

# SEC NEWS DIGEST

Issue 97-179

September 16, 1997

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## COMMISSION ANNOUNCEMENTS

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### STAFF BULLETIN NO. 4 PUBLISHED

The Division of Corporation Finance has published its fourth Staff Legal Bulletin. Staff Legal Bulletin No. 4 (CF) states the Division of Corporation Finance's views regarding whether Section 5 of the Securities Act of 1933 applies to spin-offs. This legal bulletin also addresses related matters, including how securities received in spin-offs may be resold under the Securities Act. Copies of the bulletin may be obtained from the Commission's Web site (<http://www.sec.gov>) or by writing to, or making a request in person at, the Public Reference Room, Securities and Exchange Commission, 450 5th Street, N.W., Room 1024, Washington, DC, 20549, (202) 942-8090.

### ORDER GRANTING APPLICATION PURSUANT TO SECTION 12(h)

An order has been issued pursuant to Section 12(h) of the Securities Exchange Act of 1934 granting the application of OMLX, the London Securities and Derivatives Exchange Limited for an exemption from the registration requirements of Section 12(g) and the provisions of Section 15(d) of that Act. (Rel. 34-39067)

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## ENFORCEMENT PROCEEDINGS

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### ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST JOHN MACKENZIE

The Commission has issued an Order instituting public administrative proceedings against John D. MacKenzie (MacKenzie), who, between 1990 and 1994, served as the Controller of BTS/Bond Timing, Inc. (BTS), a registered investment adviser, for his role in an embezzlement scheme. The order alleges that, on December 20, 1994, MacKenzie pled guilty to an indictment charging him with interstate transportation of property taken by fraud, mail fraud, money laundering and criminal forfeiture. The Order further alleges that, on March 14, 1995, MacKenzie was sentenced to serve 51 months in federal prison and was ordered to pay \$3,917,511.59 in restitution to BTS. According to the Order, the criminal indictment underlying

the convictions charged MacKenzie with, among other things, utilizing his knowledge and access as a high level officer of BTS to execute a scheme to defraud BTS out of approximately \$3,300,000 between 1990 and September 1994. The indictment further alleged that MacKenzie caused BTS to issue checks to two sham entities, and that he thereafter transferred the funds to bank accounts that he controlled and caused substantial payments to be made for his personal benefit.

A hearing will be scheduled to determine whether the allegations against MacKenzie are true, and, if so, whether remedial sanctions should be imposed. (Rel. Nos. IA-1662; 34-39073)

#### ADMINISTRATIVE PROCEEDINGS INSTITUTED, SETTLED AGAINST VILIS PASTS, BTS/BOND TIMING, INC., BOND TIMING SECURITIES CORP. AND ADONIS BERZINS

The Commission announced the institution of public administrative proceedings against Vilis Pasts (Pasts), BTS/Bond Timing, Inc. (BTS), Bond Timing Securities Corp. (BTSC) and Adonis Berzins (Berzins), charging them with violating false filing, broker-dealer books and records and failure to supervise provisions of the federal securities laws. The Order found that BTS, a registered investment adviser, and Pasts violated Section 34(b) of the Investment Company Act by filing an application for exemptive relief with the Commission which omitted to disclose that BTS' comptroller had embezzled funds and which misrepresented that BTS had cured problems with its recordkeeping systems that had led to an earlier Commission administrative proceeding. The Order also found that BTS and Berzins failed reasonably to supervise the Comptroller. In addition, according to the Order, BTSC, BTS' broker-dealer affiliate, violated the Commission's broker-dealer audit reporting and fingerprinting rules by filing required annual financial statements with the Commission which contained the signature of a nonexistent certified public accountant on accompanying audit reports, and by failing to have the comptroller fingerprinted. The Order found that Pasts was a cause of BTSC's violations. Simultaneously with the institution of these proceedings, Pasts, BTS, BTSC and Berzins each consented to the entry of an Order by the Commission censuring BTS and BTSC, suspending Pasts for three months, and suspending Berzins for one month, followed by a six-month suspension from acting in a supervisory or proprietary capacity, and requiring BTS, Pasts, BTSC and Berzins to pay civil penalties of \$100,000, \$100,000, \$30,000 and \$25,000, respectively. BTS and BTSC were also required to comply with specified remedial undertakings. For instance, BTS was required to hire a Director of Compliance. (Rel. Nos. 34-39074; IA-1663; IC-22820)

#### SETTLED ADMINISTRATIVE PROCEEDING ORDER APPROVING DISTRIBUTION PLAN

The Commission announced that on September 15 it approved a plan for distribution of disgorgement (Distribution Plan) for monies disgorged by Oakwood Counselors, Inc. (Oakwood).

