

SEC NEWS DIGEST

Issue 98-146

July 30, 1998

RULES AND RELATED MATTERS

YEAR 2000 DISCLOSURE

The Commission has issued an interpretive release setting forth the Commission's views on how public companies, investment companies, investment advisers, and municipal securities issuers should meet their disclosure obligations regarding the Year 2000 issue and its consequences. This interpretive release supersedes the Divisions of Corporation Finance's and Investment Management's guidance in Staff Legal Bulletin No. 5. The interpretive release provides specific guidance for public companies under Management's Discussion and Analysis of Financial Condition and Results of Operations, financial statement requirements and other rules and regulations. Specific guidance also is provided for investment advisers, investment companies, and municipal securities issuers.

For further information, contact: Broc Romanek or Joseph Babits, Office of Chief Counsel, Division of Corporation Finance at 202-942-2900 (with respect to public companies), Anthony Vertuno, Division of Investment Management, at 202-942-0591 (with respect to investment companies); Arthur Laby, Division of Investment Management, at 202-942-0716 (with respect to investment advisers), and Mary Simpkins, Office of Municipal Securities, at 202-942-7300 (with respect to municipal securities). (Rels. 33-7558; 34-40277; IA-1738; IC-23366; International Series Rel. 1149)

ENFORCEMENT PROCEEDINGS

COMMISSION FILES COMPLAINT AGAINST ENVIRONMENTAL ENERGY, INC., ENVIRONMENTAL OPERATING, INC., IRVINE SECURITIES, INC., LARRY CROWDER, JOHN POWELL, CHRISTIAN HIGGINS, CHARLES POWELL, JAMES GALLAHER, DALE ENGELHARDT AND TREY FRIEDMANN

On July 28, the Commission filed a complaint in the United States District Court for the Central District of California charging seven individuals and three businesses with securities fraud in a multi-million dollar scheme concerning oil and gas limited partnerships

(Partnerships). The complaint alleges that from 1993 to the present, Larry R. Crowder (Crowder) and John R. Powell (Powell) raised \$15.7 million from over 600 investors nationwide through their companies, Environmental Energy, Inc. (EEI), EEI's affiliates and Irvine Securities, Inc. (Irvine). The complaint further alleges that the defendants failed to adequately disclose the extent of the "profits" that EEI made selling oil and gas rights to the Partnerships. In fact, EEI made massive profits that ranged from at least 159% to over 64,000% of the amount that EEI paid. Additionally, EEI and Irvine salesmen made material misrepresentations concerning their investment in these limited partnerships and the expected rate of return.

The Commission seeks permanent injunctions and civil penalties against all of the defendants for violation of the antifraud provisions. Additional, injunctive relief is sought against Crowder, Powell, EEI and Irvine Securities for registration violations. The Commission also seeks disgorgement of ill-gotten gains and prejudgment interest against Crowder, Powell, EEI and an EEI affiliate. [SEC v. Environmental Energy, Inc.; Environmental Operating, Inc.; Irvine Securities, Inc.; Larry R. Crowder; John R. Powell; Christian R. Higgins; Charles L. Powell; James P. Gallaher; Dale J. Engelhardt; and Trey L. Friedmann; Civil Action No. 98-6060-CM, BQRx, C.D. Cal.] (LR-15822)

JAMES BEERS CONSENTS TO AN INJUNCTION AND AGREES TO PAY DISGORGEMENT, PREJUDGMENT INTEREST, AND CIVIL PENALTIES IN CONNECTION WITH HIS PURCHASES OF COLUMBIA FIRST BANK STOCK IN MARCH 1995

The Commission today announced the filing of a civil injunctive action against James R. Beers, the managing partner of Beers & Cutler, a Washington, D.C., accounting firm. The complaint alleges that on March 7, 8, and 10, 1995, Beers, while in possession of material, nonpublic information concerning the likelihood of a sale of Columbia First Bank (CFB), purchased a total of 1,000 shares of CFB stock. On April 6, 1995, CFB and First Union Corporation announced the signing of a merger agreement. According to the complaint, Beers had been the longtime personal accountant to the chairman of the board of CFB and acquired material, nonpublic information in that capacity.

