

SEC NEWS DIGEST

Issue 97-37

February 25, 1997

ENFORCEMENT PROCEEDINGS

NORMAN GELMAN ORDERED TO CEASE AND DESIST

The Commission instituted cease and desist proceedings against Norman Gelman (Gelman) pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934. Simultaneously, the Commission accepted an offer of settlement from Gelman in which he consented to the entry of an Order which makes findings that Gelman violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by signing a registration statement on Form S-8 which contained statements Gelman knew to be false. The false statements were to the effect that Axiom Security Solutions, Inc., the issuer of the stock, rather than the unaffiliated company which had received the stock, would receive the proceeds of any sales of the stock registered by the Form 5-8 registration statement and that Axiom would use the proceeds for purposes enumerated in the registration statement.

The Commission ordered that Gelman cease and desist from committing or causing such violation and any future violation of Section 17(a) of the Securities Act or Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder. (Rel. Nos. 33-7396; 34-38325)

IN THE MATTER OF VINCENT POLISENO

On February 24, the Commission entered an Order Instituting Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 15(b)(6), 19(h) and 21C of the Securities Exchange Act of 1934 against Vincent Polisenno, a registered representative at D.H Blair & Co., Inc., a broker dealer located in New York City. The Order institutes a public administrative proceeding to determine, among other things, whether a cease and desist order should be entered against Polisenno, whether he should be required to disgorge ill-gotten gains and whether a penalty should be assessed against him.

The Division of Enforcement alleges that from 1993 through at least 1995 Polisenno willfully engaged in fraudulent sales practices,

including: unauthorized trading in the accounts of elderly clients; churning a customer's account; executing transactions in the accounts of customers that were unsuitable in light of the customers' investment objectives and financial situations; and making materially false and misleading statements and omitting material facts to customers concerning, among other things, losses in their accounts, expected increases in the price of stocks he recommended and the riskiness of stocks he recommended. (Rel. 34-38327)

CIVIL INJUNCTIVE ACTION FILED AGAINST GEORGE CHELEKIS, KGC, INC. AND HOT STOCKS REVIEW, INC.

On February 25, the Commission filed a complaint in the United States District Court for the District of Columbia against George Chelekis (Chelekis), KGC, Inc. and Hot Stocks Review, Inc. The complaint alleges that from at least January 1995 through August 1995, Chelekis, a publisher who distributes various investment newsletters, known as the "Hot Stocks" publications, over the Internet and in print format, knowingly or recklessly made materially false and misleading statements concerning six publicly-traded companies. The complaint further alleges that from April 1994 through September 1995, Chelekis failed to disclose in the Hot Stocks publications that he and entities that he controls, defendants KGC, Inc. and Hot Stocks Review, Inc., received at least \$1.1 million from more than 150 issuers, and 275,500 shares of stock from 10 issuers, as payment for recommending securities of such issuers in the Hot Stocks publications.

Without admitting or denying the allegations in the complaint, Chelekis, KGC, Inc. and Hot Stocks Review, Inc. consented to the entry of a final judgment permanently enjoining them from violating Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder, and Section 17(b) of the Securities Act of 1933. The final judgment orders the defendants to pay a total of \$162,727, representing \$75,050 in disgorgement, \$12,627 in prejudgment interest and a \$75,050 civil penalty. [SEC v. George Chelekis, KGC, Inc., and Hot Stocks Review, Inc., Civil Action No. 97CV-00374, D.D.C.] (LR-15264)

INVESTMENT COMPANY ACT RELEASES

HVA MONEY MARKET FUND, INC., ET AL.

A notice has been issued giving interested persons until March 18 to request a hearing on an application filed by HVA Money Market Fund, Inc. and Hartford U.S. Government Money Market Fund, Inc. for an order under Section 17(b) of the Investment Company Act granting an exemption from Section 17(a) of the Act. The requested order would permit HVA Money Market Fund, Inc. to acquire substantially all of the assets of Hartford U.S. Government Money Market Fund, Inc.

Because of certain affiliations, the funds may not rely on Rule 17a-8 under the Act. (Rel. IC-22523 - February 21)

RANDGOLD AND EXPLORATION COMPANY LIMITED, INC.

A notice has been issued giving interested persons until March 18 to request a hearing on an application filed by Randgold and Exploration Company Limited, Inc. for an order under Section 2(a)(9) declaring that applicant controls certain companies, notwithstanding that it owns less than 25% of the voting securities of these companies, and under Section 3(b)(2) declaring that applicant is primarily engaged in a business other than that of investing, reinvesting, owning, holding, or trading in securities. In the alternative, applicant seeks an order under Section 6(c) exempting it from all provisions of the Act. (Rel. IC-22524; IS-1057 - February 21)

HOLDING COMPANY ACT RELEASES

SOUTHWESTERN ELECTRIC POWER COMPANY, ET AL.