On February 10, 1997, the Commission simultaneously instituted and settled administrative and cease and desist proceedings against Oakwood and Paul J. Sherman (Sherman), Oakwood's President. The Commission found that, from January 1989 through August 1995, Oakwood and Sherman failed to disclose to Oakwood's clients the existence of a soft dollar arrangement with a broker-dealer.

Oakwood consented, among other things, to pay disgorgement of \$298,499 plus prejudgment interest thereon of \$121,264. The Distribution Plan provides for the distribution of the disgorgement and prejudgment interest amounts on a pro rata basis to Oakwood's clients whose accounts were affected by the soft dollar arrangement. (Rel. IA-1664)

#### JAMES BRYAN BARRED

The Commission instituted proceedings against James R. Bryan (Bryan) pursuant to Rule 102(e) of the Commission's Rules of Practice. Simultaneously, the Commission accepted an offer of settlement from Bryan in which he consented to the entry of an Order denying him the privilege of appearing or practicing before the Commission as an accountant. After five years from the date of the order, Bryan may apply for permission to resume appearing or practicing before the Commission.

Proceedings were instituted against Bryan based upon an injunction entered against him for violations of the antifraud and accounting-related provisions of the federal securities laws. Bryan participated in a fraudulent scheme to overstate Digitran Systems, Inc.'s sales, assets, shareholders' equity and earnings. The scheme involved providing false financial statements and making false statements in Digitran's periodic reports and a registration statement filed with the Commission, and by preparing several false press releases for Digitran. In addition, Bryan sold Digitran stock while in possession of material, nonpublic information. (Rel. 34-39077; AAE Rel. 960)

#### ADMINISTRATIVE PROCEEDINGS ENTERED AGAINST AND SIMULTANEOUSLY SETTLED BY RODNEY HEDGES

The Commission has entered an Order Instituting Administrative Proceedings Pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934, Making Findings and Imposing Remedial Sanctions (Order) against Rodney B. Hedges (Hedges), formerly of Santa Rosa, California. The Commission simultaneously accepted Hedges's Offer of Settlement, in which he agreed to be permanently barred from association with any broker, dealer, municipal securities dealer, investment adviser, or investment company, while generally neither admitting nor denying the allegations in the proceeding. The Order alleged that from 1985 until 1993, Hedges was a registered representative with various broker-dealers located in Salt Lake City, Utah and Santa Rosa, California. From at least 1988 through 1991, while employed as a salesman at the broker-dealers, Hedges offered and sold a significant amount of the common stock of Cascade International, Inc. (Cascade). Hedges allegedly failed to

disclose to his customers that he had established numerous nominee accounts to facilitate illegal trading in Cascade stock by Victor G. Incendy, Cascade's former chief executive officer. On January 24, 1997, Hedges pled guilty to one count of securities fraud under the provisions of the federal securities laws (U.S. v. Hedges, Docket No. 94-8108-Cr-HURLEY, S.D. Fla.). (Rel. 34-39078)

#### COMPLAINT FILED AGAINST ALPHA DIVERSIFIED INDUSTRIES, RALPH LEBLANC AND ROBERT BINGHAM

A complaint was filed by the Commission on September 10 in the United States District Court for the Eastern District of Louisiana, against Alpha Diversified Industries (Alpha), Ralph W. LeBlanc (LeBlanc), and Robert M. Bingham (Bingham). The complaint alleges that from March 1991 through February 1996, the defendants offered and sold over 4 million shares of Alpha common stock to more than 85 investors in over a dozen states for approximately \$567,000. The defendants obtained funds from the investors by misrepresenting or failing to disclose material facts about Alpha's business operations and revenues.

