

SEC NEWS DIGEST

Issue 99-160

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COMMISSION ANNOUNCEMENTS

COMMISSION MEETINGS

CLOSED MEETING - WEDNESDAY, AUGUST 25, 1999 - 11:00 A.M.

The subject matter of the closed meeting scheduled for Wednesday, August 25, at 11:00 a.m., will be: Institution of injunctive actions; Settlement of injunctive actions; Institution and settlement of administrative proceedings of an enforcement nature; and Formal order of investigation.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

ENFORCEMENT PROCEEDINGS

COMMISSION SUSTAINS NASD ACTION AGAINST LA JOLLA CAPITAL CORPORATION AND HAROLD GALLISON, JR.

The Commission has sustained NASD disciplinary action against La Jolla Capital Corporation, a member of the NASD, and Harold Bailey Gallison, Jr., La Jolla's President and Supervisor of Trading. The Commission found, as did the NASD, that La Jolla and Gallison violated NASD Rules 2110 and 3010 by failing to establish, maintain, and enforce supervisory procedures that were designed to achieve compliance with the NASD's rules. La Jolla opened a New York branch office, far from its headquarters in San Diego, California, and staffed the office with personnel with little experience in the securities industry, then left the branch manager to supervise the office's sales practices essentially on his own.

The NASD (1) censured La Jolla and Gallison and fined them \$100,000 each, (2) barred Gallison from associating with any member in a principal or supervisory capacity, (3) required Gallison to requalify by examination in any other capacity in which he wished to

become associated, and (4) required La Jolla to retain an independent consultant to audit, alter, and monitor its compliance program for two years. The Commission found that these sanctions were neither excessive nor oppressive. (Rel. 34-41755; File No. 3-9557)

ADMINISTRATIVE PROCEEDING INSTITUTED AGAINST CHRISTIAN HIGGINS, CHARLES POWELL, JAMES GALLAHER, DALE ENGELHARDT AND TREY FRIEDMANN

On August 18, the Commission instituted a public administrative proceeding against Christian R. Higgins (Higgins), Charles L. Powell (C. Powell), James P. Gallaher (Gallaher) and Dale J. Engelhardt (Engelhardt), registered representatives currently associated with a registered broker-dealer, and Trey L. Friedmann (Friedmann). To settle this proceeding, Higgins, C. Powell, Gallaher, Engelhardt and Friedmann agreed, without admitting or denying the findings therein, to consent to an Order suspending them from association with any broker or dealer for a period of 12 months.

The Commission's Order suspending Higgins, C. Powell, Gallaher, Engelhardt and Friedmann contains a finding that, on August 12, 1999, Higgins, C. Powell, Gallaher and Engelhardt were permanently enjoined from future violations of Section 17(a) of the Securities Act of 1933 (Securities Act) and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, and Friedmann was permanently enjoined from future violations of Section 17(a) of the Securities Act and Section 15(a) of the Exchange Act. SEC v. Environmental Energy, Inc., et al., Civil Action No. 98-6060 CM (BQRx) (C.D. Cal.). The Commission's complaint in this action alleges, among other things, that Higgins, C. Powell, Gallaher, Engelhardt and Friedmann made material misrepresentations in the offer and sale of unregistered interests in oil and gas limited partnerships. (Rel. 34-41756; File No. 3-9979)

ADMINISTRATIVE PROCEEDINGS INVOLVING MINI-TENDER OFFERS SETTLED AGAINST IG HOLDINGS AND PEACHTREE PARTNERS

The Commission announced today that it has instituted cease and desist proceedings against IG Holdings, Inc. and Peachtree Partners. In these two enforcement actions, the SEC alleges that IG Holdings and Peachtree Partners engaged in improper conduct in connection with certain so-called mini-tender offers made by these entities during 1998 and 1999. Mini-tender offers are tender offers for less than 5% of a class of securities. These offers are not subject to the filing, disclosure and procedural requirements of Section 14(d) of the Exchange Act and Regulation 14D. However, all tender offers, including mini-tender offers, are subject to the antifraud provisions of the federal securities laws, including Section 14(e) of the Exchange Act and Regulation 14E.

