

# SEC NEWS DIGEST

Issue 98-66

April 7, 1998

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## ENFORCEMENT PROCEEDINGS

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### ORDER MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS AND A CEASE AND DESIST ORDER ISSUED AGAINST WILLIAM CARROLL

The Commission has settled the previously authorized and instituted administrative proceedings against William P. Carroll (Carroll). Without admitting or denying the findings, Carroll consented to the issuance of an Order requiring him to cease and desist from committing or causing any violation and any future violation of Section 17(a) of the Securities Act of 1933 (Securities Act), and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5; barring him from association with any broker, dealer, investment company, investment adviser or municipal securities dealer; and requiring him to disgorge \$126,121.49 plus prejudgment interest, but waiving payment of the disgorgement and prejudgment interest based on Carroll's demonstrated inability to pay.

Pursuant to the Order and Carroll's Offer of Settlement, the Commission found that Carroll, who, from November 1989 until April 1995, was a registered representative associated with Spelman & Co., Inc., a broker-dealer registered with the Commission, misappropriated a total of \$126,121.49 from four brokerage customers that had conveyed money to him for the purpose of buying securities. (Rels. 33-7522; 34-39827; File No. 3-9364)

### COMMISSION SETTLES INSIDER TRADING CASE AGAINST JULIA MOBLEY

The Commission today announced the settlement of a civil injunctive action that the Commission filed against Julia Peck Mobley on June 13, 1994. The Honorable William B. Bryant, Senior United States District Judge, District of Columbia, entered a final judgment of permanent injunction and other relief against Mobley on April 6, 1998.

In its complaint, the Commission alleged that Mobley engaged in insider trading by purchasing shares of the common stock of MidSouth Corporation after she was tipped about pending merger negotiations between MidSouth and Kansas City Southern Industries, Inc. by co-defendant Sydney Probst, a lobbyist employed by Kansas City Southern

who previously settled this case with the Commission. The complaint further alleged that Mobley provided material, nonpublic information to co-defendant Rosamond S. Brown about the pending merger negotiations, and that she recommended that another individual purchase MidSouth common stock while the merger negotiations were taking place.

Mobley consented, without admitting or denying the allegations in the complaint, to a final judgment permanently enjoining her against future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and ordering that she pay a total amount of \$48,692.98, consisting of \$18,088 in disgorgement of trading profits, prejudgment interest thereon of \$8,716.98, and a civil penalty of \$21,888, which is equal to the total trading profit made by Mobley and her tippees.

Separately, co-defendant Rosamond S. Brown has also settled this case with the Commission. [SEC v. Julia Peck Mobley, Civil Action No. 94-1294, WBB, D.D.C.] (LR-15695)

#### **COMMISSION SETTLES INSIDER TRADING CASE AGAINST ROSAMOND BROWN**

The Commission today announced the settlement of a civil injunctive action that the Commission filed against Rosamond S. Brown on June 13, 1994. The Honorable William B. Bryant, Senior United States District Judge, District of Columbia, entered a final judgment of permanent injunction and other relief against defendant Brown on April 6, 1998.

In its complaint, the Commission alleged that Brown engaged in insider trading by purchasing shares of the common stock of MidSouth Corporation after she was tipped about pending merger negotiations between MidSouth and Kansas City Southern Industries, Inc.

Brown consented, without admitting or denying the allegations in the complaint, to a final judgment permanently enjoining her against future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and ordering that she pay the total amount of \$9,431.28, consisting of \$3,800 in disgorgement of her trading profit, prejudgment interest thereon of \$1,831.28, and a one-time civil penalty of \$3,800.

Separately, co-defendant Julia Peck Mobley has also settled this case with the Commission. [SEC v. Rosamond S. Brown, Civil Action No. 94-1294, WBB, D.D.C.] (LR-15696)

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#### **INVESTMENT COMPANY ACT RELEASES**

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**SALOMON BROTHERS VARIABLE SERIES FUNDS INC, ET AL.**

A notice has been issued giving interested persons until April 28, 1998, to request a hearing on an application filed by Salomon Brothers Variable Series Funds Inc (Fund) and Salomon Brothers Asset Management Inc (together, Applicants). Applicants seek exemptive relief to the extent necessary to permit shares of the Fund to be sold to and held by: (i) variable annuity and variable life insurance separate accounts of both affiliated and unaffiliated life insurance companies, and (ii) trustees of certain qualified pension or retirement plans. (Rel. IC-23100 - April 3)

