

# SEC NEWS DIGEST

Issue 96-222

November 21, 1996

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## COMMISSION ANNOUNCEMENTS

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### COMMISSION POSTS OMNIGENE NOTICE ON AMERICA ONLINE

As noticed yesterday in the Digest, in response to serious questions raised about OmniGene Diagnostics, Inc. of West Palm Beach, Florida, the Securities and Exchange Commission suspended trading in the company's stock. The ten day trading halt started on November 20 at 9:30 a.m. (EST) and will continue through 11:59 p.m. (EST) on December 4.

The SEC also took the additional step of posting information about the suspension, including its Order Suspending Trading, on an America OnLine message board that discussed OmniGene stock.

William McLucas, Director of the Division of Enforcement, said, "While the Commission has thus far used the Internet through its Web site <www.sec.gov> to solicit information about possible fraudulent activities, we will now be using the Internet to alert investors to potential problems with specific securities when circumstances warrant. This is the first time we've done so, but it will not be the last." (Press Release 96-133, Rel. 34-37966)

## COMMISSION MEETINGS

### CLOSED MEETING - TUESDAY, NOVEMBER 26, 1996 - 10:00 A.M.

The subject matter of the closed meeting scheduled for Tuesday, November 26, 1996, at 10:00 a.m., will be: Institution and settlement of injunctive actions; Institution and settlement of administrative proceedings of an enforcement nature; and Opinions.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

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## ENFORCEMENT PROCEEDINGS

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### SEC INITIATES CIVIL FRAUD ACTION AGAINST CS FIRST BOSTON CORPORATION AND TWO OF ITS FORMER INVESTMENT BANKERS

On November 20, the Commission announced that it had filed a complaint in the United States District Court for the Central District of California against CS First Boston Corporation and two of its former investment bankers, Jerry L. Nowlin and Douglas S. Montague for fraud in the offer and sale of \$110 million in Series B Pension Obligation Bonds issued by Orange County, California in September 1994.

The complaint alleges that CS First Boston, Nowlin, and Montague misled investors concerning the Orange County Investment Pools (County Pools), particularly the County Pools' investment strategy, the risks of that strategy, and the County Pools' investment losses.

The complaint alleges that while participating in drafting and preparing the offering document known as the Official Statement, CS First Boston, Nowlin, and Montague knew, or were reckless in not knowing, significant negative information about the County Pools that was misrepresented in or omitted from the Official Statement. Despite this knowledge, CS First Boston, Nowlin, and Montague failed to diligently inquire into these matters and otherwise take steps to assure that the Official Statement's disclosure concerning the County Pools was not false or misleading.

The Commission is seeking permanent injunctions and civil penalties against each of the defendants. [SEC v. CS First Boston Corporation, et al., Civil Action No. 96-8124 JGD, CTx] (LR-15160)

### PHILIP SINDLER ENJOINED

The Commission announced that on November 18 Philip S. Sindler was permanently enjoined by consent from future violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 by the U.S. District Court of Nevada.

The complaint filed November 5 alleged that in 1988, Sindler, while associated with Hamilton Williams & Co., a now defunct broker-dealer, participated in a scheme to defraud in connection with the offer and sale of Triste Corporation securities, which involved a penny stock "box job" using the securities of a blind pool corporation and manipulating the price of subsequent sales of those securities. Sindler was joined by former Las Vegas, Nevada city attorney Carl E. Lovell, Jr. in the implementation of the scheme to defraud. Sindler purchased the entire public float of Triste stock from Lovell through 38 separate brokerage accounts controlled by Sindler at now-defunct Adams Securities, Inc. The securities were

traded at a prearranged price designed to yield a fifty percent profit for Lovell. Sindler then merged Triste into Omni USA, Inc. and sold Omni securities to public investors at substantially inflated prices. [SEC v. Philip S. Sindler, Civil Action No. CV-S-96-1035-PMP, USDC, Nev.] (LR-15161)

#### CRIMINAL COMPLAINT FILED AGAINST ROBERT COWAN

The Commission and the United States Attorney for the Northern District of Texas announced that on November 8 a criminal complaint charging mail fraud was filed against Robert Clifford Cowan of Lubbock, Texas. The criminal complaint alleges that Cowan received over \$400,000 from a client for the purpose of investing in trust units in CS Investments (CSI), an entity which Cowan represented to be an investment company registered with the Commission, and that the client received checks from Cowan purportedly representing interest from his trust account when, in fact, the checks represented monies taken in from new investors in the CSI trust accounts.

