

sec news digest

Issue 94-174

September 13, 1994

COMMISSION ANNOUNCEMENTS

CHAIRMAN LEVITT TO TESTIFY

On September 14, at 9:30 a.m., Chairman Levitt will testify before the House Subcommittee on Telecommunication and Finance concerning the Large Firm Project. The hearing will be held in Room 2123 of the Rayburn House Office Building.

ENFORCEMENT PROCEEDINGS

NASD FINDINGS AGAINST MICHAEL NOVICK SUSTAINED AND SANCTIONS REMANDED

The Commission sustained the NASD's disciplinary action against Michael H. Novick of Boulder, Colorado. The NASD had found that Novick, the president and controlling stockholder of M.H. Novick & Co., a former NASD member firm, was responsible for the firm's charging unfair markups in 51 transactions in two securities. The NASD censured Novick, barred him from association with any member, and fined him \$52,754.27.

Novick had conceded that the markups charged by the firm, which ranged from 6.4% to 97.2%, were "outrageous." He claimed other firm officials and salesmen were responsible for the violations. Based on the testimony of the firm's traders and the two officials, which the NASD credited, the Commission found that the unfair markups resulted from a firm pricing policy instituted by Novick. Novick had directed that the firm's markups be based on quotations that the firm received from other dealers, rather than on the actual prices the firm had paid for the securities in contemporaneous inter-dealer transactions. Noting that the record did not permit an evaluation of the factors considered by the NASD, the Commission remanded the proceeding for a further explanation of the choice of sanctions imposed. (Rel. No. 34-34640)

ADMINISTRATIVE PROCEEDINGS ORDERED AGAINST ALAN GOLDSTEIN, ROBERT GERSH AND BURLINGTON SECURITIES CORP.

The Commission announced the issuance of an order, pursuant to Rule 2(e) of the Commission's Rules of Practice, that denies Alan S. Goldstein (Goldstein) the privilege of appearing or practicing before the

Commission as an accountant. The Commission also issued an order, pursuant to Section 21C of the Exchange Act, requiring that Burlington Securities Corp. (Burlington), a registered broker-dealer, cease and desist from committing any violation and any future violation of Section 17(a)(1) of the Exchange Act and Rule 17a-5(d) thereunder, and that Burlington, Goldstein and Robert D. Gersh (Gersh), Burlington's President, cease and desist from causing any violation and any future violation of these provisions. The respondents consented to the issuance of these orders without admitting or denying the findings.

The Commission found that Goldstein falsely represented that he was a licensed certified public accountant (CPA) on audit reports accompanying annual financial statements filed with the Commission by Burlington and another registered broker-dealer. The Commission also found that Goldstein, as a participant in Burlington's health insurance plan, lacked independence as required by Rule 17a-5(d). According to the Commission's findings, Gersh, as Burlington's President and a CPA, knew or should have known that Goldstein's participation in the health plan compromised his independence as Burlington's auditor. (Rel. 34-34641, 34-34642)

STATEMENT OF CLAIM FILED AGAINST PIONEER INTERNATIONAL HOLDINGS

The Commission announced that on September 1 it filed a Statement Of Claim in the Court of Queen's Bench of Alberta, Judicial District of Calgary, against Pioneer International Holdings, Ltd. (Pioneer Holdings) seeking to recover \$606,258 in disgorgement and \$127,328 in prejudgment interest that Pioneer Holdings has been ordered to pay by the United States District Court for the Western District of North Carolina (District Court).

On September 30, 1993, the Commission filed a complaint in the District Court against Pioneer Holdings and other defendants. See SEC v. Donald R. Moore, Individually and d/b/a International Society of Investors, et al., Civil Action No. 5:93CV97-V (W.D. N.C.). The complaint alleges that from September 1990 through December 1991, the defendants sold shares of stock and certificates of deposit by making numerous misrepresentations and omissions to hundreds of investors throughout the United States and several foreign countries. The defendants fraudulently raised over \$600,000.

On June 20, 1994, the District Court entered a final judgment by default against Pioneer Holdings and certain other defendants. Among other things, the final judgment ordered that the defendants disgorge a total of \$606,258, which represents monies unlawfully raised from investors, plus \$127,328 in prejudgment interest.