**STI CLASSIC VARIABLE TRUST FUND, INC., ET AL.**

A notice has been issued giving interested persons until April 28, 1998, to request a hearing on an application filed by STI Classic Variable Trust (Trust) and STI Capital Management, N.A. (STI Capital) (together, Applicants). Applicants seek an order to permit shares of the Trust and shares of any other investment company or portfolio that is designed to fund insurance products and for which STI Capital may serve in the future, as investment adviser, administrator, manager, principal underwriter, or sponsor to be sold to and held by: (1) separate accounts funding variable annuity and variable life insurance contracts issued by both affiliated and unaffiliated life insurance companies; and (2) qualified pension and retirement plans outside of the separate account context. (Rel. IC-23101 - April 3)

**HARRIS & HARRIS GROUP, INC.**

A certification has been issued pursuant to Section 851(e) of the Internal Revenue Code of 1986, as amended, that Harris & Harris Group, Inc. was, for the fiscal year ended December 31, 1997, principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes or products not previously generally available. (Rel. IC-23102 - April 6)

**DELAWARE GROUP FOUNDATION FUNDS, ET AL.**

An order has been issued on an application filed by Delaware Group Foundation Funds, et al. under Section 12(d)(1)(J) of the Investment Company Act exempting applicants from Section 12(d)(1)(G)(i)(II) of the Act. The order permits a fund of funds relying on Section 12(d)(1)(G) of the Act to make investments in securities and other instruments. (Rel. IC-23103 - April 6)

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**HOLDING COMPANY ACT RELEASES**

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## **NEW CENTURY ENERGIES, INC., ET AL.**

A notice has been issued giving interested persons until April 28, 1998, to request a hearing on a proposal by New Century Energies, Inc. (NCE), a registered holding company, and its subsidiaries (collectively, Applicants). Applicants propose to modify their existing financing authorization to increase: (1) common stock issuances by NCE (exclusive of common stock issued for benefit plans and dividend reinvestment plans) from \$535 million to \$745 million; (2) short-term debt issuances and sales from \$100 million to \$200 million; and (3) nonexempt guarantees and credit support arrangements among the subsidiaries of NCE from \$50 million to \$100 million. Applicants also propose to use the proceeds from the various financings to invest in "energy-related companies." (Rel. 35-26855)

## **AMERICAN ELECTRIC POWER COMPANY, INC.**

A notice has been issued giving interested persons until April 28, 1998, to request a hearing on a proposal by American Electric Power Company, Inc. (AEP), a registered holding company. AEP proposes to guarantee certain lease obligations of its subsidiary, American Electric Power Service Corporation. (Rel. 35-26855)

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## **SELF-REGULATORY ORGANIZATIONS**

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### **DELISTING GRANTED**

An order has been issued granting the application of the Boston Stock Exchange to strike from listing and registration Discas, Inc., Common Stock, \$.0001, Par Value and Redeemable Common Stock Purchase Warrants. (Rel. 34-39828)

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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-6 TEKA TECELAGEM KUEHNRICH S/A /ADR/, 111 WALL ST, C/O CITIBANK NA,  
 NEW YORK, NY 10043 (212) 657-5100 - 100,000,000 (\$5,000,000)  
 DEPOSITARY RECEIPTS FOR COMMON STOCK (FILE 333-8526 - MAR 26) (BR 99  
 - NEW ISSUE)

F-6 IDT HOLDINGS SINGAPORE 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 333-8528 - MAR 26) (BR 99  
 - NEW ISSUE)

F-6 IDT INTERNATIONAL 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 333-8530 - MAR 26) (BR 99  
 - NEW ISSUE)

S-B REPUBLIC OF ARGENTINA, 1901 L ST NW STE 606,  
 OFFICE OF FINANCIAL REP OF ARGENTINA, WASHINGTON, DC 20036 - 2,000,000,000  
 (\$2,000,000,000) FOREIGN GOVERNMENT AND AGENCY DEBT (FILE 333-8532 -  
 MAR 26) (BR 99)

F-3 PROFESSIONAL STAFF PLC, BUCKLAND HOUSE WATERSIDE DR LANGLEY,  
 BUSINESS PARK, SLOUGH SL3 6EZ, X0 00000 (212) 664-7666 - 3,450,000  
 (\$58,434,375) FOREIGN COMMON STOCK (FILE 333-8534 - MAR 26) (BR 7)

S-4 COMMUNITY FIRST BANKSHARES INC, 520 MAIN AVENUE, FARGO, ND 58124  
 (701) 298-5600 - 720,000 (\$8,845,335) COMMON STOCK (FILE 333-48925 -  
 MAR 31) (BR 7)

