

SEC NEWS DIGEST

Issue 98-22

February 3, 1998

COMMISSION ANNOUNCEMENTS

COMMISSION MEETINGS

OPEN MEETING - TUESDAY, FEBRUARY 10, 1998 - 10:00 A.M.

The subject matter of the open meeting scheduled for Tuesday, February 10, 1998, at 10:00 a.m., will be:

1. The Commission will hear oral argument on an appeal by L.C. Wegard & Co., Inc., a registered broker-dealer, and Leonard B. Greer, the firm's president, from an administrative law judge's initial decision. FOR FURTHER INFORMATION, CONTACT: William S. Stern at (202) 942-0949.
2. The Commission will consider whether to issue a release adopting amendments to Regulation S. The amendments are designed to stop abusive practices in connection with offerings of equity securities purportedly made in reliance on Regulation S. FOR FURTHER INFORMATION CONTACT: Felicia H. Kung, Division of Corporation Finance, at (202) 942-2990.
3. The Commission will consider whether to propose amendments to Rules 15c2-11 and 17a-4 under the Securities Exchange Act of 1934. The proposed amendments to Rule 15c2-11 would require all broker-dealers to: (a) obtain and review enhanced information about the issuer when they first publish or resume publishing a quotation for a covered security; (b) document that review; (c) update the issuer information annually if they publish priced quotations; and (d) make the information available to other persons upon request. The proposed amendment to Rule 17a-4 would incorporate the record retention requirements currently contained in Rule 15c2-11. FOR FURTHER INFORMATION, CONTACT: Alan Reed, Division of Market Regulation, at (202) 942-0772.
4. The Commission will consider whether to propose amendments to Securities Act Form S-8, the streamlined form companies use to register sales of securities to their employees. The amendments would (a) restrict the use of the form for the sale of securities to consultants and advisors, and (b) allow the use of the form for the exercise of stock options by family members of employee optionees.

The Commission also will consider proposing a corresponding amendment to Form S-3, as well as amendments to the executive compensation disclosure requirements to clarify reporting of transferred options. The purposes of the proposed changes are to eliminate the abuse of Form S-8 to register securities issued to consultants for capital-raising purposes, and to facilitate legitimate employee estate planning transactions and other intra-family transfers. FOR FURTHER INFORMATION, CONTACT: Anne M. Krauskopf at (202) 942-2900.

CLOSED MEETING - TUESDAY, FEBRUARY 10, 1998 - FOLLOWING OPEN MEETING

The subject matter of the closed meeting scheduled for Tuesday, February 10, 1998, following the 10:00 a.m. open meeting, will be: Post argument discussion.

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.

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST COUNTY OF NEVADA, CITY OF IONE, WASCO PUBLIC FINANCING AUTHORITY, VIRGINIA HORLER AND WILLIAM MCKAY

The Commission announced that on February 2 it issued an Order Instituting Public Administrative Proceedings against the County of Nevada (Nevada County), the City of Ione (Ione), the Wasco Public Financing Authority (Wasco), Virginia Horler (Horler) and William McKay (McKay), alleging antifraud violations in connection with four municipal offerings.

Nevada County raised \$9.07 million in one offering, and Ione raised \$14 million in two offerings, through the sale of "Mello-Roos" municipal bonds. The Order alleges that the Official Statement for the Nevada County offering contained several misrepresentations concerning the value of the property being developed, the cost of the project, and the background and financial condition of the developer. The Order also alleges that the Official Statement for the Ione offerings misrepresented that all of the listed improvements could be built with the offerings, overstated the value of the property to be developed, and failed to disclose that the developer had insufficient funds. Horler prepared the Official Statement for the Nevada County offering, and McKay prepared the appraisals for the Nevada County and Ione offerings.

With regard to Wasco's \$35 million offering of "Marks-Roos" bonds, the Order alleges that the Official Statement failed to disclose that nearly all of the projects listed were highly contingent, if

not speculative. (Rel. Nos. 33-7503; 34-39612; File No. 3-9542)

TRO OBTAINED AGAINST FIRST ZURICH NATIONAL U.S.A., LLC AND COMPUNOMICS 139, INC.

