

SEC NEWS DIGEST

Issue 97-20

January 30, 1997

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE PROCEEDING INSTITUTED AGAINST DAVID KEERY, CPA

The Commission today announced the issuance of an Order Instituting Proceedings and Opinion and Order Pursuant to Rule 102(e) of the Commission's Rules of Practice against David Keery (Keery), a certified public accountant. Without admitting or denying the Commission's findings, Keery consented to the entry of the Order, which denies him the privilege of appearing or practicing before the Commission as an accountant, with the right to reapply after five years. The Commission's Order follows the entry, on December 24, 1996, of a Final Judgment As To David Keery, permanently enjoining him from violations of Sections 10(b) and 13(b)(5) of the Exchange Act, and Rules 10b-5, 13b2-1 and 13b2-2 thereunder. See SEC v. Morris Dabah, et al. (SDNY, Civ. No 9498).

The complaint in that matter alleged that Keery, at the direction of Gitano's CFO, failed to establish a reserve for an unrecorded loss; arranged for Gitano's accounts receivable aging reports to be altered for an uncollected receivable arising from the loss transaction; and did not disclose to Gitano's independent accountants that they had caused the aging reports to be altered. The complaint further alleged that, as a result of Keery's and the CFO's falsification of the aging reports, Gitano's financial statements for the second and third quarters of 1991 and for the first quarter of 1992 were materially false and that its Form 10-K for the year 1991 was also false. (Rel. 34-38217)

JAY MARCUS, FORMER PRESIDENT OF HALSEY DRUG CO., INC., NAMED IN CIVIL INJUNCTIVE ACTION

The Commission announced that on January 29, it filed a complaint in the United States District Court for the Eastern District of New York against Jay Marcus, former president of Halsey Drug Co., Inc. The complaint alleges violations of the antifraud provisions based upon Marcus' insider trading and violations of the antifraud and reporting provisions arising from Halsey's filing of false annual

reports with the Commission.

According to the complaint, from at least January 1990 through March 1993, Halsey manufactured and sold certain adulterated generic drugs. Marcus knew of the drug adulteration and sometimes directed the adulteration be concealed. In February 1992, while in possession of material, non-public information regarding Halsey's manufacture and sale of adulterated drug products, Marcus sold 70,000 shares of Halsey common stock. After the drug adulteration was publicly disclosed in March 1993, the price of Halsey's common stock dropped 49%. Additionally, Halsey filed materially false and misleading annual reports with the Commission for fiscal years ended December 31, 1990 and 1991. Marcus reviewed and signed these annual reports, knowing they were materially false and misleading.

The complaint seeks a permanent injunction; disgorgement, plus prejudgment interest; civil penalties for insider trading and violations relating to Halsey's 1991 annual report; and a director bar. [SEC v. Marcus, 97 Civ. 462, CBA, E.D.N.Y., January 29, 1997] (LR-15230)

INVESTMENT COMPANY ACT RELEASES

CANADIAN IMPERIAL HOLDINGS INC.

An order has been issued on an application filed by Canadian Imperial Holdings Inc. for an order under Section 6(c) of the Investment Company Act exempting applicant from all provisions of the Act. The order permits applicant to sell certain debt securities and use the proceeds to finance the business activities of its parent company and certain companies controlled by the parent. (Refs. IC-22482; ISR-1046 - January 28)

ANCHOR PATHWAY FUND, ET AL.

A notice has been issued giving interested persons until February 24, 1997, to request a hearing on an application filed by the Anchor Pathway Fund (APT) and SunAmerica Series Trust (SST). Applicants seek an order pursuant to Section 10(e)(3) of the Investment Company Act extending the sixty-day period provided for by Section 10(e)(2) of the Act to March 21, 1997, in order to provide time for the identification, nomination and election of additional trustees. Applicants further request that the order grant retroactive relief for the period from January 21, 1997, the expiration date of the initial sixty-day period, to the date on which the order is issued. (Rel. IC- 22483 - January 29)

THE ARCH TAX-EXEMPT TRUST

An order has been issued under Section 8(f) of the Investment Company Act declaring that The Arch Tax-Exempt Trust has ceased to

be an investment company. (Rel. IC-22484 - January 29)

