

# sec news digest

Issue 95-84

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## COMMISSION ANNOUNCEMENTS

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### COMMISSIONER ROBERTS TO TESTIFY

Commissioner Roberts will testify before the House Subcommittee on Natural Economic Growth, Natural Resources, and Regulatory Affairs today at 2:00 p.m. in Room 2154 of the Rayburn House Office Building. The testimony is concerning H.R. 994, the Regulatory Sunset and Review Act of 1995.

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## ENFORCEMENT PROCEEDINGS

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### PROMOTER AND THREE STOCKBROKERS BARRED FROM SECURITIES INDUSTRY

The Commission announced the entry of Orders Instituting Proceedings, Making Findings and Imposing Remedial Sanctions against Robert J. Raffa, Mark J. Hamel, Jeffrey J. Fernandez and Patrick A. Collins, who consented to a bar from association with any broker, dealer, municipal securities dealer, investment adviser or investment company, and from participating in the offering of any penny stock. The Orders were based upon permanent injunctions entered against them by the U.S. District Court for the District of Massachusetts in an action filed by the Commission on August 31, 1994.

In that action, the Commission alleged that Raffa, Hamel, Fernandez and Collins participated in a fraudulent scheme to manipulate the price of Fairmont Resources stock. According to the complaint, Raffa, Hamel and Fernandez received kickbacks in the form of cash and/or stock from Collins and two controlling shareholders of Fairmont in exchange for selling Fairmont to their brokerage customers. The complaint further alleged that Raffa, Hamel and Fernandez failed to disclose the kickbacks

to their customers. On March 14, 1995, Raffa, Hamel, Fernandez and Collins were permanently enjoined from violating Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Hamel and Fernandez also were enjoined from violating Sections 5(a) and 5(c) of the Securities Act. [SEC v. Robert L. Shull, Leonard E. Fiessel, Colleen A. Fiessel, Patrick A. Collins, Mark J. Hamel, Robert J. Raffa, Jeffrey J. Fernandez, Michael J. Murphy and William Cho, Civ. Action No. 94-11759-REK, D. Mass.] (LR-14441)

#### ADMINISTRATIVE PROCEEDINGS AGAINST LEEB INVESTMENT ADVISORS, ET AL.

The Commission announced the institution of cease and desist and administrative proceedings against Leeb Investment Advisors (Adviser), PF Funds Group, Inc. (Funds Group), KCI Communications, Inc. (KCI), Allie P. Ash (Ash), Stephen L. Leeb (Leeb) and Marianne Parrish (Parrish) (collectively, Respondents). The Order instituting proceedings alleges that from at least March 1992, until at least September 1993, the Funds Group defrauded actual and potential investors in the Leeb Personal Finance Fund (Fund) in violation of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and that the Adviser, KCI, Leeb, Ash and Parrish caused and willfully aided and abetted such violations. The Order further alleges that the Funds Group violated Section 34(b) of the Investment Company Act and that the Adviser, Ash, Leeb and Parrish caused and willfully aided and abetted such violation.

The Order alleges that the Respondents together carried out a marketing strategy for the Fund that defrauded or operated as a fraud on actual and potential Fund investors. The Order alleges that KCI disseminated false advertisements for The Big Picture, a KCI newsletter edited by Leeb, claiming that an investor using Leeb's "Master Key" market-timing program could have turned an investment of \$10,000 in 1980 into \$39,160,394 by 1992. KCI then provided its lists of subscribers to the Funds Group free of charge. The Order alleges that the Funds Group fraudulently marketed the Fund by targeting its sales efforts at The Big Picture subscribers, and by falsely implying that the results touted in the KCI newsletter advertisements would be obtained by the Fund and by falsely suggesting in Fund advertisements that the Fund would use the "Master Key" in making Fund investments.