In the action against IG Holdings, the SEC alleges that, since approximately June 1998, IG Holdings has made more than 200 mini-tender offers that have had offering prices that were less than the prevailing market prices. The SEC alleges that the means used to disseminate these offers resulted in some shareholders not receiving material information about IG Holdings' mini-tender offers, including the calculation of the final price to be paid by IG Holdings and the fact that the offering price might not reflect the market price. In addition, shareholders were not always informed that they could not withdraw their tenders, nor were shareholders told that IG Holdings could revoke its offer at any time before completion of the offering. This information was material because a reasonable investor would consider it to be important in determining whether to tender.

With respect to Peachtree Partners, the SEC alleges that, on July 5, 1998, Peachtree Partners made a tender offer that, if consummated, would have resulted in the firm owning more than 5% of the class of securities that was the subject of the offer. As a result, it was required to comply with the filing, disclosure and procedural requirements of Section 14(d) of the Exchange Act and Regulation 14D. It did not do so.

The Commission found that IG Holdings violated Section 14(e) of the Exchange Act and that Peachtree Partners violated Section 14(d) of the Exchange Act and Regulation 14D. Without admitting or denying the allegations in the Orders, IG Holdings and Peachtree Partners have each consented to cease and desist from committing or causing violations of the federal securities laws.

For more information on mini-tender offers, please read "Mini-Tender Offers: Beware of Offers to Buy Your Securities at Below Market Prices," which is posted on the SEC's internet web site (www.sec.gov) under the heading Search Key Topics. (In the Matter of IG Holdings, Inc. - Rel. 34-41759, File No. 3-9980); (In the Matter of Peachtree Partners - Rel. 34-41760, File No. 3-9981); (Press Rel. 99-101)

MICHAEL TRABA, PORTFOLIO MANAGER, RECEIVES BROKER, DEALER, AND INVESTMENT COMPANY BARS

The Commission announced that on August 19 it issued an Order finding that Michael P. Traba, formerly an employee of First National Bank of Chicago (First Chicago), engaged in securities fraud. The Order makes findings that in 1994, while acting as senior portfolio manager of two money market funds advised by First Chicago, Traba: (i) carried out a scheme over several months to hide significant price declines in several derivative securities owned by the money market funds by valuing the derivatives at or near the original purchase prices, at a time when their market values had declined significantly; and (ii) when instructed to sell the derivatives, Traba engaged in a shell game by selling the derivatives and other securities at inflated prices to trust accounts under his control, thus transferring the losses from the money market funds to the trust accounts. The Order makes findings

that, as a result of this conduct, Traba violated the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 and reporting provisions of the Investment Company Act, and caused and aided and abetted violations of pricing and record keeping provisions of the Investment Company Act.

Traba consented, without admitting or denying the findings, to the entry of the Order that orders him to cease and desist from future violations, bars him from associating with any broker, dealer or investment company; and orders him to pay a \$15,000 civil penalty.

Simultaneously with the entry of this Order, Traba consented to the entry of an order by the Office of the Comptroller of the Currency (OCC), without admitting or denying the allegations therein. The OCC order prohibits Traba from participating in the conduct of the affairs of an insured depository institution and orders him to pay a \$15,000 penalty. Previously, First Chicago consented to the entry of an order by the OCC, without admitting or denying the allegations therein, ordering it to pay a \$30,000 civil penalty for failing to supervise Traba. As a bank, First Chicago was not subject to registration or regulation as an investment adviser with the Commission. (Rel. 33-7727; 34-41761; IC-23952; File No. 3-9788)

INVESTMENT COMPANY ACT RELEASES

SMITH BREEDEN TRUST, ET AL.

An order has been issued on an application filed by Smith Breeden Trust, et al., granting an exemption from Section 12(d)(1)(G)(i)(II) of the Investment Company Act. The order permits funds of funds relying on Section 12(d)(1)(G) of the Act to invest in securities and other instruments. (Rel. IC-23947 - August 17)

IDS BOND FUND, INC., ET AL.

An order has been issued on an application filed by IDS Bond Fund, Inc., et al. under Section 17(d) of the Investment Company Act and Rule 17d-1 under the Act. The order permits certain registered management investment companies to deposit uninvested cash balances in joint accounts investing in short-term investments. (Rel. IC-23948 - August 17)

NUVEEN UNIT TRUSTS, ET AL.

