

SEC NEWS DIGEST

Issue 96-141

July 26, 1996

RULES AND RELATED MATTERS

COMMISSION ISSUES CONCEPT RELEASE REQUESTING COMMENT ON DIFFERENT APPROACHES TO REFORMING THE OFFERING PROCESS UNDER THE SECURITIES ACT OF 1933

The Commission has issued a concept release to solicit public comment on the best means of improving the regulation of the capital formation process while maintaining or enhancing investor protection. The Commission is engaged in a broad reexamination of the regulatory framework for the offer and sale of securities under the Securities Act of 1933. Comment is solicited on a number of possible approaches to improving the registration process. Among them are: the recommendation of the Advisory Committee on the Capital Formation and Regulatory Processes to implement a "company registration" approach; modifications to the existing shelf registration system (many of which were recommended by the Commission's Task Force on Disclosure Simplification); reforms that would liberalize the treatment of unregistered securities; and an approach that would involve deregulation of offers. FOR FURTHER INFORMATION: contact Anita Klein, Office of Chief Counsel, Division of Corporation Finance, at (202) 942-2900. (Rel. Nos. 33-7314; 34-37480; International Series Rel. 1010; File No. S7-19-96)

COMMISSION ANNOUNCEMENTS

BROKER-DEALER CANCELLATIONS

The registrations of the following broker-dealers with the Commission were cancelled by Commission order pursuant to Section 15(b)(5) of the Securities Exchange Act of 1934 on the dates noted below. The following broker-dealers either failed to comply with applicable requirements of the Securities Investor Protection Corp. (SIPC) or failed to be a member of a self-regulatory organization. Any customer of one of the following broker-dealers who has not received his or her cash or securities from the broker-dealer should **immediately** contact the National Association of Securities Dealers Inc. (NASD), at 1-800-289-9999 and ask to be referred to the appropriate local NASD office. Representatives of your local NASD office will be able to assist you with any questions you may have.

Persons with cash or securities in a securities account at one of the broker-dealers listed below may have a claim against the broker-dealer under the Securities Investor Protection Act of 1970 (SIPA). SIPC may act to protect customers for only 180 days from the date of the cancellation. For information regarding the nature of SIPC protection, please contact SIPC at 805 Fifteenth Street N.W., Suite 800, Washington D.C., (202) 371-8300.

<u>Broker-Dealer</u>	<u>Date of Cancellation</u>
Aesop Brokerage Services Inc.	6/19/96
Appleby Partners Inc.	6/19/96
Arbitral Finance Inc.	6/19/96
Aspen Capital Group Inc.	6/19/96
Athens Trading Co. Ltd.	6/19/96
Atlas Partners LP	6/19/96
Bailie Boston & Smith	6/19/96
Beacon Securities Inc.	6/19/96
Beecroft & Berman Inc.	6/19/96
BHNV Investments Inc.	6/19/96
Jeffrey Brooks Inc.	6/19/96
Frank Peter Cassino	6/19/96
Robert D. Catenacci	6/19/96
Oliver C. Chamberlin	6/19/96
Chaparral Brokerage Inc.	6/19/96
Charter Investment Group Inc.	6/19/96
Michael John Ciano	6/19/96
Clark Financial Services Group	6/19/96
Clermont Capital	6/19/96
Donald Panama Cohen	6/19/96
Confederation Financial Services	6/19/96
Core Investment Group Inc.	6/19/96
D&D Discount Brokerage Services LP	6/19/96
Daniels & Bell Inc.	6/19/96
Edwards Investment Co.	6/19/96
Equity Management Systems Inc.	6/19/96
Eurocapital Securities Inc.	6/19/96
First Strata Corp.	6/19/96
Global Emerging Markets NA Inc.	6/19/96
Brian Glubok	6/19/96
David Martin Golodetz	6/19/96
Greenstone Securities Inc.	6/19/96
Edward Stuart Gutman	6/19/96
Hastings Securities Inc.	6/19/96
Leandro J. Herrera	6/19/96
Hess Investment Co.	6/19/96
IDL Associates	6/19/96
International Capital Securities	6/19/96
JTR Capital Inc.	6/19/96
Abe Irbin Korach	6/19/96
Steven L. Krupa	6/19/96