THE MUTUAL LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until February 24, 1997, to request a hearing on an application filed by The Mutual Life Insurance Company of New York, MONY Life Insurance Company of America and their respective separate accounts (Accounts), MONY Variable Account A and MONY America Variable Account A. Applicants seek an order pursuant to Section 26(b) of the Investment Company Act approving the substitution of shares of the U.S. Government Series of OCC Accumulation Trust (Trust) held by the Accounts for shares of the Bond Series of the Trust. Applicants also seek an order pursuant to Section 17(b) of the Act granting exemptions from Section 17(a) to permit Applicants to carry out the above referenced substitution in part by redeeming shares of the Bond Series in kind and using the redemption proceeds to purchase shares of the U.S. Government Series. (Rel. IC-22485 - January 29)

HOLDING COMPANY ACT RELEASES

AMERICAN ELECTRIC POWER COMPANY, INC., ET AL.

A notice has been issued giving interested persons until February 24, 1997, to request a hearing on a proposal by American Electric Power Company, Inc. (AEP), a registered holding company, and three of its utility subsidiaries (Subsidiaries) to amend the Subsidiaries' respective Articles of Incorporation (Proposed Amendment) to eliminate a provision limiting the issuance of debt securities, authorize AEP to acquire shares of preferred stock of the Subsidiaries pursuant to a cash tender offer, increase AEP's short-term debt authorization by \$400 million, and allow participation in related transactions. An order has been issued authorizing each Subsidiary to solicit proxies on its Proposed Amendment. (Rel. 35-26656)

SELF-REGULATORY ORGANIZATIONS

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the Philadelphia Stock Exchange to list and trade options and LEAPS on the PHLX Oil Service Index (SR-PHLX-97-02) 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 January 27. (Rel. 34-38207)

PROPOSED RULE CHANGES

The Commission received a proposed rule change filing (SR-CBOE-96-75) by the Chicago Board Options Exchange on December 16, 1996,

proposing to list for trading Packaged Butterfly Spreads based upon the S&P 100 and S&P 500 indexes. Publication of the notice is expected in the Federal Register during the week of January 27. (Rel. 34-38213)

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934, the Chicago Board Options Exchange filed with the Commission on December 16, 1996, a proposed rule change (SR-CBOE-96-76) to list and trade vertical spreads on the S&P 100 and 500 Indexes. Publication of the notice is expected in the Federal Register during the week of January 27. (Rel. 34-38214)

DELISTING

A notice has been issued giving interested persons until February 19, 1997, to comment on the application of Gundle/SLT Environmental, Inc., to withdraw from listing and registration on the American Stock Exchange Common Stock, \$0.01 Par Value. (Rel. 34-38212)

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-3 MID AMERICA APARTMENT COMMUNITIES INC, 6584 POPLAR AVE, STE 340, MEMPHIS, TN 38138 (901) 662-6600 - 750,000 (\$21,206,250) COMMON STOCK (FILE 333-20221 - JAN 23) (BR 8)
- S-3 IONICS INC, 65 GROVE ST, WATERTOWN, MA 02172 (617) 926-2500 - 86,458 (\$3,966,693) COMMON STOCK (FILE 333-20223 - JAN 23) (BR 5)
- S-8 ZORAN CORP \DE\, 2041 MISSION COLLEGE BLVD, SANTA CLARA, CA 95054 (415) 328-6561 - 895,831 (\$705,935 47) COMMON STOCK (FILE 333-20225 - JAN 23) (BR 9)
- S-3 GROUND ROUND RESTAURANTS INC, 35 BRAINTREE HILL OFFICE PARK, PO BOX 9078, BRAINTREE, MA 02184 (617) 380-3100 - 4,736,900 (\$11,028,095 20) COMMON STOCK (FILE 333-20227 - JAN 23) (BR 2)
- S-8 VERTEX INDUSTRIES INC, 23 CAROL ST, CLIFTON, NJ 07014 (201) 777-3500 - 20,000 (\$20,000) COMMON STOCK (FILE 333-20229 - JAN 23) (BR 3)
- S-1 SCANSOURCE INC, 6 LOGUE COURT STE G, GREENVILLE, SC 29615 (803) 288-2432 - 2,300,000 (\$38,525,000) COMMON STOCK (FILE 333-20231 - JAN 23) (BR 9)
- S-8 SILICON GAMING INC, 2800 WEST BAYSHORE, PALO ALTO, CA 94303 (415) 842-9000 - 1,816,311 (\$19,226,186 59) COMMON STOCK (FILE 333-20233 - JAN 23) (BR 3)
- S-8 MEMBERWORKS INC, 680 WASHINGTON BLVD, SUITE 1100, STAMFORD, CT 06901 (203) 324-7635 - 93,600 (\$1,240,200) COMMON STOCK (FILE 333-20235 - JAN 23) (BR 6)

