

SEC NEWS DIGEST

Issue 98-93

May 14, 1998

COMMISSION ANNOUNCEMENTS

SEC CHAIRMAN ARTHUR LEVITT TO DELIVER SPEECH AT ICI CONFERENCE

What: Securities and Exchange Commission Chairman Arthur Levitt will deliver a speech on mutual fund issues at the Investment Company Institute's general membership meeting.

When: Friday, May 15, 1998; 7:45 a.m.

Where: Washington Hilton Hotel, 1919 Connecticut Avenue, NW, Washington, D.C. (Press Rel. 98-50)

HARVEY GOLDSCHMID NAMED NEW SEC GENERAL COUNSEL

Chairman Arthur Levitt today announced the selection of Harvey J. Goldschmid as the Commission's General Counsel. Mr. Goldschmid expects to join the Commission in early July 1998.

Arthur Levitt said, "Harvey will be a superb General Counsel. The breadth and depth of his legal knowledge and scholarship will be a tremendous asset to the Commission. Over the years Harvey has shared his great wisdom and insight with the Commission on a variety of critical issues." Levitt added, "On behalf of the Commission I thank Colleen Mahoney, formerly the Commission's Deputy Enforcement Director, for serving as Acting General Counsel until Harvey joins us."

"This is a pivotal and dynamic time in the financial markets," said Harvey Goldschmid. "I am excited by the challenges and the opportunity to make a contribution. The SEC is a great agency. I look forward with delight to working with Chairman Levitt, the Commission and the SEC staff."

As General Counsel, Mr. Goldschmid will be the chief legal officer of the Commission. His responsibilities will include representing the Commission on all actions pending in appellate courts, advising the Commissioners on all enforcement and rulemaking matters, supervising the Commission's responsibilities under the bankruptcy

code, assisting the Commission with adjudicatory responsibilities when it sits as an appellate tribunal, representing the Commission in actions arising out of enforcement investigations and other actions when the Commission is a defendant, and counseling the Commissioners and staff on ethics issues. (Press Rel. 98-51)

ENFORCEMENT PROCEEDINGS

IN THE MATTER OF ROBERT PUTNAM

The Commission announced the entry of an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions against Robert Putnam (Putnam) on May 13. The Commission accepted Putnam's Offer of Settlement in which he consented to the issuance of the Order without admitting or denying the Commission's findings.

The Order provides that on April 27, 1998, the United States District Court for the Southern District of Ohio, in the case of SEC v. David M. Carmichael, et al. (Civil Action No. C2-96-1296), entered a Final Judgment and Order of Permanent Injunction by consent against Putnam which enjoins him from future violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

The Order states that the Commission's complaint filed in the above captioned action alleges that from May 1991 through October 1992, Putnam, a former employee of Dublin Securities, Inc. (Dublin), participated in a scheme to defraud investors in Dewey's Candy Company, Inc. (Dewey's) securities by purchasing Dewey's common stock and warrants from Dublin as an "insider" and later reselling those units to Dublin for sale to public investors at artificially inflated prices. The complaint further alleges that Putnam violated the antifraud provisions of the federal securities laws by making numerous misrepresentations and omissions of material facts in connection with the offer and sale of Dewey's stock to public investors. According to the complaint, Putnam failed to disclose, among other things, the material fact that the price of Dewey's common stock was arbitrary and artificially set by Dublin and that it did not reflect the free forces of supply and demand. Putnam also allegedly failed to disclose the existence of the control that Dublin Management, Inc., Dublin's parent company, exercised over Dublin and Dewey's and the existence of Dublin's participation and financial interest in the Dewey's distribution. Finally, the complaint alleges that Putnam represented to Dublin customers that Dewey's stock was being offered to them "at the market" or at a price related to the market, without knowledge or reasonable grounds to believe that a market for Dewey's stock existed other than that created and controlled by Dublin.

In view of these findings, the Commission's Order concludes that it

is in the public interest to bar Putnam from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. The Order further provides that, based on the conduct described above, Putnam is barred from participating in any offering of penny stock. (Rel. 34-39986; File No. 3-9604)

RECEIVER RECOVERS PROFITS FROM EARLY PONZI SCHEME INVESTORS

On April 17, 1998, Judge Thomas F. Hogan of the U.S. District Court for the District of Columbia granted summary judgment to the court-appointed receiver for the Better Life Club of America, Inc., in his action against James Washington, Jacob Haynes, Dreams Unlimited, and Concepts Unlimited (the Dreams Defendants). Judge Hogan ordered the Dreams Defendants to pay to the receiver all of the profits they made from investing in the Better Life Club Advertising Pool, a Ponzi scheme in which thousands of investors lost more than \$26 million. The Court found that the Dreams Defendants received a profit of at least \$2.7 million. All of the moneys recovered will be added to the pool of funds that will be distributed to the victims of the Better Life Club Ponzi scheme.