Broker-Dealer

Date of Cancellation

Land Mark Inc.	6/19/96
Lexington Securities Inc.	6/19/96
LT Capital Management LP	6/19/96
Mariner Partners LP	6/19/96
David A. McMullan	6/19/96
Monaco Securities Inc.	6/19/96
Stuart Jonathan Neft	6/19/96
Timothy F. Noble	6/19/96
Olliff & Partners Inc. Ltd.	6/19/96
J.A. Overton & Co., Inc.	6/19/96
Pragnesh Parikh	6/19/96
Robert Christopher Pitt	6/19/96
Frank P. Pravato Jr.	6/19/96
Realty Capital Securities Inc.	6/19/96
Martin Rebhun	6/19/96
Paul Derrick Riggio	6/19/96
R. L. Rosen Inc.	6/19/96
Rothschild Global Investments Inc.	6/19/96
Michael Schiff	6/19/96
Security Trust Financial Services	6/19/96
Kevin Patrick Shea	6/19/96
Smith Mitchell Investment Group	6/19/96
T.L. Smith Securities Inc.	6/19/96
Societe Generale Options NA Inc.	6/19/96
Michael A. Sozek	6/19/96
Tamaron Investment Inc.	6/19/96
TWC Capital Corp.	6/19/96
Village Securities Corp.	6/19/96
Robert Carter Wieneke	6/19/96
Windsor Investment Group Inc.	6/19/96
Windsor Reynolds Securities Inc.	6/19/96
Arnold Yusim	6/19/96
Neil Zahos	6/19/96

COMMISSION MEETINGS

CLOSED MEETING - THURSDAY, AUGUST 1, 1996 - 10:00 A.M.

The subject matter of the closed meeting scheduled for Thursday, August 1, 1996, at 10:00 a.m., will be: Institution and settlement of injunctive actions; Institution of administrative proceedings of an enforcement nature; and Opinion.

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST JAMES THORNTON AND PAYNE & THORNTON, INC. D/B/A RETIREMENT INVESTMENT GROUP

The Commission announced that it instituted public administrative proceedings against Payne & Thornton, Inc. d/b/a Retirement Investment Group, (Retirement), a broker-dealer registered with the Commission since October 5, 1978, and its president, James Thornton, pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 (Exchange Act). Retirement is headquartered in Houston, Texas. The order alleges that Thornton and Retirement failed reasonably to supervise a registered representative formerly associated with Retirement, within the meaning of Sections 15(b)(6) and 15(b)(4)(E), respectively, of the Exchange Act. Among other things, the registered representative allegedly made false and misleading statements of material facts and omitted to state material facts in connection with sales of partnership interests to her customers.

A hearing will be held to determine whether the allegations are true, to offer Thornton and Retirement an opportunity to establish any defenses to the allegations, and to determine what remedial sanctions, if any, are appropriate. (Rel. 34-37477)

SEC FILES PROPOSED PLAN FOR DISGORGEMENT DISTRIBUTION IN THE MATTER OF ELLIOTT ROSENBERG, JACK GILBERT, HOWARD CAPLAN, GERALD PERLMUTAR AND DOUGLAS MANSFIELD

The Division of Enforcement today announced the filing of a proposed plan to distribute \$435,000 of monies disgorged In the Matter of Elliott B. Rosenberg, Jack A. Gilbert, Howard M. Caplan, Gerald J. Perlmutar and Douglas H. Mansfield (Disgorgement Plan). Pursuant to the Disgorgement Plan, investors who purchased the common stock of Multireal Properties, Inc. (Multireal) in the United States during the period October 15, 1987, through September 30, 1988, or purchased the common stock of Delicorp Foodservice, Inc. (Delicorp) in the United States during the period April 7, 1988, through September 23, 1988, may be eligible to share in the distribution of the disgorgement fund if they suffered an aggregate net loss from their purchases and sales of either Multireal or Delicorp stock during the relevant periods.

Copies of the proposed Disgorgement Plan may be obtained from the Office of the Secretary, U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Mail Stop 6-9, Washington, D.C. 20549, (202) 942-7070.

Any person wishing to comment on the Disgorgement Plan must do so in writing within 30 days following today's date by filing the written comment with the Office of the Secretary, Securities and Exchange Commission, 450 5th Street, N.W., Mail Stop 6-9, Washington, D.C. 20549; and serving a copy of the written comment by first class mail upon Jonathan R. Barr, Securities and Exchange Commission, 450 5th Street, N.W., Mail Stop 5-4, Washington, D.C. 20549. (Rel. 33-7313)

