

# sec news digest

Issue 85-213

November 4, 1985

---

## CIVIL PROCEEDINGS

---

### DEFENDANT ADMITS TO VIOLATING FEDERAL SECURITIES LAWS

The New York Regional Office announced that on October 30 Judge Shirley Wohl Kram, U.S. District Court for the Southern District of New York, approved a Final Judgment of Permanent Injunction and Order of Disgorgement against Paul Donnelly.

Donnelly admitted, among other things, that from April 1982 until January 1984, he and others at Falcon Sciences, Inc., a public company whose stock was traded on NASDAQ, issued and distributed over ten million shares of unregistered, unauthorized and counterfeit Falcon stock through branch offices of numerous American brokerage firms located in Switzerland, England and the United States. Over \$3 million worth of the bogus Falcon stock was sold to the public through these brokerage firms.

Donnelly also consented to be permanently enjoined from violating the registration and antifraud provisions of the Securities Act of 1933 and the antifraud provisions of the Securities Exchange Act of 1934 and Rule 10b-5; and from aiding and abetted violations of the reporting requirement and transfer agent provisions of the Exchange Act. (SEC v. Netelkos, et al., 84 Civ. 0335, SWK). (LR-10918)

### TRX INDUSTRIES, INC. AND ABF ENERGY CORPORATION ENJOINED

The Commission announced that on October 29 the U.S. District Court for the District of Columbia entered separate Final Judgments of Permanent Injunction against the following companies restraining and enjoining them from failing to file timely periodic reports: TRX Industries, Inc. of Monrovia, California; and ABF Energy Corporation of Englewood Cliffs, New Jersey.

In the TRX complaint, filed on September 30, and the ABF complaint, filed on August 8, the Commission alleged that as part of a continuing course of violative conduct: TRX failed to file its Annual Report on Form 10-K for its fiscal year ended January 31, 1985, its Quarterly Reports on Form 10-Q for its fiscal quarters ended May 30 and July 31, 1985, and four Notifications of Late Filing on Form 12b-25; and ABF failed to file its Annual Report on Form 10-K for its fiscal year ended December 31, 1984, its Quarterly Reports on Form 10-Q for its fiscal quarters ended March 31, 1985 and September 30, 1984, and failed to file or filed late certain Annual and Quarterly Reports and Notifications of Late Filing on Form 12b-25. TRX and ABF, consenting to the Court's Judgment, admitted they filed late or failed to file nine and 19, respectively, Annual and Quarterly Reports and Notifications of Late Filing. (SEC v. TRX Industries, Inc., USDC DC, Civil Action No. 85-3124 - LR-10920; SEC v. ABF Energy Corporation, USDC DC, Civil Action No. 85-2541 - LR-10921)

---

## INVESTMENT COMPANY ACT RELEASES

---

### CAPITAL PRESERVATION FUND, INC.

An order has been issued on an application filed by Capital Preservation Fund, Inc., Capital Preservation Fund II, Inc., Capital Preservation Treasury Note Trust, Benham California Tax-Free Trust, Benham National Tax-Free Trust, Benham Target Maturities Trust, Benham Government Income Trust, Benham Financial Services, Inc., Benham Management International, Inc. and Benham Management Corporation in connection with a proposed externalization of administrative services. (Rel. IC-14783 - Oct. 31)

### SCI EQUITY ASSOCIATES, L.P.

A notice has been issued giving interested persons until November 25 to request a hearing on an application filed by SCI Equity Associates, L.P. (Partnership) and its general partner, SCI Partners, L.P., for an order exempting the Partnership from all provisions of the Investment Company Act. (Rel. IC-14784 - Nov. 1)

---

## HOLDING COMPANY ACT RELEASES

---

### CONSOLIDATED NATURAL GAS COMPANY

Notices have been issued giving interested persons until November 25 to request a hearing on proposals by Consolidated Natural Gas Company, a registered holding company, to: extend until December 31, 1989 the issuance of 102,000 remaining shares of common stock under its Dividend Reinvestment Plan. (Rel. 35-23886 - Oct. 31); and issue until December 31, 1989 up to 750,000 shares of common stock under its Dividend Reinvestment Plan. (Rel. 35-23887 - Oct. 31)

### THE SOUTHERN COMPANY

An order has been issued regarding The Southern Company (Southern), a registered holding company, and its new subsidiary, Southern Electric Investments, Inc., authorizing Southern to provide up to \$10 million of financing for a joint venture of the new subsidiary and a non-associate company, Chronar Corporation, to manufacture and sell photovoltaic cells. (Rel. 35-23888 - Oct. 31)

