

SEC NEWS DIGEST

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ENFORCEMENT PROCEEDINGS

U.S. v. THE INFINITY GROUP COMPANY, GEOFFREY BENSON AND GEOFFREY O'CONNOR, ET AL.

On March 16, the Honorable Stewart Dalzell entered Orders against Geoffrey P. Benson (Benson), Susan L. Benson (S. Benson) and Lindsey K. Springer (Lindsey Springer) d/b/a Bondage Breaker Ministries holding them in contempt of certain provisions of the Court's Order for Final Injunction, Disgorgement and Other Relief (Final Judgment) entered on February 6, 1998. Benson, S. Benson and Springer were named as defendant and relief defendants, respectively, in an emergency civil injunctive action instituted by the Commission (Commission) in August 1997.

Following a hearing on March 16, 1998, Judge Dalzell held the Bensons and Springer in contempt based upon his finding that they had failed to transfer certain property to the court-appointed trustee in accordance with the Final Judgment. The court ordered that Springer be detained by the U.S. Marshal.

In the Final Judgment, Judge Dalzell found that Benson, The Infinity Group Company (TIGC) and Geoffrey O'Connor had violated the antifraud provisions of the Securities Act and the Exchange Act, and the securities registration provisions of the Securities Act by fraudulently raising at least \$24.5 million from public investors. The defendants promoted investments and guaranteed returns of as much as 181 percent, which they claimed would be generated through TIGC's investments in, among other things, "Prime Bank" instruments. In fact, all of the investments were virtually worthless or non-existent. [U.S. v. The Infinity Group Company, Geoffrey P. Benson and Geoffrey J. O'Connor, et al., USDC, EDPA, Civil Action No. 97-CV-5458] (LR-15686)

DISTRICT COURT GRANTS SUMMARY JUDGMENT TO COMMISSION IN CASE ARISING FROM FRAUDULENT SCHEME PURPORTING TO ENABLE SMALL INVESTORS TO ENGAGE IN ARBITRAGE AND LEVERAGING; FINDS SUBJECT MATTER JURISDICTION WHERE PROMOTORS LOCATED ABROAD USED UNITED STATES MAILS TO DEFRAUD UNITED STATES INVESTORS

The Commission announced that on March 26 The Honorable Emmet Sullivan, United States District Judge for the District of Columbia, granted the Commission's motion for summary judgment against defendants Lloyd R. Winburn, Swiss Trade & Commerce Trust Ltd., and Eddie R. Blackwell. The Court enjoined the defendants from violating the securities registration and antifraud provisions of the federal securities laws, as well as the registration provisions of the Investment Company Act. Finding that defendants had knowingly and intentionally misrepresented the purpose of the investment they had promoted and the use to which investors' funds would be put, the Court ordered defendants to disgorge, jointly and severally, \$6.5 million they had raised through their false and misleading statements, and to pay \$2.69 million in prejudgment interest. The Court previously had entered a default judgment against defendant Banner Fund International on the same claims.

From late 1992 through 1994, defendants Winburn and Blackwell, both United States citizens operating first out of Aruba and later from Belize, offered and sold investments in the Banner Fund International Offshore Arbitrage Leveraging Program, which they advertised as an opportunity for the "little guy" to take advantage of "phenomenal" opportunities in the financial markets. Through the vehicle of Banner Fund, under the management of Swiss Trade, Winburn and Blackwell claimed that investors' funds would be leveraged into large profits with little or no room for loss. In fact, after raising at least \$6.5 million from mailings targeted primarily at unsophisticated investors with small amounts of capital to invest, defendants failed to engage in any leverage or arbitrage activity, but instead spent the money on real estate and a shrimp farm in Belize, and on various trusts in the United States engaged in lending money to defendants' relatives and friends.

