

# sec news digest

Issue 86-55

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U.S. SECURITIES AND  
EXCHANGE COMMISSION

March 21, 1986

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## ADMINISTRATIVE PROCEEDINGS

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### STOP ORDER PROCEEDINGS INSTITUTED IN THE MATTER OF THE REGISTRATION STATEMENT OF M-ZERO CORPORATION

The Commission instituted public administrative proceedings under Section 8(d) of the Securities Act of 1933 to determine whether a stop order should be issued suspending the effectiveness of a registration statement filed by M-Zero Corporation on October 8, 1985 and subsequently amended on October 10 and November 15, 1985.

The Order for Proceedings alleges that M-Zero has failed to cooperate in an examination of its registration statement ordered by the Commission on December 3, 1985 under Section 8(e) of the Securities Act and that such failure to cooperate is sufficient ground for the issuance of a stop order to suspend the effectiveness of the registration statement.

A hearing was held on March 10, 1986 to determine whether the allegations were true and, if so, whether a stop order was appropriate. (Rel. 33-6628)

### EFFECTIVENESS OF THERON D. NELSEN COMMODITY FUND REGISTRATION SUSPENDED

The Commission issued an Order suspending the effectiveness of the registration statement filed by the Theron D. Nelsen Commodity Fund on February 24, 1984. The Order resulted from an offer of settlement by the Fund which consented to the Order and Findings of Fact without admitting or denying the allegations contained in the Order. The Order contained findings that the registration statement contained false and misleading statements pertaining to funds borrowed from the public by Theron D. Nelsen (Nelsen), the sole shareholder of the Theron D. Nelsen Futures Management Corp. which was the Fund's general partner, Nelsen's ability to repay those funds and possible future contingent liability of Nelsen as a result of the loans. (Rel. 33-6629)

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## CRIMINAL PROCEEDINGS

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### PHILIP HARMON PARSONS SENTENCED

The Fort Worth Regional Office and the U.S. Attorney for the Western District of Louisiana announced that on March 6, at Shreveport, Louisiana, U.S. District Judge Tom Stagg, under a plea of guilty, sentenced Philip Harmon Parsons to consecutive terms of six years imprisonment on two counts of criminal contempt and two years imprisonment on one count of failure to appear for sentencing.

A June 14, 1984 federal indictment charged Parsons with securities fraud, mail fraud, interstate transportation of stolen property, and criminal contempt in connection with the offer and sale of fractional undivided working interests in oil and gas wells through OK-LA-TEX Production, Inc. Following his plea of guilty to the criminal contempt counts, the remaining counts of the indictment were dismissed.

The two counts of criminal contempt were based on Parsons' violations of an Order of Permanent Injunction entered on August 29, 1977 by Judge Stagg [SEC v. Southwest Coal & Energy Co., Philip H. Parsons, et al.].

The failure to appear charge stems from Parsons' failing to appear for sentencing on May 9, 1985 as ordered by the Court. (U.S. v. Philip Harmon Parsons, WDLA, CR-84-50024-01 and CR-86-50005-01). (LR-11029)

The Chicago Regional Office and Francis X. Hermann, U.S. Attorney for the District of Minnesota, announced that on March 12 U.S. District Court Judge Donald Alsop sentenced Janet Riggs Karki, former Chief Financial Officer of Flight Transportation Corporation, to 25 years imprisonment and Brian John Miller, its former Controller, to three years imprisonment. Karki was convicted after a six-week jury trial of violations of the antifraud provisions of the Securities Act of 1933 and making untrue statements of material fact and omitting to state material facts in a registration statement filed with the Commission in connection with Flight's 1982 securities offering. These misstatements concerned, among other things, Flight's business operations, income and assets. Miller had previously pled guilty to securities law violations. (U.S. v. William Mark Rubin, et al., USDC DMN, Criminal No. 3-85-27). (LR-11030)

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## INVESTMENT COMPANY ACT RELEASES

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STATE STREET BALANCED FUND; STATE STREET INCOME FUND;  
THE INVESTMENT FUND FOR FINANCIAL INSTITUTIONS, INC.

