA INVESTORS CORP II	DE						X			04/19/96	
FWB BANCORPORATION	MD					X	X			04/10/96	
GALAXY FOODS CO	DE					X	X			04/16/96	
GENERAL MOTORS CORP	DE					X				04/19/96	
GIANT GROUP LTD	DE					X	X			04/22/96	
GREEN TREE FINANCIAL CORP	MN					X	X			04/22/96	
GTE CALIFORNIA INC	CA					X	X			04/23/96	
GULF STATES UTILITIES CO	TX					X	X			04/19/96	
GULFWEST OIL CO	UT			X						04/15/96	
HARBOR FEDERAL BANCORP INC	MD						X			02/16/96AMEND	
HARKEN ENERGY CORP	DE	X					X			12/21/95AMEND	
HEALTHPLEX INC	DE					X	X			04/18/96	
HF BANCORP INC	DE					X				04/15/96	
HF FINANCIAL CORP	DE					X				04/07/96	
HIGHWOODS PROPERTIES INC	MD	X					X			04/01/96	
HORIZON CMS HEALTHCARE CORP	DE						X			07/10/95AMEND	
HPR INC	DE					X				04/19/96	
IDEON GROUP INC	DE					X	X			04/19/96	
IMO INDUSTRIES INC	DE					X	X			04/18/96	
INDENET INC	DE						X			12/31/95AMEND	
IRVINE SENSORS CORP/DE/	DE	X				X	X			04/19/96	
ITRON INC /WA/	WA					X	X			03/25/96	
JMB INCOME PROPERTIES LTD XIII	IL						X			03/04/96	
JONES INTERCABLE INC	CO	X					X			04/11/96	
JP REALTY INC	MD	X					X			04/04/96	
KEYCORP /NEW/	OH					X	X			04/18/96	
LILLY INDUSTRIES INC	IN	X					X			04/08/96	
LSB FINANCIAL CORP	IN					X	X			04/17/96	
MADISON GROUP ASSOCIATES INC /DE/	DE					X	X			08/26/93	
MADISON GROUP ASSOCIATES INC /DE/	DE					X	X			06/30/95AMEND	
MADISON GROUP ASSOCIATES INC /DE/	DE					X	X			06/30/95AMEND	
MADISON GROUP ASSOCIATES INC /DE/	DE					X	X			09/26/95	
MAHONING NATIONAL BANCORP INC	OH					X				04/15/96	
MAINSTREET BANKGROUP INC	VA					X				04/17/96	
MATHSOFT INC	MA					X				04/18/96	
MAVERICK TUBE CORPORATION	DE					X	X			04/18/96	
MBNA CORP	MD					X	X			04/18/96	
MCDONALDS CORP	DE						X			04/22/96	
MEDIA VISION TECHNOLOGY INC	DE					X	X			04/15/96	
MEDIMMUNE INC /DE/	DE					X				04/18/96	
METRA BIOSYSTEMS INC	CA						X			02/13/96AMEND	
MOBIL CORP	DE					X				04/23/96	
MOLTEN METAL TECHNOLOGY INC /DE/	DE					X				04/18/96	
MONTANA POWER CO /MT/	MT					X	X			04/23/96	
MORGAN STANLEY GROUP INC /DE/	DE						X			04/08/96	

