

SEC NEWS DIGEST

Issue 97-77

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ENFORCEMENT PROCEEDINGS

CIVIL ACTION AGAINST STANLEY FEMINELLA AND DAVID GRANSTON

The Commission announced that on April 15 the United States District Court for the Southern District of New York entered a final judgment against defendant Stanley J. Feminella, which ordered Feminella to pay a civil penalty of \$100,000 and permanently enjoined him from violating specified antifraud provisions of the federal securities laws. Feminella consented to the entry of the judgment without admitting or denying the allegations of the Commission's complaint. Feminella also consented to the entry of an administrative order permanently barring him from association with any broker, dealer, municipal securities dealer, investment adviser, or investment company. The order was entered on April 21, 1997.

In its complaint, filed on January 18, 1996, the Commission alleged that Feminella, a former stockbroker, paid kickbacks to David Granston, the former chief financial officer of Consumers Union of United States, Inc., to ensure that Granston continued to direct Consumers Union's securities trading business to him. It alleged further that, unbeknownst to Granston, Feminella caused Consumers Union to pay excessive markups, ranging from 3.5 percent to 4.7 percent, on its purchases of \$38.5 million in Ginnie Mae mortgage-backed securities and Treasury STRIPS. [SEC v. Stanley J. Feminella and David W. Granston, USDC, SDNY, No. 96 Civ. 336, AGS] (LR-15341)

DEFAULT JUDGMENTS ENTERED AGAINST TELLUS INDUSTRIES, INC. AND GLEN BURKE

On April 15, the U.S. District Court for the District of Columbia entered default judgments against Tellus Industries, Inc. (Tellus) and Glen E. Burke (Burke). The Honorable William B. Bryant entered judgments enjoining Tellus from violating Sections 10(b) and 13(a) of the Securities Exchange Act of 1934 (Exchange Act) and Rules 10b-5, 12b-20, 13a-1 and 13a-13 thereunder, and enjoining Burke from violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The Court also ordered Burke to pay a \$300,000 civil penalty.

The Commission's complaint alleged that Tellus and Burke knowingly disseminated materially false and misleading information to investors, in the form of Annual and Quarterly Reports filed with the Commission and at least one publicly disseminated press release that failed to accurately disclose law enforcement actions brought by the states of Wisconsin, Nevada, California, Minnesota and Idaho, and the seizure of records by the United States Postal Service. The Commission's complaint alleged that Burke personally profited from the fraud by receiving approximately \$1.5 million in salary, loans and other payments from Tellus during the period of the false disclosures. [SEC v. Tellus Industries, Inc. and Glen E. Burke, Civil Action No. 96CV-00712, D.D.C.] (LR-15342)

CIVIL ACTION AGAINST BARRY NELSEN AND ELLIS TALLANT

On April 22, the Commission sued Barry C. Nelsen, the former president and CEO of Evergreen Information Technologies, Inc., and Ellis J. Tallant, its former CFO, alleging violations of the antifraud, reporting, recordkeeping, and internal control provisions of the securities laws. The complaint alleged that Evergreen filed a Form S-1 that contained material misstatements and omissions about its major product and various related party transactions, as well as false financial statements. The Commission alleged that Nelsen distributed Evergreen funds to himself and others and engaged in transactions that were not accurately reflected in the books and records, including illegal political contributions, and that Nelsen and Tallant signed the registration statement knowing it to be materially false. The complaint also alleges that Nelsen signed Evergreen's quarterly report for the period ended August 31, 1992 knowing it to be materially false. Nelsen and Tallant agreed to settlements in which both would accept injunctions, Nelsen would accept an officer and director bar, and Tallant would pay \$20,000 in civil penalties. Nelsen would not pay a civil penalty and his disgorgement obligation would be waived based upon his demonstrated inability to pay. [SEC v. Barry Nelsen and Ellis J. Tallant, USDC, D.D.C., Civil Action No. 1:97CV00798] (LR-15343; AAE Rel. 908)

INVESTMENT COMPANY ACT RELEASES

DRACENA FUNDS, INC. (FORMERLY, ULTRA FUNDS, INC.)

