

C7

sec news digest

Issue 94-125

July 5, 1994

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE PROCEEDINGS IN THE MATTER OF SEATTLE-FIRST NATIONAL BANK

The Commission and the Office of the Comptroller of the Currency (OCC) today announced that Seattle-First National Bank (Seafirst) has consented to the entry of a joint order requiring it to cease and desist from violating Section 17(f)(1) of the Securities Exchange Act of 1934 (Exchange Act) and Exchange Act Rule 17f-1 thereunder, without admitting or denying the findings set forth in the order. The order also requires Seafirst to pay a civil penalty of \$75,000.

The order indicates that Seafirst, acting as an agent for its customers, shipped by overnight delivery various municipal and corporate bonds and coupons to a national bank in New York (New York Bank) for collection. The Order finds that Seafirst violated Section 17(f)(1) of the Exchange Act and Rule 17f-1 by failing to contact the New York Bank to confirm non-receipt of the securities despite the fact that payment for them was more than ten business days overdue. The order also finds that Seafirst violated Exchange Act Rule 17f-1(c)(6) by failing to timely report required information when it discovered that the securities had been stolen and that deficiencies in Seafirst's record keeping practices significantly contributed to such violations. (Rel. 34-34293)

FORMER FIRST ALLIANCE FINOP ENJOINED

The Commission announced that in the U.S. District Court for the Northern District of Georgia, a Final Judgment was entered on June 16 against Robert A. Hartnagel (Hartnagel). Hartnagel was formerly associated with First Alliance Securities, Inc. (First Alliance), a now defunct penny stock broker-dealer headquartered in Atlanta, Georgia. Hartnagel was permanently enjoined from future violations of the antifraud provisions of the federal securities laws, and ordered to disgorge \$27,826, plus prejudgment interest thereon, provided, however, that payment of such amount was waived based on his demonstrated financial inability to pay.

The Commission's complaint, filed on June 2, 1994, alleged that Hartnagel served as the unregistered financial and operations principal (FINOP) and compliance officer of First Alliance. First Alliance was a classic penny stock boiler room, selling to unsophisticated investors through high pressure sales tactics, misrepresentations and omissions. First Alliance also deceived investors as to the price and value of securities sold, charging undisclosed, excessive markups ranging from 11% to 620%. The complaint alleged that in carrying out his duties, Hartnagel served as the indispensable administrator of the fraud.

The Commission's complaint further alleged that Hartnagel defrauded First Alliance investors in connection with a minimum/maximum initial public offering (IPO) by failing to deposit the IPO monies with the escrow agent as required by the prospectus, diverting the monies instead to the customers' accounts at the firm's clearing broker and allowing them to be used to purchase other First Alliance penny stocks, often without prior notice to the investor. [SEC V. Robert A. Hartnagel, Civil Action No. 1:94-CV-1450-RLV, ND GA] (LR-14141)

PERMANENT INJUNCTIONS ENTERED AGAINST NORMAN BROOKS, FINANCIAL ADVISORS, INC., (d.b.a. AMERICAN FINANCIAL ADVISORS), AMERICAN CAPITAL FUNDING, INC., AND FW ADVISORS, INC. IN BOILER-ROOM FRAUD

The Commission announced today that the Honorable Joseph A. DiClerico, Jr., Chief Judge of the U.S. District Court for the District of New Hampshire permanently enjoined Norman L. Brooks, Financial Advisors, Inc. (d.b.a. American Financial Advisors), American Capital Funding, Inc., and FW Advisors, Inc., from violating Sections 5(a) and (c) and 17(a) of the Securities Act and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder. The Court issued the injunctions on the basis of a default judgment also entered against those defendants. At the Commission's request, the Court did not decide the appropriate amounts of disgorgement and penalties and granted the Commission leave to present additional evidence on those issues.

