COMMISSION ANNOUNCEMENTS

COMMISSION STAFF ISSUES LETTERS CONCERNING THE IMPLEMENTATION OF AMENDMENTS TO RULE 15c2-12

The Commission today announced the issuance of five Commission staff no-action letters recognizing applicants as Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934. NRMSIRs will receive official statements, annual financial information, and notices of material events from issuers of municipal securities, and make this information available to the public. (Press Rel. 95-116)

ENFORCEMENT PROCEEDINGS

NASD FINAL ACTION AGAINST PATRICK O'CONNOR AND MATTHEW FLEEGER SET ASIDE AND NASD ORDERED TO PERMIT O'CONNOR TO ASSOCIATE WITH AN NASD MEMBER

The Commission has set aside National Association of Securities Dealers, Inc. (NASD) actions taken with respect to two individuals, Patrick Joseph O'Connor of East Meadow, New York, and Matthew Harris Fleeger of Dallas, Texas. The Commission further ordered the NASD to permit O'Connor's association with an NASD member.

The NASD had denied the application of an NASD member to permit O'Connor's association with that firm as a registered representative. Exercising its authority to prohibit the association with NASD members of individuals who have been criminally convicted, the NASD denied the application on the basis of O'Connor's 1991 plea of guilty in a New York
state court to the charge of criminal sale of cocaine. With respect to Fleeger, a registered representative of another NASD member, the NASD, exercising this same authority, revoked Fleeger's registration and terminated his association with that firm. In 1992, Fleeger had pled guilty in a Texas state court to the charge of felony conspiracy to possess cocaine and no contest to the charge of felony sexual assault; both pleas were entered pursuant to Texas's deferred adjudication statute.

In its review, the Commission was required to determine, among other things, whether the actions were taken in accordance with NASD rules. The Commission concluded that the actions were not, and therefore that they must be set aside. The NASD's By-Laws specify that persons are subject to "disqualification" if they have been convicted of "any felony or misdemeanor which involves [or] . . . arises out of" one or more types of specified conduct. The offenses of drug sale, drug possession, and sexual assault are not included among the types of conduct specified in the By-Laws. (Rel. 34-35857 - Patrick Joseph O'Connor; 34-35861 - Matthew Harris Fleeger)

COMMISSION INSTITUTED PROCEEDINGS AGAINST VICTOR STREVEL

The Commission instituted proceedings pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 (Exchange Act) against Victor H. Strevel (Strevel), formerly associated with First Alliance Securities, Inc., a now defunct penny stock broker-dealer headquartered in Atlanta, Georgia. Strevel pled guilty on November 18, 1993, in the U.S. District Court for the Northern District of Georgia, to one count of conspiracy and twelve counts of securities fraud. The information to which Strevel pled guilty alleged that, as the "trading department liaison", he made and caused the sales staff to make material misrepresentations and omissions to customers concerning the stock First Alliance promoted, coached the sales staff in high pressure sales tactics, assisted in setting the fraudulent, arbitrary prices for stock First Alliance sold, enforced the firm's no-net-selling policy, and caused First Alliance brokers to make unauthorized purchases in customer accounts. The information further alleged that Strevel bought First Alliance penny stocks from the firm through two nominee accounts and sold them back shortly thereafter at substantially higher prices, thereby earning a profit of $121,459 and providing the firm a fraudulent basis for charging unsuspecting customers even higher prices. (Rel. 34-35858)

