

sec news digest

Issue 95-63

April 3, 1995

COMMISSION ANNOUNCEMENTS

APPROPRIATIONS HEARINGS

Chairman Levitt will testify at hearings concerning appropriations for the Commission for fiscal year 1996 on Tuesday, April 4, 1995. The hearing will be held before the Appropriations Subcommittee of the House Committee on Commerce, Justice and State, the Judiciary, and Related Agencies. The hearing will be held in Room H310 of the U.S. Capitol at 2:00 p.m.

CHAIRMAN LEVITT TO TESTIFY

The Senate Subcommittee on Securities will hold a hearing on Securities Litigation Reform on Thursday, April 6, 1995. The hearing will begin at 2:00 p.m. in Room 538 of the Dirksen Senate Office Building. Chairman Levitt will testify on behalf of the Commission.

CHANGE IN THE MEETING: TIME CHANGE/DATE CHANGE

The closed meeting scheduled for Thursday, April 6, 1995, at 10:00 a.m., has been changed to Tuesday, April 4, 1995, following the 10:00 a.m. open meeting.

RULES AND RELATED MATTERS

EXEMPTIONS FROM RULES 10b-6, 10b-7, AND 10b-8 FOR CERTAIN SUBSIDIARIES OF CS HOLDING

Pursuant to delegated authority, on March 31, the Division of Market Regulation issued a letter granting exemptions from Rules 10b-6, 10b-7, and 10b-8 (Trading Practices Rules) under the Securities Exchange Act of 1934 (17 CFR 240.10b-6, 10b-7, and 10b-8) to certain subsidiaries of CS Holding when subsidiaries of CS Holding participate in distributions

of securities in the United States. These exemptions are significant because they address the application of the Trading Practices Rules to a universal bank, i.e., non-U.S. entities that engage in both commercial and investment banking activities; and rely on the establishment, maintenance, enforcement, and audit of information barriers to insulate the activities of affiliated entities. (TP File No. 94-267)

EXEMPTION FROM RULE 10b-10(a)(8)

On March 30, the Commission, acting by delegated authority, granted to all brokers and dealers, an exemption until October 2, 1995, from the requirement under paragraph (a)(8) of amended Rule 10b-10 to disclose that a debt security (other than a government security) is not rated by a nationally recognized statistical rating organization, if that is the case. The Commission also granted an exemption, until October 2, 1995, from the disclosure requirements of paragraphs (a)(7) (requiring certain disclosures related to asset-backed securities) and (a)(9) (requiring disclosure if a broker-dealer is not a member of the Securities Investor Protection Corporation) of the amended rule, for transactions in which broker-dealers meet their Rule 10b-10 obligations through delivery of electronic confirmations issued by The Depository Trust Company's Institutional Delivery system. For further information contact: Catherine McGuire, Chief Counsel, Division of Market Regulation, or Jack Drogin, Senior Counsel, Division of Market Regulation (202/942-0073).

ENFORCEMENT PROCEEDINGS

ROBERT DOVIAC, II SENTENCED

The Commission and the United States Attorney for the Northern District of Texas announced that on March 28 Robert F. Doviak, II (Doviak) was sentenced to 27 months in federal prison with three years supervised release, and fined \$50,000. Doviak was indicted December 8, 1994 on one count of securities fraud in the offer and sale of limited partnership interests in Doviak Partners, Ltd. The indictment was based on the same activities alleged in the Commission's complaint for civil injunctive action filed against him on March 4, 1993. In that complaint, the Commission alleged that Doviak raised over \$4 million in sales of limited partnership interests, and diverted over \$1 million either to himself or to fund the broker-dealer firm he controlled. On September 15, 1993, Doviak consented to the entry of a permanent injunction which enjoins him from future violations of the federal securities laws. [U.S. v. Robert F. Doviak, II, 3:94CR-423-G, USDC/ND TX, Dallas] (LR-14453)

JUDGMENTS OF PERMANENT INJUNCTION, DISGORGEMENT AND PENALTIES ENTERED AGAINST GILBERT SCHWARTZBERG AND ARDEN FRANKLIN

On March 31, Judgments of Permanent Injunction and Other Relief were entered against defendants Gilbert N. Schwartzberg (Schwartzberg) and Arden Franklin (Franklin), permanently enjoining them from various violations of the antifraud, reporting and books and records provisions of the Securities Act and Exchange Act. Defendants Schwartzberg and Franklin consented to the entry of the Judgments and agreed to pay disgorgement, prejudgment interest and penalties, in the amounts of \$1 million and \$20,185, respectively.