Because a Ponzi scheme is by definition unable to repay all its creditors, Judge Hogan ruled that the Better Life Club's payments of profits to the Dreams Defendants were made with the intent to hinder the rights of other creditors, in violation of the D.C. Uniform Fraudulent Transfer Act. Judge Hogan also refused to give the Dreams Defendants a set-off for the amounts they paid to their own investors. [SEC v. The Better Life Club of America, Inc., and Robert N. Taylor, USDC DC, Civ. No. 95-1679, TFH; Michael Missal, Receiver, v. James E. Washington, et al., USDC DC, Civ. No. 97-982, TFH] (LR-15737)

SEC V. PAUL R. SAFRONCHIK, JEROME A. ADAMO, AND DOUGLAS A. ROY

The Commission announced that on May 13, 1998, it filed a civil injunctive action in the United States District Court for the Central District of California charging Paul R. Safronchik, CPA (Safronchik), Jerome A. Adamo (Adamo) and Douglas A. Roy (Roy), variously, with violations of the antifraud, books and records, registration and reporting provisions of the federal securities laws. From 1990 until October 1995, Safronchik was chairman of the board of directors and chief executive officer, and Adamo was the president and chief operating officer of Home Theater Products International, Inc. (HTPI) and its predecessor, Home Theater Products, Inc. From August 1990 through September 1995, Roy was HTPI's controller.

The Commission's lawsuit alleges that, from 1990 until October 1995, Safronchik and Roy falsified sales in HTPI's books and records. Safronchik, Adamo and Roy committed insider trading by selling HTPI stock with knowledge that the company's financial statements were false. Simultaneously with the filing of the complaint, Safronchik, Adamo and Roy consented, without admitting or denying the allegations in the complaint, to final judgments of permanent injunction, ordering disgorgement but waiving it based upon their

demonstrated inability to pay. Safronchik and Adamo were also barred from serving as officers or directors of any reporting company. [United States v. Paul R. Safronchik, Jerome A. Adamo, and Douglas A. Roy, Civil Action No. SACV 98-416-LHM (EEx), C.D.Cal.] (LR-15738)

INVESTMENT COMPANY ACT RELEASES

NEW ENGLAND FUNDS, L.P., ET AL.

An order has been issued on an application filed by New England Funds, L.P., et al. under Section 17(d) of the Investment Company Act and Rule 17d-1 under the Act. The order permits applicants to enter into a joint arrangement pursuant to a special servicing agreement. (Rel. IC-23181 - May 12)

TRANSAMERICA INVESTORS, INC., AND TRANSAMERICA LIFE INSURANCE AND ANNUITY COMPANY

An order has been issued pursuant to Section 17(b) of the Investment Company Act exempting Transamerica Investors, Inc. (Transamerica Investors), and Transamerica Life Insurance and Annuity Company (Transamerica Life) from the provisions of Section 17(a) of the Act to permit the Transamerica High-Yield Bond Fund separate account of Transamerica Life to transfer its portfolio of assets to the Transamerica Premier High-Yield Bond Fund (Fund), a series of Transamerica Investors, in exchange for shares of the Fund. (Rel. IC-23182 - May 12)

STATE STREET BANK AND TRUST COMPANY

An order has been issued on an application filed by State Street Bank and Trust Company under Sections 6(c) and 17(b) of the Investment Company Act for an exemption from Sections 17(a)(1) and 17(a)(2) of the Act. The order permits applicant to engage in repurchase agreements and currency transactions with certain affiliated registered management investment companies (Funds) for which applicant serves as custodian. Applicant will be an affiliated person, or an affiliated person of an affiliated person, of a Fund solely by reason of applicant's owning, controlling, or holding 5% or more but less than 20% of the outstanding voting securities of the Fund. The order does not extend to transactions between applicant and a Fund when applicant or an affiliated person of applicant is the investment adviser to the Fund. (Rel. IC-23183 - May 12)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The New York Stock Exchange filed a proposed rule change (SR-NYSE-98-11) under Rule 19b-4 of the Securities Exchange Act of 1934 to amend NYSE Rule 97, Limitation on Members' Trading Because of Block Positioning, to except transactions that facilitate certain customer transactions in: (i) baskets of stock; (ii) blocks of stock; (iii) specific stocks within a basket of stocks; and (iv) index component stocks. The proposal also would except certain transactions made to rebalance an index portfolio. Publication of the notice is expected to appear in the Federal Register during the week of May 11. (Rel. 34-39981)