A public hearing for the purpose of taking evidence will be held at a time and place to be fixed before an Administrative Law Judge. (Rels. 33-7166; 34-35659; IC-21036; IA-1488)

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## INVESTMENT COMPANY ACT RELEASES

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### CONNECTICUT GENERAL LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until May 23 to request a hearing on an application filed by Connecticut General Life Insurance Company (CG Life), CG Variable Annuity Separate Account II (Account), certain separate accounts that may be established by CG Life in the future to support certain variable annuity contracts issued by CG Life (Other Accounts, collectively, with the Account, Accounts) and Cigna Financial Advisors, Inc. Applicants seek an order permitting CG Life to deduct from the assets of the Accounts the mortality and expense risk charge imposed under certain variable annuity contracts issued by CG Life (Existing Contracts) and under any other variable annuity contracts issued by CG Life which are materially similar to the Existing Contracts and are offered through any of the Accounts (Other Contracts, together, with the Existing Contracts, Contracts). Additionally, where the Contract owner has selected an optional death benefit, the order would permit the applicants to deduct from the value of the Contract an age and gender based charge for the benefits selected. The charge would be deducted upon the occurrence of one of the following events: upon the Contract anniversary; upon annuitization of the Contract; upon surrender of the Contract; or upon payment of the death benefit. (Rel. IC-21035 - April 28)

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## HOLDING COMPANY ACT RELEASES

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### EASTERN UTILITIES ASSOCIATES, ET AL.

An order has been issued regarding a proposal by Eastern Utilities Associates (EUA), a registered holding company, and its wholly owned subsidiary, EUA Cogenex Corporation (Cogenex). Cogenex has been authorized to acquire Highland Energy Group, Inc. (Highland Energy), an energy services company, for common stock of EUA estimated to be worth \$4.2 million. Cogenex would also pay additional shares of EUA worth up to \$3.8 million to shareholders of Highland Energy, dependent on the future earnings of the acquired business. EUA has been authorized to issue up to 1.5 million of its shares to finance the acquisition. In addition, Cogenex has been authorized to provide up to \$10 million in short-term financing and/or capital contributions to finance Highland Energy's operations and \$10 million to guarantee its performance obligations to third parties. (Rel. 35-26282)

#### ARKANSAS POWER & LIGHT COMPANY, ET AL.

A notice has been issued giving interested persons until May 22 to request a hearing on a proposal by Arkansas Power & Light Company (AP&L), an electric public-utility subsidiary of Entergy Corporation, a registered holding company. AP&L proposes to replace its existing steel railcar fleet with aluminum railcars. The steel railcars are currently being used by AP&L to transport coal from Wyoming to the White Bluff Steam Electric Station located near Redfield, Arkansas (White Bluff) and the Independence Steam Electric Station located near Newark, Arkansas (ISES). Consequently, AP&L seeks Commission authority to sublease its existing steel railcars for up to the remainder of their respective lease terms; and sublease new aluminum railcars during periods when they are not needed to service the coal transportation requirements of White Bluff and ISES. (Rel. 35-26283)

#### GENERAL PUBLIC UTILITIES CORPORATION

A notice has been issued giving interested persons until May 22 to request a hearing on a proposal by General Public Utilities Corporation (GPU), a registered holding company. GPU proposes to acquire and hold interests in or securities of one or more foreign utility companies and exempt wholesale generators (Exempt Entities), indirectly through subsidiary companies. GPU further proposes to invest up to \$200 million in such subsidiary companies or Exempt Entities through December 31, 1997. Such subsidiary companies may also issue equity and debt securities to third parties, without recourse to GPU. (Rel. 35-26283)

#### WEST PENN POWER COMPANY, ET AL.

A notice has been issued giving interested persons until May 22 to request a hearing on a proposal by Monongahela Power Company, The Potomac Edison Company and West Penn Power Company, public-utility subsidiary companies of Allegheny Power System, Inc., a registered holding company, to issue and sell up to an aggregate of \$266,834,900 principal amount of junior subordinated debentures at any time or from time to time through December 31, 1998, and to apply the proceeds of the sales to the redemption, tender offer or other retirement of outstanding preferred stock. (Rel. 35-26283)

#### APPALACHIAN POWER COMPANY, ET AL.

A notice has been issued giving interested persons until May 22 to request a hearing on a proposal by Appalachian Power Company (Appalachian), an electric utility subsidiary company of American Electric Power Company, Inc., a registered holding company, and Appalachian's coal mining subsidiary company, Southern Appalachian Coal Company, to acquire a note and to provide indemnities in connection with the sale of coal mining assets for a purchase price of \$6.05 million. (Rel. 35-26283)