Previously, on November 5, the Commission filed a civil complaint against Cowan, and the Court granted the Commission's request for a temporary restraining order prohibiting Cowan, CS Investments, and Cowan Asset Management, Inc., a registered investment adviser, from violating the antifraud provisions of the federal securities laws. According to the complaint, Cowan raised between \$1 million and \$3 million from his customers for the purpose of purchasing trust units in CSI. In fact, according to the complaint, CSI does not exist, apart from Cowan's misrepresentations and created records, and does not hold securities or funds for customers; rather, Cowan used customers' funds for his personal expenses, and to satisfy periodic payments and redemptions for his customers as part of a "Ponzi" scheme. [U.S. v. Robert Clifford Cowan, No. 5:96-MG-072, USDC/ND, TX, Lubbock Division] (LR-15162)

#### SEC v. MONTEDISON, S.p.A.

The Commission announced today that it filed a civil injunctive action in the United States District Court for the District of Columbia charging Montedison, S.p.A. (Montedison) with committing financial fraud by falsifying documents to inflate artificially the company's financial statements. The Commission's complaint also charges Montedison with violating the corporate reporting, books and records, and internal control provisions of the Securities Exchange Act of 1934 (Exchange Act).

Montedison, an Italian corporation with headquarters in Milan, has interests in the agro-industry, chemical, energy and engineering sectors. Since July 1987, American Depositary Receipts (ADRs), each representing ten shares of the company's common stock, have been listed on the New York Stock Exchange. The ADRs are registered under Section 12(b) of the Exchange Act, and the company files reports with the Commission in Washington, D.C. pursuant to Section 13(a) of the Exchange Act. The company files annual reports with the Commission on Form 20-F.

The Commission's complaint alleges that Montedison violated the antifraud provisions of the Exchange Act by engaging in a fraudulent scheme to materially misstate its financial condition and results of operations on its books and records and in its reports filed with the Commission and disseminated to the investing public. This fraudulent scheme continued from at least 1988 through the first half of 1993. The complaint alleges that the scheme was designed to conceal hundreds of millions of dollars of payments that, among other things, were used to bribe politicians in Italy and other persons. The scheme concealed losses of at least \$398 million. The complaint alleges that as a result of the scheme, Montedison's assets were materially overstated on its books and records and in its financial statements for its 1988, 1989, 1990 and 1991 fiscal years.

In its complaint, the Commission requests findings, injunctive relief and a civil penalty. [SEC v. Montedison, S.p.A., Civil Action No. 1:96CV02631, HHG, D.D.C.] (LR-15164; AAE Rel. 859)

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#### HOLDING COMPANY ACT RELEASES

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#### THE COLUMBIA GAS SYSTEM, INC.

An order has been issued authorizing The Columbia Gas System, Inc., a registered holding company, through its wholly-owned nonutility subsidiaries, Columbia Energy Services Corporation, which markets natural gas products and services, and TriStar Ventures Corporation and its subsidiaries, which invest in and operate electric cogeneration facilities for the production and sale of electricity, or through one or more new subsidiaries (any one of the foregoing, an "Energy Products Company"), to engage in wholesale and retail marketing and brokering of electric energy as well as natural gas, manufactured gas, propane, natural gas liquids, oil, refined petroleum and petroleum products, coal and/or wood products and emission allowances (collectively, "Energy Commodities"). Columbia will fund the activities of any Energy Products Company, through December 31, 1997, with up to \$5 million; however, funding for all Energy Products Companies will not exceed, in the aggregate, \$100 million. The order also authorizes Columbia to guarantee, through December 31, 2000, the Energy Commodities transactions of Energy Products Company in an amount that, including funding, will not exceed \$100 million. To manage risks, Energy Products Company may enter into futures, forwards, swaps and options contracts related to Energy Commodities. (Rel. 35-26610)

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**SELF-REGULATORY ORGANIZATIONS**

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**DELISTING GRANTED**

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration Shopco Laurel Centre, L.P., Depository Units. (Rel. 34-37967)

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**SIGNIFICANT NO-ACTION, EXEMPTIVE AND INTERPRETIVE LETTERS**

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The following is a list of significant no-action, exemptive and interpretative letters recently issued by the Division of Market Regulation. These letters express the view of the Division respecting novel or important questions arising under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940. Copies of these letters may be obtained by writing to the Public Reference Room, Securities and Exchange Commission, Washington, D.C. 20549, or by making a request in person at the Public Reference Room, 450 Fifth Street, N.W., Room 1024, Washington, D.C., stating the name of the subject company, the Act and the Section of the Act to which it relates and the public availability date.

