

sec news digest

Issue 95-190

October 2, 1995

COMMISSION ANNOUNCEMENTS

SECTION 6(b) FEE RATE

Registrants should be aware that a Continuing Resolution was enacted, as of October 1, 1995, which maintains the fee rate on filings made pursuant to Section 6(b) of the Securities Act of 1933 at the current rate of 1/29th of one percent. Please contact the SEC's filing desk at (202) 942-8050 or Filer Support at (202) 942-8900 if further information is required.

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST R. MARVIN MEARS AND MORRIS LERNER

The Commission announced that administrative proceedings were instituted against R. Marvin Mears and Morris L. Lerner involving their conduct relating to Corporate Capital Resources, Inc., a business development company. Previously, Mears and Lerner were enjoined for fraud and filing violations of the federal securities laws. A hearing will be held to determine whether the allegations are true. (Rel. IC-21383)

VAN KAMPEN AMERICAN CAPITAL ASSET MANAGEMENT, INC., CENSURED AND FINED

The Commission today announced the institution of public administrative proceedings under the Investment Advisers Act of 1940 (Advisers Act) against Van Kampen American Capital Asset Management, Inc. (American Capital), a registered investment adviser located in Houston, Texas. Simultaneously, the Commission accepted American Capital's Offer of Settlement. The Commission found American Capital had inadequate policies and procedures in place to detect and prevent violations by the

fund manager of American Capital Federal Mortgage Trust (ACFMT). During the period from August 4 to August 26, 1993, the fund manager for ACFMT deliberately mispriced as many as five of certain derivative securities held in ACFMT's portfolio in an attempt to conceal their declining value in violation of the federal securities laws. By the time American Capital discovered the scheme, the derivative securities were overvalued by as much as \$6.88 million and the Fund was calculating an inflated net asset value by as much as 76 cents per share. As a result, American Capital failed to reasonably supervise the fund manager with a view to preventing his violations of the antifraud provisions of the Investment Company Act of 1940 (Investment Company Act), and aiding and abetting violations of the recordkeeping and pricing of redeemable securities provisions of the Investment Company Act and antifraud provisions of the Advisers Act. American Capital consented to the entry of the Order without admitting or denying the Commission's findings.

The Order provides: that American Capital be censured; that American Capital certify that it has adopted and implemented comprehensive written policies and procedures to ensure compliance with the pricing of redeemable securities provisions of the Investment Company Act and undertake to maintain and comply with such policies and procedures; and that American Capital pay a civil penalty in the amount of \$50,000. (Rel. IA-1525)

CARDINAL MANAGEMENT CORP. SANCTIONED

The Commission instituted public proceedings pursuant to Sections 9(b) and 9(f) the Investment Company Act of 1940 (IC Act) and Sections 203(e) and (k) of the Investment Advisers Act of 1940 (Advisers Act) against Cardinal Management Corp. (Cardinal), a registered investment adviser which managed the assets of the Cardinal Tax Exempt Money Trust (Fund), a registered investment company. Simultaneously, the Commission accepted Cardinal's offer of settlement wherein, without admitting or denying the Commission's findings, Cardinal consented to the entry of an Order by the Commission that orders it to cease and desist from causing any violation of Section 13(a) of the IC Act and Rule 22c-1 thereunder and from committing or causing any violation of Section 34(b) of the IC Act and Section 207 of the Advisers Act, censures Cardinal and orders it to pay a penalty of \$35,000.

The Commission found that Cardinal caused the Fund to hold eight auction rate notes during the period from August 1991 until July 1993, that failed to meet the maturity requirements for a money market fund and were, therefore, ineligible securities. The Commission also found that during the period from August 1983 until July 1993, Cardinal purchased securities of another investment company for the Fund which was in violation of the Fund's investment restrictions. Finally, the Commission found that Cardinal had misrepresented and omitted to state material facts concerning the purchases of these ineligible securities. (Rel. IA-1526; IC-21384)

PORTFOLIO MANAGER SETTLES CONFLICT OF INTEREST CHARGES WITH THE COMMISSION

Roger W. Honour (Honour) submitted an offer settlement, which the Commission accepted, in the administrative and cease and desist proceeding instituted by the Commission in which he agreed to, among other things, disgorge \$115,615 and \$45,482.40 in prejudgment interest, pay a \$275,000 civil penalty and refrain from personal trading while associated with an investment adviser or investment company.