The Municipal Securities Rulemaking Board filed with the Commission a notice of filing of a proposed rule change under Rule 19b-4 (SR-MSRB-97-9) amending Rule G-38 on consultants. The proposed rule change would give brokers, dealers and municipal securities dealers the option of disclosing their consulting arrangements to issuers, pursuant to Section (c) of the rule, on either an issue-specific or issuer-specific basis. Publication of the notice in the Federal Register is expected during the week of May 11. (Rel. 34-39983)

The Commission has issued a notice of a proposed rule change filed by the NASD Regulation on April 27, 1998 (SR-NASD-98-28). The proposed rule change amends Rule 2210 of the Conduct Rules of the National Association of Securities Dealers to permit the approval of certain research reports by a supervisory analyst approved by the New York Stock Exchange to satisfy NASD requirements that research reports be approved by a registered principal. Publication of the notice is expected to appear in the Federal Register during the week of May 11. (Rel. 34-39985)

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>.

F-6 OPEN JOINT STOCK CO ELEC COMM & TELECOM KHANTY MAN /ADR/, 48 WALL ST,
NEW YORK, NY 10286 - 10,000,000 (\$500,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-8674 - APR. 23)
(NEW ISSUE)

S-8 AMERICAN GENERAL CORP /TX/, 2929 ALLEN PKWY, HOUSTON, TX 77019
(713) 522-1111 - 5,000,000 (\$334,062,500) COMMON STOCK. (FILE 333-52015 -
MAY. 07) (BR. 1)

S-8 RATIONAL SOFTWARE CORP, 18880 HOMESTEAD RD, CUPERTINO, CA 95014
(408) 863-9900 - 100,000 (\$1,638,000) COMMON STOCK. (FILE 333-52017 -
MAY. 07) (BR. 3)

S-3 ORTEC INTERNATIONAL INC, 3960 BROADWAY, BLDG 28, NEW YORK, NY 10032
(718) 326-4698 - 361,928 (\$7,329,042) COMMON STOCK. (FILE 333-52019 -
MAY. 07) (BR. 9)

S-3 PRUDENTIAL SECURITIES SECURED FINANCING CORP, ONE NEW YORK PLZ,
12TH FLOOR, NEW YORK, NY 10292 (212) 214-7435 - 1,000,000 (\$1,000,000)
EQUIPMENT TRUST CERTIFICATES. (FILE 333-52021 - MAY. 07) (BR. 8)

S-8 INTERLAKE CORP, 550 WARRENVILLE RD, LISLE, IL 60532 (630) 852-8800 -
2,923,920 (\$12,136,635) COMMON STOCK. (FILE 333-52023 - MAY. 07) (BR. 6)

S-8 AMP INC, P O 3608, HARRISBURG, PA 17105 (717) 564-0100 - 3,000,000
(\$119,812,500) COMMON STOCK. (FILE 333-52025 - MAY. 07) (BR. 5)

S-3 EMMIS BROADCASTING CORPORATION, 950 NORTH MERIDIAN STREET STE 1200,
INDIANAPOLIS, IN 46204 (317) 266-0100 - 5,000,000 (\$243,750,000)
COMMON STOCK. (FILE 333-52029 - MAY. 07) (BR. 7)

S-4 FIRST AMERICAN FINANCIAL CORP, 114 E FIFTH ST, SANTA ANA, CA 92701
(714) 558-3211 - 838,095 (\$7,928,955) COMMON STOCK. (FILE 333-52031 -
MAY. 07) (BR. 1)

S-8 CELERITEK INC/CA, 3236 SCOTT BLVD, SANTA CLARA, CA 95054 (408) 986-5060
- 465,260 (\$4,907,573.68) COMMON STOCK. (FILE 333-52037 - MAY. 07)
(BR. 5)

S-8 AEROQUIP-VICKERS INC, 3000 STRAYER, MAUMEE, OH 43537 (419) 867-2200 -
10,000 (\$627,800) COMMON STOCK. (FILE 333-52039 - MAY. 07) (BR. 6)

S-8 AEROQUIP-VICKERS INC, 3000 STRAYER, MAUMEE, OH 43537 (419) 867-2200 -
100,000 (\$6,278,000) COMMON STOCK. (FILE 333-52041 - MAY. 07) (BR. 6)