8K REPORTS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
MTI TECHNOLOGY CORP	DE				X					03/29/96	
N S BANCORP INC	DE				X					04/15/96	
NAVISTAR FINANCIAL RETAIL RECEIVABLES CO	DE				X	X				04/15/96	
NORWEST CORP	DE				X					04/22/96	
NYNEX CORP	DE				X	X				04/21/96	
OCCIDENTAL PETROLEUM CORP /DE/	DE				X					04/17/96	
OHSL FINANCIAL CORP	DE				X	X				04/18/96	
OLD KENT AUTO RECEIVABLES TRUST 1995-A	NY				X	X				03/15/96	
OMAP HOLDINGS INC	NV	X	X				X			10/23/95	
PACIFIC GATEWAY PROPERTIES INC	NY	X								04/25/96AMEND	
PANDA PROJECT INC	FL				X					04/08/96	
PERSONNEL MANAGEMENT INC	IN					X				02/05/96AMEND	
PET PRACTICE INC	DE				X	X				03/21/96	
PHARMOS CORP	NV				X					04/18/96	
PHYSICIANS RESOURCE GROUP INC	DE				X	X				04/18/96	
POLYMEDICA INDUSTRIES INC	MA				X					03/29/96	
PRIME RECEIVABLES CORP	DE				X	X				11/15/95	
PRIME RECEIVABLES CORP	DE				X	X				12/15/95	
PRIME RECEIVABLES CORP	DE				X	X				01/16/96	
PRIME RECEIVABLES CORP	DE				X	X				04/15/96	
PROJECT SOFTWARE & DEVELOPMENT INC					X	X				04/16/96	
PROTEIN DATABASES INC /DE/	DE				X					04/19/96	
PROTEIN DATABASES INC /DE/	DE				X					04/19/96	
QLT PHOTOTHERAPEUTICS INC	CA	NO ITEMS								04/19/96	
QUADREX CORP	DE				X	X				04/15/95	
RELIABLE AUTO RECEIVABLES GRANTOR TRUST					X	X				04/15/96	
REPUBLIC NEW YORK CORP	MD	X			X	X				04/22/96AMEND	
ROADWAY EXPRESS INC	DE				X					04/09/96	
ROM TECH INC	PA	X				X				04/04/96	
ROTHCHILD COMPANIES INC	FL				X					04/22/96	
SALOMON INC	DE				X	X				04/23/96	
SANTA FE FINANCIAL CORP	NV				X	X				04/09/96	
SCRIPTEL HOLDING INC	DE	X			X	X				04/04/96	
SELFIX INC	DE			X		X				04/12/96	
SHO ME FINANCIAL CORP	DE				X	X				04/22/96	
SIERRA SOLIDS INC /NV/	NV	X	X		X	X				04/18/96	
SMITH ENVIRONMENTAL TECHNOLOGIES CORP /D	DE				X	X				04/22/96	
SOURCE SCIENTIFIC INC	CA				X	X				04/18/96	
SOUTHERN NEW ENGLAND TELECOMMUNICATIONS	CT				X					04/23/96	
SOUTHERN NEW ENGLAND TELEPHONE CO	CT				X					04/23/96	
SPORTS & RECREATION INC	DE			X		X				04/15/96	
STARSIGHT TELECAST INC	CA				X	X				04/19/96	
SUN COMMUNITIES INC	MD	X				X				04/07/96	
TAMBRANDS INC	DE				X					04/22/96	
TANDYCRAFTS INC	DE				X	X				04/23/96	
TARGETED GENETICS CORP /WA/	WA				X	X				04/16/96	
TCSI CORP	NV				X					04/16/96	
TCSI CORP	NV				X					04/19/96	
TESSCO TECHNOLOGIES INC	DE				X	X				04/18/96	
TEXACO INC	DE				X	X				04/22/96	
TEXAS STAR RESOURCES CORP					X					04/12/96	
TEXAS UTILITIES CO	TX				X	X				04/13/96	
TEXOIL INC /NV/	NV				X	X				04/17/96	
TRANSAMERICA OCCIDENTAL LIFE INSURANCE C	CA					X				03/31/96	
TRAVELERS GROUP INC	DE	X			X	X				04/02/96AMEND	

8K REPORTS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT	
		1	2	3	4	5	6	7	8			
TRAVELERS GROUP INC	DE					X					04/15/96	
TRUSTCO BANK CORP N Y	NY					X					04/23/96	
U S ROBOTICS INC/DE/	DE					X	X				04/16/96	
UGI CORP /PA/	PA					X					04/17/96	
ULTRALIFE BATTERIES INC	DE			X			X				04/16/96	
UNITED AMERICAN HEALTHCARE CORP	MI						X				01/29/96	
UROHEALTH SYSTEMS INC	DE							X			04/17/96	
US OFFICE PRODUCTS CO	DE				X	X					04/19/96	
VALCOR INC	DE				X	X					04/23/96	
VALHI INC /DE/	DE				X	X					04/23/96	
VALUJET INC	NV				X	X					04/17/96	
VIDEO UPDATE INC	DE				X	X					04/15/96	
VIMRX PHARMACEUTICALS INC	DE				X						04/18/96	
VIRGINIA FIRST FINANCIAL CORP	VA				X	X					04/17/96AMEND	
WALDEN RESIDENTIAL PROPERTIES INC	MD				X	X					04/23/96	
WAVETECH INC	NJ						X				04/19/96AMEND	
WESTERN RESOURCES INC /KS	KS	X									04/22/96	
WEYERHAEUSER CO	WA					X					04/16/96	
WHIRLPOOL CORP /DE/	DE					X					04/19/96	
XOMA CORP /DE/	DE					X	X				04/22/96	
YAMAHA MOTOR RECEIVABLES CORP	DE					X					04/15/96	
ZAPATA CORP	DE		X				X				04/09/96	

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C.

Litigation Release No. 14890 / April 25, 1996

SECURITIES AND EXCHANGE COMMISSION v. ROSEANN MARTUCCI, JAY R. HARTMAN, and GARR MANAGEMENT SERVICES, INC., U.S. District Court for the Southern District of New York, 96 Civ. 3030 (PKL) (S.D.N.Y. 1996)

The Commission today filed a complaint alleging that Roseann Martucci, Jay R. Hartman, and Garr Management Services, Inc., a company owned in part by Roseann Martucci ("Martucci") and Jay R. Hartman ("Hartman"), engaged in unlawful insider trading after they obtained confidential information misappropriated from a law firm in violation of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act") and Rules 10b-5 and 14e-3 promulgated thereunder.

