

# SEC NEWS DIGEST

Issue 99-80

April 27, 1999

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## ENFORCEMENT PROCEEDINGS

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### APPEAL OF SIERRA NEVADA SECURITIES, INC. DISMISSED

The Commission dismissed an appeal taken by Sierra Nevada Securities, Inc. a member of the National Association of Securities Dealers, Inc. The NASD and Sierra had entered into a restrictive agreement requiring the firm to operate on a fully disclosed basis and not make markets in securities. Sierra applied to modify the agreement to allow it to make markets in the securities of not more than 50 issuers with Sierra's president, James Hensley, serving as supervising principal and his son, Jeffrey Hensley, a principal, serving as the firm's trader. The NASD denied Sierra's application, concluding that Sierra did not have adequate personnel, as required by NASD Rules, to supervise a person of Jeffrey Hensley's experience and qualifications since James Hensley did not have direct market-making or related experience. (Rel. 34-41330; File No. 3-9623)

### ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST BROKER ALLEGED TO HAVE RECEIVED KICKBACKS TO PROMOTE STOCKS TO HIS CUSTOMERS

On April 26, the Commission instituted administrative proceedings pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 (Exchange Act) against Vincent St. Clair Beatty (Beatty), a resident of Coconut Creek, Florida. The Order Instituting Proceedings, Making Findings and Imposing Remedial Sanctions finds that Beatty was enjoined on August 11, 1997, by the United States District Court for the Middle District of Florida, on consent, from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder in connection with allegations that he received kickbacks from a stock promoter to retail certain securities to his clients.

Simultaneously with the institution of these proceedings, the Commission accepted an offer of settlement by Beatty, under which he consented to the issuance of an order barring him from association with any broker, dealer, investment adviser, investment company or municipal securities dealer with the right to reapply for association after two years to the appropriate self-regulatory organization, or if there is none, to the Commission. (Rel. 34-41331; File No. 3-9882)

**COMMISSION BARS REGISTERED REPRESENTATIVE FOR MISAPPROPRIATION OF CUSTOMER FUNDS**

On April 26, the Commission simultaneously instituted and settled administrative proceedings against Peter Joseph Cammarano, formerly a registered representative with Signal Securities, Inc. (Signal), and Brokerage Transaction Services, Inc. Cammarano consented, without admitting or denying the Commission's factual allegations, to the issuance of an administrative order barring him from association with any broker, dealer, investment adviser, investment company, or municipal securities dealer.

The Order was based upon the entry of a permanent injunction entered against Cammarano on January 19, 1999, and upon the Commission's finding that Cammarano willfully violated Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(a)(1) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The Commission's complaint in the civil action filed November 4, 1998, alleged that Cammarano, individually and through Cammarano & Associates, Inc. (CAI), a corporation controlled by Cammarano, misappropriated funds by inducing investors, some of whom were customers of Signal, to liquidate their retirement accounts or other investments, and to deposit the proceeds with CAI. The complaint further alleges that Cammarano operated CAI as an unregistered broker-dealer, receiving customer funds and sending confirmations and account statements to customers falsely reflecting that their funds were invested in securities such as stocks, certificates of deposit, money market accounts and options (SEC v. Peter Joseph Cammarano, et al., Civil Action No. H-98-3707, S.D. Tex.; LR-16045, Jan. 26, 1999; and LR-15967, Nov. 5, 1998). (Rel. 34-41332; File No. 3-9883)

**PERMANENT INJUNCTIONS AND OTHER RELIEF ENTERED AGAINST MAVEN CAPITAL CORPORATION, MAVEN ENTERPRISES, INC., RODD BUCKLE, AND RELATED ENTITIES**

On April 22, the Honorable Johnnie B. Rawlinson, U.S. District Judge for the District of Nevada, entered a final judgment of permanent injunction by consent against Maven Capital Corporation (Maven Capital), Maven Enterprises, Inc. (Maven Enterprises), Rodd Buckle (Buckle), a resident of Las Vegas, NV, and five relief defendants, all corporations controlled by Buckle. Maven Capital, Maven Enterprises, and Buckle were enjoined from future violations of the registration and antifraud provisions of the federal securities laws and ordered to perform accountings and to disgorge amounts yet to be determined with prejudgment interest. Buckle was also ordered to pay a civil penalty to be determined later. Buckle was barred from serving as an officer or director for any public company. In addition, Judge Rawlinson appointed a receiver for Maven Capital, Maven Enterprises, and the five relief defendants, which were also ordered to disgorge amounts yet to be determined.