Without admitting or denying the allegations of the complaint, Beers consented to a proposed Final Judgment enjoining him from violating Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder, and agreed to disgorge \$14,500, plus prejudgment interest thereon of \$4,659.32, and to pay \$14,500 in civil penalties. The proposed Final Judgment has been submitted to the U.S. District Court for the District of Columbia. [SEC v. James R. Beers, USDC, D.D.C., Civil Action No: 98-1884, CKK] (LR-15823)

INVESTMENT COMPANY ACT RELEASES

ORDERS OF DEREGISTRATION UNDER THE INVESTMENT COMPANY ACT

Orders have been issued under Section 8(f) of the Investment Company Act declaring that each of the following has ceased to be an investment company:

Financial Reserves Fund

[File No. 811-3476]
(Rel. IC-23334 - July 28)

Asia House Funds

[File No. 811-8070]
(Rel. IC-23335 - July 28)

Van Kampen American Capital Government Target Fund

[File No. 811-6127]
(Rel. IC-23336 - July 28)

Triple A and Government Series - 1997, Inc.

[File No. 811-6656]
(Rel. IC-23337 - July 28)

Goldman Sachs Equity Portfolio, Inc.

[File No. 811-6036]
(Rel. IC-23338 - July 28)

Goldman Sachs Money Market Trust

[File No. 811-2598]
(Rel. IC-23339 - July 28)

Schroder Asian Growth Fund, Inc.

[File No. 811-8150]
(Rel. IC-23340 - July 28)

Franklin Tax-Advantaged International Bond Fund

[File No. 811-4849]
(Rel. IC-23341 - July 28)

Franklin Tax-Advantaged U.S. Government Securities Fund

[File No. 811-5007]
(Rel. IC-23342 - July 28)

Franklin Tax-Advantaged High Yield Securities Fund

[File No. 811-5008]
(Rel. IC-23343 - July 28)

The JPM Institutional Plus Funds

[File No. 811-7900]
(Rel. IC-23344 - July 28)

CAM Balanced Fund, Inc.

[File No. 811-7713]
(Rel. IC-23345 - July 28)

Putnam Qualified Dividend Income Fund

[File No. 811-6055]
(Rel. IC-23346 - July 28)

The Victory Funds

[File No. 811-3378]
(Rel. IC-23347 - July 28)

Daily Cash Accumulation Fund, Inc.
[File No. 811-2346]
(Rel. IC-23348 - July 28)

Investors Trust
[File No. 811-4945]
(Rel. IC-23349 - July 28)

A. T. Ohio Municipal Money Fund
[File No. 811-4097]
(Rel. IC-23350 - July 28)

The Exchange Fund of Boston, Inc.
[File No. 811-1207]
(Rel. IC-23351 - July 28)

Fiduciary Exchange Fund, Inc.
[File No. 811-1409]
(Rel. IC-23352 - July 28)

Second Fiduciary Exchange, Inc.
[File No. 811-1453]
(Rel. IC-23353 - July 28)

Diversification Fund, Inc.
[File No. 811-1003]
(Rel. IC-23354 - July 28)

Capital Exchange Fund, Inc.
[File No. 811-1339]
(Rel. IC-23355 - July 28)

Depositors Fund of Boston, Inc.
[File No. 811-1295]
(Rel. IC-23356 - July 28)

Society's Collective Investment Retirement Fund
[File No. 811-4895]
(Rel. IC-23357 - July 28)

Putnam Information Sciences Trust
[File No. 811-3672]
(Rel. IC-23358 - July 28)

Putnam Intermediate Government Income Trust
[File No. 811-5556]
(Rel. IC-23359 - July 28)

Dean Witter Managers' Select Fund
[File No. 811-8053]
(Rel. IC-23360 - July 28)

Oppenheimer Fund
[File No. 811-847]
(Rel. IC-23361 - July 28)

Oppenheimer Global Emerging Growth Fund
[File No. 811-5381]
(Rel. IC-23362 - July 28)

THE FIRST AUSTRALIA FUND, INC.

A notice has been issued giving interested persons until August 21, 1998, to request a hearing on an application filed by The First Australia Fund, Inc., a registered closed-end management investment company. Applicant requests an order under Section 6(c) of the Act granting an exemption from Section 19(b) of the Act and Rule 19b-1 under the Act to permit it to make up to four distributions of net

long-term capital gains in any one taxable year, so long as it maintains in effect a distribution policy with respect to its common stock calling for quarterly distributions of an annually adjustable percentage of its net asset value. (Rel. IC-23363 - July 28)

SR&F BASE TRUST, ET AL.

An order has been issued on an application filed by SR&F Base Trust and Stein Roe Investment Trust, on behalf of their respective series SR&F Special Venture Portfolio (the Portfolio) and Stein Roe Special Venture Fund (Special Venture Fund) under Section 17(b) of the Investment Company Act for an exemption from Section 17(a) of the Act permitting an in-kind redemption of shares of Special Venture Fund held by an affiliated person of Special Venture Fund, and a corresponding in-kind redemption of shares of the Portfolio held by Special Venture Fund. (Rel. IC-23364 - July 28)

MEMBERS MUTUAL FUNDS AND CIMCO INC.

