

# SEC NEWS DIGEST

Issue 98-45

March 9, 1998

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## ENFORCEMENT PROCEEDINGS

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### JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF ENTERED AGAINST UNITED AVALON GROUP, LTD. AND FRANK NAFT

On February 25, 1998, a Judgment was entered by consent against United Avalon Group, Ltd. (UAG) and its principal, Frank M. Naft (Naft), enjoining them from violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and ordering them to disgorge \$310,307.40

The complaint alleges that UAG served as trustee for Direct Participation Services, Inc., d/b/a Government Financial (GF), which fraudulently raised approximately \$26 million from the sale of nine-month promissory notes between July, 1993 and May, 1995. GF allegedly misrepresented the use of proceeds to investors, the safety of the investment, and UAG's duties as trustee. Proceeds were to be segregated by the trustee, and the trustee was to assume responsibility for administering the investment, including holding loan portfolio documents, receiving assignments of assets, receiving payments from GF's obligors, and enforcing noteholders' security interest in the accounts receivable which GF was to purchase. The complaint alleges that UAG and Naft knowingly failed to discharge these duties. Instead, UAG allegedly operated as a disbursing agent, while Naft and his affiliates received approximately \$3.0 million in unsecured, undocumented loans from GF. As a result of GF's failure to operate GF as represented, the Note program evolved into a Ponzi-like scheme. [SEC v. Direct Participation Services, Inc. d/b/a Government Financial, Jeffrey A. Lobel, William Rossi, United Avalon Group, Ltd., and Frank M. Naft, Civil Action No. 96-6594 LGB, Mcx, C.D. Cal.] (LR-15661)

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## INVESTMENT COMPANY ACT RELEASES

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### NATIONWIDE INVESTING FOUNDATION III, ET AL.

An order has been issued on an application filed by Nationwide Investing Foundation III, et al. under Section 17(b) of the

Investment Company Act granting relief from Section 17(a) of the Act. The order permits certain series of a registered open-end management investment company to acquire all of the assets of certain series of three registered open-end management investment companies. (Rel. IC-23061 - March 6)

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## SELF-REGULATORY ORGANIZATIONS

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### PROPOSED RULE CHANGES

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-98-17) that would create an integrated order delivery and execution system replacing the Small Order Execution System and SelectNet. Publication of the proposal is expected in the Federal Register during the week of March 9. (Rel. 34-39718)

The Chicago Stock Exchange filed a proposed rule change (SR-CHX-97-25) to amend the Minor Rule Plan to include violations of the Exchange's limit order display rule. Publication of the proposal is expected in the Federal Register during the week of March 9. (Rel. 34-39723)

The Chicago Board Options Exchange filed a proposed rule change (SR-CBOE-98-03) to codify the Exchange's process for allocating securities to market-maker trading crowds and designated primary market makers (DPMs). Publication of the proposal is expected in the Federal Register during the week of March 9. (Rel. 34-39725)

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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-3 YPF SOCIEDAD ANONIMA, AVENIDA PTE R SAENZ 777-8 PISO,  
BUENOS AIRES 1364 AR, C1 (541) 326-7265 - 400,000,000 (\$400,000,000)  
FOREIGN GOVERNMENT AND AGENCY DEBT (FILE 333-8382 - FEB 27) (BR. 4)

S-4 TEXAS UTILITIES CO /TX/, C/O TEXAS UTILITIES CO, 1601 BRYAN ST, DALLAS, TX 75201 (214) 812-4600 - 39,671,302 (\$1,354,552,200) COMMON STOCK. (FILE 333-47135 - MAR 02) (BR 4)

S-3 MCN INVESTMENT CORP, 500 GRISWOLD ST, DETROIT, MI 48226 (313) 256-5500 - 700,000,000 (\$700,000,000) STRAIGHT BONDS (FILE 333-47137 - MAR 02) (BR 4)

S-3 MCN ENERGY GROUP INC, 500 GRISWOLD ST, DETROIT, MI 48226 (313) 256-5500 - 800,000,000 (\$800,000,000) STRAIGHT BONDS (FILE 333-47139 - MAR 02)

