

SEC NEWS DIGEST

Issue 96-198

October 17, 1996

ENFORCEMENT PROCEEDINGS

CALAMOS ASSET MANAGEMENT, INC. ORDERED TO CEASE AND DESIST AND FINED

The Commission announced today that it issued an Order instituting public administrative proceedings against Calamos Asset Management, Inc. (Calamos) and John P. Calamos (J. Calamos) pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act, making findings, imposing remedial sanctions and ordering respondents to cease and desist (Order). Calamos, a registered investment adviser, and its president, J. Calamos, consented to the entry of the Order without admitting or denying the Commission's findings, except as to jurisdiction, which was admitted.

The Order finds that during 1993 and 1994, Calamos, at the direction of J. Calamos, executed approximately 1,600 principal transactions with its advisory clients through a broker-dealer under common control with it without disclosing the capacity in which it was acting and without obtaining such clients' consent prior to the transactions. Calamos also failed to disclose on its 1993 and 1994 amendments to Form ADV that the principal transactions were being executed through a broker-dealer under common control with it. As a result, Calamos willfully violated Sections 206(3) and 207 of the Advisers Act, and J. Calamos caused Calamos' violations of Sections 206(3) and 207 of the Advisers Act. The Order requires Calamos and J. Calamos to cease-and-desist violating and causing violations of the Advisers Act, orders Calamos to pay a \$25,000 civil penalty and orders Calamos to comply with certain remedial undertakings. (Rel. IA-1594)

CHARLES CHRISTOPHER BARRED FROM PARTICIPATING IN ANY PENNY STOCK OFFERING

The Commission today issued an order instituting public administrative proceedings under the Securities Exchange Act of 1934 against Charles S. Christopher (Christopher), and simultaneously accepted Christopher's Offer of Settlement.

Without admitting or denying the findings, Christopher consented to the issuance of the order which found that on October 4 Christopher was permanently enjoined in United States District Court for the Northern District of Texas, in an action styled Securities and Exchange Commission v. EnviroMint Holdings, Inc., et al, based upon his participation in offering the common stock of EnviroMint.

Christopher consented to the entry of the injunction without admitting or denying the allegations in the Commission's complaint. The complaint in the civil action alleges that from March 1992 through June 1993, Christopher, and others, promoted, offered and sold the common stock of EnviroMint through a national stock exchange, and by the means and instrumentalities of interstate commerce. Christopher, individually and through the accounts of companies under his control, sold approximately 2.5 million EnviroMint shares during this period, at prices ranging up to \$5.00 per share.

The order provides that Christopher be barred from participating in any offering of penny stock effective immediately. (Rel. 34-37827)

BRUCE FRANKLIN TO BE INCARCERATED FOR FAILURE TO PAY DISGORGEMENT

The Commission announced that on September 27 the Honorable Richard A. Paez of the Central District of California issued an Order adjudging defendant Bruce Franklin in civil contempt and directing Franklin to repatriate all foreign assets. The Court found that Franklin had failed to pay any but a small portion of the \$2,392,986.21 in Court-ordered disgorgement or \$204,611.06 in prejudgment interest. In granting the Commission summary judgment on September 7, 1995, the Court had found that Franklin and others had violated the registration and antifraud provisions of the federal securities laws, and ordered them to disgorge their ill-gotten gains.

The Court ordered that Franklin surrender himself within ten days to the United States Marshal's Service in Los Angeles, California. Should Franklin fail to surrender, the Court will issue a warrant for his arrest. The Court further ordered that Franklin will remain in custody until he complies with the Court's disgorgement judgment by either paying the ordered disgorgement and interest or providing the Court with a categorical and detailed showing which demonstrates his inability to pay the ordered disgorgement and interest. [SEC v. Cross Financial Services, Inc., et al., Civil Action No. 94-4228 RAP, Ex, CD Cal.] (LR-15120)

TEMPORARY RESTRAINING ORDER GRANTED IN SEC v. WESTERN EXECUTIVE GROUP, INC., ET AL.

