

sec news digest

Issue 95-232

December 4, 1995

ENFORCEMENT PROCEEDINGS

DEFENDANT STERK AND OTHERS FOUND IN CIVIL CONTEMPT OF COURT

On November 28, after a two day evidentiary hearing, the Honorable Jose Gonzalez, United States District Judge for the Southern District of Florida, found Defendant Danny Sterk (Sterk), his wife Fanny Sterk, and their counsel, Forrest Sygman, Esq. (Sygman), in contempt of court for disbursing funds in violation of a previously entered freeze order. Prior to the freeze, Sterk, assisted by his wife and Sygman, placed proceeds from his fraudulent scheme in Sygman's attorney trust account, purportedly in trust for the benefit of Sterk's children. Subsequent to the freeze, Sterk, aided and abetted by his wife and Sygman, disbursed those funds for his own benefit. In addition, after the freeze Sterk spent at least \$25,000 in cash he kept at home for various living expenses. The Court assessed a total compensatory fine of \$175,000, with the Sterks jointly and severally liable for the entire fine, and Sygman jointly and severally liable for \$136,910. [SEC v. TransAmerica Wireless Systems, Inc., et al., USDC, SDFL, Case No. 94-6805-CIV-GONZALEZ] (LR-14743)

INVESTMENT COMPANY ACT RELEASES

PAINWEBBER LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until December 26 to request a hearing on an application filed by Painewebber Life Insurance Company, and PaineWebber Variable Annuity Account. Applicants seek an order pursuant to Section 26(b) of the Investment Company Act approving the substitution of shares of the Balanced Portfolio of the PaineWebber Series Trust (Trust) for the shares of the Asset Allocation Portfolio of the Trust. (Rel. IC-21559 - November 30)

CONNECTICUT GENERAL LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until December 26 to request a hearing on an application filed by Connecticut General Life Insurance Company (CG Life), CG Variable Life Insurance Separate Account A (Separate Account), and CIGNA Financial Advisors, Inc. for an order under Section 6(c) of the Investment Company Act granting exemptions from Section 27(c)(2) of the Act and Rule 6e-3(T)(c)(4)(v) thereunder. This order will permit the Separate Account and any separate accounts established in the future by CG Life to support certain group variable universal life insurance contracts to deduct from premium payments received an amount that is reasonably related to the increased federal tax burden of CG Life resulting from the application of Section 848 of the Internal Revenue Code of 1986, as amended. (Rel. IC-21560 - November 30)

CORRECTION

A notice concerning SEI Institutional Managed Trust, et al., previously issued on November 24, was inadvertently repeated in the December 1 issue of the Digest. The following order should have appeared regarding release number IC-21557 in the December 1 issue:

SEI FINANCIAL MANAGEMENT CORPORATION AND SEI FINANCIAL SERVICES COMPANY

An order has been issued on an application filed by SEI Financial Management Corporation and SEI Financial Services Company (collectively, SEI) amending a prior order under Sections 6(c) and 17(b) of the Investment Company Act granting an exemption from Section 17(a) of the Act, and under Section 17(d) of the Act and Rule 17d-1 thereunder. The prior order allowed bank-sponsored collective investment funds to convert their assets into shares of registered open-end investment companies advised by the bank and administered or distributed by SEI. The amended order also allows such investment companies to participate in similar conversions of bank-sponsored accounts consisting solely of the assets of a single retirement plan for employees of the bank or affiliated persons of the bank. (Rel. IC-21557 - November 29)

HOLDING COMPANY ACT RELEASES

PROVIDENCE ENERGY CORPORATION

A supplemental order has been issued exempting Providence Energy Corporation, a public-utility holding company, under Section 3(a)(1) of the Public Utility Holding Company Act of 1935, as amended. (Rel. 35-26420)

TRANSOK, INC., ET AL.

