

# SEC NEWS DIGEST

Issue 97-93

May 14, 1997

---

## ENFORCEMENT PROCEEDINGS

---

### A.R. BARON & CO., INC. AND THIRTEEN INDIVIDUALS INDICTED

The Commission and the District Attorney of the County of New York, State of New York, Robert M. Morgenthau, announced the indictment on May 13 of A.R. Baron & Co., Inc., Andrew Bressman, Roman Okin, Richard Acosta, Glenn O'Hare, Joseph Scanni, Brett Hirsch, Garvey Fox, Matthew Hirsch, Richard Simone, Charles Plia, Mark Goldman, John McAndris and Jack Wolynez in connection with criminal securities fraud at the firm of A.R. Baron & Co., Inc. (Baron). The 174 count indictment charges violations of the New York State Enterprise Corruption laws and the New York State Martin Act, and charges a scheme to defraud in the first degree and grand larceny. The Commission previously filed five administrative proceedings against a total of thirteen parties as a result of the events at Baron between 1992 and the firm's demise in the summer of 1996. [The People of the State New York against A.R. Baron & Co., Inc., Andrew Bressman, Roman Okin, Richard Acosta, Glenn O'Hare, Joseph Scanni, Brett Hirsch, Garvey Fox, Matthew Hirsch, Richard Simone, Charles Plia, Mark Goldman, John McAndris and Jack Wolynez, Ind. No. 3702/97 (Supreme Court of the State of New York, County of New York)] (LR-15363)

### CIVIL COMPLAINT FILED AGAINST BENEFUND, INC., AND VERNON TWYMAN

The Commission announced that on April 18 it filed a complaint in the United States District Court for the Northern District of Oklahoma against BeneFund, Inc., and Vernon R. Twyman, Jr. The complaint alleges that each of the defendants violated the registration, antifraud, and reporting provisions of the federal securities laws.

The Commission alleges that BeneFund and Twyman improperly used Form S-8 registrations to make public distributions of BeneFund stock and raised at least \$634,337 from investors. In addition, BeneFund and Twyman raised at least \$1.3 million from more than 50 investors in 12 states through the sale of unregistered securities. The complaint alleges that in connection with the offer and sale of these BeneFund securities, BeneFund and Twyman publicly disseminated false and misleading information, including information in press

releases and documents filed with the Commission. The Commission alleges that the defendants misrepresented, among other things, that BeneFund stock would be listed on the NASDAQ stock exchange within 60 to 90 days, that investment funds would be used for a marketing campaign expect to boost BeneFund's annual revenue to nearly \$50 million, and that BeneFund had received a cash down payment of \$500,000 from a real estate transaction. In addition to injunctive relief, the complaint seeks an accounting, civil money penalties and disgorgement from each defendant. [SEC v. BeneFund, Inc., and Vernon R. Twyman, Civil Action No. 97CV366-E, USDC, ND/OK] (LR-15364)

GREENWAY ENVIRONMENTAL SERVICES, INC., ALVIN MCCOLLUM, STEVEN BROADBENT,  
AND REX ZIMMERMAN CONSENT TO FINAL JUDGMENTS OF PERMANENT INJUNCTION

On May 13, the Commission filed a complaint in the United States District Court for the District of Columbia seeking injunctive relief against Greenway Environmental Services, Inc. (Greenway), its Chairman Alvin A. McCollum (McCollum), Steven F. Broadbent, Greenway's auditor (Broadbent), and securities salesman Rex L. Zimmerman (Zimmerman).

