# SEC NEWS DIGEST

Issue 97-150 August 5, 1997

# COMMISSION ANNOUNCEMENTS

# JANE ADAMS APPOINTED DEPUTY CHIEF ACCOUNTANT

Chief Accountant Michael H. Sutton today announced that Jane B. Adams has been appointed as the Deputy Chief Accountant in the Commission's Office of the Chief Accountant. In this capacity, Ms. Adams will be responsible for the day-to-day operations of the Office, including resolution of accounting and auditing practice issues, rulemaking projects, and private sector standard setting efforts. (Press Rel. 97-68)

# ENFORCEMENT PROCEEDINGS

SEC BARS ROBERT GRESHAM, CPA, OF COLUMBIA, SOUTH CAROLINA, FROM PRACTICING BEFORE THE COMMISSION AS AN ACCOUNTANT

The Commission announced today that it has instituted proceedings against Robert L. Gresham, CPA, pursuant to Rule 102(e) of the Commission's Rules of Practice. Simultaneously, the Commission has accepted Gresham's Offer of Settlement in which he consents to be denied the privilege of appearing or practicing before the Commission as an accountant, with leave to apply after five years to resume appearing or practicing before the Commission. On July 22, 1997, a final judgment of permanent injunction, to which Gresham consented without admitting or denying the allegations in the Commission's complaint, was entered against Gresham enjoining him from future violations of Sections 13(a), 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Securities Exchange Act of 1934 and Rules 12b-20, 13a-1, 13a-13, 13b2-1 and 13b2-2 thereunder. SEC v. Policy Management Systems Corporation, George Larry Wilson, Robert L. Gresham, James P. Brown, David T. Bailey and Bernard C. Mazon, Civil No. 3:97-2193-0 (D.S.C. July 22, 1997). The final judgment also orders Gresham to pay a \$20,000 civil penalty.

The Commission's complaint alleged that from 1991 through the first quarter of 1993, PMSC's Financial Services Division, which reported to Gresham, was responsible for the preparation of financial

statements contained in certain periodic reports filed on behalf of PMSC with the Commission. Gresham signed PMSC's quarterly and annual reports which were filed with the Commission during the period from January 1, 1991, through March 31, 1993. The complaint also alleged that PMSC and certain of its employees utilized revenue recognition practices which were not in accordance with generally accepted accounting principles and which had the effect of materially misstating PMSC's results of operations and that Gresham, on behalf of PMSC, signed the annual management representation letter in February, 1993, which did not disclose these revenue recognition practices. The complaint further alleged that, as a control person, Gresham was liable for PMSC's failure to make and keep accurate books and records and to maintain adequate internal accounting controls. (Rel. 34-38902; AAE Rel. 943)

SEC BARS JAMES BROWN, OF COLUMBIA, SOUTH CAROLINA, FROM PRACTICING BEFORE THE COMMISSION AS AN ATTORNEY

The Commission announced today that it has instituted proceedings against James P. Brown pursuant to Rule 102(e) of the Commission's Rules of Practice. Simultaneously, the Commission has accepted Brown's Offer of Settlement in which he consents to be denied the privilege of appearing or practicing before the Commission as an attorney, with leave to apply after five years to resume appearing or practicing before the Commission. On July 22, 1997, a final judgment of permanent injunction, to which Brown consented without admitting or denying the allegations in the Commission's complaint, was entered against Brown enjoining him from future violations of Sections 13(a), 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Securities Exchange Act of 1934 and Rules 12b-20, 13a-1, 13a-13, 13b2-1 and 13b2-2 thereunder. <u>SEC v. Policy Management Systems</u> Corporation, George Larry Wilson, Robert L. Gresham, James P. Brown, David T. Bailey and Bernard C. Mazon, Civil No. 3:97-2193-0 (D.S.C. July 22, 1997). The final judgment also orders Brown to pay a \$20,000 civil penalty.