A notice has been issued giving interested persons until March 17 to request a hearing on a proposal by Southwestern Electric Power Company, Public Service Company of Oklahoma, and West Texas Utilities Company (collectively, Applicants), each an electric public-utility subsidiary of Central and South West Corporation, a registered holding company to lease to nonaffiliated third parties excess space in the Applicants' respective off ice buildings and other properties owned or leased by the Applicants but not presently used in the normal course of their operations. (Rel. 35-26673)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-97-06) relating to the scope of the Uniform Practice Code. Publication of the proposal is expected in the Federal Register during the week of February 24. (Rel. 34-38321)

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until March 14 to comment on the application of Eaton Vance Corp. to withdraw from listing and registration on the Boston Stock Exchange, non-voting Common Stock, \$0.625 Par Value. (Rel. 34-38322)

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-3 ADVANCED DIGITAL INFORMATION CORP, 1201 WILLOWS ROAD, P O BOX 97057,
REDMOND, WA 98073 (206) 881-8004 - 1,983,750 (\$39,551,016) COMMON STOCK
(FILE 333-21915 - FEB. 18) (BR 3)
- S-1 WORLD OMNI 1997 A AUTOMOBILE LEASE SECURITIZATION TRUST,
120 NW 12TH AVE, DEERFIELD BEACH, FL 33442 (954) 429-2263 - 3,000,000
(\$3,000,000) EQUIPMENT TRUST CERTIFICATES (FILE 333-21917 - FEB. 18)
(NEW ISSUE)
- S-4 AHMANSON H F & CO /DE/, 4900 RIVERGRADE RD, IRWINDALE, CA 91706
(818) 960-6311 - 157,200,000 (\$4,841,389,970) COMMON STOCK (FILE
333-21919 - FEB 18) (BR. 7)
- S-3 AMERICA ONLINE INC, 22000 AOL WAY, C/O LENNERT J LEADER CFO, DULLES, VA
20166 (703) 448-8700 - 1,006,942 (\$34,424,830) COMMON STOCK. (FILE
333-21921 - FEB 18) (BR 3)
- S-3 BASE TEN SYSTEMS INC, ONE ELECTRONICS DR, TRENTON, NJ 08619
(609) 586-7010 - 340,000 (\$3,485,000) COMMON STOCK (FILE 333-21923 -
FEB 18) (BR 5)
- S-8 BASE TEN SYSTEMS INC, ONE ELECTRONICS DR, TRENTON, NJ 08619
(609) 586-7010 - 1,700,000 (\$17,425,000) COMMON STOCK (FILE 333-21925 -
FEB 18) (BR 5)
- S-3 CAPSTONE PHARMACY SERVICES INC, 2930 WASHINGTON BLVD, BALTIMORE, MD
21230 (410) 646-7373 - 14,143,109 (\$152,038,422) COMMON STOCK (FILE
333-21927 - FEB. 18) (BR 1)
- S-3 HEALTHWATCH INC, 2445 CADES WAY, VISTA, CA 92083 (619) 598-4333 -
500,000 (\$1,156,250) COMMON STOCK. (FILE 333-21929 - FEB. 18) (BR. 1)
- S-8 MCKESSON CORP, ONE POST ST, SAN FRANCISCO, CA 94104 (415) 983-8300 -
600,000 (\$34,762,500) COMMON STOCK (FILE 333-21931 - FEB 18) (BR 1)
- S-3 FLUKE CORP, 6920 SEAWAY BLVD, EVERETT, WA 98203 (206) 356-5301 -
305,424 (\$14,469,462) COMMON STOCK. (FILE 333-21933 - FEB 18) (BR 5)
- S-8 SYBASE INC, 6475 CHRISTIE AVE, EMERYVILLE, CA 94608 (510) 922-3500 -
3,277,000 (\$57,347,500) COMMON STOCK (FILE 333-21935 - FEB. 18) (BR. 3)
- S-4 TEMPLE INLAND INC, 303 S TEMPLE DR, PO DRAWER N, DIBOLL, TX 75941
(409) 829-2211 - 2,000,000 (\$111,920,000) COMMON STOCK (FILE 333-21937 -
FEB 18) (BR 4)
- S-3 CONNECTIVE THERAPEUTICS INC, 3400 W BAYSHORE RD, PALO ALTO, CA 94303
(415) 843-2800 - 972,224 (\$6,440,984) COMMON STOCK (FILE 333-21941 -
FEB 18) (BR 1)
- S-3 TOWER AUTOMOTIVE INC, 4508 IDS CENTER, MINNEAPOLIS, MN 55402
(612) 342-2310 - \$496,049,625 COMMON STOCK (FILE 333-21943 - FEB 18)
(BR 6)

S-11 INVESTORS REAL ESTATE TRUST, 12 S MAIN, MINOT, ND 58701 (701) 852-1756
- 1,400,000 (\$10,080,000) COMMON SHARES OF BENEFICIAL INTEREST (FILE
333-21945 - FEB 18) (BR 8)

