

SEC NEWS DIGEST

Issue 99-16

January 26, 1999

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE PROCEEDINGS CONSOLIDATED

The Commission has determined to consolidate administrative proceedings in the matter of Wheat First Securities, Inc. f/k/a First Union Capital Markets Corp., Administrative Proceeding File No. 3-9688, and Teressa L. Cawley, Administrative Proceeding File No. 3-9794. The Commission determined that these proceedings involve common questions of law and fact. The Commission remanded Cawley's motions for transfer of venue and postponement of the hearing to the law judge for determination. (Rel. 34-40972; File Nos. 3-9688 and 3-9794)

PIPER PORTFOLIO MANAGER SETTLES FRAUD CHARGES

The Commission issued an administrative order sanctioning Worth V. Bruntjen (Bruntjen), who was a portfolio manager of the Piper Jaffray Institutional Government Income Portfolio (the Fund) and a Senior Vice-President at Piper Capital Management, Inc. (PCM). PCM served as the registered investment adviser for the Fund. The Commission issued an Order making findings that Bruntjen violated the antifraud and recordkeeping provisions of the federal securities laws in connection with the investments he made for the Fund and disclosures he made about the safety of investing in the Fund from 1992 to at least April 1994. Bruntjen was ordered to cease-and-desist from violations of these provisions. The Commission barred Bruntjen from association with the securities industry for five years. Bruntjen was also ordered to pay a civil penalty of \$100,000. The Order was entered pursuant to an Offer of Settlement which Bruntjen made, without admitting or denying the Commission's findings.

The Commission found that the Fund's prospectuses, marketing and other materials and communications portrayed the Fund as being a conservative fixed-income mutual fund which invested in short and intermediate-term U.S. government securities. Sales of Fund shares were targeted to conservative investors, people looking for alternatives to certificates of deposit or insured money market accounts and institutional investors. The Commission found that Bruntjen exposed Fund shareholders to undisclosed risks through the Fund's increased investments in high-risk, interest rate-sensitive instruments derived from mortgage-backed securities (derivatives).

By March 31, 1993, approximately 90% of the Fund's net assets were invested in these derivatives, 75% of which were invested in derivatives whose value would fall if interest rates rose. The Fund's investments were not hedged against rising interest rates. The Commission found that Bruntjen magnified these undisclosed risks by further leveraging Fund assets through various other investments. Finally, the Commission found that Bruntjen made false statements about his educational background. He falsely claimed that he had received a Bachelor's Degree in Business Administration with honors from the University of Minnesota.

Bruntjen's Offer of Settlement was made in an action instituted by the Commission on July 28, 1998 against Bruntjen, PCM and five other individuals who were Fund portfolio managers and their supervisors as well as Fund accountants. The Commission's Administrative Proceeding is scheduled to begin on February 16, 1999, in Minneapolis, Minnesota. (Rels. 33-7634; 34-40978; IA-1785; IC-23664; File No. 3-9657)

OIL AND GAS PUBLIC COMPANY AND ITS PRESIDENT ENJOINED

The Commission announced that on January 15 the Honorable Vanessa D. Gilmore of the United States District Court for the Southern District of Texas entered a Final Judgment of Permanent Injunction and other Equitable Relief against American Energy Group, Ltd. (American Energy or the company), a publicly traded oil and gas company located in Simonton, Texas, and Bradley J. Simmons (Simmons), the company's president. American Energy is a publicly-held company whose common stock is currently quoted on the National Association of Securities Dealers Over-The-Counter Bulletin Board.

The Final Judgments permanently enjoin American and Energy and Simmons from engaging in future violations of the antifraud provisions contained in Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, and the reporting provisions contained in Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11 and 13a-13 thereunder. The judgments further require Simmons to pay a civil monetary penalty in the amount of \$60,000. In addition, the final judgments require American Energy to establish and maintain, for a period of at least four years, a Disclosure Committee whose purpose shall be to supervise, monitor and oversee all public disclosure by the company. American Energy and Simmons consented to the Final Judgments without admitting or denying the allegations in the Commission's complaint. [SEC v. Bradley J. Simmons and American Energy Group, Ltd., Civil Action No. H-97-1384, USDC, SD/TX, Houston Division] (LR-16042)

SEC OBTAINS \$1.374 MILLION AWARD AGAINST PENNY STOCK PROMOTER, MATT MATSON OF POMPANO BEACH, FLORIDA

The Commission announced that on January 11, United States District Judge Jose A. Gonzalez, Jr., ordered Matt Matson (Matson), a Pompano

Beach, Florida stock promoter, to pay \$1,274,00 in disgorgement and \$100,000 in civil money penalties.