In addition to rendering judgment for the Commission, the Court denied Blackwell's motion for summary judgment, which was based primarily on the contention that, because defendants were located in Belize, the Court lacked subject matter jurisdiction over the action. To the contrary, the Court found, defendants' perpetration of a fraud against United States investors through the use of the United States mails indisputably established subject matter jurisdiction under the federal securities laws. [SEC v. Banner Fund International, Civil Action No. 94-342, EGS, D.D.C.] (LR-15689)

INVESTMENT COMPANY ACT RELEASES

LORD ABBETT INVESTMENT TRUST, ET AL.

A notice has been issued giving interested persons until April 20, 1998, to request a hearing on an application filed by Lord Abbett Investment Trust, et al. for an order under Section 12(d)(1)(J) of the Investment Company Act for an exemption from Section 12(d)(1)(G)(i)(II) of the Act and pursuant to Section 17(d) of the Act and Rule 17d-1 under the Act. The order would permit a fund of funds relying on Section 12(d)(1)(G) to make investments in equity and debt securities and would permit applicants to enter into certain expense sharing arrangements. (Rel. IC-23088 - March 27)

BLACKROCK FUNDS, ET AL.

A notice has been issued giving interested persons until April 21, 1998, to request a hearing on an application filed by BlackRock Funds, et al. for an order under Sections 6(c) and 17(b) of the Investment Company Act exempting applicants from Section 17(a) of the Act. The order would permit certain common trust funds to transfer their assets to certain series of registered open-end management investment companies in exchange for shares of the series. (Rel. IC-23089 - March 27)

ST. CLAIR FUNDS, INC., ET AL.

An order has been issued exempting St. Clair Funds, Inc. (Company) and Munder Capital Management (Adviser) from Sections 9(a), 13(a), 15(a) and 15(b) of the Investment Company Act and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder. The order permits certain shares of the Company and shares of any other investment company for which the Adviser, or any of its affiliates, may serve now or in the future as investment adviser, administrator, manager, principal underwriter or sponsor, to be offered and sold to, and held by: (1) variable annuity and variable life insurance separate accounts of both affiliated and unaffiliated life insurance companies; and (2) qualified pension and retirement plans outside of the separate account context. (Rel. IC-23091 - March 30)

RGIP, LCC AND ROPES & GRAY

An order has been issued under Sections 6(b) and 6(e) of the Investment Company Act on an application filed by RGIP, LCC and Ropes & Gray. The order exempts RGIP, LCC and Ropes & Gray from all provisions of the Act, and the rules and regulations under the Act, except Section 9, certain provisions of Sections 17 and 30, and Sections 36 through 53, and the rules and regulations thereunder. The order permits applicants to operate an employees' securities company. (Rel. IC-23092 - March 30)

EQ ADVISORS TRUST AND EQ FINANCIAL CONSULTANTS, INC.

A notice has been issued giving interested persons until April 23, 1998, to request a hearing on an application filed by EQ Advisors Trust (Trust) and EQ Financial Consultants, Inc. (Manager), for an order under Section 6(c) of the Investment Company Act exempting the

Trust and the Manager from Section 15(a) of the Act and Rule 18f-2 under the Act. The order would permit the Manager, as investment adviser to certain portfolios of the Trust, to enter into or modify subadvisory agreements without obtaining shareholder approval. (Rel. IC-23093 - March 30)

HOLDING COMPANY ACT RELEASES

NORTHEAST UTILITIES, ET AL.

A notice has been issued giving interested persons until April 21, 1998, to request a hearing on a proposal by Northeast Utilities (NU), a registered holding company, and certain of its subsidiaries (Participating Subsidiaries). NU proposes to issue its common stock and certain derivative securities in connection with its incentive plan and its employee share purchase plan. In addition, the Participating Subsidiaries propose to acquire NU common stock on the open market to provide incentive compensation to their employees. An order has been issued authorizing NU to solicit proxies from NU's common shareholders seeking the approval of its incentive and employee share purchase plans. The effective date of the order has been accelerated under Rule 62(d). (Rel. 35-26850)

CENTRAL AND SOUTH WEST SERVICES, INC.

A notice has been issued giving interested persons until April 21, 1998, to request a hearing on a proposal by Central and South West Services, Inc., a nonutility service subsidiary company of Central and South West Corporation, a registered holding company, to provide engineering and construction services and related environmental and equipment maintenance services to nonassociate entities. (Rel. 35-26851)

AMERICAN ELECTRIC POWER CO., INC., ET AL.