On February 3, the Commission obtained a temporary restraining order and asset freeze from the U.S. District Court for the District of Wyoming halting an affinity fraud being promoted over the internet and targeting African Americans. Named as defendants in the Commission's complaint are First Zurich National U.S.A., LLC, a Wyoming limited liability company and Compunomics 139, Inc., a Belizean corporation based in southern California and the corporate parent of First Zurich.

Compunomics has been offering and selling First Zurich stock since at least April 1997, which Compunomics claims has been operating as a "global internet bank" since November 1997. The Commission alleges that First Zurich and Compunomics have failed to disclose that First Zurich cannot legally operate as a bank. The Office of the Comptroller of the Currency has not granted a national bank charter to First Zurich nor has the Wyoming State Banking Board authorized First Zurich to conduct banking operations.

The Commission alleges that the defendants are seeking to raise \$60 million from 5,000 investors over a ten-year period and are currently receiving a minimum of between \$50,000 and \$75,000 per month from at least 500 and possibly as many as 750 investors nationwide. [SEC v. First Zurich National U.S.A., LLC and Compunomics 139, Inc. Civil Action No. 98-CV-29D, USDC Wy.] (LR-15634)

INVESTMENT COMPANY ACT RELEASES

THE SESSIONS GROUP, ET AL.

A notice has been issued giving interested persons until February 24 to request a hearing on an application filed by The Sessions Group, et al. for an order under Sections 6(c) and 17(b) of the Investment Company Act for an exemption from Section 17(a) of the Act to permit common trust funds sponsored by Financial Trust Services, Inc. to transfer substantially all of their assets to series of The Sessions Group in exchange for shares of the series. (Rel. IC-23014 - January 30)

SECURITY BENEFIT LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until February 24 to request a hearing on an application filed by Security Benefit Life Insurance Company and Parkstone Variable Annuity Account of Security Benefit Life Insurance Company, seeking an order pursuant to Sections 26(b) and 17(b) of the Investment Company Act approving the substitution of shares of Series C of SBL Fund for shares of the

related transactions. (Rel. IC-23016 - January 30)

DEREGISTRATIONS

For the month of January, 1998, a notice has been issued giving interested persons until February 24 to request a hearing on any of the following applications for an order under Section 8(f) of the Investment Company Act declaring that the applicant has ceased to be an investment company:

Value Line Intermediate Bond Fund, Inc. [File No. 811-6482]
Kemper Premier Trust [File No. 811-5927]
Sterling Funds [File No. 811-8210]
Mexico Growth Fund Inc. [File No. 811-6429]
Kemper Target Maturity Income Fund [File No. 811-6695]
New USA Mutual Funds, Inc. [File No. 811-6519]
Trans Adviser Funds, Inc. [File No. 811-9068]
(Rel. IC-23015 - January 30)

SELF-REGULATORY ORGANIZATIONS

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the National Association of Securities Dealers (SR-NASD-97-91) relating to issuer filings of periodic reports through the EDGAR system has become effective immediately. Publication of the proposal is expected in the Federal Register during the week of February 2. (Rel. 34-39594)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by the National Securities Clearing Corporation (SR-NSCC-97-10) that establishes a new category of fund member in NSCC's mutual fund services for registered investment advisors. Publication of the proposal is expected in the Federal Register during the week of February 2. (Rel. 34-39602)

PROPOSED RULE CHANGE

The Chicago Stock Exchange filed a proposed rule change (SR-CHX-97-36) containing amendments to its Constitution and Rules that adjust the structure and composition of its Board of Governors to include, among other things, required non-industry and public representation on the Board and its committees. Publication of the proposal is expected in the Federal Register during the week of February 2. (Rel. 34-39603)

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.