According to the complaint, Greenway, a Nevada corporation purported to be a holding company for mining interests, real estate and operating companies, filed with the Commission between March 1992 and December 1993 fraudulent periodic reports containing financial statements which overstated asset values and claimed ownership of assets to which Greenway did not hold legal title. This conduct transformed the Company in two years from a shell company with virtually no assets to a company with putative assets of nearly \$50 million. The complaint further alleges that McCollum, the Chairman of Greenway since October 1991, signed all but one of these fraudulent reports when he knew or was reckless in not knowing that the financial statements were false. Broadbent, formerly a certified public accountant, claimed to act as an "independent auditor" with respect to Greenway's false year-end 1991 and 1992 financial statements although he lacked the required independence and failed to audit the financial statements in accordance with recognized professional standards. Zimmerman sold Greenway "debentures" to retail investors from Greenway's offices for four months in mid-1992 without being registered with the Commission as a broker or dealer.

Greenway has consented to the entry of a final judgment of permanent injunction enjoining Greenway from future violations of Securities Exchange Act of 1934 (Exchange Act) Sections 10(b), 13(a)(2), 13(b)(2)(A), 13(b)(2)(B)(ii) and Rules 10b-5, 12b-20, 13a-1 and 13a-13 thereunder. McCollum and Broadbent have consented to the entry of injunctions against future violations of Exchange Act Section 10(b) and Rule 10b-5, and Zimmerman has consented to be enjoined from future violations of Exchange Act Section 15(a)(1). Each of the defendants consented to the entry of a final judgment of permanent injunction without admitting or denying the complaint's allegations. As part of his settlement with the Commission,

Broadbent also has agreed, without admitting or denying the complaint's allegations, upon the entry of the court's injunction against him, to the institution by the Commission of an administrative proceeding and the issuance of a Commission order that denies him the privilege of practicing before the Commission as an accountant. [SEC v. Greenway Environmental Services, Inc., Alvin A. McCollum, Steven F. Broadbent and Rex L. Zimmerman, Civ. Action No. 1:97CV01041, D.D.C., EGS] (LR-15365; AAE Rel. 914)

---

**CLARIFICATION REGARDING SEC v. MATTHEW KLENOVIC, THOMAS YEARMS AND CHRISTOPHER VELTMANN**

The litigation release issued on January 6, 1997, announcing a settlement with the three defendants in this matter, should have indicated that each of the defendants consented to settlement of the litigation without admitting or denying the allegations contained in the Commission's complaint. [SEC v. Matthew E. Klenovic, Thomas R. Yearms, and Christopher Veltmann, USDC, MD FL, No. 94-909-Civ-T-23E] (LR-15206A; AAE Rel. 868A)

---

**INVESTMENT COMPANY ACT RELEASES**

---

**MERRILL LYNCH ASSET MANAGEMENT, L.P., ET AL.**

An order has been issued on an application filed by Merrill Lynch Asset Management, L.P. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLP) under Section 6(c) and 17(b) of the Investment Company Act for an exemption from Section 17(a); Section 6(c) for an exemption from Section 17(e) and Rules 10f-3 and 17e-1; and Section 10(f) for an exemption from Section 10(f) of the Act. The order permits MLP to engage in certain principal and brokerage transactions with "multi-manager" investment companies that are subadvised by its affiliated person, Hotchkis & Wiley. The transactions would be between MLP and those portions of the investment companies that are not subadvised by Hotchkis & Wiley. (Rel. IC-22659 - May 12)

---

**SELF-REGULATORY ORGANIZATIONS**

---

**APPROVAL OF PROPOSED RULE CHANGES**

The Commission temporarily approved a proposed rule change (SR-DTC-96-13) filed by The Depository Trust Company that amends DTC's rules to permit the admission of non-U.S. entities as direct depository participants. The proposal is approved through May 31, 1998. (Rel. 34-38600)

The Commission approved a proposed rule change (SR-GSCC-96-12) filed by the Government Securities Clearing Corporation relating to interdealer broker repurchase agreement transactions. (Rel. 34-



The Chicago Board Options Exchange filed a proposed rule change (SR-CBOE-97-19) relating to a minor rule violation plan amendment with respect to position limit fines. Publication of the proposal is expected in the Federal Register during the week of May 19. (Rel. 34-38619)

The Depository Trust Company filed a proposed rule change (SR-DTC-97-04) to increase the size of DTC's board. Publication of the proposal is expected in the Federal Register during the week of May 12. (Rel. 34-38602)

#### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

The Chicago Stock Exchange filed a proposed rule change (SR-CHX-97-7) to amend Section (q) of its Membership Dues and Fees Schedule to clarify the existing exemption from the CHX's SRO fee. The proposed rule change has become effective upon filing with the Commission. Publication of the proposal is expected in the Federal Register during the week of May 12. (Rel. 34-38605)

A proposed rule change filed by the Pacific Stock Exchange (SR-PCX-97-14) to change references to its electronic equity order routing and execution system, from "SCOREX" to "P/COAST." The proposed rule change has become effective upon filing with the Commission. Publication of the proposal is expected in the Federal Register during the week of May 19. (Rel. 34-38609)

#### DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration RHG Finance Corporation, wholly owned subsidiary of Renaissance Hotel Group N.V., 8 7/8% Guaranteed Notes, due October 1, 2005. (Rel. 34-38617)

---

#### 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.

F-1 UNIBANCO UNION OF BRAZILIAN BANKS SA, AV EUSEBIO MATOSO 891, 22ND FL, SAN PAULO, D5 (511) 867-4444 - 9,120,439,500 (\$622,013,973 90)  
PREFERRED SHARE OF BENEFICIAL INTEREST (FILE 333-6858 - MAY 01) (BR 7 - NEW ISSUE)

S-8 SGS THOMSON MICROELECTRONICS NV, TECHNOPARC DU PAYS DE GEX BP 112, 165 RUE EDOUARD BRANLY, FRANCE, 01630 ST GENIS POUIL, IO (335) 040-2640 - 1,000,000 (\$68,250,000) COMMON STOCK (FILE 333-6862 - MAY. 05) (BR. 6)

F-9 DONOHUE FOREST PRODUCTS INC, 500 SHERBROOKE W, STE 800, MONTREAL QUEBEC CANADA, E6 (514) 847-7700 - 400,000,000 (\$400,000,000)

STRAIGHT BONDS. (FILE 333-6864 - MAY. 05) (BR. 4)