Between 1990 and 1992, Honour engaged in a pattern of personal trading in conflict of interest with his clients while associated with two separate investment advisers. He traded on 25 instances in 24 securities in which the investment advisers' clients were also trading. He traded within seven days, and within 21 days in one instance, of the clients' trades in securities with low daily trading volume. Because he could profit from the clients' trading he should have disclosed his personal transactions. Moreover, Honour failed to complete required disclosure of 12 personal securities transactions while associated with the second investment adviser. The Commission found that Honour violated Section 17(j) of the Investment Company Act of 1940 and Rule 17j-1(a) and (c) and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940. (Rel. IC-21385; IA-1527)

ORDER INSTITUTING PUBLIC PROCEEDINGS AND NOTICE OF HEARING PURSUANT TO SECTION 203(e) OF THE INVESTMENT ADVISERS ACT OF 1940 AGAINST VALICENTI ADVISORY SERVICES, INC. AND PURSUANT TO SECTIONS 203(f) AND 203 (k) OF THE ADVISERS ACT AGAINST VINCENT VALICENTI

On September 29, the Commission instituted public administrative proceedings against Valicenti Advisory Services, Inc. (VAS) of Elmira, New York, pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 (Advisers Act), and proceedings against its principal, Vincent R. Valicenti (Valicenti) pursuant to Sections 203(f) and 203(k) of the Advisers Act.

The Order Instituting Public Proceedings (Order) alleges VAS, willfully aided and abetted by Valicenti, willfully violated the anti fraud provisions of Sections 206(1) and 206(2) of the Advisers Act, and the advertising provisions of Section 206(4) of the Advisers Act and Rule 206(4)-1(a)(5) thereunder from approximately mid-1992 to approximately December 1993, by distributing, to clients and prospective clients, charts and bar graphs that falsely and misleadingly portrayed VAS' performance. The Order also alleges that VAS, willfully aided and abetted by Valicenti, willfully violated the advertising provisions of Section 206(4) of the Advisers Act and Rules 206(4)-1(a)(2) and 206(4)-1(a)(5) from approximately 1991 to approximately December 1993, by distributing and causing to be distributed, to clients and prospective clients, a hypothetical customer portfolio that misleadingly showcased some, but not all, of VAS' recommended securities, and was also misleadingly suggestive of performance for those securities.

A hearing will be scheduled to determine what, if any, remedial action is appropriate in the public interest against VAS and Valicenti. (Rel. IA-1528)

ORDER INSTITUTING PUBLIC PROCEEDINGS AND NOTICE OF HEARING PURSUANT TO SECTION 15(b) OF THE SECURITIES EXCHANGE ACT OF 1934 AGAINST ROBERT MOSES

On September 29, the Commission instituted public administrative proceedings against Robert I. Moses (Moses) of Queens, New York, pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (Exchange Act).

The Order Instituting Proceedings (Order) alleges Moses was permanently enjoined on February 23, 1994 by the United States District Court for the Southern District of New York, in an action entitled SEC v. Microwave Cable T.V. Partners, et al., 94 Civ. 5666 (MGC) from further violations of the registration provisions of Section 5 of the Securities Act of 1933 (Securities Act) and the antifraud provisions of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The Commission's complaint in that action charged that Moses violated the registration and anti fraud provisions in two limited partnership offerings, by making false and misleading statements to public investors and by diverting offering proceeds to undisclosed uses.

A hearing will be scheduled to determine what, if any, remedial action is appropriate in the public interest against Moses. (Rel. 34-36297)

ADMINISTRATIVE PROCEEDING INSTITUTED AND SETTLED AGAINST KENNETH MITCHELL WIGGINS, JR.

On September 29, the Commission instituted an administrative proceeding pursuant to Sections 15(b) and 19(h) of the Exchange Act against Kenneth Mitchell Wiggins, Jr. (Wiggins), a registered representative associated with First Cascade Securities, a broker-dealer registered with the Commission. Simultaneously with the institution of the Order, the Commission accepted Wiggins' Offer of Settlement wherein, without admitting or denying the Commission's findings, Wiggins agreed to the entry of an order barring him from association with any broker, dealer, municipal securities dealer, investment adviser or investment company.

