

SEC NEWS DIGEST

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ENFORCEMENT PROCEEDINGS

NASD DISCIPLINARY ACTION AGAINST DONALD GATES SUSTAINED EXCEPT FOR MODIFICATION OF FINE

The Commission sustained, with the exception of the fine imposed, National Association of Securities Dealers, Inc. (NASD) disciplinary action against Donald R. Gates, formerly a registered representative of Prudential Securities, Inc., a member firm. The Commission determined that, before he was registered with either the NASD or West Virginia, Gates engaged in 25 trades in a public customer's margin account for which he received compensation from another Prudential salesman, in violation of NASD registration requirements.

The NASD imposed sanctions of a censure, 6-month suspension, requalification requirement, and \$53,261.05 fine, consisting of \$28,261.05, which it calculated was the amount of Gates' commissions, and \$25,000 for the 25 registration violations. The Commission concluded that the sanctions were appropriate save for the \$28,261.05 fine based upon Gates' purported commissions. The Commission determined that the evidence was insufficient to establish the amount of commissions that Gates actually received. The Commission accordingly reduced the total fine of \$53,261.05 by \$28,261.05 to \$25,000. (Rel. 34-41777; File No. 3-8580)

COMMISSION FILES INSIDER TRADING COMPLAINT AGAINST FATHER, SON AND FAMILY FRIEND

The Commission filed a complaint in the Northern District of Georgia, on August 19 against Floyd P. Goodson, (Floyd G.) his father James F. Goodson (James G.), and family friend John R. Fiser (Fiser) for illegal insider trading in the options of VeriFone, Inc. (VeriFone).

The Commission's complaint alleges that, Floyd G.'s wife, an employee of VeriFone, learned of the upcoming acquisition of VeriFone, Inc. by Hewlett-Packard Co. Concerned about implications to her career, Floyd's wife informed Floyd of the acquisition in an effort to seek his advice and support. Floyd surreptitiously tipped James G., who immediately purchased VeriFone options. James G. also tipped Fiser, who immediately purchased VeriFone options. Both James

G. and Fiser sold their option contracts immediately after the announcement, reaping one-day profits of \$62,374 and \$146,907, respectively.

In its complaint, the Commission seeks permanent injunctions against future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, disgorgement with prejudgment interest, and civil penalties against all three defendants. [SEC v. Floyd P. Goodson, James F. Goodson and John R. Fiser, USDC, ND Georgia, Civil Action No. 199-cv-2133] (LR-16258)

DEFENSE SUMMARY JUDGMENT MOTION GRANTED IN ORANGE COUNTY CASE

On August 18, United States District Judge Gary L. Taylor granted the summary judgment motion of Kenneth D. Ough, a defendant in a civil enforcement action commenced by the Securities and Exchange Commission. Judge Taylor simultaneously denied the Commission's motion for summary judgment against Defendant Ough.

The Commission's complaint (filed in August 1998) alleged that Defendant Ough, an investment banker formerly associated with the Rauscher Pierce Refsnes brokerage firm (now known as Dain Rauscher, Inc.), engaged in fraud in the issuance of over \$800 million of municipal securities related to the Orange County Investment Pools in 1993 and 1994. The Commission's complaint alleged that Defendant Ough failed to disclose important information about these securities to investors, including information about the arbitrage purpose of the securities offerings and the contents and risky investment strategy of the County Pools.

As a result of Judge Taylor's ruling, the case against Defendant Ough will not proceed to trial. Valerie Caproni, the Regional Director of the Commission's Pacific Regional Office in Los Angeles said, "We are disappointed by the Court's ruling yesterday. We are reviewing the Court's written opinion carefully to determine whether the Commission will appeal this decision." [SEC v. Dain Rauscher, Inc., et al., Civil Action No. SA CV 98-639 GLT, ANx, C.D. Cal.] (LR-16259)

INVESTMENT COMPANY ACT RELEASES

NATIONS FUND TRUST, ET AL.

An order has been issued on an application filed by the Nations Fund Trust, et al. for an exemption from Section 17(a) of the Investment Company Act. The order permits certain series of Nations Institutional Reserves to acquire all of the assets and liabilities of certain series of Nations Fund Trust, Nations Fund, Inc., and Nations Fund Portfolios, Inc. Because of certain affiliations, applicants may not rely on Rule 17a-8 under the Act. (Rel. IC-23957 - August 20)

CLARION CMBS VALUE FUND, INC., AND CLARION CAPITAL, LLC

A notice has been issued giving interested persons until September 14, 1999, to request a hearing on an application filed by Clarion CMBS Value Fund, Inc. (Fund), and Clarion Capital, LLC, for an order under Sections 6(c) and 17(b) of the Investment Company Act granting an exemption from Section 17(a) of the Act. The order would permit in-kind redemptions of shares of the Fund held by certain affiliated shareholders. (Rel. IC-23959 - August 20)

DEUTSCHE BANK SECURITIES INC.

