

sec news digest

LIBRARY
JAN 24 1994

Issue 94-16

U.S. SECURITIES AND
EXCHANGE COMMISSION

January 26, 1994

ANNOUNCEMENTS

ENFORCEMENT ASSOCIATE DIRECTOR DEPARTS FOR PRIVATE PRACTICE

It was announced today that Bruce A. Hiler, Associate Director of the Division of Enforcement of the Securities and Exchange Commission, will be leaving the Commission to join the Washington office of the law firm of O'Melveny & Myers.

Mr. Hiler joined the SEC in August 1978 as a staff attorney in the Division of Enforcement. He rose through the ranks of the Division, serving as Special Counsel, Branch Chief, Assistant Director, and most recently, Associate Director.

Mr. Hiler has had responsibility for a number of significant SEC enforcement actions, including those against The Cooper Companies, Inc., and its chairman, Gary Singer, Nikko Securities International, Inc., Charles Keating, Jr., Boyd Jefferies and Paul Bilzerian, as well as a host of other cases. (Press Rel. 94-04)

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST WESTWOOD ONE, INC., WILLIAM BATTISON AND GARY YUSKO

The Commission has issued an Order Instituting Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934 against Westwood One, Inc., William J. Battison and Gary J. Yusko. Simultaneously, the Commission accepted Offers of Settlement, whereby each Respondent consented to the Order, without admitting or denying the findings contained therein.

This matter involved the use of improper accounting and disclosure practices, including fraudulent revenue recognition, which resulted in material overstatements and understatements of the quarterly and annual operating results of Westwood during its 1987 and 1988 fiscal years. As a result of the fraudulent and improper accounting

practices implemented by Westwood and two of its officers, Battison and Yusko, the company filed periodic reports with the Commission during fiscal years 1987 and 1988 containing materially false and misleading financial statements. The financial statements in the company's fiscal 1987 Form 10-K were incorporated by reference in a Form 5-3 registration statement filed with the Commission and declared effective in March 1988.

On the basis of the Order and the Offers of Settlement, the Commission found that Westwood committed violations of Section 17(a) of the Securities Act, Sections 10(b), 13(a), and 13(b)(2)(A) and (B) of the Exchange Act, and Rules 10b-5, 12b-20, 13a-1 and 13a-13 thereunder; that Yusko committed or caused violations of Section 17(a) of the Securities Act, Sections 10(b), 13(a), 13(b)(2)(A) and (B) and 13(b)(5) of the Exchange Act, and Rules 10b-5, 12b-20, 13a-1, 13a-13 and 13b2-1 and 2 thereunder; and that Battison committed or caused violations of Section 17(a) of the Securities Act, Sections 10(b) and 13(a) of the Exchange Act, and Rules 10b-5, 12b-20, 13a-1 and 13a-13 thereunder.

Pursuant to the Order and the Offers of Settlement, Westwood was ordered to cease and desist from committing and Yusko and Battison, who is no longer employed by Westwood, were ordered to cease and desist from committing or causing any violation and any future violation of the aforementioned provisions, respectively. (Rel. 33-7041; 34-33489; AAE Rel. 521)

CIVIL ACTION AGAINST C.W. EARL JOHNSON AND VICTOR JOYCE

The Commission filed a complaint in the United States District Court for the Western District of Oklahoma against C.W. Earl Johnson, the former Chief Executive Officer of Barton Industries, Inc., and Victor L. Joyce, Barton's former Chief Financial Officer. The complaint alleges that the defendants orchestrated and implemented a fraudulent scheme which inflated Barton's reported earnings during its fiscal years ended September 30, 1989 and September 30, 1990, disseminated false and misleading information to the public reporting Barton's financial results and results of operations, and engaged in illegal insider trading in Barton stock.

The complaint alleges that the defendants violated or aided and abetted violations of the antifraud, periodic reporting and bookkeeping provisions of the federal securities laws. The complaint seeks permanent injunctions against the defendants from future violations of these provisions; disgorgement of losses avoided from illegal sales and donations of Barton stock; civil penalties under the Insider Trading Sanctions Act of 1984; and an order permanently barring them from serving as an officer or director of a public company. [SEC v. C.W. Earl Johnson and Victor L. Joyce, Civil Action No. 94-0120 W, WD/Okla.] (LR-13943; AAE Rel. 522)

DISGORGEMENT ORDER ENTERED AGAINST JAN OLSON

The Commission announced that on December 27, 1993 the Honorable Harry H. MacLaughlin, United States District Court Judge for the District of Minnesota, entered a Final Judgment and Order Granting Other Equitable Relief, by consent, against Jan W. Olson.

