

sec news digest

Issue 86-89

May 8, 1986

ADMINISTRATIVE PROCEEDINGS

STAFF ACCOUNTING BULLETIN NO. 61

The Commission issued Staff Accounting Bulletin No. 61, expressing its views regarding adjustments of allowances for loan losses in connection with business combinations accounted for by the purchase method. (Rel. SAB-61)

FOR FURTHER INFORMATION CONTACT: Wayne G. Pentrack at (202) 272-2130

ADMINISTRATIVE PROCEEDINGS

G. DUNCAN FRASER, JR. BARRED

The Commission ordered public administrative proceedings under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940 against G. Duncan Fraser, Jr., formerly the Treasurer and Executive Vice President of Massachusetts Financial Services, Inc., a registered broker-dealer and investment adviser with its principal place of business in Boston, Massachusetts.

The Order Instituting Proceedings alleges that Fraser was convicted of violating the mail fraud statute, 18 U.S.C. 1341. That conviction provides a basis for the Commission to institute an administrative proceeding to determine whether sanctions against Fraser are in the public interest.

The Commission accepted an Offer of Settlement in which Fraser consented to an order which makes findings and bars him from association with any broker or dealer, investment company, investment adviser or municipal securities dealer, with the proviso that he may apply to become so associated in a non-supervisory, non-proprietary capacity after January 1, 1994. (Rel. 34-23184)

BUTCHER & SINGER SANCTIONED

The Commission instituted administrative proceedings against Butcher & Singer, Inc., a registered broker-dealer located in Philadelphia, Pennsylvania. The Commission found that from April 6 through April 29, 1982, Butcher & Singer violated the anti-fraud provisions of the Securities Exchange Act of 1934 and the affiliated transaction provisions of the Investment Company Act of 1940 in connection with the liquidation of the Pennsylvania Tax Free Income Trust, a registered investment company with whom Butcher & Singer was affiliated.

Simultaneously, Butcher & Singer submitted an Offer of Settlement consenting to the Commission's Order without admitting or denying any of its allegations. The Order prohibits Butcher & Singer from serving or acting as an investment adviser for a registered investment company for three months. Butcher & Singer was also ordered to comply, for five years, with its undertaking to obtain an independent review, for compliance with applicable regulatory requirements, of all liquidating transactions in any future liquidation of a registered investment company for whom it is the investment adviser. (Rel. IC-15073)

TRADING SUSPENSIONS

TRADING SUSPENDED IN HY-POLL TECHNOLOGY, INC.

The Commission announced the temporary suspension of over-the-counter trading in the securities of Hy-Poll Technology, Inc., a business entity with executive offices in North Las Vegas, Nevada, for the ten-day period which began at 11:00 a.m. (EDT) May 7 and will terminate at midnight (EDT) May 16.

The Commission temporarily suspended trading in Hy-Poll's securities because of the lack of current financial statements, its failure to disclose the apparent voidance of its corporate charter, the cessation of operations, and in view of questions that have been raised about the adequacy and accuracy of publicly disseminated information concerning the nature of Hy-Poll's interest in certain assets and its production of gold.

If any broker-dealer or other person has any information which may relate to this matter, the New York Regional Office should be telephoned at (212) 264-1634. (Rel. 34-23210)

CIVIL PROCEEDINGS

FINAL JUDGMENT ENTERED AGAINST ZARCON CORPORATION

The Commission announced the entry of a Final Judgment of Permanent Injunction by Default on April 29 against Zarcon Corporation of Berkeley, California. The Judgment, issued by U.S. District Court Judge Thelton E. Henderson in San Francisco, permanently enjoins Zarcon from violating the antifraud and registration provisions of the securities laws.

In its May 2, 1985 complaint, the Commission alleged, among other things, that Zarcon, a purported biotechnology concern, and Charles E. Kimble, Zarcon's president and founder, made material misrepresentations concerning the business and financial condition of Zarcon. Kimble previously consented to a permanent injunction, without admitting or denying the Commission's allegations, enjoining him from violating the anti-fraud and registration provisions of the securities laws. (SEC v. Zarcon Corporation and Charles E. Kimble, Civil Action No. C85-3219 [TEH], NDCA May 2, 1985). (LR-11093)

INVESTMENT COMPANY ACT RELEASES

INDUSTRIAL SERIES TRUST

An order has been issued approving certain offers of exchange by Industrial Series Trust and Mackenzie Investment Management Inc. (Rel. IC-15088 - May 6)

AMERICAN SHARES INC.

An order has been issued declaring that American Shares, Inc. has ceased to be an investment company. (Rel. IC-15089 - May 7)

SEQUOYAH-X LIMITED PARTNERSHIP

A notice has been issued giving interested persons until May 29 to request a hearing on an application filed by Sequoyah-X Limited Partnership for an order exempting a real estate limited partnership from all provisions of the Investment Company Act. (Rel. IC-15090 - May 7)

HOLDING COMPANY ACT RELEASES

NEW ENGLAND POWER COMPANY

A notice has been issued giving interested persons until May 27 to request a hearing on an application filed by New England Power Company (NEP), subsidiary of New England Electric System, to implement a general refinancing plan which calls for the issuance of not exceeding \$550 million aggregate of securities from time to time through December 31, 1987 as market conditions warrant.