Wiggins consented to the administrative order based upon an Order of Permanent Injunction and Other Relief entered against Wiggins and his company on August 7, 1995. Wiggins was permanently enjoined from violations of the antifraud provisions of the Securities Act and Exchange Act, based upon Wiggins' participation in the fraudulent offer and sale of promissory notes coupled with assignments of fractionalized interests in 19th century Peruvian gold bonds (SEC v. Kenneth Mitchell Wiggins, Jr. and Wiggins & Company, Inc., Civil Action No. C-94-1455WD, WD Wa.). (Rel. 34-36298)

CEASE AND DESIST ORDER IMPOSED AGAINST STYLEX HOMES, INC., RICHARD ENGEL AND JAMES KONIDES

The Commission announced that it has issued an Order Instituting Proceedings Pursuant to Section 8A of the Securities Act of 1933 (Securities Act) and Section 21C of the Securities Exchange Act of 1934 (Exchange Act), Making Findings, and Imposing a Cease and Desist Order (Order) against Stylex Homes, Inc. (Stylex), Richard Brock Engel (Engel) of Maybank, Texas, Stylex's former chairman, and James A. Konides (Konides) of Punta Gorda, Florida, Stylex's former president. The Commission simultaneously accepted Offers of Settlement in which Stylex, Engel and Konides, without admitting or denying the Commission's findings, consented to the entry of the Order which requires that Stylex and Konides cease and desist from committing or causing any violation and any future violation of, Section 17(a) of the Securities Act, Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, and Rules 10b-5, 12b-20, 13a-1, 13a-11 and 13a-13, and that Engel cease and desist from committing or causing any violation and any future violation of these provisions and Rule 13b2-2. The Commission found that from March 1993 through April 1993, Stylex, Engel and Konides distributed a private placement memorandum to investors and prospective investors in connection with the offer and sale of Stylex's securities which contained misrepresentations and omissions of material facts. The Commission also found that from September 1992 through April 1993, Stylex filed periodic reports with the Commission which contained materially false statements and omissions, failed to make and keep books, records and accounts, and failed to devise and maintain a system of internal control as required by the federal securities laws. (Rel. 33-7229; 34-36299; AAE Rel. 722)

THOMAS DRYSDALE BARRED

The Commission announced today the entry of an Order Instituting Proceedings, Making Findings and Imposing Remedial Sanctions against Thomas S. Drysdale (Drysdale) barring him from association with any broker, dealer, investment adviser, investment company or municipal securities dealer. Drysdale consented to the entry of the Commission's Order without admitting or denying the findings contained therein, except those relating to his association with broker-dealers registered with the Commission and the entry of a permanent injunction, which he admitted. The Commission's Order against Drysdale finds that during the relevant period, Drysdale was associated with broker-dealers registered with the Commission. The Order also finds that Drysdale willfully violated the antifraud provisions of the securities laws in that, from December 1991 through at least January 1992, in connection with the offer and sale of limited partnership units in the Omega Limited Partnership, Drysdale misrepresented and omitted to state material facts to investors concerning the use of investor proceeds, and the risk, liquidity and profitability of Omega units. Finally, the Order finds that in November 1994, an Order of Permanent Injunction and Other Equitable Relief was entered against Drysdale enjoining him from future violations of the antifraud provisions. (Rel. 34-36300)

ADMINISTRATIVE PROCEEDINGS ORDERED IN THE MATTER OF THOMAS WORD AND DAWN WORD

The Commission announced today that it has issued an Order Instituting Proceedings Pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934, Making Findings and Imposing Remedial Sanctions against Dawn Dailey Word (D. Word) and Thomas J. Word (T. Word). D. Word and T. Word were formerly associated with First Alliance Securities, Inc. (First Alliance), a now defunct penny stock broker-dealer headquartered in Atlanta, Georgia.

The Commission simultaneously accepted an Offer of Settlement from both T. Word and D. Word in which they consented to the Order without admitting or denying the Commission's findings, except for the fact that on September 28, 1995, a Final Judgment of Permanent Injunction was entered against T. Word and D. Word, permanently enjoining them from future violations of the antifraud provisions of the federal securities laws, and that on October 27, 1994, in the United States District Court for the Northern District of Georgia, Word and Anders were convicted of conspiracy to commit securities fraud based upon their conduct while at First Alliance.