The Statement Of Claim alleges that no funds have been paid to satisfy the District Court's June 20th final judgment and order of disgorgement and that the Commission, by virtue of the judgment, has a vested right to receive the monies ordered to be paid. [SEC v. Pioneer International Holdings, Ltd., Civil Action No. 9401-12203, Ct. Q.B.] (LR-14225)

CONTEMPT PROCEEDINGS INSTITUTED AGAINST KENNETH KLEINKE AND AL EDEN

The Commission announced that on September 2 it filed an application for an order to show cause why defendants Kenneth Kleinke (Kleinke) and Al Eden (Eden) should not be held in civil contempt for failing to comply with a court order requiring that they pay disgorgement and prejudgment interest.

On July 29, 1992, the Honorable Marcel Livaudais, Jr., United States District Judge in the Eastern District of Louisiana, found that Kleinke, Eden and other defendants made various false and misleading representations in the solicitation and sale of unregistered securities and violated Sections 5(a), 5(c) and 17(a) of the Securities Act and Sections 10(b) and 15(a)(1) of the Securities Exchange Act and Rule 10b-5 thereunder. On September 30, 1993, Judge Livaudais ordered that Kleinke pay \$56,920.90 and that Eden pay \$7,937.03, representing disgorgement of ill-gotten gains and prejudgment interest, to a court-appointed receiver. Eden and Kleinke were personally served with the Court's order of disgorgement in March and April, 1994, respectively.

In its application, the Commission states that Kleinke and Eden have been properly served with the order of disgorgement, understand their obligations under it and have refused to pay any monies in compliance with the order. The Commission contends that Kleinke and Eden should be held in civil contempt for their disregard of the order and seek that they be incarcerated until they comply with the terms of order of disgorgement. [SEC v. Sam J. Recile, et al., Civil Action No. 91-1422 Sec. E-1, E.D. La.] (LR-14226)

PERMANENT INJUNCTION AGAINST JAMES GILMORE

On August 30, the Honorable Orinda D. Evans issued a permanent injunction against the defendant James B. Gilmore (Gilmore) and ordered Gilmore to pay a total of \$5,451,156 in disgorgement and prejudgment interest no later than September 1, 1994.

The Commission filed its complaint and obtained a temporary restraining order against Gilmore and other defendants on October 8, 1992 which among other things, froze the assets of Gilmore and International Trading, Inc. The complaint alleged that Gilmore and others engaged in the fraudulent sale of more than \$4.5 million of securities to more than 1,000 investors, promising returns of more than \$10 million for each \$1,000 invested. These exorbitant returns were purported to be paid from a fortune accumulated by a deceased European "financier" and claimed to be in excess of \$1 trillion. The complaint alleges that the purported fortune does not exist. [SEC v. Sam S. Brown, Jr., James B. Gilmore et al., U.S. Dist. Ct., N.D. Ga., Civil Action No. 1:92-CV-2396-ODE] (LR-14227)

C.W. EARL JOHNSON ENJOINED

The Securities and Exchange Commission announced that the United States District Court for the Western District of Oklahoma entered a Final Judgment against C.W. Earl Johnson, the former Chief Executive Officer of Barton Industries, Inc. Johnson was enjoined from future violations of the antifraud, internal controls and reporting provisions of the federal securities laws, and was permanently barred from serving as an officer or director of a public company.

Without admitting or denying the allegations in the complaint, Johnson consented to the entry of the Final Judgment, which fixes disgorgement for losses avoided from insider trading by Johnson at \$3,614,406.20, but waives payment of disgorgement based on Johnson's financial condition. The Final Judgment also notes the appropriateness of civil penalties under the Insider Trading Sanctions Act of 1984, but does not impose them based on Johnson's financial condition.