The complaint seeks permanent injunctions enjoining Alpha, LeBlanc and Bingham from violating Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The Commission further seeks disgorgement of all ill-gotten gains received by Alpha, LeBlanc and Bingham with prejudgment interest, the imposition of civil penalties against LeBlanc and Bingham, and sworn accountings from Alpha, LeBlanc and Bingham of all funds received by each defendant in connection with the sale of Alpha securities.

Bingham, without admitting or denying the allegations made against him, has consented to a judgment of permanent injunction, entered on September 12, 1997, which: enjoins him from future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5; orders that he furnish a sworn accounting of all monies, properties and benefits received from the sale of Alpha stock or from the operations of Alpha; and orders that he pay disgorgement and a civil penalty in amounts to be determined at a later date. [SEC v. Alpha Diversified Industries, Inc., Ralph W. LeBlanc, and Robert M. Bingham, Civil Action No. 97-2814, Section E-3, E.D. La.] (LR-15493)

#### COMPLAINT FILED AGAINST WALTER BUSBY, JR.

A complaint for injunctive and other relief was filed by the Commission on September 11 in the United States District Court for the Northern District of Georgia against Walter Clarence Busby, Jr. (Busby). The complaint seeks to permanently enjoin Busby from future violations of Section 17(a)(1) through Section 17(a)(3) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The Commission also seeks disgorgement of all ill-gotten gains along with prejudgment interest, the imposition of civil penalties and a sworn accounting

of all funds received by Busby during the schemes.

The Commission's complaint alleges that Busby violated the antifraud provisions of the securities laws by offering and selling investment contracts in connection with three different prime bank schemes. Using misrepresentations and omissions in each of the three schemes, Busby raised money for purported trading programs in "prime bank" notes by fraudulently representing to investors that the investments were risk-free and that the ventures would pay returns ranging from 750% to 10,000%. In total, Busby raised nearly \$1 million from more than 70 investors. None of the investors has earned the exorbitant returns promised by Busby. [SEC v. Walter Clarence Busby, Jr., Civil Action No. 1:97-CV-2653, N.D. Ga.] (LR-15494)

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#### INVESTMENT COMPANY ACT RELEASES

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##### THE RESERVE PRIVATE EQUITY SERIES, ET AL.

A notice has been issued giving interested persons until October 7, 1997, to request a hearing on an application filed by The Reserve Private Equity Series, et al. for an order under Section 6(c) of the Investment Company Act to permit applicants to enter into and materially amend investment management agreements with the funds' subadvisers without shareholder approval. (Rel. IC-22821 - September 12)

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#### HOLDING COMPANY ACT RELEASES

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##### AMERICAN ELECTRIC POWER COMPANY, INC.

A notice has been issued giving interested persons until October 6, 1997, to request a hearing on a proposal by American Electric Power Company, Inc. (AEP), a registered holding company. AEP proposes to issue and sell to Fidelity Management Trust Company, as a trustee of the American Electric Power System Employees Savings Plan, from time to time through December 31, 2001: (i) all AEP common stock, \$6.50 par value per share (Common Stock) still available for issuance and sale by authority of prior Commission orders, plus (ii) an additional 5 million shares of Common Stock (Additional Common Stock). The proceeds from the issuance and sale of the Additional Common Stock will be used to, among other things, acquire interests in exempt wholesale generators and foreign utility companies. (Rel. 35-26759)

##### BEC ENERGY, ET AL.

A notice has been issued giving interested persons until October 6, 1997, to request a hearing on a proposal by BEC Energy (BEC), a wholly owned subsidiary of Boston Edison Company (Boston Edison), a Massachusetts electric utility company and exempt holding company

under the Act, to acquire directly all the outstanding common stock of Boston Edison and, indirectly, Harbor Electric Energy Company (HEEC), a wholly owned electric utility subsidiary of Boston Edison. BEC requests an order exempting it under Section 3(a)(1) from all provisions of the Act, except Section 9(a)(2) and Boston Edison requests an order exempting it under Section 3(a)(2) from all provisions of the Act, except Section 9(a)(2).

