

SEC NEWS DIGEST

Issue 96-138

July 23, 1996

COMMISSION ANNOUNCEMENTS

CHANGE IN THE MEETING: ADDITIONAL ITEM

The following item will be considered at an open meeting scheduled to be held on Wednesday, July 24, 1996, at 10:00 a.m.:

The Commission will consider a concept release examining possible reform of the offering process under the Securities Act of 1933, including the company registration concept as well as other models for reform. For further information, contact Anita Klein at (202) 942-2900.

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

INITIAL DECISION RELEASED IN MATTER OF WILLIAM EDWIN SOMDAHL

An administrative law judge has found it to be in the public interest to bar William Edwin Sordahl from being associated with a broker or dealer, from participating in an offering of penny stock, and from being associated with a member of a national securities exchange or registered securities association. On October 4, 1994, a U.S. district court enjoined Mr. Sordahl from further violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933; Section 10(b) of the Securities Exchange Act of 1934; and Rule 10b-5 (SEC v. Fors, Civil Action No. 92-1843 PHX PGR, D. Ariz. Oct. 4, 1994). In the administrative proceeding, Mr. Sordahl maintained he did nothing wrong, despite findings by the district court that he knowingly solicited customers to buy securities of companies before they merged with "pre-1933 shell corporations" whose securities allegedly were exempt from registration and that he knew, but did not disclose, that certain individuals controlled these companies. (Initial Decision No. 93)

COMMISSION SUSTAINS NYSE DISCIPLINARY ACTION AGAINST JAMES ALAN SCHNEIDER

The Commission sustained disciplinary action against James Alan Schneider, of Fair Haven, New Jersey. Schneider was formerly a member of the New York Stock Exchange, Inc. The NYSE censured Schneider, fined him \$15,000, and suspended him for six months from membership, allied membership, or approved person status in the NYSE or association with any member or member organization. The NYSE required that, for a five-year period, Schneider have an accountant or another qualified person make and maintain his books and records.

The Commission found that Schneider committed various recordkeeping and reporting violations in violation of Section 17(a) of the Securities Exchange Act of 1934 and Rules 17a-3(a)(2), 17a-4(b) and 17a-5 thereunder, and NYSE Rule 440. The Commission also found that Schneider made misstatements and omissions of fact on a submission filed with the Exchange in violation of NYSE Rule 476(a)(10). In addition, the Commission found that Schneider failed to furnish information to the NYSE, including certain tax returns and a written response to an examination report, within the required time periods in violation of NYSE Rule 476(a)(11). Finally, the Commission found that Schneider caused a lien to attach to his NYSE membership, which constituted an act detrimental to the interest or welfare of the Exchange in violation of NYSE Rule 476(a)(7).

In sustaining the NYSE's sanctions, the Commission rejected Schneider's contentions that the sanctions are excessive compared to other cases. (Rel. 34-37463)

ADMINISTRATIVE ACTION AGAINST DAVID LEE PRINTY

On July 23, the Securities and Exchange Commission ordered that David Lee Printy, age 50, a former registered representative, cease and desist from committing or causing any present or future violation of certain antifraud and margin provisions of the federal securities laws, and that he be barred pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 from association in any capacity with any broker, dealer, investment adviser, investment company or municipal securities dealer, with the right to reapply after ten years. Printy consented to the entry of the order without admitting or denying the Commission's findings in the matter.

The Commission found that Printy took advantage of a clerical error by Dean Witter Reynolds Inc. to improperly purchase securities and obtain over \$600,000 in cash from Dean Witter through illegal margin loans, and thereby willfully violated Sections 7(f)(1) and 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 thereunder, and Section 3(b) of Regulation X promulgated by the Board of Governors of the Federal Reserve System. (Rel. 34-37468)

ORDERS ENTERED AGAINST THE HALLWOOD GROUP INCORPORATED AND ANTHONY GUMBINER IN INSIDER TRADING ACTION

The Commission announced that on July 22 a civil action was filed in the Northern District of Texas and agreed orders were entered by Judge Jerry Buchmeyer against The Hallwood Group Incorporated (Hallwood) and Anthony J. Gumbiner (Gumbiner) for insider trading in the stock of ShowBiz Pizza Time, Inc. (ShowBiz). Simultaneously with the filing of the complaint, Hallwood consented to the entry of the Final Judgment which imposes an injunction against future violations of the antifraud provisions of the federal securities laws and requires Hallwood to disgorge \$953,125.00, representing the loss avoided by its trading in ShowBiz stock from June 7 through June 10, 1993, plus prejudgment interest of \$240,665.60. Under the terms of the agreed Judgment, Hallwood will pay \$600,000 within 30 days, \$300,000 by September 30, 1996, and the remaining \$293,790.60, plus accumulated postjudgment interest, by December 31, 1996. Also simultaneously with the filing of the complaint, Gumbiner consented to the entry of the Stipulation and Order which requires payment of a civil penalty of \$476,562.50 pursuant to the control person provisions of the Insider Trading and Securities Fraud Enforcement Act.