A notice has been issued giving interested persons until August 24, 1998, to request a hearing on an application filed by MEMBERS Mutual Funds and CIMCO Inc. for an order under Section 6(c) of the Investment Company Act exempting applicants from Section 15(a) of the Act and Rule 18f-2 under the Act. The order would permit applicants to enter into and materially amend subadvisory contracts without obtaining shareholder approval. (Rel. IC-23365 - July 29)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY, ET AL.

An order has been issued authorizing Consolidated Natural Gas Company (CNG), a registered holding company, and certain of CNG's wholly owned subsidiaries, CNG Energy Services Corporation, CNG Power Company, CNG Retail Services Corporation, CNG Products and Services, Inc. and CNG Producing Company, to effect a restructuring of these subsidiaries and other nonutility subsidiaries in the CNG system. (Rel. 35-26900)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The Chicago Stock Exchange filed a proposed rule change (SR-CHX-98-19) amending Article XXXIV, Rule 16, Interpretation .01 of the Exchange's rules relating to registered market makers' eligibility to receive exempt credit. Publication of the proposal is expected in the Federal Register during the week of August 3. (Rel. 34-40270)

The Chicago Stock Exchange filed a proposed rule change (SR-CHX-98-18) amending Article II, Rule 6(b) of the Exchange's rules relating to the Exchange's Withdrawal of Capital provisions. Publication of the proposal is expected in the Federal Register during the week of August 3. (Rel. 34-40271)

DELISTINGS GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Union Texas Petroleum Holdings, Inc., 8.25% Senior Notes, due November 15, 1999. (Rel. 34-40275)

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Mercury Finance Company, Common Stock, \$1.00 Par Value. (Rel. 34-40276)

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.

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-1 NCL HOLDING ASA, ULLERN ALLE 41, 0311 OSLO NORWAY, Q8 (472) 251-0950 - \$259,900,000 COMMON STOCK. (FILE 333-9160 - JUL. 20) (BR. 5 - NEW ISSUE)
- S-1 GEMSTONE SYSTEMS INC, 20575 NW VON NEUMANN DRIVE, BEAVERTON, OR 97006 - 2,875,000 (\$34,500,000) COMMON STOCK. (FILE 333-59651 - JUL. 23) (BR. 36 - NEW ISSUE)
- S-4 PCA INTERNATIONAL INC, 815 MATTHEWS MINT HILL RD, CHARLOTTE, NC 28105 (704) 847-8011 - 358,490 (\$9,499,985) COMMON STOCK. (FILE 333-59655 - JUL. 23) (BR. 8)
- S-1 SERVICEMASTER CO, ONE SERVICEMASTER WAY, DOWNERS GROVE, IL 60515 (630) 271-1300 - 3,500,000 (\$122,390,450) COMMON STOCK. (FILE 333-59659 - JUL. 23) (BR. 1)
- S-3 SUNGARD DATA SYSTEMS INC, 1285 DRUMMERS LN, STE 300, WAYNE, PA 19087 (610) 341-8700 - 80,493 (\$3,124,134.56) COMMON STOCK. (FILE 333-59663 - JUL. 23) (BR. 3)
- S-8 OPTICAL SECURITY GROUP INC, 535 16TH STREET, STE 920, DENVER, CO 80202 (303) 534-4500 - 4,060,000 (\$23,852,500) COMMON STOCK. (FILE 333-59665 - JUL. 23) (BR. 6)

S-8 NATIONAL MERCANTILE BANCORP, 1840 CENTURY PARK EAST, LOS ANGELES, CA 90067 (310) 277-2265 - 173,500 (\$1,127,750) COMMON STOCK. (FILE 333-59667 - JUL. 23) (BR. 7)

S-8 FOTOBALL USA INC, 3738 RUFFIN RD, SAN DIEGO, CA 92123 (619) 467-9900 - 500,000 (\$1,000,000) COMMON STOCK. (FILE 333-59669 - JUL. 23) (BR. 9)

S-3 GENERAL ELECTRIC CO, 3135 EASTON TURNPIKE, C/O BANK OF NEW YORK, FAIRFIELD, CT 06431 (203) 373-2816 - 50,000 (\$4,781,250) COMMON STOCK. (FILE 333-59671 - JUL. 23) (BR. 5)

