

# SEC NEWS DIGEST

Issue 99-2

January 5, 1999

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## COMMISSION ANNOUNCEMENTS

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### COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted under provisions of the Government in the Sunshine Act. Meetings will be scheduled according to the requirements of agenda items under consideration.

Meetings will be held in the Commission Meeting Room, Room 1C30, at the Commission's headquarters building, 450 Fifth Street, N.W., Washington, D.C. Visitors are welcome at all open meetings, insofar as space is available. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

Any member of the public who requires auxiliary aids such as a sign language interpreter or material on tape to attend a public meeting should contact Rochelle Franks, Office of Administrative and Personnel Management, to make arrangements. Ms. Franks can be reached at TTY number (202) 942-9558. If you are calling from a non-TTY number, please call the Relay Service at 1-800-877-8339.

#### OPEN MEETING - TUESDAY, JANUARY 12, 1999 - 10:00 A.M.

The subject matter of the open meeting scheduled for Tuesday, January 12, 1999, at 10:00 a.m., will be:

The Commission will hear oral argument in an appeal by Robert J. Sayegh from an administrative law judge's initial decision. For further information, contact Patricia Albrecht at (202) 942-0950.

#### CLOSED MEETING - TUESDAY, JANUARY 12, 1999 - FOLLOWING THE OPEN MEETING

The subject matter of the closed meeting scheduled for Tuesday, January 12, 1999, following the 10:00 a.m. open meeting, will be: Post argument discussion; and Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to

ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

#### **PUBLIC APPEARANCES BY SENIOR COMMISSION OFFICIALS -- JANUARY 1999**

The following is a schedule for January 1999 of the public appearances of SEC officials, including the Chairman, Commissioners and senior staff members. For additional information on events hosted by groups other than the Commission, please call the contact numbers listed. As events are subject to change, please confirm them with the SEC's Office of Public Affairs or the sponsoring organizations.

When: January 13, 1999  
Who: Harvey Goldschmid, General Counsel  
What: ABA-AICPA Conference; "New SEC Professional Misconduct Rules: What You Need to Know Now"  
Where: Broadcast live via tele-conference  
Contact: Enna DeAlba, (312) 988-6208

When: January 14, 1999  
Who: Brian Lane, Director of the Corporation Finance Division  
What: Glasser Legal Works Conference; "The SEC's Aircraft Carrier and Takeover Regulation Proposed Rules"

Where: New York, NY  
Contact: Steve Seemer, (973) 890-0008 x106 or Lynda Marino, x128

When: January 20-22, 1999  
Who: Commissioner Norman Johnson  
Richard Walker, Director of the Enforcement Division  
Harvey Goldschmid, General Counsel  
Brian Lane, Director of the Corporation Finance Division  
Lynn Turner, Chief Accountant

What: 26th Annual Securities Regulation Institute Conference; analysis of recent developments in securities law

Where: San Diego, CA  
Contact: Patricia Tremmel, (847) 491-4892

When: January 22-23, 1999  
Who: Harvey Goldschmid, General Counsel  
Richard Lindsey, Director of the Market Regulation Division  
Lynn Turner, Chief Accountant

What: Institute for Law and Economic Policy; Living Legacy of William L. Cary Symposium

Where: Palm Beach, FL  
Contact: Laura Stein, (215) 875-3065; Registration required

When: January 25, 1999  
Who: Commissioner Laura Unger  
What: National Conference on Securities Trading on the Internet  
Where: New York, NY  
Contact: Evan Jackowitz, (212) 352-3220 x263

When: January 25, 1999  
Who: Brian Lane, Director of the Corporation Finance Division  
What: Practicing Law Institute; Preparation of annual disclosure documents  
Where: New York, NY  
Contact: Christine Garcia, (212) 824-5753 or e-mail: cgarcia@pli.edu

When: January 28, 1999  
Who: Commissioner Paul Carey  
What: Annual Conference of the National Academy of Social Insurance; Social Security Reform  
Where: Washington, DC  
Contact: Patrick McCabe, (202) 463-0900

When: January 29, 1999  
Who: Commissioner Isaac Hunt  
What: Career Options: A Symposium to Promote Diversity Within the Financial Services Industry; Co-hosted by the SEC and Southern Methodist University  
Where: Dallas, TX  
Contact: Vige Barrie, (214) 768-3678

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## ENFORCEMENT PROCEEDINGS

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### SEC FILES INSIDER TRADING ACTION DARRYL HOLZMAN AND CHRISTINE MCKIERNAN

The Commission today announced the filing of a settled complaint for insider trading in the securities of Chrysler Corporation against Darryl M. Holzman and Christine McKiernan, residents of Las Vegas, Nevada. The complaint also names Ethel Holzman of Henderson, Nevada, as relief defendant for the illegal insider trading profits of her deceased husband, Herbert Holzman. The complaint, filed in the U.S. District Court for the District of Nevada, alleges that McKiernan, a former executive assistant to a senior officer of MGM Grand, Inc. and Tracinda Corporation, tipped her former father-in-law, Herbert Holzman, and her former husband, Darryl Holzman, to Tracinda's plans to make a tender offer for Chrysler and to other confidential information. Tracinda was Chrysler's largest shareholder at the time. Herbert and Darryl Holzman purchased Chrysler securities before the public announcement of Tracinda's tender offer plans. The defendants' tipping and trading resulted in illicit profits of over \$119,000 and violated Sections 10(b) and 14(e) of Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 thereunder.