An order has been issued authorizing a proposal by Transok, Inc. (Transok), a wholly-owned non-utility subsidiary of Central and South West Corporation (CSW), a registered holding company, Transok Acquisition Company (TAC), a wholly-owned non-utility subsidiary of Transok, and Transok Gas Transmission Company (Transmission) and Transok Gas Gathering Company (Gathering), wholly-owned non-utility subsidiaries of TAC. Applicants have been authorized to simplify their corporate structure by merging TAC, Transmission and Gathering into Transok, with Transok being the surviving corporation. In addition, Transok has been authorized to transfer certain natural gas compression assets, as a capital contribution, to Transok Gas Processing Company, another of its wholly-owned subsidiaries. (Rel. 35-26421)

SELF-REGULATORY ORGANIZATIONS

ORDER APPROVING PROPOSED AMENDMENT

The Commission has approved the proposed amendment to the Options Price Reporting Authority's National Market System Plan (S7-8-90) for the purpose of updating the current fee structure and eliminating the use of separate news service agreements. Publication of the Release in the Federal Register is expected during the week of December 4. (Rel. 34-36542; International Series Rel. 896)

PROPOSED RULE CHANGES

The Philadelphia Stock Exchange filed a proposed rule change (SR-Phlx-95-76) to establish uniform listing and trading guidelines for narrow-based stock index warrants. Publication of the notice is expected in the Federal Register during the week of December 4. (Rel. 34-36524)

The Chicago Board Options Exchange filed a proposed rule change (SR-CBOE-95-67) to establish uniform listing and trading guidelines for narrow-based stock index warrants. Publication of the notice is expected in the Federal Register during the week of December 4. (Rel. 34-36525)

The Pacific Stock Exchange filed a proposal (SR-PSE-95-28) to amend PSE Rule 7.6, "Position Limits for Index Options," to establish a hedge exemption from industry (narrow-based) index option position limits. Specifically, the PSE proposes to exempt from position limits any position in an industry index option that is hedged by share positions in at least 75% of the number of component stocks of

that index or securities convertible into such stock. Under the proposal, no position in an industry index option may exceed three times the narrow-based index option position specified in PSE Rule 7.6(a). Publication of the notice is expected in the Federal Register during the week of December 4. (Rel. 34-36526)

The American Stock Exchange filed with the Commission a proposed rule change (SR-Amex-95-43) and Amendment No. 1 thereto relating to Index Fund Shares. Publication of the notice is expected in the Federal Register during the week of December 4. (Rel. 34-36527; International Series Rel. 891)

The Commission received a proposal (SR-Amex-95-44) by the American Stock Exchange to amend Section 107B of the Amex Company Guide to provide alternate criteria for the listing and trading of hybrid debt securities whose value is linked to the performance of a non-U.S. company which is traded in the U.S. market as sponsored American Depositary Shares, ordinary shares or otherwise. Publication of the notice is expected in the Federal Register during the week of December 4. (Rel. 34-36538)

The Chicago Board Options Exchange filed a proposed rule change (SR-CBOE-95-65) to revise the Exchange's policy governing joint account participant trading in equity options to permit simultaneous representation in a trading crowd by more than one member of a joint account. Publication of the notice is expected in the Federal Register during the week of December 4. (Rel. 34-36534)

The Chicago Stock Exchange filed a proposed rule change (SR-CHX-95-26) relating to listing standards. Publication of the proposal is expected in the Federal Register during the week of December 4. (Rel. 34-36531)

The American Stock Exchange filed a proposed rule change (SR-Amex-95-38) to provide that proprietary transactions on the Amex Floor in currency warrants shall be governed by, and effected in accordance with, Amex Rule 958 (Options Transactions of Registered Traders). Publication of the notice is expected in the Federal Register during the week of December 4. (Rel. 34-36535)

ORDER EXTENDING TEMPORARY REGISTRATION

The Commission approved the extension of the temporary registration of the International Securities Clearing Corporation (SR-ISCC-600-20) as a clearing agency. Publication of the approval order is expected in the Federal Register during the week of December 4. (Rel. 34-36529; International Series Rel. 892)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGES

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-95-58), and the Commission issued an order granting accelerated approval, to delay the implementation of the NASD's Primary Market Maker standards and extend the duration of the pilot program for the NASD's Short Sale Rule from June 3, 1996 until August 3, 1996. (Rel. 34-36532)

The Commission granted accelerated approval to proposed rule changes (SR-Amex-95-45 and SR-PSE-95-30) filed by the American Stock Exchange and the Pacific Stock Exchange which increase the position and exercise limits for industry index options from 5,500, 7,500, or 10,500 contracts to 6,000, 9,000, or 12,000 contracts. Publication of the approval order is expected in the Federal Register during the week of December 4. (Rel. 34-36537)

APPROVAL OF PROPOSED RULE CHANGES

The Commission has approved a proposed rule change submitted by the Philadelphia Stock Exchange (SR-Phlx-95-47) to widen the quotation parameters applicable to Japanese yen options. Publication of the approval order is expected in the Federal Register during the week of December 4. (Rel. 34-36539; International Series Rel. 895)

The Commission approved a proposed rule change submitted by the National Association of Securities Dealers to revise the subscriber deposit requirements contained in Part VIII, Paragraphs G.1. and 2. of Schedule D to the NASD By-Laws. (Rel. 34-36536)

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-4 WELLS FARGO & CO, 420 MONTGOMERY ST, SAN FRANCISCO, CA 94163
(415) 477-1000 - 50,496,170 (\$135,520,000) COMMON STOCK. (FILE 33-64575 - NOV. 27) (BR. 2)

S-6 MUNICIPAL INVT TR FD INSURED SERIES 230 DEFINED ASSET FUNDS,
450 LEXINGTON AVENUE, C/O DAVIS POLK & WARDWELL, NEW YORK, NY 10017
(NUL) L - - INDEFINITE SHARES. (FILE 33-64577 - NOV. 27) (NEW ISSUE)

REGISTRATIONS CONT.