The Commission's complaint alleges, among other things, that Schwartzberg and Franklin falsified and caused others to falsify L.A. Gear, Inc.'s (LA Gear's) books and records in order to overstate LA Gear's earnings by 40% for the quarter ended February 28, 1990. After LA Gear published its overstated earnings, Schwartzberg and Franklin sold LA Gear stock at artificially inflated prices, in violation of the antifraud provisions. [SEC v. Gilbert N. Schwartzberg and Arden Franklin, Civil Action no. 95-2046, MRP, MCX, C.D. Cal.] (LR-14454; AAE Rel. 658)

ADMINISTRATIVE PROCEEDING INSTITUTED AGAINST MARTIN GREENSTEIN

On March 24, the Commission instituted an administrative proceeding against Martin Greenstein pursuant to Rule 2(e)(3) of the Commission's Rules of Practice, based on the entry of a permanent injunction against Greenstein. Greenstein consented to the entry of an administrative order barring him from practice as an accountant pursuant to Rule 2(e) of the Commission's Rules of Practice.

Greenstein was previously enjoined from violating Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 and Rules 10b-5 and 13b2-1 thereunder (SEC v. Greenstein, Civ. No. 95-2012, LMM, SDNY). The Commission's complaint alleged that between 1989 and 1992 Greenstein participated in a scheme to misstate PSI's financial statements. The scheme involved filing financial statements that materially misstated PSI's income, among other things. As a result of the scheme, PSI reported materially misstated financial information in the company's Forms 10-K for the fiscal years ended on February 28, 1989, 1990, and 1991. The complaint alleged that Greenstein, PSI's auditor, participated in the scheme by assisting in falsifying PSI's books and records to support the misstatements of income PSI reported in its financial statements. The complaint also alleged that Greenstein signed unqualified auditors' reports when he had not audited PSI's financial statements, and knew that his false audit reports would be incorporated

<u>NAME</u>	<u>CIK NUMBER</u>	<u>FORMER GROUP</u>	<u>NEW GROUP</u>
NATTEM USA INC	729443	NONE	CF-10
NETCOM ON LINE COMMUNICATION SERVICES INC	909624	NONE	CF-10
NEW DOSKOCIL INC	938348	NONE	CF-06
NEW WORLD COMMUNICATION GROUP INC	916083	NONE	CF-10
NOEL GROUP INC	829269	NONE	CF-10
N-VIRO RECOVERY INC	895565	CF-10	CF-10
change to SYNAGRO TECHNOLOGIES INC	895565	CF-10	CF-10
OPPENHEIMER LANDMARK PROPERTIES LIQUIDATING TRUST	205741	CF-07	CF-10
OPTIONS CLEARING CORP	074751	NONE	CF-10
PACIFIC SUNWEAR OF CALIFORNIA INC	874841	NONE	CF-10
PARIS BUSINESS FORMS INC	789660	CF-06	CF-08
PATHFINDER CORP	757073	NONE	CF-10
PAXSON COMMUNICATIONS CORP	923877	NONE	CF-10
PENN OCTANE CORP	893813	NONE	CF-10
PEOPLES BANK CORP OF INDIANAPOLIS	796322	NONE	CF-10
PEOPLES FINANCIAL CORP	770460	NONE	CF-10
PHYSICIANS CLINICAL LABORATORY INC	890685	NONE	CF-10
PMC COMMERCIAL TRUST /TX	908311	NONE	CF-10
PROTECTION ONE INC	916230	NONE	CF-10
PS CAROLINAS BALANCED FUND LTD	724536	CF-07	REMOVE
QUICKRESPONSE SERVICES INC	906551	NONE	CF-10
REDWOOD EQUIPMENT LEASING INCOME FUND LP	857615	NONE	CF-10
RESIDENTIAL ASSET SECURITIES CORP	932858	NONE	CF-04
R H MACY & CO INC	794367	CF-10	CF-06
change to FEDERATED DEPARTMENT STORES INC /DE/	794367	CF-10	CF-06
SABER SOFTWARE CORP	862564	NONE	CF-10
SBC TECHNOLOGIES INC /DE/	812955	CF-06	REMOVE
SDO PARENT CO /CA	940170	NONE	CF-06
SEARCH EXPLORATION INC	853630	NONE	CF-10
SEDA SPECIALTY PACKAGING CORP	912034	NONE	CF-10
SELMER CO INC	918904	NONE	CF-10
SENSOR CONTROL CORP	806168	CF-07	CF-07
change to SAFETYTEK CORP	806168	CF-07	CF-07
SIMETCO INC	073967	CF-06	REMOVE
change to OHIO FERRO ALLOYS CORP /OH/	073967	CF-06	REMOVE
SIMMONS OUTDOOR CORP	907585	NONE	CF-10
SOFTWARE ETC STORES INC	883999	CF-10	REMOVE
SP VENTURES INC	927653	CF-04	CF-04
change to MCKESSON CORP	927653	CF-04	CF-04
STARCRAFT AUTOMOTIVE CORP	906473	NONE	CF-10
STARLOG FRANCHISE CORP	907435	NONE	CF-10
STRATASYS INC	915735	NONE	CF-10
SUSSEX VENTURES LTD	876320	CF-10	CF-10
change to AGRIBIOTECH INC	876320	CF-10	CF-10
SWEETWATER INC	914271	NONE	CF-10