An order has been issued on an application filed by Deutsche Bank Securities Inc. (Deutsche Securities) exempting Mandatory Exchangeable Trust Securities trusts for which Deutsche Securities will serve as a principal underwriter (Trusts) from Section 12(d)(1) and Section 14(a) of the Investment Company Act, and exempting Deutsche Securities and the Trusts from Section 17(a) of the Act. The order would permit other registered investment companies, and companies excepted from the definition of investment company under Sections 3(c)(1) and (c)(7) of the Act, to own a greater percentage of the total outstanding voting stock (Securities) of the Trusts than that permitted by Section 12(d)(1) of the Act. The order would also exempt the Trusts from the initial net worth requirements of Section 14(a) of the Act and permit the Trusts to purchase U.S. Government securities from Deutsche Securities at the time of a Trust's initial issuance of Securities. (Rel. IC-23960 - August 20)

HOLDINGS COMPANY ACT RELEASES

THE AES CORPORATION

The Commission has issued an order under Section 3(a)(3) of the Act to AES Corporation (AES), a Delaware corporation not currently subject to the Act. The order exempts AES from all provisions of the Act except Section 9(a)(2) following the consummation of its acquisition of CILCORP Inc., an Illinois public-utility holding company exempt from registration under Section 3(a)(1) of the Act by Rule 2. Through the acquisition, AES would acquire the holding company's Illinois public-utility subsidiary company, Central Illinois Light Company. (Rel. 35-27063),

SELF-REGULATORY ORGANIZATIONS

DELISTINGS GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration SMTEK International, Inc., Common Stock, \$.01 par value. (Rel. 34-41771)

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Sun Healthcare Group, Inc., Common Stock, \$.01 par value; and Mediplex Group, Inc. (subsidiary of Sun Healthcare Group, Inc.), 11-3/4% Senior Subordinated Notes, due October 1, 2002, and 6-1/2% Convertible Subordinated Debentures, due August 1, 2003.

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.

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

- S-8 KAFUS INDUSTRIES LTD, 1155 ROBSON ST, VANCOUVER BRITISH CO, A1 V6E 1
(916) 442-0400 - 3,856,623 (\$34,941,004 38) FOREIGN COMMON STOCK (FILE
333-10694 - AUG. 13) (BR. 6)
- S-1 E STAMP CORP, 2855 CAMPUS DRIVE, SUITE 100, SAN MATEO, CA 94403
(650) 554-8454 - \$85,000,000 COMMON STOCK (FILE 333-85359 - AUG 17)
(BR. 8 - NEW ISSUE)
- S-8 V3 SEMICONDUCTOR INC, 250 CONSUMERS RD, SUITE 901, NORTH YORKONTARIO CA,
A6 (416) 497-8884 - 700,000 (\$4,816,000) COMMON STOCK. (FILE 333-85361 -
AUG 17) (BR. 9)
- S-8 ONESOURCE INFORMATION SERVICES INC, 150 CAMBRIDGE PARK DRIVE, CAMBRIDGE,
MA 02140 (617) 441-7000 - 4,790,971 (\$14,475,338) COMMON STOCK (FILE
333-85363 - AUG. 17) (BR. 3)
- S-1 IDT INC, 2275 SWALLOW HILL RD, BUILDING 2500, PITTSBURGH, PA 15220
(412) 279-8715 - 6,665,000 (\$19,995,000) COMMON STOCK (FILE 333-85365 -
AUG. 17) (BR. 1)
- S-3 MEDICAL ADVISORY SYSTEMS INC, 8050 SOUTHERN MARYLAND BLVD, OWINGS, MD
20736 (301) 855-8070 - 847,500 (\$11,176,406) COMMON STOCK. (FILE
333-85369 - AUG 17) (BR 1)
- S-3 SAF T LOK INC, 1101 NORTHPOINT PARKWAY, WEST PALM BEACH, FL 33407
(561) 743-5625 - 1,071,000 (\$1,840,834 80) COMMON STOCK. (FILE 333-85373 -
AUG 17) (BR. 6)
- S-8 NUCOR CORP, 2100 REXFORD RD, CHARLOTTE, NC 28211 (704) 366-7000 -
3,000,000 (\$149,520,000) COMMON STOCK. (FILE 333-85375 - AUG. 17) (BR 6)
- S-3 UNB CORP/OH, 220 MARKET AVE SOUTH, CANTON, OH 44701 (330) 438-1230 -
1,000,000 (\$16,680,000) COMMON STOCK (FILE 333-85377 - AUG 17) (BR 7)
- S-8 BINDLEY WESTERN INDUSTRIES INC, 8909 PURDUE ROAD, INDIANAPOLIS, IN 46268
(317) 704-4000 - 600,000 (\$11,156,280) COMMON STOCK (FILE 333-85379 -
AUG 17) (BR. 1)

S-8 OAK TECHNOLOGY INC, 139 KIFER CT, SUNNYVALE, CA 94086 (408) 737-0888 -
2,000,000 (\$6,262,500) COMMON STOCK. (FILE 333-85381 - AUG. 17) (BR. 5)

