

# SEC NEWS DIGEST

Issue 96-155

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## ENFORCEMENT PROCEEDINGS

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### MICHAEL CLARK BARRED

The Commission, by consent, entered an Order Instituting Public Administrative Proceedings, Making Findings and Imposing Remedial Sanctions (Order) against Michael J. Clark (Clark), a registered representative based on the entry of an order of permanent injunction on August 7 enjoining Clark, by consent, from future violations of certain registration and antifraud provisions of the federal securities laws. The Order finds further that Clark willfully violated these provisions in his offer and sale of over \$1.4 million worth of Canadian Trade Bank, Ltd. (CTB) "certificates of deposit" (CDs). The CDs were purportedly issued by CTB which, according to Clark, was a bank located in the country of Grenada. In the offer and sale of the CDs, Clark made material misrepresentations and failed to disclose material facts to investors regarding, among other things, the existence of a legitimate bank, the safety of the investment and the receipt of commissions. Clark received at least \$113,000 in commissions for selling the CDs. The Order permanently bars Clark from association with any broker, dealer, investment company, investment adviser, or municipal securities dealer. (Rel. 34-37566)

### COMMISSION ISSUES ORDER DIRECTING BANKERS PENSION SERVICES INC. TO CEASE AND DESIST SECURITIES VIOLATIONS

The Commission entered an Order pursuant to Section 21C of the Exchange Act, ordering Bankers Pension Services, Inc. (BPS) to cease and desist from violating or causing violations of the broker-dealer registration provisions of the Exchange Act. BPS consented to the Order without admitting or denying the Commission's findings.

The Order finds that BPS improperly operated as an unregistered broker-dealer in violation of Section 15(a) of the Exchange Act by performing such activities as writing checks on behalf of clients to pay for securities transactions, charging clients transaction based fees, receiving trade confirmations and account statements for the clients, forwarding subscription documents to no-load mutual funds, and physically holding various client securities.

BPS provides services for self-directed IRAs, pension and profit sharing plans, and simplified employer pension IRAs, and serves as a pension administrator for approximately 7000 IRA customers and/or plan participants nationwide and administers over \$400 million in IRA customer and plan participant assets, including over \$27 million in cash. (Rel. 34-37567)

ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST CABOT MONEY MANAGEMENT, INC. AND ROBERT LUTTS

The Commission today announced the entry of a Cease-and-Desist Order against Cabot Money Management, Inc. (Cabot), a registered investment adviser, and its president, Robert T. Lutts (Lutts), that censures them and imposes monetary penalties on them. The Order finds that the respondents failed to file timely Forms 13F disclosing the holdings of certain equity securities in accounts over which they exercised investment discretion. The Order finds that as a result the respondents delayed disclosure in a Commission filing of the concentration and magnitude of their holdings of Presstek, Inc., a stock strongly recommended by The Cabot Market Letter, which is published by Lutts' father, a Cabot director. Simultaneously with the institution of these proceedings, the Commission accepted the respondents' offers of settlement in which they consented, without admitting or denying the findings, to the issuance of an order finding that they willfully violated Section 13(f) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 13f-1 thereunder; directing that they cease and desist from committing or causing any violation or any future violation of Section 13(f) of the Exchange Act and Rule 13f-1 thereunder; and ordering each to pay a civil penalty in the amount of \$12,500. (Rel. Nos. 34-37573; IA-1577)

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INVESTMENT COMPANY ACT RELEASES

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SIRROM CAPITAL CORPORATION

An order has been issued under Section 57(c) of the Investment Company Act exempting applicant from Section 57(a)(1) of the Act. The order permits Sirrom to purchase a limited partnership interest in Harris Williams & Co., L.P. from Sirrom Ltd., an affiliated person of an affiliated person of Sirrom. (Rel. IC-22136 - August 13)

