RULES AND RELATED MATTERS

DELEGATION OF AUTHORITY TO ADMINISTER FUNCTIONS

The Commission announced the adoption of Rules 19c and 30-18 of its Rules of Organization and Program Management to delegate responsibility for the examination and inspection of brokers, dealers, transfer agents, self-regulatory organizations, investment companies, and investment advisers to Office of Compliance Inspections and Examinations, and to establish the administrative and substantive responsibilities of the Office. (Rel. 34-36031)

ENFORCEMENT PROCEEDINGS

IN THE MATTER OF RICHARD MORROW

In an Initial Decision released on July 25 Securities and Exchange Commission Administrative Law Judge Burton S. Kolko ordered that Totowa, New Jersey registered representative Richard H. Morrow cease and desist from committing any violation or causing any future violation of Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(c) of the Securities Exchange Act of 1934 and Rules 10b-5, 10b-9 and 15c1-2 thereunder. These laws prohibit misrepresenting or omitting material facts in connection with the offer, purchase, or sale of securities.
Judge Kolko further ordered that Morrow be suspended from association with any broker, dealer, municipal securities dealer, investment company, or investment adviser for a period of sixty (60) days. Morrow is currently associated with Sun America Securities.

As a registered representative with Anchor National Financial Services, Morrow offered and sold limited partnership units to thirteen clients of a mini-max offering of Park Florida Associates, Ltd. after the closing date of January 31, 1990. Park Florida was sponsor of a private placement offering to raise capital for a strip mall real estate development project near Tampa, Florida. The funds were improperly escrowed and misappropriated by another individual, and the Park Florida investors lost approximately $575,000 of their investments.

Judge Kolko found Morrow negligent in not investigating whether the offering deadline had been extended. Had Morrow properly inquired as to whether the deadline had been extended, and had refrained from selling after the deadline, his clients would have avoided the loss of their investment funds.

Judge Kolko also found that Morrow failed to disclose adequately to his clients that he was to receive a selling commission based on the total amount he raised through his investors. (Initial Decision No. 70)

CEASE AND DESIST ORDER ENTERED AGAINST KURZWEIL APPLIED INTELLIGENCE, INC.

The Commission announced the entry of an Order instituting proceedings pursuant to Section 8A of the Securities Act (Securities Act) and Section 21C of the Securities Exchange Act (Exchange Act), making findings and issuing a cease-and-desist order against Kurzweil Applied Intelligence, Inc. (KAI). The Order finds that, between January 1992 and May 1994, four former senior KAI executives engaged in a scheme to inflate KAI’s revenues and income. As a result of the scheme, KAI overstated revenue by $2.76 million (25%) and reported net income of $154,000 instead of a loss of $2.29 million for the fiscal year ended January 31, 1993. For the nine months ended October 31, 1993, KAI overstated revenue by $5.74 million (76%) and reported net income of $649,000 instead of a loss of $5.52 million. The fraudulent operating results were included in KAI’s Form 5-1 registration statement for its initial public offering in August 1993 and in quarterly reports filed with the Commission. The Order finds that KAI violated Section 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, 13a-13 and 13b2-1. KAI was ordered to cease and desist from future violations of the cited statutes and rules. KAI consented, without admitting or denying the findings, to entry of the Order. (Rel. 33-7198; 34-36021; AAE Rel. 689)
TRACY SPADARO MAYNARD, NORMA LEGER AND CATHERINE ACKLEY ORDERED TO CEASE AND DESIST

The Commission announced the entry of an Order instituting public proceedings pursuant to Section 21C of the Securities Exchange Act (Exchange Act), making findings and issuing a cease-and-desist order (Order) against Tracy Spadaro Maynard (Spadaro), Norma A. Leger (Leger) and Catherine A. Ackley (Ackley). The Order finds that Spadaro, Leger and Ackley, who at the time were employed in accounting positions at Kurzweil Applied Intelligence (KAI), removed and shredded documents to conceal the existence of fraudulent transactions from KAI’s auditors. The Order also finds that Spadaro, Leger and Ackley destroyed these documents in preparation for, or during the course of, the annual audit of the KAI financial statements for the year ended January 31, 1994. Spadaro, Leger and Ackley each consented, without admitting or denying the findings, to the issuance of the Order finding that each of them violated Section 13(b)(5) of the Exchange Act and Rule 13b2-1. The Commission’s Order requires Spadaro, Leger and Ackley to cease and desist from future violations of the statute and rule. (Rel. 34-36022; AAE Rel. 690)

JUDGMENTS ENTERED AND ADMINISTRATIVE SANCTIONS IMPOSED AGAINST CARMEN ELIO AND FANEUIL HALL SECURITIES, INC.