D. Word was also convicted of nine counts of securities fraud, three counts of wire fraud, and one count of interstate transportation of monies taken by fraud. The indictment alleged that T. Word and D. Word, as a registered representative and unregistered stockbroker, respectively, with First Alliance, made misrepresentations to clients, made unauthorized trades in their accounts, and that they omitted to state to clients that First Alliance had a policy prohibiting net-selling. The Commission's Order barred both T. Word and D. Word from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. The Order further barred them from participating in any offering of penny stock. (Rel. 34-36304)

SETTLEMENT OFFER OF STEPHEN STRABALA ACCEPTED

The Commission announced the acceptance of Stephen T. Strabala's (Strabala) Offer of Settlement and the entry of an Order Instituting Public Proceedings, Making Findings and Imposing Remedial Sanctions.

Strabala consented to the issuance of the Order without admitting or denying the Commission's findings. The Order contains findings that during the period from August 1992 through September 1993, Strabala engaged in a scheme to defraud Columbiana County, Ohio, by investing its funds in risky stocks and options, concealing these investments from Columbiana, and misappropriating \$334,000 of the county's funds. The Order contains findings that Strabala caused losses totaling \$5.7 million. The Order further contains findings that Strabala falsely

stated to Columbiana that its funds were invested in U.S. Treasury securities and certificates of deposit. The Order also contains findings that Strabala caused certain broker-dealers to keep false account opening records. According to the findings, by virtue of that conduct, Strabala willfully violated the antifraud and broker-dealer registration provisions, and willfully aided and abetted books and records provisions, of the federal securities laws.

The Commission's Order permanently bars Strabala from association with any broker, dealer, investment company, investment adviser or municipal securities dealer. (Rel. 34-36305)

PUBLIC ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST GRANT ROSS

The Commission announced that it instituted public administrative proceedings against Grant C. Ross pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 (Exchange Act).

The Order Instituting Proceedings (Order) alleges that, between September 1987 and March 1990, while Ross was associated as a registered representative with Prudential Securities, Inc. (PSI), a securities broker-dealer registered with the Commission, he defrauded two elderly PSI customers by churning their accounts, placing them in unsuitable investments, and making various misrepresentations.

The Order also alleges that Ross was enjoined on April 15, 1994 from violations of Sections 5(a), 5(c) and 17(a) of the Securities Act and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder. The Commission's complaint alleged that, from January 1992 through June 1993, Ross and others, through GCP Financial, Inc. (GCP), sold unregistered securities, misrepresented the use of investors' funds, misappropriated investors' funds and failed to register GCP as a broker-dealer. Ross was convicted on October 20, 1994 on six counts of mail fraud in connection with this conduct.

The Order bars Ross from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. (Rel. 34-36307)

GOODY'S FAMILY CLOTHING, INC. AND ROBERT GOODFRIEND SANCTIONED

The Commission announced the settlement of an enforcement action brought against Goody's Family Clothing, Inc. (Goody's) and its Chairman and Chief Executive Officer Robert M. Goodfriend (Goodfriend). Goody's, without admitting or denying the findings, consented to the entry of the Order requiring it to cease and desist from committing or causing any violation or any future violation of Sections 13(a) and 13(b)(2)(A) and (B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-13 and 13b2-1 thereunder. Goodfriend, without admitting or denying the findings, consented to the entry of the Order requiring him to cease and desist from committing or causing any violation or any future violation of Exchange Act Rule 13b2-1, and from causing any violation or any future violation of Sections 13(a) and 13(b)(2)(A) and (B) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder.

. .

The Order indicates that Goody's, as an issuer of securities required to file regular reports with the Commission, improperly accounted for two checks given to the company by Goodfriend in order to purchase an investment made by the company. While holding the checks uncashed, Goody's improperly classified them as cash or cash equivalents instead of related party receivables. Certain of Goody's required reports thus failed to conform to generally accepted accounting principles. Additionally, Goody's books and records were inadequate and the company's internal controls were circumvented. Goodfriend committed violations and caused Goody's violations. (Rel. 34-36308)

DONALD VANDENBERG SANCTIONED

The Commission announced the settlement of an enforcement action brought against Donald A. Vandenberg (Vandenberg), the former Chief Financial Officer of Goody's Family Clothing, Inc. (Goody's). Vandenberg, without admitting or denying the findings, consented to the entry of the Order requiring him to cease and desist from committing and causing any violation or any future violation of Exchange Act Rules 13b2-1 and 13b2-2 and from causing any violation or any future violation of Sections 13(a) and 13(b)(2)(A) and (B) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder and also suspends his privilege of appearing before the Commission as an accountant with a right to reapply after three years.