MFS SPECIAL VALUE TRUST

A notice has been issued giving interested persons until August 12 to request a hearing on an application filed by MFS<sup>®</sup> Special Value Trust for an order under Section 6(c) of the Investment Company Act that would grant an exemption from Section 19(b) of the Act and Rule 19b-1 thereunder. The order would permit applicant to make up to twelve monthly distributions of long-term capital gains in any one

taxable year, so long as applicant maintains in effect a distribution policy calling for monthly distributions of a fixed percentage of its net asset value. (Rel. IC-22137 - August 13)

**BENHAM CALIFORNIA TAX-FREE TRUST, ET AL.**

A notice has been issued giving interested persons until September 9 to request a hearing on an application filed by Benham California Tax-Free Trust, et al. for an order under Section 17(d) of the Investment Company Act and Rule 17d-1 thereunder to permit certain investment companies to deposit their uninvested cash balances in one or more joint accounts to be used to enter into repurchase agreements and other short-term investments. (Rel. IC-22138 - August 13)

**THE TARGET PORTFOLIO TRUST<sup>SM</sup> AND PRUDENTIAL MUTUAL FUND MANAGEMENT, INC.**

A notice has been issued giving interested persons until September 9 to request a hearing on an application filed by The Target Portfolio Trust<sup>SM</sup> and Prudential Mutual Fund Management, 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 thereunder. The order would permit the investment adviser of the Trust to enter into sub-advisory contracts on behalf of the Trust without receiving prior shareholder approval. (Rel. IC-22139 - August 13)

**THE ADVISORS' INNER CIRCLE FUND**

A notice has been issued giving interested persons until September 9 to request a hearing on an application filed by The Advisors' Inner Circle Fund (Trust) for an order under Section 17(b) of the Investment Company Act for an exemption from Section 17(a) of the Act. The order would permit certain shareholders who are "affiliated persons" of the A+P Large-Cap Value Fund portfolio of the Trust, solely by reason of owning more than 5% of the Fund's shares, to redeem Fund shares for payment in-kind. (Rel. IC-22140 - August 14)

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**HOLDING COMPANY ACT RELEASES**

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**AMERICAN ELECTRIC POWER COMPANY, INC.**

An order has been issued authorizing a proposal by American Electric Power Company, Inc. (AEP) to extend the time period during which AEP is authorized to issue and sell up to 44 million shares of its authorized but unissued shares of common stock (Common Stock); and issue and sell an additional ten million shares of Common Stock, pursuant to its Dividend Reinvestment and Stock Purchase Plan, through December 31, 2000. (Rel. 35-26553)

## NORTHEAST UTILITIES, ET AL.

A memorandum opinion and order has been issued authorizing Northeast Utilities and certain of its subsidiaries to engage, through one or more new subsidiary companies, in brokering and marketing of energy commodities in wholesale energy markets, retail sales of electric power pursuant to pilot programs in the states of New Hampshire and Massachusetts, and certain related transactions. Jurisdiction has been reserved over proposed retail sales of electric power in other states, and over a number of other proposed nonutility activities, pending completion of the record. (Rel. 35-26554)

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## SELF-REGULATORY ORGANIZATIONS

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### PROPOSED RULE CHANGES

The Government Securities Clearing Corporation filed a proposed rule change (SR-GSCC-96-05) relating to clearing fund collateral and redefining the current trading activity in loss allocation provisions. The proposed rule change will be published in the Federal Register during the week of August 12. (Rel. 34-37548)

The National Securities Clearing Corporation filed a proposed rule change (SR-NSCC-96-13) relating to the guarantee of when-issued trades. Publication of the proposed rule change is expected in the Federal Register during the week August 12. (Rel. 34-37549)

### TEMPORARY APPROVAL OF PROPOSED RULE CHANGES

The Commission temporarily approved proposed rule changes (SR-SCCP-96-03 and SR-Philadep-96-07) filed by the Stock Clearing Corporation of Philadelphia and the Philadelphia Depository Trust Company. The rule changes establish separate participant categories for inactive accounts. (Rel. 34-37554)

### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change (SR-NYSE-96-24) filed by the New York Stock Exchange, which amends Paragraphs 702.02, "Timetable for Original Listing of Securities Other than Debt Securities," and 703.01, "General Information," of the NYSE's Listed Company Manual to eliminate the requirement that the NYSE publish a notice of receipt of a listing application in the NYSE's Weekly Bulletin prior to authorizing the listing application has become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934 and Rule 19b-4(e)(6) thereunder. Publication of the order is expected in the Federal Register during the week of August 19. (Rel. 34-37560)

## APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change submitted by the National Association of Securities Dealers (SR-NASD-96-14) relating to the requirement that members provide information to other regulators for regulatory purposes. (Rel. 34-37561)

## WITHDRAWAL GRANTED

An order has been issued granting the application of MedQuist Inc. to withdraw from listing and registration its Common Stock, No Par Value, on the American Stock Exchange. (Rel. 34-37568)

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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.

- SB-2 VIRGINIA GAS CO, 120 SO COURT ST, ABINGDON, VA 24210 (703) 676-2380 - 3,334,603 (\$23,913,644) COMMON STOCK. 1,001,545 (\$1,002) WARRANTS, OPTIONS OR RIGHTS. (FILE 333-5362-NY - AUG. 05) (BR. 9 - NEW ISSUE)
- F-6 PT JAKARTA INTERNATIONAL HOTELS & DEVELOPMENT \ADR\, 280 PARK AVE, C/O BANKERS TRUST CO, NEW YORK, NY 10015 (212) 454-1207 - 10,000,000 (\$500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-5372 - AUG. 07) (BR. 99 - NEW ISSUE)
- S-1 SABRE GROUP HOLDINGS INC, 4200 AMERICAN BOULEVARD, FORT WORTH, TX 76155 (817) 963-1234 - \$550,000,000 COMMON STOCK. (FILE 333-9747 - AUG. 08) (NEW ISSUE)
- S-8 ESSENTIAL RESOURCES INC, 1800 E SAHARA STE 107, LAS VEGAS, NV 89104 (702) 792-7479 - 1,925,000 (\$9,731,250) COMMON STOCK. (FILE 333-9753 - AUG. 08) (BR. 6)
- S-8 DIGITAL SOUND CORP, 6307 CARPINTERIA AVE, CARPINTERIA, CA 93013 (805) 566-2000 - 400,000 (\$688,000) COMMON STOCK. (FILE 333-9755 - AUG. 08) (BR. 3)
- S-8 APROGENEX INC, 8000 EL RIO ST, HOUSTON, TX 77054 (713) 748-5114 - 50,000 (\$50,000) COMMON STOCK. (FILE 333-9757 - AUG. 08) (BR. 9)
- S-8 CONSEP INC, 213 SW COLUMBIA ST, BEND, OR 97770 (503) 388-3688 - 100,000 (\$312,500) COMMON STOCK. (FILE 333-9759 - AUG. 08) (BR. 2)
- S-4 AMERICAN SKIING CO, SUNDAY RIVER ACCESS ROAD, BETHEL, MA 04217 (207) 824-3000 - 159,132,000 (\$136,598,365) STRAIGHT BONDS. (FILE 333-9763 - AUG. 08) (NEW ISSUE)
- S-3 DURAMED PHARMACEUTICALS INC, 5040 LESTER ROAD, CINCINNATI, OH 45213 (513) 731-9900 - 2,519,466 (\$35,744,924) COMMON STOCK. (FILE 333-9765 - AUG. 08) (BR. 1)

