

# sec news digest

Issue 96-96

May 22, 1996

---

## ENFORCEMENT PROCEEDINGS

---

### ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST ROBERT WILLIAMS AND COLLEGE PLANNING SERVICES, INC.

The Commission announced that public administrative proceedings have been instituted against Robert K. Williams and College Planning Services, Inc. (CPS). The Commission's Order Instituting Public Proceedings alleges that Williams engaged in a scheme to defraud investors through CPS, an investment advisory firm registered with the Commission of which Williams was the principal, control person and sole owner.

The Order alleges that from approximately July 1992 through August 1994, Williams induced approximately fourteen clients to invest approximately \$293,000 with CPS under the pretense that CPS would provide them with financial planning services geared towards college financing. Williams represented that he would invest each clients' funds in unspecified securities, and he guaranteed that the investments would earn nine percent interest. According to the Order, instead of using the client funds to purchase securities, Williams misappropriated all of the money. The Order also alleges that CPS, willfully aided and abetted by Williams, failed to comply with certain books and records provisions of the Advisers Act. Based upon this conduct, on August 4, 1995 Williams pled guilty to one count of mail fraud in the United States District Court for the Eastern District of Virginia.

The Order seeks appropriate remedial action against Williams and CPS, and a cease and desist order. (Rel. Nos. 33-7295; 34-37231; IA-1564; IC-21967)

## IN THE MATTER OF DOUGLAS OSBORNE

On May 21, the Commission announced that it instituted an administrative proceeding against Douglas W. Osborne (Osborne).

In the Order, the Division of Enforcement alleges, among other things, that Osborne was enjoined from future violations of the registration and antifraud provisions of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and was ordered to disgorge \$170,849.00, together with prejudgment interest of \$30,752.84. In its injunctive action, the Commission alleged that Osborne, through his formerly registered broker-dealer Osborne, Stern & Company (OSC): (1) engaged in an unregistered distribution of Consolidated Energy Systems, Inc. (CES), a penny stock security; (2) undisclosed to investors, dominated and controlled the market in CES shares; and (3) charged OSC's clients excessive undisclosed mark-ups between 10% and 167% for transactions in CES stock (SEC v. Osborne, Stern & Co. and Douglas W. Osborne, Civil Action No. 93-5199 AWT, Sx, C.D. Cal., aff'd, No. 94-55997, 9th Cir. Nov. 22, 1995; See LR-13952). (Rel. 34-37232)

## ADMINISTRATIVE PROCEEDINGS AGAINST ANTHONY BENINCASA SETTLED

The Commission announced the settlement of previously instituted administrative proceedings against Anthony J. Benincasa. Benincasa consented to the entry of an Order Making Findings, Imposing Remedial Sanctions, and Issuing a Cease-and-Desist Order (Order), without admitting or denying any of the findings except as to jurisdiction, which he admitted.

The Order finds that Benincasa, while employed as a registered representative with three different brokerage firms, willfully aided and abetted a Ponzi scheme being operated by Peter T. Jones, an unregistered investment adviser, through Independence Asset Management (IAM), in which Jones raised at least \$9.2 million from over 400 investors. From 1987 to November 1993, Benincasa willfully aided and abetted Jones' and IAM's violations of the antifraud provisions by, among other things, knowingly opening accounts which falsely characterized IAM as a partnership, forging signatures on new account forms, and making material misstatements to investors. The Order further finds that, from July 1991 to November 1993, Benincasa willfully aided and abetted violations of broker-dealer books and records provisions.

The Order provides that Benincasa shall cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act of 1933; Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder; Section

17(a) of the Exchange Act and Rule 17a-3(a)(9) thereunder; and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940. The Order also bars Benincasa from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. In addition, the Order requires Benincasa to disgorge \$333,000, plus interest, and provides that payment of all but \$16,000 is waived, and a civil penalty is not imposed, based on Benincasa's demonstrated inability to pay. (Rel. Nos. 33-7296; 34-37233; IA-1565)

#### WILKINS MCNAIR, JR. HELD IN CIVIL CONTEMPT

On May 16, Judge Thomas F. Hogan granted the Commission's motion to hold Wilkins McNair, Jr., CPA, P.C., in civil contempt and ordered him to pay \$380,455 to the court-appointed special administrator pending a final resolution of the Commission's underlying enforcement action against Robert N. Taylor and the Better Life Club. These funds represent "retainer" and other payments that McNair received from Taylor during the spring and summer of 1995, but had not earned as of September 1, 1995, the date the court entered an order freezing Taylor's and the Better Life Club's assets.

