

2 sec news digest

Issue 81-16

January 26, 1981

ADMINISTRATIVE PROCEEDINGS

RAYMOND L. DIRKS CENSURED

The Commission has censured Raymond L. Dirks, a New York City securities analyst, for aiding and abetting antifraud violations by five registered investment advisers who, in March 1973, sold large amounts of the securities of Equity Funding Corporation of America (EFCA) after receiving material, non-public, inside information concerning that company from Dirks.

EFCA was a substantially diversified company, primarily engaged in selling life insurance and mutual funds. The Commission found that Dirks received detailed, non-public information concerning widespread fraud at EFCA from a former vice president of the company, as well as the names of additional present and former EFCA insiders who would confirm that information. The former official estimated that, by 1972, EFCA carried at least 40,000 fictitious policies on its books, representing at least one-third of the company's outstanding life insurance business. Dirks subsequently made inquiry of six additional present and former employees of EFCA who corroborated the former vice president's allegations. The information Dirks received was relayed by him to various investment advisers who sold EFCA securities without making appropriate disclosure to the purchasers of those securities.

The Commission stated: "We fully appreciate the importance of the analyst's work in providing public investors with an accurate and complete factual basis upon which to make their investment decisions. Accordingly, we do not seek in any way to chill the investigation of rumors concerning a particular company. Nonetheless, the analyst's role, like that of any other person, is constrained by the well-established proscriptions of the antifraud provisions of the securities laws, and we cannot condone the unfairness inherent in the selective dissemination of material, inside information prior to its public disclosure."

In reducing to censure the 60-day suspension imposed on Dirks by an administrative law judge, the Commission stated: "It is clear that Dirks played an important role in bringing EFCA's massive fraud to light, and it is also true that he reported the fraud allegations to EFCA's auditors and sought to have the information published in The Wall Street Journal. Moreover, it appears that most of his contacts with investment advisers were initiated by them, rather than by Dirks, and none of the five registered investment advisers whose trading violations were aided and abetted by Dirks' tipping received more than a censure. Finally, Dirks' otherwise unblemished 20-year record in the securities industry also weighs heavily in the balance." (Rel. 34-17480)

INVESTMENT COMPANY ACT RELEASES

DELAWARE CASH RESERVE II, INC.

An order has been issued on an application of Delaware Cash Reserve II, Inc., declaring that it has ceased to be an investment company. (Rel. IC-11580 - Jan. 22)

AMERICAN MUSIC STORES, INC.

An order has been issued on an application of American Music Stores, Inc., declaring that it has ceased to be an investment company. (Rel. IC-11581 - Jan. 22)

TREASURY TRUST

A notice has been issued giving interested persons until February 17 to request a hearing on an application of Treasury Trust (Applicant), a registered, open-end, diversified, management investment company, for an order declaring that Applicant has ceased to be an investment company. (Rel. IC-11577 - Jan. 22)

HOLDING COMPANY ACT RELEASES

AMERICAN ELECTRIC POWER SERVICE CORPORATION

A notice has been issued giving interested persons until February 18 to request a hearing on a proposal by American Electric Power Corporation, subsidiary of American Electric Power Company, Inc. (AEP), that it enter into a proposed service agreement, reflecting the Commission's amended Uniform System of Accounts, with AEP's operating utility subsidiaries. (Rel. 35-21893 - Jan. 23)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission has approved proposed rule changes filed by the New York Stock Exchange, Inc. (SR-NYSE-77-13 and SR-NYSE-77-14) establishing standards for approval by the NYSE of corporate affiliates, including foreign affiliates, of NYSE members. (Rel. 34-17473)

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; and whether the registration statement is a New Issue.