INVESTMENT COMPANY ACT RELEASES

KEYPORT LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until August 20 to request a hearing on an application filed by Keyport Life Insurance Company, KMA Variable Account (KMA Account), Variable Account A (Account A), Independence Life and Annuity Company, Independence Variable Annuity Separate Account (VA Account), Liberty Life Assurance Company of Boston, Liberty Life Variable Account K (Account K, together with KMA Account, Account A and VA Account, the Separate Accounts) and Keyport Financial Services Corporation (KFSC) (collectively, Applicants). Applicants seek an order pursuant to Section 6(c) of the Investment Company Act granting exemptions from Sections 26(a)(2)(C) and 27(c)(2) thereof to the extent necessary to permit the deduction of mortality and expense risk charges ranging from a minimum of 0.35 percent to a maximum of 1.25 percent from the assets of the Separate Accounts in connection with the offering of certain flexible premium variable annuity contracts (Existing Contracts); and any other separate account established in the future by Applicants in connection with the offering of variable annuity contracts (Future Contracts, together with Existing Contracts, Contracts) which are substantially similar in all material respects to the Existing Contracts. Exemptive relief also is requested to the extent necessary to permit the offer and sale of Contracts for which certain broker-dealers other than KFSC serve as the principal underwriter. (Rel. IC-22096 - July 25)

CONTINENTAL ASSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until August 16 to request a hearing on an application filed by Continental Assurance Company (CAC), Valley Forge Life Insurance Company (together with CAC, the Companies), Continental Assurance Company Variable Life Separate Account (CAC Account), Valley Forge Life Insurance Company Variable Life Separate Account (VPL Account), and CNA Investor Services, Inc. Applicants seek an order under Section 6(c) of the Investment Company Act exempting them from Sections 27(a)(3), 27(c)(2), and 27(e) of the Act, and Rules 6e3(T)(b)(13)(ii), 6e-3(T)(b)(13)(vii), 6e-3(T)(c)(4)(v), and 27e-1

thereunder. The order would provide exemptions to the extent necessary to permit them or any other variable life insurance separate account established in the future by the Companies (collectively, with the CAC Account and the VFL Account, the Accounts) to support certain flexible premium variable life insurance policies offered currently or in the future through the Accounts (collectively, the Policies) to deduct from premium payments received under the Policies a charge that is reasonable in relation to each Company's increased federal tax burden related to the receipt of such premium payments that results from the application of Section 848 of the Internal Revenue Code of 1986, as amended; deduct sales charges from premium payments received in connection with Policies in a manner that results, in some instances, in sales charges on subsequent premium payments exceeding sales charges on prior premium payments; compute sales surrender charges on such premium payments in a manner that results, in some instances, in sales surrender charges on subsequent premium payments exceeding sales surrender charges on prior premium payments; and refrain from sending owners of Policies a written notice of certain refund and withdrawal rights. (Rel. IC-22097 - July 25)

HOLDING COMPANY ACT RELEASES

EASTERN UTILITIES ASSOCIATES, ET AL.

A supplemental order has been issued authorizing Eastern Utilities Associates, a registered holding company, and its wholly owned nonutility subsidiary company, EUA Cogenex (Cogenex), to expand the energy management services provided by Cogenex to include services relating to the identification and provision of water cost reduction and conservation opportunities. (Rel. 35-26546)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The Chicago Board Options Exchange filed a proposed rule change (SR-CBOE-96-49) to amend Exchange Rule 17.10 to formalize the current practice whereby the Board has permitted one additional submission by both Exchange staff and Respondent following Respondent's petition for review of the Business Conduct Committee's decisions by the Exchange's Board of Directors. (Rel. 34-37473)

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-96-28) to amend NASD Telemarketing Rules. Publication of the proposal is expected in the Federal Register during the week of July 29. (Rel. 34-37475)

