

# SEC NEWS DIGEST

Issue 98-8

January 13, 1998

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## COMMISSION ANNOUNCEMENTS

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### SEC ANNOUNCES SELECTION OF JAMES ADELMAN AS ASSOCIATE DISTRICT ADMINISTRATOR OF THE COMMISSION'S BOSTON DISTRICT OFFICE

The Commission today announced the selection of James B. Adelman as Associate District Administrator in the Commission's Boston District Office (BDO). The BDO maintains enforcement and regulatory programs in the six New England states. As Associate District Administrator, Mr. Adelman will assist the District Administrator in overseeing these programs.

Mr. Adelman is currently a partner in the law firm of Choate, Hall & Stewart and serves in the litigation department concentrating on securities law matters. Mr. Adelman joined the firm in 1995. Prior to that time, Mr. Adelman was the Assistant District Administrator (Enforcement) for the BDO. Mr. Adelman initially joined the Commission staff in 1986 as an attorney in the Division of Enforcement in Washington, D.C. and has served in several positions of increasing responsibility in the enforcement program.

Mr. Adelman graduated from Bucknell University in 1977 and received his J.D. degree from the American University Law School in 1981. (Press Rel. 98-2)

### CHANGE IN THE MEETING: TIME CHANGE

The time for the closed meeting scheduled for Thursday, January 15, 1998, at 10:00 a.m., has been changed to 2:00 p.m.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary (202) 942-7070.

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## ENFORCEMENT PROCEEDINGS

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INITIAL DECISION IN THE MATTER OF IMS/CPAs & ASSOCIATES, VERNON HALL,  
STANLEY HARGRAVE AND JEROME VERNAZZA

In administrative proceeding IMS/CPAs & Associates, Vernon T. Hall, Stanley E. Hargrave, and Jerome B. Vernazza, Administrative Law Judge Brenda P. Murray has found that, in connection with the operation of IMS/CPAs & Associates (IMS), a registered investment adviser since 1988, (1) Respondents violated the antifraud provisions of the securities statutes and rule thereunder, including Sections 206 of the Investment Advisers Act (Advisers Act); (2) IMS and Mr. Vernazza violated Section 204 of the Advisers Act and Rule 204-3 thereunder, and that Mr. Hall and Mr. Hargrave aided and abetted IMS's violations of those provisions; and (3) IMS, Mr. Hargrave, and Mr. Vernazza violated Section 207 of the Advisers Act.

The illegal actions occurred in the period 1992 - 1996. IMS, a partnership, was owned by the individual Respondents and did business as Hall & Vernazza, CPAs in Arizona and California. Mr. Vernazza has been a registered investment adviser individually since 1986 as Jerome Ben Vernazza d/b/a IMS/CPAs & Associates.

Based on the violations and public interest considerations, Judge Murray (1) suspended the investment adviser registrations of IMS and Jerome Ben Vernazza d/b/a IMS/CPAs & Associates for six months, (2) suspended Vernon T. Hall, Stanley E. Hargrave, and Jerome B. Vernazza from association with an investment adviser for six months, (3) ordered all the Respondents to cease and desist from committing or causing any present or future violations of the antifraud provisions mentioned above and Section 204 of the Advisers Act and Rule 204-3 thereunder, (4) ordered IMS and Respondents Hargrave and Vernazza to cease and desist from committing or causing any present or future violations of Section 207 of the Advisers Act, and (5) ordered the Respondents, jointly and severally, to disgorge \$75,032.78, minus the amount Mr. Vernazza has refunded to clients, plus prejudgment interest from August 1, 1996. (Initial Decision No. 119; File No. 3-9042)

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**INVESTMENT COMPANY ACT RELEASES**

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GOLDMAN, SACHS & CO., ET AL.

