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COMMISSION ANNOUNCEMENTS

STAFF STUDY ASSESSES IMPACT IF BANKS EXPAND PARTICIPATION IN MUNICIPAL REVENUE BOND UNDERWRITING

The study by the Commission's staff, made public today, concludes that some smaller securities firms may suffer significant revenue loss if commercial banks are permitted to underwrite issues of municipal revenue bonds.

Currently, banks may underwrite new issues of general obligation bonds (GO's) issued by state and local governments, but are not permitted to underwrite most types of municipal revenue bonds (MRB's) issued by such political subdivisions. The study, conducted by the Commission's Directorate of Economic and Policy Research, found that if banks were to achieve the same share of the market in underwriting MRB's that they currently have for GO's, the securities industry would lose \$116 million in underwriting revenue. That figure represents 12.4 percent of the industry's total underwriting and selling group revenue. However, the study found that the potential loss would impact unevenly throughout the industry. It noted that smaller brokerage firms (those with less than \$10 million in total revenue) which engage in underwriting, reported that 12.3 percent of their revenues came from underwriting MRB's. Such firms could lose as much as 21.8 percent of their MRB revenues if banks are allowed to underwrite such issues.

Copies of the report may be obtained by writing to the Securities and Exchange Commission, Publications Section, 500 North Capitol Street, N.W., Washington, D.C. 20549.

CIVIL PROCEEDINGS

HERBERT E. OTTO ENJOINED

On October 12 the Honorable Barron P. McCune, U.S. District Court Judge for the Western District of Pennsylvania, entered a Final Judgment permanently enjoining Herbert E. Otto from violations of the registration and antifraud provisions of the securities laws in the offer, purchase and sale of promissory notes, options and other securities.

The Commission commenced this action on September 10 by filing a complaint which alleged, among other things, that the defendant violated the registration and anti-fraud provisions of the securities laws in that in connection with offers, purchases and sales of promissory notes, options and other securities, the defendant made untrue statements of material facts and failed to state material facts relating to his purported success in options trading which guaranteed profits of from 16 to 20 percent. The complaint was based on information obtained in a joint investigation by the Pennsylvania Securities Commission and the SEC.

The Final Judgment was entered with the consent of the defendant, who neither admitted nor denied the allegations of the complaint. The Final Judgment also provides that the court shall retain jurisdiction over the parties and subject matter of this action for the purpose of determining the appropriateness and amount, if any, of further equitable relief in the form of disgorgement. (SEC v. Herbert E. Otto, W.D. Pa., Civil Action No. 79-1270). (LR-8898)

CRIMINAL PROCEEDINGS

J. C. TRAHAN PLEADS GUILTY

The Fort Worth Regional Office announced that on September 13 J.C. Trahan of Shreveport, Louisiana, pled guilty to one count of causing false tax returns to be filed. Trahan was originally indicted on April 13 on 24 counts charging tax conspiracy, causing false tax returns to be filed, fraud in the sale of securities, and intra-state transportation of property taken by fraud. In a plea bargaining agreement, the Government agreed to dismiss the remaining 23 counts against him. The charges against Trahan were based upon his activities in the sale of interests in oil and gas drilling funds while serving as the controlling officer of Resource Exploration, Inc., Lafayette Funds, Inc., and Oil and Gas Funds, Inc., all of Shreveport. (U.S. v. J. C. Trahan, W.D./La., CR-79-50008-01). (LR-8897)

INVESTMENT COMPANY ACT RELEASES

DELAWARE CASH RESERVE, INC.

An order has been issued exempting Delaware Cash Reserve, Inc., a registered, open-end, diversified management investment company, from the provisions of Section 2(a)(41) of the Investment Company Act of 1940 and Rules 2a-4 and 22c-1 under the Act to the extent necessary to permit it to compute its net asset value per share using the amortized cost method of valuing portfolio securities. (Rel. IC-10904 - Oct. 18)

AMCAP FUND, INC.