S-8 SWISS ARMY BRANDS INC, ONE RESEARCH DRIVE, SHELTON, CT 06484 (203) 929-6391 - 1,000,000 (\$11,042,328) COMMON STOCK (FILE 333-47141 - MAR. 02) (BR. 2)

S-8 JEFFERSON SMURFIT CORP /DE/, JEFFERSON SMURFIT CENTRE, 8182 MARYLAND AVE, ST LOUIS, MO 63105 (314) 746-1100 - 5,000,000 (\$74,062,500) COMMON STOCK (FILE 333-47143 - MAR 02) (BR 4)

S-8 UAL CORP /DE/, 1200 ALGONQUIN ROAD, ELK GROVE TOWNSHIP, IL 60007 (847) 700-4000 - 5,740 (\$493,640) COMMON STOCK (FILE 333-47145 - MAR 02) (BR 5)

S-3 CORNERSTONE PROPERTIES INC, 31 W 52ND ST, STE 1600, NEW YORK, NY 10019 (212) 474-7100 - 34,493,192 (\$614,409,982 50) COMMON STOCK (FILE 333-47149 - MAR 02) (BR 8)

S-8 TII INDUSTRIES INC, 1385 AKRON ST, COPIAGUE, NY 11726 (516) 789-5000 - 750,000 (\$3,458,073.10) COMMON STOCK (FILE 333-47151 - MAR 02) (BR 6)

S-8 HMI INDUSTRIES INC, 3631 PERKINS AVENUE, CLEVELAND, OH 44114 (216) -43-2-19 - 500,000 (\$2,062,500) COMMON STOCK (FILE 333-47153 - MAR 02) (BR 6)

S-3 AMERICAN COMMUNICATIONS SERVICES INC, 131 NATIONAL BUSINESS PKWY, STE 100, ANNAPOLIS JUNCTION, MD 20701 (310) 617-4200 - 126,576,000 (\$126,576,000) COMMON STOCK (FILE 333-47155 - MAR 02) (BR 9)

S-8 CISCO SYSTEMS INC, 170 WEST TASMAN DRIVE, SAN JOSE, CA 95134 (408) 526-4000 - 486,504 (\$1,863,310 32) COMMON STOCK. (FILE 333-47159 - MAR 02) (BR 3)

S-4 CENTURY COMMUNICATIONS CORP, 50 LOCUST AVE, NEW CANAAN, CT 06840 (203) 972-2000 - 605,000,000 (\$249,659,300) STRAIGHT BONDS (FILE 333-47161 - MAR 02) (BR 3)

S-8 MICRO WAREHOUSE INC, 535 CONNECTICUT AVE, NORWALK, CT 06854 (203) 899-4000 - 5,000,000 (\$5,000,000) COMMON STOCK (FILE 333-47163 - MAR 02) (BR 2)

S-8 PRECISION AUTO CARE INC, 748 MILLER DRIVE SE, LEESBURG, VA 20175 (703) 777-9095 - 175,000 (\$1,837,500) COMMON STOCK (FILE 333-47165 - MAR 02) (BR 5)

S-8 PRECISION AUTO CARE INC, 748 MILLER DRIVE SE, LEESBURG, VA 20175 (703) 777-9095 - 20,000 (\$210,000) COMMON STOCK (FILE 333-47167 - MAR 02) (BR 5)

S-8 PRECISION AUTO CARE INC, 748 MILLER DRIVE SE, LEESBURG, VA 20175 (703) 777-9095 - 400,000 (\$4,200,000) COMMON STOCK (FILE 333-47169 - MAR. 02) (BR 5)

S-8 PRECISION AUTO CARE INC, 748 MILLER DRIVE SE, LEESBURG, VA 20175 (703) 777-9095 - 77,000 (\$808,500) COMMON STOCK (FILE 333-47171 - MAR 02) (BR. 5)

S-8 VITALCOM INC, 15222 DEL AMO AVE, TUSCAN, CA 92680 (714) 546-0147 - 750,000 (\$3,420,000) COMMON STOCK (FILE 333-47173 - MAR 02) (BR. 6)