The Commission's complaint alleged that the defendants raised at least \$3 million through the fraudulent sale of unregistered securities, in the form of common and preferred stock and investment

contracts, and made material misrepresentations and omissions regarding the use of investor funds. They represented that the proceeds were to be invested in real estate, stocks, and Buckle's gambling business. Instead, Buckle spent most of the money to support his lavish lifestyle and to purchase items such as automobiles and property for himself and the relief defendants. [SEC v. Maven Capital Corporation, Maven Enterprises, Inc., and Rodd Buckle, Civil Action No. CV-S-99-00501-JBR, LRL, D. Nev.] (LR-16123)

#### **COMMISSION SETTLES INSIDER TRADING CHARGES AGAINST FORMER HOME DEPOT EMPLOYEE**

On April 19, the Honorable Jack T. Camp, United States District Judge for the Northern District of Georgia, entered an order granting relief against Bharat Kotecha in the Commission's case against Kotecha and Arnon Isaacson, both former employees of The Home Depot, Inc., an Atlanta-based chain of home improvement and building supply stores. The Commission's complaint, filed on June 3, 1998, alleged that during April and May of 1995, Kotecha learned that Home Depot's financial performance during the first quarter of its 1995 fiscal year would be disappointing. Allegedly using this information received in the course of his employment, Kotecha opened and closed positions in call and put options on Home Depot's stock shortly before the company's public announcement about its disappointing first quarter earnings on May 16, 1995.

The order permanently enjoins Kotecha from further 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, and directs him to pay \$38,812.50 in disgorgement, \$13,760.38 in prejudgment interest and a civil penalty of \$19,406.25. Kotecha consented to the entry of the order without admitting or denying the allegations in the Commission's complaint. [SEC v. Bharat Kotecha and Arnon Isaacson, Civil Action No. 1: 98-CV-1576-JCT, N.D.Ga.] (LR-16124)

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#### **SELF-REGULATORY ORGANIZATIONS**

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##### **PROPOSED RULE CHANGES**

The American Stock Exchange filed a proposed rule change (SR-Amex-98-49) that would permit the Exchange to list and trade additional series of world equity bench mark shares based on eleven Morgan Stanley Capital International indices. Publication of the proposal is expected in the Federal Register during the week of April 26. (Rel. 34-41322; International Series Rel. 1192)

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-98-96) to amend the Forms U-4 and U-5. Publication of the proposal is expected in the Federal Register during the week of April 26. (Rel. 34-41326)

The Pacific Exchange filed a proposed rule change (SR-PCX-99-07) to establish a competing specialist program on the Exchange. Publication of the proposal is expected in the Federal Register during the week of April 26. (Rel. 34-41327)

#### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the Philadelphia Stock Exchange relating to an extension of a pilot program for a system enhancement to the X.Station electronic book on the options floor 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 April 26. (Rel. 34-41323)

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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: <publicinfo@sec.gov>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

- S-1 WATCHGUARD TECHNOLOGIES INC, 316 OCCIDENTAL AVENUE SOUTH, SUITE 200, SEATTLE, WA 98104 (206) 521-8340 - \$46,000,000 COMMON STOCK. (FILE 333-76587 - APR. 20) (BR. 3)
- S-3 VALENCE TECHNOLOGY INC, 301 CONESTOGA WAY, HENDERSON, NV 89015 (702) 558-1000 (FILE 333-76589 - APR. 20) (BR. 1)
- S-4 MESA AIR GROUP INC, 410 NORTH 44TH STREET, SUITE 700, PHOENIX, AZ 85008 (505) 327-0271 - 6,201,946 (\$22,699,122.36) COMMON STOCK. (FILE 333-76591 - APR. 19) (BR. 5)
- S-3 PREMIER PARKS INC, 11501 NE EXPWY, OKLAHOMA CITY, OK 73131 (405) 475-2500 (FILE 333-76595 - APR. 20) (BR. 5)
- S-8 BOUNDLESS CORP, 9430 RESEARCH BLVD, ECHELON IV STE 200, AUSTIN, TX 78759 (512) 349-5800 - 1,000,000 (\$4,490,000) COMMON STOCK. (FILE 333-76597 - APR. 20) (BR. 3)
- S-8 NTL INC/NY/, 110 E 59TH ST 26TH FL, C/O NTL COMMUNICATIONS CORP, NEW YORK, NY 10022 (212) 906-8440 - 15,000,000 (\$812,731,212) COMMON STOCK. (FILE 333-76601 - APR. 20) (BR. 7)
- S-3 FLORAFAX INTERNATIONAL INC, 8075 20TH STREET, VERO BEACH, FL 32966 (561) 563-0263 - 342,500 (\$5,287,515) COMMON STOCK. (FILE 333-76603 - APR. 20) (BR. 8)