Notices have been issued giving interested persons until April 14 to request a hearing on an application filed by State Street Balanced Fund, State Street Income Fund and The Investment Fund for Financial Institutions, Inc., for an order declaring that they have ceased to be investment companies. (Rel. IC-15000; IC-15001; IC-15004 - March 18; March 18; March 19, respectively).

NATIONWIDE LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until April 14 to request a hearing on an application filed by Nationwide Life Insurance Company and Nationwide VLI Separate Account (Separate Account), for an order exempting them from Sections 2(a)(35), 26(a)(2), 27(a)(1) and 27(c)(2) of the Investment Company Act and paragraphs (b)(1), (b)(13)(i)(B), and (c)(4)(ii) of Rule 6e-3(T). The exemption permits them to use, for purposes of sales load computation, the 1985 Commissioner's Standard Ordinary Table, and allows them to deduct an income tax charge if such taxes are incurred as a result of the operations of the Separate Account. (Rel. IC-15002 - March 19)

METROPOLITAN SERIES FUND, INC.

An order has been issued granting Metropolitan Series Fund, Inc. exemptions from Section 2(a)(41) of the Investment Company Act and Rules 2a-4 and 22c-1 to permit it to use the amortized cost valuation method for the purpose of valuing debt obligations with a remaining maturity of one year or less held in its Money Market Portfolio and in its Discretionary Portfolio. (Rel. IC-15003 - March 19)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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DELISTINGS GRANTED

Orders have been issued granting the application of the following stock exchanges to strike the specified securities from listing and registration thereon: Pacific Stock Exchange - HIGH PLAINS CORPORATION, common stock (\$.10 par value). (Rel. 34-23028), and ENERGY MANAGEMENT CORPORATION, common stock (no par value) and 12% senior convertible debenture, due October 15, 1989. (Rel. 34-23029); New York Stock Exchange - APPLIED DATA RESEARCH, INC., common stock (\$.25 par value). (Rel. 34-23030); Midwest Stock Exchange - SOUTHWESTERN ELECTRIC POWER COMPANY, 5% cumulative preferred stock, \$100 par value. (Rel. 34-23031); and the Boston Stock Exchange - CPU COMPUTER CORPORATION, common stock (\$.01 par value). (Rel. 34-23033)

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Philadelphia Stock Exchange for unlisted trading privileges in the common stock of one issue which is listed and registered on one or more other national securities exchanges. (Rel. 34-23032)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGES

Proposed rule changes have been filed under Rule 19b-4 by: The National Association of Securities Dealers, Inc. (SR-NASD-86-4) that would establish a pilot program to enable the NASD and the London Stock Exchange to formally exchange and thereafter utilize proprietary quotation and last sale information in their respective market-places. (Rel. 34-23022); and The Philadelphia Stock Exchange (SR-Phlx-86-5) to adopt an interpretation respecting the meaning and administration of Phlx's Transaction Value Charge, a fee payable to Phlx members on certain transactions effected on the Phlx. (Rel. 34-23027)

Publication of the proposals are expected to be made in the Federal Register during the week of March 17 and 24, respectively.

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## TRUST INDENTURE ACT RELEASES

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### PUBLIC SERVICE ELECTRIC AND GAS COMPANY

An order has been issued under the Trust Indenture Act of 1939 on an application by Public Service Electric and Gas Company exempting its first and refunding mortgage bonds, Series T, due 2016, from the provisions of Section 316(a)(1) of the Act. (Rel. TI-1091)

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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.