- S-8 MICROCOM INC, 500 RIVER RIDGE DR, NORWOOD, MA 02062 (617) 551-1000 - 450,000 (\$10,771,875) COMMON STOCK. (FILE 33-64579 - NOV. 27) (BR. 7)
- S-6 DEFINED ASSET FUNDS MUNICIPAL INVT TR FD INTERM TERM SER 263, C/O DAVIS POLK & WARDWELL, 450 LEXINGTON AVE, NEW YORK, NY 10017 - INDEFINITE SHARES. (FILE 33-64581 - NOV. 27) (BR. 16 - NEW ISSUE)
- S-8 INTELICALL INC, 2155 CHENAULT STE 410, CARROLLTON, TX 75006 (214) 416-0022 - 300,000 (\$1,125,000) COMMON STOCK. (FILE 33-64583 - NOV. 27) (BR. 7)
- S-8 MEDTRONIC INC, 7000 CENTRAL AVE NE, MS 316, MINNEAPOLIS, MN 55432 (612) 574-4000 - 60,247 (\$3,106,335.32) COMMON STOCK. (FILE 33-64585 - NOV. 27) (BR. 8)
- S-3 MICROCOM INC, 500 RIVER RIDGE DR, NORWOOD, MA 02062 (617) 551-1000 - 308,469 (\$7,383,976.69) COMMON STOCK. (FILE 33-64587 - NOV. 27) (BR. 7)
- S-3 NETWORK LONG DISTANCE INC, 525 FLORIDA STREET, BATON ROUGE, LA 70806 (504) 343-3125 - 25,252 (\$252,520) COMMON STOCK. (FILE 33-64589 - NOV. 27) (BR. 7)
- S-8 EXABYTE CORP /DE/, 1685 38TH ST, BOULDER, CO 80301 (303) 447-7151 - 1,500,000 (\$18,750,000) COMMON STOCK. (FILE 33-64591 - NOV. 27) (BR. 9)
- S-8 OSICOM TECHNOLOGIES INC, 1800 STEWART ST, SANTA MONICA, CA 90404 (310) 828-7496 - 150,000 (\$817,094) COMMON STOCK. (FILE 33-64593 - NOV. 27) (BR. 8)
- S-3 PRODUCERS ENTERTAINMENT GROUP LTD, 9150 WILSHIRE BLVD, STE 205, BEVERLY HILLS, CA 90212 (310) 285-0400 - 125,000 (\$64,500) COMMON STOCK. (FILE 33-64595 - NOV. 27) (BR. 12)
- S-6 WITTER DEAN SELECT EQUITY TR SELECT 5 IND PORT 96-1, TWO WORLD TRAD CENTER, 59TH FLOOR, NEW YORK, NY 10048 - INDEFINITE SHARES. (FILE 33-64597 - NOV. 27) (BR. 16 - NEW ISSUE)
- S-3 TELEMUNDO GROUP INC, 2290 WEST 8TH AVENUE, 2290 WEST 8TH AVENUE, HIALEAH, FL 33010 ((30) 5)8-84-8 - 194,425,000 (\$175,000,000) STRAIGHT BONDS. (FILE 33-64599 - NOV. 27) (BR. 8)
- F-1 FONOROLA INC, 500 RENE LEVESQUE BLVD WEST, MONTREAL QUEBEC, E6 (514) 954-3666 - 100,000,000 (\$100,000,000) STRAIGHT BONDS. (FILE 33-99158 - NOV. 13) (BR. 7 - NEW ISSUE)
- S-8 PHOTON DYNAMICS INC, 1504 MCCARTHY BLVD, MILPITAS, CA 95035 (408) 433-3922 - 100,000 (\$1,075,000) COMMON STOCK. (FILE 33-99582 - NOV. 20) (BR. 10)
- S-8 KELLY RUSSELL STUDIOS INC, 2905 NORTHWEST BOULEVARD SUITE 220, MINNEAPOLIS, MN 55441 (612) 339-0966 - 150,000 (\$609,750) COMMON STOCK. (FILE 33-99584 - NOV. 20) (BR. 11)
- S-8 DATAWORKS CORP, 5910 PACIFIC CENTER BLVD STE 300, SAN DIEGO, CA 92121 (619) 546-9600 - 1,944,871 (\$17,452,700.60) COMMON STOCK. (FILE 33-99586 - NOV. 20) (BR. 10)
- S-8 PACIFIC PHYSICIAN SERVICES INC /DE, 1826 ORANGE TREE LANE, REDLAND, CA 92374 (909) 825-4401 - 825,000 (\$13,251,562) COMMON STOCK. (FILE 33-99594 - NOV. 22) (BR. 6)

REGISTRATIONS CONT.