The Commission's complaint alleged that from 1991 through the first quarter of 1993, Brown reviewed financial statements contained in certain periodic reports filed on behalf of PMSC with the Commission. Certain of these financial statements materially misstated PMSC's results of operations in violation of generally accepted accounting principles. The complaint further alleged that, as a control person, Brown was liable for PMSC's failure to make and keep accurate books and records and to maintain adequate internal accounting controls, and that Brown provided inaccurate information to PMSC's independent auditors. (Rel. 34-38903; AAE Rel. 944)

INSIDER TRADING COMPLAINT AGAINST SEVEN FOREIGN NATIONALS AND TWO FOREIGN ENTITIES

The Commission filed today an insider trading complaint against seven foreign nationals and two foreign entities. The complaint charges Samir Traboulsi, Charbel Ghanem, Socofinance SA, International Discount Bank & Trust (West Indies) Ltd, Alain

Boublil, Max Theret, Robert Reiplinger, Patrick Gruman and Jean-Pierre Emden with tipping and/or insider trading in the securities of Triangle Industries, Inc. shortly before a November 21, 1988 tender offer by Pechiney Corporation, an entity owned by the French The complaint seeks disgorgement of approximately \$6.5 million in illegal trading profits plus prejudgment interest and permanent injunctions against future violations of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and The Commission also announced settlements 14e-3 thereunder. pursuant to which approximately \$1.35 million of illegal profits and interest will be disgorged. According to the complaint, each of the individual defendants was convicted of criminal offenses in France arising out of the events alleged in the complaint. In particular, Traboulsi, Boublil and Gruman were convicted of improperly communicating material nonpublic information to others, and Ghanem, Theret, Reiplinger and Emden were convicted of receiving stolen information. The complaint alleges that each of the defendants are collaterally estopped from contesting the factual findings underlying the decisions of the French courts.

The complaint seeks permanent injunctions and disgorgement of the illegal trading profits, together with prejudgment interest. Simultaneously with the filing of the complaint, defendants Traboulsi and Gruman each consented to the entry of the requested permanent injunctions without admitting or denying the allegations made in the complaint. Traboulsi also agreed to pay \$250,000 in disgorgement representing a portion of the proceeds of the Triangle transactions of his direct and indirect tipees. The Commission agreed that disgorgement of \$244,417 realized by Gruman's his tipee Emden would be waived as to him based on his demonstrated inability to pay. The Commission also moved the Court to direct the clerk to accept payment of additional disgorgement in the amount \$1,098,760 representing profits and prejudgment interest realized on certain trades by the late Roger-Patrice Pelat. [SEC v. Samir Traboulsi, et al., 97 Civ. 5759 RLP, SDNY] (LR-15429)

PRELIMINARY INJUNCTION ORDER ISSUED AGAINST EMMANUEL LAGPACAN, JOHN MORENO, KUBASAKI ASSOCIATES, INC. AND DIABLO ASSET DEVELOPMENT LP

The Commission obtained a preliminary injunction appointing a receiver and freezing the business assets of an East Bay investment adviser sued on August 4 by the Commission in federal court for defrauding his clients out of \$4.4 million.

The Commission alleges that Defendant Emmanuel Lagpacan, of Lafayette, California, fraudulently offered and sold approximately \$4.4 million in phony securities to 73 of his clients between January 1990 and at least February 1997. The victims included Lagpacan's advisory clients as well as his clients from an earlier job as a stockbroker. Lagpacan operates his investment advisory business under the name Money Matters, Financial Consultants & Accountants (Money Matters), in Walnut Creek, California. He previously was a registered representative at a local office of Waddell & Reed, Inc. (Waddell), a registered broker-dealer.

Also named as Defendants are a real estate company owned by Lagpacan called Kubasaki Associates, Inc. (Kubasaki), Lagpacan's assistant, John R. Moreno, and a real estate partnership run by Moreno called Diablo Asset Development LP (DAD). The defendants consented to the injunction without admitting or denying the allegations of the complaint. [SEC v. Emmanuel A. Lagpacan, John A. Moreno and Kubasaki Associates, Inc., Civil Action No. C97-2849-CW, ND Cal.] (LR-15430)

# INVESTMENT COMPANY ACT RELEASES

ABD AMERICAN CAPITAL MARKETS FUNDS, INC.

A notice has been issued giving interested persons until August 26 to request a hearing on an application filed by ABD American Capital Markets Funds, Inc. for an order under Section 8(f) of the Investment Company Act declaring that it has ceased to be an investment company. (Rel. IC-22776 - August 1)

# HOLDING COMPANY ACT RELEASES

CENTRAL OHIO COAL COMPANY, ET AL.