The securities comprising NEP's refinancing plan include: (a) one or more issues of additional preferred stock with an aggregate par value not exceeding \$45 million; (b) one or more issues of general and refunding mortgage bonds (G&R Bonds) in an aggregate principal amount not exceeding \$550 million (such amount to be reduced by the aggregate par value of any additional preferred stock issued); and (c) one or more issues of first mortgage bonds in an aggregate principal amount equal to any G&R Bonds issued.

NEP also seeks authorization to make a tender offer for its Series J and D G&R Bonds which are not subject to redemption, except for certain extraordinary events, until 1993; and NEP seeks authority to redeem 11.04% and 13.48% preferred stock in accordance with the redemption provisions contained in those securities. (Rel. 35-24082 - May 1)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

Orders have been issued granting the application of the following stock exchanges for unlisted trading privileges in the common stock of the specified number of issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system: Philadelphia Stock Exchange - one issue [this issue is not reported in the consolidated transaction reporting system]; two issues (two separate applications). (Rel. 34-23197; 34-23200); the Boston Stock Exchange - 11 issues; ten issues (two separate applications). (Rel. 34-23198; 34-23201); and the Pacific Stock Exchange - six issues. (Rel. 34-23199)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved proposed rule changes filed by: The Chicago Board Options Exchange, Inc. (SR-CBOE-86-8) to permit it to issue 50 one-year trading rights that will provide access to its foreign currency options market. (Rel. 34-23193); and the Philadelphia Stock Exchange, Inc. (SR-Phlx-86-7) to eliminate closing rotation in expiring foreign currency options. (Rel. 34-23196)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change filed by the Philadelphia Stock Exchange, Inc. (SR-Phlx-86-13) to extend the close of trading and exercise cut-off time in its Over-the-Counter Index Options from 4:10 p.m. to 4:15 p.m. (Rel. 34-23194)

NOTICE OF PROPOSED RULE CHANGE

The American Stock Exchange, Inc. filed a proposed rule change under Rule 19b-4 (SR-Amex-86-12) to amend the requirements for market makers participating in its AUTO-EX pilot program. Publication of the proposal is expected to be made in the Federal Register during the week of May 5. (Rel. 34-23195)

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-3 MORGAN J P & CO INC. 23 WALL ST. NEW YORK, NY 10015 (212) 483-2323 - 500,000,000 (\$500,000,000) STRAIGHT BONDS. (FILE 33-5236 - APR. 30) (BR. 13)
- S-6 NUVEFN TAX EXEMPT UNIT TRUST SERIES 379. 333 WEST WACKER DR. C/O JOHN NUVEFN & CO INC. CHICAGO, IL 60606 - INDEFINITE SHARES. (FILE 33-5237 - MAY. 01) (BR. 18 - NEW ISSUE)
- S-3 PUBLIC SERVICE CO OF NORTH CAROLINA INC. 400 COX RD. GASTONIA, NC 28052 (000) 000-0000 - 570,000 (\$11,565,000) COMMON STOCK. (FILE 33-5238 - MAY. 01) (BR. 13)
- S-6 SFARS TAX EXEMPT INVESTMENT TRUST SHORT TERM MUN PORT SER 23. 130 LIBERTY ST. C/O DEAN WITTER REYNOLDS INC. NEW YCRK, NY 10006 - 5,000,000 (\$5,775,000) UNIT INVESTMENT TRUST. (FILE 33-5239 - MAY. 01) (BR. 16 - NEW ISSUE)
- S-6 SFARS TAX EXEMPT INVT TR INSURED SHORT INTERM TERM SFR 17. 130 LIBERTY ST. C/O DEAN WITTER REYNOLDS INC. NEW YCRK, NY 10006 - 5,500,000 (\$5,775,000) UNIT INVESTMENT TRUST. (FILE 33-5240 - MAY. 01) (BR. 16 - NEW ISSUE)

