

SEC NEWS DIGEST

Issue 99-85

May 4, 1999

COMMISSION ANNOUNCEMENTS

CHAIRMAN LEVITT TO TESTIFY

Chairman Arthur Levitt will testify on Wednesday, May 5 before the House Subcommittee on Finance and Hazardous Materials concerning H.R. 10, the Financial Services Act of 1999. The hearing will be held in Room 2123 of the Rayburn House Office Building at 10:00 a.m.

COMMISSIONER HUNT TO TESTIFY

Commissioner Isaac C. Hunt, Jr. will testify on Thursday, May 6 before the House Subcommittee on Energy and Power concerning the Public Utility Holding Company Act of 1935. The hearing will be held in Room 2123 of the Rayburn House Office Building at 10:00 a.m.

RULES AND RELATED MATTERS

BROKER-DEALER REGISTRATION AND REPORTING - FORM BDW

The Commission is adopting technical amendments to Form BDW, the uniform broker-dealer request for withdrawal from registration form, and related rules under the Securities and Exchange Act of 1934 (Exchange Act). The amendments implement changes to allow filing of Form BDW on the new, Internet-based Central Registration Depository System, known as "Web CRD." The amendments also clarify certain provisions of the Form, the Form's status as a report under the Exchange Act, and when a filed Form becomes effective. (Rel. 34-41356)

ENFORCEMENT PROCEEDINGS

INVESTMENT ADVISER FIRMS CENSURED, ORDERED TO CEASE AND DESIST AND FINED FOR FAILING TO MAKE TIMELY YEAR 2000-RELATED DISCLOSURE

On May 3, the Commission issued an order against BSN Gestion De Patrimonios SA SGC (BSN) of Madrid, Spain and Asset Timing Corp. (Asset) of Grosse Pointe, Michigan, in a cease and desist and

administrative proceeding instituted for failing to timely file Form ADV-Y2K. Form ADV-Y2K was designed to enable the Commission to evaluate the preparedness of investment advisers for the Year 2000. The Order contains findings that BSN and Asset were required to and failed to file Part I of Form ADV-Y2K by December 7, 1998. BSN and Asset were censured and ordered to cease and desist from committing or causing any violation and any future violation of the ADV-Y2K provisions of the Investment Advisers Act, Section 204 and Rule 204-5. Additionally, BSN was ordered to pay a \$15,000 civil penalty and Asset was ordered to pay a \$5,000 civil penalty. BSN and Asset consented to the Order without admitting or denying the findings contained in the Order. (Rel. IA-1799; File No. 3-9887)

COMMISSION INSTITUTES PROCEEDING AGAINST SIX INVESTMENT ADVISERS FOR FAILING TO MAKE TIMELY YEAR 2000-RELATED DISCLOSURE

The Commission instituted a cease and desist and administrative proceeding against six investment advisers for failing to timely file Form ADV-Y2K. The advisers are: Apodaca Investment Group, Inc. (Apodaca) of San Francisco, California; Brower Financial Services, Inc. (Brower) of Salt Lake City, Utah; Ethical Investments, Inc. (Ethical) of Minneapolis, Minnesota; Ronald Allan McDow (McDow) of Nashville, Tennessee; Van Cleef Asset Management, Inc. (Van Cleef) of Beachwood, Ohio; and WWW Advisors, Inc. (WWW) of Lexington, Kentucky. Form ADV-Y2K was designed to enable the Commission to evaluate the preparedness of investment advisers for the Year 2000. In the Order, the Commission alleges that Apodaca, Brower, McDow and Van Cleef, each of which reported assets under management of not less than \$25 million, were required to and failed to file Part I of Form ADV-Y2K by December 7, 1998. The Commission further alleges that Ethical and WWW failed to file Parts I and II of Form ADV-Y2K by December 7, 1998. Ethical and WWW were required to file both Parts I and II of Form ADV-Y2K because each reported that it advised an investment company registered under the Investment Company Act. Ethical also reported assets under management of not less than \$25 million. The Order alleges that the respondents willfully violated Section 204 of the Investment Advisers Act and Rule 204-5.