RULE 2(e) PROCEEDINGS INSTITUTED AGAINST DUANE MIDGLEY, CPA

The Commission announced the institution of public administrative proceedings pursuant to Rule 2(e) of the Commission's Rules of Practice against Duane V. Midgley, CPA, to determine whether he engaged in improper professional conduct with respect to his audits of the financial statements of Softpoint, Inc. for the years ended August 31, 1992 and August 31, 1993.
The Order Instituting Administrative Proceedings alleges that Midgley failed to perform his audits of Softpoint's fiscal 1992 and 1993 financial statements in accordance with generally accepted auditing standards (GAAS). Specifically, the Order alleges that Midgley's audit reports stated that Softpoint's fiscal 1992 and 1993 financial statements were presented in accordance with generally accepted accounting principles (GAAP), when, in fact, they were not, and that Midgley improperly issued unqualified audit reports. The Order further alleges that, in the course of auditing Softpoint's fiscal 1992 and 1993 financial statements, Midgley failed to adequately plan his audits; obtain sufficient competent evidential matter; and exercise due professional care.

A hearing will be scheduled to take evidence on the staff's allegations and to afford Midgley an opportunity to present any defenses. The purpose of the hearing is to determine whether the allegations are true and whether Midgley should be denied the privilege of appearing or practicing before the Commission. (Rel. 34-35859; AAE Rel. 680)

COMMISSION SUSTAINS NASD ACTION AGAINST KEITH DESANTO

The Commission has sustained NASD disciplinary action against Keith L. DeSanto of New York City. DeSanto was a salesman for R.H. Damon & Co., Inc., a former NASD member firm. The NASD censured DeSanto, fined him $15,000, suspended him for five days, and required him to requalify in all capacities within 60 days or be suspended until requalified.

The Commission found that DeSanto effected unauthorized transactions in two customer accounts. In sustaining the sanctions assessed by the NASD, it characterized DeSanto's conduct as "a fundamental betrayal of the duty owed by a salesman to his customers." (Rel. 34-35860)

CEASE-AND-DESIST PROCEEDINGS INSTITUTED AGAINST SCOTT BEDFORD

The Commission today announced the entry of an Order Instituting Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934 (Exchange Act), Making Findings, and Imposing Remedial Sanctions containing findings that Scott Bedford (Bedford) violated Sections 10(a) and 10(b) of the Exchange Act and Rule 10b-21 thereunder [17 C.F.R. § 240.10b-21, originally adopted as 17 C.F.R. § 240.10b-21(T)]. Simultaneous with the institution of these proceedings, the Commission accepted Bedford's Offer of Settlement in which he, without admitting or denying the findings, consented to the entry of a Cease and Desist Order and agreed to the disgorgement of illegal profits.

The Commission found that Bedford, with respect to two public offerings, sold securities short during the period after the registration statement was filed, but before the offered shares became publicly available, and subsequently covered the short positions with securities purchased in the public offerings, violating Sections 10(a) and 10(b) of the Exchange Act and Rule 10b-21 thereunder. The Commission further found that Bedford realized illegal profits in the amount of $11,137.50 and ordered him to disgorge those profits, plus prejudgment interest thereon. (Rel. 34-35887)
SAUL FOOS PERMANENTLY ENJOINED

The Commission announced that on June 19 Judge John F. Grady of the United States District Court for the Northern District of Illinois entered an Order of Permanent Injunction (Order) against Saul Foos (Foos) enjoining him from further violations of the registration and antifraud provisions of the federal securities laws and ordering disgorgement of $7.2 million. No civil penalty was imposed and disgorgement was waived, however, based upon Foos' demonstrated inability to pay. Foos consented, without admitting or denying the allegations in the Commission's complaint, to the entry of the Order.

The Commission's complaint, filed on January 4th, 1995, alleged that from 1987 until November 1993, Foos operated a "Ponzi" scheme involving over 100 investors and raising over $20 million in proceeds. In connection therewith, Foos made misrepresentations and omissions of material facts concerning the nature of the investments, the use of investor proceeds, the returns to be generated, the legitimacy of the investments and the risks involved. As a part of this scheme, Foos misappropriated approximately $7.2 million from investors. [SEC v. SAUL FOOS, N.D. Illinois., Civil Action No. 95C-0034] (LR-14543)

