

SEC NEWS DIGEST

Issue 97-243

December 18, 1997

RULES AND RELATED MATTERS

PROPOSED AMENDMENTS TO THE NET CAPITAL RULE FOR DEBT PRODUCTS

The Commission proposed for comment amendments to Rule 15c3-1 (the net capital rule) under the Securities Exchange Act of 1934, regarding the Commission's capital requirements for broker-dealers. The proposed amendments would modify the way a broker-dealer calculates its required capital for certain debt products. The debt products covered by the proposed amendments include government securities, investment grade nonconvertible debt securities (or corporate debt securities), pass-through mortgage-backed securities, repurchase and reverse repurchase agreements, money market instruments, futures and forward contracts on debt instruments, and other types of debt-related derivatives such as interest rate swaps. (Rel. 34-39455; File No. S7-31-97)

CONCEPT RELEASE ON THE NET CAPITAL RULE

As part of a comprehensive review of the net capital rule, Rule 15c3-1 under the Securities Exchange Act of 1934, the Commission published a concept release to solicit comment on how the net capital rule could be modified to incorporate modern risk management techniques as to a broker-dealer's proprietary positions and to reflect the continuing evolution of the securities markets. More specifically, the Commission seeks comment on how the existing haircut structure could be modified and whether the net capital rule should be amended to allow firms to use statistical models to calculate net capital requirements. (Rel. 34-39456; File No. S7-32-97)

PROPOSED AMENDMENTS TO THE NET CAPITAL RULE DEFINING THE TERM NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION

The Commission proposed for comment amendments to Rule 15c3-1 (the net capital rule) under the Securities Exchange Act of 1934 to define the term nationally recognized statistical rating organization (NRSRO) for purposes of the net capital rule. The proposed amendments also would provide a list of attributes that would be considered by the Commission in designating rating

organizations as NRSROs and set forth the process rating organizations must follow to apply for NRSRO designation. (Rel. 34-39457; File No. S7-33-97)

ENFORCEMENT PROCEEDINGS

COMMISSION LACKS JURISDICTION TO REVIEW NASD DECISION DENYING MORGAN STANLEY AN EXEMPTION FROM MSRB RULE G-37

The Commission has determined that it does not have jurisdiction to review a decision of the NASD to deny Morgan Stanley & Co., Inc. an exemption from a two-year prohibition against engaging in municipal securities business in Massachusetts. The prohibition was triggered automatically by the operation of MSRB Rule G-37 when a Morgan executive contributed \$1,000 to the United States Senate campaign of William Weld, then governor of Massachusetts. The Commission found that the NASD's action was not disciplinary action. The Commission further found that the NASD had not denied Morgan access to its services or denied Morgan membership in the association.

The Commission also rejected Morgan's request that the Commission state that its earlier stay order in this matter would not have the effect of tolling or extending the application of Rule G-37's two-year ban on Morgan. The Commission held that Morgan advanced "no compelling reason" why the granting of that stay should result in a reduction in the period of prohibition imposed by the rule. (Rel. 34-39459; File No. 3-9289)

HOLLY HOLDINGS, INC. CONSENTS TO INJUNCTION

On December 17, the Commission filed a complaint in the United States District Court for the District of Columbia against Holly Holdings, Inc. (Holly Holdings). The complaint alleges that Holly Holdings, a company involved in the development of a casino, hotel and parking complex in Black Hawk, Colorado, whose securities are quoted in the pink sheets, failed to make available to the investing public current and accurate information about its financial condition and results of operation through the filing of periodic reports with the Commission as required by the Securities Exchange Act of 1934 (Exchange Act). Specifically, the complaint alleges that Holly Holdings has not filed its Annual Report on Form 10-K for the fiscal year ended March 31, 1997, its Quarterly Reports on Form 10-Q for the fiscal quarters ended June 30, 1997 and September 30, 1997, and one Notification of Late Filing with respect to its delinquent reports. The Commission seeks to compel Holly Holdings to file its delinquent periodic reports and enjoin Holly Holdings from further violations of Section 13(a) of the Exchange Act of 1934 and Rules 12b-25, 13a-1 and 13a-13 thereunder. Simultaneously with the filing of the Commission's complaint, Holly Holdings consented to the entry of a Final Judgment granting the relief sought by the Commission and admitted that it had not filed the periodic reports

as described above. [SEC v. Holly Holdings, Inc., Civil Action No. 97-CV-03018, D.D.C.] (LR-15593)

