

sec news digest

Issue 95-197

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COMMISSION ANNOUNCEMENTS

BARRY BARBASH TO TESTIFY

Barry Barbash, Director of the Division of Investment Management, will testify at a hearing on Friday, October 13, 1995, at 9:30 a.m., before the House Subcommittee on Energy and Power and the Subcommittee on Telecommunications and Finance concerning the regulation of Public Utility Holding Companies. The hearing will be held in Room 2123 of the Rayburn House Office Building.

ENFORCEMENT PROCEEDINGS

IVAN JONES, JR. AND ROY AKERS SANCTIONED

The Commission has imposed sanctions on Ivan D. Jones, Jr. of Wrightsville Beach, North Carolina, and Roy P. Akers of Coral Springs, Florida. Jones is president of both Jones & Ward Securities, Inc., a registered broker-dealer, and Investment/Timing Systems, Inc., a registered investment adviser. Akers was president of Jones & Ward from about April 1989 to June 1990.

The Commission suspended Jones from any association with a broker-dealer or investment adviser for 12 months, and barred him thereafter from any such association in a proprietary, supervisory or managerial capacity, with a right to apply to become so associated after 18 months. Akers was suspended for one year from association with a broker-dealer in a proprietary, supervisory or managerial capacity. The suspensions are effective October 18. The Commission also ordered Jones and Akers to cease and desist from committing or causing any further violations.

The Commission found that, during the period April 1989 through April 1990, Jones violated antifraud provisions in connection with two offerings, a part-or-none offering of the common stock of Sidbury Land Company, and an offering of general partnership interests in One Virginia Partners. Contrary to the representations made to investors in the offering materials, Jones diverted offering proceeds for his own purposes. The Commission also found Jones responsible for net capital violations by Jones & Ward and, together with Akers, for that firm's violations of recordkeeping and reporting provisions.

In imposing sanctions on Jones, the Commission noted that he "deliberately disregarded the advice of attorneys, auditors and regulators," and concluded that he posed "a distinct threat to public investors." In sanctioning Akers, the Commission stressed that his "failure to fulfill his responsibilities [as president] resulted in serious back office infractions." (Rel. 34-36355; IA-1530)

COMPLAINT FILED AGAINST JAMES MCLAUGHLIN

The Commission announced that on September 13 the Commission filed a complaint for permanent injunction in the United States District Court for the Northern District of Illinois against Defendant James P. McLaughlin (McLaughlin). In its complaint the Commission alleges that from February 1991 through May 1993, McLaughlin, through three corporations he controlled, Global Venture Capital (GVC), GVC Asset Management, Inc. (GVCAM) and TMB Futures International, Inc. (TMB), offered and sold common stock and convertible debentures through seven private placement offerings to at least 81 investors in 17 states raising at least \$1.1 million in violation of the antifraud provisions of the federal securities laws. Specifically, the Commission alleges McLaughlin, through GVC, GVCAM and TMB, misrepresented that he would use investor funds to invest in start-up and growth businesses, when in fact he used the proceeds of the offerings to pay personal and business expenses.

The Commission seeks disgorgement of all of McLaughlin's ill-gotten gains acquired through his scheme and the imposition of civil penalties against him. Moreover, the Commission seeks to prohibit McLaughlin from acting as an officer or director of any issuer with securities registered under Section 12 of the Exchange Act. [SEC v. James P. McLaughlin, USDC, ND Ill., Civil Action No. 95C 5241] (LR-14685)

FINAL JUDGMENT OF PERMANENT INJUNCTION ENTERED AGAINST DIGITRAN SYSTEMS, INC.

The Commission announced that on September 29 an order was entered in the U.S. District Court, District of Utah, permanently enjoining Digitran Systems, Inc. (Digitran) from further violations of the antifraud and reporting provisions of the federal securities laws.