The Commission alleged that the defendants raised at least \$3.5 million from a fraudulent offering of unregistered securities which resulted in sales to more than 100 investors in 25 states. The Commission also alleged that, although the defendants told investors that the proceeds of their investments would be used to fund consumer automobile loans, most of the money raised was diverted and used for the defendants' personal benefit.

Brooks and his son have been charged with securities fraud in a federal indictment and Brooks is presently a fugitive from justice. [SEC v. Norman L. Brooks, et al., USDC for the District of New Hampshire C.A. No. 94-167-JD] (LR-14142)

TEMPORARY RESTRAINING ORDER IN PRIME BANK INSTRUMENT SCAM

The Commission announced that on June 21 a temporary restraining order was entered against John Lauer, Clifton Capital Investors L.P., Konex Holding Corporation, Lyle Neal, Copol Investments Limited and Joseph Polichemi, restraining and enjoining them from future violations of the antifraud provisions of the federal securities laws. The restraining order also freezes their assets and orders an accounting. The Commission's complaint alleged that Konex raised at least \$14 million from at least one investor, Chicago Housing Authority's (CHA) Defined Benefit Plan, in the offer and sale of investments in the Konex Roll Program, a program which purportedly was to pool investor funds to purchase and trade "Prime Bank Instruments." In fact, Konex's operation was nothing more than a scam to defraud investors. Thus, the complaint alleges that Neal and Polichemi, through their companies, Konex and Copol, made false and misleading statements concerning the use of proceeds and the returns and risk associated with the investment. The Commission's complaint also alleges that Lauer, CHA's Director of Benefits, misappropriated investor funds, failed to disclose the role of his company, his receipt of compensation and his resulting conflict of interest. Lauer also made false and misleading statements to prospective investors in endorsing the Roll Program. [SEC v. John D. Lauer, Clifton Capital Investors, L.P., Konex Holding Corporation, Lyle E. Neal, Copol Investments Limited and Joseph Polichemi, Civil Action No. 94C-3770, USDC, ND Ill.] (LR-14143)

INVESTMENT COMPANY ACT RELEASES

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until July 25 to request a hearing on an application filed by Massachusetts Mutual Life Insurance Company, et al. for an order under Sections 6(c) and 17(d) of the Investment Company Act and Rule 17d-1 thereunder. Applicants seek an order amending previous orders that allow them to co-invest in securities acquired in private placements. The amended order would let applicants co-invest with an additional entity. The order also would modify the previous orders to let applicants sell, exchange, or otherwise dispose of securities and exercise warrants, conversion privileges and other rights, and make follow-on investments at different times and in differing amounts, subject to the approval of a committee comprised of all of the trustees of each participating registered investment company who are not "interested persons" (as defined in Section 2(a)(19)) of the investment company or its investment adviser. (Rel. IC-20381 - June 30)

HOLDING COMPANY ACT RELEASES

NATIONAL FUEL GAS COMPANY, ET AL.

A supplemental order has been issued releasing jurisdiction over the financing by Utility Constructors, Inc. (UCI), a nonutility subsidiary company of National Fuel Gas Company (NFG), a registered holding company. UCI requests the authorization to borrow an aggregate amount of up to \$13 million, through December 31, 1994, through the NFG intrasystem money pool. (Rel. 35-26076)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change (SR-NASD-93-10) filed by the National Association of Securities Dealers that requires third market makers registered as CQS market makers to register and participate in the Computer Assisted Execution System and the Intermarket Trading System/Computer Assisted Execution System. Publication of the order in the Federal Register is expected during the week of July 4. (Rel. 34-34280)

The Commission approved a proposed rule change filed by the Boston Stock Exchange (SR-BSE-93-19) to adopt a Rule relating to the establishment, maintenance and enforcement of procedures designed to prevent the misuse material, non-public information. (Rel. 34-34284)

