

# SEC NEWS DIGEST

Issue 97-87

May 6, 1997

---

## COMMISSION ANNOUNCEMENTS

---

### SEC ANNOUNCES APPROVAL OF AMEX RULE CHANGE

The Commission announced that it has approved regulatory and systems changes proposed by the American Stock Exchange (Amex). The changes would allow all Amex-listed stocks priced at or above \$0.25 to trade in increments as small as one-sixteenth of a dollar. (Press Rel. 97-38)

---

## ENFORCEMENT PROCEEDINGS

---

### NASD DISCIPLINARY ACTION AGAINST WILLIAM CANTRELL SUSTAINED

The Commission has sustained NASD disciplinary action against William K. Cantrell, a limited principal-financial and operations (FINOP) of Cartwright & Walker Securities, Inc., formerly a registered broker-dealer and member of the NASD. The NASD found that Cantrell was responsible for net capital violations by the Firm. The NASD censured Cantrell, fined him \$2,500, suspended him for ten calendar days from association with any NASD member as a FINOP, and ordered him to requalify by examination as a FINOP.

The Commission found, as did the NASD, that Cantrell violated Article III, Section 1 of the NASD's Rules of Fair Practice (Rules), by failing to recognize activity in the Firm's error account that required that the Firm maintain at least \$100,000 in net capital. (Rel. 34-38570)

### RULE 102(e) PROCEEDING INSTITUTED AGAINST NICHOLAS PACE, C.P.A.

The Commission today announced the institution of administrative proceedings by consent pursuant to Rule 102(e) of the Commission's Rules of Practice against Nicholas J. Pace (Pace), a certified public accountant who formerly was chief financial officer of Valley Systems, Inc. (Valley), an industrial cleaning company headquartered in Canal Fulton, Ohio. The proceedings are based on Pace's conviction for mail fraud (U.S. v. Nicholas J. Pace, Criminal No 5:96 CR 205, ND Ohio, Dowd), and permanent injunction in a civil

action brought by the Commission (SEC v. Nicholas J. Pace et al., Case No. 5.95 CV 1999, ND Ohio, Dowd).

In the criminal proceeding, Pace pled guilty to a one-count information charging that he caused false entries to be made in Valley's books and records, and reports filed with the Commission, and caused to be mailed false reports to Valley's workers compensation carrier and to a bank, and a confirmation sent by Valley's independent auditors of false invoices Pace caused to be recorded in Valley's books and records. Pace was sentenced on February 28, 1997, to 11 months detention.

The permanent injunction, entered on January 24, 1997, permanently enjoined Pace from violating the antifraud provisions of the securities laws; from falsifying books, records and accounts; and from lying to an accountant in connection with an audit. It also ordered Pace to disgorge the losses illegally avoided by insider trading plus prejudgment interest and barred Pace from serving as an officer or director of a public company (see LR-15240, AAER 875; LR 14637, AAER 708). (Rel. 34-38572; AAE Rel. 913)

JUDGMENTS ENTERED IN SEC v. MUSTANG DEVELOPMENT CORP., ET AL.

On April 17, a judgment of permanent injunction was entered against defendant Cary S. Greene (Greene), one of the principals in an oil and gas Ponzi scheme. In addition, on April 23, judgments of permanent injunction were entered against defendants Mustang Development Corporation (Mustang) and Tower Operating Company (Tower). Greene, Mustang, and Tower consented, without admitting or denying the allegations in the complaint, to permanent injunctions prohibiting them from future violations of the antifraud provisions of the federal securities laws. In its complaint filed on January 23, 1997, the Commission alleged that Mustang, Tower, Greene, and defendant Neal B. Stein (Stein) conducted a Ponzi scheme and misappropriated millions of dollars from investors to finance Stein's and Greene's extravagant lifestyles and unrelated business ventures. Defendant Samuel Embras, Jr. created false production reports for wells supposedly owned by the partnerships, which showed bogus oil and gas revenue to support investor returns. Previously, Stein and Embras consented, without admitting or denying the allegations in the complaint, to permanent injunctions. [SEC v. Mustang Development Corporation, et al., Civil Action No. 97-0440 JGD, CTx, C.D. Cal.] (LR-15359)

---

**HOLDING COMPANY ACT RELEASES**

---

AMERICAN ELECTRIC POWER COMPANY, INC., ET AL.