The Relief Order required Olson to pay \$5,040,203 in disgorgement plus prejudgment interest, but waived payment based on Olson's demonstrated inability to pay. An Order of Permanent Injunction had been entered against Olson on January 28, 1993, enjoining him from future violations of the registration and anti fraud provisions of the federal securities laws.

The Commission's complaint alleged that from January 1986 through March 1988, Olson sold at least \$9 million of unregistered securities in the form of promissory notes to over 300 investors in 29 states. In connection with these sales, it is alleged that Olson misrepresented the nature of the business in which the investors were investing, the risks of the investments and the true use of the proceeds, and omitted to state that his only source of revenue for paying interest and principal was money raised from new investors.

On December 11, 1992, in a prior criminal action in the same court, Olson was sentenced to 24 months imprisonment and ordered to make restitution in excess of \$3.4 million, after pleading guilty to some of the same conduct as that alleged in the Commission's complaint (See LR-13326, July 29, 1992). [SEC v. Jan W. Olson, USDC, D. Minn., Civil Action No. 4-92-726] (LR-13944)

CHARLES CROWELL SENTENCED TO 20 YEARS AND ORDERED TO PAY RESTITUTION

The Commission and the United States Attorney for the Northern District of Texas announced that on January 5 Charles R. Crowell (Crowell) was sentenced to 20 years imprisonment with three years supervised release, and ordered to pay restitution to his clients in the amount of \$1,818,668.77. Crowell was convicted July 27, 1993 on all 23 counts of an indictment charging him with securities fraud, wire and mail fraud, money laundering, and the interstate transportation of money obtained by fraud.

Crowell was indicted on August 11, 1992 on charges arising from his operation of Abacus & Associates, a tax preparation firm located in Haltom City, Texas, and an associated limited partnership. As part of his tax preparation services, Crowell convinced his clients to invest in a limited partnership he controlled for the purported purpose of establishing and funding a pension plan and a trust to be used to manage supposed IRA and KEOUGH Plan accounts. The indictment charged that Crowell diverted approximately \$1.5 million of his clients' funds to his own use. [U.S. v. Charles R. Crowell, 4:92CR139-A, USDC/ND/TX] (LR-13945)

BAZARIAN INDICTED ON TWENTY-THREE COUNTS OF SECURITIES FRAUD

The Commission and Vicki Miles-LaGrange, United States Attorney for the Western District of Oklahoma, announced that on January 11 the Grand Jury returned a thirty-nine count indictment against Charles J. Bazarian (Bazarian) of Oklahoma City, Oklahoma. Twenty-three counts of the indictment allege violations of the federal securities laws relating to Remington Financial Group, Inc., a publicly-traded company. The Grand Jury's indictment also includes one count against Bazarian for escaping from prison after having been sentenced to three years incarceration upon revocation of his probation.

The Order revoking Bazarian's probation was based, in part, upon violations of the federal securities laws, in contravention to the terms of Bazarian's release. The Court found that Bazarian violated Section 17(a) of the Securities Act of 1933 and Section 32(a) of the Securities Exchange Act of 1934 when he conducted stock purchases and sales in the name of nominees and caused false entries to be made in the books and records of securities brokers and transfer agents. Bazarian was on probation from a 1989 conviction for making false statements to the Department of Housing and Urban Development. [U.S. v. Charles Joseph Bazarian, File No. 89-00210-001-R, WD/Okla.] (LR-13946)

MICHAEL RANDY FOUND GUILTY

The Commission and the United States Attorney for the Northern District of Illinois announced that on January 4 Michael J. Randy (Randy) was found guilty on all 13 counts of an indictment charging mail fraud and money laundering. Sentencing is set for April 15, 1994.

Randy was indicted on November 30, 1993, on charges arising from his operation of Canadian Trade Bank, Ltd. (CTB), purportedly an off-shore bank located in Grenada. From at least September 1990 to September 1992, Randy sold Certificates of Deposit (CDs), purportedly issued by CTB, to approximately 400 investors in 19 states. Instead of purchasing the CDs, Randy used investor funds to pay off earlier investors, to fund unrelated business ventures, including highly speculative investments and loans, and to pay his personal and business expenses. The indictment charged that Randy raised over \$14 million as a result of his activities. [U.S. v. Michael J. Randy, No. 92-CR-1029, N.D. Ill.] (LR-13947)

INVESTMENT COMPANY ACT RELEASES

EQUITABLE VARIABLE LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until February 14, 1994 to request a hearing on an application filed by Equitable Variable Life Insurance Company (Equitable Variable), Separate Accounts I and FP of Equitable Variable and The Hudson River Trust (Trust) for an order under Section 26(b) and Section 17(b) of the Investment Company Act. The order would permit the substitution of shares of the Intermediate Government Securities Portfolio of the Trust for shares of the Short-Term World Income Portfolio of the Trust. (Rel. IC-20025 - January 19)

UNITED OF OMAHA LIFE INSURANCE COMPANY ET AL.

