

# SEC NEWS DIGEST

Issue 96-206

October 29, 1996

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## ENFORCEMENT PROCEEDINGS

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### FORMER MIDISOFT CORPORATION CONTROLLER SANCTIONED

The Securities and Exchange Commission issued an Order pursuant to Section 21C of the Securities Exchange Act of 1934 (Exchange Act) against Alan G. Lewis, former Controller of Midisoft Corporation (Midisoft). The Order stems from Midisoft's issuance of a Form 10-K for the year ended December 31, 1994 that overstated its revenues by \$811,000 (16.3%). Lewis consented to the Order without admitting or denying the Commission's findings.

The Order finds that Midisoft's 1994 Form 10-K included revenues on goods it did not ship during 1994 but, instead, stored at an off-site location. In addition, Midisoft under-reported returns relating to 1994 sales.

In connection with these activities, Lewis caused the falsification of Midisoft's books and records; circumvented Midisoft's accounting controls; made material misrepresentations to auditors; and caused the issuance of a Form 10-K that materially misstated Midisoft's results.

The Order directs Lewis to cease and desist from committing or causing any violation and any future violation of Section 13(b)(5) of the Exchange Act, and Rules 13b2-1 and 13b2-2 thereunder and from causing any violation and any future violation of Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, and Rules 10b-5, 12b-20 and 13a-1 thereunder. (Rel. 34-37879)

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## INVESTMENT COMPANY ACT RELEASES

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### BAIRD CAPITAL DEVELOPMENT FUND, INC.

A notice has been issued giving interested persons until November 19, 1996 to request a hearing on an application filed by Baird Capital Development Fund, Inc., for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-22298 - October 25)

**PAINWEBBER AMERICA FUND, ET AL.**

An order has been issued on an application filed by PaineWebber America Fund, et al., under Section 6(c) of the Investment Company Act for an exemption from Section 12(d)(1) of the Act and under Sections 6(c) and 17(b) of the Act for an exemption from Section 17(a) of the Act. The order permits certain PaineWebber funds to operate as "funds of funds" by investing in affiliated open-end investment companies in excess of the percentage limitations of Section 12(d)(1). (Rel. IC-22299 - October 28)

**HLM GLOBAL EQUITY LIMITED PARTNERSHIP, ET AL.**

A notice has been issued giving interested persons until November 22, 1996, to request a hearing on an application filed by HLM Global Equity Limited Partnership (Partnership), et al. for an order under Section 17(b) of the Investment Company Act that would exempt applicants from Section 17(a) of the Act. The order would permit the Partnership to transfer substantially all of its assets and liabilities to a series of Harding, Loevner Funds, Inc. in exchange for the series' shares, which then would be distributed pro rata to partners of the Partnership. (Rel. IC-22300 - October 28)

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**HOLDING COMPANY ACT RELEASES**

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**GPU, INC.**

A notice has been issued giving interested persons until November 18, 1996 to request a hearing on a proposal by GPU, Inc. (GPU), a registered public utility holding company, and its wholly owned subsidiary companies GPU Service, Inc., GPU International, Inc. and GPU Generation, Inc. (Applicants). Applicants propose to engage, through one or more direct or indirect subsidiaries, in the business of brokering and marketing a variety of energy commodities and in providing incidental related services to customers, such as fuel management, storage and procurement services. (Rel. 35-26597)

**GPU INTERNATIONAL, INC.**

A notice has been issued giving interested persons until November 18, 1996 to request a hearing on a proposal by GPU International, Inc. (GPU I), a wholly-owned subsidiary of GPU, Inc., a registered holding company, to form a joint venture (JV) with one or more nonaffiliated entities to develop, manufacture and market stationary fuel cell power systems, to acquire securities of the JV, and related transactions. GPU I's aggregate investment in the JV will not exceed \$30 million. (Rel. 35-26597)

**NEW ENGLAND ELECTRIC SYSTEM**

A notice has been issued giving interested persons until November

18, 1996 to request a hearing on a proposal by New England Electric System (NEES), a registered holding company, to extend its authority through December 31, 2001 to issue and sell up to 10,693,536 shares of its authorized but unissued common stock to the NEES System Dividend Reinvestment and Common Share Purchase Plan. (Rel. 35-26597)

CENTRAL AND SOUTH WEST CORPORATION, ET AL.

