

# SEC NEWS DIGEST

Issue 97-74

April 17, 1997

---

## COMMISSION ANNOUNCEMENTS

---

### STATEMENT OF CHAIRMAN ARTHUR LEVITT AND GENERAL COUNSEL RICHARD WALKER REGARDING THE REPORT TO THE PRESIDENT ON THE IMPACT OF THE PRIVATE SECURITIES LITIGATION REFORM ACT

The Commission delivered to the White House a report on the initial impact of the Private Securities Litigation Reform Act, which was enacted in December 1995. The 80-page report was prepared by the Commission's Office of the General Counsel in response to a request made by the President to Chairman Arthur Levitt. The President specifically asked for the Commission's analysis and advice about the "impact of the act on the effectiveness of the securities laws and on investor protection, and on the extent and nature of any litigation under the act." (Press Rel. 97-34A)

---

## ENFORCEMENT PROCEEDINGS

---

### ORDER MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS ENTERED AGAINST JOSEPH BROOKS

The Commission entered an Order making findings and imposing remedial sanctions (Order) in connection with previously instituted public administrative proceedings against Joseph P. Brooks (Brooks) of Ft. Myers, Florida. Brooks was formerly associated as a salesman with a registered broker-dealer. Previously, on June 27, 1996, the Commission filed a civil injunctive action against Brooks, alleging violations of the antifraud provisions of the federal securities laws. The Commission's complaint alleged that between approximately October 1991 and June 1995, Brooks misappropriated approximately \$366,300 from eight mostly elderly investors and subsequently used the funds to pay, among other things, his gambling and credit card debts. On September 4, 1996, a default final judgment of permanent injunction was entered against Brooks, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5, thereunder (SEC v. Joseph Brooks, Case No. 96-235-Civ-FTM-23, M.D. Fla.). In addition, on December 4, 1995, Brooks pled no contest to a one-count

criminal information charging him with first degree grand theft, in connection with substantially the same conduct alleged in the Commission's complaint. The Commission accepted Brooks' Offer of Settlement, pursuant to which Brooks is barred from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. (Rel. 34-38517)

**DAVID LIPSON, FORMER CEO AND CHAIRMAN OF SUPERCUTS, INC., CHARGED IN INSIDER TRADING COMPLAINT**

On April 17, the Commission filed a complaint in the United States District Court for the Northern District of Illinois against David E. Lipson, for insider trading in the securities of Supercuts, Inc. (Supercuts), formerly a NASDAQ-listed company located in San Francisco, California. The complaint alleges that, in March and April 1995, Lipson, who was then Supercuts' chairman, chief executive officer and largest shareholder, sold 365,000 shares of Supercuts common stock at prices between \$9.50 and \$9.3125 in an account that he controlled in his son's name. At the time of his sales, the complaint alleges, Lipson possessed material nonpublic information about Supercuts' disappointing financial performance during the quarter ended March 31, 1995. After the company announced its quarterly results on May 12, 1995, the price of the company's common stock fell from \$9.00 to \$7.625 per share. By selling Supercuts common stock while in possession of material nonpublic information, the complaint alleges, Lipson breached duties he owed to Supercuts' shareholders and avoided losses of approximately \$621,875.

The complaint alleges that Lipson's trading violated Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder. The complaint also alleges that Lipson failed to file required reports of his changes in beneficial ownership in violation of Section 16(a) of the Exchange Act and Rules 16a-2 and 16a-3 thereunder. The Commission seeks a permanent injunction, disgorgement of Lipson's trading losses avoided, prejudgment interest and civil penalties. [SEC v. David E. Lipson, Civil Action No. 97 C 2661, N.D. Ill.] (LR-15337)

---

**INVESTMENT COMPANY ACT RELEASES**

---

**CITIBANK, N.A., ET AL.**

An order has been issued on an application filed by Citibank, N.A. (Citibank) and Citicorp under Section 6(c) of the Investment Company Act for an exemption from Section 17(f) of the Act and Rule 17f-5 thereunder. The order allows Citibank to make available direct and agency custody arrangements for certain securities and other assets between United States investment companies and Citibank T/O in the Russian Federation. (Rel. IC-22619; IS-1073 - April 15)