S-8 AEROQUIP-VICKERS INC, 3000 STRAYER, MAUMEE, OH 43537 (419) 867-2200 -
1,800,000 (\$113,004,000) COMMON STOCK. (FILE 333-52043 - MAY. 07) (BR. 6)

S-3 WAL MART STORES INC, 702 SOUTHWEST 8TH ST, BENTONVILLE, AR 72716
(501) 273-4000 - 750,000,000 (\$750,000,000) STRAIGHT BONDS. (FILE
333-52045 - MAY. 07) (BR. 2)

S-8 PULTE CORP, 33 BLOOMFIELD HILLS PKWY STE 200, BLOOMFIELD HILLS, MI 48304
(810) 647-2750 - 66,700 (\$3,403,787.71) COMMON STOCK. (FILE 333-52047 -
MAY. 07) (BR. 6)

S-4 ALCHEMY HOLDINGS INC, 3025 N E 188TH ST, AVENTURA MI, FL 33180
(305) 932-9230 - 5,601,000 (\$31,774,880) COMMON STOCK. (FILE 333-52049 -
MAY. 07) (BR. 6)

S-4 BANKFIRST CORP, 625 MARKET ST, KNOXVILLE, TN 37901 (423) 595-1100 -
723,791 (\$43,427,460) COMMON STOCK. (FILE 333-52051 - MAY. 07) (BR. 7)

S-3 OCCIDENTAL PETROLEUM CORP /DE/, 10889 WILSHIRE BLVD, LOS ANGELES, CA
90024 (310) 208-8800 - 617,655,000 (\$617,655,000) STRAIGHT BONDS. (FILE
333-52053 - MAY. 07) (BR. 4)

S-3 CVS CORP, ONE CVS DR., WCONSOCKET, RI 02895 (401) 765-1500 - 2,500,000
(\$174,296,875) COMMON STOCK. (FILE 333-52055 - MAY. 07) (BR. 1)

S-3 SNYDER OIL CORP, 777 MAIN ST STE 2500, FORT WORTH, TX 76102
(817) 338-4043 (FILE 333-52057 - MAY. 07) (BR. 4)

S-1 TIER TECHNOLOGIES INC, 1350 TREAT BLVD, SUITE 250, WALNUT CREEK, CA
94596 (925) 937-3950 - 3,450,000 (\$62,100,000) COMMON STOCK. (FILE
333-52065 - MAY. 07) (BR. 3)

S-8 SPIROS DEVELOPMENT CORP II INC, 7475 LUSK BLVD., SAN DIEGO, CA 92121
(415) 457-2553 - 948,750 (\$15,834,637.50) COMMON STOCK. (FILE 333-52067 -
MAY. 07) (BR. 1)

S-8 SMARTALK TELESERVICES INC, 1640 S SEPULVEDA BLVD, SUITE 500,
LOS ANGELES, CA 90025 (310) 444-8800 - 3,033,052 (\$60,661,040)
COMMON STOCK. (FILE 333-52069 - MAY. 07) (BR. 7)

S-8 COMMUNITY FIRST BANKSHARES INC, 520 MAIN AVENUE, FARGO, ND 58124
(701) 298-5600 - 2,500,000 (\$125,664,062.50) COMMON STOCK. (FILE
333-52071 - MAY. 07) (BR. 7)

S-3 PROCYTE CORP /WA/, 154TH AVE N E BLDG A 8511, REDMOND, WA 98034
(206) 820-4548 - \$900,000 COMMON STOCK. (FILE 333-52073 - MAY. 07)
(BR. 1)

S-1 LAMALIE ASSOCIATES INC, 200 PARK AVE, STE 3100, NEW YORK, NY 10166
(813) 961-7494 - \$72,234,375 COMMON STOCK. (FILE 333-52075 - MAY. 07)
(BR. 8)

S-8 HUFFY CORP, 7701 BYERS RD, MIAMISBURG, OH 45342 (513) 866-6251 -
100,000 (\$1,606,250) COMMON STOCK. (FILE 333-52077 - MAY. 07) (BR. 5)

S-3 ARADIGM CORP, 26219 EDEN LANDING RD, HAYWARD, CA 94545 (510) 783-0100 -
1,111,100 (\$16,042,061.80) COMMON STOCK. (FILE 333-52081 - MAY. 07)
(BR. 5)

S-4 HYBRID NETWORKS INC, 10161 BUBB RD, CUPERTINO, CA 95014 (408) 725-3250
- 2,417,794 (\$4,263,000) COMMON STOCK. (FILE 333-52083 - MAY. 07) (BR. 3)