A notice has been issued giving interested persons until November 18, 1996 to request a hearing on a proposal by Central and South West Corporation, a registered holding company, and its direct and indirect subsidiaries, CSW Energy, Inc., CSW Development-I, Inc., Orange Cogeneration GP II, Inc. (Orange GP Sub), CSW Orange II, Inc. (Orange LP Sub), Orange Cogeneration G.P., Inc. (JV Sub), CSW Orange, Inc. (CSW Orange), and Orange Cogeneration Limited Partnership (Project Venture) (collectively, Applicants). Applicants propose: (i) to organize a subsidiary of the Project Venture (OCLP Sub); (ii) that OCLP Sub sell, and Project Venture acquire, its securities; (iii) that Project Venture obtain a credit facility, which would include (a) a construction loan up to \$130 million and letters of credit and a revolving working capital credit line not to exceed \$10 million, (b) \$140 million in debt securities (Orange Securities) issued by OCLP Sub to third parties, or (c) a combination of the above; (iv) that OCLP Sub loan to the Project Venture the proceeds of the Orange Securities; (v) that Project Venture, JV Sub, CSW Orange, Orange GP Sub and Orange LP Sub guarantee OCLP Sub's obligations under the Orange Securities; and (vi) that Project Venture, JV Sub, CSW Orange, Orange GP Sub and Orange LP Sub pledge substantially all of its respective assets to secure OCLP Sub's obligations under the Orange Securities. (Rel. 35-26597)

AMERICAN ELECTRIC POWER COMPANY, INC.

A notice has been issued giving interested persons until November 18, 1996 to request a hearing on a proposal by American Electric Power Company, Inc., a registered holding company, and its electric utility subsidiary companies, AEP Generating Company, Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company (collectively, Declarants). Declarants request authorization to sell and/or transfer certain utility assets to customers and noncustomers for a period ending December 31, 2001 without prior Commission approval. It is stated that the consideration for the transfers will be not less than the net book value of the assets and will not exceed \$5 million per operating subsidiary per calendar year and \$50 million in any calendar year for the AEP System. (Rel. 35-26597)

CENTRAL AND SOUTH WEST CORP., ET AL.

A notice has been issued giving interested persons until November 18, 1996, to request a hearing on a proposal by Central and South West Corporation (CSW), a registered holding company, CSW Energy,

Inc., a wholly owned non-utility subsidiary company of CSW, and five special-purpose, wholly owned subsidiary companies of CSW Energy, CSW Sweeny GP, Inc., CSW Sweeny GP II, Inc., CSW Sweeny LP, Inc., CSW Sweeny LP II, Inc., and Sweeny Cogeneration L.P., to provide up to \$250 million in equity support to the Sweeny Cogeneration Project (Project) in the form of an equity support agreement, guarantee or letter of credit to the interest that will purchase electric power and thermal energy from the Project. (Rel. 35-26597)

#### CONSOLIDATED NATURAL GAS COMPANY, ET AL.

A notice has been issued giving interested persons until November 18, 1996 to request a hearing on a proposal by Consolidated Natural Gas Company, a registered holding company, to reorganize a portion of its system by merging two of its wholly owned gas public-utility subsidiaries, The East Ohio Gas Company (EOG) and West Ohio Gas Company, with EOG being the surviving corporation. (Rel. 35-26597)

#### SEI BIRCHWOOD, INC., ET AL.

A notice has been issued giving interested persons until November 18, 1996 to request a hearing on a proposal by SEI Birchwood, Inc. (SEI Birchwood), a direct nonutility subsidiary of SEI Holdings, Inc., a direct nonutility subsidiary of The Southern Company, a registered holding company, and Birchwood Power Partners, L.P. (BPP), a subsidiary of SEI Birchwood, whereby SEI Birchwood will acquire 50%, or BPP 100%, of the common shares of the company that owns the host facility associated with BPP's generating facility, which has been certified as a "qualifying facility" under the Public Utility Regulatory Policies Act of 1978, as amended. (Rel. 35-26597)

