

SEC NEWS DIGEST

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COMMISSION ANNOUNCEMENTS

REPORT ON PREFERENCING IN THE SECURITIES MARKETS RELEASED

The Commission announced the release of a study on the practice of preferencing in the securities markets. The National Securities Markets Improvement Act of 1996 directed the Commission to conduct the study. "Preferencing" refers to the practice in which a broker-dealer can trade with its customers as dealer by routing customer orders to the firm's affiliated exchange specialist. In particular, the rules of the Cincinnati Stock Exchange allow a firm to preference orders to its affiliated specialist regardless of the quotes of competing specialists on the exchange. In doing this, firms are thereby able to avoid the traditional priorities that govern the handling of orders on an exchange. The Boston Stock Exchange also operates a preferencing-type specialist program. (Press Rel. 97-33)

ENFORCEMENT PROCEEDINGS

H. RALPH SYLVESTER AND DONALD KRUEGER BARRED

The Commission announced the entry of an Order making findings and imposing remedial sanctions against H. Ralph Sylvester (Sylvester) and Donald R. Krueger (Krueger), who consented to the issuance of the Order without admitting or denying the Commission's findings. The Order, which barred Sylvester and Krueger from association with any broker, dealer, investment company, investment adviser, or municipal securities broker or dealer, contained findings that from at least February 1992 to December 1992, Sylvester, Krueger and their agents sold at least \$1.7 million worth of bogus certificates of deposit (CDs) to at least 74 investors from which they earned at least \$24,000 and \$11,000, respectively, in commissions in violation of the registration and antifraud provisions of the federal securities laws. The CDs were purportedly issued by Canadian Trade Bank, Ltd. (CTB), which, according to Sylvester and Krueger, was located in the country of Grenada. In the offer and sale of the CDs, Sylvester and Krueger made material misrepresentations and

failed to disclose material facts to investors regarding, among other things, the existence of CTB, the safety of the investment, the receipt of commissions and the use of proceeds. (Rel. 34-38500)

DAVID WALLACE, EARL LATIOLAIS, DAVID ZUCKERMAN AND JOSEPH LUCIO INDICTED

The Commission announced that on January 8 a federal grand jury returned a 49 count indictment charging David Earl Wallace, Earl Joseph Latiolais, David Stuart Zuckerman, and Joseph C. Lucio with conspiracy, wire fraud, mail fraud, and money laundering as a result of their operation of a Ponzi scheme selling what was represented to be "high yield, low risk" securities. The defendants raised more than \$3.4 million from approximately 70 investors.

The criminal charges against Wallace, Latiolais and Zuckerman are based on the same activities alleged in civil injunctive actions brought by the Commission against these individuals in March 1992. Wallace and Latiolais consented to the entry of an order of permanent injunction, setting disgorgement and prejudgment interest in the amount of \$777,725 and \$110,683, respectively. The order allowed them to satisfy the debt if they paid a total of \$250,000 in four installments. The Commission subsequently filed a civil contempt action against Wallace and Latiolais for failing to make the required installment payments, which resulted in Wallace and Latiolais turning over all of their assets to the Commission (see Litigation Release Nos. 13206 and 14692).

On March 7, 1994, the U.S. District Court for the Southern District of Texas entered final judgment against Zuckerman and Q Consulting, Inc. enjoining them from violations of the registration and antifraud provisions of the federal securities laws and ordering \$1,121,000 in disgorgement, \$128,220 in prejudgment interest and \$550,000 in civil penalties. Zuckerman previously consented to the order of permanent injunction with disgorgement and civil penalties set by the Court. On April 8, 1996, Zuckerman was sentenced to 120 days in prison after pleading guilty to criminal contempt for the violation of this order (see Litigation Release Nos. 13585, 14027, 14788, and 14944). [U.S. v. David Earl Wallace, Earl Joseph Latiolais, David Stuart Zuckerman and Joseph C. Lucio, Criminal No. H-97-6, USDC, SDTX, Houston Division] (LR-15327)

CIVIL INJUNCTIVE ACTION FILED AGAINST JAMES HALL

On March 25, the Commission filed a civil action in the United States District Court for the Southern District of Florida, against defendant James W. Hall (Hall), alleging violations of Sections 5(a) and 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5, thereunder. The complaint alleges that Hall, while president of two related accounts receivable factoring businesses, made misrepresentations and omissions to investors and potential investors regarding, among other things, the use of their monies to fund purchase orders, the failure to perform the promised due diligence, the aging (and risk) of accounts receivables, insurance coverage, the risks associated

with investing with Intercapital, and Hall's disbarment for bank fraud.