S-8 CONNECT INC, 515 ELLIS STREET, MOUNTAIN VIEW, CA 94043 (415) 254-4000 -  
 114,000 (\$114,000) COMMON STOCK (FILE 333-48927 - MAR 31) (BR 3)

S-4 NATIONAL CITY BANCSHARES INC, 227 MAIN ST P O BOX 868, EVANSVILLE, IN  
 47705 (812) 464-9677 - 250,749 (\$7,488,136) COMMON STOCK (FILE 333-48933  
 - MAR 31) (BR 7)

S-3 PROGRESSIVE CORP/OH/, 6300 WILSON MILLS RD, MAYFIELD VILLAGE, OH 44143  
 (216) 461-5000 - 300,000,000 (\$300,000,000) STRAIGHT BONDS (FILE  
 333-48935 - MAR 31) (BR 1)

S-2 MALAN REALTY INVESTORS INC, 30200 TELEGRAPH RD, STE 105, BIRMINGHAM, MI  
 48025 (810) 644-7110 - 1,725,000 (\$30,554,062 50) COMMON STOCK (FILE  
 333-48937 - MAR 31) (BR 8)

S-8 TRANSIT GROUP INC, 2859 PACES FERRY ROAD, SUITE 1740, ATLANTA, GA 30339  
 (770) 444-0240 - 1,755,850 (\$6,013,361) COMMON STOCK (FILE 333-48939 -  
 MAR 31) (BR. 5)

S-3 WELLPOINT HEALTH NETWORKS INC /DE/, 21555 OXNARD STREET, WOODLAND HILLS,  
 CA 91367 (818) 703-4000 - 8,050,000 (\$543,878,125) COMMON STOCK (FILE  
 333-48941 - MAR 31) (BR 1)

S-3 FIRST UNION COMMERCIAL MORTGAGE SECURITIES INC, ONE FIRST UNION CENTER,  
 CHARLOTTE, NC 28228 (704) 374-6525 - 1,000,000 (\$1,000,000)  
 PASS-THROUGH MORTGAGE-BACKED CERTIFICATE (FILE 333-48943 - MAR 31)  
 (BR 8)

S-8 WILLIAMS COMPANIES INC, ONE WILLIAMS CTR, TULSA, OK 74172 (918) 588-2000  
 - 500,000 (\$15,656,250) COMMON STOCK (FILE 333-48945 - MAR 31) (BR 4)

S-3 INTEGRATED HEALTH SERVICES INC, 10065 RED RUN BLVD, OWINGS MILLS, MD  
 21117 (410) 998-8400 - 513,753 (\$20,004,257 44) COMMON STOCK (FILE  
 333-48947 - MAR 31) (BR 1)

S-8 CISCO SYSTEMS INC, 170 WEST TASMAN DRIVE, SAN JOSE, CA 95134  
 (408) 526-4000 - 835,262 (\$292,341 70) COMMON STOCK (FILE 333-48949 -  
 MAR 31) (BR 3)

S-8 LILLIAN VERNON CORP, 543 MAIN ST, NEW ROCHELLE, NY 10801 (914) 576-6400  
 - 100,000 (\$1,762,500) COMMON STOCK (FILE 333-48951 - MAR 31) (BR 2)

S-8 VERITAS DGC INC, 3701 KIRBY DR, STE 112, HOUSTON, TX 77098  
 (713) 512-8300 - 23,025 (\$1,266,375) COMMON STOCK (FILE 333-48953 -  
 MAR 31) (BR 4)

S-3 ADVANTA AUTO FINANCE CORP, 300 WELSH RD, STE 400, HORSHAM, PA 19044 -  
181,692,000 (\$181,692,000) STRAIGHT BONDS (FILE 333-48955 - MAR. 30)  
(BR 8)

S-8 STANHOME INC, 333 WESTERN AVE, WESTFIELD, MA 01085 (413) 562-3631 -  
100,000 (\$2,731,250) COMMON STOCK (FILE 333-48957 - MAR 31) (BR. 2)

S-1 GUARANTY BANCSHARES INC /TX/, P O BOX 1158, MT PLEASANT, TX 75456  
(903) 572-9881 - 350,000 (\$5,337,500) COMMON STOCK (FILE 333-48959 -  
MAR 31) (BR 7 - NEW ISSUE)

S-8 HA LO INDUSTRIES INC, 5980 W TOUHY AVE, NILES, IL 60714 (708) 647-2300  
- 1,500,000 (\$53,205,000) COMMON STOCK (FILE 333-48961 - MAR. 31)  
(BR 2)