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### SELF-REGULATORY ORGANIZATIONS

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#### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

The Commission received a proposal (SR-CBOE-96-65) from the Chicago Board Options Exchange on October 24 to waive Exchange fees on transactions in Equity FLEX options from the start of trading of Equity FLEX options, which is scheduled to begin on October 24, until January 31, 1997. Publication of the notice is expected in the Federal Register during the week of October 28. (Rel. 34-37871)

A proposed rule change filed by NASD Regulation to amend the policy and practice concerning the application of the eligibility provision in Rule 10304 of the Code of Arbitration Procedure of the National Association of Securities Dealers (SR-NASD-96-37) has become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected in the Federal Register during the week of October 28. (Rel. 34-37875)

## PROPOSED RULE CHANGES

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934, on July 29, 1996, the Chicago Board Options Exchange filed with the Commission a proposed rule change (SR-CBOE-96-52), to adopt rules which permit the trading of options on interests in open-end, exchange-listed investment companies that hold securities comprising or based on an index or portfolio of securities designed to replicate substantially a specific component of a designated stock index. Publication of the notice is expected in the Federal Register during the week of October 28. (Rel. 34-37873)

The National Securities Clearing Corporation filed a proposed rule change (SR-NSCC-96-18) under Section 19(b) of the Securities Exchange Act. The proposed rule change will modify NSCC's procedures relating to the Reconfirmation and Pricing Service (RECAPS). Publication of the proposal is expected in the Federal Register during the week of November 4. (Rel. 34-37877)

## APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change (SR-PTC-96-04) filed by the Participants Trust Company under Section 19(b)(2) of the Securities Exchange Act that amends PTC's rules to eliminate prefunding requirements for intraday free retransfers. (Rel. 34-37869)

The Commission granted approval of a proposed rule change (SR-GSCC-96-08) filed by the Government Securities Clearing Corporation under Section 19(b)(2) of the Securities Exchange Act. The rule change reimburses certain costs incurred by interdealer brokers in connection with repo transactions. (Rel. 34-37870)

The Commission approved a proposed rule change filed by The Options Clearing Corporation (SR-OCC-96-08) under Section 19(b)(2) of the Securities Exchange Act that amended OCC Rule 801(c) to permit the exercise of foreign currency and cross-rate foreign currency options on the business day immediately preceding their expiration date. (Rel. 34-37872)

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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.