A supplemental order has been issued authorizing a proposal by American Electric Power Company, Inc. (AEP), a registered holding company, and American Electric Power Service Corporation,

Appalachian Power Company, Columbus Southern Power Company, Kentucky Power Company, Kingsport Power Company, Indiana Michigan Power Company, Ohio Power Company and Wheeling Power Company, each a subsidiary of AEP. AEP has been authorized to extend its guarantee authority, earlier granted by the Commission with respect to obligations of subsidiaries marketing and brokering energy commodities, to obligations of all subsidiaries qualifying as energy-related companies, as defined in Rule 58. (Rel. 35-26713)

#### THE CONNECTICUT LIGHT & POWER COMPANY

A notice has been issued giving persons until May 27 to request a hearing on a proposal by The Connecticut Light & Power Company (CL&P), a wholly owned electric utility subsidiary of Northeast Utilities: to organize a wholly-owned special purpose corporation, to be called CL&P Receivables Corporation (CRC), for the sole purpose of purchasing certain of CL&P's eligible accounts receivable; for CRC to issue shares of common stock; for CL&P to acquire shares of capital stock of CRC; for CL&P to make, directly and indirectly, general and initial equity contributions to CRC; and for CRC to pay dividends to CL&P. (Rel. 35-26714)

#### ALLEGHENY POWER SYSTEM, INC.

A notice has been issued giving interested persons until May 27 to request a hearing on a proposal by Allegheny Power System, Inc., a registered holding company. Allegheny proposes, from time to time through December 31, 2007, to issue up to a total of 500,000 shares of its common stock to senior officers of Allegheny and its subsidiaries under a Performance Share Plan. (Rel. 35-26714)

#### CINERGY CORP.

A notice has been issued giving persons until May 27 to request a hearing on a proposal by Cinergy Corp (Cinergy), a registered holding company under the Act, to allow Cinergy to issue and sell in an aggregate principal amount at any time outstanding not to exceed \$400 million of unsecured debt securities (Debentures) in one or more series. Cinergy proposes to use the proceeds from the issue and sale of the Debentures to repay outstanding indebtedness incurred to finance Cinergy's investment in Midlands Electricity plc, and to refinance Debentures outstanding from time to time. (Rel. 35-26714)

---

### SELF-REGULATORY ORGANIZATIONS

---

#### PROPOSED RULE CHANGE

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-97-23) to create a new Government Securities Representative (Series 72) category and to conform the registration requirements of the existing Registered Options Representative

(Series 42) category to this new category. Publication of the proposal is expected in the Federal Register during the week of May 5. (Rel. 34-38566)