The Commission's complaint alleged that Hallwood sold 100,000 shares of ShowBiz stock at \$28.75 to \$29.9375 per share between June 7 and June 10, 1993, prior to ShowBiz's June 11 public announcement of deteriorating earnings. ShowBiz stock closed at \$19.875 on the first trading day after the negative earnings announcement.

Gumbiner is the Chief Executive Officer, chairman of the board of directors, and controlling shareholder of Hallwood, as well as a director of ShowBiz. According to the complaint, Gumbiner directed Hallwood's sales of ShowBiz stock and knew that the sales would be occurring during the week of June 7. The Commission alleges that on June 7, 1993, Gumbiner received material non-public information that Showbiz's quarterly earnings would fall short of expectations. The Commission contends that, although the Hallwood officer implementing Hallwood's sales was unaware of the negative earnings information, Gumbiner's knowledge of the material, non-public information was attributable to Hallwood. The Commission's complaint further alleges that Gumbiner, as a control person of Hallwood, knew or recklessly disregarded that the company was likely to engage in insider trading and he failed to take appropriate steps to prevent such trading. [SEC v. The Hallwood Group Incorporated and Anthony J. Gumbiner, USDC, ND TX, Dallas Div., CA-3-96-CV-2045-J] (LR-14986)

INVESTMENT COMPANY ACT RELEASES

VAN KAMPEN AMERICAN CAPITAL EQUITY OPPORTUNITY TRUST, SERIES 28

A notice has been issued giving interested persons until August 13 to

request a hearing on an application filed by Van Kampen American Capital Equity Opportunity Trust, Series 28, on behalf of itself and certain subsequent series (each a Series), for an order under Section 6(c) of the Investment Company Act exempting the Series from Section 12(d)(3) of the Act. The order would permit certain Series to invest up to 20.5% and other Series to invest up to 10.5% of their respective total assets in securities of issuers that derived more than 15% of their gross revenues in their most recent fiscal year from securities related activities. (Rel. IC-22083 - July 19)

EMERGING AMERICAS FUND, INC.

An order has been issued under Section 8(f) of the Investment Company Act declaring that Emerging Americas Fund, Inc. has ceased to be an investment company. (Rel. IC-22084 - July 19)

NATIONS FUND TRUST, ET AL.

An order has been issued under Section 6(c) of the Investment Company Act exempting applicants from Section 12(d)(1) of the Act and under Sections 6(c) and 17(b) of the Act exempting applicants from Section 17(a) of the Act. The order permits Nations to create a "fund of funds" that would purchase shares of affiliated open-end investment companies in excess of the percentage limitations of Section 12(d)(1). (Rel. IC-22085 - July 22)

HOLDING COMPANY ACT RELEASES

APPALACHIAN POWER COMPANY

A notice has been issued giving interested persons until August 12 to request a hearing on a proposal by Appalachian Power Company (APCo), a wholly-owned electric utility subsidiary of American Electric Power Company, Inc. (AEP), a registered holding company, to authorize its West Virginia central machine shop to perform power plant equipment maintenance services for nonaffiliated entities. These services would be of the same type that APCo's central machine shop currently performs for AEP system companies. (Rel. 35-26545)

CSW INTERNATIONAL, INC., ET AL.