- AD (403) 264-4882 - 1,725,000 (\$49,473,000) FOREIGN COMMON STOCK. (FILE 333-5824 - OCT. 21) (BR. 4)
- S-3 COACHMEN INDUSTRIES INC, 601 E BEARDSLEY AVE, P O BOX 3300, ELKHART, IN 46514 (219) 262-0123 - 1,725,000 (\$48,192,187.50) COMMON STOCK. (FILE 333-14579 - OCT. 22) (BR. 5)
- S-8 INTERACTIVE MULTIMEDIA PUBLISHERS INC, 733 WEST MARKET STREET, SUITE B5, AKRON, OH 44303 (614) 888-6200 - 650,000 (\$220,500) COMMON STOCK. (FILE 333-14581 - OCT. 22)
- S-4 HIBERNIA CORP, 313 CARONDELET ST, NEW ORLEANS, LA 70130 (504) 533-5552 - 6,720,842 (\$38,576,103) COMMON STOCK. (FILE 333-14583 - OCT. 22) (BR. 7)
- S-1 PAREXEL INTERNATIONAL CORP, 195 WEST ST, WALTHAM, MA 02154 (617) 487-9900 - \$118,125,000 COMMON STOCK. (FILE 333-14585 - OCT. 22) (BR. 1)
- S-1 UNITED COMMUNITY BANCSHARES INC, 2600 EAGAN WOODS DR, STE 155, EAGAN, MN 55121 (612) 552-2722 - 440,000 (\$11,000,000) PREFERRED STOCK. (FILE 333-14587 - OCT. 22)
- S-8 NEUROCRINE BIOSCIENCES INC, 3050 SCIENCE PARK RD, SAN DIEGO, CA 92025 (619) 658-7600 - 2,178,341 (\$12,800,201.05) COMMON STOCK. (FILE 333-14589 - OCT. 21) (BR. 1)
- S-8 KIMBALL INTERNATIONAL INC, 1600 ROYAL ST, JASPER, IN 47549 (812) 482-1600 - 2,225,000 (\$79,265,625) COMMON STOCK. (FILE 333-14591 - OCT. 22) (BR. 6)
- S-1 RIVIERA HOLDINGS CORP, 2901 LAS VEGAS BLVD SOUTH, LAS VEGAS, NV 89109 (702) 794-9527 - 3,450,000 (\$51,750,000) COMMON STOCK. (FILE 333-14593 - OCT. 22) (BR. 5)
- S-3 SUN COMMUNITIES INC, 31700 MIDDLEBELT RD, STE 145, FARMINGTON HILLS, MI 48334 (810) 932-3100 - \$272,787,500 COMMON STOCK. (FILE 333-14595 - OCT. 22) (BR. 8)
- S-3 OUTBACK STEAKHOUSE INC, 550 N REO ST STE 200, TAMPA, FL 33609 (813) 282-1225 - 218,859 (\$4,938,006) COMMON STOCK. (FILE 333-14597 - OCT. 22) (BR. 2)
- S-4 PRIME SUCCESSION INC, 691 TEKULVE ROAD, BATESVILLE, IN 47006 (812) 933-0222 - 100,000,000 (\$100,000,000) STRAIGHT BONDS. (FILE 333-14599 - OCT. 22) (NEW ISSUE)
- S-8 PVF CAPITAL CORP, 2618 N MORELAND BLVD, CLEVELAND HEIGHTS, OH 44120 (216) 439-6790 - 150,000 (\$2,250,000) COMMON STOCK. (FILE 333-14601 - OCT. 22) (BR. 7)
- S-3 GROSSMANS INC, 45 DAN ROAD, CANTON, MA 02021 (617) 830-4000 - 200,000 (\$330,000) COMMON STOCK. (FILE 333-14603 - OCT. 22) (BR. 6)
- S-3 SOUTHWEST GAS CORP, 5241 SPRING MOUNTAIN RD, PO BOX 98510, LAS VEGAS, NV 89193 (702) 876-7237 (FILE 333-14605 - OCT. 22) (BR. 4)
- S-8 MICROFLUIDICS INTERNATIONAL CORP, 30 OSSIPEE RD, P O BOX 9101, NEWTON, MA 02164 (617) 969-5452 - 261,000 (\$365,793) COMMON STOCK. (FILE 333-14607 - OCT. 22) (BR. 5)
- S-8 RIGGS NATIONAL CORP, 1503 PENNSYLVANIA AVE N W, WASHINGTON, DC 20005 (301) 887-6000 - 2,000,000 (\$33,125,000) COMMON STOCK. (FILE 333-14609 - OCT. 22) (BR. 7)
- S-3 TIME WARNER INC/, TIME & LIFE BLDG ROCKFELLER CENTER, 75 ROCKEFELLER PLAZA, NEW YORK, NY 10019 (212) 484-8000 - 1,300,766 (\$52,030,640) COMMON STOCK. (FILE 333-14611 - OCT. 22)
- S-8 USA WASTE SERVICES INC, 5400 LBJ FREEWAY, SUITE 300 TOWER ONE, DALLAS, TX 75240 (214) 383-7900 - 5,500,000 (\$172,221,500) COMMON STOCK. (FILE 333-14613 - OCT. 22) (BR. 4)