Listed below are significant interpretive, exemptive, or no-action letters issued by the Division of Market Regulation for the period July 1 to October 30, 1996.

| <u>Company</u>                         | <u>Act/Section/Rule</u>   | <u>Date Mailed</u> | <u>Date Available</u> |
|--|---|--------------------|-----------------------|
| Petroleum Securities Australia Limited | 1934 Act, Section 10(b)<br>Rule 10b-6                                   | 7/19/96            | 7/19/96               |
| Shareholder Communications Corporation | 1934 Act, Section 10(b)   | 7/25/96            | 7/25/96               |
| Hanson PLC/Imperial Tobacco Group PLC, | 1934 Act, Section 10(b),<br>Rules 10b-6 and 10b-13                      | 8/26/96            | 8/26/96               |
| Hanson PLC/Millennium Chemicals Inc.   | 1934 Act, Sections 10(b)<br>and 13(e), Rules 10b-6,<br>10b-13 and 13e-4 | 8/15/96            | 8/15/96               |

| <u>Company</u>   | <u>Act/Section/Rule</u>  | <u>Date Mailed</u> | <u>Date Available</u> |
|--|--|--------------------|-----------------------|
| Related Capital Company  | 1934 Act, Section 13(e)<br>Rule 13e-4                                    | 9/27/96            | 9/27/96               |
| Amway Japan Ltd.   | 1934 Act, Sections 10(b)<br>and 13(e), Rules 10b-13<br>and 13e-4         | 7/11/96            | 7/11/96               |
| SFX Broadcasting, Inc.<br>Multi-Market Radio, Inc.   | 1934 Act, Section 10(b),<br>and Rule 10b-6                               | 9/30/96            | 9/30/96               |
| United Mexican States<br>Invitation to Bond-<br>holders to Offer to<br>Exchange Brady Bonds    | 1934 Act, Section 10(b),<br>Rule 10b-6                                   | 9/16/96            | 9/16/96               |
| Digital Video Systems,<br>Inc.   | 1934 Act, Sections 10(b)<br>and 13(e), Rules 10b-6,<br>10b-13, and 13e-4 | 7/11/96            | 7/11/96               |
| Paracelsus Healthcare<br>Corporation   | 1934 Act, Section 10(b),<br>Rule 10b-6                                   | 7/31/96            | 7/31/96               |
| Transocean Offshore,<br>Inc.   | 1934 Act, Section 10(b),<br>Rule 10b-13                                  | 9/24/96            | 9/24/96               |
| AirTouch Communications,<br>Inc. and AirTouch<br>Cellular and Cellular<br>Communications, Inc. | 1934 Act, Section 10(b)<br>Rule 10b-6                                    | 7/9/96             | 7/9/96                |
| KPN (Australia)<br>Limited/TNT Limited   | 1934 Act, Section 10(b),<br>Rule 10b-13                                  | 10/1/96            | 10/1/96               |
| TI Group plc,  | 1934 Act, Section 10(b),<br>Rule 10b-13                                  | 10/11/96           | 10/11/96              |
| Flexible Financial<br>Marketing  | 1934 Act, Section 15   | 9/13/96            | 9/13/96               |
| Financial Research<br>Centers  | 1934 Act, Section 15   | 9/27/96            | 9/27/96               |
| BCS Financial<br>Corporation   | 1934 Act, Section 15   | 10/3/96            | 10/3/96               |
| D.A. Davidson & Co.  | 1934 Act, Section 15   | 10/7/96            | 10/7/96               |

| <u>Company</u>                   | <u>Act/Section/Rule</u>   | <u>Date Mailed</u> | <u>Date Available</u> |
|----------------------------------|---|--------------------|-----------------------|
| Angel Capital Electronic Network | 1934 Act, Sections 15, 5, and 6; Investment Advisers Act of 1940, Section 2 | 10/25/96           | 10/25/96              |

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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.

