

sec news digest

Issue 95-148

August 2, 1995

COMMISSION ANNOUNCEMENTS

On Friday, August 4, Chairman Levitt, accompanied by William Weeden, will testify before the House Subcommittees on Energy and Power and Telecommunications and Finance concerning the SEC staff report "The Regulation of Public Utility Holding Companies." The hearing will be held at 10:00 a.m. in Room 2123 of the Rayburn House Office Building.

ENFORCEMENT PROCEEDINGS

ROBERT KUSS PERMANENTLY BARRED

The Commission has issued an Order Instituting Public Proceedings, Making Findings and Imposing Remedial Sanctions (Order) against Robert J. Kuss (Kuss). Kuss consented to the entry of the Order without admitting or denying the findings contained therein. The Order finds that Kuss was the president, sole stockholder, and control person of Robert J. Kuss and Associates (RJK Associates), an investment adviser which managed the pension plans of Springfield Township and Upper Providence Township, two municipalities located in Pennsylvania. The Order also finds that from approximately March 1989 through March 1992, Kuss willfully violated the antifraud provisions of the securities laws by engaging in a scheme to misappropriate for his own use approximately \$1,482,524 from the pension plans of Springfield Township and Upper Providence Township. Kuss misappropriated the funds by redeeming securities which had been purchased with the townships' funds for investment purposes and depositing the proceeds of the redemption into his personal bank account. Kuss also deposited into his bank account checks which he had drawn from the townships' holdings in mutual funds and money market funds. On the basis of these findings, the Commission ordered that Kuss be barred from association with any broker, dealer, municipal securities dealer, investment adviser or investment company. (Rels. 34-36023; IA-1509)

CIVIL ACTION AGAINST ANW, INC., IRVING BOREN AND ROM DE GUZMAN

The Commission today announced that on July 27 a complaint was filed in the Central District of California (complaint) seeking injunctive and other equitable relief against ANW, Inc. (ANW), Irving N. Boren (Boren) and Rom N. De Guzman (De Guzman), alleging that ANW and Boren violated the antifraud, periodic reporting, books and records and internal accounting control provisions by failing to file periodic reports and by filing false and misleading reports with the Securities and Exchange Commission. De Guzman failed to follow generally accepted auditing standards in rendering unqualified audit reports in connection with ANW's false and misleading financial statements filed with the Securities and Exchange Commission for the years ended June 30, 1990, 1991 and 1992.

The complaint seeks a permanent injunction enjoining: ANW and Boren from violating 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 and 13a-13 promulgated thereunder; and De Guzman from violating Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder. The complaint further seeks the disgorgement of ill-gotten gains from De Guzman and the imposition of civil penalties against ANW, Boren and De Guzman. [SEC v. ANW, Inc., Irving N. Boren and Rom N. De Guzman, Civil Action No. 95-4990, ER, Mcw, CD Cal.] (LR-14580; AAE Rel. 691)

CIVIL ACTION AGAINST JOHN SABATINO AND CONSUMER'S CHOICE, INC.

The Commission announced that on July 25 the United States District Court for the Northern District of Ohio, Western Division, entered a Default Judgment against John R. Sabatino (Sabatino) and Consumer's Choice, Inc. (Consumer's Choice) (collectively, defendants). The Default Judgment permanently enjoined the defendants from further violations of the registration and antifraud provisions of the federal securities laws, and ordered the defendants to pay disgorgement of \$3,744,860 and prejudgment interest on the disgorgement of \$441,501.

In the Commission's complaint, filed on September 28, 1994, the Commission alleged, among other things, that from March 1992 through July 1993, Sabatino and others induced over 300 investors to part with over \$6.4 million by means of materially false and misleading statements and omissions in the offer and sale of securities issued by Consumer's Choice. The Commission further alleged that Sabatino misappropriated the funds that he received from investors and used the funds to pay, among other things, "Ponzi" payments to new investors. The complaint sought permanent injunctions against Sabatino and Consumer's Choice from future violations of the registration and antifraud provisions of the federal securities laws, disgorgement of \$3,744,860, plus prejudgment interest on the amount to be disgorged, and a civil penalty against Sabatino. [SEC v. John R. Sabatino and Consumer's Choice, Inc., USDC, ND Ohio, 94 CV. 2022, TDL] (LR-14581)

RUTH GOLDEN ENJOINED

The Commission announced that on July 24 the Honorable Jennifer B. Coffman, United States District Court Judge for the Eastern District of Kentucky, permanently enjoined Ruth Ann Golden (Golden) from violating the antifraud and credit-extension provisions of the federal securities laws. The injunction was entered by default, and the Court found that disgorgement, including prejudgment interest, and civil penalties were appropriate, but left the determination of the amount of disgorgement and penalties for a future date.