The Commission approved a proposed rule change (SR-CBOE-93-56) filed by the Chicago Board Options Exchange amending CBOE Rule 9.3, "Registration and Termination of Representatives," to require members to file with the CBOE's Department of Compliance a termination notice for any discharge or termination of employment of a registered person, and the reason therefore, within 30 days of the termination. In addition, the proposal will allow members to fulfill CBOE Rule 9.3's filing requirements by submitting their filings to the North American Securities Administrators Association/National Association of Securities Dealers, Inc. Central Registration Depository within the time period allowed under CBOE Rule 9.3. Publication of the approval order is expected in the Federal Register during the week of July 4. (Rel. 34-34289)

The Commission approved a proposed rule change filed by the Philadelphia Stock Exchange (SR-Phlx-93-49) to prohibit the unbundling of PACE orders. (Rel. 34-34290)

The Commission approved a proposed rule change filed by the American Stock Exchange (SR-Amex-94-11) relating to the Floor Official zone system. (Rel. 34-34291)

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.

- N-1A AMERICAN HIGH INCOME MUNICIPAL BOND FUND INC, 333 SOUTH HOPE ST,
LOS ANGELES, CA 90071 - INDEFINITE SHARES. (FILE 33-80630 - JUN. 23)
(BR. 16)
- S-1 ZEIGLER COAL HOLDING CO, 50 JEROME LANE, FAIRVIEW HEIGHTS, IL 62208
(618) 394-2400 - 12,177,312 (\$207,014,304) COMMON STOCK. (FILE 33-80646 -
JUN. 23) (BR. 3 - NEW ISSUE)
- SB-2 CINEMA RIDE INC, 12001 VENTURA PL, STE 600, STUDIO CITY, CA 91604
(818) 761-1002 - 2,089,835 (\$10,449,175) COMMON STOCK. 5,370,000
(\$19,759,750) WARRANTS, OPTIONS OR RIGHTS. (FILE 33-80672 - JUN. 24)
(BR. 11 - NEW ISSUE)
- S-8 INTEGRATED MICRO PRODUCTS PLC, NUMBER ONE INDUSTRIAL ESTATE,
MEDONSLEY RD, CONSETT, COUNTY DURHAM, DH8 6TJ, X0 (020) 750-3481 - 490,340
(\$1,398,808.80) FOREIGN COMMON STOCK. (FILE 33-80674 - JUN. 23) (BR. 9)
- SB-2 HUNGARIAN TELEPHONE & CABLE CORP, 90 W ST, NEW YORK, NY 10006
(212) 571-7400 - 1,143,789 (\$18,300,624) COMMON STOCK. (FILE 33-80676 -
JUN. 24) (BR. 8)
- S-8 USB HOLDING CO INC, 100 DUTCH HILL RD, ORANEBURG, NY 10962
(914) 365-4600 - 200,000 (\$4,600,000) COMMON STOCK. (FILE 33-80678 -
JUN. 24) (BR. 1)
- S-8 ICOS CORP / DE, 22021-20TH AVENUE S.E., BOTHELL, WA 98021
(206) 485-1900 - 300,000 (\$1,293,750) COMMON STOCK. (FILE 33-80680 -
JUN. 24) (BR. 4)
- S-3 ATRIX INTERNATIONAL INC, 14301 EWING AVE S, BURNSVILLE, MN 55337
(612) 894-6154 - 32,500 (\$28,600) COMMON STOCK. (FILE 33-80682 - JUN. 24)
(BR. 10)

REGISTRATIONS CONT.