- N-1A AMERICAN FUNDS TAX EXEMPT SERIES I, 1101 VERMONT AVE NW, C/O HARRY J LISTER, WASHINGTON, DC 20005 (202) 642-5665 - INDEFINITE SHARES. (FILE 33-5270 - APR. 29) (BR. 16 - NEW ISSUE)
- S-1 VAN ARNEM LEASING INCOME FUND LTD PARTNERSHIPS 1986-I, 870 BOWERS, BIRMINGHAM, MI 48011 (313) 647-3040 - 1,500 (\$1,500,000) LIMITED PARTNERSHIP CERTIFICATE. (FILE 33-5271 - APR. 29) (BR. 9 - NEW ISSUE)
- S-6 SALOMON BROTHERS UNIT INVT TR PENNSYLVANIA INS TAX EX SE TWO, ONE NEW YORK PLZ, C/O SALOMON BROTHERS INC, NEW YORK, NY 10004 - 3,500 (\$3,675,000) UNIT INVESTMENT TRUST. DEPOSITOR: SALOMON BROTHERS INC. (FILE 33-5273 - APR. 29) (BR. 17 - NEW ISSUE)
- S-2 BLCUNT INC, 4520 EXECUTIVE PK DR, MONTGOMERY, AL 36116 (205) 272-8020 - 1,725,000 (\$26,737,500) COMMON STOCK. (FILE 33-5275 - APR. 29) (BR. 10)
- S-3 KEYSTONE INTERNATIONAL INC, 9600 W GULF BANK DR, HOUSTON, TX 77040 (713) 466-1176 - 71,559 (\$1,364,093.44) COMMON STOCK. (FILE 33-5276 - APR. 29) (BR. 6)
- S-3 DELMARVA POWER & LIGHT CO /DE/, 800 KING ST, PO BOX 231, WILMINGTON, DE 19899 (302) 429-3011 - 102,000,000 (\$102,000,000) MORTGAGE BONDS. (FILE 33-5282 - APR. 30) (BR. 7)
- S-1 SPECTRUM DIGITAL CORP, 455 SPRING PARK PLACE, HERNDON, VA 22070 (703) 478-0560 - 750,000 (\$7,500,000) PREFERRED STOCK. (FILE 33-5288 - APR. 30) (BR. 7)
- S-3 PITNEY BOWES INC /DE/, WORLD HEADQUARTERS, STAMFORD, CT 06926 (203) 356-5000 - 485,569 COMMON STOCK. (FILE 33-5289 - APR. 30) (BR. 9)
- S-3 PITNEY BOWES INC /DE/, WORLD HEADQUARTERS, STAMFORD, CT 06926 (203) 356-5000 - 68,598 COMMON STOCK. (FILE 33-5290 - APR. 30) (BR. 9)
- S-8 PITNEY BOWES INC /DE/, WORLD HEADQUARTERS, STAMFORD, CT 06926 (203) 356-5000 - 661,888 COMMON STOCK. (FILE 33-5291 - APR. 30) (BR. 9)
- S-1 SYNBIOTICS CORP, 11011 VIA FRONTERA, SAN DIEGO, CA 92127 (619) 451-3770 - 1,150,000 (\$16,243,750) COMMON STOCK. (FILE 33-5292 - APR. 30) (BR. 8)
- S-4 MARGATE VENTURES INC, 10200 E GIRARD AVE STE 210A, DENVER, CO 80231 (303) 755-1991 - 12,515,580 (\$4,415,441) COMMON STOCK. (FILE 33-5294 - APR. 29) (BR. 11)
- S-3 ISS INTERNATIONAL SERVICE SYSTEM INC, 360 LEXINGTON AVE, NEW YORK, NY 10017 (212) 916-9700 - 1,280,000 (\$11,520,000) COMMON STOCK. (FILE 33-5298 - APR. 30) (BR. 5)
- S-8 HARSCO CORP, CAMP HILL, PA 17011 (717) 763-7064 - 1,000,000 (\$24,250,000) COMMON STOCK. (FILE 33-5300 - APR. 30) (BR. 9)
- S-4 KEYCORP, 60 STATE ST, PO BOX 748, ALBANY, NY 12201 (518) 447-3500 - 465,589 (\$4,345,494) COMMON STOCK. (FILE 33-5304 - APR. 30) (BR. 1)
- S-3 CITYFED FINANCIAL CORP, 293 S COUNTY RD, PALM BEACH, FL 33480 (305) 655-5919 - 4,490,000 (\$66,788,750) COMMON STOCK. (FILE 33-5306 - APR. 30) (BR. 1)
- S-3 PHIBRO SALOMON INC, 1221 AVE OF THE AMERICAS, NEW YORK, NY 10020 (212) 764-3700 - 1,000 (\$3,125,000) WARRANTS, OPTIONS OR RIGHTS. (FILE 33-5307 - APR. 30) (BR. 11)
- S-1 MARIETTA CORP, 37 HUNTINGTON ST, CORTLAND, NY 13045 (607) 753-6746 - 80,000 (\$800,000) COMMON STOCK, 932,000 (\$9,320,000) COMMON STOCK, 50,000 (\$100) WARRANTS, OPTIONS OR RIGHTS, 50,000 (\$600,000) COMMON STOCK. UNDERWRITER: TUCKER ANTHONY & DAY RL INC. (FILE 33-5321 - MAY. 01) (BR. 9 - NEW ISSUE)
- S-3 CENTRONICS DATA COMPUTER CORP, ONE WALL ST, HUDSON, NJ 03051 (603) 883-0111 - 7,670,461 (\$42,187,536) COMMON STOCK. (FILE 33-5333 - MAY. 01) (BR. 10)
- S-3 ARKLA INC, ARKLA BLDG, 525 MILAM ST, SHREVEPORT, LA 71151 (318) 226-2700 - 9,050,000 (\$142,384,375) COMMON STOCK. (FILE 33-5343 - MAY. 01) (BR. 7)
- S-4 CAPITALBANC CORP, 4179 BROADWAY, NEW YORK, NY 10033 (212) 795-4200 - 399,758 (\$6,396,128) COMMON STOCK. (FILE 33-5349 - APR. 30) (BR. 2 - NEW ISSUE)