- (S-16) A. G. EDWARDS & SONS, INC., One North Jefferson Ave., St. Louis, MO 63103 (314) 289-3000 - \$25 million of convertible subordinated debentures, due 2006. Underwriter: Goldman, Sachs & Co. The company is a financial services company. (File 2-70634 - Jan. 21) (Br. 1)
- (S-16) HUDSON'S BAY OIL AND GAS COMPANY LIMITED, 700 Second Street South West, Calgary, Alberta, Canada T2P OX5 (403) 231-3711 - \$125 million of debentures, due 2011. Underwriter: Morgan Stanley & Co. Incorporated. The company is engaged in the exploration for and production of oil and gas. (File 2-70635 - Jan. 21) (Br. 4)
- (S-15) COMMUNICATIONS INDUSTRIES, INC., 1100 Frito-Lay Tower, Exchange Park, Dallas, TX 75235 (214) 357-4001 - 107,250 shares of common stock. (File 2-70614 - Jan. 21) (Br. 8)
- (S-18) LIFE CENTERS, INC., 6490 Excelsior Blvd., St. Louis Park, MN 55426 - 2,000,000 shares of common stock. Underwriter: Alstead, Strangis & Dempsey Incorporated. The company markets smoking cessation and weight control programs. (File 2-70619-C - Jan. 20) (Br. 5)
- (S-16) PUBLIC SERVICE COMPANY OF NEW MEXICO, Alvarado Sq., Albuquerque, NM 87158 - 3,500,000 shares of common stock. Underwriters: Kidder, Peabody & Co. Incorporated and E. F. Hutton & Company Inc. The company is engaged in the generation, transmission, distribution and sale of electricity. (File 2-70636 - Jan. 22) (Br. 8)
- (S-8) IDLE WILD FOODS, INC., 256 Franklin St., Worcester, MA 01604 (816) 474-7400 - 50,000 shares of common stock. (File 2-70637 - Jan. 19) (Br. 4)