BEC's proposed acquisition of the common stock of Boston Edison is part of a corporate restructuring. BEC states that the proposed restructuring will protect Boston Edison and HEEC ratepayers from the risks and costs of engaging in nonutility businesses. (Rel. 35-26759)

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## SELF-REGULATORY ORGANIZATIONS

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### APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change filed by the Government Securities Clearing Corporation (SR-GSCC-97-03) that will make forward-starting repos eligible for netting and guaranteed settlement at GSCC before they reach their scheduled start date. (Rel. 34-39060)

The Commission approved a proposed rule change, and Amendment No. 1 thereto submitted by the Philadelphia Stock Exchange (SR-Phlx-97-29) to amend its Tier I listing standards. (Rel. 34-39053)

The Commission approved a proposed rule change submitted by the Chicago Stock Exchange (SR-CHX-97-17) to amend its Tier I listing standards to adopt a share price maintenance standard for common stock listed on the Exchange. (Rel. 34-39055)

The Commission approved a proposed rule change submitted by the American Stock Exchange (SR-Amex-97-18) to amend the manner of calculation of the Hong Kong Option Index. (Rel. 34-39064)

### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

The Commission is publishing notice of a proposed rule change by the National Association of Securities Dealers that has become effective pursuant to Section 19(b)(3)(A) of the Act (SR-NASD-97-64). The proposed rule change relates to the NASD's Small Order Execution System tier size classifications. Publication of the notice in the Federal Register is expected during the week of September 15. (Rel. 34-39063)

The Depository Trust Company filed a proposed rule change (SR-DTC-97-10), which became effective upon filing, modifying DTC's procedures to allow participants to electronically submit instructions for early redemption of certificates of deposit.

Publication of the proposal is expected in the Federal Register during the week of September 15. (Rel. 34-39070)

#### PROPOSED RULE CHANGES

The Government Securities Clearing Corporation filed a proposed rule change (SR-GSCC-97-04) to implement a fine schedule to ensure compliance by members with deadlines for payment of funds settlement debts and satisfaction of clearing fund deposit deficiency calls. Publication of the proposal is expected in the Federal Register during the week of September 15. (Rel. 34-39054)

The Government Securities Clearing Corporation filed a proposed rule change (SR-GSCC-97-05) modifying GSCC's rules relating to its loss allocation process. Publication of the proposal is expected in the Federal Register during the week of September 15. (Rel. 34-39066)

The Depository Trust Company filed a proposed rule change (SR-DTC-97-09) that will allow DTC to enter into contracts with participants to provide customized custodian, transaction, and related processing services as a part of DTC's existing custody service for certain securities which are not depository eligible. Publication of the proposal is expected in the Federal Register during the week of September 15. (Rel. 34-39071)

#### WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until October 3, 1997, to comment on the application of Forest City Enterprises, Inc. to withdraw its Class A Common Stock, \$0.33 Par Value 1/3 and its Class B Common Stock, \$0.33 1/3 Par Value, from listing and registration on the American Stock Exchange. (Rel. 34-39069)

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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.

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 REPUBLIC OF PORTUGAL, 2125 KALORAMA RD NW,  
 EMBASSY OF REPUBLIC OF PORTUGAL, WASHINGTON, DC 20008 - 20,000,000  
 (\$1,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-7404 -  
 SEP 05) (BR 99)

F-8 RANGER OIL LTD, 321 6TH AVENUE SUITE 1600, 425 1ST ST S W,  
 CALGARY ALBERTA CANADA T2P 3H3, A0 (403) 232-5200 - 5,579,524  
 (\$35,653,158 36) FOREIGN COMMON STOCK (FILE 333-7432 - SEP 08) (BR. 4)

F-6 SUPER SOL LTD /ADR/, 60 WALL ST, C/O MORGAN GUARANTY TRUST CO OF NY,  
 NEW YORK, NY 10260 (212) 648-3250 - 25,000,000 (\$1,250,000)  
 DEPOSITARY RECEIPTS FOR COMMON STOCK (FILE 333-7548 - SEP 03) (BR. 99  
 - NEW ISSUE)

F-3 DASSAULT SYSTEMES SA, 9 QUAI MARCEL DASSAULT, B P 310,  
 92156 SURESNES CEDEX, IO - 3,548,978 (\$227,383,020.46)  
 FOREIGN COMMON STOCK (FILE 333-7550 - SEP 04) (BR 3)