- F-3 CRYSTALLEX INTERNATIONAL CORP, 700 W PENDER ST, STE 902,
VANCOUVER BRITISH COLUMBIA, A1 (604) 683-0672 - 215,000 (\$712,187.50)
COMMON STOCK (FILE 333-8236 - JAN. 23) (BR 4)
- F-6 UNITED UTILITIES PLC /ADR/, 48 WALL ST, C/O BANK OF NEW YORK, NEW YORK,
NY 10286 (212) 495-1727 - 25,000,000 (\$1,250,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK (FILE 333-8238 - JAN 23) (BR 99
- NEW ISSUE)
- F-3 IIS INTELLIGENT INFORMATION SYSTEMS LTD, YOKNEAM INDUSTRIAL PARK,
PO BOX 110, YOKNEAM 20692 ISRAEL, L3 (972) 489-2077 - 4,387,162
(\$4,738,134 96) COMMON STOCK. (FILE 333-8240 - JAN. 23) (BR 3)
- F-3 BANKING CORP OF SPAIN INC, PASEO DE RECOLEOS 10, MADRID SPAIN 28001, U3
(341) 537-0000 - 309,118 (\$9,999,967 30) COMMON STOCK (FILE 333-8242 -
JAN. 23) (BR. 7)
- S-4 FISERV INC, 255 FISERV DR, PO BOX 979, BROOKFIELD, WI 53045
(414) 879-5000 - 487,210 (\$24,998,745 10) COMMON STOCK (FILE 333-44935 -
JAN 26) (BR. 3)
- S-1 LASER PHOTONICS INC, 12351 RESEARCH PWY, ORLANDO, FL 32826
(407) 281-4103 - 3,879,500 (\$12,609,375) COMMON STOCK (FILE 333-44937 -
JAN 27) (BR 6)
- S-8 JW CHARLES FINANCIAL SERVICES INC/FL, 980 N FEDERAL HWY STE 210,
BOCA RATON, FL 33432 (561) 338-2600 - 400,000 (\$5,252,000) COMMON STOCK
(FILE 333-44939 - JAN 27) (BR 8)
- S-8 ARBOR DRUGS INC, 3331 W BIG BEAVER, TROY, MI 48084 (810) 643-9420 -
4,500,000 (\$86,343,750) COMMON STOCK (FILE 333-44949 - JAN 27) (BR 1)
- S-8 ARBOR DRUGS INC, 3331 W BIG BEAVER, TROY, MI 48084 (810) 643-9420 -
750,000 (\$14,390,625) COMMON STOCK (FILE 333-44951 - JAN 27) (BR 1)
- S-8 STANDEX INTERNATIONAL CORP/DE/, 6 MANOR PKWY, SALEM, NH 03079
(603) 893-9701 - 400,000 (\$11,775,200) COMMON STOCK (FILE 333-44953 -
JAN 26) (BR 6)
- S-4 IMPERIAL HOLLY CORP, ONE IMPERIAL SQ STE 200, P O BOX 9, SUGAR LAND, TX
77487 (713) 491-9181 - 250,000,000 (\$256,250,000) STRAIGHT BONDS. (FILE
333-44955 - JAN. 26) (BR 2)
- S-8 GENERAL MOTORS CORP, 100 RENAISSANCE CTR, 3044 W GRAND BLVD, DETROIT, MI
48243 (313) 556-5000 - 15,000,000 (\$867,656,250) COMMON STOCK (FILE
333-44957 - JAN 27) (BR. 5)
- S-8 CALIFORNIA MICRO DEVICES CORP, 215 TOPAZ ST, MILPITAS, CA 95035
(408) 263-3214 - 450,000 (\$2,475,000) COMMON STOCK. (FILE 333-44959 -
JAN 27) (BR 6)
- S-8 CYBERMEDIA INC, 2850 OCEAN PARK BLVD, SANTA MONICA, CA 90405
(310) 664-5224 - 500,000 (\$5,530,000) COMMON STOCK (FILE 333-44961 -
JAN 27) (BR 3)
- S-4 WILLIAMS COMPANIES INC, ONE WILLIAMS CTR, TULSA, OK 74172 (918) 588-2000

- 97,389,699 (\$2,575,489,599) COMMON STOCK. (FILE 333-44963 - JAN. 27)
(BR 4)

S-3 INTERPOOL INC, 211 COLLEGE RD E, PRINCETON, NJ 08540 (609) 452-8900
(FILE 333-44965 - JAN 27) (BR 7)

S-1 OMEGA PROTEIN CORP, 1717 ST JAMES PL, STE 550, HOUSTON, TX 77056
(713) 940-6100 - \$110,400,000 COMMON STOCK (FILE 333-44967 - JAN 27)
(BR 2 - NEW ISSUE)

S-4 DESA INTERNATIONAL INC, 2701 INDUSTRIAL DRIVE, BOWLING GREEN, KY 42102
(502) 781-9600 - 130,000,000 (\$130,000,000) STRAIGHT BONDS (FILE
333-44969 - JAN 26) (BR 6 - NEW ISSUE)

