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MAR 14 1980

U.S. SECURITIES AND
EXCHANGE COMMISSION

Issue 80-51

March 13, 1980

RULES AND RELATED MATTERS

PROPOSED AMENDMENT TO BROKER-DEALER RECORDKEEPING RULE

The Commission announced that it is proposing an amendment to Rule 17a-4. If amended as proposed the rule would clarify the authority of the Commission staff to receive copies of documents required to be made or preserved by Rules 17a-3 and 17a-4. All comments should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 on or before April 18 and should refer to File No. S7-825. All submissions will be made available at the Commission's Public Reference Room. (Rel. 34-16644)

FOR FURTHER INFORMATION CONTACT: JoAnn Zuercher at (202) 272-3114

ADMINISTRATIVE PROCEEDINGS

FIRST MULTIFUND ADVISORY CORP., OTHERS

The Commission has ordered public administrative proceedings, pursuant to Section 9(b) of the Investment Company Act of 1940 and Section 15(b) of the Securities Exchange Act of 1934, against First Multifund Advisory Corp., Milton Mound, James F. Bender, Kurt I. Lewin, M. Lester Mendell, I.I. Rabi, Robert G. Stephens, Jr., Elliott B. Strauss, Aaron W. Warner and Norman D. Waters.

The proceedings are based upon allegations by the Commission's staff that the respondents violated antifraud, reporting, and other provisions of the securities laws in the activities of First Multifund for Daily Income, Inc. (FMDI) and First Multifund of America, Inc. (FMA). Prior to reorganizations which took place in 1979, FMDI was an open-end investment company which invested primarily in certificates of deposit issued by commercial banks, while FMA was an open-end investment company which invested in shares of other investment companies. Milton Mound, through First Multifund Advisory Corp., acted as investment adviser to and broker-dealer for both FMDI and FMA from their inception until 1979. The remaining respondents were directors of FMDI and FMA between 1974 and 1979.

With respect to FMDI, the Order alleges that the respondents improperly valued long-term certificates of deposit in FMDI's portfolio according to the amortized cost method of valuation. The Order further alleges that, as rising interest rates caused the fair market value of the securities in FMDI's portfolio to decline, the respondents' use of the amortized cost method of valuation resulted in overstatements of the fund's net asset value. In December 1979, FMDI liquidated its entire portfolio at a loss and reduced its net asset value per share from \$1.00 to \$.94.

With respect to FMA, the Order alleges that the advisory corporation and Mound adopted an investment strategy which caused that fund to engage in excessive portfolio transactions.

The Order further alleges that both FMA and FMDI filed registration statements and other disclosure documents which misrepresented or failed to disclose material facts concerning their operations.

A hearing will be scheduled to take evidence on the allegations of the staff and to afford the respondents an opportunity to present any defenses they may have. The purpose of the hearing is to determine whether the allegations are true and, if so, what if any remedial action would be appropriate.

At the same time that it ordered public administrative proceedings, the Commission accepted offers of settlement from Paul Buchbaum, formerly vice-president and treasurer of First Multifund Advisory Corp., and S. Jay Levy, a director of FMDI and FMA. Mr. Buchbaum was barred for a period of eighteen months from acting as an employee, officer or director of an investment adviser, registered investment company

or broker-dealer and ordered to thereafter comply with his undertaking not to serve in an unsupervised capacity for any investment adviser or registered investment company for a period of three years. Mr. Levy was censured and ordered to comply with his undertaking that he shall not serve as an officer or director of a registered investment company for one year. (Rel. 34-11064)

COMMISSION ANNOUNCEMENTS

WEEKLY CALENDAR

The following is a schedule of speaking engagements, Congressional testimony, Commission hearings and other public events involving the Commission for the week of March 17, 1980. (Commission Meetings are announced separately in the News Digest.)

Monday, March 17

- * Chairman Williams will address the Providence Journal/Brown University Public Affairs Conference at 8 p.m. in Alumnae Hall, Pembroke Campus, Providence, Rhode Island. The topic of his speech will be "The Business/Government Relationship in the Political Process".

Thursday, March 20

- * Chairman Williams will testify on the Commission's Budget Authorization before the House Subcommittee on Consumer Protection and Finance at 9:30 a.m. in Room 2322, Rayburn House Office Bldg.
- * Chairman Williams will address the Commercial and Commonwealth Clubs of Cincinnati at a dinner given in Cincinnati, Ohio.

STOCK TRANSACTIONS OF SELECTED FINANCIAL INSTITUTIONS AND FOREIGN INVESTORS, THIRD QUARTER 1979

Private noninsured pension funds, open-end investment companies, life insurance companies and property-liability insurance companies combined purchased \$15.4 billion of common stock and sold \$12.2 billion during the third quarter of 1979, resulting in net purchases of \$3.2 billion. During the third quarter of 1978, their gross purchases were \$15.4 billion; gross sales were \$12.6 billion; and net purchases were \$2.8 billion. Their common stock activity rate was 27.2 percent for the third quarter of 1979 as compared to 31.4 percent during the comparable period of 1978. (Press Release 80-9)