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-1 LOGOS RESEARCH SYSTEMS INC, 2117 200TH AVE WEST, OAK HARBOR, WA 98277 - 4,500,000 (\$4,500,000) COMMON STOCK. (FILE 333-5178-LA - JUL. 01) (BR. 9 - NEW ISSUE)
- SB-2 ARCA CORP, 215 WEST MAIN ST, MAPLE SHADE, NJ 08052 (609) 778-5759 - 140,000 (\$140,000) COMMON STOCK. (FILE 333-5278-NY - JUL. 16) (BR. 13 - NEW ISSUE)
- S-3 SEA CONTAINERS LTD /NY/, 41 CEDAR AVE, P O BOX HM 1179, HAMILTON HM EX BERMUDA, DO (212) 302-5066 - 316,306 (\$5,812,122.75) COMMON STOCK. (FILE 333-5280 - JUL. 16) (BR. 5)
- F-6 SEMBAWANG CORP LTD /ADR/, 48 WALL ST, C/O BANK OF NEW YORK, NEW YORK, NY 10015 (212) 530-1784 - 10,000,000 (\$500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-5286 - JUL. 17) (BR. 99)
- S-1 NAVIGATION TECHNOLOGIES CORP, 740 EAST ARQUES AVENUE, SUNNYVALE, CA 94086 (940) 86-3833 - 13,800,000 (\$193,200,000) COMMON STOCK. (FILE 333-8409 - JUL. 19)
- S-6 NUVEEN TAX FREE UNIT TRUST SERIES 883, 333 W. WACKER, CHICAGO, IL 60606 (312) 917-7786 - INDEFINITE SHARES. (FILE 333-8411 - JUL. 19) (NEW ISSUE)
- S-8 VESTRO NATURAL FOODS INC /DE/, 1065 E WALNUT ST, CARSON, CA 90746 (310) 886-8200 - 1,089,375 (\$2,451,094) COMMON STOCK. (FILE 333-8413 - JUL. 19) (BR. 2)
- S-3 OMEGA HEALTHCARE INVESTORS INC, 905 W EISENHOWER CIRCLE STE 110, ANN ARBOR, MI 48103 (313) 747-9790 - 2,000,000 (\$56,500,000) COMMON STOCK. (FILE 333-8415 - JUL. 19) (BR. 8)
- S-8 MULTICOM PUBLISHING INC, 1100 OLIVE WAY, STE 1250, SEATTLE, WA 98101 (206) 622-5530 - 1,848,152 (\$8,141,370.08) COMMON STOCK. (FILE 333-8417 - JUL. 19) (BR. 3)
- S-8 BLUE FISH CLOTHING INC, # 3 SIXTH ST, FRENCHTOWN, NJ 08825 - 645,000 (\$4,837,500) COMMON STOCK. (FILE 333-8419 - JUL. 19) (BR. 2)
- S-1 GOSS GRAPHIC SYSTEMS INC, 767 FIFTH AVE, 48TH FLOOR, NEW YORK, NY 10153 (212) 339-8500 - 225,000,000 (\$225,000,000) STRAIGHT BONDS. (FILE 333-8421 - JUL. 19) (NEW ISSUE)
- S-8 IMMULOGIC PHARMACEUTICAL CORP /DE/, 610 LINCOLN ST, WALTHAM, MA 02154 (617) 466-6000 - 100,000 (\$700,000) COMMON STOCK. (FILE 333-8423 - JUL. 19) (BR. 1)

