

# SEC NEWS DIGEST

Issue 96-172

September 10, 1996

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## RULES AND RELATED MATTERS

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### TECHNICAL AMENDMENTS TO RULE RELATING TO PAYMENTS FOR THE DISTRIBUTION OF SHARES BY A REGISTERED OPEN-END MANAGEMENT INVESTMENT COMPANY

The Commission issued a release adopting technical amendments to Rule 12b-1 under the Investment Company Act of 1940, the rule that governs the use of assets of registered open-end management investment companies (funds) to pay for the distribution of fund shares. The amendments provide that a plan for the use of fund assets to pay for the distribution of fund shares adopted prior to either a fund's initial public offering or the distribution of fund shares to persons not affiliated with the fund does not have to be approved by the fund's shareholders. FOR FURTHER INFORMATION, contact Marilyn K. Mann at (202) 942-0582. (Rel. IC-22201)

### EXEMPTION FOR CERTAIN OPEN-END MANAGEMENT INVESTMENT COMPANIES TO IMPOSE DEFERRED SALES LOADS

The Commission issued a release adopting amendments to Rule 6c-10 under the Investment Company Act of 1940, the rule that provides an exemption for deferred sales loads to be imposed on the shares of registered open-end management investment companies other than insurance company separate accounts (mutual funds). The amendments remove certain restrictions on the types of deferred sales loads that may be imposed on the shares of mutual funds, and provide distributors of mutual fund shares greater flexibility in developing deferred sales load structures. The rule amendments are accompanied by amendments to the registration form for mutual funds that tailor the existing prospectus disclosure requirements to the greater variety of deferred sales loads made possible by the rule amendments. FOR FURTHER INFORMATION, contact Nadya B. Roytblat at (202) 942-0693. (Rel. IC-22202)

### RULE AMENDMENTS RELATING TO MULTIPLE CLASS AND SERIES INVESTMENT COMPANIES

The Commission issued a release proposing amendments to Rule 18f-3 under the Investment Company Act of 1940 (Investment Company Act), the rule that permits open-end management investment companies (funds) to issue multiple classes of shares representing interests in the same portfolio of securities. The amendments would expand

and clarify the methods a fund may use to allocate among its classes income, gains and losses, and the expenses that are not attributable to a particular class. The amendments also would clarify the shareholder voting provisions of the rule. In the same release, the Commission proposed amendments to Rule 12b-1 under the Investment Company Act, the rule that governs the use of fund assets to pay for the distribution of fund shares. These amendments would clarify how the rule's various procedural requirements apply to series funds (i.e., funds that offer investors an opportunity to invest in distinct investment portfolios). FOR FURTHER INFORMATION, contact Marilyn K. Mann at (202) 942-0582. (Rel. IC-22203)

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## ENFORCEMENT PROCEEDINGS

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### FORMER PAINWEBBER BRANCH MANAGER SUSPENDED FROM INDUSTRY AND BARRED FROM SUPERVISING FOR FAILURE TO SUPERVISE BROKER

The Commission today issued an administrative order finding that F. Otto Busot (Busot), a former branch manager in PaineWebber's Miami, Florida office, failed reasonably to supervise a Miami broker who engaged in fraudulent sales practices. Busot, who is now a broker at PaineWebber, consented to the Order without admitting or denying the Commission's findings. The Commission found that Busot failed to detect and prevent the broker's unsuitable sales of direct investments, misrepresentations to investors concerning those direct investments, misappropriations, and unauthorized trading. The Order suspends Busot from the industry for two months and bars him from acting in a supervisory capacity with the right to reapply after four years. Under the Order, Busot must also pay a \$5,000 civil penalty. (Rel. 34-37660)

### ADMINISTRATIVE PROCEEDING AGAINST JEFFREY AND MARTIN WEISSMAN

The Commission entered an Order Instituting Proceedings and Making Findings and Imposing Remedial Sanctions against Jeffrey Weissman and Martin Weissman. The Order finds that Jeffrey Weissman carried out a manipulation of the market for the common stock of Health Professionals, Inc. (HPI) during three periods between October 1991 and June 1993 and that Martin Weissman improperly benefited from the manipulation. Without admitting or denying the findings contained in the Order, the Respondents consented to the findings and imposition of remedial sanctions. The Order finds that Jeffrey Weissman violated Section 17(a) of the Securities Act and Sections 9(a)(2), 9(a)(4) and 10(b) of the Exchange Act and Rule 10b-5 thereunder and aided and abetted and caused violations of Sections 7(c) and 15(c)(1) of the Exchange Act and Rule 15c1-2 thereunder and Regulation T promulgated by the Federal Reserve Board; and that within the meaning of Section 8A of the Securities Act and Section 21C of the Exchange Act, Martin Weissman was a cause of violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The Order requires Jeffrey