S-8 BORLAND INTERNATIONAL INC /DE/, 100 BORLAND WAY, SCOTTS VALLEY, CA 95066 (408) 431-1000 - 2,538,822 (\$20,840,078) COMMON STOCK (FILE 333-47175 - MAR 02) (BR 3)

S-8 BORLAND INTERNATIONAL INC /DE/, 100 BORLAND WAY, SCOTTS VALLEY, CA 95066  
(408) 431-1000 - 1,900,000 (\$18,056,600) COMMON STOCK. (FILE 333-47177 -  
MAR 02) (BR. 3)

S-3 MBNA CORP, 1100 N KING ST, C/O MBNA AMERICA BANK NA, WILMINGTON, DE  
19884 (800) 362-6255 - 2,013,000,000 (\$2,013,000,000) STRAIGHT BONDS.  
(FILE 333-47179 - MAR. 02) (BR. 7)

S-3 HOUSEHOLD INTERNATIONAL INC, 2700 SANDERS RD, PROSPECT HEIGHTS, IL 60070  
(847) 564-5000 - 40,000 (\$1,000,000) PREFERRED STOCK. (FILE 333-47181 -  
MAR 02) (BR 7)

S-8 SHELDAHL INC, 1150 SHELDAHL RD, NORTHFIELD, MN 55057 (507) 663-8000 -  
200,000 (\$3,075,000) COMMON STOCK (FILE 333-47183 - MAR 02) (BR 6)

S-8 APPLIED MICRO CIRCUITS CORP, 6290 SEQUENCE DR, SAN DIEGO, CA 92121  
(619) 450-9333 - 4,666,574 (\$50,050,946.23) COMMON STOCK (FILE 333-47185  
- MAR 02) (BR. 6)

S-8 OAK TREE MEDICAL SYSTEMS INC, 163-03 HORACE HARDING EXPRESSWY, FLUSHING,  
NY 11365 (718) 460-8400 - 23,000 (\$46,000) COMMON STOCK (FILE 333-47187 -  
MAR 02) (BR 1)

S-1 DEOTEXIS INC, 599 LEXINGTON AVENUE, SUITE 2300, NEW YORK, NY 10022  
(212) 836-4800 - 1,673,250 (\$53,544,000) COMMON STOCK. (FILE 333-47189 -  
MAR 03) (BR 9)

S-3 CISCO SYSTEMS INC, 170 WEST TASMAN DRIVE, SAN JOSE, CA 95134  
(408) 526-4000 - 2,513,309 (\$166,349,639 44) COMMON STOCK. (FILE  
333-47191 - MAR 02) (BR. 3)

S-4 CVS CORP, ONE CVS DR, WOONSOCKET, RI 02895 (914) 925-4000 -  
\$1,387,679,666 COMMON STOCK (FILE 333-47193 - MAR 02) (BR. 1)

S-8 SUPERMAIL INTERNATIONAL INC, 2201 PARK TOWNE CIR STE 200, SACRAMENTO, CA  
95825 (916) 483-1131 - 3,000,000 (\$1,050,000) COMMON STOCK (FILE  
333-47195 - MAR 02) (BR 7)

S-1 INTERCEPT GROUP INC, 3150 HOLCOMB BRIDGE ROAD SUITE 200, NORTCROSS, GA  
30071 (770) 840-2700 - 2,862,500 (\$34,350,000) COMMON STOCK (FILE  
333-47197 - MAR 03) (NEW ISSUE)

S-4 FISERV INC, 255 FISERV DR, PO BOX 979, BROOKFIELD, WI 53045  
(414) 879-5000 - 416,667 (\$22,500,000) COMMON STOCK (FILE 333-47199 -  
MAR 03) (BR 3)

S-3 APARTMENT INVESTMENT & MANAGEMENT CO, 1873 S BELLAIRE ST, SUITE 1700,  
DENVER, CO 80222 (303) 757-8101 - 563,152 (\$20,396,661 50) COMMON STOCK.  
(FILE 333-47201 - MAR 03) (BR 8)

