

# SEC NEWS DIGEST

Issue 97-108

June 5, 1997

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## ENFORCEMENT PROCEEDINGS

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PUBLIC ADMINISTRATIVE AND CEASE AND DESIST PROCEEDINGS INSTITUTED AGAINST AUBREY O'CONNOR, RICK PIERSON, JAMES WINTER, GREGORY BOWEN AND KENNETH WARD

The Commission instituted public administrative and cease and desist proceedings pursuant to Sections 8A of the Securities Act of 1933 (Securities Act) and Sections 15(b)(6), 19(h) and 21C of the Securities Exchange Act of 1934 (Exchange Act) against Aubrey O'Connor (O'Connor), formerly Sales Manager of Government Securities Corp. (GSC), Rick Pierson (Pierson), formerly Head Trader of GSC's Fixed Income Division, and three former GSC registered representatives, James Winter (Winter), Gregory Bowen (Bowen) and Kenneth Ward (Ward).

The Order alleges that the respondents willfully violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder in connection with the offer and sale to public clients of high-risk Collateralized Mortgage Obligation (CMOs), including interest-only strips (IOs), Inverse IOs and Inverse Floaters. The Order alleges that respondents failed to disclose to public clients that the instruments constituted volatile CMO tranches, but instead misrepresented the CMOs as suitable investments that comported with clients' investments objectives of safety of principal, liquidity, market stability, short duration and low risk. In addition, clients were not informed that these instruments were highly sensitive to changes in interest rates. Moreover, the Order further alleges that the respondents specifically misrepresented certain characteristics and risks involved in the CMO tranches. For example, O'Connor, Pierson, Winter and Bowen falsely represented to certain public clients that IOs and Inverse IOs offered guaranteed principal, while O'Connor, Pierson, Bowen and Ward falsely represented to other public clients that the Inverse Floaters were short term instruments, whose maturity would extend, at most, to two years or less. The Order also alleges that O'Connor willfully violated Section 15(b)(6)(B)(i) of the Exchange Act, in that O'Connor, while subject to a statutory disqualification that prohibited him from exercising supervisory responsibility over GSC's sales personnel, assumed positions at GSC that constituted him as the person chiefly responsible for supervising GSC registered representatives.

A hearing will be schedule to take evidence on the Staff's allegations and to afford O'Connor, Pierson, Winter, Bowen and Ward an opportunity to present any defense thereto. The purpose of the hearing is to determine whether the allegations are true and whether disgorgement, civil penalties and/or any remedial action should be ordered and whether any cease and desist orders should be issued by the Commission. (Rel. 34-38714; 33-7421)

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#### HOLDING COMPANY ACT RELEASES

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##### ALLEGHENY POWER SYSTEM, INC.

An order has been issued authorizing a proposal by Allegheny Power System, Inc. (Allegheny), a registered holding company. Allegheny proposes, from time to time through December 31, 2007, to issue up to a total of 500,000 shares of its common stock to senior officers of Allegheny and its subsidiaries under a Performance Share Plan. (Rel. 35-26724)

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#### SELF-REGULATORY ORGANIZATIONS

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##### APPROVAL OF PROPOSED RULE CHANGES

The Commission has granted approval to a proposed rule change (SR-PCX-97-10) filed by the Pacific Stock Exchange concerning options margin provisions. Publication of the order is expected in the Federal Register during the week of June 2. (Rel. 34-38707)

The Commission has granted approval to a proposed rule change (SR-NYSE-97-01) filed by the New York Stock Exchange concerning options margin changes. Publication of the order is expected in the Federal Register during the week of June 2. (Rel. 34-38708)

The Commission has issued an order granting approval to a proposed rule change and accelerated approval to the amendments thereto filed by the Chicago Board Options Exchange (SR-CBOE-97-17) relating to certain changes made to its margin rules. Publication of the order is expected in the Federal Register during the week of June 2. (Rel. 34-38709)

##### ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission has issued an order granting accelerated approval to a proposed rule change and the amendments thereto filed by the American Stock Exchange (SR-Amex-97-21) relating to certain changes made to its margin rules. Publication of the order is expected in the Federal Register during the week of June 2. (Rel. 34-38710)

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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>.