The Commission's complaint alleged that Johnson orchestrated and implemented a fraudulent scheme to inflate the earnings reported by Barton during its fiscal years ended September 30, 1989 and September 30, 1990, to disseminate false and misleading information to the public, and to engage in insider trading in Barton stock. [SEC v. C.W. Earl Johnson and Victor L. Joyce, Civil Action No. 94-0120 W, W.D. Okla.] (LR-14228)

CIVIL ACTION FILED AGAINST JOSE ANTONIO FELIU ROVIRALTA

The Commission announced the filing of a civil injunctive action in the United States District Court for the District of Columbia against Jose Antonio Feliu Roviralta (Feliu) of Barcelona, Spain, for insider trading in Altos Computer Systems, Inc. (Altos) stock. Simultaneously with the filing of the complaint, the Commission filed a Final Judgment and a Consent and Undertaking of Jose Antonio Feliu Roviralta (Consent). In the Consent, Feliu agreed, without admitting or denying the allegations in the Commission's complaint, to the entry of a permanent injunction against further violations of Section 14(e) of the Securities Exchange Act and Rule 14e-3 thereunder and agreed to pay a total of \$252,971.66 - - \$105,001 of which represents disgorgement of trading profits, \$42,969.66 of which represents prejudgment interest thereon and \$105,001 of which represents a penalty. The complaint alleges that Feliu obtained material nonpublic information regarding the contemplated tender offer from an Altos Officer who was a longtime friend of his, and then purchased Altos. [SEC v. JOSE ANTONIO FELIU ROVIRALTA, U.S. Dist. Ct., District of Columbia, Civil Action No. 94-1963] (LR-14232)

INVESTMENT COMPANY ACT RELEASES

COMPOSITE BOND AND STOCK FUND

A notice has been issued giving interested persons until October 7 to request a hearing on an application filed by Composite Bond and Stock Fund, Inc., et al. for an order under Section 17(d) of the Investment Company Act and Rule 17d-1 thereunder. The order would permit certain investment companies to pool uninvested cash in joint accounts and invest the cash in short-term repurchase agreements and commercial paper. (Rel. IC-20544 - September 12)

HOLDING COMPANY ACT RELEASES

ENTERGY

A notice has been issued to provide all interested persons until October 3 to request a hearing on a proposal by Arkansas Power & Light Co., Gulf States Utilities Co., Louisiana Power & Light Co., Mississippi Power & Light Co., and New Orleans Public Service, Inc., all utility subsidiaries (Utilities) of Entergy Corp. (Entergy), System Energy Resources, Inc. (SERI), a utility subsidiary of Entergy, Entergy Services, Inc. (ESI), a non-utility subsidiary of Entergy, System Fuels, Inc. (System Fuels), a non-utility subsidiary of Entergy, and Entergy Operations, Inc. (EOI), a utility subsidiary of Entergy. Under the proposal, the Utilities and SERI propose to continue to finance their interim capital needs through loans from a money pool and through the issuance and sale of unsecured short-term notes and commercial paper through November 30, 1996. Also under the proposal, Entergy, ESI, EOI, and System Fuels propose to continue to participate in the same money pool through November 30, 1996 and to extend certain loan agreements. (Rel. 35-26119)

THE COLUMBIA GAS SYSTEM, INC.

A supplemental order has been issued authorizing The Columbia Gas System, Inc. (Columbia), a registered holding company and a debtor in possession under Chapter 11 of the Bankruptcy Code, to amend the terms of a previously authorized secured revolving credit agreement (Agreement) to convert the Agreement solely to a \$25 million letter of credit facility and to extend its terms through December 31, 1995 or, by agreement, until Columbia's Plan of Reorganization becomes effective. (Rel. 35-26120)

INDIANA MICHIGAN POWER COMPANY

An order has been issued regarding a proposal by Indiana Michigan Power Company (I&M), an electric public-utility subsidiary company of American Electric Power Company, Inc., a registered holding company, in connection with the construction and sale of a 345kv-34.5kv substation in its service territory. The substation will be used to take I&M power for Steel Dynamics, Inc., a non-associate company. (Rel. 35-26121)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF FILING OF PROPOSED RULE CHANGE

On July 5 the Philadelphia Stock Exchange filed with the Commission, pursuant to Rule 19b-4 under the Securities Exchange Act a proposed rule change (SR-PHLX-94-35) to amend PHLX Rule 1025, "Supervision of Accounts," to allow member organizations to maintain the customer information and records required under PHLX Rule 1025 off-site, rather than at the principal supervisory office with jurisdiction over the office servicing the customer's account, as long as the records are readily accessible and promptly retrievable. Publication of the notice is expected in the Federal Register during the week of September 19. (Rel. 34-34651)

NOTICE OF FILING AND IMMEDIATE EFFECTIVENESS A PROPOSED RULE CHANGE

The Depository Trust Company filed a proposed rule change (SR-DTC-94-12) relating to the enhancement of its Repo Tracking System. Publication of the notice is expected in the Federal Register during the week of September 12. (Rel. 34-34652)

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.