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#### RECENT 8K FILINGS

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Form 8-K is used by companies to file current reports on the following events:

- Item 1 Changes in Control of Registrant
- Item 2 Acquisition or Disposition of Assets
- Item 3 Bankruptcy or Receivership
- Item 4 Changes in Registrant's Certifying Accountant
- Item 5 Other Materially Important Events
- Item 6 Resignations of Registrant's Directors
- Item 7 Financial Statements and Exhibits
- Item 8 Change in Fiscal Year.
- Item 9 Regulation S Offerings

The following companies have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. 8-K reports 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>

NAME OF ISSUER	STATE CODE	8K ITEM NO.									DATE	COMMENT
		1	2	3	4	5	6	7	8	9		
ACME UNITED CORP	CT	X									03/05/98	
ACTRADE INTERNATIONAL LTD	DE				X						03/06/98	
ADVANTA CORP	DE		X				X				02/20/98	
ALEXION PHARMACEUTICALS INC	DE				X	X					03/06/98	
AMERICAN STORES CO /NEW/	DE				X	X					03/03/98	
ANTIGUA FUNDING CORP	DE				X						02/09/98	
APPLIED EXTRUSION TECHNOLOGIES INC /DE	DE				X	X					03/02/98	
AREMISSOFT CORP	NV						X				10/27/97	AMEND
ARISTOTLE CORP	DE				X	X					03/06/98	
AT&T CAPITAL CORP /DE/	DE				X		X				03/04/98	
BASE TEN SYSTEMS INC	NJ		X				X				02/19/98	
BIOCONTROL TECHNOLOGY INC	PA		X								02/23/98	
BIOJECT MEDICAL TECHNOLOGIES INC	OR				X	X					02/20/98	
BONTEX INC	VA				X						03/06/98	
BRITTON & KOONTZ CAPITAL CORP	MS				X	X					01/21/98	
BUSSE BROADCASTING CORP	DE				X	X					03/06/98	
CALENERGY CO INC	DE				X						03/06/98	
CANDLEWOOD HOTEL CO INC	DE		X				X				12/24/97	AMEND
CAPITA EQUIPMENT RECEIVABLES TRUST 1996-1							X				02/09/98	
CAPITAL TRUST	CA		X				X				12/23/97	AMEND
CAPITOL REVOLVING HOME EQUITY LOAN TRUST 1996-1							X				02/20/98	
CAPITOL REVOLVING HOME EQUITY LOAN TRUST 1997-1	MD				X						02/20/98	
CASTELLE \CA\	DE		X								03/06/98	
CENDANT CORP	DE				X	X					03/06/98	
CENTRAL SPRINKLER CORP	PA				X	X					03/04/98	
CHIQUITA BRANDS INTERNATIONAL INC	NJ				X						02/19/98	
COLUMBIA HCA HEALTHCARE CORP/	DE				X	X					03/06/98	
COMPASS PLASTICS & TECHNOLOGIES INC	DE		X				X				02/27/98	
COMPUTER TRANSCEIVER SYSTEMS INC	NY				X						03/06/98	
CONECTIV INC	DE							X			03/06/98	
CONTINENTAL AIRLINES INC /DE/	DE							X			02/20/98	
CORPORATE OFFICE PROPERTIES TRUST I NC	MN				X	X					03/06/98	
DALTEX MEDICAL SCIENCES INC	DE				X						03/06/98	AMEND
DIACRIN INC /DE/	DE					X					02/26/98	
DIPLOMAT CORP	DE		X				X				02/19/98	
EMPIRE FUNDING HOME LOAN OWNER TRUS T 1998-1	DE				X	X					02/26/98	
FAMILY STEAK HOUSES OF FLORIDA INC	FL		X								03/06/98	
FARM FRESH INC	VA			X			X				02/20/98	
FEDERAL EXPRESS CORP	DE						X				02/26/98	
FIDELITY NATIONAL FINANCIAL INC /DE/ /	DE		X				X				02/26/98	
FIRST ALERT INC	DE				X	X					02/28/98	AMEND
FIRST NATIONWIDE HOLDINGS INC	DE				X						02/04/98	AMEND
FIRST NATIONWIDE PARENT HOLDINGS IN C	DE				X						02/04/98	AMEND
FIRST OF AMERICA BANK-MICHIGAN NA			X								03/06/98	

