

SEC NEWS DIGEST

Issue 97-49

March 13, 1997

RULES AND RELATED MATTERS

ADOPTION OF RULES TO IMPLEMENT SECTION 10A OF THE SECURITIES EXCHANGE ACT OF 1934

Section 10A of the Exchange Act requires, among other things, that, in certain circumstances, the auditor of an issuer's financial statements report to the issuer's board of directors certain uncorrected illegal acts of the issuer, and that the issuer notify the Commission that it has received such a report. If the issuer fails to provide that notice, the auditor is required by Section 10A to furnish directly to the Commission the report given to the board. The amendments to the Commission's Exchange Act rules implement these reporting requirements. The Commission also has adopted revisions to Regulation S-X to conform the definition of "Audit" in that regulation with Section 10A. For further information, please contact Robert E. Burns or W. Scott Bayless in the Office of the Chief Accountant at (202) 942-4400. (Rel. 34-38387; IC-22553; FR-49; File No. S7-20-96)

ENFORCEMENT PROCEEDINGS

COMPLAINT AND ADMINISTRATIVE PROCEEDINGS AGAINST MERLE FINKEL SETTLED

The Commission announced on March 12 the filing of a complaint against Merle S. Finkel (Finkel) in the United States District Court for the District of Columbia and the instituting of administrative proceedings pursuant to Rule 102(e) of the Commission's Rules of Practice against Finkel.

The complaint alleges and the Order Instituting Proceedings, and Opinion and Order Pursuant to Rule 102(e) of the Commission's Rules of Practice (Order) finds that on at least 13 occasions, Finkel, a certified public accountant, practicing as M.S. Finkel & Co., issued materially false or inaccurate audit reports on the financial statements of three publicly traded companies: (1) Systems of Excellence, Inc.; (2) Twenty First Century Health, Inc.; and (3) Combined Companies International Corp. The complaint alleges and

the Order finds that, with respect to each of the three issuers, Finkel's audit reports falsely state that he conducted audits of the financial statements of these companies in accordance with Generally Accepted Auditing Standards and falsely represent that the financial statements were fairly presented in conformity with Generally Accepted Accounting Principles.

Simultaneously with the filing of the Commission's complaint Finkel, without admitting or denying the allegations of the complaint, consented to the entry of a permanent injunction restraining and enjoining him from violations of the antifraud provisions of the federal securities laws, and from aiding and abetting violations of the reporting provisions of the Securities Exchange Act of 1934 (Exchange Act). The Commission also accepted Finkel's offer of settlement in which he consented, without admitting or denying the Commission's findings, to the issuance of the Order which denies him the privilege of appearing or practicing before the Commission as an accountant.

Finally, the Commission also announced that on March 12 before the United States District Court for the District of Nevada, Finkel pleaded guilty to a one-count criminal information charging him with conspiracy to commit securities fraud and bank fraud. [SEC v. Merle S. Finkel, Civil Action No. 97-00505, EGS, D.D.C.]; [U.S. v. Merle S. Finkel, CR-S-97-45-PMP, D.C. Nev.] (LR-15286, AAE Rel. 896); (Administrative Proceeding In the Matter of Merle S. Finkel, CPA, Rel. Nos. 33-7401; 34-38388; AAE Rel. 895)

DEMITRIOS SHIVA BARRED

The Commission has barred Demitrios Julius Shiva from association with any broker or dealer. The Commission found that, on October 21, 1994, the United States District Court for the District of South Carolina issued an order of permanent injunction enjoining Shiva from violating Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Act of 1934, and Rule 10b-5 thereunder. The injunction was based upon Shiva's attempts to deposit two counterfeit securities, that he misrepresented as having a combined value of approximately \$1.6 billion, in a brokerage account in order to facilitate their eventual sale to the public. (Rel. 34-38389)

NASD FINDINGS OF VIOLATIONS AGAINST STRATTON OAKMONT, INC. SUSTAINED; SANCTIONS MODIFIED IN LIGHT OF LIQUIDATION PROCEEDING

The Commission has sustained the NASD's finding that Stratton Oakmont, Inc. (Stratton), a former NASD member firm, utilized customer settlement agreements with confidentiality provisions that impermissibly restricted the customers' ability to discuss the substance of their complaints with the NASD. The Commission also has sustained the NASD's finding that Stratton acted wrongly when, despite repeated requests by the NASD to do so, Stratton failed to release one customer from the confidentiality provision in his settlement agreement so that the NASD could investigate the

customer's complaint. The NASD censured Stratton, fined the Firm \$20,000, and assessed costs.

