

# SEC NEWS DIGEST

Issue 97-200

October 16, 1997

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## COMMISSION ANNOUNCEMENTS

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### CHAIRMAN LEVITT TO TESTIFY

Chairman Levitt will testify before the House Subcommittee on Finance and Hazardous Materials concerning the implementation of the Private Securities Litigation Reform Act of 1995. The testimony will be given at 1:00 p.m. on Tuesday, October 21, 1997, in Room 2123 of the Rayburn House Office Building.

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## ENFORCEMENT PROCEEDINGS

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### JOHN MACKENZIE BARRED FROM SECURITIES INDUSTRY

John D. MacKenzie (MacKenzie), the former Controller of BTS/Bond Timing, Inc. (BTS), a registered investment adviser, and who embezzled funds from BTS, has settled a previously-instituted administrative proceeding by consenting to a bar from the securities industry. The Order finds that, on December 20, 1994, MacKenzie pled guilty to an indictment relating to his embezzlement of \$3,917,511.59 from BTS and that, on March 14, 1995, he was sentenced to serve 51 months in federal prison and was ordered to pay restitution to BTS. According to the Order, the criminal indictment underlying the convictions charged MacKenzie with, among other things, utilizing his knowledge and access as a high level officer of BTS to issue checks to two sham entities, and that he thereafter transferred the funds to bank accounts that he controlled.

MacKenzie, who admitted that he was indicted and convicted, but who neither admitted nor denied any other findings, consented to issuance of the Order and imposition of the sanction. The Order bars MacKenzie from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. (Rel. Nos. 34-39237; IA-1679; File No. 3-9407)

### MARTIN CUNNANE DISCIPLINED FOR UNAUTHORIZED TRANSACTIONS

On October 15, the Commission sustained an NASD disciplinary action against Martin J. Cunnane of Woodside, New York. The NASD found

that Cunnane had engaged in conduct inconsistent with just and equitable principles of trade. Cunnane opened three customer accounts at a firm without the knowledge or authorization of the customers and then effected unauthorized transactions in a stock at the direction of another registered representative. The NASD censured Cunnane, suspended him for three years, and fined him \$40,000.

Cunnane admitted the violations on appeal but challenged the sanctions. The Commission concluded that Cunnane's conduct was knowing. He had opened accounts for persons with whom he was not acquainted, effected trades for those accounts on the orders of someone who was neither the customer nor had authorization to trade the accounts, and then gave misleading information about the transactions to the NASD staff. The Commission concluded that the NASD's sanctions were neither excessive nor oppressive. (Rel. 34-39242; File No. 3-9296)

#### COMMISSION BARS JOHN BRIDGES, JR. FROM SECURITIES INDUSTRY

On October 15, John L. Bridges, Jr. (Bridges), a broker formerly associated with American Investment Services, Inc. (AIS), settled public administrative proceedings instituted by the Commission.

Bridges consented to the entry of an Order Making Findings and Imposing Remedial Sanctions which bars him from association with any broker, dealer, investment company, investment adviser or municipal securities dealer and makes findings that, between September 1995 and April 1996, Bridges transmitted false instructions to AIS concerning the wire transfer of \$129,400 funds from his clients' brokerage accounts into his personal bank account. The Order further finds that, as a result of the foregoing, Bridges pled guilty to four counts of wire fraud and the judgment of conviction was entered on October 23, 1996. Bridges was sentenced to twenty-seven months imprisonment, three years of supervised release and ordered to pay a special assessment and to make partial restitution. (Rel. 34-38957; File No. 3-9370)

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#### INVESTMENT COMPANY ACT RELEASES

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#### SMITH BARNEY MUNI FUNDS, ET AL.

A notice has been issued giving interested persons until November 10, 1997, to request a hearing on an application filed by Smith Barney Muni Funds (Trust), et al. for an order under Section 17(b) of the Investment Company Act. The order would exempt applicants from Section 17(a) of the Act to permit a series of the Trust to acquire substantially all of the assets and certain liabilities of another series of the Trust. Because of certain affiliations, applicants may not rely on Rule 17a-8 under the Act. (Rel. IC-22856 - October 14)

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## SELF-REGULATORY ORGANIZATIONS

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### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

The Options Clearing Corporation filed a proposed rule change (SR-OCC-97-16), which became effective upon filing, revising the fees associated with OCC's clearing service and introducing an interim fee schedule for OCC's Dow Jones Industrial Average index option contract service. Publication of the proposal is expected in the Federal Register during the week of October 13. (Rel. 34-39231)

The Depository Trust Company filed a proposed rule change (SR-DTC-97-18), which became effective upon filing, expanding DTC's participant exchange service system to allow the automated exchange of letters of free funds. Publication of the proposal is expected in the Federal Register during the week of October 13. (Rel. 34-39232)