According to the Commission's Complaint, between August and October 1992, Sheri I. Kleinbaum, a law firm employee, learned, in the course of her employment, that two clients of the law firm, Snap-on Tools Corporation and Ball Corporation, planned to acquire Sun Electric Corporation and Heekin Can Corporation, respectively. This information was material and nonpublic. The Complaint alleges that in each instance, shortly after learning this information, Sheri Kleinbaum communicated the information to her stepmother, who in turn tipped Martucci. The Complaint further alleges that although Martucci knew or should have known that this information was provided in breach of a duty of confidentiality, Martucci nevertheless tipped her business associates, Hartman and the late Raymond G. Jerro. Each of the defendants and Jerro purchased the common stock of Sun Electric and Heekin Can prior to public announcements that each was to be acquired. According to the Complaint, Martucci also recommended the securities of Sun Electric to a close personal friend, who also purchased Sun Electric common stock. Martucci, Hartman and Garr Management Services realized profits of \$14,118.14, \$11,512.04, and \$38,430.90, respectively. As a group, Martucci and all her tippees realized total profits of \$111,478.86.

In its Complaint, the Commission requests that the Court:  
(1) permanently enjoin each of the defendants from violating Sections 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3 thereunder; (2) order the defendants to disgorge their and any of their tippees' trading profits plus prejudgment interest; and (3) impose a civil penalty pursuant to the Insider Trading and Securities Fraud Enforcement Act.

The Commission previously instituted and settled an action against Sheri I. Kleinbaum, her stepmother and her father. SEC v. Sheri I. Kleinbaum, et al., 95 Civ. 1963 (PKL) (S.D.N.Y. 1995). See Litigation Release No. 14447 (March 23, 1995).

The Commission acknowledges the assistance of The New York Stock Exchange in this matter.

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C.

Litigation Release No. 14891 / April 25, 1996

SEC v. EDWARD WARREN EIZMAN, Civil Action No. 96 Civ. 3029 (PKL)  
(S.D.N.Y. April 25, 1996)

On April 25, 1996, the Commission filed an insider trading action against Edward Warren Eizman in the United States District Court for the Southern District of New York. The Commission alleged that, from at least June through December 1994, Eizman purchased the securities of six companies, and caused at least thirteen others to purchase such securities, while in possession of material nonpublic information about possible mergers or acquisitions involving those companies he received from a close friend, Richard Woodward, an attorney formerly associated with Cravath, Swaine & Moore. The six issuers were Cravath clients or possible merger partners of Cravath clients. The mergers and acquisitions included the acquisition of Caesars World by ITT, the acquisition of Chiron Corporation by Ciba-Geigy Ltd., and the proposed acquisition of CBS, Inc. by QVC, Inc. Eizman and the people he caused to trade made total profits of approximately \$360,000.

In a related action, on June 28, 1995, Richard Woodward and his brother, John Woodward, each consented to the entry of a permanent injunction filed by the Commission, [LR 14548]. On the same day, Richard and John Woodward entered a plea of guilty in the Southern District of New York to a one-count felony information charging them with conspiracy to engage in an insider trading scheme.

The Commission acknowledges the assistance in this investigation of the Chicago Board Options Exchange, the National Association of Securities Dealers, the American Stock Exchange, and the New York Stock Exchange.

Prior Litigation Release: 14548

Litigation Release No. 14892 / April 25, 1996

SECURITIES AND EXCHANGE COMMISSION V. AMERICAN TELECOM INTERCONNECT, INC., STEVEN BARKUS, MICHAEL LOMBARDO, BRADLEY TURNER, DAVID MUNOZ, I.B.T. FINANCIAL GROUP, INC., J.R. MUNOZ, and PREMIER CAPITAL INVESTMENTS CIV. NO. 96-2952 (WDK) (C.D. CAL.)

On April 24, 1996, the Commission charged American Telecom Interconnect, Inc. ("ATI"), a company which leased telephone equipment, and several individuals and entities (collectively the "Defendants"), with violations of the federal securities laws. The Commission alleges that from June 1992 to February 1994, Defendants defrauded investors, many of whom were elderly retired individuals seeking income bearing investments, of \$3.7 million through the offer and sale of unregistered and nonexempt securities ("ATI Securities"). The ATI Securities consisted of (i) sale-and-lease-back transactions of telephone equipment offered by ATI, and (ii) ATI's agreements to pay interest on money invested while ATI located telephone equipment to sell to, and lease back from, investors. Among other things, the Commission's Complaint alleges that Defendants failed to disclose to investors that ATI would not be able to pay investors the returns it promised without using money obtained from subsequent investors.