A notice has been issued giving interested persons until February 14, 1994 to request a hearing on an application filed by United of Omaha Life Insurance Company, United of Omaha Separate Account C (Separate Account) and Mutual of Omaha Investors Services, Inc. for an order that would permit the Applicants to deduct a mortality and expense risk charge from the assets of the Separate Account. (Rel. IC-20026 -January 19)

FIRST FORTIS LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until February 18, 1994 to request a hearing on an application by First Fortis Life Insurance Company (First Fortis), Variable Account A of First Fort is Life Insurance Company (Variable Account) and First Investors, Inc. for an order pursuant to Section 6(c) of the Investment Company Act. The order would grant exemptions from Sections 26(a)(2)(C) and 27(c)(2) of the Act to the extent necessary to permit the deduction of a mortality and expense risk charge from the assets of the Variable Account under certain flexible premium deferred annuity contracts. (Rel. IC-20031 - January 24)

EMERALD FUNDS, ET AL.

A notice has been issued giving interested persons until February 18, 1994, to request a hearing on an application filed by Emerald Funds, et al. for a conditional order amending a previous order under Section 6(c) of the Investment Company Act that exempted applicants from Sections 2(a)(32), 2(a)(35), 18(f), 18(g), 18(i), and 22(d) of the Act and Rule 22c-1 thereunder. The amended order would add The 231 Funds to the list of entities that may issue multiple classes of shares representing interests in the same portfolio of securities, and assess and, under certain circumstances, waive a contingent deferred sales charge on certain redemptions of the shares. (Rel. IC-20032 - January 24)

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-11 STORAGE USA INC, 10 CORPORATE CENTER SUITE 400, COLUMBIA, MD 21044
(410) 730-9500 - 6,325,000 (\$139,150,000) COMMON STOCK. (FILE 33-74072 -
JAN. 14) (BR. 4 - NEW ISSUE)

M-2 TAIWAN CAPITAL FUND INC, ONE EVERTRUST PLAZA,
C/O DAIWA SECURITIES TRUST CO, JERSEY CITY, NJ 07302 (210) 333-7300 -
5,750,000 (\$69,000,000) COMMON STOCK. (FILE 33-74106 - JAN. 13) (BR. 17
- NEW ISSUE)

S-1 CIDCO INC, 105-H COCHRANE CIRCLE, MORGAN HILL, CA 95037 (408) 779-1162
- 3,852,500 (\$57,787,500) COMMON STOCK. (FILE 33-74114 - JAN. 14) (BR. 3
- NEW ISSUE)

REGISTRATIONS

- S-1 HEALTH POWER INC /DE/, 1209 ORANGE ST, WILMINGTON, DE 19801
(302) 658-7581 - 1,035,000 (\$11,385,000) COMMON STOCK. (FILE 33-74124 - JAN. 14) (BR. 5)
- S-1 CAREER HORIZONS INC, 177 CROSSWAYS PARK DR, WOODBURY, NY 11797
(516) 496-2300 - 3,450,000 (\$55,200,000) COMMON STOCK. (FILE 33-74186 - JAN. 14) (BR. 6 - NEW ISSUE)
- S-6 SECURITY LIFE SEPARATE ACCOUNT L1, 1290 BROADWAY,
C/O SECURITY LIFE CENTER, DENVER, CO 80203 - INDEFINITE SHARES. (FILE 33-74190 - JAN. 14) (BR. 20 - NEW ISSUE)
- S-4 RACI HOLDING INC, 1007 MARKET ST, WILMINGTON, DE 19898 (302) 773-5312 -
100,000,000 (\$100,000,000) STRAIGHT BONDS. (FILE 33-74194 - JAN. 14)
(BR. 6 - NEW ISSUE)