**COVA FINANCIAL SERVICES LIFE INSURANCE COMPANY, ET AL.**

An order has been issued pursuant to Section 26(b) of the Investment Company Act to Cova Financial Services Life Insurance Company (Cova Life) and Cova Variable Account One (Variable Account One) permitting the substitution of shares of the International Equity Portfolio of Cova Series Trust for shares of the Global Equity Portfolio of Lord Abbett Series Fund, Inc. which currently are held by Variable Account One to fund certain single purchase payment and flexible purchase payment variable annuity contracts issued by Cova Life. (Rel. IC-22620 - April 16)

**THE U.S. STOCK PORTFOLIO**

An order has been issued under Section 8(f) of the Investment Company Act declaring that The U.S. Stock Portfolio has ceased to be an investment company. (Rel. IC-22618 - April 15)

---

**HOLDING COMPANY ACT RELEASES**

---

**EASTERN UTILITIES ASSOCIATES, ET AL.**

An order has been issued authorizing a proposal by Eastern Utilities Associates, a registered holding company, and its subsidiaries, Blackstone Valley Electric Company, Eastern Edison Company, Montaup Electric Company, and Newport Electric Corporation (collectively, Declarants), concerning financing authority. Declarants propose to enter into a revolving credit facility, through a period ending five years after the closing date of the agreement, aggregating up to \$150 million. The order also authorizes EUA to guarantee, through December 31, 1998, up to \$65 million of borrowings under the Facility by its nonutility subsidiary, EUA Cogenex, and reserves jurisdiction over \$10 million of additional guarantees. (Rel. 35-26704)

**SOUTHWESTERN ELECTRIC POWER COMPANY, ET AL.**

An order has been issued authorizing 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 office buildings and other properties owned or leased by the Applicants, but not presently used in the normal course of their operations. (Rel. 35-26705)

**THE SOUTHERN COMPANY**

A notice has been issued giving interested persons until May 12 to request a hearing on a proposal by The Southern Company (Southern), a registered holding company, to grant, from time to time through

February 17, 2007, Incentive Stock Options, Nonqualified Stock Options, Stock Appreciation Rights and Restricted Stock, and to issue up to 40 million shares of its common stock, par value \$5.00 per share, pursuant to the Southern Company Performance Stock Plan (Plan). An order has been issued authorizing Southern to solicit proxies in connection with approval of the Plan at the annual meeting of stockholders to be held on May 28, 1997. (Rel. 35-26706)

---

## **SELF-REGULATORY ORGANIZATIONS**

---

### **ACCELERATED APPROVAL OF PROPOSED RULE CHANGE**

The Commission granted accelerated approval to a proposed rule change filed by the National Association of Securities Dealers (SR-NASD-97-25) relating to the extension of the pilot for the NASD's Rule permitting market makers to display their actual quotation size. Publication in the Federal Register is expected during the week of April 21. (Rel. 34-38512)

### **PROPOSED RULE CHANGE**

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-97-26) relating to the expansion of the pilot for the NASD's Rule permitting market makers to display their actual quotation size. Publication in the Federal Register is expected during the week of April 21. (Rel. 34-38513)

### **WITHDRAWALS GRANTED**

An order has been issued granting the application of TPC Corporation to withdraw from listing and registration its Class A Common Stock, \$.01 Par Value, on the American Stock Exchange. (Rel. 34-38314)

An order has been issued granting the application of Time Warner, Inc. to withdraw from listing and registration its Common Stock, \$.01 Par Value and its Rights to Purchase Series A Participating Cumulative Preferred Stock, on the Pacific Exchange. (Rel. 34-38315)

### **WITHDRAWAL SOUGHT**

A notice has been issued giving interested persons until May 6 to comment on the application of Safeway Inc. to withdraw from listing and registration on the Pacific Exchange, Common Stock, \$.01 Par Value. (Rel. 34-38516)