A notice has been issued giving interested persons until August 26 to request a hearing on a proposal by Central Ohio Coal Company, Southern Ohio Coal Company (SOCCO) and Windsor Coal Company, each a subsidiary of Ohio Power Company, a public utility subsidiary company of American Electric Power Company, a registered holding company. SOCCO proposes to increase its authority to pay dividends to Ohio Power out of its capital surplus from approximately \$68 million to approximately \$84 million. (Rel. 35-26752)

# SELF-REGULATORY ORGANIZATION RELEASES

# PROPOSED RULE CHANGE

The <u>Philadelphia Stock Exchange</u> filed a proposed rule change (SR-Phlx-97-30) relating to doubling the index value for the Phlx Oil Service Index. Publication of the proposal is expected in the <u>Federal Register</u> during the week of August 4. (Rel. 34-38894)

# APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change filed by the <u>New York Stock Exchange</u> (SR-NYSE-97-21) to replace references to specific minimum variations with general language regarding minimum variations, to replace its minimum increment of one-eighth of a

dollar with one-sixteenth of a dollar, and to make conforming changes to several other rules. (Rel. 34-38897)

The Commission approved a proposed rule change (SR-Phlx-97-11), and Amendment No. 3 thereto, by the <u>Philadelphia Stock Exchange</u> to amend Phlx Rule 229, Philadelphia Stock Exchange Automated Communication and Execution System (PACE). The rule change amends the execution guarantee applicable to PACE market and marketable limit orders over 599 shares; the out-of-range protection provisions; the execution price for partial round lots; and certain organizational and miscellaneous changes to Rule 229. Publication of the approval order is expected in the <u>Federal Register</u> during the week of August 4. (Rel. 34-38898)

# WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until August 25 to comment on the application of Benchmark Electronics, Inc. to withdraw from listing and registration on the <u>American Stock Exchange</u>, its Common Stock, \$.10 Par Value. (Rel. 34-38900)

#### DELISTING GRANTED

An order has been issued granting the application of the <u>Boston Stock Exchange</u> to strike from listing and registration Amerivest Properties, Inc., Common Stock, \$.001 Par Value, and its Redeemable Warrants. (Rel. 34-38901)

#### WITHDRAWAL GRANTED

An order has been issued granting the application of Ponder Industries, Inc. to withdraw from listing and registration its Common Stock, \$.01 Par Value, on the <u>Boston Stock Exchange</u>. (Rel. 34-38896)

# SECURITIES ACT REGISTRATIONS

F-1 ESAT TELECOM GROUP PLC, NORTH BLCOK MALT HOUSE, GRAND CANAL QUAY, DUBLIN 2 IRELAND, L3 - 157,000 (\$10,868.28) WARRANTS, OPTIONS OR RIGHTS (FILE 333-7304 - JUL 22) (BR. 3)