According to the complaint, in November 1994 by virtue of her employment McKiernan learned of confidential plans by Tracinda to send a letter to Chrysler's Board of Directors urging, among other things, a dividend increase, a stock repurchase program and a stock split. McKiernan told her father-in-law, Herbert Holzman, about the

proposed letter and he bought 2,000 shares of Chrysler stock prior to the public disclosure of the letter on November 14, 1994. Herbert Holzman sold his shares after public announcement of the letter, realizing a profit of \$7,460.

The complaint further alleges that in April 1995, McKiernan learned of confidential plans by Tracinda to make a tender offer for Chrysler at a substantial premium to Chrysler's then share price. McKiernan again told her father-in-law of Tracinda's confidential plans and she told her former husband, Darryl, either directly or indirectly through her father-in-law. Darryl Holzman then bought 60 Chrysler call options and Herbert Holzman bought 210 Chrysler call options. Following Tracinda's April 12, 1995, public announcement of its intent to make a tender offer for Chrysler, Darryl and Herbert Holzman sold their call options for a profit of \$45,700 and \$68,350 respectively. The following year, Herbert Holzman passed away, leaving most of his illicit profits in brokerage accounts in the name of his wife, Ethel Holzman.

Prior to the filing of the action, McKiernan and Darryl Holzman consented, without admitting or denying the allegations of the complaint, to the entry of a final judgment permanently enjoining each of them from violating Sections 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3 thereunder. Payment of disgorgement and a penalties by McKiernan and Darryl Holzman was waived, based on their demonstrated inability to pay. Ethel Holzman also consented, without admitting or denying the allegations of the complaint, to the entry of a final judgment ordering her to disgorge \$50,000 representing gains from the illegal conduct of Herbert Holzman. [SEC v. Darryl M. Holzman, et al., USDC, D. Nev., Case No. CV-S-99-00001-LDG, RJJ] (LR-16015)

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## INVESTMENT COMPANY ACT RELEASES

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### BERGSTROM CAPITAL CORPORATION

A notice has been issued giving interested persons until January 25 to request a hearing on an application filed by Bergstrom Capital Corporation (Fund) for an order declaring that William H. Sperber will not be deemed an "interested person" under the Investment Company Act. Mr. Sperber, one of the Fund's directors, will become a director and officer of the parent company of a registered broker-dealer. (Rel. IC-23629 - December 31)

### THE SESSIONS GROUP, ET AL.

A notice has been issued giving interested persons until January 26 to request a hearing on an application filed by The Sessions Group, et al. for an order under Section 17(b) of the Investment Company Act. The exemption would permit certain series of the Governor Funds to acquire all of the assets and assume identified liabilities

of certain series of The Sessions Group. Because of certain affiliations, applicants may not rely on Rule 17a-8 under the Act. (Rel. IC-23630 - December 31)

#### **COVA FINANCIAL SERVICES LIFE INSURANCE COMPANY, ET AL.**

An order has been issued pursuant to Section 26(b) of the Investment Company Act to Cova Financial Services Life Insurance Company, First Cova Life Insurance Company, Cova Financial Life Insurance Company, Cova Variable Annuity Account One, Cova Variable Life Account One, First Cova Variable Annuity Account One, Cova Variable Annuity Account Five, Cova Series Trust, Lord Abbett Series Fund, Inc., and General American Capital Company approving the proposed substitution of securities. An order also has been issued pursuant to Section 17(b) of the Act exempting related transactions from Section 17(a) of the Act. (Rel. IC-23631 - December 31)

#### **NAVELLIER VARIABLE INSURANCE SERIES FUND, INC., ET AL.**

A notice has been issued giving interested persons until January 25 to request a hearing on an application filed by Navellier Variable Insurance Series Fund, Inc. (Fund) and Navellier & Associates, Inc. (Adviser) (together, Applicants). Applicants seek an order pursuant to Section 6(c) of the Investment Company Act for exemptions from the provisions of Sections 9(a), 13(a), 15(a) and 15(b) of the Act and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder to the extent necessary to permit certain shares of the Fund and shares of any other investment company for which the Adviser, or any of its affiliates, may serve now or in the future as investment adviser, administrator, manager, principal underwriter or sponsor, to be offered and sold to, and held by: (1) variable annuity and variable life insurance separate accounts of both affiliated and unaffiliated life insurance companies; (2) qualified pension and retirement plans outside of the separate account context; and (3) the Adviser or any of its affiliates (representing seed money investments). (Rel. IC-23632 - December 31)

