

SEC NEWS DIGEST

Issue 97-145

July 29, 1997

COMMISSION ANNOUNCEMENTS

CHAIRMAN LEVITT TO TESTIFY/TIME CHANGE

The time has been changed for Chairman Levitt's testimony on Wednesday, July 30, 1997, before the Senate Subcommittee on Financial Services and Technology. The subject matter is concerning the risks to the financial services industry and consumers as a result of the Year 2000 computer problem. The testimony will be given at 9:00 a.m. instead of 10:00 a.m. in Room 538 of the Dirksen Senate Office Building.

ENFORCEMENT PROCEEDINGS

FORMER MIDISOFT MANAGER SANCTIONED

The Commission issued an Order pursuant to Section 21C of the Securities Exchange Act of 1934 (Exchange Act) against William D. Kyle, former National Sales Manager of Midisoft Corporation (Midisoft). The Order stems from Midisoft's 1994 Form 10-K, which included revenues on goods stored at a freight forwarder but not shipped to customers that year. As a result, Midisoft overstated its 1994 revenues by \$292,000, or 5.8%, and also materially overstated net income.

The Order finds that, in connection with this activity, Kyle: caused the falsification of Midisoft's books and records; circumvented Midisoft's accounting controls; and caused Midisoft to issue a 1994 Form 10-K that materially misstated Midisoft's financial results. Kyle consented to issuance of the Order without admitting or denying its findings.

The Order directs Kyle to cease and desist from: violating or causing the violation of Sections 10(b) and 13(b) (5) of the Exchange Act and Rules 10b-5 and 13b2-1 thereunder; and causing the violation of Sections 13(a), 13(b) (2) (A) and 13(b) (2) (B) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder. (Rel. 34-38876; AAE Rel. 941)

SANCTIONS ORDERED AGAINST EDWARD D. JONES & CO. AND DONALD WALTER

The Commission announced today the issuance of an Order against Edward D. Jones & Co. (Jones & Co.) (Jones Order), a registered broker-dealer located in St. Louis, Missouri, as well as the issuance of a separate Order against Donald E. Walter (Walter Order), a Director of Compliance at Jones & Co. Administrative and cease and desist proceedings had been previously instituted in November 1996 against Jones & Co, while cease and desist proceedings were also instituted against Walter and three other individuals associated with Jones & Co.

The Jones Order makes findings that, between January 1990 and March 1993, Jones & Co. unlawfully charged commissions in repurchasing interests in three Unit Investment Trusts from Jones & Co. customers, profiting by approximately \$120,000, and that Jones & Co. thereby violated Rule 22c-1 promulgated under Section 22 of the Investment Company Act. The Jones Order requires Jones & Co. to cease and desist from further violations of Rule 22c-1, censures Jones & Co. and orders it to pay a civil penalty of \$50,000. The Walter Order makes similar findings and additionally finds that Walter, among others, caused Jones & Co. to violate Rule 22c-1 by authorizing the commissions charged by Jones & Co. The Walter Order requires Walter to cease and desist from causing further violations of Rule 22c-1. Jones & Co. and Walter consented to the entry of the Jones Order and Walter Order, respectively, without admitting or denying the findings in the respective orders. (Rel. 34-38877; IC-22766)

STUART SMITH BARRED AND REGISTRATION OF CAPITAL INVESTMENT MANAGERS, INC., AND CAPITAL FUND MANAGERS, INC., REVOKED

On July 8, the Commission has issued an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions against Stuart Gregory Smith, Capital Investment Managers, Inc. (CIMI), and Capital Fund Managers, Inc. (Capital Fund). Simultaneously with the institution of the proceedings, the Commission accepted Offers of Settlement from Smith, CIMI and Capital Fund wherein they admitted to certain findings and consented to the issuance of the Order barring Smith from associating with any broker, dealer or investment adviser; revoking CIMI's registration as a broker-dealer; and revoking Capital Fund's registration as an investment adviser. CIMI consented to the issuance of the Order containing findings that it was permanently enjoined from future violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 and from future violations of the broker-dealer antifraud and record keeping provisions of the Exchange Act. Smith consented to the issuance of the Order containing findings that he was permanently enjoined from future violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 and from aiding and abetting future violations of the broker-dealer antifraud and record keeping provisions of the Exchange Act. Smith and CIMI consented to the entry of the final judgment of permanent injunction without

admitting or denying the Commission's allegations. (Rel. 34-38878; IA-1645)