- S-3 GEN RX INC, 1413 DUFF DR, FT COLLINS, CO 80524 (303) 484-6100 -
1,532,000 (\$3,155,920) COMMON STOCK. (FILE 33-80684 - JUN. 24) (BR. 4)
- S-8 BOSTON TECHNOLOGY INC, 100 QUANNAPOWITT PKWY, WAKEFIELD, MA 01880
(617) 246-9000 - 1,500,000 (\$13,593,750) COMMON STOCK. (FILE 33-80720 -
JUN. 24) (BR. 7)
- S-1 BANC ONE STUDENT LOAN FUNDING CORP, 100 EAST BROAD ST, COLUMBUS, OH
43271 (614) 248-5700 - 1,000,000 (\$1,000,000) STRAIGHT BONDS. 1,000,000
(\$1,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-80722 - JUN. 24)
(BR. 11 - NEW ISSUE)
- S-8 IDEXX LABORATORIES INC /DE/, ONE IDEXX DR, WESTBROOK, ME 04092
(207) 856-0300 - 150,000 (\$4,425,000) COMMON STOCK. (FILE 33-80724 -
JUN. 24) (BR. 4)
- S-8 HYDE ATHLETIC INDUSTRIES INC, 13 CENTENNIAL DR,
CENTENNIAL INDUSTRIAL PK, PEABODY, MA 01961 (508) 532-9000 - 562,630
(\$2,813,150) COMMON STOCK. (FILE 33-80726 - JUN. 24) (BR. 5)
- S-3 OVERSEAS PARTNERS LTD, CRAIG APPIN HOUSE, WESLEY ST, HAMILTON 5 BERMLUDA,
DO (809) 295-0788 - 5,000,000 (\$44,000,000) COMMON STOCK. (FILE 33-80728 -
JUN. 24) (BR. 9)
- S-1 SOUTHFIRST BANCSHARES INC, 126 NORTH WORTON AVE, SYLACAUGA, AL 35150
(205) 245-4365 - 1,454,750 (\$14,547,500) COMMON STOCK. (FILE 33-80730 -
JUN. 24) (BR. 2 - NEW ISSUE)
- S-8 BOSTON TECHNOLOGY INC, 100 QUANNAPOWITT PKWY, WAKEFIELD, MA 01880
(617) 246-9000 - 15,000 (\$135,937.50) COMMON STOCK. (FILE 33-80734 -
JUN. 24) (BR. 7)
- S-1 STERILE CONCEPTS HOLDINGS INC, 5100 COMMERCE RD, RICHMOND, VA 23234
(804) 275-0200 - 6,259,450 (\$118,929,550) COMMON STOCK. (FILE 33-80736 -
JUN. 24) (BR. 10 - NEW ISSUE)
- S-3 GREENWICH CAPITAL ACCEPTANCE INC, 600 STEAMBOAT RD, GREENWICH, CT 06830
(203) 625-2700 - 2,000,000,000 (\$2,000,000,000)
PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 33-80740 - JUN. 24)
(BR. 12)
- F-1 SHANDONG HUANENG POWER DEVELOPMENT CO LTD, 2 MAANSHAD RD,
BUILDING 6 JIAM, SHANDONG 25001 CHINA, F5 (531) 295-3931 - 1,344,005,000
(\$456,961,700) FOREIGN COMMON STOCK. (FILE 33-80748 - JUN. 27) (BR. 7
- NEW ISSUE)
- S-8 VISION SCIENCES INC /DE/, 6 STRATHMORE ROAD, NATICK, MA 01760
(508) 650-9971 - 1,500,000 (\$8,535,000) COMMON STOCK. (FILE 33-80762 -
JUN. 27) (BR. 10)
- S-8 VISION SCIENCES INC /DE/, 6 STRATHMORE ROAD, NATICK, MA 01760
(508) 650-9971 - 200,000 (\$1,138,000) COMMON STOCK. (FILE 33-80764 -
JUN. 27) (BR. 10)

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within ten days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds five percent. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within 45 days after the end of the calendar year in which the person became subject to Section 13(d)(1). Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1.