- S-8 IMMULOGIC PHARMACEUTICAL CORP /DE, 610 LINCOLN ST, WALTHAM, MA 02154
(617) 466-6000 - 500,000 (\$3,500,000) COMMON STOCK. (FILE 333-8425 -
JUL. 19) (BR. 1)
- S-8 AETNA INC, 151 FARMINGTON AVE, HARTFORD, CT 06156 (860) 273-0123 -
425,000 (\$27,357,250) COMMON STOCK. (FILE 333-8427 - JUL. 19) (BR. 1)
- S-8 AETNA INC, 151 FARMINGTON AVE, HARTFORD, CT 06156 (860) 273-0123 -
99,600 (\$6,411,250) COMMON STOCK. (FILE 333-8429 - JUL. 19) (BR. 1)
- S-8 AETNA INC, 151 FARMINGTON AVE, HARTFORD, CT 06156 (860) 273-0123 -
13,270,000 (\$854,189,900) COMMON STOCK. (FILE 333-8431 - JUL. 19) (BR. 1)
- S-8 MACROMEDIA INC, 600 TOWNSEND ST, STE 310 W, SAN FRANCISCO, CA 94103
(415) 252-2000 - 1,800,000 (\$27,900,000) COMMON STOCK. (FILE 333-8435 -
JUL. 19) (BR. 3)
- S-3 ICIFC SECURED ASSETS CORP, 20371 IRVINE AVE #104, SANTA ANA HEIGTS, CA
92707 (714) 556-0122 - 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES.
(FILE 333-8439 - JUL. 19) (NEW ISSUE)
- S-3 VETERINARY CENTERS OF AMERICA INC, 3420 OCEAN PARK BLVD STE 1000,
SANTA MONICA, CA 90405 (310) 392-9599 - 37,100,000 (\$37,100,000)
CONVERTIBLE DEBENTURES AND NOTES. (FILE 333-8441 - JUL. 19) (BR. 2)
- S-8 WYNDHAM HOTEL CORP, 2001 BRYAN ST, STE 2300, DALLAS, TX 75201
(214) 863-1100 - 500,000 (\$10,687,500) COMMON STOCK. (FILE 333-8443 -
JUL. 19) (BR. 5)
- S-4 HEALTHSOUTH CORP, TWO PERIMETER PARK S, STE 224W, BIRMINGHAM, AL 35243
(205) 967-7116 - 8,262,381 (\$60,150,100) COMMON STOCK. (FILE 333-8449 -
JUL. 19) (BR. 1)
- S-8 INFERENCE CORP /CA/, 100 ROWLAND WAY, NOVATO, CA 94945 (415) 893-7200 -
500,000 (\$8,125,000) COMMON STOCK. (FILE 333-8451 - JUL. 19) (BR. 3)
- S-1 INGRAM MICRO INC, 1600 E ST ANDREW PLACE, SANTA ANA, CA 92705
(714) 566-1000 - 23,000,000 (\$322,000,000) COMMON STOCK. (FILE 333-8453 -
JUL. 19) (NEW ISSUE)
- S-3 DANKA BUSINESS SYSTEMS PLC, 11201 DANKA CIRCLE N, ST PETERSBURG, FL
33716 (813) 576-6003 - 960,141 (\$5,940,872) COMMON STOCK. (FILE 333-8455 -
JUL. 19) (BR. 2)
- S-8 UGLY DUCKLING CORP, 2525 EAST CAMELBACK RD, STE 1150, PHOENIX, AZ 85016
(602) 852-6600 - 800,000 (\$7,048,000) COMMON STOCK. (FILE 333-8457 -
JUL. 19) (BR. 2)
- S-1 FULTON BANCORP INC, 410 MARKET STREET, FULTON, MO 65351 (573) 642-6618
- 1,719,250 (\$17,192,500) COMMON STOCK. (FILE 333-8461 - JUL. 19)
(NEW ISSUE)
- S-8 GENESCO INC, GENESCO PK 1415 MURFREESBORO RD, NASHVILLE, TN 37217
(615) 367-7000 - 1,200,000 (\$7,425,000) COMMON STOCK. (FILE 333-8463 -
JUL. 19) (BR. 2)
- S-8 UNITED CAROLINA BANCSHARES CORP, 127 WEST WEBSTER ST, P O BOX 682,
WHITEVILLE, NC 28472 (919) 642-1531 - 2,500,000 (\$55,312,500) COMMON STOCK.
(FILE 333-8465 - JUL. 19) (BR. 7)
- S-8 AMERICAN TECHNOLOGIES GROUP INC, 1017 S MOUNTAIN AVE, MONROVIA, CA 91016
(818) 357-5000 - 90,000 (\$303,750) COMMON STOCK. (FILE 333-8467 - JUL. 19)
(BR. 5)
- S-3 THOMAS & BETTS CORP, 1555 LYNNFIELD ROAD, MEMPHIS, TN 38119
(901) 682-7766 - 357,326 (\$12,752,964) COMMON STOCK. (FILE 333-8469 -
JUL. 19) (BR. 6)
- S-8 TELEPAD CORP, 380 HERNDON PKWY, STE 1900, HERNDON, VA 22070
(703) 834-9000 - 175,000 (\$749,374) COMMON STOCK. (FILE 333-8471 -
JUL. 19) (BR. 9)