### NEW ENGLAND POWER COMPANY

An order has been issued authorizing New England Power Company (NEP), subsidiary of New England Electric System, to implement a \$100 million financing plan for NEP through December 31, 1986, consisting of the issuance and sale of preferred stock and general and refunding mortgage bonds and the financing of pollution control facilities. (Rel. 35-23889 - Oct. 31)

---

## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

---

### DELISTINGS GRANTED

Orders have been issued granting the applications of the following stock exchanges to strike the specified securities of the following companies from listing and registration thereon: Philadelphia Stock Exchange, Inc. - ALLIS-CHALMERS CORPORATION, all put and call option contracts respecting its common stock. (Rel. 34-22591); and the Boston Stock Exchange, Inc. - COUNCIL COMMERCE CORPORATION, common stock, \$0.01 par value. (Rel. 34-22592)

### UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until November 22 to comment on the application of the Midwest Stock Exchange for unlisted trading privileges in eight issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-22593)

---

## SELF-REGULATORY ORGANIZATIONS

---

### NOTICE OF PROPOSED RULE CHANGE

The American Stock Exchange, Inc. filed a proposed rule change under Rule 19b-4 (SR-Amex-85-35) to amend Section 105 of the Amex Company Guide to permit the Amex to list warrants of an issuer which contain provisions granting the issuer discretion to adjust temporarily the exercise price, so long as the issuer provides a minimum period of ten business days within which such price adjustment will be in effect.

Publication of the proposal is expected to be made in the Federal Register during the week of November 4. (Rel. 34-22581)

### APPROVAL OF PROPOSED RULE CHANGES

The Commission approved proposed rule changes filed under Rule 19b-4 by: The Chicago Board Options Exchange, Incorporated (SR-CBOE-85-30) to permit access to Order Book size and depth information below and above the best bid and offer on the Order Book. CBOE believes the proposed rule change will allow all market participants to gain access, on an equal basis, to information concerning Book size and depth, and will facilitate larger, block-size transactions on the floor. (Rel. 34-22582); and the

Midwest Stock Exchange, Inc. (SR-MSE-85-8) to amend Article XX, Rule 10 of its rules for a six-month pilot basis. Among other charges, MSE Rule 10 will be amended to provide that stocks in which transactions are made on a "Next Day" issued basis are to be delivered on the next business day following the day of the contract or, as specified by the contract, on the second, third or fourth full business day following the day of the contract. (Rel. 34-22583)