A notice has been issued giving interested persons until May 13 to request a hearing on an application filed by Dracena Funds, Inc. (formerly, Ultra Funds, Inc.) for an order pursuant to Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-22624 - April 18)

LORD ABBETT U.S. GOVERNMENT SECURITIES FUND, INC.

A notice has been issued giving interested persons until May 13 to request a hearing on an application filed by Lord Abbett U.S. Government Securities Fund, Inc. (formerly American Business Shares, Inc.) for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-22625 - April 18)

MLX CORPORATION

A notice has been issued giving interested persons until May 16 to request a hearing on an application filed by MLX Corporation for an order under Sections 6(c) and 6(e). MLX Corporation requests an order that would exempt it from all of the provisions of the Act except Sections 9, 17(a), 17(d) (as modified in the application), 17(e), 17(f) (as modified in the application), and 36 through 53 and the rules and regulations thereunder from the date of the requested order until December 31, 1997. (Rel. IC-22626 - April 21)

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-4 PETRO STOPPING CENTERS L P, 6080 SURETY DR, EL PASO, TX 79905
(915) 779-4711 - 135,000,000 (\$135,000,000) STRAIGHT BONDS. (FILE 333-25189 - APR. 15) (BR. 2)
- S-4 DIAMOND CABLE COMMUNICATIONS PLC, DIAMOND PLAZA, DALESIDE RD, NOTTINGHAM NG23GG, X0 (011) 441-1591 - 420,500,000 (\$231,232,950) EQUIPMENT TRUST CERTIFICATES (FILE 333-25193 - APR 15) (BR 3)
- S-4 AMPHENOL CORP /DE/, 358 HALL AVE, WALLINGFORD, CT 06492 (203) 265-8900 - 4,400,000 (\$114,400,000) COMMON STOCK (FILE 333-25195 - APR. 15) (BR. 6)
- S-8 PROGRESSIVE CORP/OH/, 6300 WILSON MILLS RD, MAYFIELD VILLAGE, OH 44143 (216) 461-5000 - 5,000,000 (\$318,750,000) COMMON STOCK. (FILE 333-25197 - APR. 15) (BR. 1)
- S-8 KENWOOD BANCORP INC, 7711 MONTGOMERY RD, CINCINNATI, OH 45236 (513) 791-2834 - 8,638 (\$44,399.32) COMMON STOCK. (FILE 333-25199 - APR. 15) (BR. 7)
- S-8 APACHE CORP, 2000 POST OAK BLVD, ONE POST OAK CENTER STE 100, HOUSTON, TX 77056 (713) 296-6000 - 1,300,000 (\$40,872,000) COMMON STOCK. (FILE 333-25201 - APR 15) (BR 4)
- S-8 ST PAUL COMPANIES INC /MN/, 385 WASHINGTON ST, SAINT PAUL, MN 55102 (612) 221-7911 - 150,000 (\$9,890,625) COMMON STOCK (FILE 333-25203 - APR. 15) (BR. 1)

S-3 APPLE SOUTH INC, HANCOCK AT WASHINGTON, MADISON, GA 30650 (706) 342-4552
- 2,300,000 (\$124,775,000) PREFERRED STOCK. (FILE 333-25205 - APR 15)
(BR 2)

S-3 URS CORP /NEW/, 100 CALIFORNIA ST STE 500, SAN FRANCISCO, CA 94111
(415) 774-2700 - 3,658,260 (\$36,125,317.50) COMMON STOCK. (FILE 333-25207
- APR. 15) (BR. 4)

S-3 PALOMAR MEDICAL TECHNOLOGIES INC, 66 CHERRY HILL DR, BEVERLY, MA 01915
(508) 921-9300 - 348,507 (\$1,866,735) COMMON STOCK. (FILE 333-25209 -
APR 15) (BR. 5)

S-3 SPARTA PHARMACEUTICALS INC, PENNSYLVANIA BUSINESS CAMPUS,
ROCK PLAZA III 111 ROCK RD, HORSHAM, PA 19044 (215) 442-1700 - 2,035,000
(\$1,303,682) COMMON STOCK. (FILE 333-25211 - APR 15) (BR. 1)