S-3 SINCLAIR BROADCAST GROUP INC, 2000 WEST 41ST ST, BALTIMORE, MD 21211
(410) 467-5005 - 1,663,109 (\$89,599,997.37) COMMON STOCK. (FILE 333-52087
- MAY. 07) (BR. 7)

S-3 REGENCY REALTY CORP, 121 WEST FORSYTH ST, STE 200, JACKSONVILLE, FL
32202 (904) 356-7000 - 5,868,510 (\$151,847,696.30) COMMON STOCK. (FILE
333-52089 - MAY. 07) (BR. 8)

S-1 AMERICAN FINANCE GROUP INC /DE/, 24 SCHOOL ST, BOSTON, MA 02108
(617) 557-9300 - 2,472,500 (\$37,087,500) COMMON STOCK. (FILE 333-52091 -
MAY. 07) (NEW ISSUE)

S-3 ASPECT TELECOMMUNICATIONS CORP, 1730 FOX DR, SAN JOSE, CA 95131
(408) 441-2200 - 151,809 (\$4,136,795.25) COMMON STOCK. (FILE 333-52093 -
MAY. 07) (BR. 7)

S-8 HUFFY CORP, 7701 BYERS RD, MIAMISBURG, OH 45342 (513) 866-6251 -
623,714 (\$9,995,016.85) COMMON STOCK. (FILE 333-52095 - MAY. 07) (BR. 5)

S-3 VINCAM GROUP INC, 2850 DOUGLAS RD, CORAL GABLES, FL 33134 (305) 460-2350
- 234,982 (\$5,618,419.62) COMMON STOCK. (FILE 333-52097 - MAY. 07)
(BR. 8)

S-3 JERRYS FAMOUS DELI INC, 12711 VENTURA BLVD, STE 400, STUDIO CITY, CA
91604 (818) 766-8311 - 934,509 (\$1,971,253.29) COMMON STOCK. (FILE
333-52099 - MAY. 07) (BR. 5)

S-3 UACSC AUTO TRUSTS, 9240 BONITA BEACH ROAD, SUITE 1109-A, BONITA SPRINGS,
FL 34135 (941) 948-1850 - 2,342,242 (\$2,342,242.57)
EQUIPMENT TRUST CERTIFICATES. (FILE 333-52101 - MAY. 07) (BR. 8)

S-8 AMERICAN GENERAL CORP /TX/, 2929 ALLEN PKWY, HOUSTON, TX 77019
(713) 522-1111 - 10,000,000 (\$10,000,000) COMMON STOCK. (FILE 333-52103 -
MAY. 07) (BR. 1)

S-8 YOU BET INTERNATIONAL INC, 1950 SAWTELLE BLVD, STE 180, LOS ANGELES, CA
90025 (310) 444-3300 - 319,000 (\$909,150) COMMON STOCK. (FILE 333-52105 -
MAY. 07) (BR. 9)

S-1 SOUTHERN BANCSHARES NC INC, 117 E MAIN ST, MOUNT OLIVE, NC 28365
(919) 658-7000 - 2,300,000 (\$23,000,000) STRAIGHT BONDS. (FILE 333-52107 -
MAY. 07) (BR. 7)

S-1 NATROL INC, 21411 PRAIRIE ST, CHATSWORTH, CA 91311 (818) 739-6000 -
4,531,000 (\$63,434,000) COMMON STOCK. (FILE 333-52109 - MAY. 07)

- S-3 CREDIT DEPOT CORP, 700 WACHOVIA CENTER, GAINESVILLE, GA 30501
(770) 531-9927 - 6,729,745 (\$6,460,555.20) COMMON STOCK. (FILE 333-52113 -
MAY. 07) (BR. 7)
- S-4 UST CORP /MA/, 40 COURT ST, BOSTON, MA 02108 (617) 726-7000 - 9,500,000
(\$264,812,500) COMMON STOCK. (FILE 333-52115 - MAY. 07) (BR. 7)
- S-4 AMERICA FIRST REAL ESTATE INVESTMENT CO INC,
1004 FARUAM STREET SUITE 400, OMAHA, NE 68102 - 3,354,887 (\$83,872,175)
COMMON STOCK. (FILE 333-52117 - MAY. 07) (NEW ISSUE)
- S-1 U S LIQUIDS INC, 411 N SAM HOUSTON PARKWAY EAST, STE 400, HOUSTON, TX
77060 (281) 272-4500 - 4,312,500 (\$101,613,281.30) COMMON STOCK. (FILE
333-52121 - MAY. 07) (BR. 6)