On October 7, the Honorable George H. King, United States District Court Judge for the Central District of California, entered a Temporary Restraining Order (Order) prohibiting the offer and sale of investment contracts for the sale and leaseback of automated teller machines (ATMs) by Western Executive Group, Inc. (WEG), Cash Systems USA, Inc. (Cash Systems), Charles R. Rietz (Rietz), Robert R. Parrish (Parrish), Robert J. Struth (Struth) and R. Stephen Edgel (Edgel). The Order also appoints a temporary receiver over WEG and Cash Systems and freezes their assets.

The complaint alleges that the defendants violated Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act), and Rule 10b-5 thereunder, by engaging in the fraudulent offer and sale of interests in the ATM investment program. The defendants misrepresented the number of ATMs actually operating, the fact that the ATMs were not generating sufficient funds to pay investor returns and that the program was a Ponzi scheme. Rietz and Struth also failed to disclose their previous disciplinary history. The complaint also charges Parrish, Struth and Edgel with acting as unregistered broker-dealers in violation of Section 15(a) of the Exchange Act. [SEC v. Western Executive Group, Inc., Cash Systems USA, Inc., Charles R. Rietz, Robert R. Parrish, Robert J. Struth and R. Stephen Edgel, Civil Action No. 96-6938 GHK, JGx, C.D. Cal.] (LR-15121)

DEFAULT JUDGMENT ENTERED AGAINST PETER HARRINGTON

On October 3, a default judgment was entered against Peter M. Harrington by the Honorable Richard J. Arcara, United States District Court Judge for the Western District of New York, which enjoins Harrington from future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Harrington was also ordered to pay disgorgement of \$933,188.28, prejudgment interest in the amount of \$99,633.63, and a civil penalty of \$100,000. The complaint in the above action alleged, among other things, that, from at least March 1991 through June 1995, Harrington, the president and sole owner of Harrington Securities Corporation, a registered broker-dealer, misappropriated at least \$982,992.83 from eighteen of his customers by using an elaborate scheme involving, among other things, material misrepresentations, forged endorsement signatures on clearing firm checks, and fabricated confirmation statements. [SEC v. Peter M. Harrington, Civ. 96-0079(A), WDNY] (LR-15125)

INVESTMENT ADVISERS ACT RELEASES

TECHNOLOGY FUNDING PARTNERS III, L.P., ET AL.

An order has been issued on an application filed by Technology Funding Partners III, L.P., et al. under Section 206A of the Investment Advisers Act exempting applicants from Section 205(a)(1) of the Advisers Act. The order permits certain business development companies (BDCs) to make in-kind distributions of portfolio securities and deem gains or losses on such securities to be realized upon such distributions to partners of such BDCs. The order applies only to in-kind distributions of portfolio securities for which market quotations are available and are traded publicly on any nationally recognized exchange or market. (Rel. IA-1593 - October 16)

INVESTMENT COMPANY ACT RELEASES

THE GABELLI EQUITY TRUST INC.

An order has been issued on an application filed by The Gabelli Equity Trust Inc. under Section 6(c) of the Investment Company Act for an exemption from Section 19(b) of the Act and Rule 19b-1 thereunder. The order permits applicant to make up to four distributions of long-term capital gains in any one taxable year, so long as it maintains in effect a distribution policy calling for quarterly distributions of a fixed percentage or fixed amount of its net asset value. (Rel. IC-22282 - October 15)

CR UNITED STATES BLUE CHIP TIMING FUND, INC.