- S-18 VERTICOM INC, 545 WEDDELL DR, SUNNYVALE, CA 94089 (408) 747-1222 - 1,035,000 (\$6,210,000) COMMON STOCK. (FILE 33-3780-LA - MAR. 04) (BR. 10 - NEW ISSUE)
- S-18 FOILED INC, 23 E 10TH ST, NEW YORK, NY 10003 (212) 302-2724 - 2,700,000 (\$4,050,000) COMMON STOCK. 270,000 (\$2,700) WARRANTS, OPTIONS OR RIGHTS. 270,000 (\$675,000) COMMON STOCK. 200,000 (\$300,000) COMMON STOCK. (FILE 33-3867-NY - MAR. 07) (BR. 7 - NEW ISSUE)
- S-18 GOLCONDA FINANCIAL INC /CA/, 1470 SANTA ANITA AVE, SOUTH EL MONTE, CA 91733 (213) 686-1840 - 2,500,000 (\$75,000) COMMON STOCK. (FILE 33-3871-LA - MAR. 07) (BR. 11 - NEW ISSUE)
- S-18 PACIFIC WESTERN FUNDING CORP, 248 AGGIE VILLAGE, LOGAN, UT 84321 (801) 753-0987 - 2,000,000 (\$100,000) COMMON STOCK. 20,000,000 (\$2,000,000) COMMON STOCK. 20,000,000 (\$4,000,000) COMMON STOCK. (FILE 33-3878-LA - MAR. 10) (BR. 1 - NEW ISSUE)
- S-18 FORUM CAPITAL CORP, 2922 STATE HWY 74, STE 300-D, EVERGREEN, CO 80439 (303) 674-7857 - 10,000,000 (\$500,000) COMMON STOCK. (FILE 33-3879-LA - MAR. 05) (BR. 12 - NEW ISSUE)
- S-1 BARRYS JEWELERS INC /CA/, 1430 HUNTINGTON DR, DUARTE, CA 91010 (818) 303-4741 - 300,000 (\$4,500,000) COMMON STOCK. 993,750 (\$14,906,250) COMMON STOCK. 40,000,000 (\$40,000,000) STRAIGHT BONDS. UNDERWRITER: MERRILL LYNCH CAPITAL MARKETS. (FILE 33-3880 - MAR. 10) (BR. 10 - NEW ISSUE)
- S-3 GENERAL ELECTRIC CO, 3135 EASTON TURNPIKE, FAIRFIELD, CT 06431 (203) 373-2211 - 4,500,000,000 (\$4,500,000,000) STRAIGHT BONDS. (FILE 33-3908 - MAR. 14) (BR. 13)
- S-4 CENTRAL BANC SYSTEM INC, 1909 EDISON AVE, GRANITE CITY, IL 62040 (618) 876-1212 - 47,400 (\$4,202,000) COMMON STOCK. (FILE 33-3927 - MAR. 12) (BR. 1)
- S-6 ICAP VARIABLE LIFE ACCOUNT ONE, ONE BRIDGE PLZ, FORT LEE, NJ 07024 (203) 461-0606 - INDEFINITE SHARES. (FILE 33-3956 - MAR. 13) (BR. 20 - NEW ISSUE)

