

# SEC NEWS DIGEST

Issue 97-92

May 13, 1997

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## RULES AND RELATED MATTERS

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### CUSTODY OF INVESTMENT COMPANY ASSETS OUTSIDE THE UNITED STATES

The Commission has issued a release adopting amendments to Rule 17f-5 under the Investment Company Act, the rule which governs the custody of assets of registered management investment companies (funds) outside the United States. Among other things, the amendments revise the findings that must be made in connection with foreign custody arrangements, permit fund boards of directors to delegate their responsibilities to select and monitor foreign custodians, and expand the class of eligible foreign custodians. FOR FURTHER INFORMATION, CONTACT: Robin S. Gross at (202) 942-0640 (Rel. IC-22658; IS-1080)

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## ENFORCEMENT PROCEEDINGS

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### SEC v. THE BETTER LIFE CLUB OF AMERICA, INC. AND ROBERT TAYLOR

On May 8, the court-appointed receiver for the Better Life Club of America, Inc., and Robert N. Taylor commenced a civil fraudulent conveyance action in the U.S. District Court for the District of Columbia against James E. Washington, Jr., Dreams Unlimited Investment Group, Dreams Unlimited Investment, Inc., Concepts Unlimited Investment Group, and Jacob N. Haynes (Dreams Defendants). From February 1994 through August 1995, the Dreams Defendants, on behalf of themselves and others, invested more than \$5 million in the Better Life Club "Advertising Pool" and received payouts from the Club totaling approximately \$7.7 million. The Commission has alleged in a separate action that the "Advertising Pool" was a fraudulent \$48 million Ponzi scheme that victimized thousands of low-and middle-income investors. In his action, the receiver, Michael J. Missal, alleges that the Taylor and the Better Life Club paid approximately \$2.7 million in "profits" to the Dreams Defendants with the intent to hinder, delay, or defraud other Better Life Club investors, many of whom lost their life savings in the scheme. The receiver seeks to recover these "profits," plus interest, for the benefit of the defrauded Better Life Club

investors. [SEC v. The Better Life Club of America, Inc., and Robert N. Taylor, USDC, D.D.C., Civ. No. 96-149, TFH] (LR-15362)

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## HOLDING COMPANY ACT RELEASES

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### ENTERGY GULF STATES, INC.

An order has been issued authorizing Entergy Gulf States, Inc., an electric public utility subsidiary of Entergy Corporation, a registered holding company, to acquire two high-voltage transmission lines and related assets from the bankruptcy estate of Cajun Electric Power Cooperative, Inc., by June 1, 1997, as part of a bankruptcy court-approved settlement agreement. (Rel. 35-26716)

### DQE, INC., ET AL.

A notice has been issued giving interested persons until June 2 to request a hearing on a proposal by DQE, Inc. (DQE), an exempt public utility holding company, its nonutility energy services subsidiary, DQE Energy Services, Inc. (Energy Services), and Energy Services' subsidiary, DH Energy, Inc., to acquire direct and indirect interests in utility assets. (Rel. 35-26716)

### NEW ENGLAND ELECTRIC SYSTEM, ET AL.

A notice has been issued giving interested persons until June 2 to request a hearing on a proposal by New England Electric System, a registered public-utility holding company, and its research and development subsidiary company, New England Electric Resources, Inc., to form and finance, directly and indirectly, various project entities to invest in exempt wholesale generators and foreign utility companies, as respectively defined in Sections 32 and 33 of the Public Utility Holding Company Act of 1935, as amended, in outstanding amounts of up to 50% of its retained earnings. (Rel. 35-26717)

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## SELF-REGULATORY ORGANIZATIONS

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### APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change filed by the Government Securities Clearing Corporation (SR-GSCC-96-14) that eliminates the ability of GSCC's interdealer broker netting members to trade with certain nonmembers identified on GSCC's grandfather list. Publication of the proposal is expected in the Federal Register during the week of May 12. (Rel. 34-38592)

The Commission approved a proposed rule change filed by the MBS Clearing Corporation (SR-MBSCC-96-08) that will explicitly state

that MBSCC has a lien on all property placed in its possession by its participants. Publication of the proposal is expected in the Federal Register during the week of May 12. (Rel. 34-38595)

#### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The Midwest Clearing Corporation filed a proposed rule change (SR-MCC-97-01). The proposed rule change adopts a form of indemnity agreement for use when sponsored participants withdraw their deposit from the sponsored participant account fund. Publication of the proposal is expected in the Federal Register during the week of May 12. (Rel. 34-38594)

#### ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change (SR-PTC-97-01) filed by the Participants Trust Company to allow PTC to enter into limited cross-guarantee agreements with other clearing agencies. Publication of the proposal is expected in the Federal Register during the week of May 12. (Rel. 34-38604)