S-8 ACTIVISION INC /NY, 3100 OCEAN PARK BLVD, STE 1000, SANTA MONICA, CA
90405 (310) 255-2000 - 7,319,018 (\$95,604,673) COMMON STOCK. (FILE
333-85383 - AUG. 17) (BR. 3)

S-3 ACTIVISION INC /NY, 3100 OCEAN PARK BLVD, STE 1000, SANTA MONICA, CA
90405 (310) 255-2000 - 204,448 (\$2,670,602) COMMON STOCK. (FILE 333-85385
- AUG. 17) (BR. 3)

S-8 JUNIPER NETWORKS INC, 385 RAVENDALE DR, MOUNTAIN VIEW, CA 94043
(650) 526-8000 - 13,279,048 (\$710,287,713.86) COMMON STOCK. (FILE
333-85387 - AUG. 17) (BR. 3)

S-8 MCI WORLDCOM INC, 500 CLINTON CENTER DRIVE, CLINTON, MS 39056
(601) 460-5600 - 75,000,000 (\$5,678,910,000) COMMON STOCK. (FILE
333-85389 - AUG. 17) (BR. 7)

S-8 VAXGEN INC, 1000 MARINA BLVD, STE 200, BRISBANE, CA 94005 (650) 624-1000
- 2,113,257 (\$25,358,278) COMMON STOCK (FILE 333-85391 - AUG. 17)
(BR. 1)

S-8 MCI WORLDCOM INC, 500 CLINTON CENTER DRIVE, CLINTON, MS 39056
(601) 460-5600 - 160,000,000 (\$2,115,008,000) COMMON STOCK. (FILE
333-85393 - AUG 17) (BR. 7)

S-3 ALLTEL CORP, ONE ALLIED DR, LITTLE ROCK, AR 72202 (501) 905-8000 -
6,999,979 (\$478,378,564 86) COMMON STOCK. (FILE 333-85395 - AUG 17)
(BR. 7)

S-8 ITEQ INC, 2727 ALLEN PKWY STE 760, HOUSTON, TX 77019 (713) 285-2700 -
100,000 (\$232,812 50) COMMON STOCK. (FILE 333-85397 - AUG 17) (BR. 6)

S-8 NETWORK ACCESS SOLUTIONS CORP, 100 CARPENTER DR, STERLING, VA 20164
(703) 742-7700 - 11,250,000 (\$118,476,562.50) COMMON STOCK (FILE
333-85399 - AUG. 17) (BR. 7)

S-8 DALLAS SEMICONDUCTOR CORP, 4401 S BELTWOOD PKWY, DALLAS, TX 75244
(214) 450-0400 - 1,115,462 (\$53,716,523) COMMON STOCK (FILE 333-85401 -
AUG. 17) (BR. 5)

S-8 F&M NATIONAL CORP, 9 COURT SQUARE, WINCHESTER, VA 22601 (540) 665-4200
- 60,000 (\$1,835,640) COMMON STOCK. (FILE 333-85403 - AUG. 17) (BR. 7)

S-3 SEGUE SOFTWARE INC, 201 SPRING STREET, LEXINGTON, MA 02421
(617) 796-1000 - 137,413 (\$1,034,891.66) COMMON STOCK (FILE 333-85405 -
AUG. 17) (BR. 3)

S-3 STORAGE USA INC, 165 MADISON AVENUE SUITE 1300, SUITE 1100, MEMPHIS, TN
38103 (901) 252-2000 - 66,705 (\$1,992,812) COMMON STOCK (FILE 333-85407 -
AUG. 17) (BR 8)

S-3 SUPERIOR TELECOM INC, 1790 BROADWAY, 15TH FL, NEW YORK, NY 10019
(212) 757-3333 - 1,473,352 (\$69,247,544) STRAIGHT BONDS. (FILE 333-85409 -
AUG 17) (BR. 6)

S-8 BE INC, 800 EL CAMINO RD, SUITE 300, MENLO PARK, CA 94025 (650) 462-4100
- 10,801,396 (\$51,708,040 64) COMMON STOCK (FILE 333-85411 - AUG 17)
(BR. 3)

S-3 LEUKOSITE INC, 215 FIRST ST, CAMBRIDGE, MA 02142 (617) 621-9350 -
1,675,518 (\$32,044,282) COMMON STOCK. (FILE 333-85413 - AUG. 17) (BR 1)

S-8 FINISHMASTER INC, 54 MONUMENT CIRCLE, SUITE 600, INDIANAPOLIS, IN 46204
(317) 237-3678 - 150,000 (\$881,250) COMMON STOCK (FILE 333-85417 -
AUG 17) (BR. 2)

S-8 DEPOMED INC, 366 LAKESIDE DRIVE, FOSTER CITY, CA 94404 (415) 513-0990 -
800,000 (\$1,700,000) COMMON STOCK. (FILE 333-85419 - AUG 17) (BR 9)