<u>NAME</u>	<u>CIK NUMBER</u>	<u>FORMER GROUP</u>	<u>NEW GROUP</u>
TERMIFLEX CORP	726431	CF-07	REMOVE
TETRA TECH INC	831641	NONE	CF-10
UNIPHASE CORP /CA/	912093	NONE	CF-10
UNITED FINANCIAL BANKING COMPANIES INC	714286	CF-06	CF-09
UNITED VANGUARD HOMES INC /DE	021221	NONE	CF-10
UNITED WASTE SYSTEMS INC	879688	NONE	CF-10
UTI ENERGY CORP	912899	NONE	CF-10
VANDERBILT MORTGAGE & FINANCE INC	816512	NONE	CF-10
VERDIX CORP	722056	CF-06	CF-09
change to RATIONAL SOFTWARE CORP	722056	CF-06	CF-09
VIDEONICS INC	932113	NONE	CF-10
WALKER INTERNATIONAL INDUSTRIES INC	104224	CF-07	CF-09
WASHINGTON HOMES INC	104834	NONE	CF-10
WEGENER CORP	715073	CF-06	CF-07
WHAT A WORLD INC /DE/	931073	NONE	CF-10
WILLIAMS INDUSTRIES INC	107294	CF-05	CF-10
WILSHIRE TECHNOLOGIES INC	891762	NONE	CF-10
 TOTAL: 144			

RULES AND RELATED MATTERS

TRUST INDENTURE ACT OF 1939

The Commission has issued an order under Section 304(d) of the Trust Indenture Act of 1939 on an application by Anacomp, Inc. (Company) with respect to an indenture (Indenture) between the Company and The Bank of New York, as trustee, conditionally exempting specified provisions of the Indenture from the requirements of Section 314(d) of the Act. (Rel. 2330; File No. 22-26632)

ENFORCEMENT PROCEEDINGS

IN THE MATTER OF LEO EISENBERG

The Commission today announced the institution of administrative proceedings against Leo N. Eisenberg (Eisenberg). Simultaneously with the institution of the proceedings, the Commission accepted Eisenberg's

Offer of Settlement wherein, without admitting or denying the findings, the respondent consented to the issuance of a Commission Order which bakes findings and bars Eisenberg from association with any broker, dealer, investment company, investment adviser or municipal securities dealer.

The Commission's Order states that on January 20, 1995, Eisenberg was enjoined, on consent, by the United States District Court for the Southern District of New York from violations of 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 and Rule 10b-5 thereunder, arising from his participation in the manipulation of stocks in two initial public offerings. (Rel. 34-35545)

INVESTMENT COMPANY ACT RELEASES

SECURITY BENEFIT LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act granting exemptions to Security Benefit Life Insurance Company (SBL), T. Rowe Price Variable Annuity Account (SBL Separate Account), Pioneer National Life Insurance Company (SBL-NY), T. Rowe Price Variable Annuity Account of First Security Benefit Life Insurance and Annuity Company of New York (NY-Separate Account) and T. Rowe Price Investment Services, Inc. from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the Act. The order provides exemptions to the extent necessary to permit the deduction of a mortality and expense risk charge from the assets of SBL Separate Account and NY-Separate Account, and of any other separate account established in the future by SBL or SBL-NY in connection with the issuance and sale of certain variable annuity contracts, and annuity contracts that are substantially similar in all material respects to such contracts; and pursuant to Section 11 of the 1940 Act, approving the terms of a payment arrangement involving certain mutual funds and variable annuity contracts. (Rel. IC-20984 - April 4)

THE FIRST TRUST SPECIAL SITUATIONS TRUST, ET AL.

An order has been issued on an application filed by The First Trust Special Situations Trust, et al. under Sections 6(c) and 17(b) of the Investment Company Act for an exemption from Section 17(a) of the Act. The order permits a terminating series of a unit investment trust to sell portfolio securities to a new series of the trust. (Rel. IC-20985 - April 4)

ML VENTURE PARTNERS II, L.P., ET AL.