SANCTIONS ORDERED AGAINST EDWARD D. JONES & CO. AND DONALD WALTER

The Commission announced today the issuance of an Order Making Findings, Imposing Remedial Sanctions and Ordering Respondent Edward D. Jones & Co. to Cease and Desist against Edward D. Jones & Co. (Jones & Co.) (Jones Order), a registered broker-dealer located in St. Louis, Missouri, as well as the issuance of a separate Order Making Findings and Imposing Remedial Sanctions against Donald E. Walter (Walter) (Walter Order), a Director of Compliance at Jones & Co. Administrative proceedings had been previously instituted in November 1996 against Jones & Co. while cease and desist proceedings were instituted against Jones & Co. and Walter as well as Steven T. Roberts (Roberts), Ronald L. Gorgen (Gorgen) and Charles R. Larimore (Larimore), individuals associated with Jones & Co. A hearing was held concerning the Commission's allegations against Roberts, Gorgen and Larimore on December 19, 1996.

The Jones Order makes findings that, between January 1990 and March 1993, Jones & Co. unlawfully charged commissions in repurchasing interests in three Unit Investment Trusts from Jones & Co. customers, profiting by approximately \$120,000, and that Jones & Co. thereby violated Rule 22c-1 promulgated under Section 22 of the Investment Company Act. The Jones Order requires Jones & Co. to cease and desist from further violations of Rule 22c-1, censures Jones & Co. and orders it to pay a civil penalty of \$50,000. The Walter Order makes similar findings and additionally finds that Walter, among others, caused Jones & Co. to violate Rule 22c-1 by authorizing the commissions charged by Jones & Co. The Walter Order requires Walter to cease and desist from causing further violations of Rule 22c-1. Jones & Co. and Walter consented to the entry of the Jones Order and Walter Order, respectively, without admitting or denying the findings in the respective orders. (Rel. 34-38880; IC-22767)

GEOFFREY PAUL ADAMS ENJOINED AND ORDERED TO PAY DISGORGEMENT

The Commission announced that on July 16 in United States District Court for the Northern District of Texas, a Final Judgment of Permanent Injunction and Other Equitable Relief was entered against Geoffrey Paul Adams. Without admitting or denying the allegations in the Commission's complaint, Adams consented to enjoined from future violations of the antifraud provisions of the federal securities laws, and recordkeeping and customer disclosure requirements for registered investment advisers.

The Court also ordered Adams to pay disgorgement in the amount of \$273,262.16, representing commissions and other fees received by Adams from the conduct alleged in the complaint, plus pre-judgment interest of \$76,296.77. However, payment of all but \$29,164.77 was waived based on Adams's demonstrated financial inability to pay the full amount.

The Commission's complaint alleged that Adams participated in the sale of over \$3 million in interests or shares in the GPA Growth Fund and its pooled brokerage accounts to over 100 people. Further, the complaint alleged that Adams made material misrepresentations and omissions of material fact in connection with the offer and sale of GPA Growth Fund shares, concerning, among other things, the rate of return on the investments and the use of proceeds. [SEC v. Geoffrey Paul Adams, et al., 3:96-CV-0300-H, USDC, ND/TX, Dallas Division] (LR-15424)

HOLDING COMPANY ACT RELEASES

CENTRAL POWER AND LIGHT COMPANY, ET AL.