S-8 PROFFITTS INC, 3455 HIGHWAY 80 W, JACKSON, MS 39209 (615) 983-7000 -
300,000 (\$11,475,000) COMMON STOCK. (FILE 333-25213 - APR. 15) (BR. 2)

S-1 MEDICAL MANAGER CORP, 3001 N ROCKY POINT DR,
NATIONAL MEDICAL SYSTEMS INC, TAMPA, FL 33607 (813) 287-2990 - 5,000,000
(\$45,625,000) COMMON STOCK. (FILE 333-25215 - APR 15) (BR. 3)

S-8 PRI AUTOMATION INC, 805 MIDDLESEX TURNPIKE, BILLERICA, MA 01821
(508) 670-4270 - 300,000 (\$15,187,500) COMMON STOCK. (FILE 333-25217 -
APR. 15) (BR. 5)

S-4 GENERAL MOTORS CORP, 3044 WEST GRAND BLVD, DETROIT, MI 48202
(313) 556-5000 - 14,534,827 (\$395,140,895.30) PREFERRED STOCK (FILE
333-25221 - APR 15) (BR. 5)

S-1 CRESCENT OPERATING INC, 777 MAIN STREET, SUITE 2100, FORT WORTH, TX
74102 (817) 887-0477 - \$12,160,000 COMMON STOCK. (FILE 333-25223 -
APR. 15) (BR. 8)

S-4 LEHMAN BROTHERS HOLDINGS INC, AMERICAN EXPRESS TWR,
3 WORLD FINANCIAL CNTR, NEW YORK, NY 10048 (212) 526-7000 - 13,000,000
(\$342,420,000) PREFERRED STOCK. (FILE 333-25227 - APR. 15) (BR. 8)

S-1 COACH USA INC, ONE RIVERWAY, STE 600, HOUSTON, TX 77056 (888) 262-2487
- 1,592,358 (\$48,168,829) COMMON STOCK. (FILE 333-25229 - APR. 15)
(BR. 5)

SB-2 PHC INC /MA/, 200 LAKE ST STE 102, PEABODY, MA 01960 (508) 536-2777 -
2,130,000 (\$7,987,500) COMMON STOCK. (FILE 333-25231 - APR. 15) (BR. 1)

S-3 NABORS INDUSTRIES INC, 515 W GREEN RD STE 1200, HOUSTON, TX 77067
(713) 874-0035 - 350,000,000 (\$272,500,008) STRAIGHT BONDS (FILE
333-25233 - APR 15) (BR 4)

S-3 CSL LIGHTING MANUFACTURING INC, 27615 AVE HOPKINS, VALENCIA, CA 91355
(805) 257-4155 - 2,564,080 (\$2,704,310) COMMON STOCK. (FILE 333-25235 -
APR. 15) (BR. 9)

S-3 LASERSIGHT INC /DE, 12161 LACKLAND RD, ST LOUIS, MO 63146 (314) 469-3220
- 82,593 (\$474,910) COMMON STOCK. (FILE 333-25237 - APR. 16) (BR. 1)

S-1 SMITH BARNEY DIVERSIFIED FUTURES FUND I P II,
390 GREENWICH ST 1ST FLOOR, SMITH BARNEY SHEARSON FUTURES MAN INC,
NEW YORK, NY 10013 (212) 723-5424 - 150,000 (\$58,125,000) STRAIGHT BONDS.
(FILE 333-25239 - APR. 15) (BR. 8)

S-3 ADC TELECOMMUNICATIONS INC, 12501 WHITEWATER DR, MINNETONKA, MN 55343
(612) 938-8080 - 925,508 (\$23,658,299) COMMON STOCK (FILE 333-25241 -
APR 16) (BR 3)

S-1 METRIKA SYSTEMS CORP, 5788 PACIFIC CENTER BLVD, SAN DIEGO, CA 92121
(619) 450-9811 - \$39,330,000 COMMON STOCK. (FILE 333-25243 - APR. 15)
(BR. 5)

S-8 CBT GROUP PLC, 1005 HAMILTON COURT, MENLO PARK, CA 94025 (415) 737-9050
- 254,479 (\$24,357,549.47) FOREIGN COMMON STOCK. (FILE 333-25245 -
APR. 16) (BR. 3)