An order has been issued on an application filed by Nuveen Unit Trusts (Trust) and John Nuveen & Co., Inc. (Sponsor) (a) under Section 12(d)(1)(J) of the Investment Company Act that permits each series of the Trust and any future trusts sponsored by the Sponsor to offer its shares to the public with a sales load that exceeds the 1.5% limit of Section 12(d)(1)(F)(ii); and (b) under Sections 6(c) and 17(b) of the Act for an exemption from Section 17(a) of the Act

that permits the Trust to invest in affiliated registered investment companies within the limits of Section 12(d)(1)(F) of the Act. (Rel. IC-23949 - August 17)

NORWEST ADVANTAGE FUNDS, ET AL.

A notice has been issued giving interested persons until September 13, 1999, to request a hearing on an application filed by Norwest Advantage Funds, et al., for an order exempting applicants from Section 17(a) of the Investment Company Act. The order would permit certain series of Wells Fargo Funds Trust and Wells Fargo Core Trust to acquire all of the assets and liabilities of certain series of Norwest Advantage Funds and Core Trust (Delaware), respectively. Because of certain affiliations, applicants may not rely on Rule 17a-8 under the Act. (Rel. IC-23950 - August 17)

ALLIANCE CAPITAL MANAGEMENT, L.P.

An order has been issued on an application filed by Alliance Capital Management, L.P. (Alliance Holding) under Sections 6(c) and 6(e) of the Investment Company Act exempting it from all provisions of the Act, except Sections 37 through 53 of the Act and the rules and regulations under those sections. Alliance Holding will be a holding company for Alliance Capital Management L.P. II. (Rel. IC-23951 - August 18)

HOLDING COMPANY ACT RELEASES

THE SOUTHERN COMPANY

An order has been issued authorizing a proposal by The Southern Company (Southern), a registered holding company under the Public Utility Holding Company Act, to issue stock purchase contracts (Contracts) for the purchase of common stock of Southern in amounts up to \$1 billion (Current Issuance). The contracts will be sold as part of stock purchase units (Units) that include the Contracts and either U.S. government obligations or debt obligations of other third parties. Pending completion of the record, the Commission has reserved jurisdiction over Southern's proposal to issue preferred securities, notes, Contracts and Units (collectively, Proposed Securities), other than as part of the Current Issuance, in amounts that, together with the Current Issuance, would not exceed \$1.5 billion. In addition, the Commission has reserved jurisdiction over Southern's proposal to organize special purpose subsidiaries that would issue, as well as receive and transfer the proceeds from the issuance of, Proposed Securities. (Rel. 35-27061)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

A proposed rule change has been filed by the Chicago Board Options Exchange (SR-CBOE-99-24) relating to changes to the Firm Quote Rule. Publication of the proposal is expected in the Federal Register during the week of August 23. (Rel. 34-41747)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

A proposed rule change (SR-CBOE-99-41) filed by the Chicago Board Options Exchange relating to the market-maker surcharge fee schedule has become immediately 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 August 23. (Rel. 34-41746)

A proposed rule change (SR-CBOE-99-34) filed by the Chicago Board Options Exchange making certain changes to its fee schedule has become immediately 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 August 23. (Rel. 34-41748)

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.

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

S-3 DUKE WEEKS REALTY CORP, 8888 KEYSTONE CROSSING, STE 1200, INDIANAPOLIS, IN 46240 (317) 808-6000 - 151,051 (\$3,252,316.84) COMMON STOCK. (FILE 333-85009 - AUG. 12) (BR. 8)

SB-2 STRATABASE COM, 34314 MARSHALL ROAD, SUITE 203, ABBOTSFORD BC, (604) 504-5811 - 3,200,000 (\$7,600,000) COMMON STOCK (FILE 333-85011 - AUG. 12) (NEW ISSUE)

S-3 NAVIDEC INC, 14 IVERNESS DR, BLDG F SUITE 116, ENGLEWOOD, CO 80112 - 2,875,000 (\$25,785,300) COMMON STOCK. (FILE 333-85013 - AUG. 12) (BR. 3)

S-3 ASCHE TRANSPORTATION SERVICES INC, 10214 N MT VERNON RD, SHANNON, IL 61078 (815) 864-2421 - 857,990 (\$3,539,208.75) COMMON STOCK. (FILE 333-85021 - AUG 12) (BR. 5)