Weissman and Martin Weissman to cease and desist from violating those provisions and bars Jeffrey Weissman from association with any broker, dealer, investment company, investment adviser or municipal securities dealer. In addition, Martin Weissman is ordered to disgorge \$161,250 plus prejudgment interest of \$61,946 and Jeffrey Weissman is ordered to disgorge \$350,000 and, contingent upon his receipt of certain funds, to pay a civil penalty of \$100,000. (Rel. 34-37661)

**ADMINISTRATIVE PROCEEDING AGAINST ROBERT GILBERT, ALAN WEISSMAN AND DANIEL FELTER**

The Commission entered an Order Instituting Proceedings and Making Findings and Imposing Remedial Sanctions against Robert Gilbert, Alan Weissman, and Daniel Felter finding that the Respondents engaged in fraudulent sales practices, participated in a market manipulation for the securities of Health Professionals, Inc., and violated the provisions governing extensions of credit to customers. Without admitting or denying the findings contained in the Order, the Respondents consented to the findings and imposition of remedial sanctions. The Order finds that the Respondents violated Section 17(a) of the Securities Act and Sections 9(a)(2), 9(a)(4) and 10(b) of the Exchange Act and Rule 10b-5 thereunder, and aided and abetted and caused violations of Section 7(c) of the Exchange Act and Regulation T promulgated by the Federal Reserve Board, and that Gilbert and Felter aided and abetted and caused violations of Section 15(c)(1) of the Exchange Act and Rule 15c1-2 thereunder. The Order requires the Respondents to cease and desist from violating those provisions and bars Gilbert and Weissman from association with any broker, dealer, investment company, investment adviser or municipal securities dealer for a period of three years and suspends Felter from such association for twelve months. In addition, the Order requires Gilbert to disgorge \$10,000 in commissions, but does not impose penalties based on Gilbert's demonstrated financial inability to pay; requires Weissman to disgorge \$1,250 in commissions and prejudgment interest thereon of \$359 and to pay a civil penalty of \$25,000; and requires Felter to disgorge \$3,843 in commissions plus prejudgment interest of \$1,472, and to pay a civil penalty of \$20,000. (Rel. 34-37662)

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**INVESTMENT COMPANY ACT RELEASES**

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**BRINSON RELATIONSHIP FUNDS, ET AL.**

A notice has been issued giving interested persons until October 7 to request a hearing on an application filed by Brinson Relationship Funds (Trust), et al. for an order under Section 6(c) of the Investment Company Act exempting applicants from Section 12(d)(1) of the Act and under Sections 6(c) and 17(b) of the Act exempting applicants from Section 17(a) of the Act. The requested order would permit any series of the Trust to invest in any other series of the Trust, and certain series of the Trust to invest in certain other

series of the Trust in excess of the limits of Section 12(d)(1)(A) and (B). The order would amend a prior order by also permitting the latter transactions. (Rel. IC-22204 - September 9)

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## SELF-REGULATORY ORGANIZATIONS

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### PROPOSED RULE CHANGES

The Philadelphia Stock Exchange filed a proposed rule change (SR-Phlx-96-23) to revise its options specialist evaluation program. Publication of the proposal is expected in the Federal Register during the week of September 9. (Rel. 34-37643)

The Options Clearing Corporation filed a proposed rule change (SR-OCC-96-09) relating to the valuation of government securities. Publication of the proposal is expected in the Federal Register during the week of September 9. (Rel. 34-37645)

The Depository Trust Company filed a proposed rule change (SR-DTC-96-13) to amend its admissions policy to permit entities that are organized in a foreign country and are not subject to U.S. federal or state regulation to become DTC participants. Publication of the proposal is expected in the Federal Register during the week of September 9. (Rel. 34-37652; IS-1017)

