

sec news digest

Issue 81-187

September 28, 1981

SEP 29 1981

COMMISSION ANNOUNCEMENTS

U.S. SECURITIES AND EXCHANGE COMMISSION

GENERAL STATEMENT OF POLICY CONCERNING THE EFFECTS OF REVENUE RULING 81-225

The Commission has announced a General Statement of Policy of its Division of Investment Management concerning the effects and implications under the securities laws of Internal Revenue Service Revenue Ruling 81-225 that discusses the federal income tax status of earnings and/or gains derived from shares of one or more investment companies which constitute the funding media for certain variable annuity contracts offered through insurance company separate accounts. (Rel. 33-6352)

FOR FURTHER INFORMATION CONTACT: Melville B. Cox, Jr. or Mark J. Mackey at
(202) 272-2060

CIVIL PROCEEDINGS

COMPLAINT FILED AGAINST CARLO M. FLORENTINO

The Commission announced that on September 23 a complaint was filed in the U.S. District Court for the Southern District of New York against Carlo M. Florentino, an attorney, alleging violations of the antifraud provisions of the Securities Exchange Act of 1934. From January 1 to September 8, 1981, Florentino was a partner in the law firm of Wachtell, Lipton, Rosen & Katz of New York, New York. From April 1979 to December 31, 1980, Florentino was an associate with Wachtell Lipton, and prior to that, he was an associate for eight years with Davis, Polk and Wardwell, a law firm in New York, New York. Florentino specialized in matters relating to corporate law while at Davis Polk and upon association with Wachtell Lipton was involved in merger and tender offer transactions.

The Commission's complaint alleges that commencing on or about October 11, 1977, Florentino effected transactions in the securities of certain publicly held companies while in possession of material non-public information, which he had obtained in confidence relating to, among other things, the possible acquisition of these companies through tender offer or merger transactions. The Commission alleges that as a result of such transactions, Florentino realized a net profit of approximately \$450,000. The securities in which the Commission alleges that Florentino traded while in possession of material non-public information were Incoterm Corporation, Risdon Manufacturing Inc., Tymshare, Inc., Kaiser Steel, Inc., Biscayne Federal Savings and Loan Association, Applied Digital Data Systems, Inc., Curtiss-Wright Corporation, Hobart Corporation, Fisher Scientific Company, Inc., Texasgulf, Inc. and Owens-Corning Fiberglas Corporation. The Commission alleges that Florentino effected transactions while in possession of material non-public information in the first four securities mentioned above while he was with Davis Polk and in the latter seven securities while with Wachtell Lipton.

The Commission's complaint seeks the entry of a Final Judgment of Permanent Injunction restraining and enjoining him from violations of Sections 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3 thereunder and, among other things, an Order requiring him to make an appropriate disgorgement of his profits. (SEC v. Carlo M. Florentino, U.S.D.C. S.D.N.Y., Civil Action No. 81-Civ-5903). (LR-9456)

INVESTMENT COMPANY ACT RELEASES

INTERCAPITAL DIVIDEND GROWTH SECURITIES INC.

A conditional order has been issued on an application filed by Intercapital Dividend Growth Securities, Inc., Intercapital High Yield Securities Inc., Intercapital Industry-Valued Securities Inc. and Intercapital Natural Resource Development Securities Inc. (the Funds), registered under the Investment Company Act of 1940 as open-end, diversified, management investment companies, and Dean Witter Reynolds Inc. (collectively with the Funds, Applicants), exempting Applicants, pursuant to Section 6(c) of the Act, from the provisions of Section 22(d) of the Act and Rule 22d-1 thereunder to the extent necessary to permit Applicants to sell the Funds' shares at a reduced sales charge. (Rel. IC-11953 - Sept. 23)

THE ROYAL BANK OF CANADA

A notice has been issued giving interested persons until October 20 to request a hearing on an application of The Royal Bank of Canada (Applicant), a bank chartered under the laws of Canada which presently proposes to make an offering of commercial paper in the United States, for an order pursuant to Section 6(d) of the Investment Company Act of 1940 exempting Applicant from all provisions of the Act. (Rel. IC-11959 - Sept. 25)

HOLDING COMPANY ACT RELEASES

YANKEE ATOMIC ELECTRIC COMPANY

An order has been issued authorizing Yankee Atomic Electric Company, subsidiary of New England Electric System and Northeast Utilities, registered holding companies, to issue and sell up to \$15 million of promissory notes to banks. (Rel. 35-22205 - Sept. 25)

AMERICAN ELECTRIC POWER COMPANY, INC.

A notice has been issued giving interested persons until October 26 to request a hearing on a proposal by American Electric Power Company, Inc., a registered holding company, to enter into indemnity agreements with surety bonding companies in connection with surety bonds required by certain subsidiaries. (Rel. 35-22206 - Sept. 25)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until October 14 to comment on the applications of the Boston Stock Exchange, Inc. for unlisted trading privileges in nine issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-18113)

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-18) NUCLEONICS CORPORATION, 2240 Lundy Ave., San Jose, CA 95131 - 1,428,570 shares of common stock. (File 2-74056-LA - Sept. 11) (Br. 9 - New Issue)