- (S-8) THREE D DEPARTMENTS, INC., 801 East Silver Lane, East Hartford, CT 06118 (212) 725-9200 - 115,520 shares of common stock. (File 2-70638 - Jan. 19) (Br. 1)
- (N-1) KEMPER INTERNATIONAL FUND, INC., 120 South LaSalle St., Chicago, IL 60603 (312) 346-3223 - an indefinite number of shares of common stock. (File 2-70639 - Jan. 22) (Br. 16)
- (S-12's) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 30 West Broadway, New York, NY 10015 - 100,000 American Depositary Receipts for shares of Highveld Steel and Vanadium Corporation Limited. (File 2-70640 - Jan. 21); for shares of Barrier Exploration N.L. (File 2-70642 - Jan. 22); for shares of Consolidated Murchison Limited. (File 2-70643 - Jan. 21); and for ordinary shares of S.A. Manganese Amcor Limited. (File 2-70658 - Jan. 23) (Br. 99 - New Issues)
- (S-1) WESTERN BANCSHARES, INC., 6001 West Capitol Dr., Milwaukee, WI 53216 (414) 442-5800 - 19,366 shares of common stock. (File 2-70641 - Jan. 22) (Br. 2 - New Issue)
- (S-1) THOMSON COMMODITY PARTNERS I, One New York Plaza, New York, NY 10004 - 10,000 units of limited partnership interest. Underwriter: Thomson McKinnon Securities Inc. (File 2-70644 - Jan. 22) (Br. 1 - New Issue)
- (S-1) AMERICAN SOLAR KING CORPORATION, 7200 Imperial Dr., Waco, TX 76710 - 300,000 shares of common stock. Transmittal Agent: Muller and Company, Inc. The company is engaged in manufacturing flat plate solar collectors and evacuated tube solar collectors. (File 2-70645 - Jan. 21) (Br. 9)
- (S-16) BOW VALLEY INDUSTRIES LTD., 321 Sixth Avenue South West, Calgary, Alberta, Canada T2P 2V8 (403) 231-1211 - 2,076,886 common shares. (File 2-70646 - Jan. 22) (Br. 4)
- (S-8) FIRST OF MICHIGAN CAPITAL CORPORATION, 100 Renaissance Center, 26th Floor, Detroit, MI 48243 (313) 259-2600 - 55,000 shares of common stock. (File 2-70647 - Jan. 21) (Br. 2)
- (S-11) INVESTORS FIRST REALTY ASSOCIATES, Suite 1752, 208 South LaSalle St., Chicago, IL 60604 - 16,500 units of limited partnership interests. Underwriter: Van Kampen Filkin & Merritt Inc. (File 2-70648 - Jan. 22) (Br. 6 - New Issue)
- (S-16) TIME, INCORPORATED, Time & Life Building, Rockefeller Center, New York, NY 10020 (212) 586-1212 - 3,000,000 shares of Series C \$ cumulative convertible preferred stock. Underwriters: Salomon Brothers and Merrill Lynch White Weld Capital Markets Group. The company's two major activities are communications and forest products. (File 2-70649 - Jan. 23) (Br. 2)
- (S-14) ASHLAND OIL, INC., Ashland Dr., Russell, KY 41169 (606) 329-3333 - 3,508,122 shares of cumulative preferred stock, convertible series. (File 2-70650 - Jan. 23) (Br. 3)
- (S-6) SOUTHEAST TAX-EXEMPT INCOME TRUST, SERIES 6, Two Peachtree St., N.E., Atlanta, GA 30383 - 7,500 units. Depositor: The Robinson-Humphrey Company, Inc. (File 2-70651 - Jan. 23) (Br. 17 - New Issue)
- (S-1) OCCIDENTAL LIFE INSURANCE COMPANY OF CALIFORNIA, 1150 South Olive St., Los Angeles, CA 90015 - deferred annuity contracts. (File 2-70652 - Jan. 23) (Br. 20)
- (S-14) TECO ENERGY, INC., 111 North Dale Mabry Highway, Tampa, FL 33609 (813) 879-4111 - 15,376,200 shares of common stock. (File 2-70653 - Jan. 23) (Br. 8 - New Issue)
- (S-16) EXCHANGE BANCORPORATION, INC., Suite 2112, Exchange Bank Bldg., Tampa, FL 33602 (813) 224-5337 - 100,000 shares of common stock. The company is engaged in owning, managing, and operating national and state banks. (File 2-70659 - Jan. 23) (Br. 4)
- (S-8) THE DELTA QUEEN STEAMBOAT CO., 511 Main St., Cincinnati, OH 45202 (513) 621-1445 - 350,000 shares of common stock. (File 2-70660 - Jan. 23) (Br. 4)

REGISTRATIONS EFFECTIVE

Jan. 14: Canadian National Railway Co., 2-69381; Vernon Valley Recreation Association, Inc., 2-69804; Woods 1981-I and 1981-II Drilling Program, 2-69272.

Jan. 15: CMA Tax-Exempt Trust, 2-69877.

Jan. 16: Balcors Realty Investors Ltd. 81, 2-69813; Carolina Power & Light Co., 2-70511; Dant & Russell, Inc., 2-70329; Del-Val Financial Corp., 2-69823; Elston Corp., 2-70311; Henderson Petroleum 1981 Oil and Gas Income and Development Program, 2-69798; Mohawk Data Sciences Corp., 2-70471; Pope, Evans & Robbins, Inc., 2-68286.

NOTICE

Many requests for copies of documents referred to in the "SEC News Digest" have erroneously been directed to the Government Printing Office. Copies of such documents, registration statements, and other filings may be ordered by writing to the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. When you are ordering more than one, we prefer that the documents be listed in alphabetical order by registrant name to expedite service. Two types of service are available.

REGULAR SERVICE – *The regular service reproduction cost is 10¢ per page, including applicable sales taxes, plus postage (\$5.00 minimum order). Regular service orders will be shipped within seven calendar days of the receipt by the SEC's service contractor of your request. Slight delays may occur if the materials to be copied are not already in the contractor's master files.*

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All other reference material is available in the SEC Docket.

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