The Order indicates that Goody's, as an issuer of securities required to file regular reports with the Commission, improperly accounted for two checks given to the company by its Chairman and Chief Executive Officer in order to purchase an investment made by the company. While holding the checks uncashed, Goody's improperly classified them as cash or cash equivalents instead of related party receivables. Certain of Goody's required reports thus failed to conform to generally accepted accounting principles. Additionally, Goody's books and records were inadequate and the company's internal controls were circumvented. Vandenberg, in his position as Chief Financial Officer, was responsible for these acts. (Rel. 34-36309; AAE Rel. 723)

ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST VINCENT MILITANO AND MILTON SONNEBERG

The Commission instituted public administrative proceedings under the Securities Exchange Act of 1934 (Exchange Act) against Vincent Militano (Militano) and Milton Sonneberg (Sonneberg), former registered representatives with Moore & Schley, Cameron & Co. (Moore & Schley), a now defunct broker-dealer located in New York, New York. Simultaneously with the institution of the proceeding, the Commission accepted Militano's and Sonneberg's offers of settlement, under which Militano and Sonneberg each consented, without admitting or denying the findings, to the entry of the Order Instituting Public Administrative Proceedings Pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934, Making Findings and Imposing Remedial Sanctions (Order). The Order permanently bars Militano and Sonneberg from association with any broker, dealer, investment adviser, investment company or municipal securities dealer.

The Commission found that, between August 1987 and December 1988, Militano and Sonneberg willfully violated Exchange Act Sections 9(a), 10(b) and 13(d) and Rule 10b-5 thereunder, and aided and abetted violations of Exchange Act Section 7(c) and 15(c)(1) by participating in a scheme to manipulate the price of Institute of Clinical Pharmacology, plc (ICP) American Depository Receipts (ADRs), and Chase Medical Group (Chase Medical) common stock. In addition, the Commission found that Militano and Sonneberg were both enjoined on consent and each pleaded guilty to criminal charges in connection with the Chase Medical manipulation. (Rel. 34-36312)

JOSEPH GRENDI, CPA, JOHN MCQUADE, CPA, AND PHILIP MCGINN, CPA ARE EACH DENIED PRIVILEGE OF PRACTICING OR APPEARING BEFORE THE COMMISSION

The Commission has instituted public administrative proceedings, pursuant to Rule 102(e) of the Commission's Rules of Practice, against Joseph E. Grendi, CPA (Grendi), John K. McQuade, CPA (McQuade) and Philip M. McGinn, CPA (McGinn), former officers and employees of EMCOR Group, Inc. (formerly known as JWP, Inc.) (JWP). Simultaneously with the institution of the proceedings, the Commission accepted settlement offers from Grendi, McQuade and McGinn each (collectively, Respondents). The Respondents consented to the entry of an order, whereby they each are denied the privilege of appearing or practicing before the Commission, with the right to apply to resume appearing or practicing before the Commission after five years. The Commission found that the Respondents each consented to the entry of a Final Judgment of Permanent Injunction and Other Equitable Relief, without admitting or denying the allegations contained in the Commission's complaint (SEC v. Ernest W. Grendi, et al., 95 Civ. 8085, DAB, SDNY, Sept. 21, 1995; LR 14647; AEER 715). The Commission's complaint alleges, among other items, that between January 1991 and August 1992, the Respondents, knowingly or recklessly, participated in a fraudulent accounting scheme, which involved recording fictitious, and other improper, accounting entries, prohibiting the proper recording of expenses, and maintaining overvalued assets on the books and records of JWP and its subsidiaries. As a result, for its year ended December 31, 1991, JWP reported net income of \$60.3 million, which was materially overstated by approximately \$31.4 million; for its quarter ended March 31, 1992, JWP reported net income of \$1.4 million, which was materially overstated by approximately \$14.6 million; and, for its quarter ended June 30, 1992, JWP disclosed net income \$393,000, which was materially overstated by approximately \$54 million. (Rels. 33-7230; 34-36313; AAE Rel. 724)

ACCOUNT MANAGEMENT CORPORATION, PETER DE ROETHH AND RICHARD ALBRIGHT SANCTIONED

The Commission issued an Order Instituting Proceedings, Making Findings, Imposing Sanctions and Cease-and-Desist Order against Account Management Corporation, Peter de Roethh, and Richard C. Albright. Simultaneously, the Commission accepted Offers of Settlement from AMC, de Roethh and Albright, in which they consented to the Order without admitting or denying the Commission's findings.