A notice has been issued giving interested persons until August 18 to request a hearing on a proposal by Central Power and Light Company, Public Service Company of Oklahoma, Southwestern Electric Power Company, and West Texas Utilities Company, each an electric public-utility subsidiary company of Central and South West Corporation (CSW), a registered holding company, and Central and South West Services, Inc., a service company subsidiary of CSW (collectively, Applicants). Applicants propose to offer warranty plans for the servicing and repair of appliances to the customers of CSW's operating companies. (Rel. 35-26745)

SELF-REGULATORY ORGANIZATIONS

AMENDMENT TO PROPOSED RULE CHANGE

The National Association of Securities Dealers filed an amendment to a proposed rule change (SR-NASD-97-26) relating to an extension of the NASD's rule permitting market makers to display their actual quotation size and an expansion of the number of stocks covered by this rule. Publication is expected in the Federal Register during the week of July 28. (Rel. 34-38872)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The New York Stock Exchange filed, and the Commission has granted accelerated approval to, a proposed rule change (SR-NYSE-97-15) and Amendment No. 1 relating to an amendment to the requirements for notification by member organizations of participation in distributions. Publication of the approval order is expected in the Federal Register the week of July 28. (Rel. 34-38873)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change submitted by the New York Stock Exchange (SR-NYSE-96-33) to price odd-lot transactions,

under certain circumstances, according to the next round-lot execution to occur on the Exchange. (Rel. 34-38874)

TEMPORARY ACCELERATED APPROVAL OF PROPOSED RULE CHANGE AND NOTICE OF FILING OF PROPOSED RULE CHANGE

The Commission granted temporary accelerated approval to a proposed rule change submitted by the National Association of Securities Dealers (SR-NASD-97-52) to extend the effectiveness of Rule 10334 of the NASD's Code of Arbitration pending final Commission action on proposed rule change. (Rel. 34-38879)

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. Registration statements may be obtained in person or by writing to the Commission's Public Reference Branch at 450 Fifth Street, N.W., Washington, D.C. 20549 or at the following e-mail box address: <public info @ sec>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

- F-6 DENISON INTERNATIONAL PLC /ADR/, FOUR ALBANY ST, NEW YORK, NY 10006
(212) 250-8500 - 25,000,000 (\$1,250,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK (FILE 333-7262 - JUL 16) (BR 99
- NEW ISSUE)
- S-8 NITINOL MEDICAL TECHNOLOGIES INC, 263 SUMMER STREET, BOSTON, MA 02210
(617) 737-0930 - 2,503,772 (\$15,908,271.84) COMMON STOCK (FILE 333-31751
- JUL 22) (BR 1)
- S-8 SOMANETICS CORP, 1653 E MAPLE ROAD, TROY, MI 48083 (248) 689-3050 -
331,150 (\$1,534,637 50) COMMON STOCK. (FILE 333-31753 - JUL. 22) (BR. 1)
- S-8 CORPORATE EXPRESS INC, 325 INTERLOCKEN PKWY, BROOMFIELD, CO 80021
(303) 373-2800 - 10,721,790 (\$145,709,126) COMMON STOCK. (FILE 333-31755 -
JUL. 22) (BR. 2)
- S-8 MACE SECURITY INTERNATIONAL INC, 160 BENMONT AVE, BENNINGTON, VT 05201
(802) 447-1503 - 630,000 (\$840,225) COMMON STOCK. (FILE 333-31757 -
JUL. 22) (BR. 9)
- S-3 EASTMAN KODAK CO, 343 STATE ST, ROCHESTER, NY 14650 (716) 724-4000 -
1,500,000 (\$99,000,000) COMMON STOCK. (FILE 333-31759 - JUL 22) (BR. 5)
- S-4 NORWEST CORP, NORWEST CTR, SIXTH & MARQUETTE, MINNEAPOLIS, MN 55479
(612) 667-1234 - 350,000 (\$5,189,902) COMMON STOCK (FILE 333-31763 -
JUL 22) (BR 7)
- SB-2 HOSPITALITY WORLDWIDE SERVICES INC, 509 MADISON AVE, SUITE 1114,
NEW YORK, NY 10022 (212) 755-5267 - \$24,527,344 COMMON STOCK (FILE
333-31765 - JUL. 22) (BR. 9)

