

sec news digest

Issue 96-103

June 3, 1996

COMMISSION ANNOUNCEMENTS

CHAIRMAN LEVITT TO TESTIFY

Chairman Levitt will testify before the Senate Committee on Banking Housing and Urban Affairs concerning S1815, the "Securities Investment Promotion Act of 1996," on Wednesday, June 5, at 10:00 a.m. in Room 534 of the Dirksen Senate Office Building.

BARRY BARBASH TO TESTIFY

Barry Barbash will testify before the Senate Committee on Banking Housing and Urban Affairs concerning S1317, a bill to repeal the Public Utility Holding Company Act of 1935, on Thursday, June 6, at 1:30 p.m. in Room 534 of the Dirksen Senate Office Building.

CHAIRMAN LEVITT TO HOLD INVESTORS' TOWN MEETING IN PHILADELPHIA

Chairman Levitt and Pennsylvania Securities Commission Chairman Robert M. Lam will hold an Investors' Town Meeting in Philadelphia on Tuesday, June 11, 1996. The Town Meeting will be held at the Adam's Mark Hotel, 4000 City Line Avenue at Monument Road, from 7:00 p.m. to 9:00 p.m. Seminars on investment topics will occur from 4:00 p.m. to 6:00 p.m. and investor education displays will be presented starting at 6:00 p.m. The event is expected to draw an audience of 1,000 people. Admission is free and members of the public and press are encouraged to attend. (Press Rel. 96-77)

ENFORCEMENT PROCEEDINGS

FORMER STAT-TECH INTERNATIONAL CORP. DIRECTOR SETTLES SECTION 5 CHARGES

The Commission simultaneously instituted cease and desist proceedings against Melvin H. Takaki pursuant to Section 8A of the Securities Act of 1933 and accepted an Offer of Settlement from Takaki. The Commission found that Takaki, a resident of Pueblo, Colorado, was a director of Stat-Tech International Corp. from its inception on November 25, 1988 until sometime in 1992. From in or about February 1989 through August 1990 Takaki violated Sections 5(a) and 5(c) of the Securities Act by selling common stock of Stat-Tech when no registration statement was filed or in effect as to those securities. The Commission has ordered Takaki to cease and desist from committing or causing any violations or future violations of Sections 5(a) and 5(c) of the Securities Act. (Rel. 33-7302)

DISGORGEMENT AND PREJUDGMENT INTEREST ORDERED IN SEC v. KEYPOINT FINANCIAL CORPORATION AND MICHAEL WARREN

On May 13, the Honorable David V. Kenyon entered a Final Judgment which provided that Keypoint, an entity formerly registered as an investment adviser, and Warren jointly and severally pay \$628,107.23 in disgorgement and \$216,681.77 in prejudgment interest. On October 31, 1995, the Court entered a judgment of permanent injunction against Keypoint and Warren enjoining them from violations of the antifraud and books and records provisions of the federal securities laws.

The complaint alleges that from approximately January 1991 through at least December 1992, Keypoint and Warren fraudulently offered and sold non-existent insurance annuity contracts and limited partnership units to Keypoint's clients; Warren and Keypoint misappropriated client funds for the benefit of themselves or their affiliated businesses; and when Commission representatives attempted to examine and inspect Keypoint's books and records relating to its advisory business, Warren failed to respond or produce such documents to the Commission.

In a related administrative proceeding, the Commission issued an Order on November 6, 1995, revoking Keypoint's registration with the Commission as an investment adviser and barring Warren from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. [SEC v. Keypoint Financial Corporation and Michael R. Warren, Civil Action No. 95-6542 KN, Ex, C.D. Cal.] (LR-14924)

WILLIAM CAMPBELL SENTENCED

The Commission and the United States Attorney for the Northern District of Texas announced that on May 28, William J. Campbell (Campbell) was sentenced to 70 months imprisonment and three years on supervised release. Campbell, who on April 1, 1996, pled guilty to two counts of mail fraud, will begin serving his prison term on June 28, 1996.