- S-B KOREA DEVELOPMENT BANK, 460 PARK AVE STE 443, NEW YORK, NY 10022  
(212) 688-7686 - 1,120,000,000 (\$3,000,000,000) STRAIGHT BONDS. (FILE  
333-6866 - MAY 05) (BR 99)
- S-3 HIRSCH INTERNATIONAL CORP, 200 WIRELESS BOULEVARD, HAPPAUGE, NY 11788  
(516) 436-7100 - 2,132,038 (\$37,577,169.75) COMMON STOCK (FILE 333-26539  
- MAY 06) (BR. 6)
- S-8 MIDLAND RESOURCES INC /TX/, 16701 GREENSPOINT PARK DR, SUITE 200,  
HOUSTON, TX 77060 (915) 685-7051 - 1,685,000 (\$10,110,000) COMMON STOCK.  
(FILE 333-26541 - MAY 05) (BR 4)
- SB-2 DISCAS INC, 567-1 S LEONARD ST, WESTBURY, CT 06708 (203) 753-5147 -  
1,920,000 (\$9,600,000) COMMON STOCK. 1,720,000 (\$183,200)  
WARRANTS, OPTIONS OR RIGHTS 880,000 (\$4,540,000) COMMON STOCK (FILE  
333-26543 - MAY 06) (BR 9)
- S-4 SOUTHERN NATIONAL CORP /NC/, 200 WEST SECOND STREET, WINSTON-SALEM, NC  
27101 (910) 733-2180 - 5,000,000 (\$199,700,000) COMMON STOCK (FILE  
333-26545 - MAY 06) (BR 7)
- S-3 ALTA GOLD CO/NV/, 601 WHITNEY RANCH DRIVE, STE 10, HENDERSON, NV 89014  
(801) 483-1116 - 8,547,009 (\$22,035,258) COMMON STOCK. (FILE 333-26547 -  
MAY 06) (BR 4)
- SB-2 ADVANCED VIRAL RESEARCH CORP, 1250 E HALLANDALE BEACH BLVD, STE 501,  
HALLANDALE, FL 33009 (954) 458-7636 - 39,000,067 (\$9,808,625) COMMON STOCK.  
(FILE 333-26549 - MAY 06) (BR. 1)
- S-1 INTEGRATED AMERICA INC, ONE MANHATTANVILLE RD, PURCHASE, NY 10577  
(914) 253-8000 - \$10,000,000 COMMON STOCK. (FILE 333-26551 - MAY. 06)  
(BR 1)
- S-3 QUICK & REILLY GROUP INC /DE/, 230 SOUTH COUNTY RD, PALM BEACH, FL 33480  
(407) 655-8000 - 738,460 (\$16,199,597) COMMON STOCK (FILE 333-26553 -  
MAY 06) (BR 8)
- S-3 CONSOLIDATED EDISON CO OF NEW YORK INC, 4 IRVING PL, NEW YORK, NY 10003  
(212) 460-4600 - 400,000,000 (\$400,000,000) STRAIGHT BONDS (FILE  
333-26555 - MAY 06) (BR 4)
- S-8 METATOOLS INC, 6303 CARPINTERIA AVE, CARPINTERIA, CA 93013 - 450,000  
(\$3,121,875) COMMON STOCK (FILE 333-26557 - MAY 06) (BR 3)
- S-3 EQUITY INNS INC, 4735 SPOTTSWOOD STE 102, MEMPHIS, TN 38117  
(901) 761-9651 - \$200,000,000 COMMON STOCK (FILE 333-26559 - MAY. 06)  
(BR. 8)
- S-8 NORRIS COMMUNICATIONS CORP, 12725 STOWE DR, POWAY, CA 92064  
(619) 679-1504 - 900,000 (\$342,000) COMMON STOCK (FILE 333-26561 -  
MAY 06) (BR 6)
- S-8 ORYX ENERGY CO, 13155 NOEL RD, DALLAS, TX 75240 (214) 715-4000 -  
5,000,000 (\$98,437,500) COMMON STOCK. (FILE 333-26563 - MAY 06) (BR 4)
- S-8 UROHEALTH SYSTEMS INC, 5 CIVIC PLAZA, SUITE 100, NEWPORT BEACH, CA 92660  
(714) 668-5858 - 166,016 (\$1,276,331) COMMON STOCK (FILE 333-26565 -  
MAY 06) (BR. 6)
- S-8 TRISTAR CORP, 12500 SAN PEDRO AVE STE 500, SAN ANTONIO, TX 78216  
(210) 402-2200 - 619,908 (\$5,811,638) COMMON STOCK. (FILE 333-26567 -  
MAY 06) (BR 1)
- S-11 WILDERNESS DEVELOPMENT CORP, 511 EAST ADAMS STREET, WISCONSIN DELLS, WI  
53965 (608) 253-9729 - 284,955 (\$18,987,771) CONDOMINIUMS (FILE  
333-26569 - MAY 06) (BR 8 - NEW ISSUE)
- S-8 GENERAL DYNAMICS CORP, 3190 FAIRVIEW PARK DRIVE, FALLS CHURCH, VA 22042  
(703) 876-3375 - 3,000,000 (\$212,640,000) COMMON STOCK. (FILE 333-26571 -  
MAY 06) (BR 6)