- S-3 RALSTON PURINA CO, CHECKERBOARD SQ, ST LOUIS, MO 63164 (314) 982-1000 -  
400,000,000 STRAIGHT BONDS (FILE 333-27959 - MAY 29) (BR 2)
- S-3 INTERSTATE BAKERIES CORP/DE/, 12 E ARMOUR BLVD, KANSAS CITY, MO 64111  
(816) 561-6600 - \$400,000,000 COMMON STOCK (FILE 333-27961 - MAY 29)  
(BR 2)
- S-8 BANKAMERICA CORP, BANK OF AMERICA CTR, 555 CALIFORNIA ST, SAN FRANCISCO,  
CA 94104 (415) 622-3530 - 5,700,000 (\$1,009,739,025) COMMON STOCK (FILE  
333-27965 - MAY 29) (BR 7)
- S-8 COMMERCIAL METALS CO, 7800 STEMMONS FRWY, P O BOX 1046, DALLAS, TX 75221  
(214) 689-4300 - 1,000,000 (\$28,266,765) COMMON STOCK (FILE 333-27967 -  
MAY 29) (BR 4)
- S-3 WANG LABORATORIES INC, 600 TECHNOLOGY PARK DRIVE, BILLERICA, MA 01821  
(508) 967-5000 - 303,030 (\$6,969,690) COMMON STOCK (FILE 333-27969 -  
MAY 29) (BR 3)
- S-3 WANG LABORATORIES INC, 600 TECHNOLOGY PARK DRIVE, BILLERICA, MA 01821  
(508) 967-5000 - 30,864 (\$617,280) COMMON STOCK (FILE 333-27971 -  
MAY 29) (BR 3)
- S-8 WEIDER NUTRITION INTERNATIONAL INC, 1960 SOUTH 4250 WEST,  
SALT LAKE CITY, UT 84104 (801) 975-5000 - 1,646,000 (\$19,854,875)  
COMMON STOCK (FILE 333-27973 - MAY 29) (BR 2)
- S-4 BANK PLUS CORP, 4565 COLORADO BLVD, LOS ANGELES, CA 90039 (818) 549-3330  
- 7,594,937 (\$75,000,003) COMMON STOCK (FILE 333-27975 - MAY 29)  
(BR 7)
- S-8 MEDALLION FINANCIAL CORP, 205 E 42ND ST, STE 2020, NEW YORK, NY 10017  
(212) 682-3300 - 100,000 (\$1,731,000) COMMON STOCK (FILE 333-27977 -  
MAY 29) (BR 18)
- S-8 ENDOCARDIAL SOLUTIONS INC, 1350 ENERGY LANE, STE 110, ST PAUL, MN 55108  
(612) 644-7890 - 1,700,000 (\$8,431,570) COMMON STOCK (FILE 333-27979 -  
MAY 29) (BR 1)
- S-8 AMOCO CORP, 200 E RANDOLPH DR, MAIL CODE 3107A, CHICAGO, IL 60601  
(312) 856-6111 - 14,000,000 (\$1,232,000,000) COMMON STOCK (FILE  
333-27981 - MAY 29) (BR 4)
- S-8 EXPRESS SCRIPTS INC, 14000 RIVERPORT DR, ST LOUIS, MO 63043  
(314) 770-1666 - 250,000 (\$10,537,500) COMMON STOCK (FILE 333-27983 -  
MAY 29) (BR 1)

S-8 POTTERS FINANCIAL CORP, 519 BROADWAY, P O BOX 1028, EAST LIVERPOOL, OH 43920 (330) 385-0770 - 50,000 (\$1,050,000) COMMON STOCK. (FILE 333-27985 - MAY 29) (BR. 7)

S-8 UNIONBANCAL CORP, 350 CALIFORNIA ST, SAN FRANCISCO, CA 94104 (415) 705-7350 - 1,888,382 (\$121,800,639) COMMON STOCK (FILE 333-27987 - MAY. 29) (BR 7)

S-3 TUC HOLDING CO, C/O TEXAS UTILITIES CO, 1601 BRYAN STREET, DALLAS, TX 75201 (214) 812-4600 - 3,000,000 (\$99,937,500) COMMON STOCK (FILE 333-27989 - MAY. 29) (BR. 4)

S-8 STEIN MART INC, 1200 RIVERPLACE BLVD, JACKSONVILLE, FL 32207 (904) 346-1500 - 400,000 (\$12,026,000) COMMON STOCK (FILE 333-27991 - MAY 29) (BR. 2)

S-8 FORD MOTOR CO, THE AMERICAN RD, DEARBORN, MI 48121 (313) 322-3000 - 4,000,000 (\$149,750,000) COMMON STOCK (FILE 333-27993 - MAY. 29) (BR 5)

S-8 DENBURY RESOURCES INC, 17304 PRESTON RD, STE 200, DALLAS, TX 75252 (214) 713-3000 - 1,193,525 (\$15,933,559) COMMON STOCK. (FILE 333-27995 - MAY 29) (BR. 4)

S-3 GLOBE BUSINESS RESOURCES INC, 1925 GREENWOOD AVE, CINCINNATI, OH 45246 (513) 771-8221 - 70,000 (\$717,500) COMMON STOCK (FILE 333-27997 - MAY 29) (BR. 7)