- (S-18) INSTRUMENT DEVELOPMENT CORPORATION, 67 Leuning St., South Hackensack, NJ 07606 (201) 488-4497 - 1,500,000 shares of common stock. Underwriter: Brodis Galant Securities, One Great Neck Rd., Great Neck, NY 11021 (212) 895-7478 or (516) 466-5566. The company is a development stage enterprise involved in the development and marketing of high technology, proprietary or patented products for noise and vibration measurement and control and medical and health care applications. (File 2-74112-NY - Sept. 18) (Br. 8 - New Issue)
- (S-16) TRACOR, INC., 6500 Tracor Lane, Austin, TX 78721 (512) 926-2800 - 100,000 shares of common stock. (File 2-74154 - Sept. 24) (Br. 7)
- (S-12) CHEMICAL BANK, 55 Water St., New York, NY 10041 - 100,000 American Depositary Receipts for ordinary shares of Driefontein Consolidated Limited. (File 2-74159 - Sept. 24) (Br. 99 - New Issue)
- (S-16) BANKERS TRUST NEW YORK CORPORATION, 280 Park Ave., New York, NY 10017 (212) 775-2500 - 500,000 shares of common stock. (File 2-74162 - Sept. 24) (Br. 2)
- (S-8) CENTRAL PACIFIC CORPORATION, 1325 19th St., Bakersfield, CA 93301 (805) 861-5211 - 104,541 shares of common stock. (File 2-74163 - Sept. 25) (Br. 1)
- (S-8) COVINGTON TECHNOLOGIES, 2451 East Orangethorpe, Fullerton, CA 92631 (714) 879-0111 - 72,000 shares of common stock. (File 2-74164 - Sept. 25) (Br. 6)
- (S-16) NIAGARA MOHAWK POWER CORPORATION, 300 Erie Boulevard West, Syracuse, NY 13202 (315) 474-1511 - \$50 million of first mortgage bonds, % Series due October 1, 2011. Underwriters: Salomon Brothers and Merrill Lynch White Weld Capital Markets Group. The company is engaged in the production and/or purchase, transmission, distribution and sale of electricity and the purchase, distribution and sale of gas. (File 2-74165 - Sept. 25) (Br. 7)
- (S-1) ALTEX OIL CORPORATION, 205 North Vernal Ave., Vernal, UT 84078 - 1,099,800 units. The company engages in the acquisition, sale, exploration, and, to a lesser extent, in the development of onshore oil and gas properties. (File 2-74166 - Sept. 25) (Br. 4)
- (S-14) CAYMAN RESOURCES CORPORATION, Suite 500, Petroleum Club Bldg., Tulsa, OK 74119 - 1,910,667 shares of preferred stock. (File 2-74167 - Sept. 25) (Br. 4 - New Issue)
- (S-16) HALLIBURTON COMPANY, 2600 Southland Center, Dallas, TX 75201 (214) 748-7261 - \$150 million of % notes, due October 1, 1988. Underwriters: Lazard Freres & Co. and Lehman Brothers Kuhn Loeb Incorporated. The company is a diversified worldwide oil field services and engineering/construction organization. (File 2-74169 - Sept. 25) (Br. 10)
- (S-1) MISSION RESOURCES DRILLING PROGRAM-1982, 8000 Edgewater Dr., P.O. Box 2300, Oakland, CA 94614 (415) 638-1800 - \$45 million of subscriptions for preformation limited partnership interests. (File 2-74170 - Sept. 25) (Br. 4 - New Issue)
- (S-11) MUTUAL REAL ESTATE INVESTMENT TRUST, One Penn Plaza, Suite 2030, New York, NY 10019 - 336,957 shares of beneficial interest. The purpose of the Trust is to provide investors with an opportunity to own, through transferable shares, an interest in income producing real estate. (File 2-74171 - Sept. 25) (Br. 6 - New Issue)
- (S-15) FLAGSHIP BANKS INC., 777 Brickell Ave., Miami, FL 33131 (305) 579-7091 - 252,751 shares of common stock. (File 2-74172 - Sept. 25) (Br. 1)
- (S-15) WENDY'S INTERNATIONAL, INC., Box 256, 4288 West Dublin-Granville Rd., Dublin, OH 43017 (614) 764-3100 - 6300 common shares. (File 2-74173 - Sept. 25) (Br. 4)
- (S-1) HEALTH CARE AND RETIREMENT CORPORATION OF AMERICA, 1885 North McCullough St., Box 1709, Lima, OH 45802 - 800,000 shares of common stock. Underwriter: Prescott, Ball & Turben. The company is an owner, operator and integrated developer of skilled and intermediate health care facilities and retirement facilities. (File 2-74175 - Sept. 25) (Br. 6 - New Issue)

REGISTRATIONS EFFECTIVE

- Sept. 22: Ampower Instrument Co., Inc., 2-73170-NY; The Home Depot, Inc., 2-73667.
Sept. 23: Southmark Properties, 2-73173; Total Taste Ltd., 2-73294-NY.
Sept. 24: Petro Quest, Inc., 2-72041.

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 Branch, 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. Cost estimates are given on request. Two types of service are available through the Public Reference Branch, one of which (priority service) is also available directly from the SEC's service contractor.

REGULAR SERVICE – The regular service reproduction cost is 10c 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, forwarded from the Public Reference Branch. Slight delays may occur if the materials to be copied are not already in the contractor's master files.

PRIORITY SERVICE – Copies of documents may be ordered by telephone directly from the SEC's service contractor by calling 301/951-1350 (Maryland callers), or the toll-free number, 800-638-8241. The priority reproduction cost is 35¢ per page plus postage and applicable sales taxes (\$10.00 minimum order). Priority service orders will be shipped by 4:00 PM of the working day following the day of your telephoned request for materials already in the contractor's master files. Cost estimates are given on request.

All other reference material is available in the SEC Docket.

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