

sec news digest

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NOTICE OF COMMISSION MEETINGS, S. SECURITIES AND EXCHANGE COMMISSION

Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday morning. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as space is available.

Meetings will be held in the Commission Meeting Room, Room 1C30, at the Commission's headquarters building, 450 Fifth Street, N.W., Washington, DC. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

CLOSED MEETING - THURSDAY, JANUARY 13, 1983 - 9:30 A.M.

The subject matter of the January 13 closed meeting will be: Formal order of investigation; Institution of administrative proceedings of an enforcement nature; Institution of injunctive action; Chapter XI proceeding.

OPEN MEETING - THURSDAY, JANUARY 13, 1983 - 10:30 A.M.

The subject matter of the January 13 open meeting will be:

Consideration of whether to publish for comment, as part of the Commission's Proxy Review Program, proposed amendments to Item 402 of Regulation S-K, governing the disclosure of management remuneration, and conforming amendments to Schedule 14A. The proposed amendments would comprehensively revise Item 402 by limiting the Remuneration Table to disclosure of certain cash remuneration; by permitting other forms of remuneration to be disclosed pursuant to a narrative, tabular or other format; and by focusing on remuneration received or vested rather than including contingent remuneration. FOR FURTHER INFORMATION, PLEASE CONTACT Susan P. Davis or Arthur H. Miller at (202) 272-2589.

AT TIMES CHANGES IN COMMISSION PRIORITIES REQUIRE ALTERATIONS IN THE SCHEDULING OF MEETING ITEMS. FOR FURTHER INFORMATION AND TO ASCERTAIN WHAT, IF ANY, MATTERS HAVE BEEN ADDED, DELETED OR POSTPONED, PLEASE CONTACT: Jerry Marlatt at (202) 272-2092

RULES AND RELATED MATTERS

RELEASE OF RULE 146 STUDY

The Commission announced the release of the Report of the Use of the Rule 146 Exemption in Capital Formation. Rule 146 was an exemption from registration requirements of the Securities Act of 1933 which was available from June 1974 to June 1982. The study examined the general operation of the rule by focusing upon the characteristics of the issuers and offerings using the exemption and the cost of capital generated by reliance on the rule. Copies of the report may be obtained by writing to: Securities and Exchange Commission, Public Reference Section, 450 Fifth Street, N.W., Room 1024 (STOP 1-2), Washington, DC 20549. Each request must be accompanied by a 9" x 12" self-addressed envelope with \$.88 postage.

ADMINISTRATIVE PROCEEDINGS

MILTON MOUND AND FIRST MULTIFUND ADVISORY CORP. SANCTIONED

Administrative Law Judge Irving Schiller filed an initial decision barring Milton Mound and First Multifund Advisory Corp. from serving or acting in any of the capacities specified in Section 9(b) of the Investment Company Act of 1940 and revoking the registration of First Multifund Advisory Corp. (FMAC) as a broker-dealer.

In his decision the Judge found that Mound and FMAC violated the antifraud and other provisions of the securities laws in connection with the activities of First Multifund for Daily Income, Inc. (FMDI) and First Multifund of America, Inc. (the funds), both formerly registered investment companies. Mound was the majority stockholder and chief executive officer of FMAC which, under agreement with the funds acted as the investment adviser to and broker-dealer for the funds. Mound also served as chief executive officer and director of the funds.

With respect to FMDI the decision declares that Mound and FMAC improperly valued long-term certificates of deposit in FMDI's portfolio according to the amortized cost method of valuation. Since early in 1977 as rising interest rates caused the fair market value of the securities in the FMDI portfolio to decline, the use of the amortized cost method of valuation resulted in overstatement of FMDI's net asset value. Early in 1978 FMDI began experiencing redemptions of its shares and in December when redemptions became enormous FMDI liquidated its portfolio at a loss and reduced its net asset value per share from \$1.00 to \$.94.

With respect to FMA, the decision states that Mound and FMAC adopted an investment strategy which caused that fund to engage in excessive portfolio securities and that such conduct not only manifested a reckless disregard for interests of the shareholders but furnished the motivation to substantially increase the income to Mound and FMAC.