The criminal charges against Campbell relate to the same activities alleged in the Commission's complaint for civil injunctive action filed on March 7, 1994. In that complaint, the Commission alleged that from at least January 1990 until December 1992, Campbell, and others, raised \$26.9 million from over 1,300 investors through the offer and sale of investment contracts in an affinity-based "Ponzi" scheme in which investors lost at least \$12.5 million. The Commission also alleged that Campbell falsely represented that investor monies would be invested in purported construction contracts and that their principal would be guaranteed. The complaint further alleged that investor monies were used to repay prior investors, to pay commissions and for the personal enrichment of Campbell and others, including the financing of other businesses, payment of prior debts, unrelated personal investments and personal expenses.

The Commission acknowledges the assistance of the United States Postal Inspection Service in this matter. [U.S. v. William Jones Campbell 4:96-CR-033-Y, USDC, ND/TX, Fort Worth Div] (LR-14925)

JOHN ACORD AND DOUGLAS KENNETT SENTENCED

The Commission and the United States Attorney for the Northern District of Texas announced that on February 7, 1996, John Acord (Acord) and Douglas H. Kennett (Kennett) were sentenced to 51 months and 15 months imprisonment, respectively, three years on supervised release, and were ordered to pay restitution in the amount of \$10,000 and \$50,000, respectively. Acord and Kennett each plead guilty to one count of securities fraud from multiple count indictments. Acord began serving his prison term immediately and Kennett began serving his term on March 13, 1996.

The criminal charges against Acord and Kennett relate to the same activities alleged in the Commission's complaint for civil injunctive action filed on November 15, 1995. In that complaint, the Commission alleges that Acord and Kennett participated in the fraudulent offer and sale of limited partnerships formed to invest in low-income properties. The Commission asked the Court to permanently enjoin Acord and Kennett from future violations of the federal securities laws, order disgorgement of ill-gotten profits, and impose civil money penalties.

The Commission acknowledges the assistance of the State Securities Board of Texas in this matter. [U.S. v. John P. Acord, et al, 3:95-CR-250-P, USDC, ND/TX] (LR-14926)

CIVIL ACTION AGAINST COMPARATOR SYSTEMS CORPORATION

The Commission announced today that on May 31 it filed a lawsuit in federal district court in Los Angeles, California, alleging violations of the antifraud, books and records, and reporting provisions of the federal securities laws by Comparator Systems Corporation, company Chairman and CEO Robert Reed Rogers, director and vice-president Gregory Armijo, and former executive vice-president Scott Hitt. The Commission's complaint alleges that the defendants (including Comparator itself) sold tens of millions of shares of Comparator stock to investors while making material misrepresentations concerning the financial status of the Company, the Company's purported proprietary interest in certain fingerprint identification technology, and the company's other business activities.

The Commission's complaint alleges that Comparator issued false and misleading financial statements for the fiscal years ending June 30, 1994 and June 30, 1995 and for the first three quarters of fiscal year 1996, which grossly inflated the company's assets throughout that period. The complaint further alleges that Rogers, Hitt and Armijo caused Comparator to file these false financial statements for the purpose of enabling Comparator common stock to remain listed for trading on the National Association of Securities Dealers' Automated Quotation (NASDAQ) SmallCap Market System and to facilitate the sale of Comparator common stock to the public.

The complaint also alleges that the defendants made materially false and misleading statements to investors and prospective investors concerning Comparator's technology, including claims that Comparator owned certain patents and licenses that in fact it did not own. According to the complaint, defendants, among other fraudulent misrepresentations, claimed that Comparator had developed a new generation of fingerprint identification technology with substantial market potential, and demonstrated to prospective investors a device purportedly employing that new technology. The complaint alleges that, in fact, Rogers and Hitt had stolen a prototype of a device developed by individuals not associated with Comparator, who were actively attempting to have the device returned.

The Honorable Lourdes G. Baird, on ex parte application of the Commission, has entered a temporary restraining order prohibiting violations of the antifraud and other provisions of the federal securities laws and freezing the assets of the individual defendants.