## ALABAMA POWER COMPANY

A supplemental order has been issued authorizing Alabama Power Company, an electric public-utility subsidiary company of The Southern Company, a registered holding company, to refinance \$50 million of the costs of certain pollution control and sewage and solid waste disposal facilities located in Columbia, Alabama. The Commission has reserved jurisdiction over all transactions associated with refinancing additional costs for such facilities in amounts of up to \$77.36 million. (Rel. 35-26284)

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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.

- S-3 U S LONG DISTANCE CORP, 9311 SAN PEDRO STE 300, SAN ANTONIO, TX 78216  
(210) 525-9009 - 170,000 (\$2,656,260) COMMON STOCK. (FILE 33-91260 -  
APR. 24) (BR. 7)
- S-3 SYBASE INC, 6475 CHRISTIE AVE, EMERYVILLE, CA 94608 (510) 922-3500 -  
200,000 (\$4,025,000) COMMON STOCK. (FILE 33-91262 - APR. 24) (BR. 9)
- S-1 PERRY & CO, 2635 CENTURY PKWY, STE 420, ATLANTA, GA 30345 (404) 321-5347  
- 30,000,000 (\$30,000,000) STRAIGHT BONDS. (FILE 33-91350 - APR. 19)  
(BR. 12)
- SB-2 PARAVANT COMPUTER SYSTEMS INC /FL/, 780 SOUTH APOLLO BLVD, ATRIUM ONE,  
MELBOURNE, FL 32901 (407) 727-3672 - 920,000 (\$4,508,000) COMMON STOCK.  
1,080,000 (\$103,280) WARRANTS, OPTIONS OR RIGHTS. 1,080,000 (\$6,628,000)  
COMMON STOCK. UNDERWRITER: COHN S D & CO INC. (FILE 33-91426 - APR. 21)  
(BR. 10 - NEW ISSUE)
- S-1 PHYSICIANS RESOURCE GROUP INC, ONE WOODWAY BLDG,  
4801 WOODWAY DRISE STE 300 E, HOUSTON, TX 77056 (713) 964-2734 - 3,450,000  
(\$55,200,000) COMMON STOCK. UNDERWRITER: SMITH BARNEY INC,  
VOLPE WELTY & CO. (FILE 33-91440 - APR. 21) (BR. 5 - NEW ISSUE)
- F-6 ALLIED COLLOIDS GROUP PLC, 48 WALL ST, C/O BANK OF NEW YORK, NEW YORK,  
NY 10286 (212) 495-1727 - 20,000,000 (\$1,000,000)  
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-91460 - APR. 21) (BR. 99  
- NEW ISSUE)
- S-4 PACIFIC PHYSICIAN SERVICES INC /DE, 1826 ORANGE TREE LANE, REDLAND, CA  
92374 (909) 825-4401 - 3,085,000 (\$2,745,650) COMMON STOCK. (FILE  
33-91466 - APR. 21) (BR. 6)
- S-1 HIGHWAYMASTER COMMUNICATIONS INC, 16479 DALLAS PARKWAY, STE 710, DALLAS,  
TX 75248 (214) 732-2500 - 4,600,000 (\$96,600,000) COMMON STOCK.  
UNDERWRITER: CS FIRST BOSTON, MERRILL LYNCH & CO, SMITH BARNEY INC. (FILE  
33-91486 - APR. 21) (BR. 8 - NEW ISSUE)

REGISTRATIONS CONT.