A hearing will be scheduled to determine whether the allegations are true and whether cease and desist orders, civil penalties and other sanctions are appropriate against these respondents. (Rel. IA-1800; File No. 3-9888)

COMPLAINT FILED AGAINST GILBERT ZWETSCH AND JAMES RIDINGER AND CEASE AND DESIST ORDER ISSUED AGAINST MARKET AMERICA AND RICHARD HALL, JR.

The Commission today filed a complaint in the U.S. District Court for the District of Columbia against Gilbert A. Zwetsch and James H. Ridinger, alleging violations of the antifraud and other provisions of the federal securities laws in connection with a series of fraudulent "blank check" public offerings by shell companies and an unregistered distribution of Market America stock. The complaint alleges that Zwetsch formed six shells, had them file materially false and misleading registration statements, conducted sham public

offerings and sold the shells' stock. The complaint further alleges that Zwetsch provided half of the stock of one shell to Ridinger, who used the shell as a vehicle to take Market America, Inc. public through a reverse acquisition. According to the complaint, Zwetsch and Ridinger created interest in Market America stock without disclosing their interest in all the stock that would be available for purchase and once it began trading Zwetsch sold the shares and shared the proceeds with Ridinger.

Simultaneously with the filing of the complaint, Zwetsch and Ridinger consented to the entry of final judgments enjoining them from further violations of Sections 5 and 17(a) of the Securities Act of 1933, Sections 10(b), 13(d), 13(g), and 16(a) of the Securities Exchange Act of 1934, and Rules 10b-5, 13d-1, 13d-2 and 16a-3 thereunder. Zwetsch also was enjoined from violations of Exchange Act Rule 10b-9, and Ridinger was enjoined from future violations of Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder. Both also agreed to Orders prohibiting them from participating in any future offering of penny stock. Zwetsch and Ridinger agreed to pay disgorgement and prejudgment interest totaling \$1,405,940 and \$304,694.60, respectively, and civil penalties of \$250,000 and \$100,000, respectively. [SEC v. Gilbert A. Zwetsch and James H. Ridinger, D.D.C., Civil Action No. 99-1088 (LFO)].

In a related matter, the Commission issued a Cease and Desist Order by consent against Market America and Richard D. Hall, Jr., Ridinger's attorney. The Cease and Desist Order found that Hall was a cause of violations of the antifraud and registration provisions of the securities acts for having substantially assisted in transactions which were part of a fraudulent unregistered distribution of Market America stock, and that Market America violated the Exchange Act's reporting provisions for having filed periodic reports with the Commission which failed to disclose Zwetsch's and Ridinger's respective interests in Market America stock. (Rels. 33-7674, 34-41363, File No. 3-9889); [SEC v. Gilbert A. Zwetsch and James H. Ridinger, USDC, Civil Action Number 99-1088, LFO, D.D.C.] (LR-16131)

INVESTMENT COMPANY ACT RELEASES

NOTICES OF DEREGISTRATIONS UNDER THE INVESTMENT COMPANY ACT

For the month of April, 1999, a notice has been issued giving interested persons until May 25, 1999, to request a hearing on any of the following applications for an order under Section 8(f) of the Investment Company Act declaring that the applicant has ceased to be an investment company:

Paragon Portfolio [File No. 811-5879]
DEM, Inc. [File No. 811-9118]
Tax-Exempt Money Market Fund [811-3442]

Kemper Short-Term Global Income Fund [811-6147]
Zazove Convertible Fund, L.P. [File No. 811-8324]
(Rel. IC-23821 - April 30)

HOLDING COMPANY ACT RELEASES

COLUMBIA ENERGY GROUP

A notice has been issued giving interested persons until May 24 to request a hearing on a proposal by Columbia Energy Group (Columbia), a registered holding company. Columbia requests authority to factor accounts receivable, through subsidiary companies, for associate and nonassociate companies. (Rel. 35-27015)