S-8 PACIFIC RESEARCH & ENGINEERING CORP, 2070 LAS PALMAS DR, CARLSBAD, CA  
92009 (619) 438-3911 - 100,000 (\$468,468) COMMON STOCK. (FILE 333-48963 -  
MAR 31) (BR 9)

S-4 PLATINUM TECHNOLOGY INC, 1815 S MEYERS RD, OAKBROOK TERRACE, IL 60181  
(630) 620-5000 - 18,622,229 (\$194,369,516) COMMON STOCK (FILE 333-48965 -  
MAR 31) (BR 3)

S-8 DELUXE CORP, 3680 VICTORIA STREET NORTH, SHOREVIEW, MN 55126  
(612) 483-7111 - 1,800,000 (\$59,456,250) COMMON STOCK (FILE 333-48967 -  
MAR 31) (BR 5)

S-8 FOUNDATION HEALTH SYSTEMS INC, 21600 OXNARD ST, WOODLAND HILLS, CA 91367  
(719) 542-0500 - 300,000 (\$8,081,250) COMMON STOCK. (FILE 333-48969 -  
MAR 31)

S-4 PAGEMART WIRELESS INC, 6688 N CENTRAL EXPRESSWAY, STE 800, DALLAS, TX  
75206 (214) 750-5809 - 432,000,000 (\$254,615,096) STRAIGHT BONDS (FILE  
333-48971 - MAR 31) (BR 3)

S-3 ALFACELL CORP, 225 BELLEVILLE AVE, BLOOMFIELD, NJ 07003 (201) 748-8082  
- 3,906,299 (\$9,531,370) COMMON STOCK. (FILE 333-48975 - MAR 31) (BR. 1)

S-8 SBARRO INC, 763 LARKFIELD RD, COMMACK, NY 11725 (516) 864-0200 -  
750,000 (\$19,340,824) COMMON STOCK (FILE 333-48977 - MAR 31) (BR 2)

S-8 AUTOZONE INC, 123 SOUTH FRONT ST, MEMPHIS, TN 38103 (901) 495-6500 -  
20,000 (\$661,250) COMMON STOCK (FILE 333-48979 - MAR 31) (BR 2)

S-8 AUTOZONE INC, 123 SOUTH FRONT ST, MEMPHIS, TN 38103 (901) 495-6500 -  
20,000 (\$661,250) COMMON STOCK (FILE 333-48981 - MAR 31) (BR 2)

S-1 ML LIFE INSURANCE COMPANY OF NEW YORK, 717 FIFTH AVE, NEW YORK, NY 10022  
(212) 415-8070 - \$50,000,000 VARIABLE ANNUITY ISSUES (FILE 333-48983 -  
MAR 31) (BR 20)

S-3 AARON RENTS INC, 3001 N FULTON DR NE, 1100 AARON BLDG, ATLANTA, GA 30363  
(404) 231-0011 - 2,875,000 (\$67,384,250) COMMON STOCK. (FILE 333-48985 -  
MAR 31) (BR 7)

S-8 STORAGE COMPUTER CORP, 11 RIVERSIDE STREET, NASHUA, NH 03062  
(603) 880-3005 - 75,000 (\$510,938) COMMON STOCK (FILE 333-48987 -  
MAR 31) (BR 3)

S-8 MAPICS INC, 5775-D GLENRIDGE DR, STE 100, ATLANTA, GA 30328  
(617) 965 0220 - 1,260,000 (\$21,026,250) COMMON STOCK (FILE 333-48989 -  
MAR 31) (BR 3)

S-8 KINNARD INVESTMENTS INC, 920 SECOND AVE S, MINNEAPOLIS, MN 55402  
(612) 370-2700 - 1,000,000 (\$6,500,000) COMMON STOCK (FILE 333-48991 -  
MAR 31) (BR 8)

S-8 LEUKOSITE INC, 215 FIRST ST, CAMBRIDGE, MA 02142 - 150,000 (\$1,396,950)  
COMMON STOCK (FILE 333-48993 - MAR 31) (BR 1)

S-8 ELECTRO SENSORS INC, 6111 BLUE CIRCLE DR, MINNETONKA, MN 55343  
(612) 930-0100 - 300,000 (\$1,237,500) COMMON STOCK (FILE 333-48995 -  
MAR 31) (BR 5)

S-3 SYLVAN LEARNING SYSTEMS INC, 1000 LANCASTER ST, BALTIMORE, MD 21202  
(410) 843-8000 - \$2,006,368 COMMON STOCK (FILE 333-48997 - MAR 31)  
(BR 7)