A notice has been issued giving interested persons until April 21, 1998, to request a hearing on a proposal by American Electric Power Company, Inc. (AEP), a registered holding company, and eight electric utility subsidiary companies, Appalachian Power Company (Appalachian), Columbus Southern Power Company (Columbus), Indiana Michigan Power Company (Indiana), Kentucky Power Company (Kentucky), Ohio Power Company (Ohio), AEP Generating Company (Generating), Kingsport Power Company (Kingsport), and Wheeling Power Company (Wheeling). AEP, Appalachian, Columbus, Indiana, Kentucky and Ohio propose to incur short-term indebtedness, through December 31, 2003, through the issuance and sale of short-term notes to banks and commercial paper to dealers in commercial paper. Generating, Kingsport, and Wheeling propose to incur short-term indebtedness, through December 31, 2003, through the issuance and sale of short-term notes to banks. The aggregate outstanding principal amount of short-term indebtedness would not exceed \$2.135 billion at any one

time. In addition, AEP proposes to guarantee up to \$40 million in short-term debt of American Electric Power Service Corporation. (Rel. 35-26851)

NEW ENGLAND ELECTRIC SYSTEM, ET AL.

A notice has been issued giving interested persons until April 21, 1998, to request a hearing on a proposal by New England Electric System (NEES), a registered holding company, and certain of its subsidiaries (collectively, Applicants). By order dated October 29, 1997 (HCAR No. 26768) (October 1997 Order), certain Applicants were authorized, through October 31, 2001, to, among other things, borrow from the NEES intrasystem money pool, borrow from banks and issue commercial paper. One of the Applicants, New England Power Company, now proposes to increase from \$375 million to \$750 million the total amount of the short-term borrowing it may incur by authority of the October 1997 Order. (Rel. 35-26851)

AMERICAN ELECTRIC POWER COMPANY, ET AL.

A notice has been issued giving interested persons until April 21, 1998, to request a hearing on a proposal by American Electric Power Company, Inc. (AEP), a registered holding company, and its nonutility subsidiaries AEP Resources, Inc. (AEPR), AEP Energy Services, Inc. (AEPES) and AEP Resources Services Company (Resco). AEPR proposes to enter into joint ventures (Joint Ventures) with E.I. DuPont de Nemours and Company and its subsidiary Conoco Inc. (DuPont/Conoco) to provide certain energy-related services and financing to industrial, commercial and institutional customers. AEP proposes to guarantee certain obligations of AEPR under agreements with DuPont/Conoco establishing the Joint Ventures and certain obligations of the Joint Ventures. In addition, AEP and AEPR request authority for the Joint Ventures and their subsidiaries to pay dividends out of unearned surplus. Further, AEPES and Resco seek an exemption from the at cost requirements of the Act for the sale of goods and services to the Joint Ventures and their subsidiaries. (Rel. 35-26851)

NATIONAL FUEL GAS COMPANY, ET AL.

A notice has been issued giving interested persons until April 21, 1998, to request a hearing on a proposal by National Fuel Gas Company (National), a registered public utility holding company, and its wholly owned nonutility subsidiary, National Fuel Gas Supply Corporation (Supply). Applicants request authorization for Supply to acquire substantially all of the assets (Assets) of Cunningham Natural Gas Corporation (Cunningham). In exchange for the Assets, Cunningham will receive shares of National's common stock. (Rel. 35-26851)

ENTERGY CORPORATION

A notice has been issued giving interested persons until April 21, 1998, to request a hearing on a proposal by Entergy Corporation, a registered holding company, to issue and sell up to 12 million

shares of its common stock to participants in the 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries (Equity Plan), through December 31, 2010. An order was issued authorizing the solicitation of proxies to obtain shareholder approval of the Equity Plan and the effective date of the order was accelerated under Rule 62(d). (Rel. 35-26852)

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.

