

# SEC NEWS DIGEST

Issue 99-82

April 29, 1999

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## ENFORCEMENT PROCEEDINGS

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### ORDER ISSUED MAKINGS FINDINGS AND IMPOSING SANCTIONS AGAINST JOSEPH TUFO

On April 28, the Commission issued an Order Making Findings and Imposing Remedial Sanctions (Order) pursuant to Section 8A of the Securities Act of 1933 (Securities Act) and Sections 15(b), 19(h) and 21C of the Securities Exchange Act of 1934 (Exchange Act) against Joseph P. Tufo (Tufo) of Alamo, California. Tufo was associated as a registered representative with SIFE, a registered broker-dealer. Tufo submitted, and the Commission accepted, an Offer of Settlement whereby he consented, without admitting or denying, to the entry of this Order. The Order finds that from October 1996 through September 1997, Tufo willfully violated the registration and antifraud provisions of the Securities Act and Exchange Act, in that, in connection with the unregistered offer and sale to the public of securities in the form of promissory notes issued by Medco, Inc. (Medco), Tufo misrepresented and omitted material facts regarding Medco, its operations, and the risks involved in the investment. The Commission, based upon the findings and the Respondent's consent, barred Tufo, with a right to reapply after three years, from association with any broker, dealer, municipal securities dealer, investment company or investment adviser; ordered him to cease and desist from committing or causing any violations and any future violation of the registration and antifraud provisions of the federal securities laws; and required Tufo to disgorge \$176,500, representing ill-gotten gains obtained by him in the form of commissions from the sales of the Medco notes, plus prejudgment interest, but waived payment of such disgorgement based upon his financial inability to pay. The Order did not impose civil penalties. (Rels. 33-7672; 34-41340; File No. 3-9690)

### JUDGMENT ENTERED AGAINST PRINCIPALS IN CASINO CRUISE SHIP FRAUD

The Commission announced that Judge Dickran Tevrizian of the United States District Court in Los Angeles entered judgment against Michael A. Todd and Kim J. Brown. The Court found that Todd and Brown orchestrated the fraudulent sale of stock in two companies, Casino Cruises Corp. and BRW Leasing Services, Inc., for the ostensible purpose of purchasing and operating a cruise ship featuring gambling in the coastal waters between ports in Southern California and Mexico. The Court found that Todd and Brown received

the benefit of at least \$459,905.63 of investor funds, both directly and indirectly. The Court further found that \$355,000 of the investor funds paid to Todd and Brown was deposited in an offshore bank account. The defendants were ordered to pay disgorgement and prejudgment interest totalling \$488,917.24. Each defendant was also ordered to pay a civil penalty of \$110,000. [SEC v. Michael A. Todd, Kim J. Brown, Jerry L. Aubrey, Gary Jason McCrory, Gary L. Cleverly, Calvin J. Calvin, and Todd J. Taylor, Civil Action No. 98-6509 DT, SHx, C.D. Cal.] (LR-16126)

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#### **INVESTMENT COMPANY ACT RELEASES**

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##### **KEMPER FLOATING RATE FUND, ET AL.**

A notice has been issued giving interested persons until May 21, 1999, to request a hearing on an application filed by Kemper Floating Rate Fund, et al. for an exemption from Sections 18(c) and 18(i) of the Investment Company Act, Rule 23c-3 under the Act, and pursuant to Section 17(d) and Rule 17d-1 under the Act. The order would permit certain registered closed-end investment companies to issue multiple classes of shares, and impose asset-based distribution fees and early withdrawal charges. (Rel. IC-23811 - April 27)

##### **BRANTLEY CAPITAL CORPORATION**

An order has been issued on an application filed by Brantley Capital Corporation under Section 61(a)(3)(B) of the Investment Company Act. The order approves applicant's Disinterested Director Option Plan. (Rel. IC-23812 - April 28)

##### **BRANTLEY CAPITAL CORPORATION**

A notice has been issued giving interested persons until May 24, 1999, to request a hearing on an application filed by Brantley Capital Corporation, a business development company, under Section 8(f) of the Investment Company Act to declare that its registration under the Act has ceased to be in effect as of October 30, 1996. (Rel. IC-23813 - April 28)

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#### **HOLDING COMPANY ACT RELEASES**

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##### **ENOVA CORPORATION**

An order has been issued authorizing Enova Corporation (Enova), a public utility holding company exempt from registration under Section 3(a)(1) of the Public Utility Holding Company Act by Rule 2, to be an exempt public utility holding company by order under Section 3(a)(1) of the Act exempting it from all provisions of the

Act, except Section 9(a)(2). (Rel. 35-27012)

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## SELF-REGULATORY ORGANIZATIONS

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### PROPOSED RULE CHANGE

The Chicago Board Options Exchange filed a proposed rule change (SR-CBOE-98-54) to update and reorganize its rules relating to designated primary market-makers. Publication of the notice is expected in the Federal Register during the week of April 26. (Rel. 34-41325)

### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the Pacific Exchange relating to broker hand held terminal fees and independent broker fees (SR-PCX-99-08) 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 May 3. (Rel. 34-41333)

### DELISTINGS GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Pinkerton's Inc., Common Stock, \$.001 par value. (Rel. 34-41336)

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration NetMed, Inc., Common Stock, no par value. (Rel. 34-41342)

### WITHDRAWAL GRANTED

An order has been issued granting the application of Bestfoods to withdraw its Common Stock, par value \$.25, from listing and registration on the Pacific Stock Exchange. (Rel. 34-41341)

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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.