The complaint alleged that Golden, an investor residing in Corbin, Kentucky, engaged in a "free-riding" scheme in which she defrauded several brokerage firms by ordering options for which she did not intend to pay unless the trades resulted in a profit. The complaint also alleged that Golden's scheme caused the firms to violate Regulation T promulgated by the Board of Governors of the Federal Reserve System. [SEC v. Ruth Ann Golden, USDC, E.D. Ky., No. 93-67] (LR-14582)

SEC v. MICHAEL CRAWFORD, LIBRA INVESTMENTS, LTD., MICHAEL MELNICK, AND GREENBRIAR FINANCIAL SERVICES CORP.

The Commission filed a complaint on August 1 in the United States District Court for the District of Columbia against Michael W. Crawford, Libra Investments, Ltd., Michael P. Melnick, and Greenbriar Financial Services Corp., for violations of the antifraud provisions of the Securities Exchange Act of 1934. The complaint also alleges that Crawford and Libra violated the registration and antifraud provisions of the Investment Advisers Act.

The complaint alleges that the violations arose out of the sale of "prime bank guarantees" issued by Banka Bohemia, A.S., a now defunct Czech Republic financial institution, to the National Council of the Churches of Christ in the U.S.A. (NCCC), a not-for-profit charitable organization, in December 1993. The NCCC paid \$7.98 million to purchase \$13.2 million face value of the guarantees, which were worthless. The complaint further alleges that Crawford and Libra undertook fraudulently to induce other parties to use their purported management and advisory services.

The Commission seeks the entry of an order permanently enjoining the defendants from future violations as well as disgorgement of any ill-gotten gains they realized, plus prejudgment interest thereon, and civil money penalties. [SEC v. Michael Crawford, Libra Investments, Ltd., Michael Melnick, and Greenbriar Financial Services Corp., Civil Action No. 1:95CV-01435, TPJ] (LR-14583)

INVESTMENT COMPANY ACT RELEASES

SECURITY EQUITY LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until August 22 to request a hearing on an application filed by Security Equity Life Insurance Company (Security Equity), Security Equity Life Insurance Company Separate Account 13 (Separate Account), and Walnut Street Securities, Inc. (collectively, Applicants). Applicants seek an order under Section 6(c) of the Investment Company Act granting exemptions from Sections 27(a)(3) and 27(c)(2) of the Act and Rules 6e-2(c)(4)(v), 6e-3(T)(b)(13)(ii), and 6e-3(T)(c)(4)(v) thereunder. This order will permit: the Separate Account to issue certain flexible premium variable life insurance policies (Policies) in which the sales charge deducted from premiums up to one target premium paid during any year exceeds the sales charge payable on any excess premium payments made in any prior year; and the Separate Account and any future separate accounts established by Security Equity to issue Policies, as well as other flexible premium, single premium, or scheduled premium variable life insurance policies, in which a deduction is made from premium payments of an amount that is reasonably related to Security Equity's increased federal tax burden resulting from the receipt of such premium payments pursuant to the application of Section 848 of the Internal Revenue Code of 1986, as amended. (Rel. IC-21262 - July 28)

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-1 UNITED DENTAL CARE INC (FILE 33-94356 - JUL. 25) (NEW ISSUE)

SB-2 PHYSICIAN HEALTHCARE PLAN OF NEW JERSEY INC, 2 PRINCESS RD,
LAWRENCEVILLE, NJ 08648 (800) 337-4765 - 10,000 (\$55,000,000) COMMON STOCK.
(FILE 33-94826-NY - JUL. 20) (BR. 6 - NEW ISSUE)

S-1 BOSTONFED BANCORP INC, 17 NEW ENGLAND EXECUTIVE OFFICE PARK, BURLINGTON,
MA 01803 - 6,612,500 (\$66,125,000) COMMON STOCK. 63,278
LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-94860 - JUL. 21) (BR. 1
- NEW ISSUE)

REGISTRATIONS CONT.

