

sec news digest

Issue 96-89

May 13, 1996

COMMISSION ANNOUNCEMENTS

SEC ENGAGES ARTHUR WYATT AS INTERNATIONAL ACCOUNTING EXPERT

Chairman Levitt is pleased to announce that the Commission has engaged Arthur R. Wyatt, Ph.D, CPA, as an expert consultant in the Office of the Chief Accountant. In this new role, Professor Wyatt will act as senior policy adviser to Chief Accountant Michael H. Sutton for the Commission's initiatives involving the development of international accounting standards. In particular, Professor Wyatt will play a key role in monitoring the development of international accounting standards by the International Accounting Standards Committee (IASC). (Press Rel. 96-71)

MEDIA ADVISORY

Chairman Levitt will hold an Investors' Town Meeting in New York City on Wednesday, May 15. Chairman Levitt and his co-host, New York Attorney General Dennis C. Vacco, will be speaking on investment fraud and consumer protection issues. Ken and Daria Dolan, personal finance authors and advisers on CBS This Morning and the WOR Radio Network, will be masters of ceremonies. The meeting is expected to draw a capacity audience of more than 1,500. The event will be held at The Town Hall, 123 W. 43rd Street, New York City, from 6:00 p.m. to 9:00 p.m. Attendance is free of charge, and members of the media are encouraged to attend.

The speech can be obtained at the event or by calling (202) 942-0020 the day of the event. For further information please contact Christine M. Niedermeier Deputy Director of the SEC's Office of Investor Education and Assistance at (202) 942-7040. (Press Rel. 96-72)

ENFORCEMENT PROCEEDINGS

RULE 102(e) PROCEEDINGS INSTITUTED AGAINST STEVEN HIRATSUKA, CPA AND SUSAN SOLTIS, CPA

The Commission instituted proceedings pursuant to Rule 102(e) against Steven T. Hiratsuka and M. Susan Soltis, both CPAs practicing in the Denver, Colorado area. Simultaneously, the Commission accepted Hiratsuka's and Soltis' offers of settlement in which they each consent to the entry of an order, without admitting or denying the findings contained in the order, that denies them the privilege of appearing or practicing before the Commission as an accountant with the right to reapply after twelve months.

The order for proceedings finds that Hiratsuka and Soltis engaged in improper professional conduct during their audit of the financial statements of KLH Engineering Group, Inc. (UKLHU) filed in its Form 10-KSB for 1992. Hiratsuka and Soltis were partner-in-charge and audit manager, respectively, of the Lehman Butterwick & Company audit of KLII's 1992 annual financial statements. The order also finds that these financial statements were materially false and misleading in that they, among other things, overstated assets and stockholders' equity. Hiratsuka and Soltis failed to obtain sufficient competent evidential matter to support management's representation that the acquisition of two corporations by KLH in exchange for its newly-issued stock had a value of \$1,926,000.

The order further finds that Hiratsuka and Soltis failed to perform the audit in conformity with Generally Accepted Auditing Standards and failed to determine that KLH's financial statements were not prepared in accordance with Generally Accepted Accounting Principles. (Rel. 34-37194; AAE Rel. 782)

INVESTMENT COMPANY ACT RELEASES

CONNECTICUT GENERAL LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until June 3 to request a hearing on an application filed by Connecticut General Life Insurance Company (CG Life), CG Variable Annuity Separate Account II (Variable Account), and Cigna Financial Advisors, Inc. The application requests an order under Section 6(c) of the Investment Company Act granting exemptions from Sections 26(a)(2)(C)

and 27(c)(2) of the Act to permit the deduction of a mortality and expense risk charge from: (i) the assets of the Variable Account, in connection with the offer and sale of certain flexible premium deferred annuity contracts (Contracts) and any contracts (Future Contracts) offered in the future by CG Life which are substantially similar in all material respects to the Contracts; and (ii) the assets of any separate account established in the future by CG Life, in connection with the offer and sale of Future Contracts. Applicants propose that the order extend to any broker-dealer which may serve in the future as principal underwriter with respect to the Contracts or Future Contracts, and which is or will be registered with the Commission as a broker-dealer under the Securities Exchange Act of 1934, and a member of the National Association of Securities Dealers. (Rel. IC-21948 - May 9)

SELF-REGULATORY ORGANIZATIONS

DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Maybelline, Inc., Common Stock, \$.01 Par Value. (Rel. 34-37192)

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration Page America Group, Inc., Common Stock, 10¢ Par Value. (Rel. 34-37193)

ACCELERATED APPROVAL OF PROPOSED RULES

The Commission has approved on an accelerated basis a proposed rule change by the Chicago Board Options Exchange (SR-CBOE-96-25) that makes certain changes to its rules relating to the requirement to make prior arrangements to borrow stock or to obtain other assurances that delivery can be made on settlement date before a member or person associated with a member may sell short. Publication of the Order is expected in the Federal Register during the week of May 13. (Rel. 34-37187)