In a written decision, Judge Hogan found that during the summer of 1995, a period during which Taylor paid McNair \$450,000 in fees and retainers, McNair was "aware of the SEC's investigation and the potential for an asset freeze." Although some of McNair's retainer agreements specified that the payments were "nonrefundable," the court invalidated those provisions as against public policy, finding that they "were designed, at least in part, to shield some of Taylor's assets from potential seizure by the SEC." Judge Hogan said that these provisions "limit[] the SEC's ability to make investors whole if the illegal Ponzi scheme nature of Taylor's operation is established." [Better Life Club of America, Inc., and Robert N. Taylor, USDC, D.D.C., Civ. No. 96-149, TFH] (LR-14914)

#### MARY PATE ENJOINED

The Commission announced that on May 15 it filed a complaint against Mary Pate in the Northern District of Illinois for violations of the securities registration and anti fraud provisions of the federal securities laws in connection with a \$15 million Ponzi scheme designed and operated by Pate. Specifically, the Commission's complaint alleges that from the spring of 1988 until August 1993, Pate, through her interior design business, raised approximately \$15 million from over 200 investors in the offer and sale of securities in the form of investment contracts in a fictitious investment which she called the "Mart Bonus Program." In reality, the Mart Bonus Program was nothing more than an elaborate Ponzi scheme designed by

Pate to defraud investors and enable her to misappropriate funds for her personal and business use. As a result, the complaint alleges that Pate misrepresented and omitted to state material facts to investors concerning, among other things, the nature and existence of the investment, the use of investor proceeds and the safety and profitability of the investment. The complaint seeks the entry of an Order of Permanent Injunction against Pate. Pate consented, without admitting or denying the allegations in the complaint, to the entry of an Order of Permanent Injunction against her. Accordingly, on May 16, 1996, the Court entered an Order of Permanent Injunction against Pate. [SEC v. Mary S. Pate, N.D. Ill., No. 96 C 2900] (LR-14915)

---

#### **INVESTMENT COMPANY ACT RELEASES**

---

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

An order has been issued under Section 10(f) of the Investment Company Act on an application filed by The Mexico Equity and Income Fund, Inc. The order permits 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-21968; IS-982 - May 21)

---

#### **SELF-REGULATORY ORGANIZATIONS**

---

##### **PROPOSED RULE CHANGE**

The Philadelphia Depository Trust Company filed a proposed rule change (SR-PHILADEP-95-12) under Section 19(b) of the Securities Exchange Act. Under the proposed rule change, Philadep seeks to establish a customer name safekeeping and branch receive processing service for its participants. Publication of the proposal is expected in the Federal Register during the week of May 20. (Rel. 34-37229)

---

#### **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-4 PUBLIC STORAGE INC /CA, 600 N BRAND BLVD, SUITE 300, GLENDALE, CA 91203  
 (818) 244-8080 - 3,348,167 (\$23,227,908) COMMON STOCK. (FILE 333-3749 -  
 MAY. 15) (BR. 6)

---

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.