A notice has been issued giving interested persons until November 12 to request a hearing on an application filed by CR United States Blue Chip Timing Fund, Inc. for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-22283 - October 15)

SELF-REGULATORY ORGANIZATIONS

DELISTING GRANTED

An order has been issued granting the application of the Boston Stock Exchange to strike from listing and registration Tropic Communications, Inc., Common Stock, No Par Value. (Rel. 34-37817)

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until November 4 to comment on the application of Weldotron Corporation to withdraw from listing and registration on the American Stock Exchange its \$0.05 Par Value, Common Stock. (Rel. 34-37825)

PROPOSED RULE CHANGE

The National Securities Clearing Corporation filed a proposed rule change (SR-NSCC-96-15) to enable members with long positions in securities subject to a tender offer to elect to receive protection for receipt of the tender offer price. Publication of the proposal is expected in the Federal Register during the week of October 14. (Rel. 34-37818)

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.

- SB-2 ZAP POWER SYSTEMS, 117 MORRIS ST, SEBASTOBOL, CA 95472 (707) 824-4150 - 500,000 (\$2,625,000) COMMON STOCK. (FILE 333-5744-LA - OCT. 04) (BR. 9 - NEW ISSUE)
- F-1 NEW HOLLAND NV, PROF BAVINCKLAAN 5, 1183 AT AMSTELVEEN, NETHERLANDS, P8 - 53,475,000 (\$1,229,925,000) COMMON STOCK. (FILE 333-5752 - OCT. 08) (BR. 6 - NEW ISSUE)
- F-6 ABACO GRUPO FINANCIERO SA DE CV GRUPO FINANCIERO \ADR\, 101 BARCLAY ST 22W, C/O BANK OF NEW YORK, NEW YORK, NY 10286 (212) 815-2009 - 10,000,000 (\$500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-5756 - OCT. 08) (BR. 99 - NEW ISSUE)
- F-1 BOUYGUES OFFSHORE SA, 3 RUE STEPHENSON, 78180 MONTIGMY LE BRETONNEUX, FRANCE, 10 - 7,820,000 (\$199,410,000) COMMON STOCK. (FILE 333-5758 - OCT. 09) (BR. 6 - NEW ISSUE)
- F-3 YPF SOCIEDAD ANONIMA, AVENIDA PTE R SAENZ 777-8 PISO, BUENOS AIRES 1364 AR, C1 (541) 326-7265 - 200,000,000 (\$200,000,000) STRAIGHT BONDS. (FILE 333-5762 - OCT. 09) (BR. 4)
- F-3 COCA COLA FEMSA SA DE CV, 404 PAAEO DE LA REFORMA, 5 PISO, MEXICO DF 06600 MEXICO, 05 (525) 533-5300 - 175,000,000 (\$175,000,000) STRAIGHT BONDS. (FILE 333-5764 - OCT. 09) (BR. 2)
- F-1 ZAG INDUSTRIES LTD, 19 HAMELACHA ST, ROSH HA AYIN 4801, ISRAEL, L3 - 3,105,000 (\$37,260,000) FOREIGN COMMON STOCK. (FILE 333-5766 - OCT. 09) (BR. 6 - NEW ISSUE)
- F-6 WIENERBERGER BAUSTOFFINDUSTRIE AKTIENGESELLSCHAFT \ADR\, 48 WALL ST, C/O BANK OF NEW YORK, NEW YORK, NY 10286 (212) 815-1727 - 20,000,000 (\$1,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-5768 - OCT. 09) (BR. 99 - NEW ISSUE)
- S-1 TELETECH HOLDINGS INC, 1700 LINCOLN STREET, 14TH FLOOR, DENVER, CO 80203 (303) 894-4000 - 4,140,000 (\$147,508,200) COMMON STOCK. (FILE 333-13833 - OCT. 10) (BR. 6)
- S-3 AAMES FINANCIAL CORP/DE, 3731 WILSHIRE BLVD, LOS ANGELES, CA 90010 (213) 351-6100 - 813,029 (\$43,192,165.62) COMMON STOCK. (FILE 333-13835 - OCT. 10) (BR. 7)
- S-11 RIGGS PREFERRED CAPITAL, 5700 RIVERTECH COURT, RIVERDALE, MD 20737 - 4,600,000 (\$115,000,000) PREFERRED STOCK. (FILE 333-13839 - OCT. 10) (BR. 1 - NEW ISSUE)
- S-8 FIRST MISSISSIPPI CORP, 700 NORTH ST/PO BOX 1249, JACKSON, MS 39215 (601) 948-7550 - 100,000 (\$2,743,750) COMMON STOCK. (FILE 333-13841 - OCT. 10) (BR. 4)
- S-3 TRIGEN ENERGY CORP, ONE WATER ST, WHITE PLAINS, NY 10601 (914) 286-6600 - 200,000 (\$4,250,000) COMMON STOCK. (FILE 333-13843 - OCT. 10) (BR. 4)