The Commission has approved on an accelerated basis a proposed rule change (SR-NYSE-96-08), as amended, by the New York Stock Exchange that permits the listing and trading of Commodity Indexed Preferred Securities (Securities). The value of the Securities will be linked to changes in a single commodity. Publication of the Order is expected in the Federal Register during the week of May 13. (Rel. 34-37188)

APPROVAL OF PROPOSED RULE CHANGE

The Commission is approving a proposed rule change filed by the National Association of Securities Dealers (SR-NASD-96-11). The rule change amends Article III, Section 49 of the NASD Rules of Fair Practice, the Primary Market Maker (PMM) Standards rule, by deleting a provision of the rule that allows a market maker to become a PMM in an issue by registering in the stock and refraining from quoting the issue for five days. (Rel. 34-37190)

ORDER APPROVING FILING OF PROPOSED RESTATEMENTS AND AMENDMENTS TO THE RESTATED CONSOLIDATED TAPE ASSOCIATION PLAN AND THE CONSOLIDATED QUOTATION PLAN

On May 9, the Commission approved amendments to the Restated Consolidated Tape Association Plan and the Consolidated Quotation Plan (SR-CTA/CQ-96-1). Publication of the Order in the Federal Register is expected during the week of May 13. (Rel. 34-37191)

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		
AEROFLEX INC	DE	X								03/19/96	AMEND
ALLIANCE ENTERTAINMENT CORP	DE				X	X				03/31/96	
AMRESO RES SC CORP AMR RS SE CP MT LN T	NY					X				04/26/96	AMEND
ANDREW CORP	DE				X					04/30/96	
AQUAGENIX INC/DE	DE	X				X				07/25/96	
ARVIN INDUSTRIES INC	IN				X	X				05/10/96	
ARVIN INDUSTRIES INC	IN				X	X				05/10/96	
ASSOCIATES CORPORATION OF NORTH AMERICA	DE					X				05/10/96	
BALCOR PENSION INVESTORS	IL	X				X				05/10/96	
BEAR STEARNS ASSET BACKED SECURITIES INC	DE					X				04/25/96	
BEAR STEARNS MORTGAGE SECURITIES INC	DE					X				04/25/96	

8K REPORTS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
BEAR STEARNS MORTGAGE SECURITIES INC	DE					X				04/25/96	
BONNEVILLE PACIFIC CORP	DE		X		X					05/02/96	
CAPITAL BRANDS INC	FL	X	X		X	X				04/26/96	
CAPITAL BRANDS INC	FL	X	X		X	X				04/26/96	
CAPSTONE PHARMACY SERVICES INC	NY						X			02/29/96AMEND	
CARDINAL BANCSHARES INC	KY				X	X				05/03/96	
CEDAR GROUP INC	DE		X			X				04/25/96	
CENTRAL FIDELITY BANKS INC	VA				X					05/10/96	
CEPHALON INC	DE				X	X				05/07/96	
CHAMPION ENTERPRISES INC	MI				X					04/26/96	
CHRYSLER FINANCIAL CORP	MI				X	X				05/08/96	
CITIBANK SOUTH DAKOTA NA CITIBK CR CA MA								X		02/15/96	
CITIBANK SOUTH DAKOTA NA CITIBK CR CA MA								X		02/15/96	
CITIBANK SOUTH DAKOTA NA CITBK CR CA MA T								X		02/15/96	
CITIBANK SOUTH DAKOTA NA CITBK CR CA MA T								X		02/15/96	
CLINICORP INC	DE				X	X				05/02/96AMEND	
COEUR D ALENE MINES CORP	ID		X							04/17/96AMEND	
CONSOLIDATED STORES CORP /DE/	DE						X			05/03/96AMEND	
CPT HOLDINGS INC	MN				X					04/06/96	
DEAN WITTER DISCOVER & CO	DE				X	X				04/18/96	
DIGITAL BIOMETRICS INC	DE				X	X				05/02/96	
DSC COMMUNICATIONS CORP	DE				X	X				04/25/96	
DUQUESNE LIGHT CO	PA					X				05/13/96	
EAGLE FINANCE CORP	DE				X	X				04/15/96	
ELECTRONIC SYSTEMS TECHNOLOGY INC	WA				X	X				05/01/96	
EMCON	CA						X			02/29/96AMEND	
EMCOR GROUP INC	DE	X								03/31/96	
EQUALNET HOLDING CORP	TX				X	X				05/10/96	
EQUALNET HOLDING CORP	TX				X	X				05/10/96AMEND	
EQUICON MORTGAGE LOAN TRUST 1995-2	NY	X								04/25/96	
EQUIVANTAGE HOME EQUITY LOAN TRUST 1995-	NY	X								04/26/96	
EQUIVANTAGE HOME EQUITY LOAN TRUST 1996-	X									04/25/96	
F&M NATIONAL CORP	VA				X					05/08/96	
FARMERS CAPITAL BANK CORP	KY				X					05/10/96	
FCC NATIONAL BANK					X	X				05/10/96	
FIRST AMERICAN RAILWAYS INC	FL	X	X		X	X				04/26/96	
FRUEHAUF TRAILER CORP	DE				X					05/03/96	
FUND AMERICA INVESTORS CORP II	DE		X			X				04/25/96	
HOMETOWN BANCORPORATION INC	DE				X	X				04/28/96	
HOULIHANS RESTAURANT GROUP INC	DE				X	X				06/24/96	
ITALIAN OVEN INC	PA		X			X				05/09/96	
L&B FINANCIAL INC	TX	X								05/07/96	
LESCARDEN INC	NY				X					05/07/96	
LOUISIANA LAND & EXPLORATION CO	MD				X	X				05/10/96	
MCRAE INDUSTRIES INC	DE		X			X				04/30/96	
MEDCROSS INC	FL						X			02/23/96AMEND	
METRO ONE TELECOMMUNICATIONS INC	OR				X					05/09/96	
MFS COMMUNICATIONS CO INC	DE				X	X				05/07/96	
MIAMI SUBS CORP	FL						X			03/01/96AMEND	
MLCC MORT INVS INC MORT LN ASST BK PS TH								X		04/15/96	
MLCC MORT INVS INC MORT LN ASST BK PS TH							X	X		04/15/96	
MORGAN JP COMMERCIAL MOR FIN CORP MOR PA	NY				X	X				09/25/95	
MORGAN JP COMMERCIAL MOR FIN CORP MOR PA	NY				X	X				10/25/95	
MORGAN JP COMMERCIAL MOR FIN CORP MOR PA	NY				X	X				11/25/95	
MORGAN JP COMMERCIAL MOR FIN CORP MOR PA	NY				X	X				12/25/95	
MORGAN JP COMMERCIAL MOR FIN CORP MOR PA	NY				X	X				07/31/96	