S-3 MEDICAL DEVICE TECHNOLOGIES INC, 9171 TOWNE CENTRE DR, STE 355,
SAN DIEGO, CA 92122 (619) 455-7127 - 267,612 (\$219,823.18) COMMON STOCK.
(FILE 333-31767 - JUL. 22) (BR. 1)

S-3 TERRA INDUSTRIES INC, TERRA CENTRE 600 4TH ST, P.O. BOX 6000,
SIOUX CITY, IA 51102 (712) 277-1340 - 959,479 (\$10,794,139) COMMON STOCK.
(FILE 333-31769 - JUL. 22) (BR. 2)

S-8 DAMARK INTERNATIONAL INC, 7101 WINNETKA AVENUE NORTH, MINNEAPOLIS, MN
55428 (612) 531-0066 - 300,000 (\$4,875,000) COMMON STOCK (FILE 333-31771
- JUL. 22) (BR 2)

S-8 DAMARK INTERNATIONAL INC, 7101 WINNETKA AVENUE NORTH, MINNEAPOLIS, MN
55428 (612) 531-0066 - 40,000 (\$650,000) COMMON STOCK (FILE 333-31773 -
JUL. 22) (BR. 2)

S-1 SECURITY ASSOCIATES INTERNATIONAL INC, 2101 SOUTH ARLINGTON HEIGHTS RD,
STE 100, ARLINGTON HEIGHTS, IL 60005 (847) 956-8650 - 2,777,588
(\$7,898,765 80) COMMON STOCK (FILE 333-31775 - JUL 22) (BR 7)

S-8 DUCOMMUN INC /DE/, 23301 S WILMINGTON AVE, CARSON, CA 90745
(310) 513-7200 - 350,000 (\$10,959,375) COMMON STOCK. (FILE 333-31777 -
JUL. 22) (BR. 5)

S-8 SUMMIT HOLDING SOUTHEAST INC, 2310 A-Z PARK ROAD, LAKELAND, FL 33801
(941) 665-6060 - 545,000 (\$5,995,000) COMMON STOCK. (FILE 333-31781 -
JUL. 22) (BR. 1)

S-8 DIGITAL SOUND CORP, 6307 CARPINTERIA AVE, CARPINTERIA, CA 93013
(805) 566-2255 - 1,300,000 (\$1,365,000) COMMON STOCK (FILE 333-31783 -
JUL. 22) (BR. 3)

S-8 TB WOODS CORP, 440 N FIFTH AVE, CHAMBERSBURG, PA 17201 (717) 264-7161 -
500,000 (\$7,562,500) COMMON STOCK. (FILE 333-31785 - JUL 22) (BR 6)

S-8 TB WOODS CORP, 440 N FIFTH AVE, CHAMBERSBURG, PA 17201 (717) 264-7161 -
500,000 (\$7,562,500) COMMON STOCK (FILE 333-31787 - JUL 22) (BR. 6)

S-8 SOFAMOR DANEK GROUP INC, 1800 PYRAMID PLACE, MEMPHIS, TN 38132
(901) 396-2695 - 2,500,000 (\$116,796,875) COMMON STOCK. (FILE 333-31789 -
JUL 22) (BR. 1)

S-8 NEUROCRINE BIOSCIENCES INC, 3050 SCIENCE PARK RD, SAN DIEGO, CA 92121
(619) 658-7600 - 800,000 (\$7,050,000) COMMON STOCK. (FILE 333-31791 -
JUL. 22) (BR. 1)

S-8 SECURITY DYNAMICS TECHNOLOGIES INC /DE/, 20 CROSBY DR, BEDFORD, MA 02140
(617) 687-7000 - 1,794,931 (\$70,787,591 31) COMMON STOCK. (FILE 333-31793
- JUL 22) (BR. 3)

S-3 IMMUNOGEN INC, 333 PROVIDENCE HIGHWAY, NORWOOD, MA 02062 (617) 661-9312
- 2,757,862 (\$3,502,485) COMMON STOCK. (FILE 333-31795 - JUL. 22) (BR. 1)