The Commission's complaint alleged that Digitran made false and misleading statements concerning the company's sales and leases of simulators and its financial condition and operations. According to the complaint, Digitran improperly recognized revenue on several transactions, claiming that it had sold simulators when, in fact, it had not. This conduct resulted in a 46 percent to 93 percent overstatement of revenue for various periods. These overstatements were included in Digitran's quarterly and annual reports and a registration statement filed with the Commission. The overstatements of revenue were also included in a number of press releases.

The complaint also alleged that Digitran company officers Donald G. Gallent and James R. Bryan failed to maintain sufficient internal accounting controls and misled Digitran's auditors in connection with an audit of Digitran's financial statements for the fiscal year ended April 30, 1992. At the time of the alleged misconduct, Gallent was the president of Digitran and Bryan was Digitran's chief financial officer. [SEC v. Digitran Systems, Inc., Donald G. Gallent, and James R. Bryan, USDC UT, Civil Action No. 94-NC-173C] (LR-14686; AAE Rel. 731)

INVESTMENT COMPANY ACT RELEASES

JANUS INVESTMENT FUND, ET AL.

An order has been issued on an application filed by Janus Investment Fund, et al. under Section 17(d) of the Investment Company Act and Rule 17d-1 thereunder, permitting certain investment companies and certain private accounts to deposit their uninvested cash balances in one or more joint accounts to be used to enter into short-term investments. (Rel. IC-21407 - October 11)

LONDON PACIFIC LIFE & ANNUITY COMPANY, ET AL.

An order has been issued under Section 6(c) of the Investment Company Act granting an exemption from Sections 26(a)(2)(C) and 27(c)(2) of the Act. The order permits applicants to deduct a mortality and expense risk charge from the assets of certain separate accounts established by applicants to support certain variable annuity accounts. (Rel. IC-21408 - October 11)

DAILY MONEY FUND, ET AL.

An order has been issued under Section 6(c) of the Investment Company Act granting an exemption from Sections 13(a)(2), 13(a)(3), 18(f)(1), 22(f), and 22(g) of the Act, and Rule 2a-7 thereunder, under Sections 6(c) and 17(b) of the Act granting an exemption from Section 17(a)(1) of the Act, and pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder. The order permits the applicant investment companies to enter into deferred compensation arrangements with their non-interested trustees. (Rel. IC-21409 - October 11)

THE INDEPENDENCE CAPITAL GROUP OF FUNDS, INC.

An order has been issued under Section 8(f) of the Investment Company Act declaring that the INDEPENDENCE CAPITAL Group of Funds, Inc. has ceased to be an investment company. (Rel. IC-21410 - October 11)

SIERRA TRUST FUNDS, ET AL.

An order has been issued under Section 6(c) of the Investment Company Act for an exemption from Sections 13(a)(2), 13(a)(3), 18(a), 18(c), 18(f)(1), 22(f), 22(g), and Rule 2a-7 thereunder, under Sections 6(c) and 17(b) for an exemption from Section 17(a), and under Rule 17d-1 to permit certain transactions in accordance with Section 17(d) and Rule 17d-1 on an application filed by Sierra Trust Funds, et al. The order permits each applicant investment company to enter into deferred compensation arrangements with its independent directors. (Rel. IC-21411 - October 11)

THE MANAGERS FUNDS AND THE MANAGERS FUNDS, L.P.

A conditional order has been issued on an application filed by The Managers Funds (Trust) and The Managers Funds, L.P. (Manager) under Section 6(c) of the Investment Company Act exempting applicants from the provisions of Section 15(a) of the Act and Rule 18f-2 thereunder. The order permits the Manager to enter into sub-advisory agreements on behalf of a series of the Trust without receiving approval by the series' shareholders. (Rel. IC-21412 - October 11)

SELF-REGULATORY ORGANIZATIONS

DELISTINGS GRANTED

An order has been issued granting the application of the Boston Stock Exchange to strike from listing and registration Hudson Technologies, Inc., Common Stock, \$.01 Par Value and Warrants. (Rel. 34-36362)