- F-7 ARBOR MEMORIAL SERVICES INC, 2 JANE ST, TORONTO ONTARIO CANADA, A6
(416) 763-4531 - 367,483 (\$5,012,468.44) COMMON STOCK. (FILE 33-94906 -
JUL. 24) (BR. 5 - NEW ISSUE)
- F-6 ESKOM, MORGAN GUARANTY TRUST CO OF NY, 60 WALL ST, NEW YORK, NY 10260
(212) 648-3250 - 10,000,000 (\$500,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-94920 - JUL. 24) (BR. 99
- NEW ISSUE)
- F-6 ESKOM, MORGAN GUARANTY TRUST CO OF NY, 60 WALL ST, NEW YORK, NY 10260
(212) 648-3250 - 10,000,000 (\$500,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-94922 - JUL. 24) (BR. 99)
- F-6 ESKOM, MORGAN GUARANTY TRUST CO OF NY, 60 WALL ST, NEW YORK, NY 10260
(212) 648-3250 - 10,000,000 (\$500,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-94926 - JUL. 24) (BR. 99)
- F-6 ESKOM, MORGAN GUARANTY TRUST CO OF NY, 60 WALL ST, NEW YORK, NY 10260
(212) 648-3250 - 10,000,000 (\$500,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-94928 - JUL. 24) (BR. 99)
- S-1 TEL SAVE HOLDINGS INC, 22 VILLAGE SQUARE, NEW HOPE, PA 19838
(215) 862-1500 (FILE 33-94940 - JUL. 24) (BR. 7 - NEW ISSUE)
- S-1 WIRELESS ONE INC, 5551 CORPORATE BLVD, STE 2G, BATON ROUGE, LA 70808
(FILE 33-94942 - JUL. 24) (BR. 7 - NEW ISSUE)
- S-8 VERITAS SOFTWARE CORP, 1600 PLYMOUTH STREET, MOUNTAIN VIEW, CA 94043
(415) 335-8000 - 700,000 (\$19,075,000) COMMON STOCK. (FILE 33-94950 -
JUL. 25) (BR. 9)
- S-8 U S PAWN INC, 7215 LOWELL BLVD, WESTMINSTER, CO 80030 (303) 657-3550 -
150,000 (\$300,000) COMMON STOCK. (FILE 33-94954 - JUL. 25) (BR. 1)
- S-8 C ATS SOFTWARE INC, 1731 EMBARCADERO RD, PALO ALTO, CA 94303
(415) 321-3000 - 1,845,917 (\$11,463,345.68) COMMON STOCK. (FILE 33-94956 -
JUL. 24) (BR. 10)
- S-1 TRANSPORT HOLDINGS INC, 714 MAIN ST, FORT WORTH, TX 76102 (817) 390-8000
- 1,700,000 (\$231,042,000) COMMON STOCK. (FILE 33-94960 - JUL. 25)
(BR. 10)
- S-8 SUMMIT FINANCIAL CORP, 937 N PLEASANTBURG DR, PO BOX 1087, GREENVILLE,
SC 29602 (803) 242-2265 - 298,644 (\$4,479,660) COMMON STOCK. (FILE
33-94962 - JUL. 25) (BR. 2)
- S-8 SUMMIT FINANCIAL CORP, 937 N PLEASANTBURG DR, PO BOX 1087, GREENVILLE,
SC 29602 (803) 242-2265 - 131,250 (\$1,968,750) COMMON STOCK. (FILE
33-94964 - JUL. 25) (BR. 2)
- S-3 MAFCO CONSOLIDATED GROUP INC, 35 EAST 62ND STREET, NEW YORK, NY 10021
(603) 926-5911 - 1,484,850 (\$35,636,400) COMMON STOCK. (FILE 33-94968 -
JUL. 25) (BR. 8)
- S-8 IMMUNE RESPONSE CORP, 5935 DARWIN COURT, CARLSBAD, CA 92008
(619) 431-7080 - \$1,050,000 COMMON STOCK. (FILE 33-94970 - JUL. 26)
(BR. 4)
- S-8 MATTSON TECHNOLOGY INC, 3550 WEST WARREN AVE, FREMONT, CA 94538
(510) 657-5900 - 400,000 (\$21,500,000) COMMON STOCK. (FILE 33-94972 -
JUL. 25) (BR. 10)

REGISTRATIONS CONT.