In July 1996 the SEC sued Matson in connection with his promotion earlier that year of \$1 million of the stock in each of two subsidiaries of The Home Link Corporation, Home Link of Nevada, Inc. and Home Link of Florida, Inc. The SEC alleged that Matson had fraudulently promoted the stock through a number of fraudulent misrepresentations to the financial press, market professionals and investors. On the SEC's motion, the Court enjoined Matson and the other defendants from further violations of the securities law, froze their assets and appointed a receiver who took control, and ultimately liquidated, the Home Link companies. Shortly before the lawsuit was filed, the Commission suspended trading of Home Link's stock for the maximum 10-day period permitted under Section 12(k)(1)(A) of the Exchange Act because there appeared to be a lack of current and accurate information concerning, among other things, Home Link's capitalization, whether Home Link was pursuing a NASDAQ listing, and Home Link's business prospects.

On September 25, 1997, an SEC Administrative Law Judge (ALJ) entered an order, which has since become final, barring Matson from participating in the offering of any penny stock, including acting as a promoter, finder, consultant, agent, or other person who engages in actions with a broker, dealer, or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock. SEC v. The Home Link Corp., Home Link of Florida, Inc., Home Link of Nevada, Inc. and Matt Matson, USDC, SD Fla., Case No. 96-6860-CIV-GONZALEZ] (LR-16043)

"UNKNOWN PURCHASERS" IDENTIFY THEMSELVES AND AGREE TO SETTLE INSIDER TRADING CASE

The Commission announced that Final Judgments were entered by the United States District Court for the Southern District of New York which reflect settlements offered by two defendants who identified themselves only after the Court entered a preliminary injunction freezing approximately \$2 million of their assets. The two defendants, Igor Okhman of Studio City, California and Frank Mashevich of Vancouver, British Columbia consented, without admitting or denying the substantive allegations of the Commission's complaint, to the entry of Final Judgments which permanently enjoin them from violating antifraud provisions of the federal securities laws and which order them to disgorge their profits and pay civil monetary penalties equal to the disgorgement amounts. Okhman and Mashevich agreed to disgorge \$190,454 and \$164,837 respectively, and to pay like amounts as penalties. The Commission's complaint alleged that the then "unknown purchasers" engaged in illegal insider trading by purchasing call options and common stock of USCS International, Inc. anonymously through a Swiss account just hours before it was announced that DST Systems, Inc. had agreed to acquire USCS in a merger. The Commission is continuing its investigation. [SEC v. One or More Unknown Purchasers of Call Options and Common Stock of USCS International, Inc., No. 98-Civ-6327, SDNY] (LR-16044)

ADDITIONAL INFORMATION/RELEASE NUMBERS

The following are additional release numbers relating to an administrative proceeding published in the Digest for January 25 entitled "COMMISSION SANCTIONS FORMER OFFICERS AND BRANCH MANAGER OF PENNY STOCK BROKER-DEALERS": In the Matter of Eric Monchecourt (Rel. 34-40964; File No. 3-9815; and In the Matter of William Masucci - (Rel. 34-40965; File No. 3-9816).

INVESTMENT COMPANY ACT RELEASES

THE VICTORY PORTFOLIOS, ET AL.