S-4 AMERICAN AXLE & MANUFACTURING INC, 1840 HOLBROOK AVE, DETROIT, MI 48212  
(313) 974-2000 - 300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE  
333-76605 - APR. 20) (NEW ISSUE)

S-11 CORNERSTONE INDUSTRIAL PROPERTIES INCOME & GROWTH FUND LLC,  
4590 MACARTHUR BLVD, SUITE 610, NEWPORT BEACH, CA 92660 (949) 852-1007 -  
40,000 (\$20,000,000) STRAIGHT BONDS. (FILE 333-76609 - APR. 20)  
(NEW ISSUE)

S-3 FIRST M&F CORP/MS, 221 E WASHINGTON ST, P O BOX 520, KOSCIUSKO, MS 39090  
(601) 289-5121 - 100,000 (\$3,150,000) COMMON STOCK. (FILE 333-76611 -  
APR 20) (BR. 7)

S-4 CASE CORP, 700 STATE ST, RACINE, WI 53404 (414) 636-6011 - 300,000,000  
(\$300,000,000) STRAIGHT BONDS. (FILE 333-76613 - APR. 20) (BR. 5)

S-8 FIRST M&F CORP/MS, 221 E WASHINGTON ST, P O BOX 520, KOSCIUSKO, MS 39090  
(601) 289-5121 - 200,000 (\$6,300,000) COMMON STOCK. (FILE 333-76615 -  
APR. 20) (BR. 7)

S-3 VULCAN MATERIALS CO, ONE METROPLEX DRIVE, BIRMINGHAM, AL 35242  
(205) 298-3000 - 242,154 (\$10,398,092.76) COMMON STOCK. (FILE 333-76617 -  
APR. 20) (BR. 4)

S-3 KEYCORP /NEW/, 127 PUBLIC SQ, CLEVELAND, OH 44114 (216) 689-6300 -  
1,000,000 STRAIGHT BONDS. 1,000 (\$1,000,000) COMMON STOCK. (FILE  
333-76619 - APR. 20) (BR. 7)

S-8 XIRCOM INC, 2300 CORPORATE CENTER DR, THOUSAND OAKS, CA 91320  
(805) 376-9300 - 2,800,000 (\$62,552,000) COMMON STOCK (FILE 333-76621 -  
APR. 20) (BR. 3)

S-3 GOLD BANC CORP INC, 11301 NALL AVE, LEAWOOD, KS 66211 (913) 451-8050 -  
1,610,000 (\$40,250,000) PREFERRED STOCK. (FILE 333-76623 - APR. 20)  
(BR. 7)

S-8 ENTERTAINMENT PROPERTIES TRUST, ONE KANSAS CITY PLACE,  
1200 MAIN STREET SUITE 3250, KANSAS CITY, MO 64105 (816) 472-1700 -  
1,515,000 (\$26,180,715) COMMON STOCK. (FILE 333-76625 - APR 20) (BR. 8)

S-3 LEHMAN ABS CORP, THREE WORLD FINANCIAL CTR, 200 VESEY ST, NEW YORK, NY  
10022 (212) 526-7000 - 2,546,208,717 (\$1,500,000,000)  
EQUIPMENT TRUST CERTIFICATES. (FILE 333-76627 - APR. 20) (BR 8)

S-8 SYKES ENTERPRISES INC, 100 NORTH TAMPA ST, STE 3900, TAMPA, FL 33602  
(813) 274-1000 - 4,000,000 (\$106,184,687.50) COMMON STOCK. (FILE  
333-76629 - APR. 20) (BR. 3)

S-8 INTELIDATA TECHNOLOGIES CORP, 11600 SUNRISE VALLEY DRIVE, SUITE 100,  
RESTON, VA 20191 (703) 834-8320 - 1,259,698 (\$4,131,809) COMMON STOCK.  
(FILE 333-76631 - APR. 20) (BR. 3)

S-8 SMITH INTERNATIONAL INC, 16740 HARDY ST, P O BOX 60068, HOUSTON, TX  
77032 (281) 443-3370 - 2,400,000 (\$92,256,000) COMMON STOCK. (FILE  
333-76633 - APR. 20) (BR. 2)

S-8 CYPRESS SEMICONDUCTOR CORP /DE/, 3901 N FIRST ST, SAN JOSE, CA 95134  
(408) 943-2600 - 1,500,000 (\$15,480,000) COMMON STOCK. (FILE 333-76665 -  
APR. 20) (BR. 5)