An order has been issued under Section 57(c) of the Investment Company Act granting an exemption from Section 57(a)(2) of the Act to ML Venture Partners II, L.P., Merrill Lynch, Pierce, Fenner & Smith Incorporated (Merrill Lynch), and Donaldson, Lufkin & Jenrette Securities Corporation (DLJ) permitting the sale of shares of common stock of Corporate Express, Inc. by MLVP II in underwritings in which Merrill Lynch and/or DLJ are members of the underwriting syndicate. (Rel. IC-20986 - April 4)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change submitted by the Pacific Stock Exchange (SR-PSE-95-08) to adopt Commentary .02 to its rules on short interest reporting. (Rel. 34-35551)

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change filed by the American Stock Exchange (SR-Amex-94-57) relating to three day settlement of securities transactions. Publication of the approval order is expected in the Federal Register during the week of April 3. (Rel. 34-35553)

The Commission approved a proposed rule change filed by the Chicago Board Options Exchange (SR-CBOE-94-40) relating to three day settlement of securities transactions. Publication of the approval order is expected in the Federal Register during the week of April 3. (Rel. 34-35558)

PROPOSED RULE CHANGE

The New York Stock Exchange filed a proposed rule change (SR-NYSE-95-10) to amend NYSE Rule 431, "Margins," to establish margin requirements for interest rate composites and for a variety of over-the-counter (OTC) options, including stock options, industry index options and broad-based index options, U.S. government and U.S. government agency debt securities, and corporate debt securities. Specifically, the NYSE proposes to establish initial and/or maintenance margin requirements for

short positions in OTC options overlying certain instruments which are equal to a specified percentage of the current value of the underlying component and the applicable multiplier, if any, plus any in-the-money amount. The required OTC option margin may be reduced by any out-of-the money amount, but may not be less than the minimum amount specified for each option category. Publication of the notice is expected in the Federal Register during the week of April 3. (Rel. 34-35555)

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 BCB FINANCIAL SERVICES CORP /PA/, 400 WASHINGTON ST, PO BOX 1097, READING, PA 19603 (610) 376-5933 - 24,801 (\$272,811) COMMON STOCK. (FILE 33-90636 - MAR. 28) (BR. 1)

S-8 BCB FINANCIAL SERVICES CORP /PA/, 400 WASHINGTON ST, PO BOX 1097, READING, PA 19603 (610) 376-5933 - 23,625 (\$259,875) COMMON STOCK. (FILE 33-90640 - MAR. 28) (BR. 1)

S-8 EVANS WITHYCOMBE RESIDENTIAL INC, 6991 E CAMELBACK RD, STE A-200, SCOTTSDALE, AZ 85251 (602) 840-1040 - 1,830,000 (\$36,256,875) COMMON STOCK. (FILE 33-90668 - MAR. 28) (BR. 5)

S-3 MARCAM CORP, 95 WELLS AVE, NEWTON, MA 02159 (617) 965-0220 - 383,333 (\$4,264,579.63) COMMON STOCK. (FILE 33-90670 - MAR. 28) (BR. 9)

S-3 HOLOGIC INC, 590 LINCOLN ST, WALTHAM, MA 02154 (617) 890-2300 - 28,021 (\$390,542.69) COMMON STOCK. (FILE 33-90674 - MAR. 28) (BR. 8)

S-4 LIVING CENTERS OF AMERICA INC, 15415 KATY FREEWAY, SUITE 800, HOUSTON, TX 77094 (713) 578-4700 - 6,696,500 (\$24,977,945) COMMON STOCK. (FILE 33-90676 - MAR. 28) (BR. 5)

F-6 SAINSBURY J PLC/ADR/, 16 WALL ST, C/O BANKERS TRUST CO, NEW YORK, NY 10015 (212) 250-2500 - 50,000,000 (\$2,500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-90678 - MAR. 28)

S-8 SANIFILL INC, 2777 ALLEN PARKWAY, STE 700, HOUSTON, TX 77019 (713) 942-6200 - 1,015,560 (\$23,573,633.25) COMMON STOCK. (FILE 33-90680 - MAR. 28) (BR. 8)

S-1 SINCLAIR BROADCAST GROUP INC, 2000 WEST 41ST ST, BALTIMORE, MD 21211 (410) 467-5005 - 4,312,500 (\$90,562,500) COMMON STOCK. (FILE 33-90682 - MAR. 28) (BR. 7)