INVESTMENT COMPANY ACT RELEASES

BANK AUSTRIA AG AND BANK AUSTRIA MORTGAGE CORP.

An order has been issued on an application filed by Bank Austria AG (Bank Austria) and Bank Austria Mortgage Corp. (Mortgage Corp.) under Section 6(c) of the Investment Company Act exempting Mortgage Corp. from all provisions of the Act. The order permits Mortgage Corp., a real estate investment trust, to hold certain real estate related assets of Bank Austria. (Rel. IC-22945 - December 17)

SELF-REGULATORY ORGANIZATIONS

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

A proposed rule change (SR-CHX-97-31) filed by the Chicago Stock Exchange to rebate an amount equal to six months of membership dues and an amount equal to twelve months of floor telephone booth and/or post space charges has become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected in the Federal Register during the week of December 22. (Rel. 34-39450)

A proposed rule change (SR-CBOE-97-63) filed by the Chicago Board Options Exchange to list and trade options on the Dow Jones High Yield Select 10 Index has become immediately effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the notice is expected in the Federal Register during the week of December 22. (Rel. 34-39453)

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 SUNPHARM CORPORATION, 4651 SALISBURY RD, SUITE 205, JACKSONVILLE, FL
32256 (904) 296-3320 - 1,050,000 (\$5,806,500) COMMON STOCK (FILE
333-41967 - DEC 11) (BR 1)

S-8 NSS BANCORP INC, 48 WALL ST, NORWALK, CT 06852 (203) 838-4545 -
4,926,746 (\$19,429,830 80) COMMON STOCK. (FILE 333-41969 - DEC. 11)
(BR 7)

S-3 PONDER INDUSTRIES INC, 5005 RIVERWAY DR STE 550, P O DRAWER 2229,
HOUSTON, TX 77056 (512) 664-5831 - 1,346,952 (\$2,289,818) COMMON STOCK
(FILE 333-41971 - DEC 11) (BR 7)

S-3 INTEGRATED HEALTH SERVICES INC, 10065 RED RUN BLVD, OWINGS MILLS, MD
21117 (410) 998-8400 - 1,813,434 (\$54,176,340 75) COMMON STOCK (FILE
333-41973 - DEC 11) (BR. 1)

S-1 PDC 2000 DRILLING PROGRAM, C/O PETROLEUM DEVELOPMENT CORP,
103 E MAIN STREET, BRIDGEPORT, WV 26330 (304) 842-3597 - 7,500
(\$150,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 333-41977 - DEC. 11)
(BR 4 - NEW ISSUE)

S-8 ENSERCH EXPLORATION INC /TX/, 2500 CITY WEST BLVD, STE 1400, HOUSTON, TX
77046 (713) 243-3371 - 1,500,000 (\$13,500,000) COMMON STOCK. (FILE
333-41979 - DEC. 11) (BR 4)

S-8 TRAVIS BOATS & MOTORS INC, 5000 PLAZA ON THE LAKE, SUITE 250, AUSTIN, TX
78746 (512) 347-8787 - 333,865 (\$3,609,153 52) COMMON STOCK (FILE
333-41981 - DEC 11) (BR 2)

S-3 REYNOLDS & REYNOLDS CO, 115 S LUDLOW ST, DAYTON, OH 45402 (513) 443-2000
- 103,374 (\$1,967,336 40) COMMON STOCK. (FILE 333-41983 - DEC 11)
(BR 5)