- S-3 INTERMAGNETICS GENERAL CORP, CHARLES INDUSTRIAL PK, NEW KARNER RD, GUILDERLAND, NY 12084 (518) 456-5456 - 75,801 (\$663,258.75) COMMON STOCK. (FILE 33-3957 - MAR. 13) (BR. 6)
- S-8 DATA I/O CORP, 10525 WILLOWS RD NE, C-46, REDMOND, WA 98004 (206) 881-6444 - 230,000 (\$2,448,381.92) COMMON STOCK. (FILE 33-3958 - MAR. 13) (BR. 3)
- S-3 MOUNTAIN STATES TELEPHONE & TELEGRAPH CO, 1801 CALIFORNIA ST, DENVER, CO 80202 (303) 624-2424 - 425,000,000 (\$425,000,000) STRAIGHT BONDS. (FILE 33-3960 - MAR. 13) (BR. 7)
- S-1 ENDEVCO INC, 8080 N CENTRAL EXPWY 12TH FL, LOCK BOX 47, DALLAS, TX 75206 (214) 691-5536 - 1,725,000 (\$11,535,937.50) COMMON STOCK. (FILE 33-3961 - MAR. 13) (BR. 8)
- S-8 GENERAL BANCSHARES CORP, 720 OLIVE ST, ST LOUIS, MO 63101 (314) 241-3600 - 200,910 (\$8,150,919) COMMON STOCK. (FILE 33-3962 - MAR. 13) (BR. 1)
- S-8 GENERAL BANCSHARES CORP, 720 OLIVE ST, ST LOUIS, MO 63101 (314) 241-3600 - 24,325 (\$484,311) COMMON STOCK. (FILE 33-3963 - MAR. 13) (BR. 1)
- S-8 GENERAL BANCSHARES CORP, 720 OLIVE ST, ST LOUIS, MO 63101 (314) 241-3600 - 39,809 (\$1,615,051) COMMON STOCK. (FILE 33-3964 - MAR. 13) (BR. 1)
- S-8 IPCO CORP, 1025 WESTCHESTER AVE, WHITE PLAINS, NY 10604 (914) 682-4500 - 1,106,925 COMMON STOCK. (FILE 33-3965 - MAR. 13) (BR. 8)
- S-11 MERITOR II FINANCE INC, 300 DELAWARE AVE STE 812, WILMINGTON, DE 19801 - 750 (\$75,000,000) PREFERRED STOCK. (FILE 33-3979 - MAR. 13) (BR. 11 - NEW ISSUE)
- S-11 MERITOR III FINANCE INC, 300 DELAWARE AVE STE 812, WILMINGTON, DE 19801 - 750 (\$75,000,000) PREFERRED STOCK. (FILE 33-3980 - MAR. 13) (BR. 11 - NEW ISSUE)
- S-1 DATALINE INC, 330 EMBASSY PLZ BLDG, 9110 W DODGE RD, OMAHA, NE 68114 (402) 390-3282 - 5,000,000 (\$5,000,000) COMMON STOCK. (FILE 33-3984 - MAR. 13) (BR. 8 - NEW ISSUE)
- S-3 AMERICAN BRANDS INC/DE, 245 PARK AVE, NEW YORK, NY 10167 (212) 880-4200 - 300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE 33-3985 - MAR. 13) (BR. 3)
- S-2 PEOPLE EXPRESS AIRLINES INC, NEWARK INTERNATIONAL AIRPORT, NORTH TERMINAL, NEWARK, NJ 07114 (201) 961-2935 - 115,000,000 (\$115,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 33-3986 - MAR. 13) (BR. 3)
- S-18 PINK PANDA CORP, 8833 SUNSET BLVD, HOLLYWOOD, CA 90069 (213) 652-6654 - 1,000,000 (\$1,000,000) COMMON STOCK. 1,000,000 (\$1,500,000) COMMON STOCK. 100,000 (\$120,000) COMMON STOCK. 100,000 (\$150,000) COMMON STOCK. (FILE 33-3988 - MAR. 13) (BR. 12 - NEW ISSUE)
- S-6 HUTTON E F CORPORATE INCOME TRUST TWENTY EIGHTH SERIES, ONE BATTERY PK PLZ, C/O E F HUTTON & CO INC, NEW YORK, NY 10004 - 2,500 (\$2,500,000) UNIT INVESTMENT TRUST. (FILE 33-3989 - MAR. 13) (BR. 18 - NEW ISSUE)
- S-2 OLD STONE CORP, 150 S MAIN ST, PROVIDENCE, RI 02903 (401) 278-2000 - 800,000 (\$31,600,000) COMMON STOCK. (FILE 33-3990 - MAR. 13) (BR. 1)
- S-8 VWR CORP, 1600 NORTON BLDG, SEATTLE, WA 98104 (206) 447-5900 - 200,000 (\$2,900,000) COMMON STOCK. (FILE 33-3991 - MAR. 13) (BR. 1 - NEW ISSUE)
- S-6 MUNICIPAL SECURITIES TRUST MULTI STATE SERIES 21, 55 WATER ST, C/O BEAR STEARNS & CO INC, NEW YORK, NY 10041 - 19,000 (\$13,300,000) UNIT INVESTMENT TRUST. (FILE 33-3992 - MAR. 14) (BR. 16 - NEW ISSUE)
- S-3 ZENITH ELECTRONICS CORP, 100 MILWAUKEE AVE, GLENVIEW, IL 60025 (312) 391-7000 - 115,000,000 (\$115,000,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE 33-3993 - MAR. 14)