S-8 PAPA JOHNS INTERNATIONAL INC, 11492 BLUEGRASS PKWY, STE 175, LOUISVILLE,  
KY 40299 (502) 266-5200 - 100,000 (\$3,825,000) COMMON STOCK (FILE  
333-48999 - MAR 31) (BR 2)

S-3 SOCKET COMMUNICATIONS INC, 37400 CENTRAL COURT, NEWARK, CA 94560  
(510) 744-2700 - 3,757,475 (\$3,992,318) COMMON STOCK (FILE 333-49001 -  
MAR 31) (BR 9)

S-8 MID COAST BANCORP INC, 1768 ATLANTIC HWY, P O BOX 589, WALDOBORO, ME  
04572 (207) 832-7521 - 27,621 (\$1,077,219) COMMON STOCK (FILE 333-49003 -  
MAR 31) (BR. 7)

S-2 RICHARDSON ELECTRONICS LTD/DE, 40W267 KESLINGER RD, LAFOX, IL 60147  
(708) 208-2200 - 3,450,000 (\$46,143,750) COMMON STOCK (FILE 333-49005 -  
MAR 31) (BR 6)

S-8 SHOE PAVILION INC, 3200-F REGATTA BLVD , RICHMOND, CA 94804  
(510) 970-9775 - 100,000 (\$758,500) COMMON STOCK (FILE 333-49007 -  
MAR 31) (BR 2)

S-8 SHOE PAVILION INC, 3200-F REGATTA BLVD , RICHMOND, CA 94804  
(510) 970-9775 - 1,000,000 (\$7,503,000) COMMON STOCK (FILE 333-49009 -  
MAR 31) (BR 2)

S-4 ADVANCED ACCESSORY SYSTEMS LLC, 12900 HALL RD, SUITE 200,  
STERLING HEIGHTS, MI 48313 (810) 997-2900 - 125,000,000 (\$125,000,000)  
STRAIGHT BONDS (FILE 333-49011 - MAR 31) (NEW ISSUE)

S-4 ALLEGIANCE TELECOM INC, 1950 STEMMONS FRWY, STE 3026, DALLAS, TX 75207  
(214) 853-7100 - 445,000,000 (\$244,811,510) STRAIGHT BONDS (FILE  
333-49013 - MAR 31) (NEW ISSUE)

S-3 BEAR STEARNS ASSET BACKED SECURITIES INC, 245 PARK AVE, NEW YORK, NY  
10167 (212) 272-4095 - 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES  
(FILE 333-49015 - MAR 31) (BR. 8)

S-8 EQUITABLE COMPANIES INC, 787 SEVENTH AVE, NEW YORK, NY 10019  
(212) 554-1234 - 9,316,265 (\$547,330,569) COMMON STOCK (FILE 333-49017 -  
MAR 31) (BR 1)

S-3 WILMINGTON TRUST CORP, RODNEY SQUARE NORTH, 1100 NORTH MARKET ST,  
WILMINGTON, DE 19890 (302) 651-1000 - 225,000,000 (\$225,000,000)  
STRAIGHT BONDS (FILE 333-49019 - MAR 31) (BR 7)

S-8 NATURAL WONDERS INC, 4209 TECHNOLOGY DRIVE, FREMONT, CA 94538  
(510) 252-9600 - 290,000 (\$1,305,000) COMMON STOCK (FILE 333-49021 -  
MAR 31) (BR 2)

S-8 V F CORP /PA/, 1047 N PARK RD, WYOMISSING, PA 19610 (215) 378-1151 -  
100,000 (\$5,196,875) COMMON STOCK (FILE 333-49023 - MAR 31) (BR 2)

S-3 SHAMAN PHARMACEUTICALS INC, 213 E GRAND AVE SO, SAN FRANCISCO, CA 94080  
(415) 952-7070 - 137,500 (\$678,907) COMMON STOCK (FILE 333-49025 -  
MAR 31) (BR 1)

S-8 SPEEDWAY MOTORSPORTS INC, US HIGHWAY 29 NORTH, PO BOX 600, CONCORD, NC  
28026 (704) 455-3239 - 800,000 (\$21,400,000) COMMON STOCK (FILE  
333-49027 - MAR. 31) (BR 5)

SB-2 OSAGE SYSTEMS GROUP INC, 1661 EAST CAMELBANC RD, STE 245, PHOENIX, AZ  
85016 (602) 274-1299 - 4,351,982 (\$29,898,116 34) COMMON STOCK (FILE  
333-49029 - MAR 31) (BR 5)