Registration statements may be obtained in person or by writing to the Commission's Public Reference Branch at 450 Fifth Street, N.W., Washington, D.C. 20549 or at the following e-mail box address: <public info @ sec>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

- S-B REPUBLIC OF KOREA, 460 PARK AVE 20TH, NEW YORK, NY 10005 -
5,000,000,000 (\$5,000,000,000) FOREIGN GOVERNMENT AND AGENCY DEBT (FILE
333-8502 - MAR. 20) (BR 99)
- S-B REPUBLIC OF COLOMBIA, 10 EAST 46TH ST, C/O CONSUL REBUBLIC OF COLOMBIA,
NEW YORK, NY 10017 - 1,475,000,000 (\$1,475,000,000)
FOREIGN GOVERNMENT AND AGENCY DEBT (FILE 333-8504 - MAR. 20) (BR. 99)
- F-3 WESTERN & CARIBBEAN CELLULAR INC, CARRERA 55 NO 49-101,
MEDELLIN COLOMBIA, (574) 512-9090 - 4,355,850 (\$4,355,850)
FOREIGN COMMON STOCK (FILE 333-8508 - MAR 23) (BR 3)
- S-11 STRATEGIC REALTY CAPITAL CORP, 0, 1251 DUBLIN ROAD, COLUMBUS, OH 43215
(614) 488-1169 - 7,705,000 (\$115,575,000) COMMON STOCK (FILE 333-48501 -
MAR 24) (BR. 8 - NEW ISSUE)
- S-8 PEACOCK FINANCIAL CORP, 248 E MAIN STREET, STE 306, SAN JACINTO, CA
92583 (909) 925-6469 - 400,000 (\$20,000) COMMON STOCK (FILE 333-48503 -
MAR 24) (BR 2)
- S-8 PEACOCK FINANCIAL CORP, 248 E MAIN STREET, STE 306, SAN JACINTO, CA
92583 (909) 925-6469 - 50,000 (\$15,000) COMMON STOCK (FILE 333-48505 -
MAR. 24) (BR. 2)
- S-8 HABERSHAM BANCORP, P O BOX 1980, HIGHWAY 441 N, CORNELIA, GA 30531
(404) 572-6600 - 250,000 (\$4,875,000) COMMON STOCK. (FILE 333-48507 -
MAR 24) (BR. 7)
- S-8 COYOTE SPORTS INC, 2291 ARAPAHOE AVE, BOULDER, CO 80302 (303) 417-0942
- 1,000,000 (\$6,125,000) COMMON STOCK. (FILE 333-48509 - MAR. 24) (BR. 9)
- S-8 EMPIRE FEDERAL BANCORP INC, 123 SOUTH MAIN STREET, LIVINGSTON, MT 59047
(406) 222-1981 - 362,894 (\$6,466,771) COMMON STOCK (FILE 333-48511 -
MAR 24) (BR 7)

S-3 ADVENT SOFTWARE INC /DE/, 301 BRANNAN ST, SAN FRANCISCO, CA 94107
(415) 543-7696 - 75,000 (\$3,164,250) COMMON STOCK (FILE 333-48513 -
MAR 24) (BR. 9)

S-3 GRUBB & ELLIS CO, 2215 SANDERS RD, STE 400, NORTHBROOK, IL 60062
(415) 956-1990 (FILE 333-48515 - MAR. 23) (BR 8)

S-3 HI RISE RECYCLING SYSTEMS INC, 16255 NW 54TH AVE, MIAMI, FL 33014
(305) 624-9222 - 3,500,762 (\$12,322,682 24) COMMON STOCK (FILE 333-48517
- MAR 24) (BR. 9)

S-1 US HOME & GARDEN INC, 655 MONTGOMERY ST STE 830, SAN FRANCISCO, CA 94111
(415) 616-8111 - 2,530,000 (\$63,250,000) PREFERRED STOCK (FILE 333-48519
- MAR. 24) (BR. 2)

