

sec news digest

Issue 96-101

May 30, 1996

ENFORCEMENT PROCEEDINGS

IN THE MATTER OF A.R. BARON & CO., INC., ANDREW BRESSMAN AND ROMAN OKIN

Respondents A.R. Baron & Co., Inc., a broker-dealer located in New York, New York, and Andrew Bressman and Roman Okin, two of the firm's principals, on May 29, consented to the entry of a Temporary Cease and Desist Order and Order for Related Relief in which the Commission ordered them to cease and desist from violating the anti-fraud provisions of the federal securities laws; employ, cooperate with and pay for a full-time Special Compliance Agent, not unacceptable to the Division of Enforcement, to ensure that the Respondents do not resume the fraudulent sales practices described in the Division's application for emergency relief; install a telephone taping system to record all incoming and outgoing customer communications and a toll-free telephone number for receipt of customer complaints; and submit a sworn accounting of all monies or other assets paid directly or indirectly to any of the Respondents or other principals Baron employed during the period January 1, 1995 to the present. This is the first time that the Commission has issued a Temporary Cease and Desist Order, pursuant to legislation enacted in 1990 and rules that went in effect last year.

In the underlying administrative proceeding, the Division of Enforcement alleges that from at least February 1995 and continuing to the present, Respondents have engaged in egregious fraudulent sales practices. (Rel. 34-37248)

COMMISSION DISMISSES SCATTERED CORPORATION'S APPLICATION FOR REVIEW OF CHICAGO STOCK EXCHANGE ACTION

The Commission has granted, on grounds of mootness, the Chicago Stock Exchange's motion to dismiss Scattered Corporation's application for review of the Exchange's determination not to process Scattered's request for registration as a market maker. After Scattered appealed the Exchange's action, the Commission approved new Exchange rules superseding prior Exchange requirements for becoming an Exchange market maker. The Commission accordingly found that whatever conclusion it reached as to the validity of the Exchange's action based on the prior requirements could not determine whether Scattered could now meet the Exchange's current requirements for registration as a market maker.

In a preliminary ruling the Commission rejected the Exchange's argument that the Commission was without jurisdiction to hear Scattered's appeal because Scattered had not exhausted its administrative remedies before the Exchange. The Exchange's determination not to process Scattered's request for registration as a market maker limited the firm's access to the Exchange's services, and the Exchange did not identify any rule requiring Scattered to pursue further administrative remedies before the Exchange prior to seeking Commission review. (Rel. 34-37249)

DANNY STERK ORDERED TO PAY DISGORGEMENT OF \$1,007,783.87

On May 17, the Honorable Jose A. Gonzalez, U.S. District Judge for the Southern District of Florida, entered an Order setting disgorgement in the amount of \$1,007,783.87 as to defendant Danny Sterk (Sterk) to be paid within 45 days of the date of the order.

The Commission's complaint alleged that Sterk, as chief executive officer of TransAmerica Wireless Systems, Inc. and a principal of Intercontinental Telecommunications Corp. (ITC), obtained funds from investors by misrepresenting or failing to disclose material facts in connection with the sale of general partnership interests in ventures formed to create "wireless cable" television systems.

On November 28, 1995, the Court entered an order which provided that Sterk pay disgorgement in an amount equal to the proceeds received by him from the sale of partnership interests by Sterk, TransAmerica, or ITC along with prejudgment interest. The Commission sought and received disgorgement in the amount of \$900,123 plus prejudgment interest in the amount of \$107,660.87. [SEC v. TransAmerica Wireless Systems, Inc., Intercontinental Telecommunications Corp., and Danny Sterk, S.D. Fl., Civil Action No. 94-6805-CIV-GONZALEZ] (LR-14921)

PERMANENT INJUNCTION AND PENALTIES FOR RAND INSTRUMENT CORPORATION

On May 20, the Honorable G. Ernest Tidwell, United States District Judge for the Northern District of Georgia, entering an order of permanent injunction, enjoined Alan E. Rand and Rand Instrument Corporation (RIC) from violating Sections 5 and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

Further, the Court ordered a Special Master be appointed to conduct an offer of rescission of stock sales to fifty-nine investors. The defendants were ordered to deposit \$10,000 into the registry of the Court to pay the costs arising from the offer of rescission. The Court also imposed a civil penalty in the amount of \$5,000 each against Alan Rand and RIC.

The Commission alleged and the Court found that the defendants misrepresented and failed to disclose material facts relating to RIC's operations. The Court specifically found that the offering materials used to sell the company's stock were replete with erroneous statements or false implications intended to deceive the stock purchasers to whom they were distributed. The false statements included exaggerated office space, an inflated number of RIC employees, and the inclusion of photographs representing a RIC working factory and the existence of inventory for sale. [SEC v. Rand Instrument Corporation, Alan E. Rand, Cathleen M. Kane, Gary L. Kane, Michael J. Fousse, Kevin Sakser, Alan Whiteside, and Joshua A. Alvarez, N.D. Ga., Civil Action No. 1:94-DV-2539-GET] (LR-14922)

INSIDER TRADING ACTION AGAINST NIR KANTOR, ET AL.

On May 29, the Commission filed an insider trading action against a former compliance officer of Bankers Trust Securities Corp. (BTSC), Nir Kantor, and his cousin, Hanan Waizman, alleging that they made illegal profits of \$50,000 on purchases of call option contracts for the common stock of Caesars World, Inc. shortly before the December 19, 1994 public announcement of ITT Corp.'s tender offer for Caesars.