S-4 NORTHEAST BANCORP /ME/, 232 CENTER ST, AUBURN, ME 04210 (207) 772-5950
- 216,180 (\$2,527,145) COMMON STOCK. (FILE 333-31797 - JUL 22) (BR 7)

S-8 RYKOFF SEXTON INC, 613 BALITIMORE DRIVE, WILHES-BARRE, PA 18702
(717) 830-7103 - 400,000 (\$10,537,520) COMMON STOCK (FILE 333-31799 -
JUL. 22) (BR. 2)

S-8 COR THERAPEUTICS INC / DE, 256 E GRAND AVE STE 80, SOUTH SAN FRANCISCO,
CA 94080 (415) 244-6800 - 900,000 (\$8,831,700) COMMON STOCK. (FILE
333-31801 - JUL 22) (BR 1)

S-3 MICROSOFT CORP, ONE MICROSOFT WAY #BLDG 8, NORTH OFFICE 2211, REDMOND,
WA 98052 (206) 882-8080 - 154,898 (\$22,421,485.50) COMMON STOCK. (FILE
333-31803 - JUL. 22) (BR 3)

S-3 PROFIT RECOVERY GROUP INTERNATIONAL INC, 2300 WINDY RIDGE PKWY,
STE 100 N, ATLANTA, GA 30339 (770) 955-3815 - 166,559 (\$2,789,863 25)
COMMON STOCK. (FILE 333-31805 - JUL 22) (BR. 4)

S-8 AZCO MINING INC, 9780 EAST SANCHEZ RD, SAFFORD, AZ 85546 (520) 428-6881
- 1,275,646 (\$1,671,096) COMMON STOCK (FILE 333-31807 - JUL 22) (BR 4)

S-8 INTELLIGROUP INC, 517 ROUTE 1 SOUTH, ISELIN, NJ 08830 (908) 750-1600 -
1,547,233 (\$15,730,017) COMMON STOCK. (FILE 333-31809 - JUL 22) (BR 9)

S-3 EMBREX INC/NC, 1035 SWABIA COURT, MORRISVILLE, NC 27560 (919) 941-5185
- 65,898 (\$514,032.78) COMMON STOCK. (FILE 333-31811 - JUL 22) (BR. 1)

S-8 WET SEAL INC, 64 FAIRBANKS, IRVINE, CA 92718 (714) 583-9029 - 700,000
(\$16,975,000) COMMON STOCK (FILE 333-31813 - JUL 22) (BR 2)

S-4 AMERICAN RESIDENTIAL SERVICES INC, 5051 WESTHEIMER, STE 725, HOUSTON, TX
77056 (713) 599-0100 - 10,000,000 (\$229,375,000) COMMON STOCK
100,000,000 (\$100,000,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE
333-31815 - JUL 22) (BR. 6)

S-8 PXRE CORP, 399 THORNALL ST, 14TH FL, EDISON, NJ 08837 (212) 837-9520 -
150,000 (\$4,720,500) COMMON STOCK. (FILE 333-31817 - JUL. 22) (BR. 1)

S-8 PXRE CORP, 399 THORNALL ST, 14TH FL, EDISON, NJ 08837 (212) 837-9520 -
250,000 (\$7,867,500) COMMON STOCK (FILE 333-31819 - JUL 22) (BR 1)

S-8 PXRE CORP, 399 THORNALL ST, 14TH FL, EDISON, NJ 08837 (212) 837-9520 -
250,000 (\$7,867,500) COMMON STOCK (FILE 333-31821 - JUL 22) (BR 1)

S-4 AMERICAN INDUSTRIAL PROPERTIES REIT INC, 6220 N BELTLINE RD, STE 205,
IRVING, TX 75063 (214) 550-6053 - 22,064,147 (\$65,508,452)
LIMITED PARTNERSHIP CERTIFICATE. (FILE 333-31823 - JUL. 22) (BR. 8)