- S-8 TELEPAD CORP, 380 HERNDON PKWY, STE 1900, HERNDON, VA 22070
(703) 834-9000 - 975,000 (\$3,926,501) COMMON STOCK. (FILE 333-8473 -
JUL. 19) (BR. 9)
- S-8 COMPUTER PRODUCTS INC, 7900 GLADES RD STE 500, BOCA RATON, FL 33434
(407) 451-1000 - 1,450,000 (\$23,406,683) COMMON STOCK. (FILE 333-8475 -
JUL. 19) (BR. 3)
- S-8 MEDCROSS INC, 3227 BENNET ST N, ST PETERSBURG, FL 33713 (813) 521-1793
- 250,000 (\$1,468,750) COMMON STOCK. (FILE 333-8477 - JUL. 19) (BR. 1)
- S-3 REPUBLIC INDUSTRIES INC, 200 E LAS OLAS BLVD, STE 1400, FT. LAUDERDALE,
FL 33301 (305) 761-8333 - 4,616,530 (\$97,812,729.38) COMMON STOCK. (FILE
333-8479 - JUL. 19) (BR. 4)
- S-8 HARRINGTON FINANCIAL GROUP INC, 7300 COLLEGE BLVD, SUITE 430,
OVERLAND PARK, KS 66210 (913) 451-1566 - 350,000 (\$3,587,500) COMMON STOCK.
(FILE 333-8481 - JUL. 19) (BR. 7)
- S-8 MEDCROSS INC, 3227 BENNET ST N, ST PETERSBURG, FL 33713 (813) 521-1793
- 400,000 (\$2,350,000) COMMON STOCK. (FILE 333-8483 - JUL. 19) (BR. 1)
- S-8 ICOS CORP / DE, 22021-20TH AVENUE S.E., BOTHELL, WA 98021
(206) 485-1900 - 3,850,000 (\$27,190,625) COMMON STOCK. (FILE 333-8485 -
JUL. 19) (BR. 1)
- S-8 SPECTRANETICS CORP, 96 TALAMINE COURT, COLORADO SPRING, CO 80907
(719) 633-8333 - 900,000 (\$4,077,000) COMMON STOCK. (FILE 333-8489 -
JUL. 19) (BR. 1)
- S-8 KVH INDUSTRIES INC \DE\, 110 ENTERPRISE CENTER, MIDDLETOWN, RI 02842
(401) 847-3327 - 1,805,000 (\$9,409,852) COMMON STOCK. (FILE 333-8491 -
JUL. 19) (BR. 5)
- S-8 ANALOG DEVICES INC, ONE TECHNOLOGY WAY, NORWOOD, MA 02062 (617) 329-4700
- 3,000,000 (\$55,125,000) COMMON STOCK. (FILE 333-8493 - JUL. 19) (BR. 6)
- S-8 STORAGE TECHNOLOGY CORP, 2270 S 88TH ST, LOUISVILLE, CO 80028
(303) 673-5151 - 1,750,000 (\$49,087,500) COMMON STOCK. (FILE 333-8495 -
JUL. 19) (BR. 3)
- S-8 STORAGE TECHNOLOGY CORP, 2270 S 88TH ST, LOUISVILLE, CO 80028
(303) 673-5151 - 180,000 (\$4,477,500) COMMON STOCK. (FILE 333-8497 -
JUL. 19) (BR. 3)
- S-4 STAR MULTI CARE SERVICES INC, 99 RAILROAD PLAZA, SUITE 208, HICKSVILLE,
NY 11801 (718) 488-7300 - 1,445,496 (\$10,050,389.13) COMMON STOCK. (FILE
333-8499 - JUL. 19) (BR. 1)
- S-3 CASCADE NATURAL GAS CORP, 222 FAIRVIEW AVE N, SEATTLE, WA 98109
(206) 624-3900 - 3,500,000 (\$48,562,500) COMMON STOCK. (FILE 333-8501 -
JUL. 19) (BR. 4)
- S-4 CENTURA BANKS INC, 134 N CHURCH ST, ROCKY MOUNT, NC 27804 (919) 977-4400
- 1,188,161 (\$16,663,896) COMMON STOCK. (FILE 333-8503 - JUL. 19) (BR. 7)
- S-3 ANALOG DEVICES INC, ONE TECHNOLOGY WAY, NORWOOD, MA 02062 (617) 329-4700
- 2,250,000 (\$41,343,750) COMMON STOCK. (FILE 333-8505 - JUL. 19) (BR. 6)
- S-8 FOURTH SHIFT CORP, 7900 INTERNATIONAL DR, STE 450, MINNEAPOLIS, MN 55425
(612) 851-1500 - 1,200,000 (\$7,800,000) COMMON STOCK. (FILE 333-8507 -
JUL. 19) (BR. 3)
- S-3 ANALOG DEVICES INC, ONE TECHNOLOGY WAY, NORWOOD, MA 02062 (617) 329-4700
- 76,596 (\$1,407,451.50) COMMON STOCK. (FILE 333-8509 - JUL. 19) (BR. 6)
- S-1 INDIVIDUAL INC, 8 NEW ENGLAND EXECUTIVE PARK WEST, BURLINGTON, MA 01803
(617) 273-6000 - 1,514,309 (\$15,900,244.50) COMMON STOCK. (FILE 333-8511 -
JUL. 19) (BR. 3)