NAME OF ISSUER	STATE CODE	8K ITEM NO.									DATE	COMMENT
		1	2	3	4	5	6	7	8	9		
FIRST OMNI BANK NA						X	X				02/25/98	
FLEET FINANCIAL GROUP INC	RI					X	X				03/06/98	
FOCUS SURGERY INC	CA		X				X				01/31/98	
FORCENERGY INC	DE					X					03/02/98	
GE CAPITAL MORTGAGE SERVICES INC	NJ		X				X				02/26/98	
GENERAL BINDING CORP	DE					X	X				03/03/98	
GLOBAL SPILL MANAGEMENT INC /NV/	NV		X		X	X					02/17/98	
HARRIS BANKCORP INC	DE	X	X	X	X	X	X	X	X		03/06/98	
HEADLANDS MORTGAGE SEC INC MORTGAGE	CA					X	X				02/25/98	
PASS THR CERT SER 1997-1												
HEADLANDS MORTGAGE SEC INC MORTGAGE	DE					X	X				02/25/98	
PASS THR CERT SER 1997-2												
HEADLANDS MORTGAGE SEC INC MORTGAGE	DE					X	X				02/25/98	
PASS THR CERT SER 1997-3												
HEADLANDS MORTGAGE SEC INC MORTGAGE	DE					X	X				02/25/98	
PASS THR CERT SER 1997-5												
HEADLANDS MORTGAGE SEC INC MORTGAGE	DE					X	X				02/25/98	
PASS THR CERT SER 1997-6												
HEADLANDS MORTGAGE SEC PASS THR CER	DE					X	X				02/25/98	
T SER 1997-4												
HOUSEHOLD INTERNATIONAL INC	DE					X	X				03/05/98	
HUTCHINSON TECHNOLOGY INC	MN						X				02/27/98	
I FLOW CORP /CA/	CA		X				X				02/09/98	AMEND
IBIS TECHNOLOGY CORP	MA					X	X				03/05/98	
IKON OFFICE SOLUTIONS INC	OH					X	X				03/06/98	
IMAGING DIAGNOSTIC SYSTEMS INC /FL/	FL							X			03/06/98	
IMC SECURITIES INC	DE					X	X				03/04/98	
INFERENCE CORP /CA/	DE					X	X				03/04/98	
INFINIUM SOFTWARE INC	MA					X	X				03/05/98	
ITT CORP /NV/	NV		X				X				02/19/98	
JAVELIN SYSTEMS INC	DE						X				12/22/97	AMEND
K N ENERGY INC	KS					X	X				03/04/98	
KEYCORP /NEW/	OH					X					03/06/98	
LAIDLAW ENVIRONMENTAL SERVICES INC	DE					X					03/06/98	
LANCIT MEDIA ENTERTAINMENT LTD	NY					X					03/06/98	
LEHMAN ABS CORP	DE					X	X				03/05/98	
LEHMAN ABS CORP	DE					X	X				03/06/98	
LOEWEN GROUP INC						X	X				03/05/98	
LOTUS PACIFIC INC	DE	X									03/06/98	
LUKENS MEDICAL CORP	DE					X	X				02/20/98	
MB SOFTWARE CORP	CO				X		X				03/04/98	
MC LIQUIDATING CORP	WA					X	X				02/25/98	
MIDWEST REAL ESTATE SHOPPING CENTER	DE					X					03/05/98	
LP												
MONEY STORE INC /NJ	NJ					X	X				03/04/98	
MONTEREY PASTA CO	CA					X	X				03/05/98	
NATIONAL DATACOMPUTER INC	DE						X	X			02/18/98	
NATIONAL FINANCIAL AUTO FUNDING TRU	DE					X	X				Q1/31/98	
ST												
NATIONAL RV HOLDINGS INC	DE					X					02/25/98	
NAVISTAR INTERNATIONAL CORP /DE/NEW	DE					X	X				03/06/98	
NEROX ENERGY CORP	NV					X	X				09/12/96	
NEROX ENERGY CORP	NV					X	X				03/13/97	
NEROX ENERGY CORP	NV						X				10/31/97	
NEW VALLEY CORP	NY		X				X				02/20/98	
NEWCOR INC	DE						X				03/06/98	AMEND
NEWSEDGE CORP	DE		X				X				02/24/98	
NORWEST ASSET SECURITIES CORP	DE					X	X				03/03/98	
NYLIFE STRUCTURED ASSET MANAGEMENT	TX		X				X				01/17/98	
COMPANY LTD												