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration Motts Holdings, Inc., Common Stock, \$1 Par Value. (Rel. 34-36363)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the Chicago Board Options Exchange (SR-CBOE-95-53) relating to monthly fees for the use of optional ILX features by its members has become effective upon filing with the Commission. Publication of the approval order is expected in the Federal Register during the week of October 9. (Rel. 34-36349)

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change submitted by the Philadelphia Stock Exchange (SR-Phlx-95-49) to adopt a rule regarding personnel fingerprinting requirements. (Rel. 34-36351)

The Commission approved proposed rule change (SR-CBOE-95-28) and Amendment No. 1 to the proposed rule change by the Chicago Board Options Exchange to amend one of its Intermarket Trading System (ITS) rules, relating to the relative responsibility of the Exchange and Designated Primary Market-Makers for performing the functions of ITS Clerks. Publication of the approval order is expected in the Federal Register during the week of October 16. (Rel. 34-36354)

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 AMERIN CORP, 200 EAST RANDOLPH DRIVE, 49TH FLOOR, CHICAGO, IL 60601 - 12,822,500 (\$192,337,500) COMMON STOCK. UNDERWRITER: CS FIRST BOSTON, DONALDSON LUFKIN & JENRETTE, JP MORGAN SECURITIES INC, MORGAN STANLEY & CO INC. (FILE 33-97514 - SEP. 29) (BR. 10 - NEW ISSUE)
- S-8 APPLIED SCIENCE & TECHNOLOGY INC, 35 CABOT RD, WOBURN, MA 01801 (617) 933-5560 - 475,538 (\$5,713,713.50) COMMON STOCK. (FILE 33-97566 - SEP. 29) (BR. 10)
- S-11 CAPITAL ONE BANK, 7 N EIGHTH ST, PO BOX 23219, RICHMOND, VA 23219 (804) 747-2000 - 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-97660 - OCT. 02) (BR. 12)
- SB-2 ECHOCATH INC, PO BOX 7224, PRINCETON, NJ 08543 (609) 987-8400 - \$16,560,000 COMMON STOCK. \$120 WARRANTS, OPTIONS OR RIGHTS. \$37,085,000 COMMON STOCK. UNDERWRITER: BLARI D H INVESTMENT BANKING CORP. (FILE 33-97688 - OCT. 03) (BR. 8 - NEW ISSUE)
- SB-2 GLOBAL PACIFIC ENTERPRISES INC, 906 WEST BROADWAY, STE 202, VANCOUVER, A1 (604) 736-8636 - 2,344,367 (\$4,688,734) COMMON STOCK. (FILE 33-97698 - OCT. 03) (BR. 5 - NEW ISSUE)
- S-8 PALOMAR MEDICAL TECHNOLOGIES INC, 66 CHERRY HILL DRIVE, BEVERLY, MA 01915 (508) 921-9300 - 1,345,000 (\$6,640,937.50) COMMON STOCK. (FILE 33-97710 - OCT. 04) (BR. 3)
- S-3 HIGHWOODS PROPERTIES INC, 3100 SMOKETREE COURT, STE 600, RALEIGH, NC 27604 (919) 872-4924 - 500,000 (\$13,093,750) COMMON STOCK. (FILE 33-97712 - OCT. 04) (BR. 5)

REGISTRATIONS CONT.