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:

<publicinfo@sec.gov>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

- S-8 GLOBAL LIGHT TELECOMMUNICATIONS INC, 1033 999 WEST HASTINGS ST,  
VANCOUVER BC CANADA, A1 - 2,000,000 (\$8,875,000) FOREIGN COMMON STOCK.  
(FILE 333-10260 - APR. 20) (BR. 7 - NEW ISSUE)
- S-8 SPRINT CORP, 2330 SHAWNEE MISSION PKWY, WESTWOOD, KS 66205  
(913) 624-3000 - 145,808 (\$11,619,582.47) COMMON STOCK. (FILE 333-76783 -  
APR. 22) (BR. 7)
- S-8 COMMONWEALTH BANCORP INC, 2 WEST LAFAYETTE ST, 70 VALLEY STREAM PKWY,  
NORRISTOWN, PA 19401 (610) 251-1600 - 50,000 (\$722,000) COMMON STOCK.  
(FILE 333-76785 - APR. 22) (BR. 7)
- S-3 WHITMAN CORP, 3501 ALGONQUIN RD, ROLLING MEADOWS, IL 60008  
(847) 818-5000 - 12,000,000 (\$12,000,000) STRAIGHT BONDS (FILE 333-76787  
- APR 22) (BR. 2)
- S-3 FEDERATED DEPARTMENT STORES INC /DE/, 7 W SEVENTH ST, CINCINNATI, OH  
45202 (212) 494-1602 (FILE 333-76789 - APR. 22) (BR. 2)
- S-8 ABM INDUSTRIES INC /DE/, 160 PACIFIC AVENUE, SUITE 222, SAN FRANCISCO,  
CA 94111 (415) 733-4000 - 1,200,000 (\$36,262,500) COMMON STOCK. (FILE  
333-76791 - APR. 22) (BR. 8)
- S-8 INLAND REAL ESTATE CORP, 2901 BUTTERFIELD RD, OAK BROOK, IL 60523  
(708) 218-8000 - 50,000 (\$452,500) COMMON STOCK. (FILE 333-76793 -  
APR 22) (BR. 8)
- S-4 FEDERATED DEPARTMENT STORES INC /DE/, 7 W SEVENTH ST, CINCINNATI, OH  
45202 (212) 494-1602 - 750,000,000 (\$750,000,000) STRAIGHT BONDS. (FILE  
333-76795 - APR 22) (BR. 2)
- S-3 EMS TECHNOLOGIES INC, 660 ENGINEERING DRIVE, NORCROSS, GA 30092  
(770) 263-9200 - 900,000 (\$10,518,750) COMMON STOCK. (FILE 333-76797 -  
APR 22) (BR. 7)
- S-3 CHASE MORTGAGE FINANCE CORP, 343 THORNALL ST, C/O A HARDY EUBANKS III,  
EDISON, NJ 08837 (732) 205-0600 - 1,000,000 (\$1,000,000)  
PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 333-76801 - APR. 22)  
(BR. 8)
- S-3 NEW CENTURY MORTGAGE SECURITIES INC, 18400 VON KARMAN, STE 100, IRVINE,  
CA 92612 (949) 863-7243 - 1,000,000 (\$1,000,000)  
PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 333-76805 - APR. 22)  
(NEW ISSUE)
- S-8 ACCESS POWER INC, 10033 SAWGRASS DR W, STE 100, PONTE VEDRA BEACH, FL  
32082 (904) 273-2980 - 2,500,000 (\$1,550,000) COMMON STOCK. (FILE  
333-76807 - APR 22) (BR. 9)
- S-8 ION NETWORKS INC, 21 MERIDIAN RD, EDISON, NJ 08820 (201) 494-4440 -  
3,000,000 (\$10,406,250) COMMON STOCK (FILE 333-76809 - APR. 22) (BR. 3)
- S-8 MECHANICAL TECHNOLOGY INC, 968 ALBANY-SHAKER RD, LATHAM, NY 12110  
(518) 785-2211 - 1,000,000 (\$19,625,000) COMMON STOCK. (FILE 333-76817 -  
APR. 22) (BR. 5)
- S-8 MERIDIAN DATA INC, 5615 SCOTTS VALLEY DR, SUITE 200, SCOTTS VALLEY, CA  
95066 (415) 960-0288 - 400,000 (\$1,178,900) COMMON STOCK. (FILE 333-76819  
- APR. 22) (BR. 3)
- S-4 STERLING FINANCIAL CORP /PA/, NORTH POINTE BANKING CORP,  
101 NORTH POINTE BLVD, LANCASTER, PA 17605 (717) 581-6030 - 677,624  
(\$22,530,998) COMMON STOCK. (FILE 333-76821 - APR. 22) (BR. 7)
- S-3 AMB PROPERTY CORP, 505 MONTGOMERY STREET, SAN FRANCISCO, CA 94111  
(415) 394-9000 - 3,000,000 (\$62,812,500) COMMON STOCK (FILE 333-76823 -  
APR 22) (BR 8)