- F-3 MEXICAN MARITIME TRANSPORTATION, AVENIDA DE LA CUSPIDE NO 4755, COLONIA PARQUES DEL PEDREGAL, MEXICO 14010 DF, 05 - 200,000,000 (\$200,000,000) FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE 333-5982 - NOV. 08) (BR. 5)
- F-3 INVESCO PLC /LONDON, 11 DEVONSHIRE SQUARE, LONDON ECEM 4YR, XO (171) 626-3434 - 54,269,108 (\$196,674,503.50) FOREIGN COMMON STOCK. (FILE 333-5990 - NOV. 12) (BR. 8)
- S-3 RMI TITANIUM CO, 1000 WARREN AVE, NILES, OH 44446 (216) 544-7700 - 5,483,600 (\$131,263,675) COMMON STOCK. (FILE 333-16101 - NOV. 14) (BR. 6)
- S-3 DISCOVER CARD MASTER TRUST I, 12 READS WAY, C/O GREENWOOD TRUST CO, NEW CASTLE, DE 19720 (302) 323-7184 - 5,000,000,000 (\$5,000,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 333-16103 - NOV. 14) (BR. 8)
- S-8 AMP INC, P O 3608, HARRISBURGH, PA 17105 (717) 564-0100 - 1,000,000 (\$33,875,000) COMMON STOCK. (FILE 333-16107 - NOV. 14) (BR. 6)
- SB-2 PEACH AUTO PAINTING & COLLISION INC, 506 45TH ST, STE A-2, COLUMBUS, GA 31904 (706) 324-0002 - 1,875,000 (\$15,240,000) COMMON STOCK. (FILE 333-16109 - NOV. 14) (NEW ISSUE)
- S-3 SYLVAN LEARNING SYSTEMS INC, 9135 GUILFORD RD, COLUMBIA, MD 21046 (410) 880-0889 - \$17,196,501 COMMON STOCK. (FILE 333-16111 - NOV. 14) (BR. 1)
- S-8 KEANE INC, TEN CITY SQ, BOSTON, MA 02129 (617) 241-9200 - 300,000 (\$14,418,000) COMMON STOCK. (FILE 333-16113 - NOV. 14) (BR. 3)
- S-8 INTELIDATA TECHNOLOGIES CORP, 13873 PARK CENTER RD, STE 353, HERNDON, VA 22071 (703) 834-9480 - 1,500,000 (\$13,965,000) COMMON STOCK. (FILE 333-16115 - NOV. 14) (BR. 3)
- S-8 INTELIDATA TECHNOLOGIES CORP, 13873 PARK CENTER RD, STE 353, HERNDON, VA 22071 (703) 834-9480 - 200,000 (\$1,862,000) COMMON STOCK. (FILE 333-16117 - NOV. 14) (BR. 3)
- S-3 ESSEX PROPERTY TRUST INC, 7777 CALIFORNIA AVE, PALO ALTO, CA 94304 (415) 494-3700 (FILE 333-16119 - NOV. 14) (BR. 8)