The Cincinnati Stock Exchange filed a proposed rule change (SR-CSE-96-05) to amend its rules concerning day trading margin requirements. Publication of the notice is expected in the Federal Register during the week of September 9. (Rel. 34-37653)

The Options Clearing Corporation filed a proposed rule change (SR-OCC-96-08) that will permit the exercise of certain foreign currency options on the business day immediately preceding the expiration date of such options. Publication of the proposal is expected in the Federal Register during the week of September 9. (Rel. 34-37655)

### APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change filed by the MBS Clearing Corporation (SR-MBSCC-96-03) that eliminates the requirements that MBSCC provide a monthly audit package to each participant and that such participant review and respond to its monthly audit package. (Rel. 34-37650)

The Commission approved a proposed rule change (SR-CBOE-96-24) by the Chicago Board Options Exchange to terminate its fee program for members who, for more than a prescribed percentage of transactions, submit trade information pursuant to Rule 6.51 after the date on which the trade is executed. (These post-trade date submissions are commonly referred to as "as of adds.") The order also approves a

revision to the CBOE's as of add summary fine program. Publication of the approval order is expected in the Federal Register during the week of September 9. (Rel. 34-37651)

The Commission approved a proposed rule change (SR-GSCC-96-06) filed by the Government Securities Clearing Corporation which allows all GSCC netting members to receive credit forward mark adjustment payments. (Rel. 34-37656)

#### AMENDMENT TO PROPOSED RULE CHANGE

The Government Securities Clearing Corporation filed amendments to a proposed rule change (SR-GSCC-96-07) relating to the rights and responsibilities of interdealer broker netting members. Publication of the amendment is expected in the Federal Register during the week of September 9. (Rel. 34-37658)

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#### SIGNIFICANT NO-ACTION, EXEMPTIVE AND INTERPRETIVE LETTERS

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The following is a list of significant no-action and interpretative letters recently issued by the Division of Corporation Finance. These letters express the view of the Division respecting novel or important questions arising under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940. Copies of these letters may be obtained by writing to the Public Reference Room, Securities and Exchange Commission, Washington, D.C. 20549, or by making a request in person at the Public Reference Room, 450 Fifth Street, N.W., Room 1024, Washington, D.C., stating the name of the subject company, the Act and the Section of the Act to which it relates, and the public availability date.

<u>COMPANY</u>	<u>ACT/SECTION/RULE OR RELEASE</u>	<u>DATE MAILED</u>	<u>PUBLIC AVAILABILITY DATE</u>
CMS NOMNCO Oil & Gas Co.	1934 Act - Section 15(d)	04/29/96	04/29/96
Janex International, Inc.	1933 Act - Section 5	04/02/96	04/04/96
Merrill Lynch & Co., Inc	1933 Act - Form S-8	05/16/96	05/16/96

Deutsche Telekom AG	1933 Act - Section 5	06/14/96	06/14/96
Goldman, Sachs & Co.	1934 Act- Rule 16a-1 (a)(2)	06/07/96	06/07/96
Morgan Stanley & Co., Incorporated	1933 Act - Section 7 1934 Act - Section 13 and 15(d)	06/24/96	06/24/96
Real Goods Trading Corporation	1933 Act- Section 5 1934 Act - Sections 5, 6, and 15 Advisers Act- Section 203	06/24/96	06/24/96
IPONET	1933 Act - Rules 134 and 502(c)	07/26/96	07/26/96

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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.

- SB-2 PRISM SOFTWARE CORP, 23696 BIRTCHER, LAKE FOREST, CA 92630 - 24,390,014 (\$11,547,906.58) COMMON STOCK. (FILE 333-5450-LA - AUG. 15) (BR. 9 - NEW ISSUE)
- S-8 C SQUARE VENTURES INC, 551 NW 77TH STREET, SUITE 109, BOCA RATON, FL 33487 (407) 998-2722 - 3,850,000 (\$115,500) COMMON STOCK. (FILE 333-5486 - AUG. 28) (BR. 9)
- F-1 INTERNATIONAL HI TECH INDUSTRIES INC, 1096 WEST 10TH AVE, VANCOUVER BC CANADA, A1 (212) 804-4207 - 1,150,000 (\$5,750,000) PREFERRED STOCK. 6,900,000 (\$10,695,000) COMMON STOCK. 100,000 (\$550,000) PREFERRED STOCK. 300,000 (\$33,000) COMMON STOCK. (FILE 333-5490 - AUG. 28) (BR. 6)
- F-3 CSR LTD, 1 OCONNELL ST, LEVEL 24, SYDNEY, NEW SOUTH WALES AUSTRALIA, C3 - 400,000,000 (\$400,000,000) STRAIGHT BONDS. (FILE 333-5492 - AUG. 29) (BR. 6)