INVESTMENT COMPANY ACT RELEASES

SMITH BARNEY SHEARSON SMALL CAPITALIZATION FUND

A notice has been issued giving interested persons until July 17 to request a hearing on an application filed by Smith Barney Shearson Small Capitalization Fund an order under Section 8(f) of the Investment Company Act declaring that it has ceased to be an investment company. (Rel. IC-21158 - June 22)

SMITH BARNEY SHEARSON WORLDWIDE PRIME ASSETS FUND

A notice has been issued giving interested persons until July 17 to request a hearing on an application filed by Smith Barney Shearson Worldwide Prime Assets Fund an order under Section 8(f) of the Investment Company Act declaring that it has ceased to be an investment company. (Rel. IC-21159 - June 22)

SMITH BARNEY SHEARSON SHORT-TERM WORLD INCOME FUND

A notice has been issued giving interested persons until July 17 to request a hearing on an application filed by Smith Barney Shearson Short-Term World Income Fund an order under Section 8(f) of the Investment Company Act declaring that it has ceased to be an investment company. (Rel. IC-21160 - June 22)
ASA LIMITED

A notice has been issued giving interested persons until July 18 to request a hearing on an application filed by ASA Limited for an order under Section 7(d) of the Investment Company Act. The order would allow applicant, a South African company registered as an investment company in the United States, to appoint Chase Manhattan Bank, N.A. as its custodian and to authorize Chase to appoint Standard Bank of South Africa as applicant's subcustodian. The order would supersede prior orders with respect to applicant's custodial arrangements. (Rel. IC-21161 - June 23)

SECURITY EQUITY LIFE INSURANCE COMPANY, ET AL.

An order has been issued on an application filed by Security Equity Life Insurance Company, Security Equity Separate Accounts 26 and 27 (Separate Accounts), and G.T. Global Financial Services, Inc. under Section 6(c) of the Investment Company Act exempting applicants from Sections 26(a)(2)(C) and 27(c)(2) of the Act to permit the deduction of a mortality and expense risk charge from the assets of the Separate Accounts in connection with the offering of certain flexible premium variable deferred annuity contracts. (Rel. IC-21162 - June 23)

GOC FUND, INC.

A notice has been issued giving interested persons until July 18 to request a hearing on an application filed by GOC 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-21163 - June 23)

HOLDING COMPANY ACT RELEASES

ENERGY INITIATIVES, INC., ET AL.

A supplemental order has been issued authorizing a proposal by Energy Initiatives, Inc. (EI) and NCP Energy, Inc. (NCP), each a nonutility subsidiary of General Public Utilities Corporation, a registered holding company. By prior Commission order, NCP was authorized to distribute to EI, by way of a dividend, substantially all of NCP's assets. NCP now proposes to issue and declare the dividend at any time and from time to time on or before December 31, 1995. (Rel. 35-26316)
SELF-REGULATORY ORGANIZATIONS

WITHDRAWAL GRANTED

An order has been issued granting the application of Pure Tech International, Inc. to withdraw from listing and registration its Common Stock, $.01 Par Value, on the Boston Stock Exchange. (Rel. 34-35878)

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until July 14 to comment on the application of Air-Cure Environmental, Inc. to withdraw its Common Stock, $.001 Par Value, Redeemable Warrants, from listing and registration on the Boston Stock Exchange. (Rel. 34-35883)

DELISTINGS GRANTED

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration The Harvey Group Inc., Common Stock, $1 Par Value. (Rel. 34-35884)

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Clark Equipment Company, Common Stock, $7.50 Par Value. (Rel. 34-35885)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The Commission is publishing notice of a proposed rule change by the Municipal Securities Rulemaking Board that has become effective pursuant to Section 19(b)(3)(A) of the Act (SR-MSRB-95-11). The filing provides interpretative guidance concerning MSRB Rule G-37 on political contributions and prohibitions on municipal securities business. Publication of the notice in the Federal Register is expected during the week of June 26. (Rel. 34-35879)