A notice has been issued giving interested persons until January 30 to request a hearing on an application filed by Goldman, Sachs & Co., Goldman Sachs Asset Management, Goldman Sachs Variable Insurance Trust, and Goldman Sachs Asset Management International (Applicants). Applicants seek an order under Section 6(c) of the Investment Company Act granting exemptions from the provisions of Sections 9(a), 13(a), 15(a) and 15(b) of the Act, and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder, to the extent necessary to permit life insurance company separate accounts supporting variable life insurance contracts (and their insurance company depositors) to

invest in shares of the Goldman Sachs Variable Insurance Trust or a future trust (Trust) when the following other types of investors also hold shares of the Trust: (1) a variable life insurance (VLI) account of a life insurance company that is not an affiliated person of the insurance company depositor of any VLI account, (2) the Trust's investment adviser (representing seed money investments in the Trust), (3) a life insurance company separate account supporting variable annuity contracts, and/or (4) a qualified pension or retirement plan. (Rel. IC-22995 - January 8)

**THE DREYFUS SOCIALLY RESPONSIBLE GROWTH FUND, INC., AND THE DREYFUS CORPORATION**

A notice has been issued giving interested persons until February 3, 1998, to request a hearing on an application filed by The Dreyfus Socially Responsible Growth Fund, Inc. (Fund) and The Dreyfus Corporation (Dreyfus) (together, Applicants). Applicants seek an order to permit shares of the Fund and shares of any other investment company or portfolio thereof that is designed to fund insurance products and for which Dreyfus or any of its affiliates may serve in the future, as investment adviser, administrator, manager, principal underwriter, or sponsor to be sold to and held by: (1) separate accounts funding variable annuity and variable life insurance contracts issued by both affiliated and unaffiliated life insurance companies; and (2) qualified pension and retirement plans outside of the separate account context. (Rel. IC-22996 - January 9)

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**HOLDING COMPANY ACT RELEASES**

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**THE CONNECTICUT YANKEE ATOMIC POWER COMPANY**

A notice has been issued giving interested persons until February 2, 1998 to request a hearing on a proposal by The Connecticut Yankee Atomic Power Company (CY), a utility subsidiary of The New England Electric System and Northeast Utilities, each a registered holding company. CY requests that the Commission authorize through December 31, 2002 the sale of certain goods and contract rights to associates at a price other than cost. (Rel. 35-26813)

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**SELF-REGULATORY ORGANIZATIONS**

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**APPROVAL OF PROPOSED RULE CHANGE**

The Commission approved a proposed rule change submitted by the American Stock Exchange (SR-Amex-97-29 ) relating to listing and trading of DIAMONDS<sup>SM</sup> trust units. (Rel. 34-39525)

## APPLICATION FOR CLEARING AGENCY REGISTRATION

The Government Securities Clearing Corporation filed an application requesting that the Commission grant GSCC full registration as a clearing agency (File No. 600-23). Publication of the application is expected in the Federal Register during the week of January 12. (Rel. 34-39526)

## ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change filed by the American Stock Exchange (SR-Amex-97-45) relating to an Options Qualification Examination. Publication in the Federal Register is expected during the week of January 12. (Rel. 34-39530)

## PROPOSED RULE CHANGE

The Pacific Exchange filed a proposed rule change (SR-PCX-97-28) and Amendment No. 1 thereto to authorize the use of exchange-sponsored hand-held terminals for options floor brokers. Publication of the proposal is expected in the Federal Register during the week of January 12. (Rel. 34-39532)

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## SECURITIES ACT REGISTRATIONS

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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 GE CAPITAL MORTGAGE SERVICES INC, THREE EXECUTIVE CAMPUS, P O BOX 5260,  
CHERRY HILL, NJ 08002 (609) 661-6100 - 1,000,000 (\$1,000,000)  
PASS-THROUGH MORTGAGE-BACKED CERTIFICATE (FILE 333-43755 - JAN. 06)  
(BR 8)
- S-8 INTERIM SERVICES INC, 2050 SPECTRUM BLVD, FT LAUDERDALE, FL 33309  
(954) 938-7600 - 500,000 (\$12,187,500) COMMON STOCK. (FILE 333-43757 -  
JAN. 06) (BR. 7)
- S-8 VANS INC, 15700 SHOEMAKER AVENUE, SANTA FE SPRINGS, CA 90670  
(562) 565-8267 - 562,347 (\$7,599,149.50) COMMON STOCK. (FILE 333-43759 -  
JAN. 06) (BR 6)
- S-8 SECURITY CAPITAL ATLANTIC INC, SIX PIEDMONT CENTER, ATLANTA, GA 30305  
(404) 237-9292 - 115,000 (\$2,432,968 75) COMMON STOCK. (FILE 333-43761 -  
JAN 06) (BR 8)
- S-8 SIMON TRANSPORTATION SERVICES INC, 4646 SOUTH 500 WEST, SALT LAKE CITY,  
UT 84123 (801) 268-9100 - 600,000 (\$14,250,000) COMMON STOCK. (FILE  
333-43763 - JAN 06) (BR 5)
- S-8 UNISOURCE ENERGY CORP, 220 WEST SIXTH STREET, 225 WEST 34TH STREET,  
TUCSON, AZ 85701 (520) 571-4000 - 120,000 (\$2,163,750) COMMON STOCK.  
(FILE 333-43765 - JAN 06) (BR 4)