S-8 FIRST INTERSTATE BANCSYSTEM OF MONTANA INC, P O BOX 30918,  
401 NO 31ST STREET, BILLINGS, MT 59116 (406) 255-5300 - 500,000  
(\$18,500,000) COMMON STOCK. (FILE 333-76825 - APR. 22) (BR 7)

S-8 CONSOLIDATED CAPITAL OF NORTH AMERICA INC, 410 17TH STREET, SUITE 400,  
DENVER, CO 80202 (888) 313-8051 - 3,000,000 (\$547,500) COMMON STOCK  
(FILE 333-76833 - APR. 22) (BR. 8)

S-8 INTERVISUAL BOOKS INC /CA, 2716 OCEAN PARK BLVD, SUITE 2020,  
SANTA MONICA, CA 90405 (310) 396-8708 - 331,000 (\$500,375) COMMON STOCK  
(FILE 333-76835 - APR. 22) (BR. 5)

S-3 RANGE RESOURCES CORP, 500 THROCKMORTON ST, FORTH WORTH, TX 76102  
(817) 870-2601 (FILE 333-76837 - APR. 22) (BR. 4)

S-8 PFIZER INC, 235 E 42ND ST, NEW YORK, NY 10017 (212) 573-2323 -  
55,000,000 (\$6,569,062,500) COMMON STOCK. (FILE 333-76839 - APR. 22)  
(BR. 1)

S-1 PN HOLDINGS INC, 315 E EISENHOWER, 800-765-5562, ANN ARBOR, MI 48108  
(734) 662-9733 - 1,380,000 (\$12,420,000) COMMON STOCK (FILE 333-76841 -  
APR. 22)

S-1 NETSCOUT SYSTEMS INC, 4 TECHNOLOGY PARK DR, WESTFORD, MA 01886  
(978) 614-4000 - \$103,500,000 COMMON STOCK. (FILE 333-76843 - APR. 22)

S-3 U S PLASTIC LUMBER CORP, 2300 W GLADES R STE 440 W, BOCA RATON, FL 33431  
(561) 394-3511 - 5,767,985 (\$49,388,371.56) COMMON STOCK. (FILE 333-76845  
- APR. 22) (BR 9)

S-8 TREX CO INC, 20 CAMERON ST, WINCHESTER, VA 22801 (540) 678-4070 -  
800,000 (\$11,100,000) COMMON STOCK. (FILE 333-76847 - APR. 22) (BR. 6)

S-8 GSI LUMONICS INC, 105 SCHNEIDER RD KANATA, ONTARIO CANADA, K2K 1Y3, -  
2,108,748 (\$8,566,788.75) COMMON STOCK (FILE 333-76849 - APR 22)  
(BR. 5)

S-8 CREATIVE COMPUTERS INC, 2645 MARICOPA ST, TORRENCE, CA 90503  
(310) 787-4500 - 1,250,000 (\$35,587,500) COMMON STOCK. (FILE 333-76851 -  
APR. 22) (BR. 2)

S-3 OPTICAL COATING LABORATORY INC, 2789 NORTHPOINT PKWY, SANTA ROSA, CA  
95407 (707) 545-6440 - 1,782,500 (\$86,228,437.50) COMMON STOCK. (FILE  
333-76853 - APR. 22) (BR. 5)

S-8 ALLAIRE CORP, ONE ALEWIFE CENTER 3RD FLOOR, SUITE 552, CAMBRIDGE, MA  
02140 (617) 761-2000 - 2,913,626 (\$108,832,976 64) COMMON STOCK (FILE  
333-76855 - APR. 23) (BR. 3)

S-4 MCLEODUSA INC, 6400 C ST SW, PO BOX 3177, CEDAR RAPIDS, IA 52406  
(319) 364-0000 - 500,000,000 (\$500,000,000) STRAIGHT BONDS (FILE  
333-76857 - APR 23) (BR 7)

S-1 TOWNE SERVICES INC, 3295 RIVER EXCHANGE DRIVE, SUITE 350, NORCROSS, GA  
30092 (770) 734-2680 - 8,050,000 (\$84,525,000) COMMON STOCK (FILE  
333-76859 - APR 23) (BR 3)

S-4 DIEDRICH COFFEE INC, 2144 MICHELSON DRIVE, STE A, IRVINE, CA 92626  
(714) 260-1600 - 2,375,000 (\$1,601,410) COMMON STOCK. (FILE 333-76861 -  
APR. 23) (BR. 2)

S-1 FINANCIAL INSTITUTIONS INC, 220 LIBERTY STREET, WARSAW, NY 14569  
(716) 786-1100 - 1,533,333 (\$24,533,328) COMMON STOCK (FILE 333-76865 -  
APR. 23) (BR. 1)