Mound was also found to be primarily responsible for the misrepresentation and failure by the funds to disclose in the prospectuses and other documents material information concerning the policies he pursued relating to the operations of the funds, the inherent risks to shareholders of the policies adopted, and the detrimental effects of such policies upon shareholders.

Finally, Judge Schiller found that Mound and FMAC also violated certain antifraud provisions of the securities laws when, as corporate insiders as regards to FMDI's operations and thus privy to non-public information, they caused FMAC to redeem shares of FMDI when they knew that the value of such shares was overstated by approximately 5%.

CIVIL PROCEEDINGS

FINAL JUDGMENT OF PERMANENT INJUNCTION BY DEFAULT ENTERED AGAINST IRWIN G. STEIN

The New York Regional Office announced that the Honorable Gerard L. Goettel, District Judge, U.S. District Court for the Southern District of New York, entered, on December 20, 1982, a Final Judgment of Permanent Injunction by Default against Irwin G. Stein with Findings of Fact and Conclusion of Law. The Final Judgment enjoins Stein from future violations of the registration and antifraud provisions of the securities laws.

The complaint, filed on October 25, 1982, alleged that from in or about September 1980 to the present, Stein engaged in courses of business which operated as a fraud upon purchasers of Dynergy Corporation stock and other persons. As part of and in furtherance of this conduct Stein made untrue statements of material fact concerning the business and assets of Dynergy and the freely tradeable nature of Dynergy stock. (SEC v. Dynergy Corporation, et al., 82 Civil 7067, S.D.N.Y.). (LR-9859)

HOLDING COMPANY ACT RELEASES

MIDDLE SOUTH UTILITIES, INC.

An order has been issued authorizing Middle South Utilities Inc., a registered holding company, to issue and sell, pursuant to a sales agency agreement, two million authorized but unissued shares of its common stock (\$5 par value). Jurisdiction has been reserved, pending completion of the record, over the issuance and sale of an additional eight million shares. (Rel. 35-22813 - Jan. 5)

VERMONT YANKEE NUCLEAR POWER CORPORATION

A notice has been issued giving interested persons until January 31 to request a hearing on a proposal by Vermont Yankee Nuclear Power Corporation, subsidiary of New England Electric System and Northeast Utilities, to issue and sell up to \$16 million of short-term notes to banks. (Rel. 35-22814 - Jan. 6)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until January 26 to comment on the applications of the Boston Stock Exchange, Inc. for unlisted trading privileges in ten issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-19403)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGES

The following have filed proposed rule changes pursuant to Rule 19b-4: The National Association of Securities Dealers, Inc. (SR-NASD-82-28) to delete Article I, Section 13 of the NASD's By-Laws which provides for membership continuance proceedings. Similar provisions are contained in NASD's proposed Code of Procedure. (Rel. 34-19391); The Pacific Stock Exchange, Inc. (SR-PSE-82-16) to increase the number of elected members of its Board of Governors from 14 to 16; expand the eligibility requirements to be a Governor; amend its definitions of "allied member" and "associated person"; add new definitions of "control" and "person"; and make several other changes to its constitution. (Rel. 34-19406); and The New York Stock Exchange, Inc. (SR-NYSE-82-23) to amend NYSE Rules 282, 284, and 289 to eliminate NYSE staff involvement in processing buy-ins. (Rel. 34-19407)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed under Rule 19b-4 by the Midwest Clearing Corporation (SR-MCC-82-19) to amend MCC's By-Laws to increase the number of members of the Board of Directors by two, from 25 to 27. (Rel. 34-19404)

NOTICE OF FILING AND IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A rule change filed by Boston Stock Exchange Clearing Corporation pursuant to Rule 19b-4 (SR-BSECC-82-3) has become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934. The proposed rule change adds a new Rule 2A authorizing BSECC to provide depository processing services to members located outside New York City. Under the proposed rule change, in accordance with procedures stated in the Depository Facility Agreement between BSECC and Depository Trust Company (DTC), members submit to BSECC, for shipment to and processing at DTC, book-entry instructions, withdrawal instructions, and deposits for same-day credit. The proposed rule change also amends BSECC's fee structure to include a \$.50 charge for each item processed through these services in addition to any depository fees charged to BSECC, as well as transmission and transportation costs. Publication of the proposal is expected to be made in the Federal Register during the week of January 3. (Rel. 34-19405)