#### DELISTINGS GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration The Diana Corporation, Common Stock, \$1.00 Par Value. (Rel. 34-38597)

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Americana Hotels and Realty Corporation, Common Stock, \$1.00 Par Value. (Rel. 34-38598)

#### WITHDRAWAL GRANTED

An order has been issued granting the application of Donnelly Corporation to withdraw from listing and registration its Class A Common Stock, \$0.01 Par Value, on the American Stock Exchange. (Rel. 34-38599)

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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-6 COMPANHIA BRASILEIRA DE DISTRIBUICAO /ADR/, 48 WALL ST,  
C/O BANK OF NEW YORK, NEW YORK, NY 10286 (212) 815-2009 - 50,000,000  
(\$2,500,000) DEPOSITARY RECEIPTS FOR PREFERRED STOCK. (FILE 333-6860 -  
MAY 01) (BR 99)

S-8 ARKA INTERNATIONAL ENERGY INC, 1331 LAMAR, STE 1375, HOUSTON, TX 77010  
(713) 652-2792 - 250,000 (\$485,000) COMMON STOCK. (FILE 333-26463 -  
MAY 05) (BR. 2)

S-2 DONNELLY CORP, 414 E FORTIETH ST, HOLLAND, MI 49423 (616) 786-7000 -  
1,725,000 (\$26,306,250) COMMON STOCK. (FILE 333-26465 - MAY. 05) (BR. 6)

S-4 ADELPHIA COMMUNICATIONS CORP, MAIN AT WATER STREET, COUDERSPORT, PA  
16915 (814) 274-9830 - 350,000,000 (\$330,750,000) STRAIGHT BONDS. (FILE  
333-26467 - MAY 05) (BR 3)

S-4 STERLING CHEMICAL INC, 1200 SMITH STREET, SUITE 1900, HOUSTON, TX 77002  
(713) 650-3700 - 150,000,000 (\$150,000,000) STRAIGHT BONDS. (FILE  
333-26469 - MAY. 05) (BR. 4)

S-8 PREMIER RESEARCH WORLDWIDE LTD, 124 SOUTH 15TH ST, PHILADELPHIA, PA  
19172 (215) 972-0420 - 500,000 (\$4,875,000) COMMON STOCK (FILE 333-26471  
- MAY 02) (BR 1)

S-8 IMMUNE AMERICA INC, 211 W WALL, MIDLAND, TX 79701 (915) 682-1761 -  
958,018 (\$76,641 44) COMMON STOCK. (FILE 333-26473 - MAY 05) (BR 9)

S-8 KURZWEIL APPLIED INTELLIGENCE INC /DE/, 411 WAVERLEY OAKS ROAD, WALTHAM,  
MA 02154 (617) 893-5151 - 700,000 (\$2,800,000) COMMON STOCK (FILE  
333-26477 - MAY 05) (BR. 3)

S-8 NEW FRONTIER MEDIA INC/CO, 1050 WALNUT ST, STE 301, BOULDER, CO 80302  
(303) 444-0632 - 70,000 (\$585,000) COMMON STOCK. (FILE 333-26479 -  
MAY 05) (BR 9)

S-3 SYMBOLLON CORP, 122 BOSTON POST RD, SUDBURY, MA 01776 (508) 443-0165 -  
444,444 (\$835,554 72) COMMON STOCK. (FILE 333-26483 - MAY. 05) (BR 1)

S-8 HELLO DIRECT INC /DE/, 5884 EDEN PARK PLACE, SAN JOSE, CA 95138  
(408) 972-1990 - 580,000 (\$3,186,500) COMMON STOCK (FILE 333-26485 -  
MAY 05) (BR 2)

S-8 PEGASUS GOLD INC, 601 WEST FIRST ST, SUITE 1500, SPOKANE, WA 99204  
(509) 624-4653 - 4,000,000 (\$27,625,000) COMMON STOCK (FILE 333-26489 -  
MAY 05) (BR 4)

S-8 DSP TECHNOLOGY INC, 48500 KATO RD, FREMONT, CA 94538 (510) 657-7555 -  
316,000 (\$1,786,913 52) COMMON STOCK (FILE 333-26493 - MAY 05) (BR 5)

S-3 ICF KAISER INTERNATIONAL INC, 9300 LEE HWY, FAIRFAX, VA 22031  
(703) 934-3600 - 105,000 (\$210,000) COMMON STOCK. (FILE 333-26495 -  
MAY 05) (BR 4)