- S-8 CYPRESS FINANCIAL SERVICES INC, 5400 ORANGE AVE, STE 200, CYPRESS, CA 90630 (714) 995-0627 - 450,000 (\$1,404,000) COMMON STOCK. (FILE 333-13847 - OCT. 10) (BR. 9)
- S-8 HEINZ H J CO, 600 GRANT ST, PITTSBURGH, PA 15219 (412) 456-5700 - 15,000,000 (\$504,375,000) COMMON STOCK. (FILE 333-13849 - OCT. 10) (BR. 2)
- S-8 CONVERSION TECHNOLOGIES INTERNATIONAL INC, 82 BETHANY RD STE 6, HAZLET, NJ 07730 (908) 888-3828 - 200,000 (\$714,000) COMMON STOCK. (FILE 333-13851 - OCT. 10) (BR. 6)
- S-8 FOUNTAIN POWERBOAT INDUSTRIES INC, P O DRAWER 457, WHICHARDS BEACH RD, WASHINGTON, NC 27889 (919) 975-2000 - 780,000 (\$9,165,000) COMMON STOCK. (FILE 333-13853 - OCT. 10) (BR. 6)
- S-8 EATON CORP, EATON CTR, 1111 SUPERIOR AVE, CLEVELAND, OH 44114 (216) 523-5000 - 10,000 (\$600,000) COMMON STOCK. (FILE 333-13855 - OCT. 10) (BR. 6)
- S-8 EATON CORP, EATON CTR, 1111 SUPERIOR AVE, CLEVELAND, OH 44114 (216) 523-5000 - 25,000 (\$1,500,000) COMMON STOCK. (FILE 333-13857 - OCT. 10) (BR. 6)
- S-3 PSC INC, 675 BASKET RD, WEBSTER, NY 14580 (716) 265-1600 - 977,135 (\$6,717,803) COMMON STOCK. (FILE 333-13859 - OCT. 10) (BR. 3)
- S-8 EATON CORP, EATON CTR, 1111 SUPERIOR AVE, CLEVELAND, OH 44114 (216) 523-5000 - 5,000 (\$300,000) COMMON STOCK. (FILE 333-13861 - OCT. 10) (BR. 6)
- S-3 LOTTOWORLD INC, 2150 GOODLETTE RD STE 200, NAPLES, FL 33940 (941) 643-1677 - 2,772,073 (\$4,504,619) COMMON STOCK. (FILE 333-13863 - OCT. 10) (BR. 9)
- S-8 LOTTOWORLD INC, 2150 GOODLETTE RD STE 200, NAPLES, FL 33940 (941) 643-1677 - 750,000 (\$1,218,750) COMMON STOCK. (FILE 333-13865 - OCT. 10) (BR. 9)
- S-8 LOTTOWORLD INC, 2150 GOODLETTE RD STE 200, NAPLES, FL 33940 (941) 643-1677 - 350,000 (\$568,750) COMMON STOCK. (FILE 333-13867 - OCT. 10) (BR. 9)
- S-8 EATON CORP, EATON CTR, 1111 SUPERIOR AVE, CLEVELAND, OH 44114 (216) 523-5000 - 25,000 (\$1,500,000) COMMON STOCK. (FILE 333-13869 - OCT. 10) (BR. 6)
- S-4 CRESTAR FINANCIAL CORP, 919 E MAIN ST, PO BOX 26665, RICHMOND, VA 23261 (804) 782-5000 - 13,200,000 (\$639,375,000) COMMON STOCK. (FILE 333-13871 - OCT. 10) (BR. 7)
- S-8 EATON CORP, EATON CTR, 1111 SUPERIOR AVE, CLEVELAND, OH 44114 (216) 523-5000 - 30,000 (\$1,800,000) COMMON STOCK. (FILE 333-13873 - OCT. 10) (BR. 6)
- S-8 HOT TOPIC INC /CA/, 3410 POMONA BLVD, POMONA, CA 91768 - 931,795 (\$13,665,030.25) COMMON STOCK. (FILE 333-13875 - OCT. 10) (BR. 1)
- S-1 CORNERSTONE PROPANE PARTNERS LP, 432 WESTRIDGE DRIVE, WATSONVILLE, CA 95076 (408) 724-1921 - \$206,425,000 LIMITED PARTNERSHIP CERTIFICATE. (FILE 333-13879 - OCT. 10) (NEW ISSUE)
- S-8 AMERICAN SPORTS HISTORY INC, 18-1 HERITAGE DRIVE, CHATHAM, NJ 07928 (201) 635-0665 - 1,510,000 (\$1,510,000) COMMON STOCK. (FILE 333-13881 - OCT. 10) (BR. 5)
- S-3 UNIQUE MOBILITY INC, 425 CORPORATE CIRCLE, GOLDEN, CO 80401 (303) 278-2002 - 747,676 (\$3,386,972) COMMON STOCK. (FILE 333-13883 - OCT. 10) (BR. 4)