S-1 DIVERSIFIED CORPORATE RESOURCES INC, 12801 N CENTRAL EXPRESSWAY,
STE 260, DALLAS, TX 75243 (214) 458-8500 - \$12,000,000 COMMON STOCK
(FILE 333-31825 - JUL 22) (BR 8)

S-4 NATIONAL CITY CORP, 1900 E NINTH ST, CLEVELAND, OH 44114 (216) 575-2000
- 500,000 (\$500,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 333-31827 -
JUL. 22) (BR. 7)

SB-2 SIMS COMMUNICATIONS INC, 3333 S CONGRESS AVE STE 401, DELRAY BEACH, FL
33445 (407) 265-3601 - 1,150,000 (\$1,725,000) COMMON STOCK (FILE
333-31829 - JUL 23) (BR. 9)

S-8 WEST COAST ENTERTAINMENT CORP, ONE SUMMIT SQUARE STE 200,
RTE 413 & DOUBLE WOODS RD, NEWTON, PA 19047 (215) 968-4318 - 500,000
(\$1,812,500) COMMON STOCK. (FILE 333-31831 - JUL. 22) (BR 5)

S-8 EDIFY CORP, 2840 SAN TOMAS EXPERSSWY, SANTA CLARA, CA 95051
(408) 982-2000 - 1,600,000 (\$26,800,000) COMMON STOCK. (FILE 333-31833 -
JUL. 22) (BR. 9)

S-8 ECHO BAY MINES LTD, 6400 S FIDDLERS GREEN CIRCLE, STE 1000, ENGLEWOOD,
CO 80111 (303) 714-8600 - 5,750,000 (\$30,183,004) COMMON STOCK (FILE
333-31835 - JUL. 22) (BR 4)

S-3 MSC INDUSTRIAL DIRECT CO INC, 151 SUNNYSIDE BLVD, PLAINVIEW, NY 11803
(516) 349-7100 - 1,782,500 (\$72,915,390 63) COMMON STOCK. (FILE 333-31837
- JUL. 23) (BR 6)

S-3 BOSTON COMMUNICATIONS GROUP INC, ONE MCKINLEY SQUARE, BOSTON, MA 02109
(617) 476-3570 - 3,450,000 (\$49,162,500) COMMON STOCK. (FILE 333-31839 -
JUL. 23) (BR. 3)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

LITIGATION RELEASE NO. 15424 / July 28, 1997

SECURITIES AND EXCHANGE COMMISSION v. GEOFFREY PAUL ADAMS, et al., 3:96-CV-0300-H, USDC, ND/TX (Dallas Division)

The Securities and Exchange Commission ("Commission") announced that on July 16, 1997, in United States District Court for the Northern District of Texas, a Final Judgment of Permanent Injunction and Other Equitable Relief was entered against Geoffrey Paul Adams ("Adams"). Without admitting or denying the allegations in the Commission's complaint, Adams consented to enjoined from future violations of the anti-fraud provisions of the federal securities laws (Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder, and Sections 206 and 207 of the Investment Advisers Act of 1940 ("Advisers Act"), and Rule 206(4)-2 thereunder), and recordkeeping and customer disclosure requirements for registered investment advisers (Section 204 of the Advisers Act and Rules 204-1, 204-2, and 204-3 thereunder.)

The Court also ordered Adams to pay disgorgement in the amount of \$273,262.16, representing commissions and other fees received by Adams from the conduct alleged in the complaint, plus pre-judgment interest of \$76,296.77. However, payment of all but \$29,164.77 was waived based on Adams's demonstrated financial inability to pay the full amount. The Court did not order Adams to pay a civil penalty based on his poor financial condition.

The Commission's complaint alleged that Adams participated in the sale of over \$3 million in interests or shares in the GPA Growth Fund and its pooled brokerage accounts to over 100 people. Further, the complaint alleged that Adams made material misrepresentations and omissions of material fact in connection with the offer and sale of GPA Growth Fund shares, concerning, among other things, the rate of return on the investments and the use of proceeds.