Simultaneously with the filing of the complaint, the Commission filed a consent to an order of permanent injunction and other relief which enjoins Hall from future violations of Sections 5(a) and 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5, thereunder, requires Hall to disgorge all ill-gotten gains he received, and reserves jurisdiction to determine the issue of civil money penalties. [SEC v. James W. Hall, Case No. 97-8207-CIV-HURLEY, S.D. Fla.] (LR-15328)

CEASE AND DESIST ORDER ENTERED AGAINST STEVEN WEISS

On April 15, the Commission issued an Order pursuant to Section 21C of the Securities Exchange Act of 1934 (Exchange Act) against Steven N. Weiss, requiring him to cease and desist from committing or causing any violations of, or future violations of, Sections 13(d), 13(g) and 16(a) of the Exchange Act and Rules 13d-1, 13d-2, 16a-2, 16a-3 and former Rule 16a-1 thereunder. Weiss has been a general partner of Montgomery Medical Partners II, L.P. (MMPII) since its formation in 1987, and a co-managing partner of MMPII since April 1993. MMPII is the general partner of Montgomery Medical Ventures II, L.P., a venture capital limited partnership.

Weiss, without admitting or denying the allegations in the Commission's Order, consented to the entry of the Order finding that: (1) he did not timely file for periods ranging from more than two weeks to more than two months two Schedules 13D and 13G, and did not timely file for periods ranging from one week to more than two years and seven months fourteen amendments thereto, reporting acquisition or ownership, and changes thereto, in the equity securities of three issuers; and (2) did not timely file for periods ranging from one year and six months to more than six years and seven months three Forms 3, reporting his beneficial interest in the common stock of three issuers, and did not timely file for periods ranging from one month to more than one year, eight Forms 4. The combined value of Respondent's stock transactions in late Form 4 filings is approximately \$525,000. (Rel. 34-38508)

HOLDING COMPANY ACT RELEASES

GPU, INC., ET AL.

A notice has been issued giving interested persons until May 5 to request a hearing on a proposal by GPU, Inc. (GPU), a registered holding company; Jersey Central Power & Light Company, Metropolitan Edison Company, and Pennsylvania Electric Company, electric utility subsidiary companies of GPU; and GPU Service, Inc. and GPU Generation, Inc. (GPUG), non-utility subsidiary companies of GPU, for GPUG to provide services for exempt wholesale generators (EWGs), foreign utility companies (FUCOs), and GPU companies that directly

or indirectly, and exclusively, own and hold the interests and securities of one or more FUCOs and/or EWGs and in project development activities related to the acquisition of such securities and their related projects. (Rel. 35-26703)

ENERGY GULF STATES, INC.

A notice has been issued giving interested persons until May 5 to request a hearing on a proposal by Entergy Gulf States, Inc., an electric public utility subsidiary of Entergy Corporation, a registered holding company, to acquire two high-voltage transmission lines and related assets from the bankruptcy estate of Cajun Electric Power Cooperative, Inc., by June 1, 1997, as part of a bankruptcy court-approved settlement agreement. (Rel. 35-26703)

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-8 OMAP HOLDINGS INC, 268 WEST 400 SOUTH SUITE 300, SALT LAKE CITY, UT 84101 (801) 575-8073 - 250,000 (\$15,000) COMMON STOCK. (FILE 333-6742 - APR 04) (BR 1)
- F-3 REPSOL SA, PASEO DE LA CASTELLANA 278-280, 28046 MADRID SPAIN, U3 - 6,793,848 (\$278,972,383 50) FOREIGN COMMON STOCK (FILE 333-6744 - APR 04) (BR 4)
- S-B REPUBLIC OF THE PHILIPPINES, 556 FIFTH AVE, PHILIPPINE CONSULATE GENERAL, NEW YORK, NY 10036 - 750,000,000 (\$750,000,000) STRAIGHT BONDS (FILE 333-6746 - APR. 04)
- S-8 RANK GROUP PLC /ENG, 6 CONNAUGHT PLACE, LONDON W2 2EZ ENGLAND, X0 - 10,000,000 (\$70,650,000) FOREIGN COMMON STOCK. (FILE 333-6752 - APR. 07) (BR 5)
- F-1 CROWN PACKAGING ENTERPRISES LTD, 8255 WIGGINS ST, BURNABY BC, A1 (604) 522-6889 - 10,019,724 (\$6,011,834.40) FOREIGN COMMON STOCK. (FILE 333-6754 - APR 08) (BR. 4)
- S-1 CORNERSTONE PROPANE PARTNERS LP, 432 WESTRIDGE DR, WATSONVILLE, CA 95076 (408) 724-1921 - 750,000 (\$16,312,500) COMMON STOCK. (FILE 333-24717 - APR. 08) (BR. 2)
- S-6 VAN KAMPEN AMERICAN CAPITAL EQUITY OPPORTUNITY TRUST SER 57, ONE PARKVIEW PLAZA, OAKBROOK, IL 60181 (630) 684-6000 - INDEFINITE SHARES. (FILE 333-24723 - APR. 08) (BR. 17 - NEW ISSUE)
- S-8 ASSOCIATES FIRST CAPITAL CORP, 250 E CARPENTER FWY, IRVING, TX 75062 (214) 541-4000 - 1,000,000 (\$44,625,000) COMMON STOCK. (FILE 333-24727 - APR. 08) (BR 7)
- S-3 EXCHANGE BANCSHARES INC, 237MAIN ST, P O BOX 177, LUCKEY, OH 43443 (419) 833-3401 - 7,500 (\$120,000) COMMON STOCK (FILE 333-24729 - APR. 08) (BR 7)