The National Securities Clearing Corporation filed a proposed rule change (SR-NSCC-97-09), which became effective upon filing, establishing fees for NSCC's Annuities Processing Service (APS). Publication of the proposal is expected in the Federal Register during the week of October 13. (Rel. 34-39233)

The MBS Clearing Corporation filed a proposed rule change (SR-MBSCC-97-7), which became effective upon filing, amending MBSCC rules to allow the use of CUSIP numbers to process eligible securities. Publication of the proposal is expected in the Federal Register during the week of October 13. (Rel. 34-39234)

### APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change (SR-DCC-97-04) filed by the Delta Clearing Corp. relating to the combining of Delta's Options and Repo Procedures. (Rel. 34-39236)

The Commission approved a proposed rule change filed by the Delta Clearing Corp. (SR-DCC-97-06) that amends DCC's procedures to allow DCC to clear and settle repurchase agreements and reverse repurchase agreements in which the underlying collateral is book-entry mortgage-backed securities issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation. (Rel. 34-39241)

### DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Acordia, Inc., Common Stock, \$1.00 Par Value. (Rel. 34-39238)

## WITHDRAWAL GRANTED

An order has been issued granting the application of Precision Optics Corporation, Inc. to withdraw from listing and registration its Common Stock, \$0.01 Par Value, on the Boston Stock Exchange. (Rel. 34-39239)

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## SECURITIES ACT REGISTRATIONS

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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-1 MODTECH INC, 2830 BARRETT AVE, PO BOX 1240, PERRIS, CA 92370  
(909) 943-4014 - 3,450,000 (\$86,250,000) COMMON STOCK. (FILE 333-37473 - OCT 09) (BR 6)
- S-4 SC INTERNATIONAL SERVICES INC, 524 EAST LAMAR, ARLINGTON, TX 76011  
(817) 792-2123 - 300,000,000 (\$300,000,000) STRAIGHT BONDS (FILE 333-37475 - OCT 09) (BR. 2)
- S-4 VIAD CORP, 1850 N CENTRAL AVE, SUITE 2212, PHOENIX, AZ 85077  
(602) 207-4000 - 2,800,000 (\$55,748,000) COMMON STOCK (FILE 333-37479 - OCT 09) (BR. 4)
- S-4 ADVANCED NMR SYSTEMS INC, 47 JONSPIN RD, WILMINGTON, MA 01887  
(508) 657-8876 - 4,210,271 (\$1,305,184) COMMON STOCK. (FILE 333-37481 - OCT 09) (BR 1)
- S-8 EARTHGRAINS CO /DE/, 8400 MARYLAND AVE, ST LOUIS, MO 63105  
(314) 259-7000 - 600,000 (\$27,468,750) COMMON STOCK. (FILE 333-37483 - OCT 09) (BR 2)
- S-4 VALUJET INC, 1800 PHOENIX BLVD, STE 126, ATLANTA, GA 30349  
(770) 907-2580 - 80,000,000 (\$80,000,000) STRAIGHT BONDS (FILE 333-37487 - OCT 09) (BR 5)
- S-8 WESTINGHOUSE ELECTRIC CORP, WESTINGHOUSE BLDG, 11 STANWIX STREET, PITTSBURGH, PA 15222 (412) 244-2000 - 131,868 (\$3,754,124) COMMON STOCK. (FILE 333-37497 - OCT. 09) (BR. 3)
- S-3 UCFC ACCEPTANCE CORP, 4041 ESSEN LANE, BATON ROUGE, LA 70809  
(504) 924-6007 - 1,000,000 (\$1,000,000) STRAIGHT BONDS. (FILE 333-37499 - OCT 09) (BR. 8)
- S-8 SELECTIVE INSURANCE GROUP INC, 40 WANTAGE AVENUE, BRANCHVILLE, NJ 07890  
(201) 948-3000 - 1,000,000 (\$54,250,000) COMMON STOCK. (FILE 333-37501 - OCT 09) (BR 1)

S-3 GORMAN RUPP CO, 305 BOWMAN ST, PO BOX 1217, MANSFIELD, OH 44901  
(419) 755-1011 - 100,000 (\$2,068,750) COMMON STOCK. (FILE 333-37503 -  
OCT. 09) (BR 5)

S-3 INNKEEPERS USA TRUST/FL, 306 ROYAL POINCIANA PLZ, STE 100, PALM BEACH,  
FL 33480 (407) 835-1800 - 211,465 (\$3,561,864) COMMON STOCK. (FILE  
333-37505 - OCT. 09) (BR. 8)

SB-2 CONNECTICUT VALLEY SPORTS INC, 4004 HWY 95 NORTH, STEVENSVILLE, MT 59870  
(406) 777-5534 - 3,750,000 (\$19,240,500) COMMON STOCK. (FILE 333-37507 -  
OCT. 09) (BR 9 - NEW ISSUE)

