

SEC NEWS DIGEST

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ENFORCEMENT PROCEEDINGS

COMMISSION SANCTIONS PAYNE & THORNTON, D/B/A RETIREMENT INVESTMENT GROUP AND JAMES HARVY THORNTON

The Commission has imposed sanctions on Payne & Thornton, d/b/a Retirement Investment Group (Retirement), a registered broker-dealer and James Harvey Thornton, its president, general securities principal, financial operations principal, and compliance officer. Retirement's broker dealer registration was revoked. Thornton was permanently barred in a supervisory capacity and barred from association with any broker dealer or member of a national securities exchange or registered securities association with a right to reapply, in a non-supervisory and non-proprietary capacity, after three years. Retirement and Thornton were fined \$50,000 and \$5,000, respectively.

The Commission found that Applicants failed reasonably to supervise a registered representative, Gail Griseuk, with a view to preventing violations of antifraud provisions of the securities laws. Applicants made no effort to observe internal procedures; to respond to explicit warnings about Griseuk's possible misconduct; to heighten supervision despite Griseuk's past misconduct and numerous "red flags;" and to conduct inspections of Griseuk's offices or interviews with her clients. (Rel. 34-41007; File No. 3-9046)

COMMISSION DENIES RECONSIDERATION OF NASD DISCIPLINARY ACTION AGAINST KENNETH KRULL

The Commission has denied a request by Kenneth C. Krull for reconsideration of its decision sustaining disciplinary action taken against Krull by the NASD. The Commission found that Krull violated NASD suitability requirements by switching eight customers in and out of a series of common stock mutual funds almost all of which charged a front-end sales load. It found that Krull had ignored his fundamental obligation of fair dealing by placing his own interests in garnering commissions above those of his customers. Krull was censured, suspended in all capacities for one year, barred in any principal or supervisory capacity, fined \$20,000, and ordered to pay restitution. In denying his petition for reconsideration, the Commission rejected Krull's claims that, in sustaining the sanctions imposed by the NASD, the Commission failed to consider evidence that Krull's misconduct was simply the result of "mistake," and that the

one-year suspension imposed on Krull served no valid remedial purpose. (Rel. 34-41008; File No. 3-9394)

COMMISSION OBTAINS SETTLEMENT AND LIABILITY FINDINGS AGAINST THREE OUT OF FOUR REMAINING AT&T INSIDER TRADING DEFENDANTS

The Commission has obtained liability findings and a settlement against three of the four remaining defendants in its civil enforcement proceedings against twenty people who allegedly traded securities while in possession of material, nonpublic information concerning AT&T's plans to acquire four companies between 1988 and 1991. The Commission alleged that the defendants obtained the information, directly or indirectly, from Charles Brumfield, a former AT&T vice-president.

Shortly before trial, on January 6, 1999, the court approved the Commission's settlement with defendant Warren F.X. Smith, Sr. The settlement included a permanent injunction, but no payment of disgorgement, prejudgment interest, or a civil penalty was required based on Smith's inability to pay. On January 11, 1999, the first day of trial, defendant Robert Allen, who had pleaded guilty in parallel criminal proceedings, stipulated to civil liability under Sections 10(b) and Rule 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3. After a two-and-a-half week trial, a jury found that defendant Sharon Seiden engaged in insider trading in violation of Section 14(e) of the Exchange Act and Rule 14e-3. The jury also found Seiden and defendant John Lynch not liable under Section 10(b) of the Exchange Act and Rule 10b-5. [SEC v. Charles L. Brumfield, et al., USDC, SDNY, 95 Civ. 9283, JES] (LR-16049)

SEC BRINGS CROSS-BORDER MICROCAP FRAUD CHARGES AGAINST FORMER PRESIDENT OF EXSORBET INDUSTRIES, MANAGING PARTNER OF PETERS SECURITIES, AND CANADIAN-BASED KAILEY MINING COMPANY

The Commission, in continuing its effort to crackdown on cross-border microcap fraud, late yesterday charged Floyd Leland Ogle, the former president of Exsorbet Industries, Inc. of Arkansas, Reuben Peters and his firm, Peters Securities Co., LP of Chicago, Illinois, the market maker for Exsorbet stock, and Ogle's Canadian partner, Donald Tabor and his Canadian company, Kailey Mining Co., with manipulating Exsorbet's stock from 1993 to 1996.