- S-8 ORYX TECHNOLOGY CORP, 47341 BAYSIDE PARKWAY, FREMONT, CA 94538
(510) 249-1144 - 620,000 (\$1,847,600) COMMON STOCK. (FILE 333-13887 -
OCT. 10) (BR. 9)
- S-8 COGNIZANT CORP, 200 NYALA FARMS, WESTPORT, CT 06897 (203) 834-4200 -
600,000 (\$2,214,000) COMMON STOCK. (FILE 333-13889 - OCT. 10) (BR. 3)
- S-1 TODD AO CORP, 172 GOLDEN GATE AVENUE, SAN FRANCISCO, CA 94102
(415) 928-3200 - 2,875,000 (\$37,030,000) COMMON STOCK. (FILE 333-13891 -
OCT. 10) (BR. 5)
- S-3 QUAKER STATE CORP, 222 WEST LAS COLINAS BLVD, XEROX CENTER STE 1750,
IRVING, TX 75039 (814) 676-7780 - 1,691,230 (\$29,487,214) COMMON STOCK.
(FILE 333-13893 - OCT. 10) (BR. 4)
- S-8 GLOBAL TELEMEDIA INTERNATIONAL INC, 1121 ALDERMAN DR, STE 200,
ALPHARETTA, GA 30220 (404) 667-6088 - 450,000 (\$262,480) COMMON STOCK.
(FILE 333-13895 - OCT. 10) (BR. 3)
- S-4 MOOVIES INC, 201 BROOKFIELD PARKWAY, STE 200, GREENVILLE, SC 29607
(803) 292-2072 - 1,850,000 (\$9,943,750) COMMON STOCK. (FILE 333-13899 -
OCT. 10) (BR. 5)
- S-1 MARKS BROS JEWELERS INC, 155 N WACKER DR, 5TH FLOOR, CHICAGO, IL 60606
(312) 782-6800 - 2,679,500 (\$72,346,500) COMMON STOCK. (FILE 333-13903 -
OCT. 10) (BR. 2)