A notice has been issued giving interested persons until November 13 to request a hearing on an application of AMCAP Fund, Inc., American Balanced Fund, Inc., American Fund of Government Securities, Inc., American Mutual Fund, Inc., Anchor Growth Fund, Inc., The Bond Fund of America, Inc., Fundamental Investors, Inc., The Growth Fund of America, Inc., The Income Fund of America, Inc., The Investment Company of America, New Perspective Fund, Inc., The Tax-Exempt Bond Fund of America, Inc., Washington Mutual Investors Fund, Inc., all registered under the Investment Company Act of 1940 as open-end management investment companies, and American Funds Distributors, Inc., for an order permitting certain offers of exchange on bases other than the relative net asset values of the shares involved in the exchanges and exempting Applicants from the provisions of Section 22(d) of the Act in connection with such exchanges. (Rel. IC-10905 - Oct. 18)

HOLDING COMPANY ACT RELEASES

GEORGIA POWER COMPANY

A notice has been issued giving interested persons until November 13 to request a hearing on a proposal of Georgia Power Company, subsidiary of The Southern Company, whereby Georgia Power will sell a 60% interest in its Robert W. Scherer Units Nos. One and Two, currently under construction in Monroe County, Georgia, to Oglethorpe Power Corporation, an electric membership corporation organized and existing under the laws of the State of Georgia. (Rel. 35-21254 - Oct. 18)

JERSEY CENTRAL POWER & LIGHT COMPANY

An order has been issued authorizing Jersey Central Power & Light Company, subsidiary of General Public Utilities Corporation, to issue and sell up to \$47,500,000 of first mortgage bonds, such sale to occur through private placement pursuant to an exemption from the competitive bidding requirements of Rule 50. (Rel. 35-21255 - Oct. 18)

THE SOUTHERN COMPANY

An order has been issued authorizing The Southern Company, a registered holding company, to act as one of two sureties on a bond of its subsidiary, Alabama Power Company, in connection with Alabama's appeal of a rate proceeding and petition to the court for authority to place into effect subject to refund under supersedeas bond that portion of rate increase denied. (Rel. 35-21256 - Oct. 18)

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-8) WILLIAMHOUSE-REGENCY INC., 28 West 23rd St., New York, N.Y. 10010 (212) 691-2000 - 200,000 shares of common stock. (File 2-65760 - Oct. 19)
- (N-1) D. L. BABSON MONEY MARKET FUND, INC., 2440 Pershing Rd., Kansas City, Mo. 64108 (816) 471-5200 - 10,000,000 shares of common stock. (File 2-65761 - Oct. 19)
- (S-6) THE CORPORATE INCOME FUND, FORTY-THIRD SHORT TERM SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-65762 - Oct. 19)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, ONE HUNDRED SEVENTEENTH MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-65763 - Oct. 19)
- (S-1) ENERGY CONVERSION DEVICES, INC., 1675 West Maple Rd., Troy, Mich. 48084 - 316,482 shares of common stock. The company is engaged in the area of science and technology. (File 2-65764 - Oct. 19)
- (S-6) NUVEEN TAX-EXEMPT BOND FUND, SERIES 136, 209 South La Salle St., Chicago, Ill. 60604 - an indefinite number of units. Depositor: John Nuveen & Co., Inc. (File 2-65765 - Oct. 19)
- (S-6) THE DREYFUS INCOME TRUST, EIGHTH SHROT TERM SERIES, 600 Madison Ave., New York, N.Y. 10022 - 1,050 units of beneficial interest. Depositor: Dreyfus Service Corporation. (File 2-65766 - Oct. 19)
- (S-14) CROWN CENTRAL PETROLEUM CORPORATION, One North Charles, Baltimore, Md. 21203 (301) 539-7400 - 803,872 shares of Series A cumulative convertible preferred stock and 1,004,840 shares of Class B common stock. (File 2-65767 - Oct. 19)
- (S-14) FIRST BUILDERS BANCORP, 7135 Hollywood Blvd., Los Angeles, Cal. 90046 (213) 874-7444 - 2,640,000 shares of common stock. (File 2-65768 - Oct. 22)

REGISTRATIONS EFFECTIVE

- Sept. 6: Tosco Corp., 2-65201 (Corrected Order).
Oct. 12: Scope Inc., 2-64414.
Oct. 15: Blount, Inc., 2-65560; The Clorox Co., 2-65470; Petro-Lewis Oil Income Program X, 2-65152.
Oct. 16: The Corporate Income Fund, Thirty-Eighth Short Term Series, 2-65475; General Telephone Co. of the Southwest, 2-65533; Houston Industries Inc., 2-65525; Morgan Guaranty Trust Co. of New York [Samatha Exploration], 2-65662 & [National Bank of Australasia], 2-65663; The Tax-Exempt Bond Fund of Virginia, Third Series, 2-65328.
Oct. 17: E. F. Hutton Tax-Exempt Trust, National Series 44, 2-65233.

REGISTRATIONS WITHDRAWN

- Aug. 29: Connecticut Bancshares Corp., 2-62767.
Sept. 24: Golden Bear Pooled Joint Venture No. 2, 2-62150.

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