- S-3 CHASE MANHATTAN BANK USA, 802 DELAWARE AVE, 13TH FLOOR, WILMINGTON, DE 19801 (302) 575-5000 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 333-32263 JUL 29) (BR. 8)
- S-8 DIVERSIFAX INC, 39 STRINGHAM AVE, VALLEY STREAM, NY 11530 (212) 635-0005 - 17,500 (\$35,000) COMMON STOCK. (FILE 333-32265 - JUL. 29) (BR. 2)
- S-8 INDEPENDENT BANK CORP /MI/, 230 W MAIN ST, PO BOX 491, IONIA, MI 48846 (616) 527-9450 187,500 (\$5,601,562 50) COMMON STOCK (FILE 333-32267 JUL 29) (BR 7)
- S-8 INDEPENDENT BANK CORP /MI/, 230 W MAIN ST, PO BOX 491, IONIA, MI 48846 (616) 527-9450 150,000 (\$4,481,250) COMMON STOCK (FILE 333-32269 JUL 29) (BR. 7)
- S-8 COMFORCE CORP, 2001 MARCUS AVE, LAKE SUCCESS, NY 11042 (516) 328-7300 3,074,372 (\$22,585,149) COMMON STOCK. (FILE 333-32271 JUL. 28) (BR. 6)
- S-8 ENDOSONICS CORP, 6616 OWENS DRIVE, PLEASANTON, CA 94508 (916) 638-8008
   2,053,500 (\$24,340,640) COMMON STOCK. (FILE 333-32273 JUL 28)
  (BR 1)
- S-8 MAZEL STORES INC, 31000 AURORA ROAD, SOLON, OH 44139 (216) 248-5200 900,000 (\$17,550,000) COMMON STOCK. (FILE 333-32275 JUL 29) (BR. 2)
- S-8 ROUSE COMPANY, 10275 LITTLE PATUXENT PKWY, COLUMBIA, MD 21044 (410) 992-6000 - 5,000,000 (\$151,250,000) COMMON STOCK. (FILE 333-32277 - JUL 29) (BR 8)
- S-8 POLAROID CORP, 549 TECHNOLOGY SQ, CAMBRIDGE, MA 02139 (617) 577-2000 300,000 (\$17,390,700) COMMON STOCK (FILE 333-32279 JUL. 29) (BR. 5)
- S-8 POLAROID CORP, 549 TECHNOLOGY SQ, CAMBRIDGE, MA 02139 (617) 577-2000 100,000 (\$5,796,900) COMMON STOCK. (FILE 333-32281 JUL 29) (BR. 5)
- S-8 POLAROID CORP, 549 TECHNOLOGY SQ, CAMBRIDGE, MA 02139 (617) 577-2000 3,500,000 (\$202,891,500) COMMON STOCK (FILE 333-32283 JUL 29) (BR. 5)
- S-8 POLAROID CORP, 549 TECHNOLOGY SQ, CAMBRIDGE, MA 02139 (617) 577-2000 300,000 (\$17,390,700) COMMON STOCK (FILE 333-32285 JUL 29) (BR 5)
- S-8 NATIONAL QUALITY CARE INC, 5901 W OLYMPIC BLVD, STE 109, LOS ANGELES, CA 90036 (303) 477-5788 100,000 (\$37,000) COMMON STOCK (FILE 333-32287 JUL 29) (BR 2)
- S-8 GLOBAL TELEMEDIA INTERNATIONAL INC, 1121 ALDERMAN DR, STE 200, ALPHARETTA, GA 30202 (770) 667-6088 - 958,084 (\$400,000) COMMON STOCK. (FILE 333-32291 - JUL 29) (BR 3)
- S-8 SOLOMON PAGE GROUP LTD, 1140 AVE OF THE AMERICAS, 9TH FLR, NEW YORK, NY 10036 (212) 764-9200 2,600,000 (\$7,637,500) COMMON STOCK (FILE 333-32293 JUL 29) (BR 9)
- S-8 HANCOCK FABRICS INC, 3406 W MAIN ST, TUPELO, MS 38803 (601) 842-2834 2,000,000 (\$25,125,000) COMMON STOCK (FILE 333-32295 JUL 29) (BR. 2)
- S-8 LIGAND PHARMACEUTICALS INC, 9393 TOWNE CENTRE DR STE 100, SAN DIEGO, CA 92121 (619) 535-3900 - 915,000 (\$10,952,550) COMMON STOCK (FILE 333-32297 - JUL 29) (BR 1)
- S-8 HANCOCK FABRICS INC, 3406 W MAIN ST, TUPELO, MS 38803 (601) 842-2834 4,000,000 (\$50,250,000) COMMON STOCK (FILE 333-32299 JUL 29) (BR. 2)
- S-8 CELLEGY PHARMACEUTICALS INC, 1065 E HILLSDALE BLVD, SUITE 418, FORSTER CITY, CA 94404 (415) 382-6770 - 500,000 (\$1,918,627.50) COMMON STOCK (FILE 333-32301 - JUL 29) (BR. 1)
- S-8 RAYOVAC CORP, 601 RAYOVAC DRIVE, MADISON, WI 53711 (608) 275-3340 665,000 (\$3,996,650) COMMON STOCK (FILE 333-32303 JUL 29) (BR. 6)