S-8 MEMBERWORKS INC, 680 WASHINGTON BLVD , SUITE 1100, STAMFORD, CT 06901
(203) 324-7635 - 36,000 (\$477,000) COMMON STOCK (FILE 333-20237 -
JAN 23) (BR 6)

S-8 UROGEN CORP, 3099 SCIENCE PARK RD, STE A, SAN DIEGO, CA 92121
(619) 450-5949 - 1,950,000 (\$78,000) COMMON STOCK (FILE 333-20239 -
JAN 23) (BR 1)

S-8 MEMBERWORKS INC, 680 WASHINGTON BLVD , SUITE 1100, STAMFORD, CT 06901
(203) 324-7635 - 1,800,000 (\$23,850,000) COMMON STOCK (FILE 333-20241 -
JAN 23) (BR 6)

SB-2 BLUESTONE CORP, 7631 BERMUDA ROAD, LAS VEGAS, NV 89123 (702) 383-8300 -
\$3,321 COMMON STOCK (FILE 333-20243 - JAN 23) (BR 9 - NEW ISSUE)

S-8 PROTECTION ONE INC, 6011 BRISTOL PARKWAY, CULVER CITY, CA 90230
(310) 338-6930 - 25,446 (\$1,272 30) COMMON STOCK (FILE 333-20245 -
JAN 23) (BR 1)

S-8 DAY RUNNER INC, 15295 ALTON PARKWAY, IRVINE, CA 92718 (714) /68-0-35 -
325,000 (\$6,695,313) COMMON STOCK (FILE 333-20247 - JAN 23) (BR 5)

S-8 WORKFORCE SYSTEMS CORP /FL/, 269 CUSICK ROAD STE 203, SUITE C-2, ALCOA,
TN 37701 (305) 763-1200 - 285,000 (\$855,000) COMMON STOCK (FILE
333-20249 - JAN 23) (BR 9)

S-3 BRE PROPERTIES INC /MD/, ONE MONTGOMERY STREET,
SUITE 2500 TELESIS TOWER, SAN FRANCISCO, CA 94104 (415) -44-5-65 (FILE
333-20251 - JAN 23) (BR 8)

S-8 REDWOOD TRUST INC, 591 REDWOOD HWY, STE 310C, MILL VALLEY, CA 94941
(415) 389-7373 - 1,649,486 (\$60,833,043 68) COMMON STOCK (FILE 333-20253
- JAN 23) (BR 8)

S-8 BANNER AEROSPACE INC, 360 W SERVICE RD, P O BOX 20260, WASHINGTON, DC
20041 (703) 478-5790 - 1,170,000 (\$10,822,500) COMMON STOCK (FILE
333-20255 - JAN 23) (BR 6)

S-3 LOMAK PETROLEUM INC, 500 THROCKMORTON, FORTH WORTH, TX 76102
(817) 870-2601 - 4,600,000 (\$96,887,500) COMMON STOCK 100,000
(\$100,000,000) STRAIGHT BONDS (FILE 333-20257 - JAN 23) (BR 4)

S-2 DELTA OMEGA TECHNOLOGIES INC, 119 IDA ROAD, BROUSSARD, LA 70518
(318) 367-6400 - 5,022,674 (\$3,767,005) COMMON STOCK (FILE 333-20259 -
JAN 23) (BR 8)

S-8 INTELLIGENT DECISION SYSTEMS INC, 2025 E BELTLINE AVE SE, STE 400,
GRAND RAPIDS, MI 49546 (616) 285-5830 - 1,950,000 (\$3,081,000)
COMMON STOCK (FILE 333-20261 - JAN 23) (BR 3)

S-4 NORWEST CORP, NORWEST CTR, SIXTH & MARQUETTE, MINNEAPOLIS, MN 55479
(612) 667-1234 - 875,000 (\$15,712,000) COMMON STOCK (FILE 333-20263 -
JAN 23) (BR 7)