The Commission's complaint, filed in U.S. District Court in Chicago, seeks permanent injunctive relief, accountings, disgorgement of ill-gotten gains, pre-judgment interest, civil money penalties, and officer and director bars based upon numerous violations of the antifraud and registration provisions of the federal securities laws.

Richard H. Walker, Director of the Commission's Division of Enforcement, said, "As the world's securities markets become more interconnected, the SEC is working more closely with our foreign counterparts to combat cross-border microcap and other securities fraud. In this case, the British Columbia Securities Commission has

provided valuable assistance and information to the SEC."

Exsorbet Industries, currently named Consolidated Eco-Systems, Inc., produced a peat moss oil absorbent product which was purportedly useful in environmental cleanup and remediation services. The Commission's complaint alleges that the defendants pushed the price of Exsorbet stock from \$1 to \$13 a share by giving or receiving bribes for participation in the manipulation, controlling the floating supply of Exsorbet stock, artificially fixing the opening price at \$5 on the first day of public trading on February 4, 1994, and dominating and controlling the secondary market in the stock. The Commission also alleges extensive cross-border manipulation of Exsorbet's stock by Ogle friend and business partner Donald Tabor of Kelowna, British Columbia, Canada and Tabor's company, Kailey Mining Co., including wash sales and matched trades, through four Canadian broker-dealers. The complaint further alleges that Ogle and Cotten issued a forged Environmental Protection Agency endorsement letter of Exsorbet's oil absorbent product, and issued a false press release stating that Exsorbet had obtained \$5 million in contracts.

Floyd Leland Ogle was convicted in Canada in 1987 for criminal conspiracy to manipulate the stock of a Canadian company, for possession of stolen property, and for obstruction of justice. The other defendants named in the Commission's lawsuit were Chicago stockbrokers Albinas Kurkulis, Andrew Kurkulis, and Paul Kurkulis, former San Diego stockbroker Robin Opp, and former Exsorbet executive vice president Gary Cotten of Muskogee, Oklahoma. Cotten is currently under federal indictment in New York City for securities fraud related to the bribery of stockbrokers.

Exsorbet stock, stock symbol "EXSO," started trading in the National Quotation Bureau Pink Sheets on February 4, 1994, moved to the Over-the-Counter Bulletin Board on March 9, 1994, and became listed on the NASDAQ Small Cap Market on November 27, 1995. At its peak on September 22, 1995, Exsorbet's market capitalization was \$105.5 million. Because Exsorbet stock traded in these markets and was thinly capitalized, it is considered a "Microcap" stock. This Enforcement action is part of the Commission's four-pronged approach to minimizing Microcap fraud: enforcement, inspections, investor education, and regulation. For more information about the Commission's response to Microcap fraud, visit the Commission's Microcap Fraud Information Center at <http://www.sec.gov/news/extra/microcap.htm>. [SEC v. Floyd Leland Ogle, Donald Tabor, Kailey Mining Co., Reuben Peters, Peters Securities Co., LP, Albinas Kurkulis, Andrew Kurkulis, Paul Kurkulis, Gary Cotten, and Robin Opp, Civil Action No. 99 C 609, USDC, ND Ill., Eastern Division] (LR-16050)

INVESTMENT COMPANY ACT RELEASES

DEREGISTRATIONS UNDER THE INVESTMENT COMPANY ACT

For the month of January, 1999, a notice has been issued giving interested persons until February 23, 1999, 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:

Old Mutual Equity Growth Assets South Africa Fund [File No. 811-9136]
Hyperion 1997 Term Trust, Inc. [File No. 811-7072]
New York Life Fund, Inc. [File No. 811-1998]
New York Life Separate Account N [File No. 811-1999]
New York Life Separate Account Q [File No. 811-2000]
Oppenheimer Adjustable Rate Preferred Fund [File No. 811-4045]
Oppenheimer Global Securities Fund [File 811-6002]
The Analytic Series Fund [File No. 811-7366]
Analytic Optioned Equity Fund, Inc. [File No. 811-2807]
Bond Portfolio for Endowments, Inc. [File No. 811-2210]
Warburg, Pincus Strategic Value Fund, Inc. [File No. 811-7929]
(Rel. IC-23672 - January 29)

HOLDING COMPANY ACT RELEASES

SEMPRA ENERGY, ET AL.