- S-3 EL PASO NATURAL GAS CO, ONE PAUL KAYSER CENTER, 100 NORTH STANTON ST,  
EL PASO, TX 79901 (915) 541-2600 (FILE 333-14617 - OCT. 22) (BR. 4)
- S-8 TALX CORP, 1850 BORMAN CT, ST LOUIS, MO 63146 (314) 434-0046 - 105,144  
(\$394,290) COMMON STOCK. (FILE 333-14619 - OCT. 22) (BR. 3)
- S-3 OPTION ONE MORTGAGE ACCEPTANCE CORP, 2020 EAST FIRST STREET SUITE 100,  
SANTA ANA, CA 92705 (714) 558-7700 - 1,000,000 (\$1,000,000)  
EQUIPMENT TRUST CERTIFICATES. (FILE 333-14625 - OCT. 22) (NEW ISSUE)
- S-1 SOUTHERN PACIFIC FUNDING CORP, ONE CENTERPOINTE DR, STE 500,  
LAKE OSWEGO, OR 97035 (503) 684-4700 - 86,250,000 (\$86,250,000)  
STRAIGHT BONDS. (FILE 333-14627 - OCT. 22) (BR. 7)
- S-3 JERRYS FAMOUS DELI INC, 12711 VENTURA BLVD, STE 400, STUDIO CITY, CA  
91604 (818) 766-8311 - 6,539,166 (\$55,582,911) COMMON STOCK. (FILE  
333-14629 - OCT. 22) (BR. 2)
- SB-2 MILLBROOK PRESS INC, 2 OLD NEW MILDORD RD, BROOKFIELD, CT 06804  
(203) 740-2220 - 6,350,000 (\$21,997,500) COMMON STOCK. 1,175,000  
(\$104,100) WARRANTS, OPTIONS OR RIGHTS. (FILE 333-14631 - OCT. 22)
- S-8 OACIS HEALTHCARE HOLDINGS CORP, 100 DRAKES LANDING RD, STE 100,  
GREENBRAE, CA 94904 (415) 925-0121 - 2,711,796 (\$16,740,328) COMMON STOCK.  
(FILE 333-14633 - OCT. 22) (BR. 3)
- S-4 DANIEL INDUSTRIES INC, 9753 PINE LAKE DR, HOUSTON, TX 77055  
(713) 467-6000 - 8,484,482 (\$60,451,935) COMMON STOCK. (FILE 333-14635 -  
OCT. 22) (BR. 5)
- S-8 BIG FLOWER PRESS HOLDINGS INC, 3 E 54TH ST, 19TH FLR, NEW YORK, NY 10022  
(212) 521-1600 - 1,315,704 (\$17,268,615) COMMON STOCK. (FILE 333-14637 -  
OCT. 23) (BR. 5)
- S-1 SIPEX CORP, 22 LINNELL CIRCLE, BILLERICA, MA 01821 (508) 667-8700 -  
3,450,000 (\$77,193,750) COMMON STOCK. (FILE 333-14639 - OCT. 23) (BR. 6)



**U.S. Securities and Exchange Commission**  
Washington, D.C. 20549 (202) 942-0020

**News  
Release**

**FOR IMMEDIATE RELEASE**

**96-126**

**In the Matter of Alan G. Lewis**

**Washington, D.C., October 29, 1996 --** The Securities and Exchange Commission issued an Order pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Alan G. Lewis, former Controller of Midisoft Corporation ("Midisoft"), directing Lewis to cease and desist from violating and/or causing the violation of the periodic reporting, books and records, internal accounting controls, and antifraud provisions of the Exchange Act. Lewis consented to issuance of the Order without admitting or denying the Commission's findings.

The Order finds that Lewis caused Midisoft to engage in two types of conduct that largely led the company to overstate its revenues for the fiscal year ended December 31, 1994, by \$811,000, or 16.3%. First, Midisoft recognized revenues on goods that Midisoft did not ship to its customers during the year. These goods were, instead, held at an off-site storage location. Second, Midisoft under-reported sales returns it received relating to product shipped during fiscal 1994.

In connection with the foregoing activity, the Order finds that Lewis either directly or indirectly caused the falsification of Midisoft's books and records and circumvented its internal accounting controls. In addition, the Order finds that Lewis made materially false and misleading misrepresentations to Midisoft's independent auditors in connection with Midisoft's 1994 audit. Lastly, the Order finds that Lewis caused Midisoft to issue a 1994 Form 10-K that materially misstated its financial results.

The Order directs Lewis to cease and desist from: (1) committing or causing any violation and any future violation of Section 13(b) (5) of the Exchange Act and Rules 13b2-1 and 13b2-2 thereunder; and (2) causing any violation and any future violation of Sections 10 (b), 13 (a), 13 (b) (2) (A) and 13 (b) (2) (B) of the Exchange Act and Rules 10b-5, 12b-20 and 13a-I thereunder.

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