S-3 KENT ELECTRONICS CORP, 7433 HARWIN DR, HOUSTON, TX 77036 (713) 780-7770
- 2,033,939 (\$58,475,746) COMMON STOCK (FILE 333-20265 - JAN 23)
(BR 6)

S-6 SELECT 10 INDUSTRIAL PORTFOLIO 97-2, C/O DEAN WITTER REYNOLDS INC,
TWO WORLD TRADE CENTER 59TH FL, NEW YORK, NY 10048 - INDEFINITE SHARES
(FILE 333-20267 - JAN 23) (NEW ISSUE)

S-6 SELECT 5 INDUSTRIAL PORTFOLIO 97-2, C/O DEAN WITTER REYNOLDS INC,
TWO WORLD TRADE CENTER 59TH FL, NEW YORK, NY 10048 - INDEFINITE SHARES
(FILE 333-20269 - JAN 23) (NEW ISSUE)

S-4 PENNEY J C CO INC, 6501 LEGACY DRIVE, PLANO, TX 75024 (214) 431-1000 -
23,213,444 (\$1,105,046,391) COMMON STOCK (FILE 333-20271 - JAN 23)
(BR 2)

S-8 GKN HOLDING CORP, 61 BROADWAY, NEW YORK, NY 10006 (212) 509-3800 -
5,019,991 (\$28,790,614) COMMON STOCK (FILE 333-20273 - JAN 23) (BR 8)

S-8 SOUTHWEST AIRLINES CO, 2702 LOVE FIELD DR, P O BOX 36611, DALLAS, TX
75235 (214) 904-4000 - 6,575,000 (\$141,362,500) COMMON STOCK (FILE
333-20275 - JAN 23) (BR 5)

S-1 PHL VARIABLE SEPARATE ACCOUNT MVAL,
C/O PHOENIX HOME LIFE MUTUAL INSURANCE C, ONE AMERICAN ROW, HARTFORD, CT
06116 (860) 403-5788 - \$50,000,000 VARIABLE ANNUITY ISSUES (FILE
333-20277 - JAN 23) (NEW ISSUE)

S-4 ZIONS BANCORPORATION /UT/, 1380 KENNECOTT BLDG, SALT LAKE CITY, UT 84133
(801) 524-4787 - 200,000,000 (\$200,000,000) STRAIGHT BONDS (FILE
333-20281 - JAN 23) (BR 7)

S-4 KEYSTONE FINANCIAL INC, ONE KEYSTONE PLZ - FRONT & MARKET STS,
P O BOX 3660, HARRISBURG, PA 17105 (717) 233-1555 - 15,903,416
(\$385,813,664) COMMON STOCK (FILE 333-20283 - JAN 23) (BR 7)

S-4 NEWPORT NEWS SHIPBUILDING INC, 4101 WASHINGTON AVE, NEWPORT NEWS, VA
23607 (804) 380-2000 - 400,000,000 (\$400,000,000) STRAIGHT BONDS (FILE
333-20285 - JAN 23) (BR 6)

S-1 RECYCLING INDUSTRIES INC, 384 INVERNESS DR S STE 211, ENGLEWOOD, CO
80112 (303) 790-7372 - 652,411 (\$1,159,719) COMMON STOCK (FILE 333-20289
- JAN 23) (BR 2)

S-4 COLONIAL BANCGROUP INC, ONE COMMERCE ST STE 800, P O BOX 1108,
MONTGOMERY, AL 36104 (334) 240-5000 - 1,050,963 (\$16,122,000) COMMON STOCK
(FILE 333-20291 - JAN 24) (BR 7)

S-4 PRIDE PETROLEUM SERVICES INC, 1500 CITY W BLVD STE 400, HOUSTON, TX
77042 (713) 871-8567 - 11,099,191 (\$242,678,262) COMMON STOCK (FILE
333-20293 - JAN 23) (BR 4)

S-1 CS WIRELESS SYSTEMS INC, 200 CHISHOLM PLACE, SUITE 200, PLANO, TX 75075
(214) 509-2634 - 13,558,000 (\$8,605,611) STRAIGHT BONDS (FILE 333-20295 -
JAN 24) (BR 3)