S-4 HARTFORD STEAM BOILER INSPECTION & INSURANCE CO, ONE STATE ST, HARTFORD,
CT 06102 (203) 722-1866 - 20,041,707 (\$914,402,881) COMMON STOCK (FILE
333-21947 - FEB 18) (BR 1 - NEW ISSUE)

S-4 SAFELITE GLASS CORP, 1105 SCHROCK RD, COLUMBUS, OH 43229 - 100,000,000
(\$100,000,000) STRAIGHT BONDS (FILE 333-21949 - FEB. 18) (NEW ISSUE)

S-3 MFRI INC, 7720 LEHIGH AVE, NILES, IL 60714 (847) 966-1000 - 2,124,298
(\$16,331,603) COMMON STOCK (FILE 333-21951 - FEB 18) (BR 6)

S-3 HUGHES SUPPLY INC, 20 N ORANGE AVE, STE 200, P O BOX 2273, ORLANDO, FL
32802 (407) 841-4755 - 1,407,925 (\$46,285,534) COMMON STOCK (FILE
333-21953 - FEB 18) (BR 6)

S-8 YURIE SYSTEMS INC, 10000 DEREKWOOD LANE, LANHAM, MD 20706 (301) 352-4600
- 5,400,000 (\$39,798,362 34) COMMON STOCK (FILE 333-21955 - FEB 18)
(BR 3)

S-1 QUAKER FABRIC CORP /DE/, 941 GRINNELL ST , FALL RIVER, MA 02721
(508) 678-1951 - 3,910,000 (\$64,026,250) COMMON STOCK (FILE 333-21957 -
FEB 18) (BR 2)

S-8 RAYCHEM CORP, 300 CONSTITUTION DR, MS 120/8502, MENLO PARK, CA 94025
(415) 361-3333 - 13,818,683 (\$13,818,683,
OTHER SECURITIES INCLUDING VOTING TRUST (FILE 333-21959 - FEB 18)
(BR 6)

S-8 SUBURBAN OSTOMY SUPPLY CO INC, 75 OCTOBER HILL RD, HOLLISTON, MA 01746
(508) 429-1000 - 688,820 (\$7,792,276 25) COMMON STOCK (FILE 333-21961 -
FEB 18) (BR 1)

S-8 SYLVAN LEARNING SYSTEMS INC, 1000 LANCASTER ST, BALTIMORE, MD 21202
(410) 843-8000 - 50,000 (\$1,793,750) COMMON STOCK (FILE 333-21963 -
FEB 18) (BR 7)

S-8 MOLECULAR DYNAMICS INC, 928 EAST ARQUES AVE, SUNNYVALE, CA 94086
(408) 773-1222 - 500,000 (\$6,875,000) COMMON STOCK (FILE 333-21967 -
FEB 18) (BR 1)

S-8 GENUINE PARTS CO, 2999 CIRCLE 75 PARKWAY, ATLANTA, GA 30339
(404) 953-1700 - 100,000 (\$4,557,000) COMMON STOCK (FILE 333-21969 -
FEB 18) (BR 5)

S-1 SERVICE EXPERTS INC, 1134 MURFREESBORO RD, NASHVILLE, TN 37217
(615) 367-0003 - 3,680,000 (\$102,120,000) COMMON STOCK (FILE 333-21971 -
FEB 18) (BR 2)

S-8 MEREDITH CORP, 1716 LOCUST ST, DES MOINES, IA 50309 (515) 284-3000 -
2,475,000 (\$123,285,937 50) COMMON STOCK (FILE 333-21979 - FEB 18)
(BR 5)

S-4 BANC ONE CORP /OH/, 100 E BROAD ST, COLUMBUS, OH 43271 (614) 248-5944 -
10,346,416 (\$527,019,797 69) COMMON STOCK (FILE 333-21981 - FEB 18)
(BR 7)

S-3 ASPEN TECHNOLOGY INC /MA/, TEN CANAL PARK, CAMBRIDGE, MA 02141
(617) 577-0100 - 3,100 (\$212,040) COMMON STOCK (FILE 333-21983 - FEB 18)
(BR 3)

S-3 UNITED COMPANIES FINANCIAL CORP, 4041 ESSEN LN, P O BOX 1591,
BATON ROUGE, LA 70809 (504) 924-6007 (FILE 333-21985 - FEB 19) (BR 1)

S-3 CAI WIRELESS SYSTEMS INC, 18 CORPORATE WOODS BLVD, THIRD FLOOR, ALBANY,
NY 12211 (518) 462-2632 - 73,352 (\$161,603 63) COMMON STOCK (FILE
333-21987 - FEB 19) (BR 3)

S-3 ESSEX PROPERTY TRUST INC, 777 CALIFORNIA AVE, PALO ALTO, CA 94304
(415) 494-3700 (FILE 333-21989 - FEB 19) (BR 8)