S-8 BCSB BANKCORP INC, 4111 E JOPPA ROAD, SUITE 300, BALTIMORE, MD 21236
(410) 256-5000 - 320,124 (\$2,560,992) COMMON STOCK. (FILE 333-85025 -
AUG. 12) (BR. 7)

S-8 TELENETICS CORP, 26772 VISTA TERRACE DR, LAKE FOREST, CA 92630
(949) 455-4000 - 1,800,000 (\$2,352,000) COMMON STOCK. (FILE 333-85027 -
AUG. 12) (BR. 7)

S-3 WYNDHAM INTERNATIONAL INC, 1950 STEMMONS FRWY, STE 6001, DALLAS, TX
75207 (214) 863-1000 - 3,000,000 (\$300,000,000) PREFERRED STOCK. (FILE
333-85029 - AUG. 12) (BR. 8)

S-8 VISUAL NETWORKS INC, 2092 GAITHER RD, SUITE 220-I, ROCKVILLE, MD 20850
(301) 296-2300 - 400,000 (\$13,237,500) COMMON STOCK. (FILE 333-85031 -
AUG. 12) (BR. 3)

S-8 DESTIA COMMUNICATIONS INC, 95 RTE 17 SOUTH, PARAMUS, NJ 07652
(201) 226-4500 - 6,000,000 (\$60,000,000) COMMON STOCK. (FILE 333-85033 -
AUG. 03) (BR. 3)

S-8 MIIX GROUP INC, 2 PRINCESS ROAD, LAWRENCEVILLE, NJ 08648 (609) 896-2404
- 2,250,000 (\$35,505,000) COMMON STOCK. (FILE 333-85035 - AUG. 12)
(BR. 1)

S-8 FIRST SENTINEL BANCORP INC, 1000 WOODBRIDGE CENTER DRIVE, WOODBRIDGE, NJ
07095 (732) 726-8700 - 1,107,806 (\$9,748,697) COMMON STOCK. (FILE
333-85039 - AUG. 12) (BR. 7)

S-4 PACER INTERNATIONAL INC/TN, 1340 TREAT BOULEVARD, SUITE 200,
WALNUT CREEK, CA 94596 (925) 979-4440 - 150,000,000 (\$150,000,000)
STRAIGHT BONDS (FILE 333-85041 - AUG 12) (NEW ISSUE)

S-3 PHARMACYCLICS INC, 995 EAST ARQUES AVE, SUNNYVALE, CA 94086
(408) 774-0330 - 2,012,500 (\$50,438,282) COMMON STOCK (FILE 333-85043 -
AUG. 12) (BR. 1)

S-3 CMGI INC, 100 BRICKSTONE SQUARE, STE B110, ANDOVER, MA 01810
(978) 684-3600 - 360,532 (\$26,408,969) COMMON STOCK. (FILE 333-85047 -
AUG. 12) (BR. 2)

S-3 WILSONS THE LEATHER EXPERTS INC, 7401 BOONE AVENUE NORTH, ST LOUIS PARK,
BROOKLYN PARK, MN 55428 (612) 391-4000 - 995,580 (\$16,556,495.40)
COMMON STOCK (FILE 333-85049 - AUG 12) (BR. 2)

S-8 INTERNATIONAL PAPER CO /NEW/, TWO MANHATTANVILLE RD, PURCHASE, NY 10577
(914) 397-1500 - 3,000,000 (\$156,000,000) COMMON STOCK (FILE 333-85051 -
AUG 12) (BR. 4)

SB-2 LEARN SAT COM INC, 3819 SOUTH PERKINS RD, STILLWATER, OK 74074
(405) 377-6100 - 10,507,700 (\$34,288,790) COMMON STOCK 133,400 (\$13 34)
WARRANTS, OPTIONS OR RIGHTS. (FILE 333-85053 - AUG 12)

S-8 COX COMMUNICATIONS INC /DE/, 1400 LAKE HEARN DR NE, ATLANTA, GA 30319
(404) 843-5000 - 250,000 (\$8,687,500) COMMON STOCK. (FILE 333-85055 -
AUG. 12) (BR. 7)

S-3 HARKEN ENERGY CORP, 5605 N MACARTHUR STE 400, IRVING, TX 75038
(972) 753-6900 - 2,600,000 (\$4,875,000) COMMON STOCK. 2,600,000
PREFERRED STOCK. (FILE 333-85057 - AUG. 12) (BR. 4)