S-3 WESTERN RESOURCES INC /KS, 818 KANSAS AVE, TOPEKA, KS 66612 (913) 575-6300 - \$800,000,000 STRAIGHT BONDS. (FILE 333-59673 - JUL. 23) (BR. 2)

S-8 MEDWAVE INC, 4382 ROUND LAKE RD WEST, STE 6, ARDEN HILLS, MN 55112 (612) 639-1227 - 300,000 (\$3,600,000) COMMON STOCK. (FILE 333-59675 - JUL. 23) (BR. 9)

S-8 FOURTH SHIFT CORP, 7900 INTERNATIONAL DR, STE 450, MINNEAPOLIS, MN 55425 (612) 851-1500 - 500,000 (\$1,765,625) COMMON STOCK. (FILE 333-59677 - JUL. 23) (BR. 3)

S-8 RENTAL SERVICE CORP, 6929 EAST GREENWAY PARKWAY, STE 200, SCOTTSDALE, AZ 85254 (602) 905-3300 - 1,000,000 (\$32,910,000) COMMON STOCK. (FILE 333-59679 - JUL. 23) (BR. 6)

S-3 NEWSTAR MEDIA INC, 8955 BEVERLY BLVD, LOS ANGELES, CA 90048 (310) 786-1600 - 450,000 (\$748,312) COMMON STOCK. (FILE 333-59681 - JUL. 23) (BR. 2)

S-8 USA BRIDGE CONSTRUCTION OF NY INC, 53-09 97TH PLACE, CORONA, NY 11368 - 290,000 (\$616,250) COMMON STOCK. (FILE 333-59683 - JUL. 23) (BR. 6)

S-8 ROCKFORD INDUSTRIES INC, 1851 EAST FIRST ST, STE 600, SANTA ANA, CA 92705 (714) 547-7166 - 400,000 (\$3,728,000) COMMON STOCK. (FILE 333-59685 - JUL. 23) (BR. 7)

S-3 WMC SECURED ASSETS CORP, 6320 CANOGA AVENUE, SUITE 1300, WOODLAND HILLS, CA 91367 (818) 592-2610 - 1,796,000,000 (\$1,796,000,000) PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 333-59687 - JUL. 23) (BR. 8)

S-3 INTERNATIONAL FLAVORS & FRAGRANCES INC, 521 W 57TH ST, NEW YORK, NY 10019 (212) 765-5500 - 3,720,000 (\$166,500,376) COMMON STOCK. (FILE 333-59689 - JUL. 23) (BR. 2)

S-3 DLJ MORTGAGE ACCEPTANCE CORP, 277 PARK AVE 9TH FLOOR, C/O DONALDSON LUFKIN & JENRETTE LAROCCA, NEW YORK, NY 10172 (212) 892-3000 - 1,500,000,000 (\$1,500,000,000) PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 333-59691 - JUL. 23) (BR. 8)

S-8 AVIS RENT A CAR INC, 900 OLD COUNTRY RD, GARDEN CITY, NY 11530 (516) 222-3000 - 2,000,000 (\$50,060,000) COMMON STOCK. (FILE 333-59693 - JUL. 23) (BR. 5)

S-8 AVIS RENT A CAR INC, 900 OLD COUNTRY RD, GARDEN CITY, NY 11530 (516) 222-3000 - 200,000 (\$5,006,000) COMMON STOCK. (FILE 333-59695 - JUL. 23) (BR. 5)

S-8 BIOSITE DIAGNOSTICS INC, 11030 ROSELLE ST, SAN DIEGO, CA 92121 (619) 455-4808 - 250,000 (\$2,390,625) COMMON STOCK. (FILE 333-59701 - JUL. 23) (BR. 1)

S-8 GLOBAL TELECOMMUNICATION SOLUTIONS INC, 5697 RISING SUN AVE, PHILADELPHIA, PA 19120 (516) 484-2611 - 1,425,000 (\$5,798,906.25) COMMON STOCK (FILE 333-59703 - JUL. 23) (BR. 9)

S-3 GENERAL ELECTRIC CAPITAL CORP, 260 LONG RIDGE RD, STAMFORD, CT 06927 (203) 357-4000 - \$7,500,000,000 STRAIGHT BONDS. (FILE 333-59707 - JUL. 23) (BR. 7)

S-8 INSIGNIA SYSTEMS INC/MN, 10801 RED CIRCLE DR, MINNETONKA, MN 55343
(612) 930-8200 - 600,000 (\$1,446,000) COMMON STOCK. (FILE 333-59709 -
JUL. 23) (BR. 2)