This case focused on whether it was proper for a firm to have its customers execute settlement agreements containing provisions that obstruct the NASD's investigations of the customers' complaints. The Commission determined that several of Stratton's customer settlement agreements violated just and equitable principles of trade by impeding NASD investigations and interfering with the NASD's regulatory functions. The Commission also concluded that Stratton's failure to release a customer from the confidentiality provision of his settlement agreement when directed to do so by the NASD was an additional violation of just and equitable principles of trade.

Because of Stratton's pending liquidation, the Commission modified the NASD's sanctions to provide that any efforts to collect the fine and costs be pursued in Stratton's liquidation proceeding under the Securities Investor Protection Act.

A separate, unrelated disciplinary matter in which the NASD expelled Stratton from membership is pending before the Commission. (Rel. 34-38390)

INVESTMENT COMPANY ACT RELEASES

WEBS INDEX FUND, INC., ET AL.

An order has been issued on an application filed by WEBS Index Fund, Inc. (Fund), et al. under Section 17(d) and Rule 17d-1 thereunder permitting certain joint transactions. The order permits the series of the Fund to pool some or all of their uninvested cash balances and the cash collateral they receive in connection with securities lending activities in one or more joint accounts that invest in certain short-term, high quality debt securities. (Rel. IC-22550 - March 11)

KANSAS FARM BUREAU LIFE VARIABLE ACCOUNT

An order has been issued under Section 8(f) of the Investment Company Act declaring that Kansas Farm Bureau Life Variable Account has ceased to be an investment company. (Rel. IC-22551 - March 11)

COUNSELLORS TANDEM SECURITIES FUND, INC.

An order has been issued under Section 8(f) of the Investment Company Act declaring that Counsellors Tandem Securities Fund, Inc. has ceased to be an investment company. (Rel. IC-22552 - March 11)

HOLDING COMPANY ACT RELEASES

NATIONAL FUEL GAS COMPANY

An order has been issued authorizing a proposal by National Fuel Gas Company (NFG), a registered holding company, and its wholly owned subsidiary companies, National Fuel Gas Distribution Corporation, National Fuel Gas Supply Corporation (Supply), Seneca Resources Corporation, Highland Land & Minerals, Inc., Leidy Hub, Inc., Horizon Energy Development, Inc., Data-Track Account Services, Inc., National Fuel Resources, Inc., and Utility Constructors, Inc., (Subsidiaries). NFG has been authorized to acquire, directly, or indirectly through Supply, a subsidiary (New Subsidiary), which will participate in a joint venture with a nonaffiliate to develop, construct, finance, own and operate natural gas gathering and processing facilities in the Gulf of Mexico and Louisiana. The order also authorizes NFG and its Subsidiaries to add New Subsidiary to the system money pool arrangement, and authorizes NFG to finance construction costs up to \$250 million. The order further authorizes NFG to provide guarantees for the joint venture's ongoing business operations after construction is completed up to \$175 million. (Rel. 35-26683)

CENTRAL AND SOUTH WEST CORPORATION, ET AL.

A supplemental order has been issued authorizing CSW Credit, Inc. (Credit), a wholly-owned nonutility subsidiary of Central and South West Corporation, a registered holding company, to factor up to \$450 million of accounts receivable of Houston Lighting & Power Company and up to \$100 million of accounts receivable of other nonassociate utility companies, on a twelve-month rolling monthly average basis, through December 31, 2000. To the extent that such factoring may cause Credit to exceed an existing restriction on the amount of nonassociate utility receivables that it may factor, the order authorizes a temporary, partial exemption. (Rel. 35-26684)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-97-11) relating to the release of disciplinary information. Publication in the Federal Register is expected during the week of March 17. (Rel. 34-38380)

DELISTINGS GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Compania

Boliviana de Energia Electrica, S.A., Common Stock, No Par Value.
(Rel. 34-38384)

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Waterhouse Investor Services, Inc., 6% Convertible Subordinated Notes, due December 15, 2003. (Rel. 34-38385)

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until April 2 to comment on the application of Medeva PLC to withdraw from listing and registration on the American Stock Exchange, American Depositary Shares, each one representing four Ordinary Shares, Par Value 10 pence sterling per share. (Rel. 34-38386)

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.