In addition to ATI, named in the Complaint filed today in the United States District Court for the Central District of California were:

Steven Barkus, an officer, director and 49 percent shareholder of ATI;

Michael Lombardo, the president, director, and 51 percent shareholder of ATI;

Bradley Turner ("Turner"), an independent contractor responsible for directing the marketing of the ATI Securities;

I.B.T. Financial Group, Inc. ("IBT"), a corporation which offered and sold ATI Securities;

David Munoz, the president and owner of IBT;

Premier Capital Investments ("PCI"), a company which offered and sold ATI Securities; and

J.R. Munoz, the owner of PCI.

In its Complaint, the Commission alleges that the Defendants violated the antifraud provisions of the federal securities laws, 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 ("antifraud provisions"). The Commission alleges that the Defendants defrauded investors by the distribution of written offering materials that contained material misrepresentations and omissions concerning the risk of the investment, the tax benefits, and the commissions paid to the salesmen. The Complaint also alleges that the offer and sale of the ATI Securities, which were neither registered with the Commission nor exempt from registration, violated Sections 5(a) and (c) of the Securities Act. Finally, the Commission

alleges that Turner, David Munoz, IBT, J.R. Munoz and PCI effected transactions in, or induced or attempted to induce the purchase or sale of, ATI Securities without registering as brokers or dealers in accordance with Section 15(b) of the Exchange Act, when no exemption from such registration was available, thus violating Section 15(a) of the Exchange Act. The Commission seeks permanent injunctions against future violations, an accounting, disgorgement of unlawfully obtained investor funds plus prejudgment interest, and civil penalties.

In order to recover as much of the unlawfully obtained investor funds as possible, the Complaint also names Linq Up America (Los Angeles), Inc. ("Linq Up") and America's Choice Communications, Inc. ("ACC"), as relief defendants (the "Relief Defendants"). The Complaint alleges that ATI, Barkus and Lombardo misappropriated and diverted in excess of \$1 million in investor funds to Linq Up and ACC, which were owned and controlled by Barkus and Lombardo. The Commission seeks disgorgement and prejudgment interest from the Relief Defendants, as well as an accounting of all monies obtained by the Relief Defendants from the fraudulent offer and sale of the ATI Securities.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

LITIGATION RELEASE NO. 14893 / April 25, 1996

SECURITIES & EXCHANGE COMMISSION v. LAZARE INDUSTRIES, INC., RICHARD J. HARLEY and JACQUELINE M. KUBE (Relief Defendant) (United States District Court for the Middle District of Pennsylvania, Civil Action No. 3:CV-96-705)

The Securities and Exchange Commission ("Commission") announced that on April 25, 1996, the Honorable Thomas I. Vanaskie, District Judge, United States District Court for the Middle District of Pennsylvania, signed an Order temporarily restraining Lazare Industries, Inc. ("Lazare") and its principal, Richard J. Harley ("Harley") from violating Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder. The Order also imposes an asset freeze against Lazare, Harley and Jacqueline M. Kube ("Kube"), a relief defendant. Previously, on April 22, 1996, the Commission filed its Complaint in this matter under seal. The complaint seeks a permanent injunction, disgorgement and prejudgment interest, and civil penalties against Lazare and Harley; and disgorgement from Kube, alleging that she personally benefitted from funds raised from investors by Lazare and Harley. The complaint does not allege that Kube violated any of the provisions of the federal securities laws.

The Complaint alleges that, from at least January 1989 through the present, Lazare and Harley engaged in a scheme to defraud at least 72 investors by making fraudulent representations and omissions in connection with the offer and sale of at least \$1.4 million of subscriptions for the unregistered stock of Lazare, and improperly converting investor funds to their own use.

The alleged misrepresentations and omissions concern an ozone/oxygen therapy offered by Lazare and Harley which they claim, among other things, (1) has undergone extensive testing which has proven it to be effective in the treatment of Acquired Immune Deficiency Syndrome ("AIDS") and other diseases; and (2) is patented. In fact, the therapy is not patented and has not been proven to be effective in the treatment of AIDS. Moreover, the Complaint alleges that Lazare and Harley failed to disclose to investors that (1) they lacked approval from the FDA either to conduct clinical testing or to administer the therapy to patients; and (2) the FDA had previously determined that Harley's promotion and administration of the therapy was in violation of the Food, Drug and Cosmetic Act.

Finally, the Complaint alleges that Lazare and Harley are in violation of an October 18, 1995 Order by the Pennsylvania Securities Commission to cease and desist from violations of the antifraud and registration provisions of the Pennsylvania Securities Act of 1972, which Order was based upon the same conduct alleged in the Commission's Complaint.

The Commission acknowledges the cooperation and assistance of the staff of the Pennsylvania Securities Commission in the investigation of this matter.