S-8 CHEM INTERNATIONAL INC, 201 ROUTE 22, HILLSIDE, NJ 07205 (201) 926-0816  
- 1,000,000 (\$2,625,000) COMMON STOCK. (FILE 333-37509 - OCT. 09) (BR. 1)

SB-2 PSB BANCORP INC, ELEVEN PENN CENTER, SUITE 2601, 1835 MARKET STREET,  
PHILADELPHIA, PA 19103 (215) 979-7900 - 2,897,085 (\$50,854,451)  
COMMON STOCK. (FILE 333-37511 - OCT. 09) (NEW ISSUE)

S-3 PACIFIC BELL, 140 NEW MONTGOMERY ST, SAN FRANCISCO, CA 94105  
(415) 542-9000 - 1,600,000,000 (\$1,600,000,000) STRAIGHT BONDS. (FILE  
333-37513 - OCT. 09) (BR. 3)

S-3 SOUTHWESTERN BELL TELEPHONE CO, 101 PINE STREET, ROOM 9-4, ST LOUIS, MO  
63101 (314) 235-9800 - 1,655,500,000 (\$1,655,500,000) STRAIGHT BONDS.  
(FILE 333-37515 - OCT. 09) (BR 3)

S-3 MEDPARTNERS INC, 3000 GALLERIA TOWER, STE 1000, BIRMINGHAM, AL 35244  
(205) 733-8996 - 1,208,159 (\$27,032,557.63) COMMON STOCK (FILE 333-37517  
- OCT 09) (BR 1)

S-8 SFX BROADCASTING INC, 150 EAST 58TH ST, 150 EAST 58TH ST, NEW YORK, NY  
10155 (212) 407-9191 - 50,000 (\$1,687,500) COMMON STOCK (FILE 333-37519 -  
OCT 09) (BR. 3)

S-8 STERLING COMMERCE INC, 300 CRESCENT CT, STE 1200, DALLAS, TX 75201  
(214) 981-1000 - 20,000,000 (\$20,000,000)  
OTHER SECURITIES INCLUDING VOTING TRUST (FILE 333-37523 - OCT 09)  
(BR 3)

S-3 COMMUNITY FIRST BANKSHARES INC, 520 MAIN AVENUE, FARGO, ND 58124  
(701) 298-5600 - \$150,000,000 STRAIGHT BONDS. (FILE 333-37527 - OCT. 09)  
(BR 7)

S-3 AASCHE TRANSPORTATION SERVICES INC, 10214 N MT VERNON RD, SHANNON, IL  
61078 (815) 864-2421 - 648,684 (\$2,919,078) COMMON STOCK. (FILE 333-37529  
- OCT 09) (BR 5)

S-4 URS CORP /NEW/, 100 CALIFORNIA ST STE 500, SAN FRANCISCO, CA 94111  
(415) 774-2700 - 5,200,000 (\$13,952,130) COMMON STOCK (FILE 333-37531 -  
OCT 09) (BR 4)

S-8 HALLIBURTON CO, 3600 LINCOLN PLZ, 500 N AKARD ST, DALLAS, TX 75201  
(214) 978-2600 - 866,741 (\$10,643,579) COMMON STOCK. (FILE 333-37533 -  
OCT 09) (BR 6)

S-8 ELECTRONICS COMMUNICATIONS CORP, 10 PLOG RD, FAIRFIELD, NJ 07004  
(201) 808-8862 - 523,077 (\$680,000) COMMON STOCK (FILE 333-37535 -  
OCT 09) (BR 3)

S-8 ARDEN REALTY INC, 9100 WILSHIRE BLVD, EAST TOWER SUITE 700,  
BEVERLY HILLS, CA 90212 (310) 271-8600 - 1,486,667 (\$36,928,808.28)  
COMMON STOCK. (FILE 333-37537 - OCT. 09) (BR 8)

S-3 CWABS INC, 4500 PARK GRANADA, CALABASAS, CA 91302 (818) 304-8505 -  
3,000,000,000 (\$3,000,000,000) STRAIGHT BONDS. (FILE 333-37539 - OCT. 09)  
(BR. 8)

S-8 MONROC INC, 1730 BECK ST, SALT LAKE CITY, UT 84116 (801) 359-3701 -  
600,000 (\$6,825,000) COMMON STOCK. (FILE 333-37543 - OCT. 09) (BR 6)

S-8 INFONAUTICS INC, 900 W VALLEY RD, STE 1000, WAYNE, PA 19087  
(610) 971-8840 - 500,000 (\$1,121,683.26) COMMON STOCK. (FILE 333-37545 -  
OCT 09) (BR 3)

S-3 MERCANTILE BANCORPORATION INC, P O BOX 524, ST LOUIS, MO 63166  
(314) 425-2525 - 2,000,000 (\$104,120,000) COMMON STOCK. (FILE 333-37547 -  
OCT. 09) (BR. 7)