Below is a list of recent filings of Schedules 13D and 14D, which includes the following information: Column 1 - the company purchased (top), and the name of the purchaser; Column 2 - the type of security purchased; Column - 3 - the type of form filed; Column 4 - the date the transaction occurred; Column 5 - the current number of shares (in 000's) owned (top) and the current percent owned; Column 6 - the CUSIP number (top) and the percent owned; and Column 7 - the status of the filing, i.e., new, update or revision.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
ABBEY HEALTHCARE GROUP INC GOVT SINGAPORE INVTS ET AL	COM ET AL	13D	543 7.2	00278610 0.0	NEW
BALTIMORE BANCORP FIRST FIDELITY BANCORP	COM ET AL	13D	3,652 21.9	05902910 21.0	UPDATE
CALTON INC NEW APOLLO HOMES PARTNERS LP	COM NEW ET AL	13D	5,317 22.7	13138020 21.1	UPDATE
CINERGI PICTURES ENTERTAINME WALT DISNEY CO	COM ET AL	13D	706 6.3	17247010 0.0	NEW
CORRECTIONS CORP AMER SODEXHO SA	COM ET AL	13D	2,588 27.0	22025610 0.0	NEW
DYNATRONICS CORP MORGAN GENE FINL ET AL	COM ET AL	13D	1,488 19.2	26815710 17.5	UPDATE
ESQUIRE COMMUNICATIONS LTD SARNOFF TRUST ET AL	COM ET AL	13D	750 18.5	29665810 0.0	NEW
FRESENIUS USA INC FRESENIUS AKTENGESELLSCHAFT	COM ET AL	13D	18,673 100.0	35803110 100.0	UPDATE
INDIANA ENERGY INC HULMAN AND CO ET AL	COM ET AL	13D	2,796 12.4	45470710 14.1	RVISION
INTL AMERN HOMES INC HANSON PLC ET AL	COM ET AL	13D	1,928 28.1	45900410 0.0	NEW
JACKSONVILLE SVGS & LM ASSN SIEGLER GARY ET AL	COM ET AL	13D	100 5.4	46969110 0.0	NEW

ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
KATY INDS INC	COM		0	48602610	
JOHNSON PHILIP E ET AL	13D	6/29/94	0.0	0.0	NEW
KETEMA INC	COM		923	49265310	
AMER SECURITIES CORP, CLIENTS	13D	6/28/94	26.5	29.7	UPDATE
LAZ FINL CORP	COM		52,007	50173810	
AMERICAN TELETRONICS LONG DIST	13D	7/ 1/94	90.0	90.0	UPDATE
LONGHORN STEAKS INC	COM		282	54305710	
FIDELITY INTL LTD	13D	7/ 1/94	4.3	8.5	UPDATE
LONGHORN STEAKS INC	COM		282	54305710	
FMR CORP	13D	7/ 1/94	4.3	8.5	UPDATE
PACE AMERN GROUP INC	COM		1,604	69371910	
NELSON EARL C ETAL	13D	6/21/94	37.8	12.8	UPDATE
PIONEER FED SVGS BANK	COM		50	72499310	
HIGGINS FRED M	13D	6/ 8/94	1.8	0.0	NEW
PRENDOR INC	COM		2,638	74099010	
CAISSE DE DEPTOT ET PLACEMENT	13D	6/17/94	8.1	6.4	UPDATE
PRESLEY CO DEL	SER A		4,547	74103010	
INTERNATIONAL NEDERLANDEN	US 13D	6/29/94	24.6	30.9	UPDATE
RAMSAY HEALTH CARE INC	COM NEW		404	75158220	
SCHWARTZ MARVIN C	13D	8/16/93	5.2	0.0	NEW
SAUL CTRS INC	COM		1,382	80439510	
TIGER MGMT CORP ET AL	13D	6/21/94	11.6	18.1	UPDATE
SYNTEX CORP	COM		0	87161610	
ROCHE CAPITAL CORP	14D-1	5/26/94	0.0	0.0	RVISION
UNIVERSAL HEALTH SVCS INC	CL R		648	91390310	
SCHWARTZ MARVIN C	13D	8/16/93	4.4	0.0	NEW