The Order finds that AMC, aided and abetted by de Roetth and Albright, breached its statutory fiduciary duty to its clients by not adequately disclosing its policy concerning how it allocated shares in "hot" initial public offerings nor seeking over time to distribute the shares equitably to all eligible accounts. The Order also finds that AMC, de Roetth and Albright aided and abetted and caused others to execute stock purchases for AMC's clients without sufficient funds available to pay for the purchases, resulting in prohibited free riding.

Pursuant to the Order, M&C, de Roetth and Albright just, among other things, cease and desist from committing or causing violations and future violations of Section 206(2) of the Investment Advisers Act, Sections 7(c), 7(d) and 11(d) of the Exchange Act and Regulations T and U thereunder. The Order also censures AMC, de Roetth and Albright and directs AMC to pay a civil penalty in the amount of \$100,000. (Rel. 34-36314; IA-1529)

CEASE AND DESIST ORDER ENTERED AGAINST TRISTAR CORP.

The Commission instituted public administrative proceedings under section 21C of the Exchange Act to determine whether Tristar violated the antifraud, reporting, proxy, internal controls and books and records provisions of the Exchange Act. Without admitting or denying the findings therein, Tristar consented to the entry of a Cease and Desist Order.

The Commission found that between 1988 and 1992, certain annual, quarterly and other reports, along with certain press releases, contained false statements and failed to disclose significant facts. Tristar did not disclose that it was controlled by its principal supplier or that 65% of its stock was held by a group of shareholders. Tristar also failed to disclose material related party transactions and total export sales. Finally, Tristar's filings also overstated net income for fiscal 1987 as a result of booking a false credit memo. (Rel. 34-36315; AAE Rel. 725)

CEASE AND DESIST ORDER ENTERED AGAINST JOHN WATERS

The Commission instituted public administrative proceedings under section 21C of the Exchange Act to determine whether John Waters, the Chief Financial Officer of Tristar Corporation between 1990 and 1992, caused Tristar to violate the corporate disclosure and books and records provisions of the Exchange Act. Without admitting or denying the findings therein, Waters consented to the entry of a Cease and Desist Order.

The Order finds that in 1991, following instructions from the Chief Operating Officer, Waters directed his staff to record a false "product

development" charge account to conceal proposed compensation for the company's then President and Chairman of the Board. Waters caused Tristar to violate the issuer disclosure provisions of the Exchange Act with respect to the Tristar's 1991 10-K and Forms 10-Q for fiscal quarters ended November 30, 1990 through February 29, 1992. These filings failed to disclose material related party transactions. (Rel. 34-36316; AAE Rel. 726)

CEASE AND DESIST ORDER ENTERED AGAINST ROGER MICHAEL ROSENBERG, MICHAEL EDWIN EMERY AND TALMADGE LEGRAND CRAPPS

The Commission instituted public administrative proceedings under section 21C of the Exchange Act to determine whether Roger Rosenberg, Michael Emery and LeGrand Crapps violated various provisions of the Exchange Act in connection with their responsibilities at Tristar Corporation. Without admitting or denying the findings therein, Rosenberg, Emery and Crapps consented to the entry of a Cease and Desist Order.