The Commission's investigation is continuing as to other issues concerning Comparator and trading in its securities. The Commission acknowledges the assistance of the National Association of Securities Dealers in conducting its investigation. [SEC v. Comparator Systems Corporation, Robert Reed Rogers, Scott Hitt and Gregory Armijo, Civil Action No. 96-3856, LGB, C.D. Ca.] (LR-14927; AAE Rel. 786)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change (SR-CBOE-96-32) submitted by the Chicago Board Options Exchange to change the method for determining the exercise settlement value of options on the Mexican Indice de Precios y Cotizaciones. Publication of the notice is expected in the Federal Register during the week of June 11. (Rel. 34-37251; IS-987)

PROPOSED RULE CHANGE

The Commission received a proposed rule change filing (SR-Amex-96-18) by the American Stock Exchange proposing to list and trade warrants on a portfolio of ten equity securities, an equal-dollar weighted index developed by an issuer comprised of actively traded equity securities which are traded on the Amex, NYSE, or through NASDAQ/NMS. Publication of the notice is expected in the Federal Register during the week of June 10. (Rel. 34-37252)

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 following companies 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.

8K REPORTS

NAME OF ISSUER	STATE CODE	8K ITEM NO.								DATE	COMMENT
		1	2	3	4	5	6	7	8		
AAVID THERMAL TECHNOLOGIES INC	DE		X						X	05/16/96	
AFG RECEIVABLES CORP	CA				X					05/15/96	
AIRTOUCH COMMUNICATIONS INC	CA		X							05/14/96	
ALL-COMM MEDIA CORP	NV					X				05/28/96	
ALPHA BYTES INC	CO							X		05/10/96AMEND	
AMERICAN PHARMACEUTICAL CO /DE	DE				X					05/24/96	
AMX CORP	TX		X				X			05/16/96	
BEAZER HOMES USA INC	DE				X	X				05/30/96	
BLUEGREEN CORP	MA				X					05/15/96	
CADMUS COMMUNICATIONS CORP/NEW	VA				X	X				05/30/96	
CIBER INC	DE				X	X				05/21/96	
CITIZENS COMMUNITY BANCORP INC	FL	X								05/31/96	
COMMUNITY BANCORP INC /MA/	MA				X	X				05/21/96	
COMMUNITY BANKSHARES INC /NH/	NH		X	X	X					03/20/96AMEND	
COOPER COMPANIES INC	DE				X	X				05/30/96	
CPT HOLDINGS INC	MN				X		X			04/06/96AMEND	
CROWN PACIFIC PARTNERS L P	DE		X				X			05/30/96	
CYCARE SYSTEMS INC	DE				X	X				05/18/96	
DAYTON HUDSON RECEIVABLES CORP	MN				X					05/31/96	
DCI TELECOMMUNICATIONS INC	CO	X	X		X	X				02/10/95AMEND	
EDUDATA CORP	DE							X		05/20/96	
ENTERTAINMENT TECHNOLOGIES & PROGRAMS IN	DE	X	X	X	X	X	X			05/31/96	
EQCC HOME EQUITY LOAN TRUST 1996-2	DE				X	X				05/15/96	
EQUIMED INC	PA				X	X				03/18/96	
F & M DISTRIBUTORS INC	MI				X					05/28/96	
FFLC BANCORP INC	DE				X					05/31/96	
FIRST MIDWEST BANCORP INC	DE				X					05/31/96	
FRENCH FRAGRANCES INC	FL				X					05/31/96	
FURIA ORGANIZATION INC /DE/	DE				X					04/20/96AMEND	
GALEY & LORD INC	DE				X	X				05/20/96	
GENERAL GENETICS CORP	DE	X			X					05/15/96	
GOTHIC ENERGY CORP	DE		X							05/16/96	
HASKEL INTERNATIONAL INC	CA				X	X				05/21/96	
HOWELL CORP /DE/	DE				X					05/29/96	
HUNTER RESOURCES INC	PA						X			03/31/95AMEND	
IBT BANCORP INC /MI/	MI				X					05/15/96AMEND	
INAMED CORP	FL				X	X				05/24/96	
INDENET INC	DE		X			X				05/16/96	
INNOVEX INC	MN		X			X				05/16/96	
INTEGRATED MEASUREMENT SYSTEMS INC /OR/	OR				NO ITEMS					01/29/96	
INTEGRATED MEASUREMENT SYSTEMS INC /OR/	OR				NO ITEMS					05/24/96	
JMAR INDUSTRIES INC	DE		X				X			05/23/96	
JOCKEY CLUB INC	CA			X			X			04/24/95	
JOTAN INC	FL					X				05/14/96	
KLAMATH FIRST BANCORP INC	OR				X					05/31/96AMEND	
KOPPERS INDUSTRIES INC	PA						X			04/01/96AMEND	
KTI INC	NJ		X				X			04/11/96AMEND	
LOMAK PETROLEUM INC	DE						X			05/31/96AMEND	
M-SYSTEMS FLASH DISK PIONEERS LTD							X			05/29/96	
MARGO NURSERY FARMS INC	FL				X	X				05/30/96	
MARK VII INC	MO					X				05/31/96	