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: <publicinfo@sec.gov>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

- F-6 VODAFONE GROUP PUBLIC LIMITED CO/ADR/, 48 WALL STREET,
C/O BANK OF NEW YORK, NEW YORK, NY 10286 (212) 495-1727 - 325,000,000
(\$16,250,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-10266 -
APR 22)
- F-3 ASIA PULP & PAPER CO LTD, WORLD TRADE CENTER LOBBY B,
C/O 1 MARITIME SQUARE #10-01, SINGAPORE 099253 SIN, U0 (650) 272-9288 -
\$3,788,000 FOREIGN COMMON STOCK. (FILE 333-10268 - APR. 22) (BR. 4)
- S-8 PLACER DOME INC, 1055 DUNSMUIR ST STE 1600,
PO BOX 49330 BENTALL POSTAL STATION, VANCOUVER BC CANADA V7X 1P1, A1
(604) 682-7082 - 10,000,000 (\$129,062,500) FOREIGN COMMON STOCK (FILE
333-10278 - APR. 23) (BR. 4)
- F-3 ASIA PULP & PAPER CO LTD, WORLD TRADE CENTER LOBBY B,
C/O 1 MARITIME SQUARE #10-01, SINGAPORE 099253 SIN, U0 (650) 272-9288 -
37,465,512 (\$89,167,918.56) FOREIGN COMMON STOCK. (FILE 333-10284 -
APR. 26) (BR. 4)
- S-4 FIRST LEESPORT BANCORP INC, 133 N CENTRE AVE, LEESPORT, PA 19533
(610) 926-2161 - \$7,288,388.64 COMMON STOCK. (FILE 333-77075 - APR. 27)
(BR. 7)

S-3 MEMBERWORKS INC, 680 WASHINGTON BLVD , SUITE 1100, STAMFORD, CT 06901
(203) 324-7635 - 41,666 (\$1,570,325) COMMON STOCK (FILE 333-77077 -
APR 27) (BR 8)

S-3 FIRST SIERRA FINANCIAL INC, CHASE TOWER SUITE 7050, 600 TRAVIS STREET,
HOUSTON, TX 77002 (713) 221-8822 - \$300,000,000 STRAIGHT BONDS. (FILE
333-77079 - APR. 27) (BR. 7)

S-4 PENTACON INC, 10375 RICHMOND AVENUE, SUITE 700, HOUSTON, TX 77042
(713) 860-1000 - 100,000,000 (\$100,000,000) STRAIGHT BONDS. (FILE
333-77081 - APR. 27) (BR. 6)

S-1 WEBTRENDS CORP, 621 SW MORRISON ST, SUITE 1300, PORTLAND, OR 97205
(503) 294-7025 - 2,875,000 (\$161,359,375) COMMON STOCK (FILE 333-77085 -
APR. 27) (BR. 3)

S-8 EFTC CORP/, HORIZON TERRACE, 9351 GRANT STREET SIXTH FL, DENVER, CO
80229 (303) 451-8200 - 2,575,000 COMMON STOCK (FILE 333-77087 - APR. 27)
(BR. 5)

S-8 FEDERATED DEPARTMENT STORES INC /DE/, 7 W SEVENTH ST, CINCINNATI, OH
45202 (212) 494-1602 - 400,864 (\$8,151,762.34) COMMON STOCK. (FILE
333-77089 - APR 27) (BR 2)

S-1 BOMBARDIER CREDIT RECEIVABLES CORP, P O BOX 5544,
SEVEN BURLINGTON SQUARE, BURLINGTON, VT 05402 (802) 655-2824 - \$1,000,000
EQUIPMENT TRUST CERTIFICATES (FILE 333-77091 - APR. 27) (BR. 8)