S-8 NOVEL DENIM HOLDINGS LTD, 1F NOVEL INDUSTRIAL BLDG,  
 850 870 LAI CHI KOK RD, CHEUNG SHA WAN KOWLOON HONG KO, K3 (212) 338-0666  
 - 500,000 (\$10,937,500) FOREIGN COMMON STOCK (FILE 333-7552 - SEP 04)  
 (BR 2)

S-8 FOUNDATION HEALTH SYSTEMS INC, 21600 OXNARD ST, WOODLAND HILLS, CA 91367  
 (719) 542-0500 - 11,500,000 (\$356,859,375) COMMON STOCK (FILE 333-35193 -  
 SEP 09)

S-8 FRED MEYER INC, 3800 SE 22ND AVENUE, PORTLAND, OR 97202 (503) 232-8844  
 - 3,377,922 (\$80,188,901 85) COMMON STOCK (FILE 333-35199 - SEP 09)  
 (BR 2)

S-8 SCIOS INC, 2450 BAYSHORE PKWY, MOUNTAIN VIEW, CA 94043 (415) 966-1550 -  
 2,200,000 (\$15,606,250) COMMON STOCK (FILE 333-35201 - SEP. 09) (BR 1)

S-8 DIY HOME WAREHOUSE INC, 5811 CANAL RD STE 180, VALLEY VIEW, OH 44125  
 (216) 328-5100 - 500,000 (\$1,707,480) COMMON STOCK (FILE 333-35203 -  
 SEP 09) (BR 6)

S-3 AMERICAN EDUCATIONAL PRODUCTS INC, 5350 MANHATTAN CR #210, BOULDER, CO  
 80303 (303) 443-0020 - 916,298 (\$9,162,980) COMMON STOCK (FILE 333-35205  
 - SEP 09) (BR 5)

S-8 BOOTS & COOTS INTERNATIONAL WELL CONTROL INC, 5151 SAN FELIPE,  
 SUITE 450, HOUSTON, TX 77056 (520) 282-1275 - 1,955,000 (\$840,650)  
 COMMON STOCK (FILE 333-35207 - SEP 09) (BR 9)

S-8 NEW ENGLAND COMMUNITY BANCORP INC, OLD WINDSOR MALL, P O BOX 130,  
 WINDSOR, CT 06095 (203) 688-5251 - 30,000 (\$613,110) COMMON STOCK (FILE  
 333-35209 - SEP 09) (BR 7)

S-3 PIEDMONT NATURAL GAS CO INC, 1915 REXFORD RD, CHARLOTTE, NC 28211  
 (704) 364-3120 - 1,725,000 (\$47,541,000) COMMON STOCK. (FILE 333-35213 -  
 SEP 09) (BR 4)

S-3 GENTA INCORPORATED /DE/, 3550 GENERAL ATOMICS COURT, SAN DIEGO, CA 92121  
 (619) 455-2700 - 65,548,982 (\$106,517,096) COMMON STOCK (FILE 333-35215 -  
 SEP 09) (BR. 1)

S-8 DMI INC /CO/, 2501 W FIFTH ST, SANTA ANA, CA 92703 (714) 571-1900 -  
 1,783,016 (\$178,302) COMMON STOCK (FILE 333-35217 - SEP 09) (BR 3)

S-8 CHEMFIRST INC, P O BOX 1249, JACKSON, MS 39215 (601) 948-0218 - 250,000  
 (\$6,281,250) COMMON STOCK (FILE 333-35221 - SEP 09) (BR 4)

S-8 TIMBERLAND CO, 200 DOMAIN DR, STRATHAM, NH 03885 (603) 772-9500 -  
 1,134,750 (\$70,426,375.75) COMMON STOCK (FILE 333-35223 - SEP 09)  
 (BR 2)

S-8 OCEANEERING INTERNATIONAL INC, 16001 PARK TEN PL STE 600, HOUSTON, TX  
 77084 (713) 578-8868 - 1,165,000 (\$27,195,527) COMMON STOCK (FILE  
 333-35225 - SEP 09) (BR 4)



