

# SEC NEWS DIGEST

Issue 97-244

December 19, 1997

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## RULES AND RELATED MATTERS

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### OTC DERIVATIVES DEALERS

The Commission issued a proposal that would provide U.S. securities firms with greater flexibility in structuring their OTC derivatives activities. Under the proposal, a new class of dealers, called OTC derivatives dealers, could register with the Commission and would be allowed to act as counterparty in transactions involving both securities and non-securities OTC derivative products. Registration as an OTC derivatives dealer would be optional and would be an alternative to registration as a fully regulated broker-dealer under the Commission's current rules.

OTC derivatives dealers would be subject to carefully tailored capital and other regulatory requirements appropriate to conducting an OTC derivatives business. The Commission also proposes to give OTC derivatives dealers an exemption from certain margin provisions contained in the Exchange Act provided they comply with the more flexible margin requirements customarily applied to banks. In granting this exemption, the Commission would use the exemptive authority granted under the National Securities Markets Improvement Act of 1996. (Rel. 34-39454; File No. S7-30-97)

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## ENFORCEMENT PROCEEDINGS

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### CEASE AND DESIST ORDER ENTERED AGAINST ALAN MISHKIN

On December 18, the Commission issued an Order pursuant to Section 21C of the Securities Exchange Act of 1934 (Exchange Act) against Alan R. Mishkin (Mishkin), requiring him to cease and desist from committing or causing any violations of, or future violations of, Sections 13(d) and 16(a) of the Exchange Act and Rules 13d-1, 13d-2, 16a-2 and 16a-3 promulgated thereunder. Mishkin was a director of ILX, Inc. (ILX) from April 1991 through December 1993 and beneficially owned more than ten percent of the equity securities of ILX and Stratford American Corporation (Stratford American). The shares of ILX are traded on the NASDAQ Small Cap Market, and the shares of Stratford American are traded on the OTC Bulletin Board.



JOSEPH MEDSKER BARRED, UNIFIED FINANCIAL SERVICES ADVISORY CORP. CENSURED

The Commission announced that on December 18 it issued an Order Instituting Proceedings, Making Findings and Imposing Remedial Sanctions (Order) by consent against Joseph P. Medsker (Medsker) and Unified Financial Services Advisory Corp. (UFS Advisory) of Dayton, Ohio. The Order bars Medsker from the securities industry, censures UFS Advisory and orders it to comply with certain remedial undertakings. In the Order, the Commission found that, on December 2, 1997, the Southern District of Ohio entered a Final Judgment of Permanent Injunction and Other Equitable Relief, by consent, against Medsker and UFS Advisory in the matter of SEC v. Medsker, et al., Civil Action No. C3-96-381, for their violations of the federal securities laws in connection with a fraudulent scheme involving the offer and sale of unregistered interests in two Ohio investment partnerships Medsker created. The complaint alleged, among other things, that Medsker and UFS Advisory misrepresented material facts to investors in the sale of the partnerships, Medsker churned a brokerage account opened for one of the partnerships, and Medsker and Unified Financial covered up the fraud by sending misleading statements to investors. (Rel. 34-39465; IA-1687; File No. 3-9513)

BIOTECH COMPANY AND ITS FORMER CEO CHARGED WITH FRAUDULENTLY SELLING UNREGISTERED SECURITIES

The Commission filed a civil injunctive action in federal court in Manhattan on December 17 charging Eva-Health USA, Inc. (Eva-Health) and its former chief executive officer, Calman H. Rifkin (Rifkin), with fraudulently obtaining \$5.5 million from sales of unregistered Eva-Health securities between early 1992 and 1994. According to the complaint, in offering and selling Eva-Health securities, the defendants misrepresented Rifkin's educational background and training and made false statements regarding Eva-Health's products.

In its complaint, the Commission seeks permanent injunctions prohibiting Rifkin and Eva-Health from violating the antifraud and registration provisions of the federal securities laws [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]; disgorgement from Rifkin and Eva-Health of their ill-gotten gains plus prejudgment interest; and civil penalties against Rifkin.

Filed with the complaint is a consent executed by Rifkin in which he consents to being permanently enjoined from violating the above referenced registration and antifraud provisions of the federal securities laws, and ordered to pay disgorgement and prejudgment interest. Under the terms of Rifkin's consent, payment of disgorgement would be waived and no civil penalties would be imposed based on Rifkin's demonstrated inability to pay. The litigation is pending against Eva-Health. [SEC v. Calman H. Rifkin and Eva-Health, USA, Inc., 97 Civ. 9288, LBS, SDNY] (LR-15594)





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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF CORRECTION

On December 4, the Commission issued a notice of filing and order granting immediate effectiveness of proposed rule change by the American Stock Exchange relating to the listing of commodity indexed preferred or debt securities. The following sentence should be deleted from the first paragraph of Section A - Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change: "[T]he Exchange also will require that the issuer have a minimum tangible net worth of \$150 million." Publication of the notice is expected in the Federal Register during the week of December 22. (Rel. 34-39402A)

### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

The MBS Clearing Corporation filed a proposed rule change (SR-MBSCC-97-08), which became effective upon filing, revising the Electronic Pool Notification Fee Schedule. Publication of the proposal is expected in the Federal Register during the week of December 15. (Rel. 34-39449)

### ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change submitted by the National Association of Securities Dealers (SR-NASD-97-87) relating to extending the pilot injunctive relief rule. (Rel. 34-39458)

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## SECURITIES ACT REGISTRATIONS

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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-3 BARCLAYS BANK PLC /ENG/, JOHNSON SMIRKE BLDG, 4 ROYAL MINT CT,  
LONDON ENGLAND EC3N 4HJ, X0 ----- (212) 412-4000 - 373,000,000  
(\$373,000,000) FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE 333-8054 -  
DEC. 05) (BR. 7)
- S-8 SPRINT CORP, 2330 SHAWNEE MISSION PKWY, P O BOX 11315, WESTWOOD, KS  
66205 (913) 624-3000 - 12,200,000 (\$379,359,000) COMMON STOCK (FILE  
333-42077 - DEC. 12) (BR. 3)
- S-8 POWER ONE INC, 740 CALLE PLANO, CAMARILLO, CA 93012 (805) 987-8741 -  
3,000,000 (\$44,156,250) COMMON STOCK. (FILE 333-42079 - DEC. 12) (BR. 6)