A notice has been issued giving interested persons until February 18, 1999, to request a hearing on an application filed by The Victory Portfolios, et al. for an order under Section 17(d) of the Investment Company Act, and Rule 17d-1 under the Act. The order would permit The Victory Portfolios to deposit uninvested cash balances in joint accounts investing in short-term investments, and would permit Key Trust Company of Ohio, N.A. to accept fees for acting as securities lending agent. (Rel. IC-23662 - January 25)

HOLDING COMPANY ACT RELEASES

UNITIL CORPORATION

A notice has been issued giving interested persons until February 16, 1999, to request a hearing on a proposal by Unitil Corporation, a registered holding company, to grant stock options under a stock option plan (Plan), and issue and sell stock under the Plan. (Rel. 35-26968)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change filed by the National Association of Securities Dealers through its wholly-owned subsidiary The Nasdaq Stock Market, Inc. (SR-NASD-98-98) to extend the pre-trading quotation period for initial public offerings from five to fifteen minutes. (Rel. 34-40968)

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-10 BIOVAIL CORPORATION INTERNATIONAL, 2488 DUNWIN DR, MISSISSAUGA, ONTARIO, A6 (416) 285-6000 - 125,000,000 (\$125,000,000) STRAIGHT BONDS (FILE 333-9812 - JAN 13) (BR. 1)
- F-6 NORTH AMERICAN BUS INDUSTRIES RT, BANK OF NEW YORK, ONE WALL ST, NEW YORK, NY 10286 (212) 495-1784 - 20,000,000 (\$1,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK (FILE 333-9814 - JAN 14) (BR 99 - NEW ISSUE)
- S-8 MIRAGE HOLDINGS INC, 233 WILSHIRE BLVD SUITE 930B, SANTA MONICA, CA 90401 (310) 395-4073 - 15,000 (\$60,000) COMMON STOCK (FILE 333-70729 - JAN. 19) (BR. 9)
- S-3 ENAMELON INC, 15 KIMBALL AVE, YONKERS, NY 10704 (914) 237-1308 - 1,777,768 (\$13,999,923) COMMON STOCK (FILE 333-70731 - JAN. 19) (BR 1)
- S-8 MILACRON INC, 4701 MARBURG AVE, CINCINNATI, OH 45209 (513) 841-8100 - 60,000 (\$1,196,250) COMMON STOCK. (FILE 333-70733 - JAN 19) (BR. 5)
- S-8 PICCADILLY CAFETERIAS INC, P O BOX 2467, BATON ROUGE, LA 70821 (225) 293-9440 - 450,000 (\$4,852,323) COMMON STOCK. (FILE 333-70735 - JAN 19) (BR. 5)
- S-8 NCS HEALTHCARE INC, 3201 ENTERPRISE PKWY, STE 2200, BEACHWOOD, OH 44122 (216) 514-3350 - 1,200,000 (\$27,675,000) COMMON STOCK (FILE 333-70741 - JAN. 19) (BR 1)
- N-2 TRUST ISSUED REQUIRED EQUITY EXCHANGE SECURITIES TRUST, C/O WARBURG DILLON READ LLC, 299 PARK AVENUE, NEW YORK, NY 10171 - \$1,000,000 COMMON STOCK (FILE 333-70743 - JAN 19) (BR 18)
- S-8 ONEIDA FINANCIAL CORP, 182 MAIN STREET, ONEIDA, NY 13421 (315) 363-2000 - OTHER SECURITIES INCLUDING VOTING TRUST (FILE 333-70745 - JAN 19) (BR. 7)
- S-1 CAREER EDUCATION CORP, 2800 WEST HIGGINS ROAD, SUITE 790, HOFFMAN ESTATES, IL 60195 (847) 781-3600 - 2,127,500 (\$62,495,313) COMMON STOCK (FILE 333-70747 - JAN 19) (BR. 8)
- S-1 SAUL B F REAL ESTATE INVESTMENT TRUST, 8401 CONNECTICUT AVE, CHEVY CHASE, MD 20815 (301) 986-6000 - 60,000,000 (\$60,000,000) STRAIGHT BONDS. (FILE 333-70753 - JAN 19) (BR 7)
- S-8 COLORADO MEDTECH INC, 6175 LONGBOW DR, BOULDER, CO 80301 (303) 530-2660 - 1,785,000 (\$20,420,400) COMMON STOCK (FILE 333-70755 - JAN 19) (BR 5)
- S-8 AGOURON PHARMACEUTICALS INC, 10350 NORTH TORREY PINES ROAD, SUITE 100, LA JOLLA, CA 92037 (619) 622-3000 - 500,000 (\$29,031,250) COMMON STOCK. (FILE 333-70757 - JAN. 19) (BR. 1)
- S-4 DOANE PET CARE ENTERPRISES INC, 103 POWELL COURT, SUITE 200, BRENTWOOD, TN 37027 (615) 373-7774 - \$150,000,000 STRAIGHT BONDS. (FILE 333-70759 - JAN 19) (BR. 4)