S-8 SERVICE EXPERTS INC, SIX CADILLAC DRIVE, SUITE 420, BRENTWOOD, TN 37027
(615) -37-1-99 - 1,605,424 (\$52,584,880.95) COMMON STOCK. (FILE 333-59711
- JUL. 23) (BR. 2)

S-8 EQUITEK INC, 7315 E PEAKVIEW AVE, GREENWOOD EXECUTIVE PARK BLDG 8,
ENGLEWOOD, CO 80111 (303) 796-8940 - 850,000 (\$2,652,306) COMMON STOCK.
(FILE 333-59713 - JUL. 23) (BR. 18)

S-1 EUROGAS INC, 942 EAST 7145 SOUTH, #101A, MIDVALE, UT 84047
((80) 1) -255- - 10,000,000 (\$36,875,000) COMMON STOCK. (FILE 333-59715 -
JUL 23) (BR. 2)

S-3 ENGELHARD CORP, 101 WOOD AVENUE, ISELIN, NJ 08830 (908) 205-5000 -
300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE 333-59719 - JUL. 23)
(BR. 6)

S-4 AMBANC HOLDING CO INC, 11 DIVISION ST, AMSTERDAM, NY 12010
(518) 842-7200 - 1,567,008 (\$27,093,121) COMMON STOCK. (FILE 333-59721 -
JUL. 23) (BR. 7)

S-3 GENERAL MAGIC INC, 420 N MARY AVE, SUNNYVALE, CA 94086 (408) 774-4000 -
5,608,459 (\$66,628,490.47) COMMON STOCK. (FILE 333-59723 - JUL. 23)
(BR. 3)

S-4 MEDTRONIC INC, 7000 CENTRAL AVE NE, MS 316, MINNEAPOLIS, MN 55432
(612) 574-4000 - 20,000,000 (\$531,875,000) COMMON STOCK. (FILE 333-59725 -
JUL. 23) (BR. 5)

S-8 V F CORP /PA/, 1047 N PARK RD, WYOMISSING, PA 19610 (215) 378-1151 -
300,000 (\$14,456,250) COMMON STOCK. (FILE 333-59727 - JUL. 23) (BR. 2)

S-4 CAROLINA FIRST BANCSHARES INC, 402 E MAIN ST, P O BOX 657, LINCOLNTON,
NC 28093 (704) 732-2222 - 1,021,202 (\$10,005,737) COMMON STOCK. (FILE
333-59729 - JUL. 23) (BR. 7)

S-3 GREENPOINT CREDIT CORP, 10089 WILLOW CREEK RD, SAN DIEGO, CA 10016
(212) 834-1081 - 10,000,000 (\$10,000,000) EQUIPMENT TRUST CERTIFICATES.
(FILE 333-59731 - JUL 23) (NEW ISSUE)

S-8 ZEBRA TECHNOLOGIES CORP/DE, 333 CORPORATE WOODS PKWY, VERNON HILLS, IL
60061 (708) 634-6700 - 75,000 (\$2,867,813) COMMON STOCK. (FILE 333-59733 -
JUL. 23) (BR. 5)

S-8 INHALE THERAPEUTIC SYSTEMS INC, 150 INDUSTRIAL RD., SAN CARLOS, CA 94070
((65) 0)--631- - 775,000 (\$21,845,312) COMMON STOCK. (FILE 333-59735 -
JUL. 23) (BR. 1)

S-8 RADICA GAMES LTD, 2 12 AU PUI WAN ST STE R 6TH FLR,
VALIANT INDUSTRIAL CENTRE, FO FAN SHATIN HONG K, K3 (852) 693-2238 -
800,000 (\$13,500,000) COMMON STOCK. (FILE 333-59737 - JUL. 23) (BR. 5)

S-1 MEDICAL RESOURCES INC /DE/, 15 STATE ST, HACKENSACK, NJ 07601
(813) 281-0202 - 7,668,725 (\$22,776,113) COMMON STOCK. (FILE 333-59739 -
JUL. 23) (BR. 1)

S-1 WASTEQUIP INC, 25800 SCIENCE PARK DR, SUITE 140, BEACHWOOD, OH 44122
(216) 622-8610 - \$60,000,000 COMMON STOCK. (FILE 333-59741 - JUL. 23)
(NEW ISSUE)

S-1 CHEMICAL LOGISTICS CORP, 808 TRAVIS, SUITE 1601, HOUSTON, TX 77002
(713) 227-5550 - \$58,880,000 COMMON STOCK. (FILE 333-59743 - JUL. 24)
(NEW ISSUE)