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		
A PLUS NETWORK INC	TN					X	X			05/20/96	
ADVANCED LIGHTING TECHNOLOGIES INC	OH	X					X			03/25/96	
AK STEEL HOLDING CORP	DE				X					05/15/96	
AMERAC ENERGY CORP	DE	X				X				05/14/96	
AMERICAN EXP REC FIN CORP AME EXP MAS TR	DE	X			X	X				01/17/96	
AMERICAN RADIO SYSTEMS CORP /MA/	DE				X	X				05/07/96	
AMERICAN WASTE SERVICES INC	OH				X					05/16/96	
ANSOFT CORP	PA				X					05/08/96	
ARIS INDUSTRIES INC	NY				X	X				05/01/96	
ASSOCIATES CORPORATION OF NORTH AMERICA	DE						X			05/20/96	
ATCHISON CASTING CORP	DE	X								03/11/96	AMEND
AUSTINS INTERNATIONAL INC	DE				X	X				05/10/96	
BAY APARTMENT COMMUNITIES INC	MD				X	X				05/06/96	
BEAR STEARNS ASSET BACKED SECURITIES INC	DE				X	X				05/20/96	
BEC GROUP INC	DE				X	X				05/20/96	
BIOCONTROL TECHNOLOGY INC	PA	X								05/17/96	
BOATMENS AUTO TRUST 1995-A	DE				X					05/15/96	
BOMBARDIER CR RE COR B R M TR I F I R CL		X								04/15/96	
BOMBARDIER CREDIT RECEIVABLES CORP	DE	X								03/31/96	
BRE PROPERTIES INC /MD/	MD						X			03/15/96	AMEND
BRIDGE BANCORP INC	NY				X					05/12/96	
BROADBAND TECHNOLOGIES INC /DE/	DE				X	X				05/17/96	
BROWNE BOTTLING CO	DE	X				X				03/23/96	
BT OFFICE PRODUCTS INTERNATIONAL INC	DE				X					05/14/96	
BUSINESS RECORDS CORPORATION HOLDING CO	DE				X					05/16/96	
CALGENE INC /DE/	DE	X								05/21/96	



8K REPORTS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
FIRST DEPOSIT NATL BK FIRST DEP MA TR AS								X		05/15/96	
FIRST DEPOSIT NATL BK FIRST DEP MA TR AS								X		05/15/96	
FIRST MIDWEST FINANCIAL INC	DE							X	X	05/20/96	
FIRST SUBURBAN INVESTMENT INC 1995-A									X	02/15/96	
FOCUS ENHANCEMENTS INC	DE			X				X		05/14/96	
FORTUNE PETROLEUM CORP	DE		X					X		05/03/96AMEND	
FPA MEDICAL MANAGEMENT INC	DE					X		X		05/19/96	
GARDEN STATE NEWSPAPERS INC	DE		X					X		05/01/96	
GENERAL COMMUNICATION INC	AK							X		03/14/96AMEND	
GENESIS HEALTH VENTURES INC /PA	PA							X		11/30/95AMEND	
GENESIS HEALTH VENTURES INC /PA	PA							X		05/03/96AMEND	
GREAT WESTERN BANK MORTGAGE PASS THROUGH	DE									NO ITEMS	04/30/96
GREAT WESTERN BANK MORTGAGE PASS THROUGH	DE									NO ITEMS	04/30/96
GREAT WESTERN BANK MORTGAGE PASS THROUGH	DE									NO ITEMS	04/30/96
GREAT WESTERN BANK MORTGAGE PASS THROUGH	DE									NO ITEMS	04/30/96
GREAT WESTERN BANK MORTGAGE PASS THROUGH	DE									NO ITEMS	04/30/96
GREAT WESTERN BANK MORTGAGE PASS THROUGH	DE									NO ITEMS	04/30/96
GREAT WESTERN BANK MORTGAGE PASS THROUGH	DE									NO ITEMS	04/30/96
GREAT WESTERN BANK MORTGAGE PASS THROUGH	DE									NO ITEMS	04/30/96
GREEN TREE FINANCIAL CORP	MN					X		X		05/15/96	
GREEN TREE FINANCIAL CORP	MN					X		X		05/15/96	
GREEN TREE FINANCIAL CORP	MN					X		X		05/15/96	
GREEN TREE FINANCIAL CORP	MN					X		X		05/15/96	
GREEN TREE FINANCIAL CORP	MN					X		X		05/15/96	
GREEN TREE FINANCIAL CORP	MN					X		X		05/15/96	
GREEN TREE FINANCIAL CORP	MN					X		X		05/15/96	
GREEN TREE FINANCIAL CORP	MN					X		X		05/15/96	
GREEN TREE FINANCIAL CORP	MN					X		X		05/15/96	
HANNAFORD BROTHERS CO	ME		X							05/20/96	
HBO & CO	DE					X		X		05/21/96	
HEALTHSOUTH CORP	DE					X				05/20/96	
HEALTHY PLANET PRODUCTS INC	DE					X				05/20/96	
HF BANCORP INC	DE					X				05/09/96	
HFS INC	DE					X		X		05/21/96	
HOME BANCORP/IN	IN					X				05/21/96	
HON INDUSTRIES INC	IA					X				05/14/96	
HORIZON CMS HEALTHCARE CORP	DE					X				05/09/96	
HOUSEHOLD CREDIT CARD TRUST 1991-1						X				05/15/96	
HOUSEHOLD FINANCE CORP HOUSEHOLD AFF CRE	DE					X				05/15/96	
HOUSEHOLD REVOLVING HOME EQUITY LOAN TRU	IL					X				05/15/96	
HOUSEHOLD REVOLVING HOME EQUITY LOAN TRU	IL					X				05/20/96	
IBT BANCORP INC /MI/	MI					X				05/15/96	
INTERNATIONAL MULTIFOODS CORP	DE					X		X		05/17/96	
IROQUOIS BANCORP INC	NY					X		X		05/03/96	
JP FOODSERVICE INC	DE					X				05/17/96	
JUDGE IMAGING SYSTEMS INC /	DE					X		X		03/15/96AMEND	
KTI INC	NJ		X					X		06/03/96	
LABONE INC	DE					X				05/10/96	
LAKEHEAD PIPE LINE PARTNERS L P	DE					X				05/15/96	
LARSON DAVIS INC	NV					X		X		05/15/96	
LOCKHEED MARTIN CORP	MD					X		X		05/16/96	
LORAL CORP /NY/	NY					X		X		05/16/96	
M MORTGAGE INC 1995-A								X		02/15/96	
MAIN PLACE FUNDING CORP	DE		X			X				05/20/96	
MBNA CORP	MD					X				05/21/96	