- S-4 MEDPARTNERS MULLIKIN INC, 3000 GALLERIA TOWER, STE 1000, BIRMINGHAM, AL 35244 (205) 733-8996 - 82,979,047 (\$1,954,986,338) COMMON STOCK. (FILE 333-9767 - AUG. 08) (BR. 1)
- S-8 INTERCEL INC/DE, 1239 O G SKINNER DR, WEST POINT, GA 31833 (706) 645-9520 - 1,200,000 (\$21,437,687) COMMON STOCK. (FILE 333-9769 - AUG. 08) (BR. 3)
- S-3 MMI COMPANIES INC, 540 LAKE COOK RD, DEERFIELD, IL 60015 (847) 374-2400 - \$81,087,165 COMMON STOCK. (FILE 333-9771 - AUG. 08) (BR. 1)
- S-1 TRIGON HEALTHCARE INC, 2015 STAPLES MILL RD, RICHMOND, VA 23230 (804) 354-7000 - \$241,500,000 COMMON STOCK. (FILE 333-9773 - AUG. 08) (NEW ISSUE)
- S-3 COLUMBUS REALTY TRUST, 15851 DALLAS PKWY, SUITE 855, DALLAS, TX 75248 (214) 387-1492 (FILE 333-9775 - AUG. 08) (BR. 8)
- S-1 EDUCATIONAL MEDICAL INC, 1327 NORTHMEADOW PARKWAY SUITE 132, ROSWELL, GA 30076 (770) 475-9930 - 3,105,000 (\$40,365,000) COMMON STOCK. (FILE 333-9777 - AUG. 08) (NEW ISSUE)
- S-8 MERRILL LYNCH & CO INC, 250 VESEY ST, WORLD FINANCIAL CTR N TOWER, NEW YORK, NY 10281 (212) 449-1000 - 100,000,000 (\$100,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-9779 - AUG. 08) (BR. 8)
- S-8 ORTHOLOGIC CORP, 2850 S 36TH ST #16, PHOENIX, AZ 85034 (602) 437-5520 - 1,200,000 (\$13,710,007.81) COMMON STOCK. (FILE 333-9785 - AUG. 08) (BR. 1)
- S-8 NORTH AMERICAN RESORTS INC, 315 EAST ROBINSON ST, ORLANDO, FL 32801 (407) 841-1917 - 1,000,000 (\$70,000) COMMON STOCK. 100,000 (\$70,000) PREFERRED STOCK. (FILE 333-9787 - AUG. 08) (BR. 5)
- S-1 ALLSTAR SYSTEMS INC, 6401 SOUTHWEST FREEWAY, HOUSTON, TX 77074 (713) 795-2000 - \$28,083,000 COMMON STOCK. (FILE 333-9789 - AUG. 08) (NEW ISSUE)
- S-1 POPPE TYSON INC, 40 WEST 23RD ST, NEW YORK, NY 10010 (212) 727-5600 - \$50,000,000 COMMON STOCK. (FILE 333-9791 - AUG. 08) (NEW ISSUE)
- S-3 CDI CORP, 1717 ARCH STREET, 35TH FLOOR, PHILADELPHIA, PA 19103 (215) 569-2200 - 500,000 (\$14,502,900) COMMON STOCK. (FILE 333-9793 - AUG. 08) (BR. 1)
- S-8 EPL TECHNOLOGIES INC, 200 FOUR FALLS CORPORATE CENTER, SUITE 315, WEST CONSHOHOCKEN, PA 19428 (610) 834-9600 - 1,500,000 (\$9,562,500) COMMON STOCK. (FILE 333-9795 - AUG. 08) (BR. 4)
- S-8 CYLINK CORP /CA/, 910 HERMOSA COURT, SUNNYVALE, CA 94086 (408) 735-5800 - 1,385,266 (\$16,276,875.50) COMMON STOCK. (FILE 333-9797 - AUG. 08)
- S-1 LASON HOLDINGS INC, 1305 STEPHENSON HIGHWAY, TROY, MI 48083 (810) 597-5800 - \$48,875,000 COMMON STOCK. (FILE 333-9799 - AUG. 08) (NEW ISSUE)
- S-3 ARCADIAN CORP, 6750 POPLAR AVE STE 600, MEMPHIS, TN 38138 (901) 758-5200 - 258,538 (\$5,413,786) COMMON STOCK. (FILE 333-9805 - AUG. 08) (BR. 4)