8K REPORTS CONT.

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
MPM TECHNOLOGIES INC	WA				X		X			04/11/96	AMEND
MULTI COLOR CORP	OH				X					05/08/96	
NEIMAN MARCUS FUNDING CORP	DE	X								04/30/96	
NETVANTAGE INC	DE	X					X			05/07/96	
OAKWOOD MORTGAGE INVESTORS INC OMI TRUST					X		X			03/15/96	
ONCOGENE SCIENCE INC	DE						X			04/01/96	AMEND
OSBORN COMMUNICATIONS CORP /DE/	DE	X					X			05/03/96	
PEDIATRIX MEDICAL GROUP INC	FL	X					X			05/01/96	
PEGASUS MEDIA & COMMUNICATIONS INC	DE						X			03/08/96	AMEND
PENN TREATY AMERICAN CORP	PA				X		X			03/15/96	AMEND
PHYSICIANS RESOURCE GROUP INC	DE	X					X			04/18/96	AMEND
READING & BATES CORP	DE						X			05/10/96	
RIDGEWOOD ELECTRIC POWER TRUST IV	DE	X					X			04/16/96	
RYLAND MORTGAGE SECURITIES CORP SERIES 1	VA	X								04/30/96	
SAXON MORTGAGE SECURITIES CORP SERIES 19	VA	X								04/25/96	
SCFC BOAT LOAN TRUST 1992-1	IL				X		X			04/30/96	
SCFC RECREATIONAL VEHICLE LOAN TRUST 199	IL				X		X			04/30/96	
SCRIPPS E W CO /DE	DE	X								12/31/95	AMEND
SHARED TECHNOLOGIES CELLULAR INC	DE	X								05/13/96	
SHARED TECHNOLOGIES FAIRCHILD COMMUNICAT	DE	X								05/13/96	
SINCLAIR BROADCAST GROUP INC	MD						X			02/28/96	AMEND
STATE BANCORP INC	NY	X								04/30/96	
STRUCTURED ASSET SECURITIES CORP SERIES	DE	X								04/25/96	
STRUCTURED ASSET SECURITIES CORPORATION	DE				X		X			05/10/96	
STRUCTURED ASSET SECURITIES CORPORATION	DE				X		X			05/10/96	
TENERA INC	DE				X					04/17/96	
THACKERAY CORP	DE				X		X			05/09/96	
TRINET CORPORATE REALTY TRUST INC	MD						X			05/10/96	
UNIMARK GROUP INC	TX	X					X			05/09/96	
UNITRIN INC	DE						X			05/07/96	
WANG LABORATORIES INC	DE	X					X			05/08/96	
WESTERN RESOURCES INC /KS	KS				X					04/22/96	