- S-2 ANTARES RESOURCES CORP, 350 NORTHERN BLVD, STE 326, GREAT NECK, NY 11021
(516) 466-8116 - 1,000,000 (\$7,875,000) COMMON STOCK. (FILE 33-97716 -
OCT. 04) (BR. 9)
- S-3 INFINITE MACHINES CORP, PO BOX 8219, PO BOX 8219, INCLINE VILLAGE, NV
89452 (702) 831-4680 - 237,500 (\$623,437.50) COMMON STOCK. (FILE 33-97718
- OCT. 04) (BR. 10)
- S-1 NEUROMEDICAL SYSTEMS SYSTEMS INC, TWO EXECUTIVE BLVD, STE 306, SUFFERN,
NY 10901 (914) 386-3600 - \$96,600,000 COMMON STOCK. (FILE 33-97722 -
OCT. 03) (BR. 6 - NEW ISSUE)
- S-8 VRB BANCORP, 110 PINE ST, PO BOX 1046, ROGUE RIVER, OR 97537
(503) 582-3216 - 75,767 (\$866,854) COMMON STOCK. (FILE 33-97724 - OCT. 03)
(BR. 2)
- SB-2 INTEGRATED HEALTHCARE SYSTEMS INC, 12030 SUNRISE VALLEY DR, STE 240,
RESTON, VA 22091 (703) 476-1300 - 5,630,000 (\$37,600,000) COMMON STOCK.
(FILE 33-97726 - OCT. 03) (BR. 9 - NEW ISSUE)
- S-1 PEEKSKILL FINANCIAL CORP, 1019 PARK ST, PEEKSKILL, NY 10566
(914) 737-2777 - 4,099,750 (\$40,997,500) COMMON STOCK. (FILE 33-97730 -
OCT. 03) (BR. 1 - NEW ISSUE)
- S-1 GCR HOLDINGS LTD, SOFIA HOUSELL, 48 CHURCH ST, HAMILTON, DO
(809) 292-9415 - \$75,000,000 FOREIGN COMMON STOCK. UNDERWRITER:
GOLDMAN SACHS & CO. (FILE 33-97736 - OCT. 04) (BR. 10 - NEW ISSUE)
- S-3 THERATX INC /DE/, 400 NORTHRIDGE RD, STE 400, ATLANTA, GA 30350
(404) 518-9449 - 836,216 (\$10,870,808) COMMON STOCK. (FILE 33-97740 -
OCT. 04) (BR. 6)
- F-3 TEEKAY SHIPPING CORP, TRADEWINDS BLDG SIXTH FLR, BAY ST PO BOX SS-6293,
NASSAU BAHAMAS, C5 (809) 322-8020 - 2,000,000 (\$48,000,000)
FOREIGN COMMON STOCK. (FILE 33-97746 - OCT. 04) (BR. 4)
- F-3 YPF SOCIEDAD ANONIMA, AVENIDA PTE R SAENZ 777-8 PISO,
BUENOS AIRES 1364 AR, C1 (541) 326-7265 - 250,000,000 (\$250,000,000)
FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE 33-97750 - OCT. 04) (BR. 3)
- S-3 PALOMAR MEDICAL TECHNOLOGIES INC, 66 CHERRY HILL DRIVE, BEVERLY, MA
01915 (508) 921-9300 - 1,662,500 (\$8,208,593.75) COMMON STOCK. (FILE
33-97760 - OCT. 04) (BR. 3)
- S-8 MAXIS INC, 2121 N CALIFORNIA BLVD, SUITE 600, WALNUT CREEK, CA 94596
(510) 254-9700 - 953,135 (\$35,831,000) COMMON STOCK. (FILE 33-97764 -
OCT. 04) (BR. 9)
- S-1 ALL AMERICAN BOTTLING CORP, 15 N ROBINSON STE 100, COLCORD BUILDING,
OKLAHOMA CITY, OK 73102 (405) 232-1158 - 3,300,000 (\$3,300,000)
STRAIGHT BONDS. (FILE 33-97766 - OCT. 04) (BR. 11)
- S-2 ROCHESTER MEDICAL CORPORATION, 1500 SECOND AVE N W, STEWARTVILLE, MN
55976 (507) 533-4203 - 1,150,000 (\$16,675,000) COMMON STOCK. (FILE
33-97788 - OCT. 04) (BR. 8)