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.
- Item 8. Change in Fiscal Year.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Room (when ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
AAA NET REALTY FUND X LTD	ME		X						X	12/23/93	
ADAGE INC	PA				X					01/18/94	
ADM TRONICS UNLIMITED INC/DE	DE				X					01/05/94	
ADVANCE ROSS HOLDING CORP	DE							X		01/10/94	
AGP & CO INC	NJ		X						X	01/14/94	
ALAMO GROUP INC	DE								X	11/07/93AMEND	
ALL AMERICAN SEMICONDUCTOR INC	DE				X	X				01/19/94	
AMERICAN BIOGENETIC SCIENCES INC	DE				X					01/07/94	
AMERICAN EXP REC FIN COR AME EXP MAS TR					X	X				01/10/94	
AMERICAN EXP REC FIN COR AME EXP MAS TR	DE				X	X				01/10/94	
AMERICAN EXP REC FIN COR AME EXP MAS TR	DE				X	X				01/10/94	
AMERICAN EXPRESS CO	NY							X		12/31/93	

8K REPORTS

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
ARGOSY GAMING CO	DE				X	X				12/20/93	
ARGYLE TELEVISION OPERATIONS INC	DE	X				X				01/04/94	
ARMORED STORAGE INCOME INVESTORS LTD PAR	AZ		X			X				01/14/94	AMEND
ARMORED STORAGE INCOME INVESTORS 2	CA		X			X				01/14/94	
ARRHYTHMIA RESEARCH TECHNOLOGY INC /DE/	DE					X				11/19/94	AMEND
AUTHENTICOLOR INC	NY				X					01/14/94	
BANCFLOIDA FINANCIAL CORP	DE				X	X				01/17/94	
BANK OF AMERICA M A SEC PA CREDIT CARD T					X					01/18/94	
BANKERS TRUST NEW YORK CORP	NY				X	X				01/20/94	
BAREFOOT INC /DE	DE	X				X				01/05/94	
BAROID CORPORATION /DE	DE				X	X				01/14/94	
BAROID CORPORATION /DE	DE				X	X				01/18/94	
BELLSOUTH CORP	GA				X					01/24/94	
BELLWETHER EXPLORATION CO	CO	X				X				12/31/93	
BENEFICIAL CORP	DE	X								11/18/93	
BETA WELL SERVICE INC			X			X				01/21/94	
BIO DENTAL TECHNOLOGIES CORP	CO	X				X				01/03/94	
BIO REFERENCE LABORATORIES INC	NJ	X								01/13/94	
BNY MASTER CREDIT CARD TRUST	DE				X	X				01/18/94	
BRIGHTON INFORMATION SYSTEMS CORP	DE		X							12/28/93	AMEND
BROOKS BOBBIE INC	DE	X				X				01/01/94	
BUILDERS TRANSPORT INC	DE	X				X				08/27/93	AMEND
CADMUS COMMUNICATIONS CORP/NEW	VA					X				12/31/93	AMEND
CARDIAC CONTROL SYSTEMS INC	DE				X					01/04/94	
CAROLINA INVESTMENT PARTNERS LIMITED PAR	NC		X			X				01/11/94	
CENTRAL HUDSON GAS & ELECTRIC CORP	NY				X					01/24/94	
CHASE MANHATTAN CORP	DE				X	X				01/20/94	
CHESTER HOLDINGS LTD	CO				X	X				10/28/93	
CHIKUITA BRANDS INTERNATIONAL INC	NJ	X								01/24/94	
CINCINNATI MILACROM INC /DE/	DE	X								11/08/93	AMEND
COLORADO CASINO PROPERTIES INVESTMENT LP		X	X			X				01/15/94	
COMDISCO RECEIVABLES TRUST 1991-A	DE				X	X				01/14/94	
COMDISCO RECEIVABLES TRUST 1992 A	DE				X	X				01/14/94	
COMDISCO RECEIVABLES TRUST 1993-A					X	X				01/14/94	
COMSTOCK RESOURCES INC	NV				X	X				01/07/94	
CONTINENTAL MEDICAL SYSTEMS INC /DE/	DE				X					01/25/94	
CONVERGENCE INC	CO	X				X				01/14/94	
CORE INDUSTRIES INC	NV				X					01/25/94	AMEND
CORESTATES HOME EQUITY LOAN TRUST 1993-1							X			01/20/94	
CORESTATES HOME EQUITY TRUST 1993-2							X			01/20/94	
CORNING INC /NY	NY		X							01/02/94	
CSF HOLDINGS INC	FL				X					01/18/94	
CULP INC	NC	X				X				11/01/93	AMEND
DAIN PENSION INVESTORS 84	MN	X								01/12/94	
DAIN PENSION INVESTORS 85	MN	X								01/12/94	
DETROIT EDISON CO	MI				X					01/24/94	
DIMENSIONAL VISIONS GROUP LTD	DE				X					01/18/94	
DIODES INC /DEL/	DE				X					11/17/93	
DIRECT PHARMACEUTICAL CORP	DE				X	X				01/18/94	
DISCOVER CARD TRUST 1990 B	DE				X	X				12/15/93	
DIVERSIFIED FOOD MANUFACTURERS LTD	DE				X					11/30/93	
EAGLE VISION INC	FL	X				X				12/10/93	
EASEL CORP	MA				X	X				01/18/94	