- S-3 ARCADIAN CORP, 6750 POPLAR AVE STE 600, MEMPHIS, TN 38138 (901) 758-5200 - 6,900,000 (\$159,597,000) COMMON STOCK. (FILE 33-99630 - NOV. 20) (BR. 1)
- S-3 INTUIT INC, 155 LINFIELD AVE, MENLO PARK, CA 94025 (415) 322-0573 (FILE 33-99646 - NOV. 21) (BR. 9)
- S-2 CONSUMER PORTFOLIO SERVICES INC, 2 ADA STE 100, IRVINE, CA 92718 (714) 753-6800 - 23,000,000 (\$23,000,000) STRAIGHT BONDS. (FILE 33-99652 - NOV. 21) (BR. 11)
- S-8 HAMILTON EXPLORATION CO INC, 268 WEST 400 SOUTH, SUITE 300, SALT LAKE CITY, UT 84101 (801) 575-8073 - 500,000 (\$50,000) COMMON STOCK. (FILE 33-99698 - NOV. 22) (BR. 1)
- S-8 IPI INC, 15155 TECHNOLOGY DRIVE, EDEN PRAIRIE, MN 55344 (612) 975-6200 - 350,000 (\$1,400,000) COMMON STOCK. (FILE 33-99700 - NOV. 22) (BR. 9)
- SB-2 ORBIT TECHNOLOGIES INC /DE/, 2011 PALOMAR AIRPORT ROAD, SUITE 100, CARLSBAD, CA 92007 (619) 756-5995 - 3,507,608 (\$3,507,608) COMMON STOCK. (FILE 33-99704 - NOV. 22) (BR. 8)
- SB-2 RELIANCE BANCSHARES INC, 3140 SOUTH 27TH ST, MILWAUKEE, WI 53215 (414) 671-2222 - 2,231,719 (\$17,853,752) COMMON STOCK. (FILE 33-99706 - NOV. 22) (BR. 2 - NEW ISSUE)
- S-8 GOLF TRAINING SYSTEMS INC, 3400 CORPORATE WAY STE G, DULUTH, GA 30136 (707) 623-6400 - 200,000 (\$500,000) COMMON STOCK. (FILE 33-99708 - NOV. 22) (BR. 11)
- S-8 US XPRESS ENTERPRISES INC, 2931 SOUTH MARKET ST, CHATTANOOGA, TN 37410 (615) 696-7377 - 748,943 (\$6,880,913.82) COMMON STOCK. (FILE 33-99730 - NOV. 22) (BR. 4)
- S-8 SECURITY FEDERAL BANCORP INC, 2301 UNIVERSITY BLVD, PO BOX 032087, TUSCALOOSA, AL 35401 (205) 345-8800 - 94,007 (\$1,503,171.93) COMMON STOCK. (FILE 33-99732 - NOV. 22) (BR. 2)
- S-3 TANGER FACTORY OUTLET CENTERS INC, 1400 WEST NORTHWOOD ST, GREENSBORO, NC 27408 (919) 274-1666 (FILE 33-99736 - NOV. 22) (BR. 6)
- S-8 POWER CONTROL TECHNOLOGIES INC, 2220 PALMER AVE, KALAMAZOO, MI 49001 - 1,000,000 (\$6,250,000) COMMON STOCK. (FILE 33-99740 - NOV. 22) (BR. 8)
- S-8 INTERWEST BANCORP INC, 1259 WEST PIONEER WAY, OAK HARBOR, WA 98277 (360) 679-4181 - 977,500 (\$17,839,375) COMMON STOCK. (FILE 33-99742 - NOV. 22) (BR. 1 - NEW ISSUE)
- S-1 EL PASO ELECTRIC CO /TX/, 303 N OREGON ST, EL PASO, TX 79901 (915) 543-5711 - 1,009,000,000 (\$1,009,000,000) MORTGAGE BONDS. 1,000,000 (\$100,000,000) PREFERRED STOCK. (FILE 33-99744 - NOV. 22) (BR. 8)
- S-8 IBS FINANCIAL CORP, 1909 EAST ROUTE 70, CHERRY HILL, NJ 08003 (609) 424-1000 - 1,160,922 (\$12,686,765.37) COMMON STOCK. (FILE 33-99746 - NOV. 22) (BR. 2)
- S-3 CAPITAL ONE FINANCIAL CORP, 2980 FAIRVIEW PARK DR, FALLS CHURCH, VA 22182 (703) 205-1030 - 2,500,000 (\$62,343,750) COMMON STOCK. (FILE 33-99748 - NOV. 22) (BR. 12)

REGISTRATIONS CONT.

S-3 CAI WIRELESS SYSTEMS INC, 12 CORPORATE WOODS BLVD STE 102, ALBANY, NY
12211 (518) 462-2632 - 7,079,431 (\$56,635,448) COMMON STOCK. (FILE
33-99770 - NOV. 20) (BR. 8)