S-3 ORBITAL SCIENCES CORP /DE/, 21700 ATLANTIC BOULEVARD, DULLES, VA 20166 (703) 406-5000 - 1,600,000 (\$25,940,540) COMMON STOCK (FILE 333-27999 - MAY 29) (BR 5)

S-3 GENERAL COMMUNICATION INC, 2550 DENALI ST STE 1000, ANCHORAGE, AK 99503 (907) 265-5600 - 15,870,000 (\$107,618,437 50) COMMON STOCK. (FILE 333-28001 - MAY 29) (BR. 3)

S-8 MBF USA INC, 500 PARK BLVD, STE 1260, ITASCA, IL 60143 (201) 461-0125 - 400,000 (\$1,053,266) COMMON STOCK (FILE 333-28003 - MAY 29) (BR 1)

S-1 GENERAL COMMUNICATION INC, 2550 DENALI ST STE 1000, ANCHORAGE, AK 99503 (907) 265-5600 - 150,000,000 (\$150,000,000) STRAIGHT BONDS (FILE 333-28005 - MAY 29) (BR 3)

S-8 SOTHEBYS HOLDINGS INC, 500 N WOODWARD AVE STE 100, BLOOMFIELD HILLS, MI 48304 (313) 646-2400 - 150,000 (\$2,315,625) COMMON STOCK. (FILE 333-28007 - MAY 29) (BR 6)

S-8 INTERVOICE INC, 17811 WATERVIEW PKWY, DALLAS, TX 75255 (214) 669-3988 - 750,000 (\$8,625,000) COMMON STOCK (FILE 333-28009 - MAY 29) (BR 3)

S-3 KUHLMAN CORP, 3 SKIDAWAY VILLAGE SQ, STE 201, SAVANNAH, GA 31411 (912) 598-7809 - 2,500,000 (\$68,750,000) COMMON STOCK. (FILE 333-28011 - MAY 29) (BR 6)

S-8 DISC GRAPHICS INC /DE/, 10 GILPIN AVE, HAUPPAUGE, NY 11788 (516) 234-1400 - 500,000 (\$1,562,500) COMMON STOCK (FILE 333-28013 - MAY 29) (BR 4)

S-3 RECKSON ASSOCIATES REALTY CORP, 225 BROADHOLLOW RD, MELVILLE, NY 11747 (516) 694-6900 (FILE 333-28015 - MAY. 29) (BR 8)

S-8 UNITED MERIDIAN CORP, 1201 LOUISIANA, STE 1400, HOUSTON, TX 77002 (713) 654-9110 - 1,200,000 (\$42,228,000) COMMON STOCK. (FILE 333-28017 - MAY 29) (BR 4)

S-8 SUIZA FOODS CORP, 3811 TURTLE CREEK BLVD, STE 1300, DALLAS, TX 75219 (214) 528-3368 - 1,150,000 (\$33,212,000) COMMON STOCK. (FILE 333-28019 - MAY 29) (BR 2)

S-8 SUIZA FOODS CORP, 3811 TURTLE CREEK BLVD, STE 1300, DALLAS, TX 75219 (214) 528-3368 - 250,000 (\$7,220,000) COMMON STOCK (FILE 333-28021 - MAY 29) (BR 2)

S-2 HARTFORD LIFE INSURANCE CO, 200 HOPEMEADOW ST, P O BOX 2999, HARTFORD,  
 CT 06104 (203) 843-6996 - \$90,960,000 VARIABLE ANNUITY ISSUES. (FILE  
 333-28023 - MAY. 29) (BR. 20)

S-3 RESIDENTIAL FUNDING MORTGAGE SECURITIES II INC,  
 8400 NORMANDEALE LAKE BLVD, MINNEAPOLIS, MN 55437 (612) 832-7000 -  
 2,000,000,000 (\$2,000,000,000) MORTGAGE BONDS. (FILE 333-28025 - MAY 29)  
 (BR 8)

S-1 PALEX INC, 3555 TIMMONS LANE SUITE 610, HOUSTON, TX 77027 (713) 826-5111  
 - 4,000,000 (\$39,000,000) COMMON STOCK. (FILE 333-28027 - MAY 29)  
 (BR. 6)

S-8 INTERPUBLIC GROUP OF COMPANIES INC, 1271 AVE OF THE AMERICAS, NEW YORK,  
 NY 10020 (212) 399-8000 - 200,000 (\$11,700,000) COMMON STOCK. (FILE  
 333-28029 - MAY. 30) (BR 2)

S-3 HEADLANDS MORTGAGE SECURITIES INC, 700 LARKSPUR LANDING CIRCLE STE 240,  
 LARKSPUR, CA 94939 (415) 925-5442 - 1,000,000 (\$1,000,000)  
 EQUIPMENT TRUST CERTIFICATES. (FILE 333-28031 - MAY 29) (BR 8)