S-3 MARRIOTT INTERNATIONAL INC /MD/, 10400 FERNWOOD ROAD,
DEPARTMENT 52-924 20, BETHESDA, MD 20817 (301) 380-3000 - 500,000,000
(\$500,000,000) COMMON STOCK (FILE 333-77093 - APR. 27) (BR. 8)

S-8 VASTAR RESOURCES INC, 15375 MEMORIAL DR, HOUSTON, TX 77079
(713) 584-6155 - 200,000 (\$10,750,000) COMMON STOCK. (FILE 333-77095 -
APR. 27) (BR 4)

S-8 INSCI CORP, TWO WESTBOROUGH BUSINESS PARK, WESTBOROUGH, MA 01581
(508) 870-4000 - 3,000,000 (\$10,312,500) COMMON STOCK (FILE 333-77097 -
APR 27) (BR 3)

S-8 XCEED INC, 488 MADISON AVENUE, NEW YORK, NY 10022 (212) 753-5511 -
3,000,000 (\$5,193,000) COMMON STOCK. (FILE 333-77099 - APR. 27) (BR. 8)

S-8 HAMBRECHT & QUIST GROUP, ONE BUSH ST, SAN FRANCISCO, CA 94104
(415) 439-3000 - 3,250,000 (\$105,625,000) COMMON STOCK. (FILE 333-77101 -
APR 27) (BR. 7)

S-4 GROVE INVESTORS LLC/PA, 1565 BUCHANAN TRAIL EAST P O BOX 21,
512-495-6400, SHADY GROVE, PA 17256 - \$56,652,000 STRAIGHT BONDS (FILE
333-77103 - APR. 27)

S-1 DIGEX INC/DE, ONE DIGEX PLAZA, BELTSVILLE, MD 20705 (301) 847-5000 -
\$100,000,000 COMMON STOCK. (FILE 333-77105 - APR. 27) (NEW ISSUE)

S-3 UNITED DOMINION REALTY TRUST INC, 10 S 6TH ST STE 203, RICHMOND, VA
23219 (804) 780-2691 - 1,023,732 (\$11,101,093.88) COMMON STOCK. (FILE
333-77107 - APR. 27) (BR. 8)

S-8 PEOPLES BANCTRUST CO INC, 310 BROAD ST, SELMA, AL 36701 (205) 875-1000
- 500,000 (\$8,625,000) COMMON STOCK (FILE 333-77109 - APR 27) (BR. 7)

S-8 PMA CAPITAL CORP, 1735 MARKET STREET SUITE 2800, 380 SENTRY PKWY,
PHILADELPHIA, PA 19103 (215) 665-5046 - 850,000 (\$17,106,250) COMMON STOCK.
(FILE 333-77111 - APR. 27) (BR. 1)

S-3 EFAX COM INC, 1378 WILLOW RD, MENLO PARK, CA 94025 (650) 324-0600 -
221,012 (\$4,544,560) COMMON STOCK (FILE 333-77119 - APR. 27) (BR. 3)

S-8 HEALTH MANAGEMENT SYSTEMS INC, 401 PARK AVE SOUTH, NEW YORK, NY 10016
(212) 685-4545 - 4,751,356 (\$21,523,643) COMMON STOCK. (FILE 333-77121 -
APR. 27) (BR. 3)

S-8 PRIME RETAIL INC/BD/, 100 E PRATT ST, 1900 FLOOR, BALTIMORE, MD 21202
(410) 234-0782 - 4,600,000 (\$41,256,250) COMMON STOCK (FILE 333-77123 -
APR 27) (BR 8)

S-8 FOSTER WHEELER CORP, PERRYVILLE CORPORATE PARK, SERVICE ROAD EST 173,
CLINTON, NJ 08809 (908) 730-4090 - 1,800,000 (\$27,900,000) COMMON STOCK
(FILE 333-77125 - APR. 27) (BR. 6)