The Commission announced that on July 20 the District Court for the District of Massachusetts entered final judgments by consent against Carmen W. Elio and Faneuil Hall Securities, Inc. Elio was enjoined from future violations of Section 17(a)(1) and (2) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, and Sections 203(a) and 206(1) and (2) of the Investment Advisers Act of 1940 (Advisers Act); Faneuil Hall Securities was enjoined from violations of Sections 204, 206(1) and (2) and 207 of the Advisers Act and Rules 204-1 and 204-3. The Court did not impose disgorgement or penalties based on defendants’ inability to pay.

The complaint alleged that Elio and Faneuil Hall Securities defrauded their clients by recommending certain securities and investment advisory services, offered by Aetna Life Insurance Company, Aetna Capital Management, Inc. and Lombard Odier International Portfolio Management Limited, without disclosing that Elio received fees to solicit investments in those products and services.

The Commission also announced that it entered an order instituting administrative proceedings against Elio and Faneuil Hall Securities by consent. The Order permanently bars Elio from association with any broker, dealer, investment company, investment adviser, or municipal securities dealer and revokes Faneuil Hall Securities’ investment adviser registration. [SEC v. Carmen W. Elio and Faneuil Hall Securities, Inc., No. 93 Civ. 12401, D. Mass.] (LR-14579)
HOLDING COMPANY ACT RELEASES

LOUISIANA POWER & LIGHT COMPANY

A notice has been issued giving interested persons until August 21 to request a hearing on a proposal by Louisiana Power Light & Company (LP&L), an electric public-utility subsidiary company of Entergy Corporation, a registered holding company, to issue and sell, through December 31, 1997, one or more new series of LP&L's: first mortgage bonds up to an aggregate principal amount of $610 million (FMBs), and preferred stock, either $25 or $100 par value, up to an aggregate principal amount of $123.5 million. In addition, LP&L proposes to enter into arrangements to finance or refinance pollution control facilities through the issuance of tax-exempt revenue bonds up to an aggregate principal amount of $65 million, including the possible issuance and pledge of one or more series of FMBs up to an aggregate principal amount of $75 million to be used as collateral for the tax-exempt revenue bonds. (Rel. 35-26344)

AEP GENERATING COMPANY, ET AL.

A notice has been issued giving interested persons until August 21 to request a hearing on a proposal by Indiana Michigan Power Company (I&M), a public-utility subsidiary company of American Electric Power Company, a registered holding company, and its associate companies, AEP Generating Company, Appalachian Power Company, Columbus Southern Power Company, Kentucky Power Company, and Ohio Power Company. I&M proposes to modify the method of calculating the cost of capital applicable to its investment in the River Transportation Division. (Rel. 35-26344)

NATIONAL FUEL GAS COMPANY

A notice has been issued giving interested persons until August 21 to request a hearing on a proposal by National Fuel Gas Company, a registered holding company, to issue and sell up to one million additional shares of its common stock, from time to time through October 31, 2000, to its Customer Stock Purchase Plan. (Rel. 34-26344)

NORTHEAST UTILITIES

A notice has been issued giving interested persons until August 21 to request a hearing on a proposal by Northeast Utilities (NU), a registered holding company, and its subsidiary service company, Northeast Utilities Service Company, to increase the number of common
shares that NU may issue and sell for non-employee trustee compensation, from time to time, from 15,000 shares to 50,000 shares and to extend the period in which it may issue the shares from April 30, 2002 to April 30, 2005. (Rel. 35-26344)

OHIO POWER COMPANY

A notice has been issued giving interested persons until August 21 to request a hearing on a proposal by Ohio Power Company (OPCo), a public-utility subsidiary company of American Electric Power Company, a registered holding company. OPCo proposes to modify the method of calculating the cost of capital applicable to its investment in the Cook Coal Terminal. (Rel. 35-26344)

SELF-REGULATORY ORGANIZATIONS

DELISTINGS GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Home Holding Inc., Common Stock, $.01 Par Value. (Rel. 34-36033)

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Rhone-Poulenc S.A., American Depositary Shares (Each representing 1/4th of a Participation Share, Series A). (Rel. 34-36034)

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 STRATOSPHERE CORP, 2000 LAS VEGAS BLVD SOUTH, LAS VEGAS, NV 89104
(702) 383-5298 - 150,000 ($1,031,250) COMMON STOCK. (FILE 33-94794 - JUL. 20) (BR. 12)

SB-2 FRONTIER AIRLINES INC /CO/, 12015 EAST 46TH AVE, DENVER, CO 80239
(303) 371-7000 - 1,870,500 ($7,474,445) COMMON STOCK. (FILE 33-94796 - JUL. 20) (BR. 3)

S-8 COLUMBUS REALTY TRUST, 15851 DALLAS PKWY, SUITE 855, DALLAS, TX 75248
(214) 387-1492 - 500,000 ($9,375,000) COMMON STOCK. (FILE 33-94798 - JUL. 20) (BR. 5)
REGISTRATIONS CONT.