---

## 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 OPTISYSTEMS SOLUTIONS LTD, 3B NETANYAHU ST, OR YEHUDA 60376 ISRAEL, L3  
- 2,300,000 (\$19,550,000) FOREIGN COMMON STOCK. 2,500,000 (\$254,000)  
WARRANTS, OPTIONS OR RIGHTS. 2,300,000 (\$23,460,000) FOREIGN COMMON STOCK.  
200,000 (\$20) WARRANTS, OPTIONS OR RIGHTS. (FILE 333-6836 - APR. 25)  
(BR 3 - NEW ISSUE)
- SB-2 ASHTON INTERNATIONAL INC, 200 EAST LAS CLAS BLVD, FORT LAUDERDALE, FL  
33301 (561) 969-7551 - 25,000 (\$25,000) COMMON STOCK (FILE 333-6838 -  
APR 23) (BR 9 - NEW ISSUE)
- S-8 TOWER SEMICONDUCTOR LTD, P O BOX 619, MIGDAL HAEMEK 10556, L3  
(972) 650-6611 - 500,000 (\$4,375,000) FOREIGN COMMON STOCK (FILE  
333-6842 - APR. 25) (BR 6)
- F-1 RAUMA CORP, SNELLMANINKATU 13, PO BOX 203, 00171 HELSINKI FINLAND, H9 -  
1,000,000 (\$21,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE  
333-6844 - APR 28) (BR 5)
- S-1 LAMALIE ASSOCIATES INC, 200 PARK AVE, SUITE 3100, NEW YORK, NY 10166  
(813) 961-7494 - \$27,600,000 COMMON STOCK (FILE 333-26027 - APR 29)  
(BR 8 - NEW ISSUE)
- S-8 FIRST NATIONAL CORP /SC/, P O BOX 1287, ORANGEBURG, SC 29116  
(803) 534-2175 - 60,000 (\$2,707,500) COMMON STOCK (FILE 333-26029 -  
APR 29) (BR 7)
- S-8 FIRST NATIONAL CORP /SC/, P O BOX 1287, ORANGEBURG, SC 29116  
(803) 534-2175 - 76,650 (\$3,458,831) COMMON STOCK (FILE 333-26031 -  
APR 29) (BR 7)
- S-8 FIRST NATIONAL CORP /SC/, P O BOX 1287, ORANGEBURG, SC 29116  
(803) 534-2175 - 66,701 (\$3,009,883) COMMON STOCK. (FILE 333-26033 -  
APR 29) (BR. 7)
- S-1 SECURITY CAPITAL GROUP INC/, 125 LINCOLN AVE, 125 LINCOLN AVENUE,  
SANTA FE, NM 87501 (915) 877-3900 - \$287,500,000 COMMON STOCK (FILE  
333-26037 - APR 29) (BR. 8 - NEW ISSUE)
- S-11 D&N CAPITAL CORP, 400 QUINCY STREET, HANCOCK, MI 49930 (906) 482-2700 -  
1,210,000 (\$30,250,000) COMMON STOCK (FILE 333-26039 - APR 29) (BR 7  
- NEW ISSUE)
- S-8 PVC CONTAINER CORP, 401 INDUSTRIAL WAY W, EATONTOWN, NJ 07724  
(908) 542-0060 - 1,000,000 (\$4,500,000) COMMON STOCK (FILE 333-26041 -  
APR 29) (BR 6)
- S-8 AMERICAN HEALTHCHOICE INC /NY/, 1300 W WALNUT HILL LANE STE 275, IRVING,  
TX 75038 (214) 751-1900 - 250,000 (\$531,250) COMMON STOCK (FILE  
333-26043 - APR 29) (BR 1)

S-8 TERADYNE INC, 321 HARRISON AVE, MAIL STOP H93, BOSTON, MA 02118  
(617) 482-2700 - 3,000,000 (\$87,937,500) COMMON STOCK. (FILE 333-26045 -  
APR 29) (BR. 5)

S-8 EAGLE PACIFIC INDUSTRIES INC/MN, 2430 METROPOLITAN CENTRE,  
333 S SEVENTH ST, MINNEAPOLIS, MN 55402 (612) 371-9650 - 1,000,000  
(\$3,656,250) COMMON STOCK (FILE 333-26047 - APR 29) (BR 6)

S-8 CORNING INC /NY/, ONE RIVERFRONT PLAZA, CORNING, NY 14831 (607) 974-9000  
- 3,000,000 (\$139,125,000) COMMON STOCK (FILE 333-26049 - APR. 29)  
(BR. 6)

S-3 BEAR STEARNS ASSET BACKED SECURITIES INC, 245 PARK AVE, NEW YORK, NY  
10167 (212) 272-4095 - 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES  
(FILE 333-26051 - APR 29) (BR 8)

S-8 PANDA PROJECT INC, 901 YAMATO ROAD, BOCA RATON, FL 33431 (407) 994-2300  
- 25,000 (\$107,812.50) COMMON STOCK. (FILE 333-26053 - APR. 29) (BR. 9)

S-4 CCPR SERVICES INC, 110 EAST 59TH STREET, 26TH FLOOR, NEW YORK, NY 10022  
(212) 906-8485 - 200,000,000 (\$200,000,000) STRAIGHT BONDS (FILE  
333-26055 - APR 29) (NEW ISSUE)

S-8 ENTREMED INC, 9610 MEDICAL CENTER DR STE 200, ROCKVILLE, MD 20850  
(301) 217-9858 - 1,233,333 (\$14,491,663) COMMON STOCK (FILE 333-26057 -  
APR 29) (BR 1)

S-8 HEICO CORP, 3000 TAFT ST, HOLLYWOOD, FL 33021 (305) 987-6101 - 265,076  
(\$6,080,843) COMMON STOCK (FILE 333-26059 - APR 29) (BR 5)