S-4 TRAVELCENTERS OF AMERICA INC, 24601 CENTER RIDGE ROAD, SUITE 300,  
WESTLAKE, OH 44145 (216) 808-9100 - 125,000,000 (\$123,437,500)  
STRAIGHT BONDS (FILE 333-26497 - MAY 05) (BR. 2 - NEW ISSUE)

S-8 SUPERTEL HOSPITALITY INC, 309 NORTH 5TH ST, P O BOX 1448, NORFOLK, NE  
68702 (402) 371-2520 - 250,000 (\$2,125,000) COMMON STOCK. (FILE 333-26501  
- MAY 05) (BR 5)

S-3 FALCON DRILLING CO INC, 1900 W LOOP S STE 1910, HOUSTON, TX 77027  
(713) 623-8984 - 392,157 (\$14,411,769 75) COMMON STOCK. (FILE 333-26507 -  
MAY 05) (BR 4)

SB-2 DIGITAL COMMUNICATIONS TECHNOLOGY CORP, 16910 DALLAS PARKWAY SUITE 100,  
DALLAS, TX 75248 (214) 248-1922 - 2,878,638 (\$12,822,018) COMMON STOCK.  
(FILE 333-26509 - MAY 05) (BR 5)

S-8 ALUMAX INC, 5655 PEACHTREE PKWY, NORCROSS, GA 30092 (404) 246-6600 -  
1,000,000 (\$36,312,500) COMMON STOCK (FILE 333-26511 - MAY. 05) (BR. 6)

S-8 REPUBLIC BANCORP INC, 1070 EAST MAIN STREET, OWOSSO, MI 48867  
(517) 725-7337 - 750,000 (\$9,609,375) COMMON STOCK (FILE 333-26515 -  
MAY 05) (BR 7)

S-3 LORAL SPACE & COMMUNICATIONS LTD, 600 THIRD AVE, NEW YORK, NY 10016  
(212) 697-1105 - 14,908,093 (\$687,635,790) PREFERRED STOCK 1,255,684  
(\$16,716,294) COMMON STOCK. (FILE 333-26517 - MAY 05) (BR 3)

S-3 DI INDUSTRIES INC, 10370 RICHMOND AVE, SUITE 600, HOUSTON, TX 77042  
(713) 874-0202 - \$125,000,000 STRAIGHT BONDS. (FILE 333-26519 - MAY 05)  
(BR 4)

S-8 KIEWIT PETER SONS INC, 1000 KIEWIT PLZ, 14TH FLOOR, OMAHA, NE 68131  
(402) 342-2052 - 1,000,000 (\$40,000,000) COMMON STOCK. (FILE 333-26521 -  
MAY. 05) (BR. 6)

S-8 SOUTHDOWN INC, 1200 SMITH ST STE 2400, HOUSTON, TX 77002 (713) 650-6200  
- 250,000 (\$8,860,000) COMMON STOCK. (FILE 333-26523 - MAY. 05) (BR 6)

S-8 SILICON VALLEY GROUP INC, 101 METRO DRIVE, SUITE 400, SAN JOSE, CA 95110  
(408) 434-0500 - 1,500,000 (\$30,843,750) COMMON STOCK. (FILE 333-26525 -  
MAY. 05) (BR. 5)

S-3 FIRSTPLUS INVESTMENT CORP, 3773 HOWARD HUGHES PARKWAY, LAS VEGAS, NV  
89109 (214) 380-5995 - 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES  
(FILE 333-26527 - MAY. 05) (BR 8)

S-8 SOUTHDOWN INC, 1200 SMITH ST STE 2400, HOUSTON, TX 77002 (713) 650-6200  
- 250,000 (\$8,526,400) COMMON STOCK (FILE 333-26529 - MAY 05) (BR 6)

S-8 K TRON INTERNATIONAL INC, ROUTE 55 & 553, BOX 888, PITMAN, NJ 08071  
(609) 661-6240 - 450,000 (\$5,062,500) COMMON STOCK (FILE 333-26531 -  
MAY 06) (BR 5)

S-3 ECHLIN INC, 100 DOUBLE BEACH RD, BRANFORD, CT 06405 (203) 481-5751 -  
531,108 (\$16,995,456) COMMON STOCK (FILE 333-26533 - MAY 05) (BR 5)

S-1 TSW INTERNATIONAL INC, 3301 WINDY RIDGE PARKWAY, ATLANTA, GA 30339  
(770) 952-8444 - \$51,750,000 COMMON STOCK (FILE 333-26535 - MAY 06)  
(NEW ISSUE)

S-4 COLONIAL BANCGROUP INC, ONE COMMERCE ST STE 800, P O BOX 1108,  
MONTGOMERY, AL 36104 (334) 240-5000 - 887,895 (\$13,366,164) COMMON STOCK  
(FILE 333-26537 - MAY. 06) (BR 7)