- S-8 COMPANY DOCTOR, 5215 NORTH O CONNOR BLVD, STE 1800, IRVING, TX 75039 (972) 401-8300 1,040,875 (\$3,838,226.56) COMMON STOCK (FILE 333-32305 JUL 29) (BR 9)
- S-8 PENN TRAFFIC CO, 1200 STATE FAIR BLVD, SRYACUSE, NY 13221 (814) 536-9900 1,499,600 (\$10,155,331.30) COMMON STOCK (FILE 333-32307 JUL. 29) (BR 2)
- S-8 FAIR ISAAC & COMPANY INC, 120 N REDWOOD DR, SAN RAFAEL, CA 94903 (415) 472-2211 - 544,218 (\$1,275,277.99) COMMON STOCK. (FILE 333-32309 - JUL 29) (BR 6)
- S-3 BALTIMORE GAS & ELECTRIC CO, GAS & ELECTRIC BLDG, CHARLES CTR, BALTIMORE, MD 21201 (410) 783-5920 - 200,000,000 (\$200,000,000) STRAIGHT BONDS (FILE 333-32311 - JUL. 29) (BR 4)
- S-8 UGLY DUCKLING CORP, 2525 E CAMELBACK #1150, STE 1150, PHOENIX, AZ 85016 (602) 852-6600 1,000,000 (\$15,187,500) COMMON STOCK (FILE 333-32313 JUL. 29) (BR. 7)
- S-8 ASTRO MED INC /NEW/, 600 E GREENWICH AVE, WEST WARWICK, RI 02893 (401) 828-4000 250,000 (\$2,125,000) COMMON STOCK (FILE 333-32315 JUL 29) (BR 3)
- S-8 ASTRO MED INC /NEW/, 600 E GREENWICH AVE, WEST WARWICK, RI 02893 (401) 828-4000 100,000 (\$850,000) COMMON STOCK. (FILE 333-32317 JUL. 29) (BR 3)
- S-8 ELTRON INTERNATIONAL INC, 41 MORELAND RD, SIMI VALLEY, CA 93065 (805) 579-1800 - 500,000 (\$15,500,000) COMMON STOCK (FILE 333-32319 -JUL 29) (BR 6)
- S-8 CORSAIR COMMUNICATIONS INC, 3408 HILLVIEW AVENUE, 415-856-2677, PALO ALTO, CA 94304 (415) 842-3300 - 1,504,300 (\$21,060,200) COMMON STOCK (FILE 333-32321 - JUL. 29) (BR 3)
- S-8 YURIE SYSTEMS INC, 8301 PRIFESSIONAL PLACE, LANDOVER, MD 20785 (301) 352-4600 - 2,000,000 (\$33,250,000) COMMON STOCK (FILE 333-32325 - JUL. 29) (BR. 3)
- S-11 NOVASTAR FINANCIAL INC, 1900 W 47TH PLACE, STE 205, WESTWOOD, KS 66205 (913) 362-1090 3,450,000 (\$62,100,000) COMMON STOCK (FILE 333-32327 JUL 29)
- S-8 SIPEX CORP, 22 LINNELL CIRCLE, BILLERICA, MA 01821 (508) 667-8700 600,000 (\$26,364,000) COMMON STOCK (FILE 333-32329 JUL 29) (BR 6)
- S-8 AMERIHOST PROPERTIES INC, 2400 E DEVON AVE STE 280, DES PLAINES, IL 60018 (708) 298-4500 - 120,000 (\$757,500) COMMON STOCK (FILE 333-32331 -JUL 29) (BR. 5)
- S-3 AMERIHOST PROPERTIES INC, 2400 E DEVON AVE STE 280, DES PLAINES, IL 60018 (708) 298-4500 - 464,900 (\$2,934,681 25) COMMON STOCK (FILE 333-32333 - JUL. 29) (BR 5)
- S-8 CAREY INTERNATIONAL INC, 4530 WISCONSIN AVE NW, WASHINGTON, DC 20016 (202) 895-1200 1,225,930 (\$11,358,918 73) COMMON STOCK. (FILE 333-32335 JUL 29) (BR. 5)
- S-8 JLM INDUSTRIES INC, 8675 HIDDEN RIVER PKWY, TAMPA, FL 33637 (813) 632-3300 - 750,000 (\$7,642,500) COMMON STOCK (FILE 333-32337 -JUL 29) (BR 4)
- S-8 JLM INDUSTRIES INC, 8675 HIDDEN RIVER PKWY, TAMPA, FL 33637 (813) 632-3300 - 25,000 (\$254,750) COMMON STOCK (FILE 333-32339 -JUL 29) (BR 4)
- S-8 BOOLE & BABBAGE INC, 3131 ZANKER ROAD, SAN JOSE, CA 95134 (408) 526-3000 726,482 (\$18,116,644 87) COMMON STOCK (FILE 333-32341 JUL 29)