- F-1 CRESUD INC, AV ROQUE SAENZ PENA 832, 8TH FL, BUENOS AIRES 1388, C1
(541) 328-7808 - 52,380,000 (\$104,760,000) COMMON STOCK. (FILE 333-6548 -
MAR 03) (BR. 2 - NEW ISSUE)
- S-B THAILAND KINGDOM OF, 4301 CONNECTICUT AVENUE NW, C/O ROYAL THAI EMBASSY,
WASHINGTON, DC 20008 - 1,000,000,000 (\$1,000,000,000) STRAIGHT BONDS
(FILE 333-6564 - MAR. 04) (BR 99)
- S-8 PEGASUS COMMUNICATIONS CORP, 5 RADNOR CORPORATE CENTER STE 454,
100 MATSONFORD ROAD, RADNOR, PA 19087 (610) 341-1801 - 716,386
(\$8,460,519) COMMON STOCK (FILE 333-22845 - MAR. 05) (BR. 3)
- S-4 ASCEND COMMUNICATIONS INC, 1701 HARBOR BAY PKWY, ALAMEDA, CA 94502
(510) 769-6001 - 1,350,000 (\$1,828,602) COMMON STOCK (FILE 333-22849 -
MAR 06) (BR. 3)
- S-4 AMERICREDIT CORP, 200 BAILEY AVENUE, FORT WORTH, TX 76107 (817) -33-2-70
- 125,000,000 (\$125,000,000) STRAIGHT BONDS (FILE 333-22851 - MAR. 06)
(BR. 8)
- S-1 MELITA INTERNATIONAL CORP, 5051 PEACHTREE CORNERS, NORCROSS, GA 30092
(770) 239-4000 - \$35,000,000 STRAIGHT BONDS. (FILE 333-22855 - MAR. 06)
(BR. 3 - NEW ISSUE)
- S-3 CINTAS CORP, 6800 CINTAS BLVD, P O BOX 625737, CINCINNATI, OH 45262
(513) 573-4016 - 550,064 (\$29,222,150) COMMON STOCK (FILE 333-22857 -
MAR. 06) (BR 2)
- S-3 RESOURCE MORTGAGE CAPITAL INC/VA, 10900 NUCKOLS ROAD, SUITE 650,
RICHMOND, VA 23060 (804) 967-5800 - \$10,743,562 STRAIGHT BONDS. (FILE
333-22859 - MAR. 06) (BR. 8)

S-8 GENERAL INSTRUMENT CORP /DE/, 8770 WEST BRYN MAWR AVE, SUITE 1300,
CHICAGO, IL 60631 (312) 541-5000 - 6,022,605 (\$141,437,163.75)
COMMON STOCK. (FILE 333-22861 - MAR 05) (BR. 3)

S-8 MEDICAL INDUSTRIES OF AMERICA INC, 1903 S CONGRESS AVE, STE 400,
BOYNTON BEACH, FL 33426 (561) 737-2227 - 97,120 (\$242,800) COMMON STOCK.
(FILE 333-22863 - MAR. 06) (BR. 1)

S-8 COMTEC INTERNATIONAL INC, 10855 E BETHANY DR, STE 1901, AURORA, CO 80014
(303) 743-7983 - 1,160,000 (\$190,240) COMMON STOCK. (FILE 333-22865 -
MAR 06) (BR 5)

S-3 AGL RESOURCES INC, 303 PEACHTREE ST NE, ATLANTA, GA 30308 (404) 584-4000
- 2,000,000 (\$39,000,000) COMMON STOCK. (FILE 333-22867 - MAR. 06)
(BR. 4)

S-3 SCB COMPUTER TECHNOLOGY INC, 1365 WEST BRIERBROOK RD, MEMPHIS, TN 38138
(901) 754-6577 - 112,000 (\$2,016,000) COMMON STOCK (FILE 333-22869 -
MAR 06) (BR 7)

S-4 FIRST MARYLAND BANCORP, FIRST MARYLAND BLDG, 25 S CHARLES ST, BALTIMORE,
MD 21201 (410) 244-4000 - 300,000,000 (\$300,000,000) STRAIGHT BONDS.
(FILE 333-22871 - MAR. 06) (BR. 7)

S-3 MIDWEST FEDERAL FINANCIAL CORP, 1159 EIGHTH ST, P O BOX 450, BARABOO, WI
53913 (608) 356-7771 - 150,000 (\$2,625,000) COMMON STOCK. (FILE 333-22873
- MAR 06) (BR 7)

S-8 AUDITS & SURVEYS WORLDWIDE INC, 650 AVENUE OF THE AMERICAS,
ONE STAMFORD LANDING, NEW YORK, NY 10011 (212) 627-9700 - 650,000
(\$1,485,831.25) COMMON STOCK. (FILE 333-22875 - MAR 06) (BR 4)