ACCELERATED APPROVAL OF A PROPOSED RULE CHANGE AND ACCELERATED APPROVAL OF AMENDMENTS

The Commission has granted accelerated approval of a proposed rule change (SR-Amex-95-20) and Amendment Nos. 1 and 2 to the proposed rule change filed by the American Stock Exchange relating to the listing and trading of indexed term notes. Publication of the notice and approval order is expected in the Federal Register during the week of June 26. (Rel. 34-35886)
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-1 PREFERRED TELECOM INC, 4801 SPRING VALLEY RD, STE 118B, DALLAS, TX 75244 (214) 458-9950 - 600,000 ($24,000) COMMON STOCK. (FILE 33-92894 - JUN. 15) (BR. 7 - NEW ISSUE)

S-8 CELL GENESYS INC, 322 A LAKESIDE DR, FOSTER CITY, CA 94404 (415) 358-9600 - 700,000 ($3,500,000) COMMON STOCK. (FILE 33-92896 - JUN. 16) (BR. 4)

S-1 USA DETERGENTS INC, 1735 JERSEY AVE, NORTH BRUNSWICK, NJ 08902 (908) 828-1800 - 2,415,000 ($31,395,000) COMMON STOCK. UNDERWRITER: PAINENWEBBER INC, PRUDENTIAL SECURITIES INC. (FILE 33-93488 - JUN. 15) (BR. 1 - NEW ISSUE)

S-1 CROWN PAPER CO, 300 LAKESIDE DR, 14TH FL, OAKLAND, CA 94612 (510) 874-3400 - 250,000,000 ($250,000,000) STRAIGHT BONDS. (FILE 33-93494 - JUN. 15) (BR. 8 - NEW ISSUE)

SB-2 MECKLERMEDIA CORP, 20 KETCHUM STREET, WESTPORT, CT 06880 (203) 226-6967 - 948,750 ($28,756,612.50) COMMON STOCK. (FILE 33 93498 - JUN. 15) (BR. 6)

SB-2 SEMICONDUCTOR PACKAGING MATERIALS CO INC, 431 FAYETTE AVENUE, MANARONECK, NY 10543 (914) 698-5355 - 1,725,000 ($16,171,875) COMMON STOCK. (FILE 33-93502 - JUN. 16) (BR. 6)

S-8 NU PIZZA HOLDING CORP, 1428 BRICKELL AVE, MIAMI, FL 33131 (305) 536-2400 - 600,000 ($300,000) COMMON STOCK. (FILE 33-93508 - JUN. 15) (BR. 12)

S-8 CORSaire SNOWBOARD INC, 267 EAST 1ST ST, N VANCOUVER BC CANADA V71 1B4, A1 (614) 888-6200 - 110,000 ($1,650) COMMON STOCK. (FILE 33-93510 - JUN. 15) (BR. 8)

S-3 BAY NETWORKS INC, 4401 GREAT AMERICA PKWY, SANTA CLARA, CA 95054 (408) 988-2400 - 3,591,318 ($144,550,549.50) COMMON STOCK. (FILE 33-93512 - JUN. 16) (BR. 10)

S-1 MACKIE DESIGNS INC, 16220 WOOD RED RD NE, WOODINVILLE, WA 98072 (206) 487-4333 - 2,875,000 ($34,500,000) COMMON STOCK. (FILE 33-93514 - JUN. 16) (BR. 3 - NEW ISSUE)

S-3 WINSTON HOTELS INC, 2209 CENTURY DR, SUITE 300, RALEIGH, NC 27612 (919) 510-6010 - 838,070 ($8,328,320.65) COMMON STOCK. (FILE 33-93516 - JUN. 16) (BR. 6)

S-8 CHECKMATE ELECTRONICS INC, 1003 MANSSELL RD, STE C, ROSWELL, GA 30076 (404) 594-6000 - 900,000 ($8,910,000) COMMON STOCK. (FILE 33-93520 - JUN. 15) (BR. 10)
REGISTRATIONS CONT.