- S-6 FIRST TRUST SPECIAL SITUATIONS TRUST SERIES 156,
C/O NIKE SECURITIES L P, 1001 WARRENVILLE ROAD, LISLE, IL 60532
(708) 241-4141 - INDEFINITE SHARES. (FILE 333-8513 - JUL. 19) (NEW ISSUE)
- S-8 NYNEX CORP, 1095 AVENUE OF AMERICAS, NEW YORK, NY 10036 ((21) 2) -395-
- 50,000 (\$2,240,625) COMMON STOCK. (FILE 333-8515 - JUL. 19) (BR. 3)
- S-8 DRILEX INTERNATIONAL INC, 15151 SOMMERMEYER, 15151 SOMMERMEYER, HOUSTON,
TX 77041 (713) 937-8888 - 440,000 (\$7,040,000) COMMON STOCK. (FILE
333-8517 - JUL. 19) (BR. 4)
- S-3 WELLPOINT HEALTH NETWORKS INC /CA/, 21555 OXNARD STREET, WOODLAND HILLS,
CA 91367 (818) 703-4000 (FILE 333-8519 - JUL. 19) (BR. 1)
- S-4 PARACELSUS HEALTHCARE CORP, 155 N LAKE AVE STE 1100, PASADENA, CA 91101
(818) 792-8600 - 14,966,283 (\$153,404,401) COMMON STOCK. 5,211,428
(\$23,451,426) PREFERRED STOCK. (FILE 333-8521 - JUL. 19) (BR. 1)
- S-8 HEARX LTD, 471 SPENCER DRIVE, WEST PALM BEACH, FL 33409 (407) 478-8770
- 3,744,000 (\$11,809,625) COMMON STOCK. (FILE 333-8523 - JUL. 19) (BR. 2)
- S-8 HARMONY HOLDINGS INC, 1990 WESTWOOD BLVD, SUITE 310, LOS ANGELES, CA
90025 (310) 446-7700 - 1,664,000 (\$3,430,700) COMMON STOCK. (FILE
333-8525 - JUL. 19) (BR. 5)
- S-3 IPALCO ENTERPRISES INC, 25 MONUMENT CIRCLE, PO BOX 1595, INDIANAPOLIS,
IN 46206 (317) 261-8261 - 1,500,000 (\$39,187,500) COMMON STOCK. (FILE
333-8527 - JUL. 19) (BR. 4)
- S-4 TWAIN MARK BANCSHARES INC, 9321 OLIVE BLVD, ST LOUIS, MO 63132
(314) 727-1000 - 367,874 (\$6,533,971) COMMON STOCK. (FILE 333-8529 -
JUL. 22) (BR. 7)
- S-3 INDENET INC, 1640 N GOWER ST, LOS ANGELES, CA 90028 (213) 466-6388 -
937,561 (\$2,925,190.32) COMMON STOCK. (FILE 333-8531 - JUL. 19) (BR. 5)
- S-3 AMERICAN BODY ARMOR & EQUIPMENT INC, 191 NASSAU PL RD, YULEE, FL 32097
(904) 261-4035 - 4,510,217 (\$31,436,212) COMMON STOCK. (FILE 333-8533 -
JUL. 22) (BR. 1)
- S-8 GELTEX PHARMACEUTICALS INC, 303 BEAR HILL RD, WALTHAM, MA 02154
(617) 290-5888 - 1,705,585 (\$16,831,407.94) COMMON STOCK. (FILE 333-8535 -
JUL. 22) (BR. 1)

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING July 25, 1996
File No. 3-9046

In the Matter of	:	ORDER INSTITUTING PUBLIC
	:	ADMINISTRATIVE PROCEEDINGS
James Thornton and Payne &	:	PURSUANT TO SECTIONS 15(b)
Thornton, Inc. d/b/a	:	AND 19(h) OF THE
Retirement Investment Group	:	SECURITIES EXCHANGE ACT
	:	OF 1934

I.

The public official files of the Securities and Exchange Commission ("Commission") disclose that Payne & Thornton, Inc. d/b/a Retirement Investment Group ("Retirement"), a Texas corporation with its headquarters in Houston, Texas, has been registered with the Commission as a broker-dealer pursuant to Section 15(b) of the Securities Exchange Act ("Exchange Act") since October 5, 1978.

II.

As a result of an investigation, the Division of Enforcement alleges that:

A. James Thornton is the president of, and a registered representative with, Retirement and was responsible for supervising Gail G. Griseuk ("Griseuk").

B. During the period from in or about June 1988 to in or about December 1991, Griseuk was a registered representative associated with Retirement.