An order has been issued on a proposal by Sempra Energy (Sempra Energy), an exempt holding company under Section 3(a)(1) of the Public Utility Holding Company Act (Act), and Frontier Pacific, Inc. (Frontier Pacific), Sempra Energy's indirect subsidiary. Sempra Energy and Frontier Pacific have been authorized to acquire up to 90.1% of the outstanding shares of Frontier Energy LLC, a North Carolina partnership that will construct, own and operate a gas utility distribution system in North Carolina. In addition, Sempra Energy and Frontier Pacific have been granted an exemption under Section 3(1)(a) of the Act exempting Sempra Energy, Frontier Pacific and each of their subsidiary companies from all provisions of the Act, except Section 9(a)(2). (Rel. 35-26971)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-98-94) relating to adjudication of clearly erroneous transactions. Publication of the proposal is expected in the Federal Register during the week of February 1. (Rel. 34-40992)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change (SR-PCX-98-63) filed by the Pacific Exchange relating to OptiMark and stop orders has become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected in the Federal Register during the week of February 1. (Rel. 34-40994)

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change submitted by the Chicago Stock Exchange (SR-CHX-98-27) relating to crossing orders of 25,000 shares or more. (Rel. 34-40998)

The Commission approved a proposed rule change filed by MBS Clearing Corporation (SR-MBSCC-98-03) amending MBSCC's By-laws to increase the number of directors on its board from thirteen to fifteen. (Rel. 34-41004)

WITHDRAWAL SOUGHT

A notice has been issued granting the application of Grubb & Ellis Company to withdraw its Common Stock, \$.01 Par Value, from listing and registration on the Pacific Exchange. (Rel. 34-41005)

WITHDRAWAL GRANTED

An order has been issued granting the application of Hanger Orthopedic Group, Inc. to withdraw its Common Stock, \$.01 Par Value, from listing and registration on the American Stock Exchange. (Rel. 34-41006)

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 GLC LTD, 160 NASHDENE RD, SCARBOROUGH ONTARIO, A6 - 2,600,000
(\$36,400,000) FOREIGN COMMON STOCK (FILE 333-9836 - JAN. 22) (BR. 5)

F-9 TALISMAN ENERGY INC, 2400 855 2ND ST SW, CALGARY ALBERTA CANADA T2P 4J9,
A0 (403) 237-1234 - 172,500,000 (\$172,500,000) FOREIGN PREFERRED STOCK
(FILE 333-9838 - JAN 22) (BR 4)

S-8 PAREXEL INTERNATIONAL CORP, 195 WEST ST, WALTHAM, MA 02154
(617) 487-9900 - 1,000,000 (\$22,060,000) COMMON STOCK (FILE 333-71151 -
JAN 26) (BR 1)

S-4 PREMIER GRAPHICS INC, 6075 POPLAR AVE., SUITE 401, MEMPHIS, TN 38119
(901) 685-2020 - 130,000,000 (\$130,000,000) STRAIGHT BONDS (FILE
333-71157 - JAN 26) (BR 5 - NEW ISSUE)

S-8 LINCARE HOLDINGS INC, 19337 US 19 N STE 500, CLEARWATER, FL 34624
(813) 530-7700 - 1,000,000 (\$33,690,000) COMMON STOCK (FILE 333-71159 -
JAN 26) (BR 1)

S-8 BIG BUCK BREWERY & STEAKHOUSE INC, 550 S WISCONSIN ST, P.O BOX 1430,
GAYLORD, MI 49735 (517) 731-0401 - 75,000 (\$225,000) COMMON STOCK. (FILE
333-71161 - JAN 26) (BR 9)

S-8 CENTRAL BANCORP INC /MA/, 399 HIGHLAND AVENUE, SOMERVILLE, MA 01144
(617) 628-4000 - 28,000 (\$427,616) COMMON STOCK. (FILE 333-71165 -
JAN 26) (BR. 7)

S-3 AT&T CORP, 32 AVENUE OF THE AMERICAS, NEW YORK, NY 10013 (212) 387-5400
- 10,000,000,000 STRAIGHT BONDS (FILE 333-71167 - JAN 26) (BR. 7)