S-8 MONROC INC, 1730 BECK ST, SALT LAKE CITY, UT 84116 (801) 359-3701 -  
60,000 (\$682,500) COMMON STOCK. (FILE 333-37549 - OCT. 09) (BR. 6)

S-3 SYSTEMS & COMPUTER TECHNOLOGY CORP, GREAT VALLEY CORPORATE CTR,  
4 COUNTRY VIEW RD, MALVERN, PA 19355 (610) 647-5930 - 69,000,000  
(\$69,000,000) STRAIGHT BONDS (FILE 333-37551 - OCT. 09) (BR. 3)

S-3 RASTER GRAPHICS INC, 3025 ORCHARD PARKWAY, SAN JOSE, CA 95134  
(408) 232-4000 - 73,475 (\$587,800) COMMON STOCK. (FILE 333-37555 -  
OCT 09) (BR 3)

S-1 CELL PATHWAYS INC, 702 ELECTRONUIC DRIVE, ST 2000, HORSHAM, PA 19044  
(215) 706-3800 - 2,875,000 (\$37,375,000) COMMON STOCK. (FILE 333-37557 -  
OCT 09)

S-4 GIANT INDUSTRIES INC, 23733 N SCOTTSDALE RD, SCOTTSDALE, AZ 85255  
(602) 585-8888 - 150,000,000 (\$150,000,000) STRAIGHT BONDS. (FILE  
333-37561 - OCT 09) (BR 4)

S-3 JPM CO, RT 15 N, LEWISBURG, PA 17837 (717) 524-8200 - 3,680,000  
(\$87,878,400) COMMON STOCK. (FILE 333-37563 - OCT. 09) (BR. 6)

S-3 CHASE MANHATTAN CORP /DE/, 270 PARK AVE, NEW YORK, NY 10017  
(212) 270-6000 - 1,500,000,000 (\$1,500,000,000) STRAIGHT BONDS (FILE  
333-37567 - OCT 09) (BR 7)

N-2 CIGNA HIGH INCOME SHARES, 950 WINTER STREET, SUITE 1200, WALTHAM, MA  
02154 (860) -72-6-37 - 12,600,000 (\$100,674,000) COMMON STOCK. (FILE  
333-37569 OCT 09) (BR 16)

S-3 TOYS R US INC, 461 FROM RD, PARAMUS, NJ 07652 (201) 262-7800 -  
3,500,000 (\$124,031,250) COMMON STOCK. (FILE 333-37571 - OCT 09) (BR 2)

S-1 HOWMET INTERNATIONAL INC, 475 STEAMBOAT RD, GREENWICH, CT 06830  
(203) 661-4600 - \$375,000,000 COMMON STOCK (FILE 333-37573 - OCT 09)  
(NEW ISSUE)

S-4 WILSHIRE FINANCIAL SERVICES GROUP INC, 1776 SW MADISON ST, PORTLAND, OR  
97205 (503) 223-5600 - 100,000,000 (\$100,000,000) STRAIGHT BONDS. (FILE  
333-37575 - OCT. 10) (BR. 8)

S-3 PARADIGM TECHNOLOGY INC /DE/, 694 TASMAN DR, MILPITAS, CA 95035  
(408) 954-0500 - 80,917 (\$102,765) COMMON STOCK. (FILE 333-37577 -  
OCT 10) (BR 6)

S-1 DONLAR CORP, 6502 S ARCHER RD, BEDFORD PARK, IL 60501 (708) 563-9200 -  
\$69,000,000 COMMON STOCK (FILE 333-37579 - OCT. 10) (NEW ISSUE)

S-4 HSB CAPITAL I, ONE STATE STREET, P O BOX 5024, HARTFORD, CT 06102  
(860) 722-1866 - 110,000,000 (\$110,000,000) COMMON STOCK. (FILE 333-37581  
- OCT 10) (NEW ISSUE)

SB-2 ADVANCED UROSCIENCE INC, 1290 HAMMOND ROAD, ST PAUL, MN 55110  
(612) 653-8512 - \$34,500,000 COMMON STOCK. (FILE 333-37583 - OCT. 10)  
(BR 9)

S-3 NEOTHERAPEUTICS INC, 157 TECHNOLOGY DR, STE J-821, IRVINE, CA 92618  
(714) 832-4902 - 500,000 (\$4,780,000) COMMON STOCK. (FILE 333-37585 -  
OCT 10) (BR 9)

S-3 BRIGHTPOINT INC, 6402 CORPORATE DR, INDIANAPOLIS, IN 46278  
(317) 297-6100 - 375,000 (\$16,546,875) COMMON STOCK. (FILE 333-37587 -  
OCT 10) (BR 6)