S-3 REYNOLDS & REYNOLDS CO, 115 S LUDLOW ST, DAYTON, OH 45402 (513) 443-2000
- 1,618 (\$30,792 56) COMMON STOCK (FILE 333-41985 - DEC 11) (BR 5)

S-8 CATSKILL FINANCIAL CORP, 341 MAIN ST, CATSKILL, NY 12414 (518) 943-3600
- 796,145 (\$14,179,342) COMMON STOCK (FILE 333-41987 - DEC 11) (BR 7)

S-3 FPA MEDICAL MANAGEMENT INC, 3636 NOBLE DR STE 200, SAN DIEGO, CA 92122
(619) 453-1000 - 7,759,851 (\$180,660,971) COMMON STOCK (FILE 333-41989 -
DEC 11) (BR 1)

S-8 MPW INDUSTRIAL SERVICES GROUP INC, 0, 9711 LANCASTER ROAD SE, HEBRON, OH
43025 (614) 927-870 - 1,679,000 (\$15,656,675) COMMON STOCK. (FILE
333-41991 - DEC 11) (BR. 8)

S-8 FIRST AMERICAN FINANCIAL CORP, 114 E FIFTH ST, SANTA ANA, CA 92701
(714) 558-3211 - 400,000 (\$24,414,750) COMMON STOCK. (FILE 333-41993 -
DEC 11) (BR 1)

S-8 HALIFAX CORP, 5250 CHEROKEE AVE, ALEXANDRIA, VA 22312 (703) 750-2202 -
280,000 (\$2,747,500) COMMON STOCK. (FILE 333-41995 - DEC 11) (BR. 3)

S-8 SFX BROADCASTING INC, 150 EAST 58TH ST, 150 EAST 58TH ST, NEW YORK, NY
10155 (212) 407-9191 - 75,000 (\$2,043,750) COMMON STOCK (FILE 333-41997 -
DEC 11) (BR 3)

S-3 GABLES RESIDENTIAL TRUST, 2859 PACES FERRY RD, STE 1450, ATLANTA, GA
30339 (770) 436-4600 - 548,141 (\$15,039,618 69) COMMON STOCK (FILE
333-41999 - DEC 11) (BR 8)

S-8 ASSOCIATES FIRST CAPITAL CORP, 250 E CARPENTER FWY, IRVING, TX 75062
(214) 541-4000 - 1,700,000 (\$111,031,250) COMMON STOCK. (FILE 333-42001 -
DEC 11) (BR 7)

S-8 SOURCE SERVICES CORP, 5580 LBJ FREEWAY, STE 300, DALLAS, TX 75240
(214) 385-3002 - 3,576,130 (\$75,881,008.44) COMMON STOCK. (FILE 333-42005
- DEC 11) (BR. 7)

S-8 COUSINS PROPERTIES INC, 2500 WINDY RIDGE PKWY STE 1600, ATLANTA, GA
30339 (770) 955-2200 - 825,000 (\$25,317,187.50) COMMON STOCK (FILE
333-42007 - DEC 11) (BR. 8)

SB-2 NORRIS COMMUNICATIONS CORP, 13114 EVENING CREEK DR S, SAN DIEGO, CA
92128 (619) 679-1504 - 12,665,224 (\$1,519,827) COMMON STOCK. (FILE
333-42009 - DEC. 11) (BR. 6)

S-8 BROWN TOM INC /DE, 508 W WALL, STE 500, MIDLAND, TX 79701 (915) 682-9715
- 400,000 (\$7,988,000) COMMON STOCK (FILE 333-42011 - DEC 11) (BR. 4)

S-3 CENTURY TELEPHONE ENTERPRISES INC, P O BOX 4065, 100 CENTURY PARK DR,
MONROE, LA 71211 (318) 388-9500 (FILE 333-42013 - DEC 11) (BR 3)