S-8 PRINTROM INC, 8917 ADAMS ST NE, ALBUQUERQUE, NM 87113 (505) 823-1990 - 1,333,332 (\$749,999.25) COMMON STOCK. (FILE 33-83484 - AUG. 31) (BR. 8)

S-1 CLUB CORP INTERNATIONAL, 3030 LBJ FREEWAY, STE 700, DALLAS, TX 75345 (214) 243-6191 - 7,425,742 (\$14,999,998.84) COMMON STOCK. (FILE 33-83496 - SEP. 01) (BR. 11 - NEW ISSUE)

REGISTRATIONS CONT.

- S-4 GLENBOROUGH REALTY TRUST INC, 400 SOUTH EL CAMINO REAL, 11TH FL,
SAN MATEO, CA 94402 (415) 343-9300 - 6,882,899 (\$103,243,485) COMMON STOCK.
(FILE 33-83506 - SEP. 01) (BR. 6 - NEW ISSUE)
- S-1 KNIGHT TRANSPORTATION INC, 5601 WEST BUCKEYE RD, PHOENIX, AZ 85043
(602) 269-2000 - 1,495,000 (\$22,425,000) COMMON STOCK. UNDERWRITER:
ALEX BROWN & SONS, MORGAN KEEGAN & CO INC. (FILE 33-83534 - SEP. 01)
(BR. 4 - NEW ISSUE)
- N-1A WANGER ADVISORS TRUST, 227 WEST MONROE STREET STE 3000, CHICAGO, IL
60606 - INDEFINITE SHARES. (FILE 33-83548 - SEP. 01) (BR. 17 - NEW ISSUE)
- S-1 EPIC DESIGN TECHNOLOGY INC /CA/, 2901 TASMAN DR, STE 212, SANTA CLARA,
CA 95054 (408) 988-2997 - 2,300,000 (\$27,600,000) COMMON STOCK.
UNDERWRITER: ALEX BROWN & SONS INC, NEEDHAM & CO INC. (FILE 33-83550 -
SEP. 01) (BR. 9)
- S-1 SPORTS AUTHORITY INC /DE/, 3383 N STATE RD 7, FORT LAUDERDALE, FL 33319
(305) 735-1701 - 11,730,000 (\$199,410,000) COMMON STOCK. (FILE 33-83554 -
SEP. 01) (BR. 2 - NEW ISSUE)
- F-1 PACIFIC BASIN BULK SHIPPING LTD, ASIA PACIFIC FINANCE TOWER,
3 GARDEN ROAD, CENTRAL HONG KONG, K3 - 6,181,250 (\$89,999,000)
FOREIGN COMMON STOCK. (FILE 33-83558 - SEP. 01) (BR. 4 - NEW ISSUE)
- S-3 AMYLIN PHARMACEUTICALS INC, 9373 TOWNE CENTRE DR, SAN DIEGO, CA 92121
(619) 552-2200 - 1,044,858 (\$8,228,256.75) COMMON STOCK. (FILE 33-83602 -
SEP. 02) (BR. 4)
- S-8 INFOSOFT INTERNATIONAL INC, 222 BERKELEY ST, BOSTON, MA 02116
(617) 351-3000 - 500,000 (\$13,690,000) COMMON STOCK. (FILE 33-83606 -
SEP. 02) (BR. 10)
- S-8 UNION CORP, 492 RTE 46 E, FAIRFIELD, NJ 07004 (201) 808-2747 - 549,000
(\$6,416,437.50) COMMON STOCK. (FILE 33-83608 - SEP. 02) (BR. 6)
- S-3 GAMING CORP OF AMERICA, 1400 INTERNATIONAL CENTRE, 900 SECOND AVE S,
MINNEAPOLIS, MN 55402 (612) 339-8171 - 6,555,403 (\$14,974,998.73)
COMMON STOCK. (FILE 33-83610 - SEP. 02) (BR. 11)
- S-1 SELKIRK COGEN FUNDING CORP, ONE BOWDION SQUARE, BOSTON, MA 02114 -
392,000,000 (\$392,000,000) MORTGAGE BONDS. (FILE 33-83618 - SEP. 01)
(BR. 11 - NEW ISSUE)
- S-4 WELLSFORD RESIDENTIAL PROPERTY TRUST, 375 PARK AVE STE 307, NEW YORK, NY
10152 (212) 735-1108 - 5,985,168 (\$96,510,834)
COMMON SHARES OF BENEFICIAL INTEREST. (FILE 33-83644 - SEP. 02) (BR. 6)
- S-4 COMMUNICATIONS SYSTEMS INC/MN, 213 S MAIN, HECTOR, MN 55342
(612) 848-6231 - 750,000 (\$7,500,000) COMMON STOCK. (FILE 33-83662 -
SEP. 02) (BR. 7)
- S-3 SIERRA HEALTH SERVICES INC, 2724 N TENAYA WAY, LAS VEGAS, NV 89128
(702) 242-7000 - 1,725,000 (\$45,281,250) COMMON STOCK. (FILE 33-83664 -
SEP. 02) (BR. 9)
- S-8 YOUTH SERVICES INTERNATIONAL INC, 6 PARK CENTER CT, STE 211,
OWINGS MILLS, MD 21117 (410) 356-8600 - 200,000 (\$761,143.79) COMMON STOCK.
(FILE 33-83724 - SEP. 02) (BR. 6)
- S-8 YOUTH SERVICES INTERNATIONAL INC, 6 PARK CENTER CT, STE 211,
OWINGS MILLS, MD 21117 (410) 356-8600 - 661,500 (\$1,135,419) COMMON STOCK.
(FILE 33-83726 - SEP. 02) (BR. 6)