S-3 HIGHWOODS PROPERTIES INC, 3100 SMOKETREE COURT, STE 700, RALEIGH, NC 27604 (919) 872-4924 - 4,025,000 ($102,637,500) COMMON STOCK. (FILE 33-94800 - JUL. 20) (BR. 5)

S-8 GLASGAL COMMUNICATIONS INC, 151 VETERANS DRIVE, NORTHVALE, NJ 07647 (201) 760-8082 - 850,000 ($2,106,700) COMMON STOCK. (FILE 33-94802 - JUL. 20) (BR. 9)

S-1 MINN DAK FARMERS COOPERATIVE, 7525 RED RIVER RD, WAPHETON, ND 58075 (701) 642-8400 - 95 ($23,750) COMMON STOCK. 20,200 ($37,370,000) PREFERRED STOCK. (FILE 33-94804 - JUL. 20) (BR. 3)

S-8 FERRARA FOOD COMPANY INC, 120 TICES LANE STE C, EAST BRUNSWICK, NJ 08816 (908) 651-7600 - 5,715 ($10,744.20) COMMON STOCK. (FILE 33-94806 - JUL. 20) (BR. 11)

S-8 CORNERSTONE IMAGING INC, 1710 FORTUNE DR, SAN JOSE, CA 95131 (408) 635-8900 - 350,000 ($6,300,000) COMMON STOCK. (FILE 33-94808 - JUL. 20) (BR. 9)

S-8 ASPECT TELECOMMUNICATIONS CORP, 1730 FOX DRIVE, SAN JOSE, CA 95131 (408) 641-2200 - 1,000,000 ($44,125,000) COMMON STOCK. (FILE 33-94810 - JUL. 20) (BR. 7)

S-1 RIDE INC, 8160 304TH AVENUE SE, PRESTON, WA 98050 (206) 867-9860 - 2,300,000 ($33,143,000) COMMON STOCK. (FILE 33-94814 - JUL. 21) (BR. 11)

S-6 MUNICIPAL INVTR TR FD INSURED SERIES 226 DEFINED ASSET FUNDS, 450 LEXINGTON AVENUE, C/O DAVIS POLK & HARDWELL, NEW YORK, NY 10017 (NUL) L - - INDEFINITE SHARES. (FILE 33-61281 - JUL. 25) (NEW ISSUE)

S-8 COLONIAL DATA TECHNOLOGIES CORP, 80 PICKET DISTRICT RD, NEW MILFORD, CT 06776 (203) 355-3178 - 500,000 ($12,156,250) COMMON STOCK. (FILE 33-61283 - JUL. 25) (BR. 7)

S-8 JOHNSON WORLDWIDE ASSOCIATES INC, 1326 WILLOW RD, STURTEVANT, WI 53177 (414) 631-2100 - 10,000 ($241,250) COMMON STOCK. (FILE 33-61285 - JUL. 25) (BR. 11)

S-8 BURLINGTON NORTHERN INC/DE/, 3800 CONTINENTAL PLZ, 777 MAIN ST, FT WORTH, TX 76102 (817) 333-2000 - 300,000 ($20,325,000) COMMON STOCK. (FILE 33-61287 - JUL. 25) (BR. 5)

S-8 GREINER ENGINEERING INC, 909 E LAS COLINAS BLVD, STE 1900, IRVING, TX 75039 (214) 869-1001 - 250,000 ($2,720,000) COMMON STOCK. (FILE 33-61289 - JUL. 25) (BR. 9)

S-8 UNITED STATES CELLULAR CORP, 8410 W BRYN MAWR AVE, STE 700, CHICAGO, IL 60631 (312) 399-8900 - 200,000 ($6,550,000) COMMON STOCK. (FILE 33-61291 - JUL. 25) (BR. 7)