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#### **HOLDING COMPANY ACT RELEASES**

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#### **COLUMBIA ENERGY GROUP**

A notice has been issued giving interested persons until January 26 to request a hearing on a proposal by Columbia Energy Group, a registered holding company, to amend its Restated Certificate of Incorporation to increase the number of shares of common stock authorized to be issued from 100 million to 200 million and to reduce the par value of its capital stock from \$10 to \$.01 per share. (Rel. 35-26963)

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## SELF-REGULATORY ORGANIZATIONS

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### ACCELERATED APPROVAL OF PROPOSED RULE CHANGES

The Commission granted accelerated approval to a proposed rule change (SR-Phlx-98-53) filed by the Philadelphia Stock Exchange to require member firms to participate in computer system testing designed to prepare for the Year 2000 and to file reports with the Phlx regarding Year 2000 testing. Publication of the notice and order is expected in the Federal Register during the week of January 4. (Rel. 34-40870)

Stock Clearing Corporation of Philadelphia filed a proposed rule change (SR-SCCP-98-05) to allow SCCP to continue providing limited clearance and settlement services through December 31, 1999. The Commission approved the proposed rule change on an accelerated basis. Publication of the proposal is expected in the Federal Register during the week of January 4. (Rel. 34-40872)

The Commission approved a proposed rule change filed by the Chicago Stock Exchange (SR-CHX-98-29) relating to arbitration of statutory employment discrimination cases. Publication of the proposal is expected in the Federal Register during the week of January 4. (Rel. 34-40873)

### PROPOSED RULE CHANGE

The National Association of Securities Dealers through its wholly-owned subsidiary, The Nasdaq Stock Market Inc., filed a proposed rule change (SR-NASD-98-88) amending its rules addressing listing and continued listing determinations, and relocating the rules governing other grievances concerning the Association's automated systems. Publication of the proposal is expected in the Federal Register during the week of January 4. (Rel. 34-40874)

### APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by the National Association of Securities Dealers (SR-NASD-98-51) to amend NASD Rules 6530 and 6540 to limit quotations on the OTC Bulletin Board (OTCBB) to the securities of issuers that are current in their reports filed with the SEC or other regulatory authority, and to prohibit a member from quoting a security on the OTCBB unless the issuer has made current filings, respectively. (Rel. 34-40878)

### WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until January 28 to comment on the application of Hanger Orthopedic Group, Inc. to withdraw its Common Stock, \$.01 Par Value, from listing and registration on the American Stock Exchange. (Rel. 34-40867)

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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.

Registration statements may be obtained in person or by writing to the Commission's Public Reference Branch at 450 Fifth Street, N.W., Washington, D.C. 20549 or at the following e-mail box address: <public info @ sec>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