MISCELLANEOUS

ORDER GRANTING APPLICATION PURSUANT TO SECTION 12(h)

An order has been issued granting the application of The Drexel Burnham Lambert Group, Inc. for an exemption from the registration requirements of Section 12(g) of the Securities Exchange Act of 1934. (Rel. 34-19395)

APPLICATION PURSUANT TO SECTION 12(h)

A notice has been issued giving interested persons until January 31 to request a hearing on an application by The Bank of Nova Scotia, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting the Bank from certain periodic reporting requirements under Section 15(d) of that Act. (Rel. 34-19408)

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; File number and date filed; Assigned Branch; if the registration statement is a New Issue; and [S] denoting SHELF REGISTRATION pursuant to Rule 415.

- (S-18) TRANS-ASIA BANCORP, 5920 Thornton Ave., Newark, CA 94560 (415) 794-6311 - 200,000 shares of common stock. (File 2-81073-LA - Dec. 23, 1982) (Br. 2 - New Issue)
- (S-3) CONSUMERS POWER COMPANY, 212 West Michigan Ave., Jackson, MI 49201 (517) 788-1030 - 2,000,000 shares of preference stock. Underwriter: Morgan Stanley & Co. Incorporated. The company is engaged in the generation, purchase, transmission, distribution and sale of electricity. (File 2-81077 - Jan. 6) (Br. 8)
- (S-1) APACHE PETROLEUM COMPANY, Foshay Tower, Minneapolis, MN 55402 (612) 332-7222 - 8,662,273 depository units. Underwriters: E.F. Hutton & Company Inc., Dean Witter Reynolds Inc. and Piper, Jaffray & Hopwood Incorporated. The company is engaged in exploration for, and development and production of, oil and natural gas. (File 2-81197 - Jan. 5) (Br. 4)
- (S-3) MERCK & CO., INC., P.O. Box 2000, Rahway, NJ 07065 (201) 574-4000 - \$300 million of debt securities. The company is engaged in discovering, developing, producing and marketing products and services for the maintenance or restoration of health and the environment. (File 2-81198 - Jan. 6) (Br. 4) [S]
- (S-3) FIRST NATIONAL STATE BANCORPORATION, 550 Broad St., Newark, NJ 07101 (201) 565-3681 - \$100 million of debt securities. (File 2-81199 - Jan. 6) (Br. 2) [S]
- (S-12's) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 30 West Broadway, New York, NY 10015 - 100,000 American Depositary Receipts for "B" shares of SEK 50 of AB Electrolux; and for ordinary shares of Norsk Data A.S. (File 2-81200; 2-81201 - Jan. 5) (Br. 99 - New Issues)
- (S-1) ACCO WORLD CORPORATION, 2215 Sanders Rd., Suite 250, Northbrook, IL 60062 (312) 480-9700 - 3,000,000 shares of common stock. Underwriters: Salomon Brothers Inc., William Blair & Company and Dean Witter Reynolds Inc. The company is engaged in designing, developing, manufacturing and marketing a wide variety of office supply products. (File 2-81203 - Jan. 6) (Br. 6 - New Issue)
- (S-12's) IRVING TRUST COMPANY, One Wall St., New York, NY - 100,000 American Depositary Receipts for Enterprise Gold Mines N.L.; Acorn Securities Limited; Jingellic Minerals N.L.; and Kalbara Mining N.L. (File 2-81204; 2-81205; 2-81206; and 2-81207 - Jan. 6) (Br. 99 - New Issues)
- (S-6) E.F. HUTTON TAX-EXEMPT TRUST, NATIONAL SERIES 75, One Battery Park Plaza, New York, NY 10004 - 22,500 units. Depositor: E.F. Hutton & Company Inc. (File 2-81208 - Jan. 6) (Br. 18 - New Issue)