S-3 GOLDEN WEST FINANCIAL CORP./DE/, 1901 HARRISON STREET, OAKLAND, CA 94612 (510) 466-3420 - 300,000,000 ($300,000,000) STRAIGHT BONDS. (FILE 33-61293 - JUL. 25) (BR. 2)

S-3 VANGUARD CELLULAR SYSTEMS INC, 2002 PISGAH CHURCH RD STE 300, GREENSBORO, NC 27455 (919) 282-3690 (FILE 33-61295 - JUL. 25) (BR. 7)

S-3 BALTIMORE GAS & ELECTRIC CO, GAS & ELECTRIC BLDG, CHARLES CTR, BALTIMORE, MD 21201 (410) 783-5920 - 125,000,000 ($125,000,000) STRAIGHT BONDS. (FILE 33-61297 - JUL. 25) (BR. 7)

6  NEWS DIGEST, August 1, 1995
REGISTRATIONS CONT.

S-4  BENTON OIL & GAS CO, 1145 EUGENIA PL, STE 200, CARPINTERIA, CA 93013 (805) 566-5600 - 164,513 ($7,223,655) COMMON STOCK. (FILE 33-61299 - JUL. 25) (BR. 3)

S-3  AIRGAS INC, 100 WATSONFORD RD STE 550, 5 RADNOR CORPORATE CENTER, RADNOR, PA 19087 (215) 687-5253 - 120,000 ($5,172,560) COMMON STOCK. (FILE 33-61301 - JUL. 25) (BR. 1)

S-3  COMSTOCK RESOURCES INC, 5005 LBJ FRWY STE 1000, DALLAS, TX 75244 (214) 701-2000 - 925,000 ($3,873,438) COMMON STOCK. (FILE 33-61303 - JUL. 25) (BR. 4)

S-8  HOW INDUSTRIES INC, 414 EAST THIRD STREET - PO BOX 1109, MUSCATEME, IA 52761 (319) 264-7400 - 155,373 ($3,987,698) COMMON STOCK. (FILE 33-61305 - JUL. 26) (BR. 6)

S-3  CERNER CORP /MO/, 2800 ROCKCREEK PKWY-STE 601, KANSAS CITY, MO 64117 (816) 221-1024 - 3,956,000 ($123,872,250) COMMON STOCK. (FILE 33-61307 - JUL. 26) (BR. 9)

S-3  SIGNET BANK MARYLAND, 7 ST PAUL STST PAUL STS, BALTIMORE, MD 21201 (410) 332-5000 - 1,000,000 ($1,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-94846 - JUL. 21) (BR. 12 - NEW ISSUE)

S-3  CATERPILLAR FINANCIAL FUNDING CORP, GREENVIEW PLAZA, 2950 EAST FLAMINGO RD STE E, LAS VEGAS, NV 89121 (702) 892-0990 - 1,000,000 ($1,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-94848 - JUL. 21) (BR. 12 - NEW ISSUE)

S-1  CIT GROUP SECURITIZATION CORP II, 650 CIT DR, LIVINGSTON, NJ 07039 (201) 746-5000 - $500,000,000 STRAIGHT BONDS. $500,000 EQUIPMENT TRUST CERTIFICATES. UNDERWRITER: CS FIRST BOSTON, SOLONON BROTHERS INC. (FILE 33-94856 - JUL. 21) (BR. 12)

S-6  CARILLON LIFE ACCOUNT, 1876 WAYCROSS RD, PO BOX 40888, CINCINNATI, OH 45240 - INDEFINITE SHARES. (FILE 33-94858 - JUL. 21) (BR. 20 - NEW ISSUE)

S-4  GRANITE BROADCASTING CORP, 767 THIRD AVE 28TH FLR, NEW YORK, NY 10017 (212) 826-2530 - 175,000,000 ($175,000,000) STRAIGHT BONDS. (FILE 33-94862 - JUL. 21) (BR. 8)

F-3  NEWS AMERICA HOLDINGS INC, 1300 N MARKET ST STE 404, WILMINGTON, DE 19801 (302) 888-1615 - 1,000,000,000 STRAIGHT BONDS. (FILE 33-94866 - JUL. 24) (BR. 2)

F-3  NEWS AMERICA HOLDINGS INC, 1300 N MARKET ST STE 404, WILMINGTON, DE 19801 (302) 888-1615 - 1,000,000,000 STRAIGHT BONDS. (FILE 33-94868 - JUL. 24) (BR. 3)

S-1  COATES INTERNATIONAL LTD \DEV, HIGHWAY 34 & RIDGWOOD RD, WALL TOWNSHIP, NJ 07719 (908) 449-7717 - 475,600 ($6,577,548) PREFERRED STOCK. (FILE 33-94884 - JUL. 21) (BR. 4 - NEW ISSUE)