S-8 SYNOPSIS INC, 700 E MIDDLEFIELD RD, MOUNTAIN VIEW, CA 94043
(415) 962-5000 - 78,227 (\$635,195.45) COMMON STOCK. (FILE 333-77127 -
APR 27) (BR. 3)

S-8 JACOR COMMUNICATIONS INC, 50 E RIVERCENTER BLVD, 12TH FLOOR, COVINGTON,
KY 41011 (606) 655-2267 - 850,000 (\$30,710,986) COMMON STOCK. (FILE
333-77129 - APR 27) (BR 7)

S-8 JACOR COMMUNICATIONS INC, 50 E RIVERCENTER BLVD, 12TH FLOOR, COVINGTON,
KY 41011 (606) 655-2267 - 3,000,000 (\$221,250,000) COMMON STOCK (FILE
333-77131 - APR 27) (BR. 7)

S-1 SCIENTIFIC LEARNING CORP, 1995 UNIVERSITY AVENUE, STE 400, BERKELEY, CA
94704 (510) 665-9700 - \$46,000,000 COMMON STOCK. (FILE 333-77133 -
APR. 27) (BR. 8)

S-8 TIMBERLINE SOFTWARE CORPORATION, 9600 SW NIMBUS AVE, BEAVERTON, OR 97008
(503) 626-6775 - 666,667 (\$8,639,033) COMMON STOCK (FILE 333-77135 -
APR 27) (BR. 3)

S-3 HAIN FOOD GROUP INC, 50 CHARLES LINDBERGH BLVD, UNIONDALE, NY 11553
(516) 237-6200 - 991,736 (\$17,913,232) COMMON STOCK. (FILE 333-77137 -
APR. 27) (BR 4)

S-3 CORNERSTONE PROPERTIES INC, CORNERSTONE PROPERTIES INC TOWER 56,
126 EAST 56TH STREET, NEW YORK, NY 10022 (212) 605-7100 - 11,594,203
(\$184,057,973) COMMON STOCK. (FILE 333-77139 - APR 27) (BR 8)

S-4 KING PHARMACEUTICALS INC, 0, 501 FIFTH ST, BRISTOL, TN 37620
(423) 989-8000 - \$150,000,000 STRAIGHT BONDS (FILE 333-77141 - APR 27)
(BR 1)

S-8 VORNADO OPERATING CO, PARK 80 WEST, PLAZA II, SADDLE BROOK, NJ 07663
(201) 587-1000 - 1,000,000 (\$5,540,000) COMMON STOCK. (FILE 333-77143 -
APR. 27) (BR 8)

S-8 PG&E CORP, ONE MARKET SPEAR TOWER, SUITE 2400, SAN FRANCISCO, CA 94105
(415) 267-7000 - 11,000,000 (\$345,125,000) COMMON STOCK. (FILE 333-77145 -
APR. 27) (BR 2)

S-1 PRIVATEBANCORP INC, TEN NORTH DEARBORN SUITE 900, CHICAGO, IL 60602 -
1,035,000 (\$18,630,000) COMMON STOCK. (FILE 333-77147 - APR. 27)

S-8 PG&E CORP, ONE MARKET SPEAR TOWER, SUITE 2400, SAN FRANCISCO, CA 94105
(415) 267-7000 - 20,000,000 (\$627,500,000) COMMON STOCK. (FILE 333-77149 -
APR 27) (BR. 2)

S-8 INTERNET AMERICA INC, 350 N ST PAUL STE 200, DALLAS, TX 75201
(214) 861-2500 - 200,000 (\$5,450,000) COMMON STOCK. (FILE 333-77153 -
APR. 28) (BR. 9)

S-4 SUMMIT BANCORP/NJ/, 301 CARNEGIE CENTER, P O BOX 2066, PRINCETON, NJ
08543 (609) 987-3200 - 7,870,316 (\$304,202,304) COMMON STOCK (FILE
333-77155 - APR 28) (BR. 7)