S-8 AMB PROPERTY CORP, 505 MONTGOMERY STREET, 415-394-9000, SAN FRANCISCO,
CA 94111 - 5,750,000 (\$125,878,747) COMMON STOCK. (FILE 333-42015 -
DEC. 11) (BR. 8)

S-4 SOURCE MEDIA INC, 5400 LBJ FREEWAY STE 680, DALLAS, TX 75231
(972) 701-5400 - 800,000 (\$20,000,000) PREFERRED STOCK (FILE 333-42017 -
DEC 11) (BR. 3)

S-8 CORAM HEALTHCARE CORP, 1125 SEVENTEENTH ST STE. 1500, DENVER, CO 80202
(303) 292-4973 - 700,000 (\$2,340,625) COMMON STOCK (FILE 333-42019 -
DEC 11) (BR 1)

S-8 AIRGAS INC, 259 RADNOR-CHESETER ROAD, SUITE 100, RADNOR, PA 19087
(610) 687-5253 - 8,500,000 (\$117,937,500) COMMON STOCK (FILE 333-42023 -
DEC 11) (BR 4)

S-4 APPLE COMPUTER INC, 1 INFINITE LOOP, CUPERTINO, CA 95014 (408) 996-1010
- 6,504,065 (\$100,000,000) COMMON STOCK (FILE 333-42025 - DEC 11)
(BR. 3)

S-8 CLAIRE'S STORES INC, 3 S W 129TH AVE, PEMBROKE PINES, FL 33027
(305) 433-3900 - 5,261,639 (\$99,655,443) COMMON STOCK (FILE 333-42027 -
DEC 11) (BR 2)

S-3 MERRILL LYNCH MORTGAGE INVESTORS INC, WORLD FINANCIAL CENTER N TOWER,
250 VESEY ST 17TH FL, NEW YORK, NY 10281 (212) 449-0336 - 1,000,000
(\$1,000,000) STRAIGHT BONDS (FILE 333-42029 - DEC 11) (BR 8)

S-3 WALKER INTERACTIVE SYSTEMS INC, MARATHON PLZ THREE NORTH, 303 SECOND ST,
SAN FRANCISCO, CA 94107 (414) 495-8811 - 634,022 (\$7,885,648 63)
COMMON STOCK (FILE 333-42031 - DEC 11) (BR 3)

S-3 GULF POWER CO, 500 BAYFRONT PKWY, PENSACOLA, FL 32501 (904) 444-6111
(FILE 333-42033 - DEC 11) (BR 4)

S-8 HADRON INC, 4900 SEMINARY RD STE 800, ALEXANDRIA, VA 22311
((70) 3) -824- - 250,000 (\$609,375) COMMON STOCK (FILE 333-42035 -
DEC 11) (BR 3)

S-4 SOURCE MEDIA INC, 5400 LBJ FREEWAY STE 680, DALLAS, TX 75231
(972) 701-5400 - 100,000,000 (\$100,000,000) STRAIGHT BONDS (FILE
333-42037 - DEC 11) (BR 3)

S-3 HVIDE MARINE INC, 2200 ELLER DR BUILDING 27, PO BOX 13038,
FORT LAUDERDALE, FL 33316 (305) 523-2200 - 5,750,000 (\$177,171,875)
COMMON STOCK. (FILE 333-42039 - DEC 11) (BR 5)

S-4 STAR BANC CORP /OH/, 425 WALNUT ST, CINCINNATI, OH 45202 (513) 632-4000
- 11,100,000 (\$531,468,000) COMMON STOCK (FILE 333-42041 - DEC 11)
(BR 7)

S-3 STORAGE TRUST REALTY, 2407 RANGE LINE STREET, COLUMBIA, MO 65202
(573) 499-4799 - 1,000,000 (\$24,687,500)
COMMON SHARES OF BENEFICIAL INTEREST (FILE 333-42043 - DEC 11) (BR 8)