N-2 BCD HITS TRUST, C/O PUGLISI & ASSOCIATES, 850 LIBRARY AVE #204, NEWARK, DE 19716 (212) 450-4519 - 1,000,000 (\$10,000,000)
COMMON SHARES OF BENEFICIAL INTEREST (FILE 333-24731 - APR. 08) (BR. 17 - NEW ISSUE)

S-1 POLO RALPH LAUREN CORP, 650 MADISON AVENUE, NEW YORK, NY 10022
(212) 318-7000 - \$600,000,000 COMMON STOCK (FILE 333-24733 - APR 08)
(BR. 2 - NEW ISSUE)

S-8 BNCCORP INC, 322 E MAIN, BISMARCK, ND 58501 (701) 250-3040 - 100,000
(\$1,225,000) COMMON STOCK. (FILE 333-24735 - APR. 08) (BR. 7)

S-4 EXECUTIVE RISK INC /DE/, 82 HOPMEADOW ST, SIMSBURY, CT 06070
(860) 408-2000 - 125,000,000 (\$125,000,000) STRAIGHT BONDS. (FILE 333-24737 - APR. 08) (BR. 1)

S-4 STONEVILLE INSURANCE CO, 633 NORTH STATE ST STE 200, JACKSON, MS 39202
(601) 352-7817 - 650,000 (\$2,600,000) COMMON STOCK (FILE 333-24739 - APR 08) (BR. 1 - NEW ISSUE)

S-8 CISCO SYSTEMS INC, 225 WEST TASMAN DRIVE, SAN JOSE, CA 95134
(408) 526-4000 - 33,444 (\$199,995 12) COMMON STOCK (FILE 333-24741 - APR 08) (BR. 3)

S-4 AEROMAX INC, 1440 CHAPIN AVENUE SUITE 310, BURLINGAME, CA 94010
(415) 696-3900 - 1,464,951 (\$14,649,510) COMMON STOCK (FILE 333-24743 - APR 08) (BR. 7 - NEW ISSUE)

S-8 FIRST COLONIAL GROUP INC, 76 S MAIN ST, NAZARETH, PA 18064
(215) 746-7300 - 262,500 (\$6,267,187 50) COMMON STOCK (FILE 333-24745 - APR 08) (BR 7)

S-8 IBAH INC, FOUR VALLEY SQ, 512 TOWNSHIP LINE ROAD, BLUE BELL, PA 19422
(215) 283-0770 - 1,500,000 (\$9,187,500) COMMON STOCK (FILE 333-24747 - APR 08) (BR 1)

S-8 BOSTON BIOMEDICA INC, 375 WEST STREET, WEST BRIDGEWATER, MA 02379
(508) 580-1900 - 1,592,725 (\$14,732,706) COMMON STOCK. (FILE 333-24749 - APR. 08) (BR. 1)

S-8 PHOENIX GOLD INTERNATIONAL INC, 9300 NORTH DECATUR ST, PORTLAND, OR 97203 (503) 288-2008 - 210,000 (\$1,096,300) COMMON STOCK. (FILE 333-24751 - APR 08) (BR. 9)

S-8 VERITY INC \DE\, 894 ROSS AVE, SUNNYVALE, CA 94089 (415) 541-1500 - 650,000 (\$4,459,765 63) COMMON STOCK (FILE 333-24753 - APR. 08) (BR. 3)

S-8 FNB FINANCIAL SERVICES CORP, FNB FINANCIAL SERVICES CORP, P.O BOX 2037, REIDSVILLE, NC 26323 (919) 342-3346 - 150,000 (\$3,862,500) COMMON STOCK. (FILE 333-24755 - APR 08) (BR. 7)