S-3 CHRYSLER FINANCIAL CO LLC, 27777 FRANKLIN RD, 25TH FLOOR, SOUTHFIELD, MI
48034 (248) 948-3067 - 4,000,000,000 (\$4,000,000,000) STRAIGHT BONDS.
(FILE 333-71169 - JAN 26) (BR. 8)

S-8 UNION PLANTERS CORP, UNION PLANTERS ADMINISTRATIVE CENTER,
7130 GOODLETT FARMS PARKWAY, MEMPHIS, TN 38018 (901) 580-6000 - 9,527
COMMON STOCK (FILE 333-71171 - JAN 26) (BR 7)

S-4 INTERLINQ SOFTWARE CORP, 11980 N E 24TH STREET, BELLEVUE, WA 98005
(206) 827-1112 - 3,403,439 (\$28,292,788) COMMON STOCK (FILE 333-71173 -
JAN 26) (BR 3)

S-8 GERON CORPORATION, 230 CONSTITUTION DRIVE, MENLO PARK, CA 94025
(415) 473-7700 - 500,000 (\$6,000,000) COMMON STOCK (FILE 333-71181 -
JAN 26) (BR 1)

S-8 FRANKLIN TELECOMMUNICATIONS CORP, 733 LAKEFIELD RD, WESTLAKE VILLAGE, CA
91361 (805) 373-8688 - 4,954,000 (\$2,179,760) COMMON STOCK (FILE
333-71189 - JAN 26) (BR 3)

S-8 NEXTLINK COMMUNICATIONS INC / DE, 500 108TH AVE N E, SUITE 2200,
BELLEVUE, WA 98004 (206) 519-8900 - 250,000 (\$10,546,875) COMMON STOCK
(FILE 333-71191 - JAN 26) (BR 7)

S-8 TARGET LOGISTICS INC, 112 EAST 25TH STREET, P O BOX 35329, BALTIMORE, MD
21218 (410) 338-0127 - 1,000,000 (\$1,250,000) COMMON STOCK (FILE
333-71197 - JAN 26) (BR 5)

S-3 TELE COMMUNICATIONS INC /CO/, 5619 DTC PARKWAY, ENGLEWOOD, CO 80111
(303) 267-5500 - 13,000,000 (\$325,406,250) COMMON STOCK (FILE 333-71199 -
JAN 26) (BR 7)

S-8 NETUSA INC/CO/, 201 SAN ANTONIO CIRCLE, SUITE 250, MOUNTAIN VIEW, CA
94040 (650) 948-6200 - 48,000 (\$14,400) COMMON STOCK (FILE 333-71201 -
JAN 26) (BR 1)

S-8 CARRIER ACCESS CORP, 5295 PEARL PARKWAY, BOULDER, CO 80301
(303) 218-5500 - 3,574,093 (\$70,574,792 30) COMMON STOCK. (FILE 333-71209
- JAN 26) (BR 7)

S-3 ACCLAIM ENTERTAINMENT INC, ONE ACCLAIM PLAZA, GLEN COVE, NY 11542
(516) 656-5000 - 216,014 (\$2,167,268) COMMON STOCK (FILE 333-71211 -
JAN 26) (BR 3)

S-4 MINNESOTA CORN PROCESSORS LLC, 901 NORTH HIGHWAY 59, MARSHALL, MN 56258
(507) 537-2676 - 137,073,691 (\$173,781,000) COMMON STOCK (FILE 333-71213
- JAN 26) (NEW ISSUE)

S-4 ANB CORP, 120 W CHARLES STREET, P O BOX 751, MUNCIE, IN 47305
(317) 747-7575 - 841,364 (\$10,161,797) COMMON STOCK (FILE 333-71221 -
JAN 26) (BR 7)

S-8 PROVIDENT AMERICAN CORP, 2500 DEKALB PIKE, NORRISTOWN, PA 19404
(215) 279-2500 - 750,000 (\$7,394,687.50) COMMON STOCK (FILE 333-71223 -
JAN 27) (BR 1)

S-2 PANDA PROJECT INC, 951 BROKEN SOUND PARKWAY, N/A, BOCA RATON, FL 33487
(561) 994-2300 - 1,750,000 (\$929,250) COMMON STOCK (FILE 333-71229 -
JAN 27) (BR 5)