A notice has been issued giving interested persons until August 12 to request a hearing on a proposal by CSW International, Inc., a wholly-owned nonutility subsidiary of Central and South West Corporation (CSW), a registered holding company, to guarantee up to \$500 million aggregate principal amount of debt securities to be issued to third parties, by CSW Energy, Inc., a wholly-owned nonutility subsidiary of CSW. (Rel. 35-26545)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change submitted by the New York Stock Exchange (SR-NYSE-96-09) to be effective on July 22, 1996, and a notice of filing and order granting accelerated approval to Amendment No. 1 to the proposed rule change relating to amendments to Rule 80B (Trading Halts Due to Extraordinary Market Volatility). (Rel. 34-37457)

The Commission approved a proposed rule change submitted by the American Stock Exchange (SR-Amex-96-13) and a notice of filing and order granting accelerated approval to Amendment No. 1 to the proposed rule change relating to amendments to Rule 117 (Trading Halts Due to Extraordinary Market Volatility). (Rel. 34-37458)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGES

The Commission granted accelerated approval to proposed rule changes submitted by the Boston Stock Exchange, Chicago Board Options Exchange, Chicago Stock Exchange, and the Philadelphia Stock Exchange, (SR-BSE-96-4, SR-CBOE-96-27, SR-CHX-96-20, and SR-Phlx-96-12) relating to amendments to trading halts due to extraordinary market volatility (Certain Market-Wide Circuit Breaker Provisions). Publication of the order is expected in the Federal Register during the week of July 22. (Rel. 34-37459)

The Commission granted accelerated approval to a proposed rule change submitted by the American Stock Exchange (SR-Amex-96-21) to implement guidelines for the mandatory dissemination of indications in connection with the resumption of trading following a "circuit breaker" trading halt pursuant to Amex Rule 117. Publication of the order is expected in the Federal Register during the week of July 22. (Rel. 34-37460)

The Commission granted accelerated approval to a proposed rule change submitted by the American Stock Exchange (SR-Amex-96-25) to extend the Exchange's pilot program concerning the execution of odd-lot orders until December 8, 1996. (Rel. 34-37462)

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 LOEHMANN INC, 2500 HALSEY STREET, BRONX, NY 10461 (000) 000-0000 - 446,892 (\$6,199,564.27) COMMON STOCK. (FILE 333-5749 - JUN. 12) (BR. 2)
- S-11 ARDEN REALTY GROUP INC, 900 WILSHIRE BLVD, EAST TOWER SUITE 700, BEVERLY HILLS, CA 90212 (310) 271-8600 - 21,533,000 (\$430,660,000) COMMON STOCK. (FILE 333-8163 - JUL. 16) (NEW ISSUE)
- S-3 RESPONSE USA INC, 11-K PRINCESS ROAD, LAWRENCEVILLE, NJ 08648 (609) 896-4500 - 2,875,000 (\$25,515,625) COMMON STOCK. (FILE 333-8165 - JUL. 16) (BR. 3)
- S-3 PROVIDENT AMERICAN CORP, 2500 DEKALB PIKE, NORRISTOWN, PA 19404 (215) 279-2500 - 883,937 (\$7,955,433) COMMON STOCK. (FILE 333-8167 - JUL. 16) (BR. 1)
- S-8 INDUSTRIAL SCIENTIFIC CORP, 1001 OAKDALE RD, OAKDALE, PA 15071 (412) 778-4353 - 50,000 (\$875,000) COMMON STOCK. (FILE 333-8169 - JUL. 16) (BR. 5)
- S-6 VAN KAMPEN AMERICAN CAPITAL EQUITY OPPORTUNITY TRUST SER 39, ONE PARKVIEW PLAZA, UIT ADMN, C/O VAN KAMPEN MERRITT INC, OAKBROOK TERRACE, IL 60181 (NUL) L - - INDEFINITE SHARES. (FILE 333-8173 - JUL. 16) (BR. 18 - NEW ISSUE)
- S-1 GRAND SLAM ACQUISITION CORP, 924 AVENUE J EAST, GRAND PRAIRIE, TX 75050 (214) 601-7000 - \$69,000,000 COMMON STOCK. (FILE 333-8175 - JUL. 16) (NEW ISSUE)
- S-8 NOFIRE TECHNOLOGIES INC, 21 INDUSTRIAL AVE, UPPER SADDLE RIVER, NJ 07458 (201) 818-1616 - 62,500 (\$140,625) COMMON STOCK. (FILE 333-8177 - JUL. 16) (BR. 3)
- S-8 MAXTOR CORP, 211 RIVER OAKS PKWY, SAN JOSE, CA 95134 (408) 432-1700 - 10,272,168 (\$30,816,504) COMMON STOCK. (FILE 333-8181 - JUL. 16) (BR. 3)
- S-8 DIALOGIC CORP, 1515 US RTE 10, PARSIPPANY, NJ 07054 (201) 993-3000 - 29,874 (\$731,913) COMMON STOCK. (FILE 333-8183 - JUL. 16) (BR. 3)
- S-3 PACIFIC TELESIS GROUP, 130 KEARNY ST STE 3002, SAN FRANCISCO, CA 94108 (415) 394-3000 - 2,576,494 (\$85,507,395) COMMON STOCK. (FILE 333-8185 - JUL. 16) (BR. 3)
- S-3 UNUM CORP, 2211 CONGRESS ST P612, PORTLAND, ME 04122 (207) -77-0-43 (FILE 333-8187 - JUL. 16) (BR. 1)
- S-2 CITATION COMPUTER SYSTEMS INC, 424 S WOODS MILL RD, CHESTERFIELD, MO 63017 (314) 579-7900 - 3,167,759 (\$52,060,176) COMMON STOCK. (FILE 333-8195 - JUL. 16) (BR. 3)
- S-3 EVANS SYSTEMS INC, 720 AVE F NORTH, PO BOX 2480, BAY CITY, TX 77404 (409) 245-2424 - 412,500 (\$2,297,625) COMMON STOCK. (FILE 333-8197 - JUL. 16) (BR. 4)
- S-4 PAPNET OF OHIO INC, 6059 MEMORIAL DR, DUBLIN, OH 43017 - 4,850,033 (\$5,013,750) COMMON STOCK. (FILE 333-8199 - JUL. 16)
- S-8 MEDICAL DYNAMICS INC, 99 INVERNESS DR EAST, ENGLEWOOD, CO 80112 (303) 790-2990 - 1,141,900 (\$2,961,990) COMMON STOCK. (FILE 333-8201 - JUL. 16) (BR. 5)
- S-3 SYNTHETECH INC, PO BOX 646, ALBANY, OR 97321 (503) 967-6575 - 850,000 (\$6,375,000) COMMON STOCK. (FILE 333-8203 - JUL. 16) (BR. 4)