REGISTRATIONS CONT.

S-8 UTILX CORP, 22404 66TH AVE S, KENT, WA 98032 (206) 395-0200 - 600,000 (\$2,175,000) COMMON STOCK. (FILE 33-83728 - SEP. 06) (BR. 10)

S-3 CARE GROUP INC, ONE HOLLOW LANE, LAKE SUCCESS, NY 11042 (516) 869-8383 - 200,000 (\$638,000) COMMON STOCK. (FILE 33-83730 - SEP. 02) (BR. 5)

S-1 CEL SCI CORP, 66 CANAL CENTER PLZ STE 510, ALEXANDRIA, VA 22314 (703) 549-5293 - 2,200,000 (\$1,518,000) COMMON STOCK. (FILE 33-83732 - SEP. 06) (BR. 4)

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within ten days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds five percent. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within 45 days after the end of the calendar year in which the person became subject to Section 13(d)(1). Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1.

Below is a list of recent filings of Schedules 13D and 14D, which includes the following information: Column 1 - the company purchased (top), and the name of the purchaser; Column 2 - the type of security purchased; Column 3 - the type of form filed; Column 4 - the date the transaction occurred; Column 5 - the current number of shares (in 000's) owned (top) and the current percent owned; Column 6 - the CUSIP number (top) and the percent owned; and Column 7 - the status of the filing, i.e., new, update or revision.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/% OWNED	CUSIP/ PRIOR%	FILING STATUS
ABEX INC	COM		5,939	00338710	
LIBRA INVEST & TRADE LTD	13D	8/23/94	30.1	30.1	UPDATE
ABEL TELCOM HLDG CORP	COM NEW		982	00371230	
TAYLOR GIDEON	13D	9/ 9/94	12.9	16.1	UPDATE
AMERICAN MOBILE SYS INC	COM PAR \$0.01		2,514	02755950	
NEXTEL COMMUNICATIONS INC	13D	9/ 8/94	34.7	34.7	UPDATE
AUTOMOBILE PROT N CORP - APCO	COM		338	05290510	
GOLDSTEIN ROBERT D ET AL	13D	9/ 1/94	6.0	0.0	NEW
BIO RAD LABS INC	CL B		81	09057210	
EGAN BERNARD A	13D	9/ 9/94	4.4	0.0	NEW
BIO RAD LABS INC	CL A		616	09057220	
EGAN BERNARD A	13D	9/ 9/94	7.6	9.5	UPDATE

ACQUISITIONS CONT.