S-8  INTEGRATED SILICON SYSTEMS INC, PO BOX 13665, STE 240, RTP, NC 27709 (919) 941-6600 - 1,000,000 ($30,875,000) COMMON STOCK. (FILE 33-93522 - JUN. 15) (BR. 10)

S-8  ISOLYSER CO INC /GA/, 4320 INTERNATIONAL BLVD NW, NORCROSS, GA 30093 (404) 381-7566 - 150,000 ($4,200,000) COMMON STOCK. (FILE 33-93524 - JUN. 15) (BR. 8)

S-8  ISOLYSER CO INC /GA/, 4320 INTERNATIONAL BLVD NW, NORCROSS, GA 30093 (404) 381-7566 - 15,000 ($420,000) COMMON STOCK. (FILE 33-93528 - JUN. 15) (SR. 8)

S-8  AGTSPORTS INC, 6890 S TUCSON WY, STE 202, ENGLEWOOD, CO 80112 (303) -792-250 - 450,000 ($450,000) COMMON STOCK. (FILE 33-93530 - JUN. 15) (BR. 11)

S-8  ROYCE LABORATORIES INC /FL/, 5350 N W 165TH STREET, MIAMI, FL 33014 (305) 624-1500 - 103,322 ($736,240.50) COMMON STOCK. (FILE 33-93532 - JUN. 14) (BR. 4)

S-3  GRAFF PAY PER VIEW INC /DE/, 536 BROADWAY, NEW YORK, NY 10012 (212) 941-1434 - 3,727,257 ($31,681,684.50) COMMON STOCK. (FILE 33-93534 - JUN. 15) (BR. 7)

SB-2  U S DIAGNOSTIC LABS INC, 777 SOUTH FLAGLER DRIVE, SUITE 1104, WEST TOWER, WEST PALM BEACH, FL 33401 (407) 832-0006 - 5,357,500 ($47,051,250) COMMON STOCK. (FILE 33-93536 - JUN. 16) (BR. 5 - NEW ISSUE)

S-8  SOMANETICS CORP, 1653 E MAPLE ROAD, TROY, MI 48083 (313) 689-3050 - 1,500,000 ($1,902,593.75) COMMON STOCK. (FILE 33-93538 - JUN. 16) (BR. 8)

S-3  SUMMIT PROPERTIES INC, 212 SOUTH TRYON ST, STE 500, CHARLOTTE, NC 28281 (704) 334-9905 - 1,650,000 ($28,771,875) COMMON STOCK. (FILE 33-93540 - JUN. 16) (BR. 5)

S-8  NEW ENVOY INC, TWO LAKEVIEW PLACE STE 600, 15 CENTURY BLVD, NASHVILLE, TN 37214 (615) 885-3700 - 1,060,000 ($7,950,000) COMMON STOCK. (FILE 33-93542 - JUN. 16) (BR. 10)

S-8  CHILDREN'S BROADCASTING CORPORATION, 724 1ST ST N, 4TH FLOOR, MINNEAPOLIS, MN 55401 (612) 338-3300 - 756,750 ($4,067,531) COMMON STOCK. (FILE 33-93546 - JUN. 16) (BR. 7)

S-2  NESTOR INC, ONE RICHMOND SQ, PROVIDENCE, RI 02906 (401) 331-9640 - 2,329,742 ($3,494,613) PREFERRED STOCK. 1,485,496 ($2,810,680) COMMON STOCK. (FILE 33-93548 - JUN. 16) (BR. 9)

S-8  NABISCO HOLDINGS CORP, 7 CAMPUS DR, PARSIPPANY, NJ 07054 (201) 682-5000 - 800,000 ($21,150,000) COMMON STOCK. (FILE 33-93550 - JUN. 16) (BR. 3)