The Order finds that Rosenberg, Tristar's former General Counsel, Emery, the former Chief Operating Officer, and Crapps, a former Chief Financial Officer failed to cause Tristar to disclose that Tristar was controlled by its principal supplier, or that 65% of its stock was held by one group of shareholders. Emery and Crapps, when signing filings with the Commission, failed to disclose material related party transactions with the majority shareholders. Emery was aware of and Crapps was involved in the booking of a false credit that inflated Tristar's net income. Emery and Crapps also were involved in the creation of false accounts to reverse the effect of the false credit. Finally, Emery and Crapps signed false letters of representation to Tristar's auditors. (Rel. 34-36317; AAE Rel. 727)

CEASE AND DESIST ORDER ENTERED AGAINST STARION INTERNATIONAL LTD., TRANSVIT INVESTMENT CORP., VILEAUROSE CHIMIQUE, S.A., SHASHIKANT SUNDERLAL SHETH, VIRENDRA SUNDERLAL SHETH AND JAYESH JAMNADAS SHETH

The Commission instituted public administrative proceedings under section 21C of the Exchange Act to determine whether Starion, Transvit, Vileaurose and Shashi Sheth violated beneficial ownership disclosure provisions of the Exchange Act in connection with the acquisition of 65% of the stock of Tristar Corporation; and whether Shashi, Viren and Jay Sheth caused Tristar to violate the periodic reporting provisions of the Exchange Act. Without admitting or denying the findings therein, the six respondents consented to the entry of a Cease and Desist Order.

The Order finds that members of two families from Dubai, United Arab Emirates, failed to make timely disclosure of their beneficial ownership of Tristar stock acquired through Starion, Transvit and Vileaurose, offshore holding companies. Shashi Sheth was a member of one of the Dubai families, a Tristar director and indirect beneficial owner of that stock. Additionally, Viren and Jay Sheth, who owned Tristar's principal fragrance supplier, controlled Tristar's operations

by virtue of their voting control of a Management Committee. Shashi, Viren and Jay Sheth failed to take steps to cause Tristar to disclose material facts in three annual reports on Form 10-K. (Rel. 34-36318; AAE Rel. 728)

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-3 MOTOROLA INC, 1303 E ALGONQUIN RD, SCHAUMBURG, IL 60196 (708) 576-5000
(FILE 33-62911 - SEP. 25) (BR. 7)
- S-1 LEXMARK HOLDING INC \DE\, 55 RAILROAD AVE, GREENWICH, CT 06836
(203) 629-6700 - \$345,000,000 COMMON STOCK. UNDERWRITER:
DONALDSON LUFKIN & JENRETTE SEC, GOLDMAN SACHS & CO, MERRILL LYNCH & CO,
MORGAN STANLEY & CO, SMITH BARNEY INC. (FILE 33-97218 - SEP. 22) (BR. 10
- NEW ISSUE)
- F-1 CREDICORP LTD, CLARENDON HOUSE, CHURCH ST, HAMILTON BERMUDA, DO
(809) 296-0985 - \$115,000,000 COMMON STOCK. UNDERWRITER:
MORGAN STANLEY & CO, MORGAN JP SECURITIES INC. (FILE 33-97224 - SEP. 22)
(BR. 12 - NEW ISSUE)
- S-1 FIRST COLORADO BANCORP INC, 215 S WADSWORTH BLVD, LAKEWOOD, CO 80226
(303) 232-2121 - 25,112,031 (\$251,120,310) COMMON STOCK. UNDERWRITER:
RYAN BECK & CO. (FILE 33-97228 - SEP. 22) (BR. 2 - NEW ISSUE)
- S-1 LUMISYS INC \DE\, 238 SANTA ANA COURT, SUNNYVALE, CA 94086
(408) 733-6565 - 3,450,000 (\$37,950,000) COMMON STOCK. UNDERWRITER:
HAMBRECHT & QUEST, UBS SECURITIES INC, VOLPE WELTY & CO. (FILE 33-97230 -
SEP. 22) (BR. 9)
- S-8 J A INDUSTRIES INC, 1150 EAST PALMDALE STREET, TUCSON, AZ 85714
(212) 344-0500 - 10,000 (\$20,000) COMMON STOCK. (FILE 33-97234 - SEP. 22)
(BR. 5)
- S-8 SEATTLE BREWING CO, 14655 WOODINVILLE REDMOND RD NE, WOODVILLE, WA 98072
(206) 485-5432 - 250,000 (\$672,500) COMMON STOCK. (FILE 33-97248 -
SEP. 22) (BR. 11)
- S-8 UNIROYAL TECHNOLOGY CORP, ONE SARASOTA TOWER `STE 900,
TWO NORTH TAMiami TRAIL, SARASOTA, FL 34236 (813) 366-5282 - 125,000
(\$500,000) COMMON STOCK. (FILE 33-97250 - SEP. 25) (BR. 5)