S-8 CROSS TIMBERS OIL CO, 810 HOUSTON ST, STE 2000, FORT WORTH, TX 76102  
(817) 870-2800 - 300,000 (\$6,431,250) COMMON STOCK (FILE 333-35229 -  
SEP 09) (BR. 4)

S-8 VIAD CORP, 1850 N CENTRAL AVE, PHOENIX, AZ 85077 (602) 207-4000 -  
3,000,000 (\$55,125,000) COMMON STOCK (FILE 333-35231 - SEP 09) (BR 4)

S-8 CORPORATE EXPRESS INC, 325 INTERLOCKEN PKWY, BROOMFIELD, CO 80021  
(303) 373-2800 - 1,000,000 (\$16,875,000) COMMON STOCK (FILE 333-35233 -  
SEP 09) (BR 2)

S-3 CENTRAL MAINE POWER CO, 83 EDISON DR, AUGUSTA, ME 04336 (207) 623-3521  
- 400,000,000 (\$400,000,000) STRAIGHT BONDS (FILE 333-35235 - SEP. 09)  
(BR 4)

S-8 INVISION TECHNOLOGIES INC, 3420 E THIRD AVE, FOSTER CITY, CA 94404  
(415) 578-1930 - 640,000 (\$9,560,000) COMMON STOCK (FILE 333-35237 -  
SEP 09) (BR 1)

SB-2 CARING PRODUCTS INTERNATIONAL INC, 200 FIRST AVE WEST, STE 200, SEATTLE,  
WA 98119 (206) 282-6040 - 3,750,000 (\$28,305,000) COMMON STOCK (FILE  
333-35239 - SEP 09) (BR 9)

S-3 ICN PHARMACEUTICALS INC, 3300 HYLAND AVE, COSTA MESA, CA 92626  
(714) 545-0100 - 4,106,959 (\$148,491,209.60) COMMON STOCK. (FILE  
333-35241 - SEP 09) (BR 1)

S-8 SMART & FINAL INC/DE, 4700 S BOYLE AVE, VERNON, CA 90058 (213) 584-9832  
- 2,611,405 (\$50,233,770) COMMON STOCK (FILE 333-35243 - SEP 09)  
(BR 2)

S-8 CARRIZO OIL & GAS INC, 14811 ST MARYS LANE, STE 148, HOUSTON, TX 77079  
(281) 496-1352 - 1,000,000 (\$11,130,000) COMMON STOCK (FILE 333-35245 -  
SEP 09) (BR 4)

S-8 SIBONEY CORP, 8000 MARYLAND AVENUE SUITE 1040, P O BOX 16184, ST LOUIS,  
MO 63105 (314) 725-6141 - 800,000 (\$108,000) COMMON STOCK (FILE  
333-35247 - SEP. 09) (BR 6)

S-1 PROSOFT I NET SOLUTIONS INC, 2333 N BROADWAY STE 300, SANTA ANA, CA  
92706 (714) 953-1200 - 1,894,258 (\$21,310,402) COMMON STOCK (FILE  
333-35249 - SEP 09) (BR 7)

S-3 BANK OF AMERICA NATIONAL TRUST & SAVING ASSOCIATION,  
555 CALIFORNIA STREET, SAN FRANCISCO, CA 94104 (415) 622-3530 - 10,000,000  
(\$1,316,000) PASS-THROUGH MORTGAGE-BACKED CERTIFICATE (FILE 333-35251 -  
SEP 09) (BR 8)

S-3 SEQUENT COMPUTER SYSTEMS INC /OR/, 15450 SW KOLL PKWY, ED02-803,  
BEAVERTON, OR 97006 (503) 626-5700 - 300,000 (\$8,756,250) COMMON STOCK  
(FILE 333-35253 - SEP 10) (BR. 3)

S-8 PERITUS SOFTWARE SERVICES INC, 304 CONCORD ROAD, BILLERICA MA, MA 01821  
- 200,000 (\$5,262,000) COMMON STOCK (FILE 333-35257 - SEP 10) (BR 3)

S-8 PERITUS SOFTWARE SERVICES INC, 304 CONCORD ROAD, BILLERICA MA, MA 01821  
- 200,000 (\$5,262,000) COMMON STOCK (FILE 333-35259 - SEP 10) (BR. 3)