---

## **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 OPTEL INC, 1111 W MOCKINGBIRD LANE, DALLAS, TX 75247 (214) 634-3800 - 225,000,000 (\$225,000,000) STRAIGHT BONDS (FILE 333-24881 - APR. 10) (BR 3 - NEW ISSUE)
- S-3 OGDEN CORP, TWO PENNSYLVANIA PLZ - 25TH FLR, NEW YORK, NY 10121 (212) 868-6100 - 115,044 (\$2,387,163) COMMON STOCK (FILE 333-24883 - APR 10) (BR 5)
- S-3 MERRILL LYNCH & CO INC, 250 VESEY ST, WORLD FINANCIAL CTR N TOWER, NEW YORK, NY 10281 (212) 449-1000 - 1,000,000 (\$61,875,000) COMMON STOCK (FILE 333-24889 - APR 10) (BR 8)
- S-3 TRINITECH SYSTEMS INC, 333 LUDLOW STREET, STAMFORD, CT 06902 (203) 425-8000 - 1,370,837 (\$6,854,185) COMMON STOCK 570,837 (\$1,615,468) WARRANTS, OPTIONS OR RIGHTS. (FILE 333-24891 - APR. 10) (BR 3)
- S-8 ESKIMO PIE CORP, 901 MOOREFIELD PARK DR, RICHMOND, VA 23236 (804) 560-8400 - 450,000 (\$5,428,125) COMMON STOCK. (FILE 333-24893 - APR 10) (BR 2)
- S-8 WORKFORCE SYSTEMS CORP /FL/, 105 WEST FIFTH AVE, KNOXVILLE, TN 37917 (305) 763-1200 - 525,000 (\$2,887,500) COMMON STOCK (FILE 333-24895 - APR 10) (BR. 9)
- S-8 CERNER CORP /MO/, 2800 ROCKCREEK PKWY-STE 601, KANSAS CITY, MO 64117 (816) 221-1024 - 2,000,000 (\$23,640,000) COMMON STOCK. (FILE 333-24899 - APR 10) (BR 3)
- S-3 EMC CORP, 171 SOUTH STREET, HOPKINTON, MA 01748 (508) 435-1000 - 517,500,000 (\$517,500,000) STRAIGHT BONDS (FILE 333-24901 - APR 10) (BR 3)
- S-8 UNI MARTS INC, 477 E BEAVER AVE, STATE COLLEGE, PA 16801 (814) 234-6000 - 1,000,000 (\$5,250,000) COMMON STOCK (FILE 333-24903 - APR. 10) (BR 2)
- S-8 MULTICARE COMPANIES INC, 411 HACKENSACK AVE, HACKENSACK, NJ 07601 (201) 488-8818 - 250,000 (\$4,531,250) COMMON STOCK (FILE 333-24905 - APR 10) (BR 1)
- S-4 GRANITE BROADCASTING CORP, 767 THIRD AVE 34TH FL, NEW YORK, NY 10017 (212) 826-2530 - 153,241 (\$153,241,000) PREFERRED STOCK (FILE 333-24907 - APR 10) (BR 3)
- S-8 CERNER CORP /MO/, 2800 ROCKCREEK PKWY-STE 601, KANSAS CITY, MO 64117 (816) 221-1024 - 1,800,000 (\$21,276,000) COMMON STOCK. (FILE 333-24909 - APR 10) (BR. 3)
- S-11 G&L REALTY CORP, 439 NORTH BEDFORD DR, BEVERLY HILLS, CA 90210 (310) 273-9930 - 1,150,000 (\$28,750,000) PREFERRED STOCK. (FILE 333-24911 - APR. 10) (BR. 8)
- S-8 SANTA CRUZ OPERATION INC, 400 ENCINAL STREET, PO BOX 1900, SANTA CRUZ, CA 95060 (408) 427-7172 - 3,950,000 (\$17,268,750) COMMON STOCK (FILE 333-24913 - APR. 10) (BR 3)
- S-3 BRE PROPERTIES INC /MD/, ONE MONTGOMERY STREET, SUITE 2500 TELESIS TOWER, SAN FRANCISCO, CA 94104 (415) -44-5-65 (FILE 333-24915 - APR 10) (BR 8)
- S-8 BERGER HOLDINGS LTD, 805 PENNSYLVANIA BLVD, FEASTERVILLE, PA 19053 (215) 355-1200 - 60,750 (\$212,625) COMMON STOCK. (FILE 333-24917 - APR. 10) (BR 6)

S-3 SOUTH CAROLINA ELECTRIC & GAS CO, 1426 MAIN ST, COLUMBIA, SC 29201  
(803) 748-3000 - 1,000,000 (\$100,000,000) PREFERRED STOCK (FILE  
333-24919 - APR. 10) (BR. 4)

S-8 GARDNER DENVER MACHINERY INC, 1800 GARDNER EXPRESSWAY, P O BOX 528,  
QUINCY, IL 62301 (217) 222-5400 - 1,050,000 (\$22,466,640) COMMON STOCK  
(FILE 333-24921 - APR 10) (BR 5)

S-1 SMITH BARNEY WESTPORT FUTURES FUND LP,  
C/O SMITH BARNEY FUTURES MANAGEMENT INC, 390 GREENWICH ST, NEW YORK, NY  
10013 (212) 723-5424 - 120,000 (\$120,000,000)  
LIMITED PARTNERSHIP CERTIFICATE. (FILE 333-24923 - APR. 10) (BR. 8  
- NEW ISSUE)