- S-8 DATA SYSTEMS & SOFTWARE INC, 200 RTE 17, MAHWAH, NJ 07430 (201) 529-2026 - 200,000 (\$2,270,000) COMMON STOCK. (FILE 33-94974 - JUL. 26) (BR. 3)
- S-8 VERIFONE INC, THREE LAGOON DR STE 400, REDWOOD CITY, CA 94065 (415) 591-6500 - 2,000,000 (\$50,125,000) COMMON STOCK. (FILE 33-94978 - JUL. 26) (BR. 9)
- S-3 VIDEOD UPDATE INC, 287 EAST SIXTH ST, ST PAUL, MN 55101 (612) 222-0006 - 403,670 (\$4,112,388.13) COMMON STOCK. (FILE 33-94980 - JUL. 26) (BR. 1)
- S-3 SINCLAIR BROADCAST GROUP INC, 2000 WEST 41ST ST, BALTIMORE, MD 21211 (410) 467-5005 - 300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE 33-94982 - JUL. 26) (BR. 7)
- S-1 ADVANCED VIRAL RESEARCH CORP, 848 BRICKELL AVE STE 415, MIAMI, FL 33131 (305) 374-4847 - 13,866,666 (\$1,510,333) COMMON STOCK. (FILE 33-94984 - JUL. 25) (BR. 4)
- S-8 ORAVAX INC, 230 ALBANY ST, CAMBRIDGE, MA 02139 (617) 494-1339 - 300,000 (\$2,906,250) COMMON STOCK. (FILE 33-94986 - JUL. 26) (BR. 4)
- S-8 ORAVAX INC, 230 ALBANY ST, CAMBRIDGE, MA 02139 (617) 494-1339 - 833,083 (\$8,070,491.57) COMMON STOCK. (FILE 33-94988 - JUL. 26) (BR. 4)
- S-8 ORAVAX INC, 230 ALBANY ST, CAMBRIDGE, MA 02139 (617) 494-1339 - 100,000 (\$968,750) COMMON STOCK. (FILE 33-94990 - JUL. 26) (BR. 4)
- S-8 ORAVAX INC, 230 ALBANY ST, CAMBRIDGE, MA 02139 (617) 494-1339 - 50,000 (\$484,375) COMMON STOCK. (FILE 33-94992 - JUL. 26) (BR. 4)
- S-8 GRANCARE INC, ONE RAVINIA DRIVE SUITE 1500, ATLANTA, GA 30346 (404) 393-0199 - 500,000 (\$8,345,000) COMMON STOCK. (FILE 33-94994 - JUL. 25) (BR. 5)
- S-8 FOAMEX INTERNATIONAL INC, 1000 COLUMBIA AVENUE, LINWOOD, PA 19061 (610) 859-3000 - 1,000,000 (\$8,562,500) COMMON STOCK. (FILE 33-94996 - JUL. 26) (BR. 5)
- S-8 COOPER CAMERON CORP, 515 POST OAK BLVD, STE 1200, HOUSTON, TX 77027 (713) 513-3300 - 250,000 (\$5,625,000) COMMON STOCK. (FILE 33-95000 - JUL. 26) (BR. 3)
- S-8 COOPER CAMERON CORP, 515 POST OAK BLVD, STE 1200, HOUSTON, TX 77027 (713) 513-3300 - 527,814 (\$11,875,815) COMMON STOCK. (FILE 33-95002 - JUL. 26) (BR. 3)
- S-8 COOPER CAMERON CORP, 515 POST OAK BLVD, STE 1200, HOUSTON, TX 77027 (713) 513-3300 - 2,500,000 (\$56,250,000) COMMON STOCK. (FILE 33-95004 - JUL. 26) (BR. 3)
- S-3 ADVANTA MORTGAGE CONDUIT SERVICES INC, 16875 W BERNARDO DR, SAN DIEGO, CA 92127 - 1,000,000 (\$1,000,000) PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 33-95006 - JUL. 26) (BR. 11)
- S-3 PETSMART INC, 10000 N 31ST AVE, STE C-100, PHOENIX, AZ 85051 (602) 944-7070 - 2,050,597 (\$56,391,417.50) COMMON STOCK. (FILE 33-95008 - JUL. 26) (BR. 1)