S-8 UNISOURCE ENERGY CORP, 220 WEST SIXTH STREET, 225 WEST 34TH STREET,  
TUCSON, AZ 85701 (520) 571-4000 - 1,600,000 (\$28,850,000) COMMON STOCK.  
(FILE 333-43767 - JAN. 06) (BR. 4)

S-8 UNISOURCE ENERGY CORP, 220 WEST SIXTH STREET, 225 WEST 34TH STREET,  
TUCSON, AZ 85701 (520) 571-4000 - 40,000 (\$721,250) COMMON STOCK (FILE  
333-43769 - JAN. 06) (BR 4)

S-4 METRIS COMPANIES INC, 600 S HIGHWAY 169, STE 1800, ST LOUIS PARK, MN  
55426 (612) 525-5020 - 100,000,000 (\$100,000,000)  
CONVERTIBLE DEBENTURES AND NOTES. (FILE 333-43771 - JAN. 06) (BR 7)

S-8 IOMEGA CORP, 1821 W IOMEGA WAY, ROY, UT 84067 (801) 778-1000 -  
10,000,000 (\$10,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE  
333-43775 - JAN 06) (BR. 3)

S-4 AMERICAN REALTY TRUST INC, 10670 N CENTRAL EXPRESSWAY, STE 300, DALLAS,  
TX 75231 (214) -69-2-47 - 453,552 (\$5,255,448) COMMON STOCK. (FILE  
333-43777 - JAN. 06) (BR 8)

S-3 KEY ENERGY GROUP INC, TWO TOWER CTR TWENTIETH FLOOR, EAST BRUNSWICK, NJ  
08816 (908) 247-4822 - 3,000,000 (\$3,234,000)  
CONVERTIBLE DEBENTURES AND NOTES. 186,286 (\$353,894) COMMON STOCK (FILE  
333-43779 - JAN 06) (BR. 4)

S-8 INSIGNIA SYSTEMS INC/MN, 10801 RED CIRCLE DR, MINNETONKA, MN 55343  
(612) 930-8200 - 300,000 (\$393,000) COMMON STOCK (FILE 333-43781 -  
JAN 06) (BR 2)

S-8 LOTSOFF CORP, 8750 TESORO DR, SAN ANTONIO, TX 78217 (210) 805-9300 -  
800,000 (\$1,622,718) COMMON STOCK (FILE 333-43783 - JAN 06) (BR 2)

S-8 UST CORP /MA/, 40 COURT ST, BOSTON, MA 02108 (617) 726-7000 - 125,000  
(\$3,414,000) COMMON STOCK (FILE 333-43785 - JAN 06) (BR 7)

S-8 PIERCE LEAHY CORP, 631 PARK AVE, KING OF PRUSSIA, PA 19406  
(610) 992-8200 - 2,614,174 (\$53,917,338.75) COMMON STOCK (FILE 333-43787  
- JAN 07) (BR. 5)

S-3 HOMEBASE INC, 3345 MICHELSON DR, IRVINE, CA 92715 (714) 442-5000 -  
100,000,000 (\$100,000,000) COMMON STOCK. (FILE 333-43789 - JAN 07)  
(BR 2)

S-1 DIGITAL BIOMETRICS INC, 5600 ROWLAND RD, MINNETONKA, MN 55343  
(612) 932-0888 - 3,771,429 (\$5,657,143 50) COMMON STOCK (FILE 333-43791 -  
JAN 07) (BR 3)