N-1A  NICHOLAS APPLEGATE SERIES TRUST, 600 WEST BROADWAY, 30TH FL, SAN DIEGO, CA 92101 - INDEFINITE SHARES. (FILE 33-94896 - JUL. 21) (BR. 16 - NEW ISSUE)

S-8  DONKENNY INC, 995 INDUSTRY ROAD, WYTHEVILLE, VA 24382 (540) 228-6181 - 100,000 ($2,325,000) COMMON STOCK. (FILE 33-94904 - JUL. 24) (BR. 7)

S-8  GRANCARE INC, ONE RAVINIA DRIVE SUITE 1500, ATLANTA, GA 30346 (404) 393-0199 - 213,989 ($3,610,449.69) COMMON STOCK. (FILE 33-94908 - JUL. 24) (BR. 5)
REGISTRATIONS CONT.

S-8 PROXIM INC /DE/, 295 NORTH BERNARDO AVE, MOUNTAIN VIEW, CA 94043 (415) 960-1630 - 350,000 ($3,056,850) COMMON STOCK. (FILE 33-94910 - JUL. 24) (BR. 10)

S-8 PROTOCOL SYSTEMS INC/NEW, 8500 S W CREEK SIDE PLACE, BEAVERTON, OR 97008 (503) 686-2500 - 225,000 ($2,137,500) COMMON STOCK. (FILE 33-94912 - JUL. 24) (BR. 8)

S-8 HIRSCH INTERNATIONAL CORP, 200 WIRELESS BOULEVARD, HAPPAUGE, NY 11788 (516) 436-7100 - 307,500 ($4,289,625) COMMON STOCK. (FILE 33-94914 - JUL. 24) (BR. 10)

S-3 CENTERPOINT PROPERTIES CORP, 401 N MICHIGAN AVE, STE 3000, CHICAGO, IL 60611 (312) 366-5600 - 200,000 ($4,012,500) COMMON STOCK. (FILE 33-94916 - JUL. 24) (BR. 5)

S-3 RENO AIR INC/NV/, 220 EDISON WAY, RENO, NV 89502 (702) 686-3835 - 765,448 ($5,526,534.56) COMMON STOCK. (FILE 33-94918 - JUL. 24) (BR. 3)

S-3 CENTERPOINT PROPERTIES CORP, 401 N MICHIGAN AVE, STE 3000, CHICAGO, IL 60611 (312) 366-5600 - 200,000 ($4,012,500) COMMON STOCK. (FILE 33-94916 - JUL. 24) (BR. 5)

S-8 GREAT FINANCIAL CORP, ONE FINANCIAL SQUARE, LOUISVILLE, KY 40202 (502) 587-8891 - 1,783,125 ($20,158,706.28) COMMON STOCK. (FILE 33-94934 - JUL. 24) (BR. 2)

S-8 MICRO LINEAR CORP/CA, 2092 CONCOURSE DRIVE, SAN JOSE, CA 95131 (408) 433-5200 - 760,000 ($11,868,600) COMMON STOCK. (FILE 33-94936 - JUL. 24) (BR. 3)

S-8 COUNTRY STAR RESTAURANTS INC, 11150 SANTA MONICA BLVD, STE 4060W, LOS ANGELES, CA 90025 (310) 653-5135 - 116,670 ($495,847.50) COMMON STOCK. (FILE 33-94938 - JUL. 24) (BR. 11)

S-3 CASE CORP, 700 STATE ST, RACINE, WI 53404 (414) 636-6011 - 9,000,000 ($290,812,500) COMMON STOCK. (FILE 33-94944 - JUL. 25) (BR. 4)

S-1 HCIA INC, 300 EAST LOMBARD ST, BALTIMORE, MD 21202 (410) 332-7532 - 2,645,000 ($76,043,750) COMMON STOCK. (FILE 33-94946 - JUL. 25) (BR. 9)

S-8 COOPER CAMERON CORP, 515 POST OAK BLVD, STE 1200, HOUSTON, TX 77027 (713) 513-3300 - 1,000,000 ($22,500,000) COMMON STOCK. (FILE 33-94948 - JUL. 25) (BR. 3)

S-3 SECONDARY MARKET SERVICES INC, 11100 USA PARKWAY, FISHERS, IN 46038 (317) 578-6702 - 1,000,000 ($1,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-94952 - JUL. 24) (BR. 11)