ASSETS OF PRIVATE NONINSURED PENSION FUNDS: FIRST NINE MONTHS 1979

The assets of private noninsured pension funds totaled \$218.0 billion at book value on September 30, 1979. Assets increased \$5.6 billion during the latest quarter, or 2.7 percent; a year earlier asset growth was \$5.9 billion, or 3.1 percent. Table Q-320 details quarterly book value and percentage distribution of assets for private noninsured pension funds for 1977 through the third quarter of 1979. (Press Release 80-10)

CIVIL PROCEEDINGS

SIMPSON, EMERY & COMPANY, INC., ENJOINED; SIPC TRUSTEE APPOINTED

The Washington Regional Office announced that on March 3 the Honorable Daniel P. Snyder of the U.S. District Court for the Western District of Pennsylvania entered a judgment of preliminary injunction against Simpson, Emery & Company, Inc., a registered broker-dealer located in Pittsburgh, Pennsylvania enjoining it from violations of the net capital, periodic reporting, and books and records provisions of the Securities Exchange Act of 1934. Judge Snyder also granted the application by the Securities Investor Protection Corporation (SIPC) for the appointment of a trustee for the liquidation of the business of Simpson, Emery.

The defendant consented to the entry of the preliminary injunction and the entry of the order appointing the trustee without admitting or denying the allegations of the Commission's complaint and SIPC's liquidation. Carl F. Barger, Esq., was appointed trustee and the law firm of Eckert, Seamans, Cherin & Mellott was appointed counsel to the trustee. (SEC v. Simpson, Emery & Company, Inc., W.D. Pa., Civil Action No. 80-285). (LR-9033)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC pursuant to the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form; Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a rights offering; and File number and date filed.

- (S-18) METALS TECHNOLOGIES INTERNATIONAL, INC., 4800 Nome St., Denver, Colo. 80239 - 3,000,000 shares of common stock. Underwriter: Wall Street West, Inc., 5500 South Syracuse Circle, Suite 201, Englewood, Colo. 80111. The company is a manufacturer, distributor, and licensor in the use of precision machine tools. (File 2-66816 - Feb. 28)
- (S-14) THE CONSUMERS' GAS COMPANY, Suite 4200, 1 First Canadian Place, Toronto, Ontario M5X 1C5 (416) 492-5200 - 47,254,275 common shares. (File 2-66897 - Mar. 12)
- (S-1) INTERCONTINENTAL ENERGY CORPORATION, 7503 Marin Dr., Englewood, Colo. 80111 - 660,000 units. Underwriter: Laidlaw Adams & Peck Inc. The company engages in exploration for and production of uranium. (File 2-66899 - Mar. 12)
- (S-6) THE DREYFUS INCOME TRUST, SIXTEENTH SHORT TERM SERIES, 600 Madison Ave., New York, N.Y. 10022 - 1,050 units of beneficial interest. Depositor: Dreyfus Service Corporation. (File 2-66900 - Mar. 12)
- (S-6) THE DREYFUS INCOME TRUST, SEVENTEENTH SHORT TERM SERIES, 600 Madison Ave., New York, N.Y. 10022 - 1,050 units of beneficial interest. Depositor: Dreyfus Service Corporation. (File 2-66901 - Mar. 12)
- (S-6) THE DREYFUS INCOME TRUST, EIGHTEENTH SHORT TERM SERIES, 600 Madison Ave., New York, N.Y. 10022 - 1,050 units of beneficial interest. Depositor: Dreyfus Service Corporation. (File 2-66902 - Mar. 12)
- (S-6) THE DREYFUS INCOME TRUST NINETEENTH SHORT TERM SERIES, 600 Madison Ave., New York, N.Y. 10022 - 1,050 units of beneficial interest. Depositor: Dreyfus Service Corporation. (File 2-66903 - Mar. 12)
- (S-6) THE DREYFUS INCOME TRUST, TWENTIETH SHORT TERM SERIES, 600 Madison Ave., New York, N.Y. 10022 - 1,050 units of beneficial interest. Depositor: Dreyfus Service Corporation. (File 2-66904 - Mar. 12)

REGISTRATIONS EFFECTIVE

- Mar. 3: The Corporate Income Fund, Fifty-Fifth Short Term Series, 2-66703; Louisiana Pacific Corp., 2-66615.
- Mar. 4: Anthem Electronics, Inc., 2-66575.
- Mar. 5: The Montana Power Co., 2-66599.
- Mar. 6: Amfac, Inc., 2-66783; Chancellor High Yield Municipals, Inc., 2-66407; Illinois Power Co., 2-66682 & 2-66748; Nuveen Tax-Exempt Bond Fund, Series 145, 2-66392; Quotron Systems, Inc., 2-66740.
- Mar. 7: Algorex Corp., 2-66497; Analog Devices, Inc., 2-66750; Boston Oil Limited 1980, 2-66418; The Corporate Income Fund, Fifty-Seventh Short Term Series, 2-66791; Nytronics, Inc., 2-66634; San Diego Gas & Electric Co., 2-66718; Zale Corp., 2-66567.
- Mar. 10: The Dreyfus Income Trust, Twelfth Short Term Series, 2-66804; New Orleans Public Service, Inc., 2-66638; Philadelphia Electric Co., 2-66606; Sun Electric Corp., 2-66699.
- Mar. 11: Crown Zellerbach Corp., 2-66756; Philadelphia Electric Co., 2-66785; Texas Electric Service Co., 2-66633.

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NOTICE

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*Subscription rates: \$79.00/yr in U.S. first class mail;
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