The Commission alleged that Kantor learned of the tender offer through his employment as a Vice President in the compliance department of BTSC, and tipped Waizman, his cousin, who then purchased Caesars call option contracts for himself and Kantor. The complaint further alleges that Kantor purchased additional Caesars' call option contracts in an account maintained in the name of a close friend, who resided abroad. The complaint seeks injunctive relief, disgorgement, and civil penalties. [SEC v. KANTOR, et al., C.A. 96-4012, SWK, SDNY]. (LR-14923)

INVESTMENT COMPANY ACT RELEASES

THE BRINSON FUNDS, ET AL.

An order has been issued on an application filed by The Brinson Funds, et al. (Fund) requesting an exemption under Section 6(c) of the Investment Company Act from Sections 12(d)(1)(A) and 12(d)(1)(B) of the Act, and requesting an exemption under Sections 6(c) and 17(b) of the Act from Section 17(a) of the Act. The order permits each series of the Fund to invest a portion of its assets in series of the Brinson Relationship Funds. (Rel. IC-21984 - May 28)

DEUTSCHE MARK PERFORMANCE PORTFOLIO L.P.

An order has been issued under Section 8(f) of the Investment Company Act declaring that Deutsche Mark Performance Portfolio L.P. has ceased to be an investment company. (Rel. IC-21985 - May 28)

MANAGED CURRENCY PORTFOLIO L.P.

An order has been issued under Section 8(f) of the Investment Company Act declaring that Managed Currency Portfolio L.P. has ceased to be an investment company. (Rel. IC-21986 - May 28)

CARDINAL CORPORATE INCOME TRUST SERIES 101

An order has been issued under Section 8(f) of the Investment Company Act declaring that Cardinal Corporate Income Trust Series 101 has ceased to be an investment company. (Rel. IC-21987 - May 28)

CANADIAN DOLLAR PERFORMANCE PORTFOLIO L.P.

An order has been issued under Section 8(f) of the Investment Company Act declaring that Canadian Dollar Performance Portfolio L.P. has ceased to be an investment company. (Rel. IC-21988 - May 28)

CORPORACION FINANCIERA NACIONAL Y SURAMERICANA S.A.

An order has been issued under Section 6(c) of the Investment Company Act exempting applicant from all provisions of the Act. Applicant, a Colombian finance corporation, proposes to establish a sponsored American Depositary Receipt program and other programs to issue and sell its securities in the United States. (Rel. IC-21989; IS-985 - May 29)

CAPITAL MARKET FUND, INC.

A notice has been issued giving interested persons until June 24 to request a hearing on an application filed by Capital Market Fund, Inc. for an order pursuant to Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21990 - May 29)

THE SUPERTRUST TRUST FOR CAPITAL MARKET FUND, INC. SHARES

A notice has been issued giving interested persons until June 24 to request a hearing on an application filed by The SuperTrust Trust for Capital Market Fund, Inc. Shares for an order pursuant to Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21991 - May 29)

INDIGO GROUP, LTD., ET AL.

An order has been issued on an application filed by Indigo Group, Ltd., et al. under Section 17(b) of the Investment Company Act for an exemption from Section 17(a)(2) of the Act. The order permits an affiliated person of an affiliated person of Baker, Fentress & Company (Baker Fentress), a closed-end investment company, to purchase a strip shopping center from a company controlled by Baker Fentress. (Rel. IC-21992 - May 29)

VAN KAMPEN AMERICAN CAPITAL COMSTOCK FUND, ET AL.

An order has been issued on an application filed by Van Kampen American Capital Comstock Fund, et al. requesting an exemption under Section 6(c) of the Investment Company Act from Section 12(d)(1) of the Act, and requesting an exemption under Sections 6(c) and 17(b) of the Act from Section 17(a) of the Act. The order amends a prior order that permits the Van Kampen American Capital Small Capitalization Fund to serve exclusively as an investment vehicle through which certain funds may invest a portion of their assets in a portfolio of small capitalization stocks. The order adds certain parties as applicants and revises the conditions to the requested relief. (Rel. IC-21993 - May 29)

PIERRE FUNDING CORPORATION

An order has been issued under Section 8(f) of the Investment Company Act declaring that Pierre Funding Corporation has ceased to be an investment company. (Rel. IC-21994 - May 29)

HOLDING COMPANY ACT RELEASES

CENTRAL AND SOUTH WEST CORPORATION, ET AL.

A supplemental order has been issued authorizing Central and South West Corporation (CSW), a registered holding company, CSW Energy, Inc. (CSW Energy), a wholly-owned non-utility subsidiary company of CSW, and four special-purpose, wholly-owned subsidiary companies of CSW Energy -- CSW Sweeny GP, Inc., CSW Sweeny GP II, Inc., CSW Sweeny LP, Inc., and CSW Sweeny LP II, Inc. to obtain third-party construction and term financing in an amount not to exceed \$250 million; to provide advances in an amount not to exceed \$250 million; to obtain or arrange for letters of credit or to issue guarantees of up to \$50 million; and to provide an equity support agreement assuring up to \$250 million in equity contributions. (Rel. 35-26522)

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-8 SHEFFIELD EXPLORATION CO INC, 1801 BROADWAY STE 600, DENVER, CO 80202
(303) 296-1908 - 471,167 (\$1,819,418) COMMON STOCK. (FILE 333-4405 -
MAY. 23) (BR. 3)