NAME OF ISSUER	STATE	8K ITEM NO.									DATE COMMENT	
	CODE	1	2	3	4	5	6	7	8	9		
FORELAND CORP	NV				X						05/02/97	
FORELAND CORP	NV				X						05/12/97	
FORT HOWARD CORP	DE				X	X					05/04/97	
FREEMPORT MCMORAN COPPER & GOLD INC	DE				X						05/12/97	
GE CAPITAL MORTGAGE SERVICES INC	NJ		X			X					04/29/97	
GRAHAM FIELD HEALTH PRODUCTS INC	DE		X			X					02/28/97	AMEND
GTI CORP	DE		X			X					04/28/97	
HADCO CORP	MA					X					01/10/97	AMEND
HBANCORPORATION INC	DE				X	X					05/13/97	
HCIA INC	MD							X			05/06/97	
HERTZ CORP	DE				X						05/12/97	
HIBERNIA CORP	LA		X								05/12/97	
HIGHLANDS INSURANCE GROUP INC	DE				X						03/31/97	
HOME PRODUCTS INTERNATIONAL INC	DE		X			X					02/28/97	AMEND
ICE HOLDINGS INC	DE					X					04/30/97	
ICO INC	TX		X			X					04/30/97	
IMTEK OFFICE SOLUTIONS INC	DE		X	X		X	X				04/22/97	
INCOMNET INC	CA		X			X					05/02/97	
INNOPET BRANDS CORP	DE		X								04/29/97	
INTEGRATED TECHNOLOGY USA INC	DE				X	X					05/11/97	
INTERCEL INC/DE	DE		X		X	X					05/01/97	
IRT INDUSTRIES INC	FL				X						10/23/96	AMEND
JEFFERSON SAVINGS BANCORP INC	DE					X					05/13/97	AMEND
KING WORLD PRODUCTIONS INC	DE				X	X					03/24/97	
LA TEKO RESOURCES LTD	AI				X						05/12/97	
LA-Z-BOY INCORP	MI		X								05/12/97	
LABORATORY SPECIALISTS OF AMERICA I NC	OK						X				01/31/97	AMEND
LANCER ORTHODONTICS INC /CA/	CA		X								04/28/97	
LANDMARK BANCSHARES INC	KS				X	X					04/24/97	
LOGIMETRICS INC	DE		X	X		X					04/25/97	
LOWES COMPANIES INC	NC					X					05/09/97	
MANUGISTICS GROUP INC	DE				X	X					05/12/97	
MAUI USA INC	NV				X	X					05/09/97	
MCMORAN OIL & GAS CO /DE/	DE				X						05/13/97	
MEDAREX INC	NJ				X	X					05/08/97	
MELLON BANK CREDIT CARD MASTER TRUS T					X	X					05/12/97	
MERCANTILE BANCORPORATION INC	MO				X	X					05/13/97	
METROPOLITAN ASSET FUNDING INC	DE				X						03/20/97	
MEXCO ENERGY CORP	CO		X			X					02/25/97	AMEND
NATIONAL CONSUMER COOPERATIVE BANK /DC/	DC				X						05/06/97	
NATIONSBANK AUTO OWNER TRUST 1996-A	DE				X	X					02/15/97	
NEIMAN MARCUS FUNDING CORP	DE		X								04/30/97	
NETWORK CONNECTION INC	GA		X								05/08/97	
NETWORK LONG DISTANCE INC	DE		X			X					05/08/97	
NOEL GROUP INC	DE		X			X					04/25/97	
NORFOLK SOUTHERN CORP	VA					X					05/12/97	AMEND
NORWEST ASSET SECURITIES CORP	DE				X	X					05/12/97	
NORWEST ASSET SECURITIES CORP	DE				X	X					05/12/97	
NOVA NATURAL RESOURCES CORP	CO				X						05/05/97	
NPC INTERNATIONAL INC	KS				X						05/12/97	
NUMEREX CORP /PA/	NY		X								05/07/97	
OBJECTSOFT CORP	DE				X						05/05/97	
PAXSON COMMUNICATIONS CORP	DE		X			X					04/29/97	
PECO ENERGY CO	PA		X								05/12/97	
QUALITY FOOD CENTERS INC	WA				X	X					11/12/96	AMEND
READING & BATES CORP	DE				X						05/13/97	
REEVES TELECOM LTD PARTNERSHIP	SC			X		X					02/04/97	
REGENCY REALTY CORP	FL					X					03/07/97	AMEND