NAME OF ISSUER	STATE CODE	8K ITEM NO.									DATE	COMMENT	
		1	2	3	4	5	6	7	8	9			
OMNICOM GROUP INC	NY					X	X					03/04/98	
OPTIMA PETROLEUM CORP			X				X					02/28/98	
PARKER DRILLING CO /DE/	DE					X	X					05/08/97	AMEND
PARKER DRILLING CO /DE/	DE					X	X					05/08/97	AMEND
PLATRONICS INC	NJ					X						01/26/98	AMEND
PORTSMOUTH SQUARE INC	CA						X					03/02/98	
PREMIUM CIGARS INTERNATIONAL LTD	AZ					X						11/19/97	
PRIMARK CORP	MI					X	X					03/06/98	
PRIME GROUP REALTY TRUST	MD		X				X					02/20/98	
PRUDENTIAL SECURITIES SECURED FINAN CING CORP	DE					X	X					03/02/98	
RCN CORP /DE/	DE		X				X					03/05/98	
REPUBLIC FIRST BANCORP INC	PA					X						02/19/98	
RESIDENTIAL ACCREDIT LOANS INC	DE						X					03/06/98	
RESIDENTIAL ACCREDIT LOANS INC	DE						X					03/06/98	
SALOMON BROTHERS MORT SEC VII INC M OR PA THR CER SER 1996-C1	NY					X	X					02/20/98	
SANTA FE FINANCIAL CORP	NV						X					03/02/98	
SAXON ASSET SECURITIES CO	VA					X						02/26/98	
SEQUOIA MORTGAGE FUNDING CORP	MD					X	X					02/25/98	
SIGCORP INC	IN						X					12/31/97	
SMART CHOICE AUTOMOTIVE GROUP INC	FL					X	X					12/10/97	
SMART CHOICE AUTOMOTIVE GROUP INC	FL					X	X					12/10/97	
SMITH INTERNATIONAL INC	DE					X	X					03/06/98	
SOUTHERN MINERAL CORP	NV		X				X					11/23/97	
STOICO RESTAURANT GROUP INC	DE			X			X					03/06/98	
STORAGE USA INC	TN		X				X					03/06/98	
STRUCTURED ASSET SECURITIES CORP SE RIES 1997 LL I	DE					X	X					02/17/98	
SUN BANCORP INC /NJ/	NJ					X	X					03/03/98	
SUSA PARTNERSHIP LP	TN		X				X					03/06/98	
TELE COMMUNICATIONS INC /CO/	DE		X				X					03/03/98	
TRENWICK GROUP INC	DE					X						02/27/98	
TRIARC COMPANIES INC	DE					X	X					02/09/98	AMEND
TRICO MARINE SERVICES INC	DE					X	X					02/18/98	
TRIMOL GROUP INC	DE		X				X					01/06/98	AMEND
TYCO INTERNATIONAL LTD /BER/						X	X					03/02/98	
UNITED PARK CITY MINES CO	DE		X				X					02/19/98	
USA GROUP SECONDARY MARKET SERVICES INC	DE					X						11/09/97	
USA GROUP SECONDARY MARKET SERVICES INC	DE					X						02/09/98	
USN COMMUNICATIONS INC	DE		X				X					02/20/98	
VERTEX INDUSTRIES INC	NJ					X						03/06/98	
WESTVACO CORP	DE					X						03/06/98	
XEROX CORP	NY					X						03/05/98	