S-8 AMERICAN HEALTHCHOICE INC /NY/, 1300 W WALNUT HILL LANE STE 275, IRVING,  
TX 75038 (214) 751-1900 - 1,000,000 (\$2,125,000) COMMON STOCK (FILE  
333-26061 - APR 29) (BR. 1)

S-8 AMERICAN HEALTHCHOICE INC /NY/, 1300 W WALNUT HILL LANE STE 275, IRVING,  
TX 75038 (214) 751-1900 - 250,000 (\$531,250) COMMON STOCK. (FILE  
333-26063 - APR. 29) (BR 1)

S-8 AMERICAN HEALTHCHOICE INC /NY/, 1300 W WALNUT HILL LANE STE 275, IRVING,  
TX 75038 (214) 751-1900 - 200,000 (\$425,000) COMMON STOCK. (FILE  
333-26065 - APR. 29) (BR 1)

S-8 SPECIAL METALS CORP, 4312 MIDDLE SETTLEMENT ROAD, NEW HARTFORD, NY 13413  
(315) 798-2900 - 800,000 (\$11,656,230) COMMON STOCK (FILE 333-26067 -  
APR 29) (BR 6)

S-3 QUALCOMM INC/DE, 6455 LUSK BLVD, SAN DIEGO, CA 92121 (619) 587-1121 -  
13,200,000 (\$551,100,000) PREFERRED STOCK (FILE 333-26069 - APR 29)  
(BR 3)

S-8 PIPER JAFFRAY COMPANIES INC, 222 S NINTH ST, PIPER JAFFRAY TOWER,  
MINNEAPOLIS, MN 55402 (612) 342-6000 - 1,000,000 (\$16,060,000)  
COMMON STOCK (FILE 333-26071 - APR 29) (BR 8)

S-3 FARMER MAC MORTGAGE SECURITIES CORP, 919 18TH ST NW, SUITE 200,  
WASHINGTON, DC 20006 (202) 872-7700 - 1,000,000 (\$1,000,000)  
MORTGAGE BONDS (FILE 333-26073 - APR 29) (BR 8)

S-3 PMT SERVICES INC /TN/, TWO MARYLAND FARMS STE 200, BRENTWOOD, TN 37027  
(615) 254-1539 - 300,000 (\$3,264,000) COMMON STOCK (FILE 333-26075 -  
APR 29) (BR 6)

S-3 BIOCIRCUITS CORP, 1324 CHESAPEAKE TERRACE, SUNNYVALE, CA 94089  
(408) 745-1961 - 2,896,226 (\$2,715,211 88) COMMON STOCK. (FILE 333-26079 -  
APR 29) (BR. 1)

S-8 FARALLON COMMUNICATIONS INC, 2470 MARINER SQUARE LOOP, ALAMEDA, CA 94501  
(510) 814-5100 - 1,200,000 (\$4,800,000) COMMON STOCK (FILE 333-26081 -  
APR 29) (BR 3)

S-3 BLYTH INDUSTRIES INC, 100 FIELD POINT RD, GREENWICH, CT 06830  
(203) 661-1926 - 331,239 (\$11,676,174) COMMON STOCK (FILE 333-26083 -  
APR 29) (BR. 6)

S-4 AMERICAN RADIO SYSTEMS CORP /MA/, 116 HUNTINGTON AVE, BOSTON, MA 02116  
(617) 375-7500 - 2,047,391 (\$204,739,100) COMMON STOCK. (FILE 333-26085 -  
APR 29) (BR 3)

S-8 STEWART & STEVENSON SERVICES INC, 2707 N LOOP W, HOUSTON, TX 77008  
(713) 868-7700 - 227,800 (\$5,509,912.50) COMMON STOCK (FILE 333-26089 -  
APR 29) (BR 5)

S-4 BOOTH CREEK SKI HOLDINGS INC, HIGHWAY 267 & NORTHSTAR DR, TRUCKEE, CA  
96160 (916) 562-1010 - 116,000,000 (\$116,000,000) STRAIGHT BONDS. (FILE  
333-26091 - APR 29) (NEW ISSUE)

S-8 AAR CORP, 1100 N WOOD DALE RD, WOOD DALE, IL 60191 (708) 439-3939 -  
150,000 (\$4,378,125) COMMON STOCK. (FILE 333-26093 - APR. 29) (BR 6)