F-3 BIOCHEM PHARMA INC, 275 ARMAND-FRAPPIER BLVD, LAVAL QUEBEC, E6
(514) 681-1744 - 2,800,000 (\$105,000,000) FOREIGN COMMON STOCK (FILE
333-48521 - MAR 24) (BR 1)

S-1 ELECTRONICS BOUTIQUE HOLDINGS CORP, 931 MATLACK ST, WEST CHESTER, PA
19382 (610) 430-8100 - 8,625,000 (\$146,625,000) COMMON STOCK (FILE
333-48523 - MAR 24) (BR 2 - NEW ISSUE)

S-8 ROGUE WAVE SOFTWARE INC /OR/, 850 SW 35TH ST, CORVALLIS, OR 97333
(541) 754-3010 - 900,000 (\$12,498,084 90) COMMON STOCK (FILE 333-48525 -
MAR 24) (BR 9)

SB-2 HEARTLAND WISCONSIN CORP, 6635 SOUTH 13TH STREET, MILEWAUKEE, WI 53221
(414) 764-9200 - 200,000 (\$1,300,000) COMMON STOCK (FILE 333-48527 -
MAR 24) (BR 9)

S-8 ATLANTIC PHARMACEUTICALS INC, 1017 MAIN CAMPUS DRIVE, SUITE 3900,
RALEIGH, NC 27606 (415) 726-1327 - 59,783 (\$358,698) COMMON STOCK (FILE
333-48531 - MAR 24) (BR 9)

S-8 DIGITAL MICROWAVE CORP /DE/, 170 ROSE ORCHARD WAY, SAN JOSE, CA 95134
(408) 943-0777 - 2,500,000 (\$34,300,000) COMMON STOCK (FILE 333-48533 -
MAR 24) (BR 3)

S-8 DIGITAL MICROWAVE CORP /DE/, 170 ROSE ORCHARD WAY, SAN JOSE, CA 95134
(408) 943-0777 - 500,000 (\$6,860,000) COMMON STOCK (FILE 333-48535 -
MAR 24) (BR 3)

S-8 EQUITY MARKETING INC, 131 S RODEO DR, BEVERLY HILLS, CA 90212
(310) 887-4300 - 100,000 (\$2,081,000) COMMON STOCK (FILE 333-48539 -
MAR 24) (BR 5)

S-8 EQUITY MARKETING INC, 131 S RODEO DR, BEVERLY HILLS, CA 90212
(310) 887-4300 - 600,000 (\$14,214,000) COMMON STOCK (FILE 333-48541 -
MAR 24) (BR. 5)

S-8 USWEB CORP, 2880 LAKESIDE DR SUITE 350, SANTA CLARA, CA 95054
(408) 987-3200 - 14,984,721 (\$175,295,734) COMMON STOCK (FILE 333-48543 -
MAR. 24) (BR. 5)

S-3 AMERICAN SUPERCONDUCTOR CORP /DE/, TWO TECHNOLOGY DR, WESTBOROUGH, MA
01581 (508) 836-4200 - 4,025,000 (\$58,614,062 50) COMMON STOCK (FILE
333-48545 - MAR. 24) (BR 1)

S-3 PMT SERVICES INC /TN/, 3841 GREEN HILLS VILLAGE DR, NASHVILLE, TN 37215
(615) 254-1539 - 301,588 (\$4,938,503 50) COMMON STOCK (FILE 333-48547 -
MAR 24) (BR. 6)

S-8 S&T BANCORP INC, 800 PHILADELPHIA ST, P O BOX 190, INDIANA, PA 15701
(412) 349-2900 - 1,000,000 (\$53,060,000) COMMON STOCK (FILE 333-48549 -
MAR 24) (BR 7)

S-3 GROVE PROPERTY TRUST, 598 ASYLUM AVE, HARTFORD, CT 06105 (860) 246-1126
- 2,114,439 (\$22,201,609 50) COMMON STOCK (FILE 333-48551 - MAR 24)
(BR 8)