C. During the period from in or about December 1990 to in or about November 1991, Griseuk willfully violated Section 10(b) of the Exchange Act and Rule 10b-5, thereunder, in that, in connection with the purchase and sales of certain securities, namely: (1) Smith Wilson Equipment Lease Backed Securities Limited Partnership; (2) Michael Andrew Group/Vista del Oro, Limited Partnership; (3) Boardwalk Convention Hotel Partners, Ltd.; and (4) Gausdale Devonian Partners, 1990-I, by use of the means and instrumentalities of interstate commerce, and by use of the mails, Griseuk, directly and indirectly, employed devices, schemes, and artifices to defraud; made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and engaged in acts, practices and a

course of business which would and did operate as a fraud and deceit. Specifically, Griseuk made false and misleading statements of material facts and omitted to state material facts concerning the risk, safety, liquidity and the essential nature of the securities and compensation she received in connection with sales of the securities.

D. During the period from in or about December 1990 to in or about November 1991, Griseuk willfully violated Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act, in that, in the offer and sale of the securities identified above, by use of the means and instruments of interstate commerce and by use of the mails, Griseuk, directly and indirectly, obtained money and property by means of untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and/or employed devices, schemes and artifices to defraud, and engaged in transactions, practices and a course of business which would and did operate as a fraud and deceit upon the purchasers of such securities.

E. As part of the aforesaid conduct described in Section II. paragraphs C. and D. above, during the period from July 25, 1991 to in or about November 1991, in connection with the purchase, sale or offer of approximately \$325,000 in interests in Gausdale Devonian Partners, 1990-I to 14 customers, Griseuk made false and misleading statements of material facts and omitted to state material facts concerning the risk, safety, liquidity and the essential nature of those securities; and compensation she received in connection with sales of those securities.

F. During the period from July 25, 1991 to in or about November 1991, Thornton failed reasonably to supervise Griseuk within the meaning of Section 15(b)(6) of the Exchange Act by, among other things:

(1) failing to investigate all investor complaints with a view to detecting and stopping in a timely manner the violative sales activity by Griseuk in connection with the fraudulent sales of limited partnerships to her customers, despite Thornton's duty pursuant to Retirement's written supervisory procedures to do so;

(2) failing to review all customer accounts on a monthly basis despite Thornton's duty pursuant to Retirement's written supervisory procedures to do so; and

(3) failing to perform heightened supervision of Griseuk despite notification of investor complaints against Griseuk, and other red flags such as the lawsuits filed against Griseuk and failing to investigate the function of "Rhodes Capital, GAI and Gail Griseuk and Associates" during Thornton's visits to Griseuk's, place of business, despite the signs advertising these companies

and the possible implication for Retirement.

G. During the period from July 25, 1991 to in or about November 1991, Retirement failed reasonably to supervise Griseuk within the meaning of Section 15(b)(4)(E) of the Exchange Act by, among other things:

(1) failing to have in place or implement any additional supervisory procedures once Retirement was on notice of possible violations of the federal securities laws by Griseuk; and

(2) failing to perform heightened supervision of Griseuk despite notification of investor complaints against Griseuk, other red flags such as the lawsuits filed against Griseuk and failing to investigate the function of "Rhodes Capital, GAI and Gail Griseuk and Associates" during Thornton's visits to Griseuk's, place of business, despite the signs advertising these companies and the possible implication for Retirement.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest and for the protection of investors that public proceedings be instituted to determine:

A. Whether the allegations set forth above in Section II., above, are true, and in connection therewith, to afford Respondents Thornton and Retirement an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action against Respondents Thornton and Retirement is necessary or appropriate in the public interest or for the protection of investors pursuant to Sections 15(b) and 19(h) of the Exchange Act;

C. Whether a civil penalty against Respondents Thornton and Retirement is appropriate pursuant to Section 21B of the Exchange Act.

IV.

IT IS HEREBY ORDERED that a public hearing for the purpose of taking evidence on the questions set forth above in Section III. be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further Order, as provided by Rule 200 of the Commission's Rules of Practice, 17 C.F.R. § 201.200.

IT IS FURTHER ORDERED that Respondents Thornton and Retirement shall file an answer to the allegations contained in this Order within twenty (20) days after service upon them of this Order

pursuant to Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents Thornton and Retirement fail to file an answer or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceeding may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 220 and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.220 and 201.310.

This Order shall be served upon Respondents Thornton and Retirement personally or by certified mail forthwith.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceedings will be permitted to participate or advise in the decision upon this matter, except as a witness or counsel in proceedings held pursuant to notice.

Because this proceeding is not "rule-making" within the meaning of Section 4(c) of the Administrative Procedure Act, it is not deemed subject to the provisions of that Section delaying the effective date of any final Commission action.

By the Commission.

Jonathan G. Katz
Secretary