S-8 WINNERS ALL INTERNATIONAL INC, 3475 SHERIDAN STREET, SUITE 301,
HOLLYWOOD, FL 33021 (954) 964-5533 - 3,000,000 (\$2,250,000) COMMON STOCK.
(FILE 333-44971 - JAN 27) (BR 4)

S-3 BIOSPHERICS INC, 12051 INDIAN CREEK CT, BELTSVILLE, MD 20705
(301) 419-3900 - 1,620,000 (\$7,188,750) COMMON STOCK. (FILE 333-44973 -
JAN 26) (BR 4)

S-8 GUARDIAN TECHNOLOGIES INTERNATIONAL INC, 22570 MARKEY COURT, DULLES, VA
20166 (703) 444-7931 - 300,000 (\$600,000) COMMON STOCK (FILE 333-44975 -
JAN 26) (BR 2)

S-8 NOVASTAR FINANCIAL INC, 1900 W 47TH PLACE, STE 205, WESTWOOD, KS 66205
(913) 362-1090 - 782,617 (\$13,821,016.22) COMMON STOCK (FILE 333-44977 -
JAN 27) (BR 8)

S-8 AUTOTOTE CORP, 100 BELLEVUE, NEWARK, DE 19714 (302) 737-4300 -
1,600,000 (\$3,450,000) COMMON STOCK (FILE 333-44979 - JAN 27) (BR 6)

S-8 INTERNATIONAL BUSINESS MACHINES CORP, NEW ORCHARD RD, ARMONK, NY 10504
(914) 499-1900 - 428,000 (\$10,202,700) COMMON STOCK (FILE 333-44981 -
JAN 27) (BR 3)

S-8 AUTOTOTE CORP, 100 BELLEVUE, NEWARK, DE 19714 (302) 737-4300 -
2,000,000 (\$4,320,299) COMMON STOCK (FILE 333-44983 - JAN. 27) (BR 6)

S-3 QUADRAMED CORP, QUADRAMED CORP, 80 E SIR FRANCIS DRAKE BLVD STE 2A,
LARKSPUR, CA 94939 (415) 461-7725 - 2,803,515 (\$53,434,996) COMMON STOCK
(FILE 333-44985 - JAN. 27) (BR. 9)

S-3 CINTAS CORP, 6800 CINTAS BLVD, P O BOX 625737, CINCINNATI, OH 45262
(513) 459-1200 - 24,711 (\$1,037,862) COMMON STOCK. (FILE 333-44987 -
JAN. 27) (BR 2)

S-3 PUBLIC SERVICE ELECTRIC & GAS CO, 80 PARK PLZ, PO BOX 570, NEWARK, NJ
07101 (201) 430-7000 - 485,000,000 (\$485,000,000) MORTGAGE BONDS. (FILE
333-44991 - JAN. 27) (BR 4)

S-4 UNITED BANKSHARES INC/WV, 300 UNITED CTR, 500 VIRGINIA ST E, CHARLESTON,
WV 25301 (304) 424-8761 - 5,601,121 (\$214,943,018.37) COMMON STOCK. (FILE
333-44993 - JAN 27) (BR 7)

S-8 HOMEUSA INC, THREE RIVERWAY, STE 630, HOUSTON, TX 77056 (713) 965-0520
- 2,275,000 (\$19,337,500) COMMON STOCK (FILE 333-44995 - JAN 27)
(BR 8)

S-3 BRE PROPERTIES INC /MD/, ONE MONTGOMERY STREET,
SUITE 2500 TELESIS TOWER, SAN FRANCISCO, CA 94104 (415) -44-5-65 - 728,929
(\$20,205,912) COMMON STOCK (FILE 333-44997 - JAN. 27) (BR. 8)

S-8 OCWEN FINANCIAL CORP, 1675 PALM BEACH LAKES BLVD STE 1000, THE FORUM,
WEST PALM BEACH, FL 33401 - 13,095,922 (\$307,772,434) COMMON STOCK (FILE
333-44999 - JAN. 27) (BR. 7)

S-4 BORLAND INTERNATIONAL INC /DE/, 100 BORLAND WAY, SCOTTS VALLEY, CA 95066
(408) 431-1000 - 13,000,000 (\$92,430,000) COMMON STOCK (FILE 333-45001 -
JAN 27) (BR 3)