S-1 LIFE FINANCIAL CORP, 4115 TIGRIS WAY, RIVERSIDE, CA 92503 (909) 886-9751  
 - 2,875,000 (\$34,500,000) COMMON STOCK (FILE 333-28035 - MAY 29)  
 (BR 7)

S-3 GOLDEN STATE BANCORP INC, 414 N CENTRAL AVE, GLENDALE, CA 91203  
 (818) 500-2000 - 10,863,093 (\$264,081,791) COMMON STOCK. (FILE 333-28037 -  
 MAY 29) (NEW ISSUE)

S-3 JUST FOR FEET INC, 7400 CAHABA VALLEY RD, BIRMINGHAM, AL 35242  
 (205) 403-8000 - 1,076,956 (\$19,048,659) COMMON STOCK (FILE 333-28039 -  
 MAY 29) (BR 2)

S-8 JUST FOR FEET INC, 7400 CAHABA VALLEY RD, BIRMINGHAM, AL 35242  
 (205) 403-8000 - 42,900 (\$758,794) COMMON STOCK (FILE 333-28041 -  
 MAY 29) (BR 2)

S-8 CVS CORP, ONE CVS DR, WOONSOCKET, RI 02895 (914) 925-4000 - 6,700,000  
 (\$304,012,500) COMMON STOCK (FILE 333-28043 - MAY 29) (BR 1)

S-8 SYNC RESEARCH INC, 7 STUDEBAKER, IRVINE, CA 92718 (714) 588-2070 -  
 826,572 (\$3,220,173 15) COMMON STOCK (FILE 333-28045 - MAY 30) (BR 3)

S-3 PACIFIC SUNWEAR OF CALIFORNIA INC, 5037 E HUNTER AVE, ANAHEIM, CA 92807  
 (714) 693-8066 - 805,000 (\$28,577,500) COMMON STOCK (FILE 333-28047 -  
 MAY 30) (BR 2)



**FOR IMMEDIATE RELEASE**

**97-44**

**SEC CHAIRMAN LEVITT PRAISES LEADERSHIP OF  
REPS. BLILEY, OXLEY, AND MARKEY AND  
SEC COMMISSIONER WALLMAN ON DECIMALIZATION ISSUE**

**SEC TO CONVENE MEETING OF MARKETS TO  
COORDINATE MOVE TO DECIMALS**

**Washington, DC, June 5, 1997** -- Securities and Exchange Commission Chairman Arthur Levitt today praised U.S. Representatives Thomas Bliley, Michael Oxley, Edward Markey, and SEC Commissioner Steve Wallman for their leadership in promoting the benefits of quoting stock prices in decimals. Chairman Levitt also announced that the SEC will convene a meeting of industry officials within the next month to coordinate the move to decimal pricing.

“Today’s decision by the New York Stock Exchange to begin quoting stocks in dollars and cents is a bold and welcome step and a victory for investors,” said SEC Chairman Arthur Levitt. “A confluence of events over the past year, including the SEC’s new order handling rules and the dialog regarding decimals both on Capitol Hill and within the SEC, created an environment that enabled market forces to prevail.”

“Reps. Bliley, Oxley, and Markey as well as SEC Commissioner Wallman deserve credit for educating the public about this important issue and for helping to make decimal pricing a reality. Congratulations also to the New York Stock Exchange for its leadership,” Chairman Levitt added.

“There are many important technical issues that still need to be addressed. In addition, there are significant timing issues that must be considered to ensure a smooth and orderly transition. This should be an industry-wide coordinated effort and for that reason I am calling a meeting with all of the markets, clearance organizations, and industry officials within the next 30 days to begin this process,” Chairman Levitt concluded.

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**U.S. Securities and Exchange Commission**  
Washington, D.C. 20549 (202) 942-0020

**News  
Release**

**FOR IMMEDIATE RELEASE**

**97-45**

**Chairman Arthur Levitt Congratulates the New York  
Stock Exchange on Decision to Recognize the  
Martin Luther King, Jr. Holiday**

Washington DC, June 5, 1997 – Today the New York Stock Exchange announced that its floor will close every January on the annual Martin Luther King, Jr. holiday, which was made a legal public holiday by Congress in 1983 and was first celebrated in 1986 by proclamation of President Ronald Reagan.

“On behalf of my colleagues on the Securities and Exchange Commission, I heartily welcome this decision by our nation’s oldest and largest stock market,” said SEC Chairman Arthur Levitt in response to the NYSE’s announcement. “This is an important gesture of sensitivity on Wall Street, and another step toward realizing Dr. King’s dream ‘to transform the jangling discords of our nation into a beautiful symphony of brotherhood.’”

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