BK REPORTS CONT.

NAME OF ISSUER	STATE CODE	BK ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
MEDAPHIS CORP	DE	X				X				05/06/96	
MELVILLE CORP	NY	X				X				05/05/96	
MERCHANDISE ENTERTAINMENT TELEVISION HOL	DE		X							04/15/96	
METROCALL INC	DE			X	X					05/16/96	
MICROS TO MAINFRAMES INC	NY	X				X				05/06/96	
MLCC MORTGAGE INVESTORS INC	DE					X				05/15/96	
MONACO COACH CORP /DE/	DE					X				03/04/96AMEND	
MONEY STORE CALIFORNIA INC 1995-A						X				02/15/96	
MONEY STORE D C INC 1995-A						X				02/15/96	
MONEY STORE EMPIRE STATE INC 1995-A						X				02/15/96	
MONEY STORE HOME EQUITY CORP 1995-A						X				02/15/96	
MONEY STORE INC TMS SBA LO BK ADJ RATE C						X				02/15/96	
MONEY STORE KENTUCKY INC 1995-A						X				02/15/96	
MONEY STORE MICHIGAN INC 1995-A						X				02/15/96	
MONEY STORE MINNESOTA INC 1995-A						X				02/15/94	
MONEY STORE OHIO INC 1995-A						X				02/15/96	
NEUCOR INC	DE	X				X				05/06/96	
NOMURA ASSET SEC CORP COM MORT PAS THRO	NY				X	X				04/11/96	
NRG GENERATING U S INC	DE		X			X				04/30/96AMEND	
OLD KENT AUTO RECEIVABLES TRUST 1995-A	NY			X						04/15/96	
PACIFIC GULF PROPERTIES INC	MD					X				08/16/95AMEND	
PACIFIC GULF PROPERTIES INC	MD	X				X				05/02/96AMEND	
PACIFIC RIM ENTERTAINMENT INC	DE		X							05/17/96	
PC ETCETERA INC	DE					X				08/12/94AMEND	
PC ETCETERA INC	DE	X				X				01/31/96AMEND	
PEOPLES HOLDING CO	MS			X						05/20/96	
PERCON INC	WA					X				03/07/96AMEND	
PHARMA PATCH PUBLIC LIMITED CO					X	X				03/21/96	
PHARMA PATCH PUBLIC LIMITED CO				X		X				03/21/96AMEND	
PORTACOM WIRELESS INC/					X	X				05/08/96	
PORTER MCLEOD NATIONAL RETAIL INC	DE			X	X					05/20/96	
PRESSTEK INC /DE/	DE					X				02/15/96AMEND	
PRIME HOSPITALITY CORP	DE	X				X				03/06/96AMEND	
PROCYON CORP	CO			X	X					05/09/96	
PROVIDIAN NATIONAL BANK					X					05/15/96	
PRUCO LIFE OF NEW JERSEY VARIABLE CONTRA	NJ		X							05/17/96	
PRUCO LIFE VARIABLE CONTRACT REAL PROPER	AZ		X							05/17/96	
PRUDENTIAL BANK & TRUST CO PBT MASTER CR				X						05/16/96	
PRUDENTIAL BANK & TRUST CO PBT MASTER CR				X						05/16/96	
PRUDENTIAL BANK & TRUST CO PBT MASTER CR	GA		X							05/16/96	
PRUDENTIAL BANK & TRUST CO PBT MASTER CR				X						05/16/96	
PRUDENTIAL VARIABLE CONTRACT REAL PROPER	NJ		X							05/17/96	
PS GROUP INC	DE			X	X					05/19/96	
PS GROUP INC	DE			X	X					05/19/96AMEND	
PS GROUP INC	DE			X	X					05/21/96	
QUAKER OATS CO	NJ		X	X						05/08/96	
QUINTEL ENTERTAINMENT INC	DE		X	X						05/09/96	
READING & BATES CORP	DE				X					05/21/96	
REGIS CORP	MN			X						05/09/96	
REPUBLIC GYPSUM CO	DE			X	X					05/16/96	
REPUBLIC INDUSTRIES INC	DE			X	X					05/20/96	
RESIDENTIAL FUNDING MORTGAGE SECURITIES	DE		X	X						05/20/96	
RESPIRONICS INC	DE			X						05/20/96	
RESPIRONICS INC	DE			X						05/20/96	