## 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-18 MULTIPHONIC CORP, 1760 KAISER AVE, IRVINE, CA 92714 (714) 250-8671 - 500,000 (\$500,000) COMMON STOCK. (FILE 33-881-LA - OCT. 11) (BR. 11 - NEW ISSUE)
- S-18 CLUSTER TECHNOLOGY CORP, 175 WEST 200 SOUTH STE 4007, SALT LAKE CITY, UT 84101 (801) 532-7851 - 1,380,000 (\$1,380,000) COMMON STOCK. 138,000 (\$50) WARRANTS, OPTIONS OR RIGHTS. 138,000 (\$172,500) COMMON STOCK. (FILE 33-994-D - OCT. 18) (BR. 6 - NEW ISSUE)
- S-18 BREEZE CAPITAL CORP, 2171 EAST 3300 SOUTH, SALT LAKE CITY, UT 84109 (801) 467-0500 - 15,000,000 (\$300,000) COMMON STOCK. 1,500,000 (\$300) WARRANTS, OPTIONS OR RIGHTS. 1,500,000 (\$45,000) COMMON STOCK. (FILE 33-995-D - OCT. 18) (BR. 12 - NEW ISSUE)
- S-18 HB HARBINGER SERVICE INC, 4225 GROVE AVE, GURNEE, IL 60031 (312) 360-9100 - 4,000,000 (\$4,000,000) COMMON STOCK. (FILE 33-1008-C - OCT. 18) (BR. 10 - NEW ISSUE)
- S-3 DEERE JOHN CREDIT CO, FIRST INTERSTATE NATL BANK BLDG, 1 E FIRST ST STE 600, RENO, NV 89501 (702) 786-5527 - 300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE 33-1122 - OCT. 24) (BR. 12)
- S-3 SOUTHMARK CORP /GA/, 1601 LBJ FWY PARK WEST STE 800, DALLAS, TX 75234 (214) 241-8787 - 148,936 (\$7,297,864) COMMON STOCK. (FILE 33-1125 - OCT. 25) (BR. 5)
- S-4 PALM BEACH INC, 400 PIKE ST, CINCINNATI, OH 45202 (513) 241-4260 - 3,720,765 (\$29,766,120) PREFERRED STOCK. (FILE 33-1127 - OCT. 25) (BR. 7)
- S-4 FINANCIAL MANAGEMENT BANCSHARES OF WEST VIRGINIA INC, 466 HIGH ST, POST OFFICE BOX 698, MORGANTOWN, WV 26505 (304) 292-9441 - 107,450 (\$2,686,250) COMMON STOCK. (FILE 33-1130 - OCT. 25) (BR. 2)
- S-1 ENERGY FACTORS INC, 1495 PACIFIC HWY, STE 400, SAN DIEGO, CA 92101 (619) 239-9900 - 2,649,479 (\$48,352,991) COMMON STOCK. (FILE 33-1131 - OCT. 25) (BR. 8)
- S-1 AMWEST INSURANCE GROUP INC, 6301 OWENSMOUTH AVE STE 304, WOODLAND HILLS, CA 91367 (818) 704-1111 - 150,000 (\$1,500,000) COMMON STOCK. 597,500 (\$5,975,000) COMMON STOCK. 25,000 (\$300,000) WARRANTS, OPTIONS OR RIGHTS. 25,000 COMMON STOCK. (FILE 33-1135 - OCT. 25) (BR. 9 - NEW ISSUE)
- S-4 ONE VALLEY BANCORP OF WEST VIRGINIA INC, ONE VALLEY SQ, SUMMERS & LEE STS PO BOX 1793, CHARLESTON, WV 25326 (304) 348-7000 - 216,000 (\$7,668,000) COMMON STOCK. (FILE 33-1136 - OCT. 25) (BR. 1)
- S-8 MOLEX INC, 2222 WELLINGTON CT, LISLE, IL 60532 (312) 969-4550 - 100,000 (\$3,200,000) COMMON STOCK. (FILE 33-1138 - OCT. 25) (BR. 3)
- S-1 PYRAMID TECHNOLOGY CORP, 1295 CHARLETON RD, MOUNTAIN VIEW, CA 94039 (415) 965-7200 - 1,358,150 (\$23,088,550) COMMON STOCK. (FILE 33-1140 - OCT. 25) (BR. 9 - NEW ISSUE)
- S-11 NATIONAL HOUSING PARTNERSHIP REALTY FUND IV, 1133 FIFTEENTH ST N W, C/O NATIONAL CORP FOR HOUSING PARTNERSHI, WASHINGTON, DC 20005 (202) 857-5700 - 100,000 (\$100,000,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-1141 - OCT. 25) (BR. 5 - NEW ISSUE)
- S-1 TRANSCO EXPLORATION PARTNERS LTD, 2800 POST OAK BLVD, P O BOX 1396, HOUSTON, TX 77056 (713) 439-2000 - 5,750,000 (\$118,593,750) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-1143 - OCT. 25) (BR. 11)