S-8 USA TECHNOLOGIES INC, 200 PLANT AVENUE, WAYNE, PA 19087 (610) 989-0340
- 20,000 (\$40,000) COMMON STOCK. (FILE 333-85059 - AUG 12) (BR. 8)

S-3 LUCENT TECHNOLOGIES INC, 600 MOUNTAIN AVE, MURRAY HILL, NJ 07974
(908) 582-8500 - 42,264 (\$2,601,877.50) COMMON STOCK. (FILE 333-85061 -
AUG. 12) (BR. 7)

S-8 USA TECHNOLOGIES INC, 200 PLANT AVENUE, WAYNE, PA 19087 (610) 989-0340
- 10,000 (\$20,000) COMMON STOCK. (FILE 333-85063 - AUG. 12) (BR. 8)

S-8 USA TECHNOLOGIES INC, 200 PLANT AVENUE, WAYNE, PA 19087 (610) 989-0340
- 150,000 (\$300,000) COMMON STOCK. (FILE 333-85065 - AUG. 12) (BR 8)

S-8 USA TECHNOLOGIES INC, 200 PLANT AVENUE, WAYNE, PA 19087 (610) 989-0340
- 10,000 (\$20,000) COMMON STOCK. (FILE 333-85067 - AUG. 12) (BR. 8)

S-8 TRICON GLOBAL RESTAURANTS INC, 1441 GARDINER LANE, LOUISVILLE, KY 40213
(502) 874-8300 - 30,000 (\$1,115,625) COMMON STOCK. (FILE 333-85069 -
AUG. 12) (BR. 5)

S-8 USA TECHNOLOGIES INC, 200 PLANT AVENUE, WAYNE, PA 19087 (610) 989-0340
- 10,000 (\$20,000) COMMON STOCK. (FILE 333-85071 - AUG. 12) (BR. 8)

S-8 TRICON GLOBAL RESTAURANTS INC, 1441 GARDINER LANE, LOUISVILLE, KY 40213
(502) 874-8300 - 12,000,000 (\$446,250,000) COMMON STOCK. (FILE 333-85073 -
AUG. 12) (BR. 5)

S-8 USA TECHNOLOGIES INC, 200 PLANT AVENUE, WAYNE, PA 19087 (610) 989-0340
- 25,000 (\$50,000) COMMON STOCK. (FILE 333-85075 - AUG. 12) (BR. 8)

S-8 USA TECHNOLOGIES INC, 200 PLANT AVENUE, WAYNE, PA 19087 (610) 989-0340
- 40,000 (\$80,000) COMMON STOCK. (FILE 333-85077 - AUG. 12) (BR. 8)

SB-2 CYTATION COM INC, 809 AQUIDNECK AVENUE, MIDDLETOWN, RI 02842
(800) 275-5895 - 775,000 (\$4,719,750) COMMON STOCK. (FILE 333-85079 -
AUG. 12) (BR. 3)

SB-2 TTR INC, 1841 BROADWAY, NEW YORK, NY 10023 (212) 333-3355 - 12,212,624
(\$35,676,635) COMMON STOCK. (FILE 333-85085 - AUG. 12) (BR. 9)

S-3 DEERE & CO, ONE JOHN DEERE PLACE, MOLINE, IL 61265 (309) 765-8000 -
1,531,957 (\$61,232,321) COMMON STOCK. (FILE 333-85087 - AUG. 13) (BR. 5)

S-4 MAJESTIC STAR CASINO LLC, ONE BUFFINGTON HARBOR DRIVE,
ONE BUFFINGTON HARBOR DRIVE, GARY, IN 46046 (219) 977-7777 - 130,000,000
(\$130,000,000) STRAIGHT BONDS. (FILE 333-85089 - AUG. 13) (BR. 5)

S-8 PALM DESERT ART INC, 74-350 ALESSANDRO DR, SUITE A2, PALM DESERT, CA
92260 (760) 346-1192 - 700,000 (\$644,000) COMMON STOCK (FILE 333-85091 -
AUG. 13) (BR. 2)

S-8 RADISYS CORP, 5445 NE DAWSON CREEK DR, HILLSBORO, OR 97124
(503) 646-1800 - 726,598 (\$22,200,063) COMMON STOCK (FILE 333-85093 -
AUG. 13) (BR. 3)