- S-3 ADELPHIA COMMUNICATIONS CORP, MAIN AT WATER STREET, COUDERSPORT, PA
16915 (814) 274-9830 - 3,571,428 (\$87,946,414.50) COMMON STOCK (FILE
333-48553 - MAR 24) (BR 3)
- S-3 AMERICAN INDUSTRIAL PROPERTIES REIT INC, 6210 N BELTLINE RD, STE 170,
IRVING, TX 75063 (972) 756-6000 - 1,000,000 (\$13,187,500) COMMON STOCK.
(FILE 333-48555 - MAR 24) (BR 8)
- S-3 UNITED DOMINION REALTY TRUST INC, 10 S 6TH ST STE 203, RICHMOND, VA
23219 (804) 780-2691 - 104,920 (\$1,472,158 75) COMMON STOCK (FILE
333-48557 - MAR 24) (BR 8)
- S-1 STAR TELECOMMUNICATIONS INC, 223 EAST DE LA GUERRA STREET, STE 202,
SANTA BARBARA, CA 93101 (805) 899-1962 - 3,926,830 (\$162,718,019)
COMMON STOCK (FILE 333-48559 - MAR. 24) (BR. 3)
- S-3 COLONIAL GAS CO, 40 MARKET ST, LOWELL, MA 01852 (508) 458-3171 -
75,000,000 (\$75,000,000) STRAIGHT BONDS. (FILE 333-48561 - MAR 24)
(BR. 4)
- S-1 FINLAY FINE JEWELRY CORP, 521 FIFTH AVE, NEW YORK, NY 10175
(212) 382-7400 - \$150,000,000 STRAIGHT BONDS. (FILE 333-48563 - MAR 24)
(BR 2)
- S-3 HNC SOFTWARE INC/DE, 5930 CORNERSTONE CT W, SAN DIEGO, CA 92121
(619) 546-8877 - 2,500,560 (\$91,895,580) COMMON STOCK (FILE 333-48565 -
MAR 24) (BR 3)
- S-3 FINLAY ENTERPRISES INC /DE, 529 FIFTH AVE, NEW YORK, NY 10175
(212) 382-7400 - 1,840,000 (\$45,080,000) COMMON STOCK 75,000,000
(\$75,000,000) STRAIGHT BONDS (FILE 333-48567 - MAR 24) (BR. 2)
- S-3 TETRA TECH INC, 670 N ROSEMEAD BOULEVARD, PASEDNA, CA 91107
(626) 351-4664 - 3,957,873 (\$92,891,279 31) COMMON STOCK (FILE 333-48569
- MAR 25) (BR 4)
- S-3 IRT PROPERTY CO, 200 GALLERIA PKWY STE 1400, ATLANTA, GA 30339
(770) 955-4406 - 300,000,000 (\$300,000,000) COMMON STOCK (FILE 333-48571
- MAR 24) (BR. 8)
- S-8 DART GROUP CORP, 3300 75TH AVE, LANDOVER, MD 20785 (301) 731-1200 -
20,400 (\$1,045,500) COMMON STOCK. (FILE 333-48573 - MAR 24) (BR 2)
- S-3 BERKSHIRE REALTY CO INC /DE, 470 ATLANTIC AVE, BOSTON, MA 02210
(617) 423-2233 - 1,700,000 (\$20,028,125) COMMON STOCK (FILE 333-48575 -
MAR 24) (BR. 8)
- S-3 TELEGEN CORP /CO/, 101 SAGINAW DRIVE, REDWOOD CITY, CA 94063
(415) 261-9400 - 4,734,662 (\$2,272,637 76) COMMON STOCK. (FILE 333-48577 -
MAR 24) (BR 3)
- S-8 KAIRE HOLDINGS INC, 1717 STEWART ST, SANTA MONICA, CA 90404
(310) 312-9652 - 900,000 (\$562,500) COMMON STOCK. (FILE 333-48579 -
MAR 25) (BR 1)
- S-11 HUMPHREY HOSPITALITY TRUST INC, 12301 OLD COLUMBIA PIKE, SILVER SPRING,
MD 20904 (301) 680-4343 - 1,150,000 (\$12,937,500) COMMON STOCK. (FILE
333-48583 - MAR 25) (BR 8)