- S-8 SIRROM CAPITAL CORP, 500 CHURCH STREET, STE 200, NASHVILLE, TN 37219
(615) 256-0701 - 1,004,000 (\$23,594,000) COMMON STOCK. (FILE 333-8205 -
JUL. 16) (BR. 18)
- S-4 PHARMACEUTICAL PRODUCT DEVELOPMENT INC, 115 NORTH THIRD ST, WILMINGTON,
NC 28401 (910) 251-0081 - 11,970,784 (\$332,189,256) COMMON STOCK. (FILE
333-8207 - JUL. 16) (BR. 1)
- S-3 RPM INC/OH/, 2628 PEARL RD, P O BOX 777, MEDINA, OH 44258 (216) 273-5090
- \$32,646,875 COMMON STOCK. (FILE 333-8209 - JUL. 16) (BR. 4)
- S-1 LOMAK PETROLEUM INC, P.O. BOX 550, NEW HHARTVILLE, OH 10112
(817) 870-2601 - 5,000,000 (\$68,750,000) COMMON STOCK. (FILE 333-8211 -
JUL. 16) (BR. 4)
- S-8 PRESIDENTIAL LIFE CORP, 69 LYDECKER ST, NYACK, NY 10960 (914) 358-2300
- 1,000,000 (\$9,937,500) COMMON STOCK. (FILE 333-8217 - JUL. 16) (BR. 1)
- S-4 NORWEST CORP, NORWEST CTR, SIXTH & MARQUETTE, MINNEAPOLIS, MN 55479
(612) 667-1234 - 5,000,000 (\$165,000,000) COMMON STOCK. (FILE 333-8219 -
JUL. 16) (BR. 7)
- S-8 XECHEM INTERNATIONAL INC, 100 JERSEY AVE E, BLDG B STE 310,
NEW BRUNSWICK, NJ 08901 (908) 247-3300 - 200,000 (\$200,000) COMMON STOCK.
(FILE 333-8221 - JUL. 16) (BR. 9)
- S-4 UNITED STATES FILTER CORP, 73 710 FRED WARING DR STE 222, PALM DESERT,
CA 92260 (619) 340-0098 - 3,442,193 (\$91,863,526) COMMON STOCK. (FILE
333-8223 - JUL. 16) (BR. 6)
- S-6 EVEREN UNIT INVESTMENT TRUSTS SERIES 51, 77 W WACKER DRIVE, CHICAGO, IL
60601 (312) 574-6725 - INDEFINITE SHARES. (FILE 333-8225 - JUL. 16)
(BR. 16 - NEW ISSUE)