

SEC NEWS DIGEST

Issue 97-182

September 19, 1997

ENFORCEMENT PROCEEDINGS

DAVID HERSH, CPA, IS DENIED PRIVILEGE OF PRACTICING OR APPEARING BEFORE THE COMMISSION

On September 18, the Commission instituted public administrative proceedings, pursuant to Rule 102(e) of the Commission's Rules of Practice, against David Hersh, CPA (Hersh), former chief financial officer of T2 Medical, Inc. (T2). Simultaneously with the institution of the proceedings, the Commission accepted a settlement offer from Hersh. Hersh consented to the entry of an order denying him the privilege of appearing or practicing before the Commission and providing that ten years from the date of the Order Hersh may apply to the Commission for reinstatement by submitting to the Office the Chief Accountant an application requesting that he be permitted to resume appearing or practicing before the Commission. The Commission found that Hersh willfully violated certain provisions of the federal securities laws and engaged in improper professional conduct.

In addition, the Commission found that a Final Judgment of Permanent Injunction was entered against Hersh with his consent in an action brought in the United States District Court for the Southern District of New York titled SEC v. Joseph C. Allegra, et al., 97 Civ. 4305(55). In consenting to the Final Judgment Hersh neither admitted nor denied the allegations contained in the Commission's complaint. The Commission's complaint alleges, among other things, that during and with respect to the quarters ended December 31, 1992 and March 31, 1993, Hersh knowingly or recklessly participated in a fraudulent accounting scheme to overstate materially T2's net income. As part of such scheme, Hersh was charged with having recorded and caused to be recorded, directly and indirectly, fictitious and other improper accounting entries on the books and records of T2 and its subsidiaries. He was also charged with having failed and caused others to fail, properly to record certain expenses incurred by T2 and its subsidiaries; and recorded and caused to be recorded other improper entries on the books and records of T2 and its subsidiaries that overstated assets, revenues and income. As a result of such conduct, T2 materially overstated net income in financial statements that were included in various filings with the Commission. In addition, Hersh allegedly directed

NAME OF ISSUER	STATE CODE	8K ITEM NO.									DATE	COMMENT	
		1	2	3	4	5	6	7	8	9			
ALL COMMUNICATIONS CORP/NJ	NJ					X						09/10/97	
AMERICAN DIVERSIFIED GROUP INC	NV					X						09/09/97	
AMERICAN TECHNOLOGY CORP /DE/	DE					X						09/18/97	AMEND
AMERICAN WASTE SERVICES INC	OH					X						09/15/97	
AMRESCO RESIDENTIAL SECURITIES CORP	DE								X			09/15/97	
AMRESCO RESIDENTIAL SECURITIES CORP	NY					X	X					06/12/97	AMEND
MORTGAGE LOAN TR 1997-2													
ARCH PETROLEUM INC /NEW/	NV					X		X				09/18/97	
ARGOSY GAMING CO	DE						X	X				09/18/97	
ASSOCIATED BANC-CORP	WI		X									09/15/97	
AT&T UNIVERSAL FUNDING CORP	DE					X	X					09/17/97	
AVIATION DISTRIBUTORS INC	DE							X				08/29/97	AMEND
AWARD SOFTWARE INTERNATIONAL INC	CA		X				X					05/30/97	AMEND
BEAR STEARNS ASSET BACKED SECURITIE	DE		X				X					09/04/97	
S INC													
BELO A H CORP	DE		X				X					09/04/97	
BENEFICIAL MORTGAGE SERVICES INC	DE						X					09/16/97	
BIOCONTROL TECHNOLOGY INC	PA						X					09/11/97	
BIOCONTROL TECHNOLOGY INC	PA						X					09/15/97	
BONNEVILLE PACIFIC CORP	DE		X	X								02/28/97	
BROOKLYN UNION GAS CO	NY		X									08/17/97	
BROOKLYN UNION GAS CO	NY					X						08/18/97	
CAPITOL HOME EQU LN TR 1990-1 CA HM	MD						X					08/29/97	
EQ LN AS BK CE SE 1990-1													
CAPITOL REVOLVING HOME EQUITY LOAN							X					08/20/97	
TRUST 1996-1													
CAPSTAR HOTEL CO	DE					X	X					09/18/97	
CD WAREHOUSE INC	DE					X	X					09/15/97	
CENTERIOR ENERGY CORP	OH					X						07/08/97	
CHART INDUSTRIES INC	DE					X	X					09/17/97	
CHEVY CHASE BANK FSB	MD					X	X					09/17/97	
CITYSCAPE FINANCIAL CORP	DE					X	X					09/15/97	
CLEVELAND ELECTRIC ILLUMINATING CO	OH					X						07/08/97	
COLLAGENEX PHARMACEUTICALS INC	DE					X						09/17/97	
COLONIAL REALTY LIMITED PARTNERSHIP	DE					X						06/30/97	
COMMERCIAL NET LEASE REALTY INC	DE					X	X					08/06/97	
CONSERVER CORP OF AMERICA	DE					X	X					09/15/97	
COOPER COMPANIES INC	DE					X	X					09/18/97	
CORNERSTONE PROPERTIES INC	NV							X				08/21/97	AMEND
CORPORATE EXPRESS INC	CO					X	X					09/10/97	
CPI AEROSTRUCTURES INC	NY					X	X					07/21/97	
DATA DOCUMENTS INC	DE					X	X					09/10/97	
DII GROUP INC	DE					X	X					09/16/97	
DISTINCTIVE DEVICES INC	NY					X						09/08/97	
DLJ MOR ACCEP CORP MORTGAGE PASS THR								X				01/25/94	
O CERT SERIES 1993-19													
DLJ MOR ACCEP CORP MORTGAGE PASS THR								X				02/25/94	
O CERT SERIES 1993-19													
DLJ MOR ACCEP CORP MORTGAGE PASS THR								X				03/25/94	
O CERT SERIES 1993-19													
DLJ MOR ACCEP CORP MORTGAGE PASS THR								X				04/25/94	
O CERT SERIES 1993-19													
DLJ MORT ACC CORP MORT PASS THRO CE								X				11/26/93	
R SER 1993-Q16													
DLJ MORT ACC CORP MORT PASS THRO CE								X				12/27/93	
R SER 1993-Q16													
DLJ MORT ACC CORP MORT PASS THRO CE								X				01/25/94	
R SER 1993-Q16													