8K REPORTS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT	
		1	2	3	4	5	6	7	8			
ROBERTS PHARMACEUTICAL CORP	NJ						X				05/17/96	
RYLAND MORTGAGE SECURITIES CORP SERIES 1	VA	X									03/28/96	
SANCTUARY WOODS MULTIMEDIA CORP								X			05/06/96	
SOFTKEY INTERNATIONAL INC	DE		X					X			05/17/96	
SOUTHDOWN INC	LA	X									05/21/96	
STAGE II APPAREL CORP	NY							X			05/15/96	
STRUCTURED ASSET SECURITIES CORP SERIES		X									04/25/96	
SUMMAGRAPHS CORP	DE				X	X					05/11/96	
TEL COM WIRELESS CABLE TV CORP	FL						X				02/23/96	AMEND
TELEBANC FINANCIAL CORP	DE			X	X						05/02/96	
TL LEASE FUNDING CORP IV	DE				X						05/15/96	
TMS MORTGAGE INC 1995-A								X			02/15/96	
TOTAL SYSTEM SERVICES INC	GA				X	X					05/20/96	
TRINET CORPORATE REALTY TRUST INC	MD						X				05/21/96	
TRITON ENERGY LTD	E9			X	X						05/16/96	
TRUSTCO BANK CORP N Y	NY				X						05/21/96	
UNION ACCEPTANCE CORP	IN		X								05/14/96	
UNION PLANTERS CORP	TN				X	X					05/21/96	
UNITED DOMINION REALTY TRUST INC	VA						X				05/26/94	AMEND
UNITED DOMINION REALTY TRUST INC	VA						X				12/28/94	AMEND
UNITED DOMINION REALTY TRUST INC	VA						X				04/11/95	AMEND
UNITED DOMINION REALTY TRUST INC	VA						X				12/28/95	AMEND
VAN DE KAMPS INC	MO		X				X				05/06/96	
WASHINGTON CONSTRUCTION GROUP INC	DE				X	X					05/16/96	
WHITNEY HOLDING CORP	LA				X	X					03/08/96	AMEND