- S-8 ATMOS ENERGY CORP, 1800 THREE LINCOLN CTR, 5430 LBJ FREEWAY, DALLAS, TX 75240 (214) 934-9227 250,000 (\$6,085,937 50) COMMON STOCK (FILE 333-32343 JUL 29) (BR. 4)
- S-3 EXTENDED STAY AMERICA INC, 450 E LAS OLAS BLVD, STE 1100, FORT LAUDERDALE, FL 33301 (954) 713-1600 - 1,786,713 (\$27,135,703 69) COMMON STOCK (FILE 333-32345 - JUL 29) (BR 5)
- S-8 JLM INDUSTRIES INC, 8675 HIDDEN RIVER PKWY, TAMPA, FL 33637 (813) 632-3300 - 75,000 (\$764,250) COMMON STOCK (FILE 333-32347 -JUL 29) (BR 4)
- S-8 COLUMBIA BANCORP, 10480 LITTLE PATUXENT PKWY, PARK VIEW BUILDING, COLUMBIA, MD 21044 (301) 730-5000 75,000 (\$1,771,875) COMMON STOCK. (FILE 333-32349 JUL 29) (BR 7)
- S-3 MED WASTE INC, 3890 NW 132ND ST, STE K, OPA LOCKA, FL 33054 (305) 688-3931 - 1,015,349 (\$4,569,070 50) COMMON STOCK (FILE 333-32351 - JUL 29) (BR 9)
- S-3 HOUSTON LIGHTING & POWER CO, 611 WALKER AVE, HOUSTON, TX 77002 (713) 228-9211 - 5,000,000 (\$104,200,000) COMMON STOCK. (FILE 333-32353 - JUL 29) (BR 4)
- S-4 FNB CORP/PA, HERMITAGE SQUARE, HERMITAGE, PA 16148 (412) 981-6000 700,000 (\$7,609,000) COMMON STOCK (FILE 333-32355 JUL. 29) (BR 7)
- S-8 GOODYS FAMILY CLOTHING INC /TN, 400 GOODYS LN, P O BOX 22000, KNOXVILLE, TN 37933 (423) 966-2000 1,000,000 (\$32,332,092 50) COMMON STOCK. (FILE 333-32357 JUL 29) (BR 2)
- S-8 COLUMBIA BANCORP, 10480 LITTLE PATUXENT PKWY, PARK VIEW BUILDING, COLUMBIA, MD 21044 (301) 730-5000 200,000 (\$4,725,000) COMMON STOCK (FILE 333-32359 JUL 29) (BR. 7)
- S-3 EASTERN ENVIRONMENTAL SERVICES INC, 1000 CRAWFORD PLACE, MT LAUREL, NJ 08054 (609) 235-6009 199,232 (\$3,554,298 88) COMMON STOCK (FILE 333-32361 JUL. 29) (BR. 4)
- S-8 METALS USA INC, 4801 WOODWAY DR, STE 300E, HOUSTON, TX 77056 (76-) 053-3626 - 2,750,000 (\$29,734,375) COMMON STOCK (FILE 333-32363 - JUL 30) (BR 4)
- S-3 HOLLYWOOD ENTERTAINMENT CORP, 25600 SW PARKWAY CENTER DRIVE, WILSON, OR 97070 (503) 570-1600 1,000,000 (\$21,000,000) COMMON STOCK (FILE 333-32365 JUL 30) (BR 5)
- S-4 NEENAH TRANSPORT INC, 2121 BROOKS AVE, PO BOX 729, NEENAH, WI 54927 (414) 725-7000 - 47,587,000 (\$47,587,500) STRAIGHT BONDS (FILE 333-32369 - JUL 29) (BR 6)
- S-1 STAFFMARK INC, 302 EAST MILLSAP, FAYETTEVILLE, AR 72703 (501) 973-6000 25,000 (\$650,000) COMMON STOCK (FILE 333-32371 JUL. 30) (BR 7)