- S-8 CANADIAN OCCIDENTAL PETROLEUM LTD, 1500 635 8TH AVE SW,  
CALGARY ALBERTA CANADA T2P 3Z1, AO (403) 234-6700 - 1,000,000  
(\$16,687,500) COMMON STOCK. (FILE 333-5494 - AUG. 29) (BR. 4)
- S-8 INDIGO NV, LUCHTHAVENWEG 59 VII, 5657 EA EINDHOVEN, NETHERLANDS, P8  
(314) 057-4300 - 1,500,000 (\$14,156,250) COMMON STOCK. (FILE 333-5496 -  
AUG. 30) (BR. 5)
- S-3 VESTA INSURANCE GROUP INC, 3760 RIVER RUN RD, BIRMINGHAM, AL 35243  
(205) 970-7000 - 4,130,000 COMMON STOCK. (FILE 333-11285 - SEP. 03)  
(BR. 1)
- SB-2 MARQUEE GROUP INC, 150 EAST 58TH STREET, 19TH FLOOR, NEW YORK, NY 10155  
(212) 407-9130 - 8,450,000 (\$54,750,000) COMMON STOCK. 300,000 (\$300)  
LIMITED PARTNERSHIP CERTIFICATE. 1,550,000 (\$8,050,000) COMMON STOCK.  
(FILE 333-11287 - SEP. 03)
- S-1 DELTA FINANCIAL CORP, 1000 WOODBURY, STE 200, WOODBURY, NY 11797  
(516) 364-8500 - 4,600,000 (\$73,600,000) COMMON STOCK. (FILE 333-11289 -  
SEP. 03) (NEW ISSUE)
- S-8 FURRS BISHOPS INC, 6901 QUAKER AVE, LUBBOCK, TX 79413 (806) 792-7151 -  
2,702,720 (\$2,702,720) COMMON STOCK. (FILE 333-11291 - SEP. 03) (BR. 2)
- S-8 UNITED PETROLEUM CORP, 4867 N BROADWAY, PO BOX 18080, KNOXVILLE, TN  
37928 (615) 688-0582 - 1,500,000 (\$8,625,000) COMMON STOCK. (FILE  
333-11293 - SEP. 03) (BR. 5)
- S-8 FFO FINANCIAL GROUP INC, 2013 LIVE OAK BLVD, ST CLOUD, FL 34771  
(407) 892-1200 - 241,500 (\$558,868) COMMON STOCK. (FILE 333-11295 -  
SEP. 03) (BR. 7)
- S-1 INTROGEN THERAPEUTICS INC, 301 CONGRESS AVE, SUITE 1850, AUSTIN, TX  
78701 (512) 320-5010 - \$40,480,000 COMMON STOCK. (FILE 333-11297 -  
SEP. 03) (NEW ISSUE)
- S-8 AFFYMETRIX INC, 3380 CENTRAL EXPRESSWAY, SANTA CLARA, CA 95051  
(408) 522-6000 - 3,394,521 (\$47,098,978) COMMON STOCK. (FILE 333-11299 -  
SEP. 03) (BR. 1)
- S-4 SOUTH ALABAMA BANCORPORATION INC /DE/, 68 ST FRANCIS ST, P O BOX 3067,  
MOBILE, AL 36602 (334) 431-7800 - 1,335,902 (\$11,845,860) COMMON STOCK.  
(FILE 333-11305 - SEP. 03) (BR. 7)
- S-8 REMEDYTEMP INC, 32122 CAMINO CAPISTRANO, SAN JUAN CAPISTRANO, CA 92675  
(714) 661-1211 - 900,000 (\$16,875,000) COMMON STOCK. (FILE 333-11307 -  
SEP. 03) (BR. 1)
- S-8 ENHANCED SERVICES CO INC, 16000 BARKER POINT LANE, HOUSTON, TX 77079  
(713) 556-5051 - 241,240 (\$1,314,047) COMMON STOCK. (FILE 333-11309 -  
SEP. 03) (BR. 9)
- S-8 REHABCARE GROUP INC, 7733 FORSYTH BLVD 17TH FLR, SUITE 1700, ST LOUIS,  
MO 63105 (314) 863-7422 - 700,000 (\$11,550,000) COMMON STOCK. (FILE  
333-11311 - SEP. 03) (BR. 1)
- S-8 NABORS INDUSTRIES INC, 515 W GREEN RD STE 1200, HOUSTON, TX 77067  
(713) 874-0035 - 9,600,000 (\$107,229,563) COMMON STOCK. (FILE 333-11313 -  
SEP. 03) (BR. 4)
- S-6 HBI EQUITY TRUST SERIES 2, 135 SOUTH LASALLE STREET, CHICAGO, IL 60603  
- INDEFINITE SHARES. (FILE 333-11315 - SEP. 03) (NEW ISSUE)
- S-8 FLEMING COMPANIES INC /OK/, 6301 WATERFORD BLVD, P O BOX 26647,  
OKLAHOMA CITY, OK 73126 (405) 840-7200 - 1,200,000 (\$18,675,000)  
COMMON STOCK. (FILE 333-11317 - SEP. 03) (BR. 2)
- SB-2 THINKING TOOLS INC, ONE LOWER RAGSDALE DR I-250, MONTEREY, CA 93940  
(408) 373-8688 - 1,610,000 (\$12,880,000) COMMON STOCK. 140,000 (\$140)  
LIMITED PARTNERSHIP CERTIFICATE. 596,250 (\$3,260,250) COMMON STOCK.  
(FILE 333-11321 - SEP. 03) (BR. 1 - NEW ISSUE)