S-3 NORDSTROM CREDIT INC, 13531 E CALEY, ENGLEWOOD, CO 80111 (303) 397-4700 - 250,000,000 (\$250,000,000) STRAIGHT BONDS (FILE 333-24757 - APR 08) (BR 8)

S-3 TRUE NORTH COMMUNICATIONS INC, 101 E ERIE ST, CHICAGO, IL 60611
(415) 425-6500 - 952,621 (\$17,742,566.12) COMMON STOCK. (FILE 333-24759 - APR 08) (BR. 2)

S-8 ELECTRONIC TRANSMISSION CORP /DE/, 5025 ARAPAHO RD, STE 515, DALLAS, TX 75248 (214) 980-0900 - 640,000 (\$1,158,600) COMMON STOCK (FILE 333-24761 - APR 08) (BR 1)

S-8 CKS GROUP INC, 10441 BANDLEY DR, CUPERTINO, CA 95014 (408) 365-5100 - 2,600,000, (\$66,300,000) COMMON STOCK. (FILE 333-24763 - APR. 08) (BR. 6)

S-3 PMC COMMERCIAL TRUST /TX, 17290 PRESTON RD, DALLAS, TX 75252
(214) 380-0044 - 800,000 (\$13,800,000) COMMON STOCK. (FILE 333-24767 - APR. 08) (BR. 8)

S-3 TURBOCHEF INC, 10500 METRIC DRIVE SUITE 128, DALLAS, TX 75243
(212) 244-5553 - 602,500 (\$8,962,188) COMMON STOCK. (FILE 333-24769 - APR 08) (BR 9)

N-2 DEBT STRATEGIES FUND INC, C/O MERRILL LYNCH ASSET MANAGEMENT,
P O BOX 9011, PRINCETON, NJ 08543 (609) 282-3087 - 66,667 (\$1,000,005)
COMMON STOCK (FILE 333-24771 - APR. 08) (BR. 22)

S-4 PKRE CORP, 399 THORNALL ST, SUITE 14, EDISON, NJ 08837 (212) 837-9520 -
100,000,000 (\$100,000,000) STRAIGHT BONDS. (FILE 333-24775 - APR. 08)
(BR 1)

S-8 OMNIQUIP INTERNATIONAL INC, 369 WEST WESTERN AVE, PORT WASHINGTON, WI
53074 (414) 284-5571 - 562,500 (\$8,121,094) COMMON STOCK. (FILE 333-24777
- APR. 08) (BR. 5)

S-3 PHARMACEUTICAL PRODUCT DEVELOPMENT INC, 3151 17TH STREET EXTENSION,
WILMINGTON, NC 28401 (910) 251-0081 - 160,000 (\$3,080,000) COMMON STOCK.
(FILE 333-24779 - APR. 08) (BR 1)

S-2 VECTRA BANKING CORP, 1650 SOUTH COLORADO BOULEVARD SUITE 320, DENVER, CO
80222 (303) 782-7440 - 700,000 (\$17,500,000) COMMON STOCK. (FILE
333-24781 - APR 08) (BR. 7)

S-3 PMT SERVICES INC /TN/, TWO MARYLAND FARMS SUITE 200, BRENTWOOD, TN 37027
(615) 254-1539 - 567,519 (\$6,174,606.72) COMMON STOCK. (FILE 333-24783 -
APR 08) (BR. 6)

S-8 GRUBB & ELLIS CO, ONE MONTGOMERY ST STE 3100, TELESIS TWR 9TH FLR,
SAN FRANCISCO, CA 94104 (415) 956-1990 - 36,345 (\$327,105) COMMON STOCK.
(FILE 333-24785 - APR. 08) (BR 8)

S-3 SOCKET COMMUNICATIONS INC, 37400 CENTRAL COURT, NEWARK, CA 94560
(510) 744-2700 - 1,807,692 (\$1,807,692) COMMON STOCK. (FILE 333-24787 -
APR 09) (BR. 9)

S-8 FIRST VIRTUAL HOLDING INC, 11975 EL CAMINO REAL #300, SAN DIEGO, CA
92130 (619) 793-2700 - 3,547,525 (\$18,772,825) COMMON STOCK. (FILE
333-24789 - APR. 08) (BR 7)

S-1 FRANKLIN TELECOMMUNICATIONS CORP, 733 LAKEFIELD RD, WESTLAKE VILLAGE, CA
91361 (805) 373-8688 - 3,103,750 (\$10,863,125) COMMON STOCK. (FILE
333-24791 - APR. 09) (BR 3)

S-3 CEPHALON INC, 145 BRANDYWINE PKWY, WEST CHESTER, PA 19380 (610) 344-0200
- 500,000 (\$9,343,750) COMMON STOCK (FILE 333-24793 - APR. 09) (BR. 1)