- S-3 TRANSTEXAS GAS CORP, 363 N SAN HOUSTON PKWY EAST, STE 1900, HOUSTON, TX 77060 (713) 447-3111 - 64,081,000 (\$717,066,390) COMMON STOCK. (FILE 33-91494 - APR. 24) (BR. 3)
- S-1 TARGETED GENETICS CORP /WA/, 1100 OLIVE WAY, STE 100, SEATTLE, WA 98101 (206) 623-7612 - 2,100,000 (\$9,318,750) COMMON STOCK. (FILE 33-91500 - APR. 24) (BR. 4)
- S-3 CHASE MANHATTAN BANK USA, 802 DELAWARE AVE, WILMINGTON, DE 19801 (302) 575-5000 - 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-91504 - APR. 24) (BR. 11)
- S-8 COX COMMUNICATIONS INC/DE, 1400 LAKE HEARN DR, ATLANTA, GA 30319 (404) 843-5000 - 6,000,000 (\$90,000,000) COMMON STOCK. (FILE 33-91506 - APR. 24) (BR. 7)
- S-8 HEALTHDYNE TECHNOLOGIES INC, 1255 KENNESTONE CIRCLE, MARIETTA, GA 30066 (404) 499-1212 - 1,600,000 (\$19,200,000) COMMON STOCK. (FILE 33-91510 - APR. 24) (BR. 8)
- S-3 BOSTON CHICKEN INC, 14103 DENVER WEST PARKWAY, P.O. BOX 4086, GOLDEN, CO 80401 (303) 278-9500 - 1,143,618 (\$19,727,410.50) COMMON STOCK. (FILE 33-91512 - APR. 24) (BR. 12)
- S-8 ACCESS HEALTH INC, 11020 WHITE ROCK ROAD, RANCHO CORDOVA, CA 95670 (916) 851-4000 - 350,000 (\$5,996,500) COMMON STOCK. (FILE 33-91516 - APR. 24) (BR. 6)
- S-3 HEALTH MANAGEMENT SYSTEMS INC, 401 PARK AVE S, NEW YORK, NY 10016 (212) 685-4545 - 1,500,001 (\$37,500,025) COMMON STOCK. (FILE 33-91518 - APR. 24) (BR. 10)
- S-1 INTEGRATED SILICON SOLUTION INC, 680 ALMANOR DR, SUNNYVALE, CA 94086 (408) 733-4774 - 3,450,000 (\$112,987,500) COMMON STOCK. (FILE 33-91520 - APR. 24) (BR. 3)
- S-1 KELLER FINANCIAL SERVICES OF FLORIDA INC, 19329 US HIGHWAY 19 NORTH, CLEARWATER, FL 34624 (813) 524-1400 - 22,500 (\$22,500,000) STRAIGHT BONDS. (FILE 33-91522 - APR. 24) (BR. 12)
- F-3 SMITHKLINE BEECHAM CORP, ONE FRANKLIN PLZ, P O BOX 7929, PHILADELPHIA, PA 19101 (215) 751-4000 - 2,000,000,000 (\$2,000,000,000) STRAIGHT BONDS. (FILE 33-91524 - APR. 24) (BR. 4)
- S-1 YARDVILLE NATIONAL BANCORP, 3111 QUAKERBRIDGES ROAD, MERCERVILLE, NJ 08619 (609) 585-5100 - 690,000 (\$8,970,000) COMMON STOCK. (FILE 33-91526 - APR. 24) (BR. 2)
- S-4 KEYSTONE FINANCIAL INC, ONE KEYSTONE PLZ - FRONT & MARKET STS, P O BOX 3660, HARRISBURG, PA 17105 (717) 233-1555 - 501,150 (\$7,707,687) COMMON STOCK. (FILE 33-91532 - APR. 24) (BR. 1)
- S-8 VENTRITEX INC, 701 EAST EVELYN AVE, SUNNYVALE, CA 94086 (408) 738-4883 - 1,900,000 (\$27,550,000) COMMON STOCK. (FILE 33-91540 - APR. 24) (BR. 8)
- S-8 THERMO ECOTEK CORP, 81 WYMAN ST, PO BOX 9046, WALTHAM, MA 02254 (617) 622-1500 - 325,000 (\$4,407,000) COMMON STOCK. (FILE 33-91546 - APR. 24) (BR. 8)
- SB-2 GREAT BEAR TECHNOLOGY INC, 1100 MORAGA WAY, MORAGA, CA 94556 (510) 631-1600 - 1,235,000 (\$1,003,437.50) COMMON STOCK. (FILE 33-91570 - APR. 24) (BR. 1)