S-3 PROJECTAVISION INC, TWO PENN PLZ STE 640, NEW YORK, NY 10121  
(212) 971-3000 - 2,700,000 (\$7,256,250) COMMON STOCK. (FILE 333-24925 -  
APR 10) (BR 4)

S-4 FORCENERGY INC, 2730 SW 3RD AVE STE 800, MIAMI, FL 33129 (305) 853-6161  
- 200,000,000 (\$200,000,000) STRAIGHT BONDS. (FILE 333-24927 - APR. 10)  
(BR 4)

S-8 ALLAMERICA FINANCIAL CORP, 440 LINCOLN ST, WORCESTER, MA 01653  
(508) 855-1000 - 2,500,000 (\$83,921,836) COMMON STOCK (FILE 333-24929 -  
APR 10) (BR 1)

S-4 ALCO STANDARD CORP, P O BOX 834, VALLEY FORGE, PA 19482 (215) 296-8000  
- 10,000,000 (\$313,750,000) COMMON STOCK (FILE 333-24931 - APR. 10)  
(BR 4)

S-8 EUROTRONICS HOLDINGS INC, 268 WEST 400 SOUTH, SUITE 301, SALT LAKE CITY,  
UT 84101 (801) 575-8073 - 500,000 (\$340,000) COMMON STOCK (FILE  
333-24933 - APR. 10) (BR. 4)

S-3 GE CAPITAL MORTGAGE SERVICES INC, THREE EXECUTIVE CAMPUS, P O BOX 5260,  
CHERRY HILL, NJ 08002 (609) 661-6100 - 1,000,000 (\$1,000,000)  
PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 333-24935 - APR 10)  
(BR. 8)

SB-2 MEDLEY CREDIT ACCEPTANCE CORP, 10910 NW SOUTH RIVER DR, MIAMI, FL 33178  
(305) 889-1900 - 1,250,000 (\$6,875,000) COMMON STOCK. 1,250,000  
(\$187,500) WARRANTS, OPTIONS OR RIGHTS. 1,250,000 (\$6,250,000)  
COMMON STOCK. (FILE 333-24937 - APR. 10) (BR 9 - NEW ISSUE)

S-4 FONDA GROUP INC, 21 LOWER NEWTON ST, ST ALBANS, VT 05478 (802) 524-5966  
- 120,000,000 (\$120,000,000) STRAIGHT BONDS. (FILE 333-24939 - APR 10)  
(BR 4 - NEW ISSUE)

S-8 BEA SYSTEMS INC, 385 MOFFETT PK DR, SUITE 105, SUNNYVALE, CA 94404  
(408) 743-4000 - 1,250,000 (\$13,750,000) COMMON STOCK (FILE 333-24941 -  
APR 10) (BR 9)

S-8 ECHLIN INC, 100 DOUBLE BEACH RD, BRANFORD, CT 06405 (203) 481-5751 -  
1,000,000 (\$33,000,000) COMMON STOCK. (FILE 333-24943 - APR 10) (BR 5)

S-8 ECHLIN INC, 100 DOUBLE BEACH RD, BRANFORD, CT 06405 (203) 481-5751 -  
250,000 (\$8,250,000) COMMON STOCK (FILE 333-24945 - APR. 10) (BR 5)

SB-2 LEVEL BEST GOLF INC /FL/, 11800 28TH ST NORTH, ST PETERSBURG, FL 33716  
(813) 571-3545 - 1,318,448 (\$3,446,120) COMMON STOCK. (FILE 333-24947 -  
APR. 11) (BR. 5)

S-3 SLM FUNDING CORP, 777 TWIN CREEK DR, KILLEEN, TX 76543 (202) 333-8000 -  
1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 333-24949 -  
APR 10) (BR. 8)

S-3 NEW WORLD COFFEE INC, 379 WEST BROADWAY, NEW YORK, NY 10012  
(212) 343-0552 - 312,727 (\$576,590) COMMON STOCK. (FILE 333-24951 -  
APR 10) (BR 9)

S-1 HANOVER COMPRESSOR CO, 12001 NORTH HOUSTON ROSSLYN, HOUSTON, TX 77086  
(281) 447-8787 - \$100,000,000 COMMON STOCK. (FILE 333-24953 - APR 11)