- F-3 HIBERNIA FOODS PLC, 15 FITZWILLIAM SQ, DUBLIN 2 IRELAND, L2  
(212) 661-1620 - 6,017,170 (\$30,837,996.25) COMMON STOCK (FILE 333-9738 -  
DEC 15) (BR 4)
- S-8 MADGE NETWORKS NV, TRANSPOLIS SCHIPHOL AIRPORT, POLARIS AVE 23,  
HOOFDDORP NETHERLAND, P7 (408) 955-0700 - 1,000,000 (\$3,625,000)  
COMMON STOCK (FILE 333-9772 - DEC. 22) (BR 3)
- S-8 ROYAL AHOLD, ALBERT HEIJNWEG 1, P O BOX 33, 1500 EA ZAANDAM THE, P7 -  
10,473,730 (\$379,986,924.40) COMMON STOCK (FILE 333-9774 - DEC. 23)  
(BR 2)
- F-3 3DLABS INC LTD, CLAREDDON HOUSE, CHURCH ST, HAMILTON HM11 BERMUDA, D0  
(441) 295-1422 - 1,704,070 (\$6,816,280) COMMON STOCK (FILE 333-9776 -  
DEC. 23) (BR 5)
- S-8 RHODIA, 25 QUAI PAULDOWER, 92408 COUBEVOIE CEDEX FRANCE, I0 -  
2,000,000 (\$27,750,000) COMMON STOCK. (FILE 333-9778 - DEC. 24) (BR 2)
- S-8 CELESTICA INC, 844 DON MILLS RD, NORTH YORK, ONTARIO M3C 1V7, A6  
(416) 448-5800 - 1,766,708 (\$16,669,063 60) COMMON STOCK (FILE 333-9780 -  
DEC. 24) (BR. 5)
- F-6 CENTAUR MINING & EXPLORATION LTD /ADR/, 48 WALL ST,  
C/O BANK OF NEW YORK, NEW YORK, NY 10286 (212) 495-1727 - 10,000,000  
(\$500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK (FILE 333-9782 - DEC 23)  
(BR. 99)
- S-8 PSC INC, 675 BASKET RD, WEBSTER, NY 14580 (716) 265-1600 - 50,000  
(\$470,500) COMMON STOCK (FILE 333-69789 - DEC. 29) (BR 3)
- S-8 PSC INC, 675 BASKET RD, WEBSTER, NY 14580 (716) 265-1600 - 350,000  
(\$3,293,500) COMMON STOCK (FILE 333-69791 - DEC 29) (BR. 3)
- S-3 AFLAC INC, 1932 WYNNTON RD, COLUMBUS, GA 31999 (404) 323-3431 - 500,000  
(\$20,734,375) COMMON STOCK. (FILE 333-69795 - DEC. 29) (BR. 1)
- S-8 OMEGA HEALTHCARE INVESTORS INC, 905 W EISENHOWER CIRCLE STE 101,  
ANN ARBOR, MI 48103 (734) 747-9791 - 750,000 (\$21,960,938) COMMON STOCK.  
(FILE 333-69807 - DEC. 29) (BR. 8)
- S-3 ATEC GROUP INC, 1952 EAST JERICHO TURNPIKE, EAST NORTHPORT, NY 11731  
(212) 779-8600 - 6,585,916 (\$41,161,975) COMMON STOCK. (FILE 333-69809 -  
DEC. 29) (BR. 3)

S-8 FYI INC, 3232 MCKINNEY AVE, STE 900, DALLAS, TX 75204 (214) 953-7555 -  
3,000,000 (\$91,687,500) COMMON STOCK. (FILE 333-69811 - DEC. 29) (BR. 8)

S-3 ADVANCED POLYMER SYSTEMS INC /DE/, 123 SAGINAW DRIVE, REDWOOD CITY, CA  
94063 (415) -36-6-26 - 200,000 (\$950,000) COMMON STOCK. (FILE 333-69815 -  
DEC. 29) (BR. 6)

S-8 BB&T CORP, 200 WEST SECOND STREET, WINSTON-SALEM, NC 27101  
(336) 733-2000 - 30,000,000 (\$30,000,000)  
OTHER SECURITIES INCLUDING VOTING TRUST (FILE 333-69823 - DEC. 29)  
(BR 7)

S-3 HA LO INDUSTRIES INC, 5980 W TOUHY AVE, NILES, IL 60714 (708) 647-2300  
- 590,813 (\$19,219,915) COMMON STOCK. (FILE 333-69825 - DEC. 29) (BR. 2)

S-8 HICKORY TECH CORP, 221 E HICKORY ST, P O BOX 3248, MANKATO, MN 56002  
(800) 326-5789 - 100,000 (\$1,212,500) COMMON STOCK (FILE 333-69827 -  
DEC 29) (BR 7)

S-3 SPECTRANETICS CORP, 96 TALAMINE COURT, COLORADO SPRING, CO 80907  
(719) 633-8333 - 3,800,000 (\$10,212,690) COMMON STOCK. (FILE 333-69829 -  
DEC 29) (BR 5)

S-8 OFFICE DEPOT INC, 2200 OLD GERMANTOWN RD, DELRAY BEACH, FL 33445  
(561) 266-4800 - 127,000 (\$4,603,750) COMMON STOCK (FILE 333-69831 -  
DEC 29) (BR. 2)

S-8 GLOBAL MED TECHNOLOGIES INC, 12600 W COLFAX, SUITE 500 A, LAKEWOOD, CO  
80215 (303) 238-2000 - 100,000 (\$90,625) COMMON STOCK. (FILE 333-69851 -  
DEC 29) (BR 9)

S-8 EXPRESS SCRIPTS INC, 14000 RIVERPORT DR, ST LOUIS, MO 63043  
(314) 770-1666 - 250,000 (\$16,687,500) COMMON STOCK. (FILE 333-69855 -  
DEC 29) (BR 1)

S-8 BARD C R INC /NJ/, 730 CENTRAL AVE, MURRAY HILL, NJ 07974 (908) 277-8000  
- 250,000 (\$11,750,000) COMMON STOCK (FILE 333-69857 - DEC 29) (BR 5)

S-3 7TH LEVEL INC, 1110 EAST COLLINS BLVD, STE 122, RICHARDSON, TX 75081  
(972) 498-8100 - 2,416,667 (\$6,839,168) COMMON STOCK. (FILE 333-69861 -  
DEC 29) (BR 3)