S-3 NATIONAL COMMERCE BANCORPORATION, ONE COMMERCE SQ, MEMPHIS, TN 38150  
(901) 523-3242 - 286,036 (\$12,257,844) COMMON STOCK. (FILE 333-26095 -  
APR 29) (BR 7)

S-3 UCAR INTERNATIONAL INC, 39 OLD RIDGEBURY ROAD, J-4, DANBURY, CT 06817  
(203) 207-7740 - 2,166,641 (\$91,540,582) COMMON STOCK (FILE 333-26097 -  
APR 29) (BR 4)

S-8 WSFS FINANCIAL CORP, 838 MARKET ST, WILMINGTON, DE 19899 (302) 792-6000  
- 625,000 (\$7,267,625) COMMON STOCK (FILE 333-26099 - APR 29) (BR. 7)

S-3 MCKESSON CORP, ONE POST ST, SAN FRANCISCO, CA 94104 (415) 983-8300 -  
2,791,738 (\$185,826,456 40) COMMON STOCK. (FILE 333-26103 - APR. 29)  
(BR 1)

S-8 QUARTERDECK CORP, 13160 MINDANAO WAY, MARINA DEL REY, CA 90292  
(310) 309-3700 - 1,700,000 (\$4,143,750) COMMON STOCK. (FILE 333-26105 -  
APR 29) (BR 3)

S-8 QUARTERDECK CORP, 13160 MINDANAO WAY, MARINA DEL REY, CA 90292  
(310) 309-3700 - 750,000 (\$1,828,125) COMMON STOCK (FILE 333-26107 -  
APR 29) (BR 3)

S-3 XYTRONYX INC, 6730 MESA RIDGE ROAD, SUITE A, SAN DIEGO, CA 92121  
(619) 550-3900 - 26,331,333 (\$28,789,244) COMMON STOCK (FILE 333-26109 -  
APR 29) (BR 1)

S-8 ENERGEN CORP, 2101 SIXTH AVE N, BIRMINGHAM, AL 35203 (205) 326-2742 -  
5,000,000 (\$5,000,000) OTHER SECURITIES INCLUDING VOTING TRUST (FILE  
333-26111 - APR 29) (BR 4)

S-8 MEDAPHIS CORP, 2700 CUMBERLAND PKWY STE 300, ATLANTA, GA 30339  
(770) 319-3300 - 31,449 (\$147,417) COMMON STOCK (FILE 333-26113 -  
APR 29) (BR 1)

S-3 WESTERN RESOURCES INC /KS, 818 KANSAS AVE, TOPEKA, KS 66612  
(913) 575-6300 - 343,751,100 (\$343,751,100) MORTGAGE BONDS. (FILE  
333-26115 - APR 29) (BR 4)

S-8 POORE BROTHERS INC, 2664 S LITCHFIELD RD, GOODYEAR, AZ 85338  
(602) 925-0731 - 2,320,000 (\$5,054,317 83) COMMON STOCK. (FILE 333-26117 -  
APR 29) (BR. 2)

S-8 BARNETT BANKS INC, 50 N LAURA ST, P O BOX 40789, JACKSONVILLE, FL 32202  
(904) 791-7720 - 5,364,590 (\$314,843,590) COMMON STOCK. (FILE 333-26119 -  
APR. 29) (BR 7)

S-8 MCDONNELL DOUGLAS CORP, P O BOX 516, MCDONNELL BLVD AT AIRPORT RD,  
ST LOUIS, MO 63166 (314) 232-0232 - 75,000 (\$4,270,312.50) COMMON STOCK  
(FILE 333-26121 - APR 29) (BR. 5)

S-8 CHANCELLOR BROADCASTING CO /DE/, 12655 N CENTRAL EXPRESSWAY, SUITE 405,  
DALLAS, TX 75243 (972) 239-6220 - 2,020,857 (\$34,377,717) COMMON STOCK  
(FILE 333-26123 - APR 30) (BR. 3)

S-4 JACOR COMMUNICATIONS INC, 50 E RIVERCENTER BLVD, 12TH FLOOR, COVINGTON,  
KY 41011 (606) 655-2267 - 2,000,000 (\$268,090,549) COMMON STOCK. (FILE  
333-26125 - APR. 30) (BR. 3)