8K REPORTS

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
EASEL CORP	MA					X	X			01/20/94	
EASTERN EDISON CO	MA	X								01/25/94	
EASTERN EDISON CO	MA	X								01/25/94	AMEND
EASTERN EDISON CO	MA	X								01/25/94	AMEND
EASTERN UTILITIES ASSOCIATES	MA	X								01/25/94	
EASTERN UTILITIES ASSOCIATES	MA	X								01/25/94	AMEND
ENVIROFIL INC	DE						X			11/05/93	
EPIC HEALTHCARE GROUP INC /DE/	DE				X	X				01/09/94	
EPIC HOLDINGS INC	DE				X	X				01/09/94	
ESSEX HOSPITALITY ASSOCIATES III LP	DE		X				X			12/31/93	
F&M NATIONAL CORP	VA				X	X				01/05/94	
FIRST ALLIANCE MORTGAGE LOAN TRUST TRUST					X	X				12/27/93	
FIRST ALLIANCE MORTGAGE LOAN TRUST 1993-					X	X				12/27/93	
FIRST DATA CORPORATION	DE				X					01/20/94	
FIRST DEPOSIT MASTER TRUST					X					01/18/94	
FIRST SECURITY CORP /DE/	DE	X								12/31/93	
FLAGSTAR COMPANIES INC	DE				X	X				12/31/93	
FLAGSTAR CORP	DE				X	X				12/31/93	
FLEETWOOD CREDIT 1993-B GRANTOR TRUST	CA				X	X				01/15/94	
FREMONT FUNDING INC	DE				X					01/18/94	
GAMMA INTERNATIONAL LTD	DE				X					01/06/94	
GEO INTERNATIONAL CORP /NEW/	DE		X							01/18/94	
GEOTEK INDUSTRIES INC	DE				X					01/14/94	
GFC FINANCIAL CORP	DE				X					01/21/94	
GLOBAL CASINOS INC	UT					X				11/19/94	AMEND
GRAFF PAY PER VIEW INC /DE/	DE				X	X				12/16/93	
GREYHOUND FINANCIAL CORP	DE				X	X				01/21/94	
GREYHOUND FINANCIAL CORP	DE				X					01/21/94	
GYMBOREE CORP	DE				X					01/14/94	
HALLIBURTON CO	DE				X	X				01/14/94	
HAMILTON DIGITAL CONTROLS INC	NY				X					01/31/94	
HEALTHSOURCE INC	NH	X				X				01/13/94	
HOME CENTERS INC	OH				X	X				01/13/94	
HT MANUFACTURING INC	FL				X					01/17/94	
HUDSONS GRILL OF AMERICA INC	CA		X			X				01/11/94	
ICO INC	TX				X					01/19/94	
IMAGE BUSINESS SYSTEMS CORP	DE				X	X				12/27/93	
INCOMNET INC	CA		X			X				01/12/94	
JONES PLUMBING SYSTEMS INC	MI	X				X				01/18/94	
KEANE INC	MA	X				X				01/05/94	
KINERET ACQUISITION CORP	DE			X	X	X				01/10/94	
LA PETITE HOLDINGS CORP	DE						X			12/30/93	
LBO CAPITAL CORP	CO				X					01/19/94	
LICOM INTERNATIONAL INC	DE				X					12/13/93	
LLOYDS SHOPPING CENTERS INC	NY				X					12/30/93	
MARINE MIDLAND BANK N A					X	X				12/27/93	
MBNA AMERICA BA NATIONAL ASSOC DOVER CRE					X					01/14/94	
MBNA AMERICA BANK MAT ASSO MBNA MAST CRE					X					01/14/94	
MBNA AMERICA BK MAT ASSO MBNA CREDIT CAR					X					01/14/94	
MBNA AMERICA BK MAT ASSO MBNA MAST CRED					X					01/14/94	
MBNA AMERICA BK NATIONAL ASSO MBNA CREDI					X					01/14/94	
MBNA AMERICA BK NATIONAL ASSO MBNA MAS C					X					01/14/94	