S-4 SOUTHERN MINERAL CORP, 500 DALLAS STREET, STE 2800, HOUSTON, TX 77002
(713) 658-9444 - 3,333,333 (\$17,037,510) COMMON STOCK (FILE 333-42045 -
DEC 11) (BR 4)

S-8 EPL TECHNOLOGIES INC, 2 INTERNATIONAL PLZ, STE 245, PHILADELPHIA, PA
19113 (510) 521-4400 - 1,500,000 (\$9,240,000) COMMON STOCK. (FILE
333-42047 - DEC 11) (BR 4)

S-3 COLONIAL REALTY LIMITED PARTNERSHIP, 2101 6TH AVENUE NORTH, SUITE 750,
BIRMINGHAM, AL 35202 (205) 250-8700 - 305,000,000 (\$305,000,000)
STRAIGHT BONDS (FILE 333-42049 - DEC 11) (BR 8)

S-3 INTEGRATED SURGICAL SYSTEMS INC, 829 W STADIUM LANE, SACRAMENTO, CA
95834 (916) 646-3487 - 619,355 (\$2,941,936) COMMON STOCK (FILE 333-42051
- DEC 11) (BR. 9)

SB-2 AYURCORE INC, 1737 N FIRST ST, STE 290, SAN JOSE, CA 95112
(408) 441-6382 - 1,250,000 (\$11,075,000) COMMON STOCK (FILE 333-42053 -
DEC 11) (NEW ISSUE)

N-2 MUNIHOLDINGS FLORIDA INSURED FUND II, MERRILL LYNCH ASSET MANAGEMENT,
PO BOX 9011, PRINCETON, NJ 08543 - 66,666 (\$999,990)
COMMON SHARES OF BENEFICIAL INTEREST. (FILE 333-42055 - DEC. 11) (BR. 17)

S-4 ENERGYSOUTH INC, 2828 DAUPHIA ST., MOBILE, AL 36606 (334) 476-2720 -
3,266,666 (\$123,724,970) COMMON STOCK (FILE 333-42057 - DEC. 12)
(NEW ISSUE)

S-8 BUSINESS OBJECTS SA, BUSINESS OBJECTS AMERICAS, 1870 ZANKER RD,
SAN JOSE, CA 95134 (408) 953-6024 - 48,000 (\$456,000) FOREIGN COMMON STOCK
(FILE 333-42059 - DEC 11) (BR. 3)

S-8 BUSINESS OBJECTS SA, BUSINESS OBJECTS AMERICAS, 1870 ZANKER RD,
SAN JOSE, CA 95134 (408) 953-6024 - 1,000,000 (\$10,820,000)
FOREIGN COMMON STOCK (FILE 333-42061 - DEC 11) (BR 3)

S-8 BUSINESS OBJECTS SA, BUSINESS OBJECTS AMERICAS, 1870 ZANKER RD,
SAN JOSE, CA 95134 (408) 953-6024 - 170,000 (\$1,475,137)
FOREIGN COMMON STOCK (FILE 333-42063 - DEC 11) (BR 3)

S-1 ASSOCIATED MATERIALS INC, 2200 ROSS AVE STE 4100 E, DALLAS, TX 75201
(214) 754-7188 - 2,835,900 (\$51,046,200) COMMON STOCK (FILE 333-42065 -
DEC 12) (BR 6)

S-1 ASSOCIATED MATERIALS INC, 2200 ROSS AVE STE 4100 E, DALLAS, TX 75201
(214) 754-7188 - 75,000,000 (\$75,000,000) STRAIGHT BONDS. (FILE 333-42067
- DEC 12) (BR. 6)

S-8 SYNOPSIS INC, 700 E MIDDLEFIELD RD, MOUNTAIN VIEW, CA 94043
(415) 962-5000 - 2,671,864 (\$52,715,835.21) COMMON STOCK (FILE 333-42069
- DEC 12) (BR 3)