- S-8 INTELIDATA TECHNOLOGIES CORP, 13873 PARK CENTER RD, STE 353, HERNDON, VA 22071 (703) 834-9480 - 500,000 (\$4,655,000) COMMON STOCK. (FILE 333-16121 - NOV. 14) (BR. 3)
- S-8 INSIGHT HEALTH SERVICES CORP, 4440 VON KARMAN AVENUE STE 320, NEWPORT BEACH, CA 92660 (714) 476-0733 - 1,185,351 (\$6,210,050) COMMON STOCK. (FILE 333-16123 - NOV. 14) (BR. 1)
- S-3 FOREST OIL CORP, 1600 BROADWAY, STE 2200, DENVER, CO 80202 (303) 812-1400 - 250,000,000 (\$250,000,000) STRAIGHT BONDS. (FILE 333-16125 - NOV. 14) (BR. 4)
- S-8 PHILIP MORRIS COMPANIES INC, 120 PARK AVE, NEW YORK, NY 10017 (212) -88-0-38 - 90,000 (\$8,870,400) COMMON STOCK. (FILE 333-16127 - NOV. 14) (BR. 2)
- S-8 ALLSTATE CORP, ALLSTATE PLZ, NORTHBROOK, IL 60062 (708) 402-6075 - 4,000,000 (\$4,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-16129 - NOV. 14) (BR. 1)
- S-8 BANKAMERICA CORP, BANK OF AMERICA CTR, 555 CALIFORNIA ST, SAN FRANCISCO, CA 94104 (415) 622-3530 - 100,000,000 (\$100,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-16131 - NOV. 14) (BR. 7)
- S-6 OHIO NATIONAL VARIABLE ACCOUNT R, 237 WILLIAM HOWARD TAFT RD, C/O OHIO NATIONAL LIFE ASSURANCE CORP, CINCINNATI, OH 45219 (513) 861-3600 - INDEFINITE SHARES. (FILE 333-16133 - NOV. 14) (BR. 20)
- S-3 MEAD CORP, MEAD WORLD HEADQUARTERS, COURTHOUSE PLZ NORTHEAST, DAYTON, OH 45463 (513) 495-6323 - 550,000,000 (\$550,000,000) STRAIGHT BONDS. (FILE 333-16135 - NOV. 14) (BR. 4)
- S-8 DAMARK INTERNATIONAL INC, 7101 WINNETKA AVENUE NORTH, MINNEAPOLIS, MN 55428 (612) 531-0066 - 450,000 (\$4,446,000) COMMON STOCK. (FILE 333-16137 - NOV. 14) (BR. 2)
- S-8 DAMARK INTERNATIONAL INC, 7101 WINNETKA AVENUE NORTH, MINNEAPOLIS, MN 55428 (612) 531-0066 - 100,000 (\$988,000) COMMON STOCK. (FILE 333-16139 - NOV. 14) (BR. 2)
- S-3 GST TELECOMMUNICATIONS INC, 4317 NE THURSTON WAY, VANCOUVER BRITISH CO, WA 98662 (360) 254-4700 - 427,781 (\$4,438,227.88) COMMON STOCK. (FILE 333-16141 - NOV. 14) (BR. 3)
- S-3 MYRIAD GENETICS INC, 390 WAKARA WAY, SALT LAKE CITY, UT 84108 - 1,955,000 (\$55,961,875) COMMON STOCK. (FILE 333-16143 - NOV. 14) (BR. 1)
- S-3 CS FIRST BOSTON MORTGAGE SECURITIES CORP /DE/, C/O NORWEST BANK MINNESOTA N A, 11000 BROKEN LAND PARKWAY, COLUMBIA, MD 21044 (410) 884-2076 - 300,000,000 (\$300,000,000) PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 333-16145 - NOV. 14) (BR. 8)
- S-4 US BANCORP /OR/, 111 SW FIFTH AVE T-2, SUITE 3500, PORTLAND, OR 97204 (503) 275-6111 - 400,635 (\$6,938,998.20) COMMON STOCK. (FILE 333-16147 - NOV. 14) (BR. 7)
- S-8 GREATER COMMUNITY BANCORP, 55 UNION BLVD, TOTOWA, NJ 07512 (201) 942-1111 - 2,820 (\$19,543) COMMON STOCK. (FILE 333-16149 - NOV. 14)
- S-8 GREATER COMMUNITY BANCORP, 55 UNION BLVD, TOTOWA, NJ 07512 (201) 942-1111 - 95,000 (\$1,630,125) COMMON STOCK. (FILE 333-16153 - NOV. 14)
- S-4 AMERICAN RADIO SYSTEMS CORP /MA/, 116 HUNTINGTON AVE, BOSTON, MA 02116 (617) 375-7500 - 532,200 (\$12,898,458.33) COMMON STOCK. (FILE 333-16155 - NOV. 14) (BR. 3)
- S-8 RAC FINANCIAL GROUP INC, 1250 WEST MOCKINGBIRD LN, STE 200, DALLAS, TX 75247 (214) 630-6006 - 875,000 (\$23,487,925) COMMON STOCK. (FILE 333-16159 - NOV. 14) (BR. 7)



- S-3 ATMEL CORP, 2325 ORCHARD PKWY, SAN JOSE, CA 95131 (408) 441-0311 - 335,000 (\$10,050,000) COMMON STOCK. (FILE 333-16161 - NOV. 14) (BR. 6)
- S-4 CITIZENS INC, P O BOX 149151, AUSTIN, TX 78714 (512) 837-7100 - 133,212 (\$1,198,908) COMMON STOCK. (FILE 333-16163 - NOV. 14) (BR. 1)
- S-3 CAMBRIDGE TECHNOLOGY PARTNERS MASSACHUSETTS INC, 304 VASSAR ST, CAMBRIDGE, MA 02139 (617) 374-9800 - 135,857 (\$4,101,522.83) COMMON STOCK. (FILE 333-16165 - NOV. 15) (BR. 3)
- S-3 NETWORK IMAGING CORP, 500 HUNTMAR PARK DRIVE, HERNDON, VA 22070 (703) 478-2260 - 3,958,516 (\$13,261,028) COMMON STOCK. (FILE 333-16169 - NOV. 15) (BR. 3)
- S-3 SCORE BOARD INC, 1951 OLD CUTHBERT RD, CHERRY HILL, NJ 08034 (609) 354-9000 - 200,000 (\$525,000) COMMON STOCK. (FILE 333-16171 - NOV. 14) (BR. 2)