S-3 OHIO CASUALTY CORP, 136 N THIRD ST, HAMILTON, OH 45025 (513) 867-3000 -
300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE 333-70761 - JAN. 19)
(BR 1)

S-3 BOSTON PROPERTIES INC, 8 ARLINGTON ST, BOSTON, MA 02116 (617) 859-2600
- 1,471,456 (\$46,218,432 96) COMMON STOCK (FILE 333-70765 - JAN. 19)
(BR 8)

N-2 PACHOLDER FUND INC, 8044 MONTGOMERY RD STE 382, CINCINNATI, OH 45236
(513) 985-3200 - 2,374,907 (\$34,483,650) COMMON STOCK (FILE 333-70767 -
JAN 19) (BR 22)

S-8 ALLEGIANCE TELECOM INC, 1950 STEMMONS FRWY, STE 3026, DALLAS, TX 75207
(214) 853-7100 - 4,693,252 (\$64,652,288) COMMON STOCK (FILE 333-70769 -
JAN 19) (BR 7)

S-8 RANDALLS FOOD MARKETS INC, 3663 BRIARPARK, HOUSTON, TX 77042
(713) 268-3500 - 350,000 (\$4,536,000) COMMON STOCK. (FILE 333-70771 -
JAN 19) (BR 2)

S-8 KEYCORP /NEW/, 127 PUBLIC SQ, CLEVELAND, OH 44114 (216) 689-6300 -
2,000,000 (\$61,500,000) COMMON STOCK (FILE 333-70775 - JAN. 19) (BR 7)

S-3 RITE AID CORP, 30 HUNTER LANE, CAMP HILL OWN, PA 17011 (717) 761-2633 -
\$3,000,000,000 STRAIGHT BONDS. (FILE 333-70777 - JAN. 19) (BR 1)

S-8 INTEGRATED SURGICAL SYSTEMS INC, 829 W STADIUM LANE, SACRAMENTO, CA
95834 (916) 646-3487 - 1,150,000 (\$3,957,911) COMMON STOCK (FILE
333-70779 - JAN 19) (BR 9)

S-8 SUPER VISION INTERNATIONAL INC, 8210 PRESIDENTS DRIVE, ORLANDO, FL 32809
(407) 857-9900 - 200,000 (\$860,000) COMMON STOCK (FILE 333-70781 -
JAN 19) (BR 9)

S-3 INTEGRATED SURGICAL SYSTEMS INC, 829 W STADIUM LANE, SACRAMENTO, CA
95834 (916) 646-3487 - COMMON STOCK (FILE 333-70783 - JAN. 19) (BR. 9)

S-3 WESTERN DIGITAL CORP, 8105 IRVINE CENTER DR, IRVINE, CA 92718
(714) 932-5000 - \$190,000,000 COMMON STOCK (FILE 333-70785 - JAN. 19)
(BR 3)

S-8 EMPIRE OF CAROLINA INC, 5150 LINTON BLVD, 5TH FL, DELRAY BEACH, FL 33484
(561) 498-4000 - 2,275,000 (\$1,638,000) COMMON STOCK. (FILE 333-70787 -
JAN 19) (BR. 5)

S-8 CONSYGEN INC, 125 SOUTH 52ND STREET, SUITE 140, TEMPE, AZ 85281
(602) 394-9100 - 1,500,000 (\$1,635,000) COMMON STOCK (FILE 333-70791 -
JAN 19) (BR 3)

S-8 WILSONS THE LEATHER EXPERTS INC, 7401 BOONE AVENUE NORTH, ST LOUIS PARK,
BROOKLYN PARK, MN 55428 (612) 391-4000 - 500,000 (\$5,095,000) COMMON STOCK.
(FILE 333-70793 - JAN 19) (BR 2)

S-3 IMC GLOBAL INC, 2100 SANDERS RD, NORTHBROOK, IL 60062 (847) 272-9200
(FILE 333-70797 - JAN 20) (BR 2)