S-8 BELL SPORTS CORP, 10601 N HAYDEN RD, STE I-100, SCOTTSDALE, AR 85260
(602) 951-0033 - 70,000 (\$354,375) COMMON STOCK. (FILE 333-22879 -
MAR. 06) (BR 5)

S-8 TYSON FOODS INC, 2210 W OAKLAWN DR, SPRINGDALE, AR 72764 (501) 290-4000
- 6,000,000 (\$122,250,000) COMMON STOCK (FILE 333-22881 - MAR 06)
(BR 2)

S-8 TYSON FOODS INC, 2210 W OAKLAWN DR, SPRINGDALE, AR 72764 (501) 290-4000
- 6,000,000 (\$122,250,000) COMMON STOCK (FILE 333-22883 - MAR 06)
(BR 2)

S-1 RAMBUS INC, 2465 LATHAM ST, MOUNTAIN VIEW, CA 94040 (415) 903-3800 -
\$34,500,000 COMMON STOCK (FILE 333-22885 - MAR. 06)

S-8 DATA RESEARCH ASSOCIATES INC, 1276 NORTH WARSON RD, ST LOUIS, MO 63132
(314) 432-1100 - 100,000 (\$1,443,750) COMMON STOCK. (FILE 333-22887 -
MAR. 06) (BR 3)

S-3 BRISTOL HOTEL CO, 14285 MIDWAY RD, STE 340, DALLAS, TX 75244
(214) 788-0001 (FILE 333-22889 - MAR. 06) (BR 5)

S-3 WSMP INC, 1 WSMP DRIVE, CLAREMONT, NC 28610 (704) 459-7626 - 223,611
(\$2,012,499) COMMON STOCK (FILE 333-22891 - MAR. 06) (BR. 2)

S-1 PARTY CITY CORP, 450 COMMONS WAY, ROCKAWAY, NJ 07860 (201) 983-0888 -
2,576,000 (\$41,860,000) COMMON STOCK (FILE 333-22893 - MAR 06) (BR. 2)

S-3 INTERPUBLIC GROUP OF COMPANIES INC, 1271 AVE OF THE AMERICAS, NEW YORK,
NY 10020 (212) 399-8000 - 714,797 (\$35,695,175) COMMON STOCK. (FILE
333-22899 - MAR. 06) (BR 2)

S-3 OASIS RESIDENTIAL INC, 4041 EAST SUNSET RD, HENDERSON, NV 89014
(702) 435-9800 (FILE 333-22901 - MAR. 06) (BR. 8)

S-8 AVIATION DISTRIBUTORS INC, 1 WRIGLEY DR, IRVINE, CA 92718 (714) 586-7558
- 264,500 (\$1,322,500) COMMON STOCK. (FILE 333-22903 - MAR. 06) (BR. 9)

S-3 FIFTH THIRD BANCORP, 38 FOUNTAIN SQ PLZ, FIFTH THIRD CENTER, CINCINNATI,
OH 45263 (513) 579-5300 - 200,000,000 (\$200,000,000) PREFERRED STOCK.

(FILE 333-22905 - MAR 06) (BR. 7)

- S-3 QUICKTURN DESIGN SYSTEMS INC, 440 CLYDE AVE, MOUNTAIN VIEW, CA 94043
(415) 967-3300 - 2,404,346 (\$37,567,906) COMMON STOCK (FILE 333-22907 -
MAR 06) (BR. 5)
- S-4 FNB CORP/PA, HERMITAGE SQUARE, HERMITAGE, PA 16148 (412) 981-6000 -
1,721,906 (\$33,792,406) COMMON STOCK. (FILE 333-22909 - MAR 06) (BR 7)
- S-4 HUBCO INC, 1000 MACARTHUR BLVD, MAHWAH, NJ 07430 (201) 236-2200 -
50,000,000 (\$50,000,000) COMMON STOCK. (FILE 333-22911 - MAR. 06) (BR. 7)
- S-1 ASPEC TECHNOLOGY INC, 830 E ARQUES AVE, SUNNYVALE, CA 94086
(408) 774-2199 - 4,600,000 (\$55,200,000) COMMON STOCK. (FILE 333-22913 -
MAR. 06) (BR. 3 - NEW ISSUE)
- S-4 CALIFORNIA WATER SERVICE GROUP, 1720 N FIRST ST,
C/O CALIFORNIA WATER SERVICE CO, SAN JOSE, CA 95112 (408) 451-8200 -
13,000,000 (\$273,406,250) COMMON STOCK 139,000 (\$3,475,000)
PREFERRED STOCK (FILE 333-22915 - MAR 06) (BR. 4 - NEW ISSUE)