S-3 AMERICAN ECOLOGY CORP, 805 W IDAHO, STE 200, BOSIE, ID 83702  
(208) 331-8400 - 8,200,581 (\$8,200,581) COMMON STOCK (FILE 333-35261 -  
SEP 09) (BR 4)

S-3 CABLEVISION SYSTEMS CORP, ONE MEDIA CROSSWAYS, WOODBURY, NY 11797  
(516) 364-8450 - 1,000,000,000 (\$1,000,000,000) STRAIGHT BONDS (FILE  
333-35263 - SEP 10) (BR 3)

S-3 IMAGE SOFTWARE INC, 6486 S QUEBEC ST, ENGLEWOOD, CO 80111 (303) 694-9180  
- 1,200,158 (\$1,800,237) COMMON STOCK (FILE 333-35265 - SEP 10) (BR 3)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 15493 / September 15, 1997

SECURITIES AND EXCHANGE COMMISSION V. ALPHA DIVERSIFIED INDUSTRIES, INC., RALPH W. LEBLANC, AND ROBERT M. BINGHAM, Civil Action No. 97-2814, Section E-3 (E.D. La.)

The Securities and Exchange Commission announced that a complaint was filed by the Commission on September 10, 1997, in the United States District Court for the Eastern District of Louisiana, against Alpha Diversified Industries ("Alpha"), a Colorado corporation with its principal office located in Metairie, Louisiana; Ralph W. LeBlanc ("LeBlanc"), president and chairman of the Board of Directors of Alpha; and Robert M. Bingham ("Bingham"), vice-president and a director of Alpha during the relevant period.

The complaint alleges that from March 1991 through February 1996, the defendants offered and sold over 4 million shares of Alpha common stock to more than 85 investors in over a dozen states for approximately \$567,000. The defendants sold these shares by misrepresenting, among other things, Alpha's business operations and its expected revenues, the value of Alpha's patents, and that federal and state approval of the offerings were obtained. The complaint further alleges that the defendants omitted to disclose to investors various material facts, including the defendants' earlier failed efforts to promote Alpha's product and that most of the money coming into Alpha came from other investors and not from product sales.

The complaint seeks permanent injunctions enjoining Alpha, LeBlanc and Bingham from further violations of Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The Commission further seeks disgorgement of all ill-gotten gains received by Alpha, LeBlanc and Bingham with prejudgment interest, the imposition of civil penalties against LeBlanc and Bingham, and sworn accountings from Alpha, LeBlanc and Bingham of all funds received by each defendant in connection with the sale of Alpha securities.

Bingham, without admitting or denying the allegations made against him, has consented to a judgment of permanent injunction, entered on September 12, 1997, which: (a) enjoins him from future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5; (b) orders that he furnish a sworn accounting of all monies, properties and benefits received from the sale of Alpha stock or from the operations of Alpha; and (c) orders that he pay disgorgement and a civil penalty in amounts to be determined at a later date.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 15494 / September 15, 1997

SECURITIES AND EXCHANGE COMMISSION V. WALTER CLARENCE BUSBY, JR.,  
Civil Action No. 1: 97-CV-2653 (N.D. Ga.)

The Securities and Exchange Commission announced that a Complaint For Injunctive And Other Relief was filed by the Commission on September 11, 1997, in the United States District Court for the Northern District of Georgia, against Walter Clarence Busby, Jr. ("Busby"). The complaint seeks to permanently enjoin Busby from future violations of Section 17(a)(1) through Section 17(a)(3) of the Securities Act of 1993 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The Commission also seeks disgorgement of all ill-gotten gains along with prejudgment interest, the imposition of civil penalties and a sworn accounting of all funds received by Busby during the schemes.

The Commission's complaint alleges that Busby violated the antifraud provisions of the securities laws by offering and selling investment contracts in connection with three different prime bank schemes. Using misrepresentations and omissions in each of the three schemes, Busby raised money for purported trading programs in "prime bank" notes by fraudulently representing to investors that the investments were risk-free and that the ventures would pay returns ranging from 750% to 10,000%. In total, Busby raised nearly \$1 million from more than 70 investors. None of the investors has earned the exorbitant returns promised by Busby.