S-8 ANALYSIS & TECHNOLOGY INC, TECHNOLOGY PARK RTE 2, PO BOX 220,
NORTH STONINGTON, CT 06359 (203) 599-3910 - 230,000 (\$6,497,500)
COMMON STOCK. (FILE 333-45003 - JAN. 27) (BR 4)

S-8 TELIGENT INC, 8065 LEESBURG PIKE, VIENNA, VA 22182 (703) 762-5100 -
14,729,152 (\$178,931,044) COMMON STOCK. (FILE 333-45005 - JAN 27)
(BR 3)

S-8 APPLIED MATERIALS INC /DE, 3050 BOWERS AVE, SANTA CLARA, CA 95054
(408) 727-5555 - 3,040,800 (\$93,694,650) COMMON STOCK (FILE 333-45007 -
JAN. 27) (BR. 5)

S-3 CHART HOUSE ENTERPRISES INC, 115 SOUTH ACACIA AVE, SOLANA BEACH, CA
92075 (619) 755-8281 - 4,877,575 (\$31,399,390) COMMON STOCK. (FILE
333-45009 - JAN. 27) (BR. 2)

S-8 APPLIED MATERIALS INC /DE, 3050 BOWERS AVE, SANTA CLARA, CA 95054
(408) 727-5555 - 55,780 (\$1,718,722) COMMON STOCK. (FILE 333-45011 -
JAN 27) (BR 5)

S-3 GST TELECOMMUNICATIONS INC, 4001 MAIN ST, VANCOUVER, WA 98663
(360) 254-4700 - 352,072 (\$3,806,778 50) COMMON STOCK (FILE 333-45013 -
JAN. 27) (BR 3)

S-3 FORD MOTOR CREDIT CO, THE AMERICAN RD, PO BOX 6044, DEARBORN, MI 48121
(313) 322-3000 - 1,000,000 (\$1,000,000) STRAIGHT BONDS. (FILE 333-45015 -
JAN 27) (BR 7)

S-4 PHYCOR INC/TN, 30 BURTON HILLS BLVD, STE 400, NASHVILLE, TN 37215
(615) 665-9066 - 2,549,000 (\$5,262,852) COMMON STOCK (FILE 333-45017 -
JAN 27) (BR 1)

S-3 INTERMEDIA COMMUNICATIONS INC, 3625 QUEEN PALM DR, STE 720, TAMPA, FL
33619 (813) 829-0011 (FILE 333-45019 - JAN. 27) (BR 3)

S-3 NORWEST ASSET SECURITIES CORP, 7485 NEW HORIZON WY, FREDERICK, MD 21703
(301) 846-8881 - 1,000,000 (\$1,000,000)
PASS-THROUGH MORTGAGE-BACKED CERTIFICATE (FILE 333-45021 - JAN 27)
(BR 8)

S-1 SABA PETROLEUM CO, 3201 AIRPARK DR, STE 201, SANTA MARIA, CA 93455
(805) 347-8700 - 2,153,344 (\$14,535,072) COMMON STOCK (FILE 333-45023 -
JAN 27) (BR 4)

S-8 FORELAND CORP, 12596 W BAYAUD AVE STE 300, UNION TERRACE OFFICE BLDG,
LAKEWOOD, CA 90228 (303) 988-3122 - 80,000 (\$320,000) COMMON STOCK (FILE
333-45025 - JAN 27) (BR 4)

S-8 MCLEODUSA INC, 6400 C ST SW, PO BOX 3177, CEDAR RAPIDS, IA 52401
(319) 364-0000 - 1,000,000 (\$36,800,000) COMMON STOCK. (FILE 333-45027 -
JAN 28) (BR 3)

S-4 MAINSTREET BANKGROUP INC, 200 EAST CHURCH ST, MARTINSVILLE, VA 24112
(540) 666-6724 - 729,482 (\$7,180,000) COMMON STOCK (FILE 333-45029 -
JAN. 28) (BR 7)

S-8 GLOBAL MED TECHNOLOGIES INC, 12600 W COLFAX, SUITE 500 A, LAKEWOOD, CO
80215 (303) 238-2000 - 965,721 (\$1,267,508.81) COMMON STOCK (FILE
333-45031 - JAN 27) (BR 9)