- S-3 TRANSCO ENERGY CO, 2800 POST OAK BLVD, P O BOX 1396, HOUSTON, TX 77056  
(713) 439-2000 - 2,300,000 (\$115,000,000) PREFERRED STOCK. (FILE 33-1145 - OCT. 25)  
(BR. 8)
- S-14 OLDE WINDSOR BANCORP INC, OLD WINDSOR MALL, WINDSOR, CT 06095 (203) 688-5251 -  
132,594 (\$4,640,790) COMMON STOCK. (FILE 33-1146 - OCT. 25) (BR. 2)
- S-2 FIRST MICHIGAN BANK CORP, 101 E MAIN ST, P O BOX 300, ZEELAND, MI 49464  
(616) 396-9000 - 300,000 (\$5,700,000) COMMON STOCK. (FILE 33-1147 - OCT. 25) (BR. 2)
- S-4 HENDERSON PETROLEUM CORP, 950 S CHERRY ST, STE 500, DENVER, CO 80222 (303) 757-3381  
- 5,771,929 (\$541,407) COMMON STOCK. (FILE 33-1150 - OCT. 25) (BR. 4)
- S-4 SECOND NATIONAL CORP /IN/, 8TH & PROMENADE STS, RICHMOND, IN 47374 (317) 983-2000 -  
40,000 (\$1,657,000) COMMON STOCK. (FILE 33-1151 - OCT. 25) (BR. 2)
- S-3 NUCLEAR PHARMACY INC, 1730 MONTANO RD NW, ALBUQUERQUE, NM 87109 (505) 345-3551 -  
20,425 (\$93,342.25) COMMON STOCK. 130,775 (\$358,323.50) COMMON STOCK. 40,969  
(\$222,461.67) COMMON STOCK. 43,740 (\$300,056.40) COMMON STOCK. 236,925  
(\$1,464,196.50) COMMON STOCK. (FILE 33-1152 - OCT. 25) (BR. 4)
- S-11 EMPIRE OF AMERICA FINANCIAL CORP, 1005 TERMINAL WAY, RENO, NV 89502 (702) 322-4095  
- 750 (\$75,000,000) PREFERRED STOCK. UNDERWRITER: MORGAN STANLEY & CO INC,  
SALOMON BROTHERS INC. (FILE 33-1153 - OCT. 25) (BR. 12 - NEW ISSUE)
- S-6 MUNICIPAL BOND TRUST INSURED SERIES 34, 140 BROADWAY, C/O PAINWEBBER INC, NEW YORK,  
NY 10005 - 11,550 (\$12,127,500) UNIT INVESTMENT TRUST. (FILE 33-1155 - OCT. 25)  
(BR. 16 - NEW ISSUE)
- S-6 MUNICIPAL BOND TRUST INSURED SERIES 32, 140 BROADWAY, C/O PAINWEBBER INC, NEW YORK,  
NY 10005 - 11,550 (\$12,127,500) UNIT INVESTMENT TRUST. (FILE 33-1156 - OCT. 25)  
(BR. 16 - NEW ISSUE)
- S-6 MUNICIPAL BOND TRUST INSURED SERIES 30, 140 BROADWAY, C/O PAINWEBBER INC, NEW YORK,  
NY 10005 - 11,550 (\$12,127,500) UNIT INVESTMENT TRUST. (FILE 33-1157 - OCT. 25)  
(BR. 16 - NEW ISSUE)
- S-18 BELLEVIEW CAPITAL CORP, 7100 E BELLEVIEW STE 201, ENGLEWOOD, CA 80111  
(303) 740-8801 - 15,000,000 (\$150,000) COMMON STOCK. 15,000,000  
WARRANTS, OPTIONS OR RIGHTS. 15,500,000 (\$450,000) COMMON STOCK. (FILE 33-1161 -  
OCT. 25) (BR. 5 - NEW ISSUE)
- S-1 WESTERN FINANCIAL AUTO LOANS INC, 3550 CAMINO DEL RIO N, SAN DIEGO, CA 92108  
(619) 280-5570 - 110,000,000 (\$110,000,000) STRAIGHT BONDS. (FILE 33-1164 - OCT. 25)  
(BR. 11 - NEW ISSUE)
- S-1 FOREIGN CURRENCY FUND, ONE FINANCIAL PL 20TH FLR,  
C/O GELDERMAN FUTURES MANAGEMENT CORP, CHICAGO, IL 60605 (312) 663-7500 - 10,000  
(\$10,000,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: GELDERMAN SECURITIES INC.  
(FILE 33-1168 - OCT. 25) (BR. 12 - NEW ISSUE)
- S-3 HARTFORD FIRE INSURANCE CO, HARTFORD PLAZA, HARTFORD, CT 06115 (203) 547-5000 -  
2,000,000 (\$100,000,000) PREFERRED STOCK. 1,000 PREFERRED STOCK. (FILE 33-1170 -  
OCT. 25) (BR. 9)
- S-3 SECURITY PACIFIC CORP, 333 S HOPE ST, LOS ANGELES, CA 90071 (213) 613-4540 -  
500,000,000 (\$500,000,000) STRAIGHT BONDS. (FILE 33-1171 - OCT. 28) (BR. 2)
- S-1 NEW CENTURY PRODUCTIONS LTD, 150 EL CAMINO STE 110, BEVERLY HILLS, CA 90212  
(213) 274-0200 - 2,200,000 (\$8,600,944) PREFERRED STOCK. 2,860,000 COMMON STOCK.  
213,815 (\$256,578) COMMON STOCK. 213,815 (\$256,578) COMMON STOCK. (FILE 33-1172 -  
OCT. 28) (BR. 12)
- S-3 CONTINENTAL TELECOM INC, 245 PERIMETER CTR PKWY, ATLANTA, GA 30346 (404) 391-8000 -  
263,435 (\$6,059,005) COMMON STOCK. (FILE 33-1174 - OCT. 28) (BR. 7)
- S-8 CONTINENTAL TELECOM INC, 245 PERIMETER CTR PKWY, ATLANTA, GA 30346 (404) 391-8000 -  
10,000,000 (\$10,000,000) COMMON STOCK. (FILE 33-1175 - OCT. 28) (BR. 7)
- N-1A STATE BOND U S GOVERNMENT SECURITIES FUND INC, 100-106 N MINNESOTA ST, NEW ULM, MN  
56073 (507) 354-2144 - INDEFINITE SHARES. (FILE 33-1176 - OCT. 28) (BR. 17  
- NEW ISSUE)
- S-3 HASBRO INC, 1027 NEWPORT AVE, PAWTUCKET, RI 02861 (401) 727-5000 - 50,000,000  
(\$50,000,000) STRAIGHT BONDS. (FILE 33-1177 - OCT. 28) (BR. 11)