8&K REPORTS CONT.

NAME OF ISSUER	STATE	8&K ITEM NO.								DATE	COMMENT
	CODE	1	2	3	4	5	6	7	8		
MECHANICAL TECHNOLOGY INC	NY	X							X	05/16/96	
MID AMERICAN WASTE SYSTEMS INC	DE			X						05/23/96	
MORRISON KNUDSEN CORP	DE				X					05/29/96	
NARRAGANSETT ELECTRIC CO	RI				X					05/30/96	
NATIONAL MEDIA CORP	DE		X		X	X				05/17/96	
NCI BUILDING SYSTEMS INC	DE					X				05/31/96AMEND	
NELLCOR PURITAN BENNETT INC	DE						X			04/03/96AMEND	
NEUROTECH CORP	DE				X					05/31/96	
NEW ENGLAND COMMUNITY BANCORP INC	DE		X					X		05/21/96	
NEW ENGLAND ELECTRIC SYSTEM	MA				X					05/30/96	
NEW ENGLAND POWER CO	MA				X					05/30/96	
NIAGARA CORP	FL				X	X				05/28/96	
NORTH FORK BANCORPORATION INC	DE						X			03/15/96AMEND	
OLYMPIC FINANCIAL LTD	MN				X					05/05/96	
OMEGA HEALTH SYSTEMS INC	DE				X					05/17/96	
ORTEL CORP/DE/	DE						X			03/14/96AMEND	
PRUDENTIAL HOME MORTGAGE SECURITIES COMP	DE						X			05/28/96	
QUALITY DINING INC	IN				X	X				05/31/96	
REAL GOODS TRADING CORP	CA				X					05/21/96	
RENAL TREATMENT CENTERS INC /DE/	DE				X	X				05/28/96	
REPUBLIC INDUSTRIES INC	DE				X	X				05/31/96	
SECURITY LAND & DEVELOPMENT CORP	GA				X					05/16/96	
SI DIAMOND TECHNOLOGY INC	TX				X					05/20/96	
SILGAN CORP	DE				X					05/31/96	
SILGAN HOLDINGS INC	DE				X					05/31/96	
SOURCE ONE MORTGAGE SERVICES CORP	DE						X			05/28/96	
SOURCE ONE MORTGAGE SERVICES CORP	DE						X			05/28/96	
STAODYN INC	DE				X					05/28/96	
STERLING FINANCIAL CORP /PA/	PA		X							05/28/96	
SYNBIOTICS CORP	CA				X					05/14/96	
SYSTEMIX INC /DE	DE		X							05/24/96	
TELETIMER INTERNATIONAL INC	DE		X	X		X	X			05/12/96	
TOKN INC	NY									NO ITEMS	05/28/96
TOP SOURCE TECHNOLOGIES INC	DE		X							05/31/96	
TOWER AUTOMOTIVE INC	DE		X					X		05/31/96	
TRIDON ENTERPRISES INC	CO				X					05/24/96	
UMC ELECTRONICS CO	DE						X			04/30/96	
VIE DE FRANCE CORP	DE				X					05/13/96	
VIVUS INC	CA				X					05/31/96	
WASHINGTON CONSTRUCTION GROUP INC	DE				X	X				05/28/96	
WASHINGTON MUTUAL SAVINGS BANK MORT BACK	WA						X			03/31/96	
WASHINGTON REAL ESTATE INVESTMENT TRUST	DC		X				X			05/17/96	
WINSTON RESOURCES INC	DE				X		X			05/01/96	
ZFAX IMAGE CORP						X				05/23/96	
ZYCAD CORP	DE		X							05/24/96	