- S-8 ADVO INC, ONE UNIVAC LN, P O BOX 755, WINDSOR, CT 06095 (203) 285-6100  
- 200,000 (\$2,000,000) COMMON STOCK. (FILE 333-11323 - SEP. 03) (BR. 2)
- S-8 EZ EM INC, 717 MAIN ST, WESTBURY, NY 11690 (516) 333-8230 - 200,000  
(\$2,125,000) COMMON STOCK. (FILE 333-11325 - SEP. 03) (BR. 1)
- S-5 DYNAMIC HEALTHCARE TECHNOLOGIES INC, 401 SOUTHWALL LANE SUITE 210,  
MAITLAND, FL 32751 (407) 875-9991 - 6,278,746 (\$37,925,256) COMMON STOCK.  
(FILE 333-11327 - SEP. 03) (BR. 3)
- S-4 HOUSTON INDUSTRIES INC, 4400 POST OAK PKWY, 5 POST OAK PK, HOUSTON, TX  
77027 (713) 629-3000 - 315,402,570 (\$6,664,453,948) COMMON STOCK. (FILE  
333-11329 - SEP. 04) (BR. 4)
- S-8 GENTNER COMMUNICATIONS CORP, 1825 RESEARCH WAY, SALT LAKE CITY, UT 84119  
(801) 975-7200 - 800,000 (\$650,000) COMMON STOCK. (FILE 333-11331 -  
SEP. 04) (BR. 3)
- S-1 CASTLE DENTAL CENTERS INC, 1360 POST OAK BLVD, STE 1300, HOUSTON, TX  
77056 (713) 513-1400 - 6,325,000 (\$63,250,000) COMMON STOCK. (FILE  
333-11335 - SEP. 03) (NEW ISSUE)
- S-8 MERIDIAN GOLD INC, 5011 MEADOWOOD WAY, RENO, NV 89502 (702) 827-3777 -  
3,750,000 (\$17,109,375) COMMON STOCK. (FILE 333-11337 - SEP. 04) (BR. 4)
- S-3 RALLYS HAMBURGERS INC, 10002 SHELBYVILLE RD STE 150, LOUISVILLE, KY  
40223 (502) 245-8900 - 2,683,462 (\$6,037,790) COMMON STOCK. (FILE  
333-11339 - SEP. 04) (BR. 2)
- S-1 CERUS CORP, 2525 STANWELL DRIVE SUITE 300, CONCORD, CA 94520  
(510) 603-9071 - \$34,500,000 COMMON STOCK. (FILE 333-11341 - SEP. 04)  
(NEW ISSUE)