

sec news digest

Issue 96-97

May 23, 1996

COMMISSION ANNOUNCEMENTS

ADVISORY COMMITTEE ON THE CAPITAL FORMATION AND REGULATORY PROCESSES: MEETING OF THE ADVISORY COMMITTEE

A meeting of the Securities and Exchange Commission Advisory Committee on the Capital Formation and Regulatory Processes will be held on June 10, 1996, in room 1C30 at the Commission's main offices at 450 Fifth Street, N.W., Washington, D.C., beginning at 1:30 p.m. The meeting will be open to the public. Written comments should be submitted in triplicate and should refer to File No. 265-20. Comments should be submitted to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. FOR FURTHER INFORMATION CONTACT: David Sirignano, Committee Staff Director, at (202) 942-2870.

Any member of the public who requires auxiliary aids such as a sign-language interpreter or material on tape to attend a public meeting should contact Larry Cohen, Office of Administrative and Personnel Management, to make arrangements. Mr. Cohen can be reached at (202) 942-4066 or at a TTY number (202) 942-4075. (Rel. Nos. 33-7297; 34-37236; File No. 265-20)

SEC PROFESSIONAL ACCOUNTING FELLOW PROGRAM - NOTIFICATION TO POTENTIAL CANDIDATES

The Commission is now accepting applications for two Professional Accounting Fellow positions in the Division of Market Regulation. The program is designed to provide outstanding opportunities for personal development and career enhancement. During their two-year term, the Fellows will be involved in the study of existing broker-dealer financial responsibility and books and records rules. The goal of the study is to assure that such rules are effective in today's ever changing market and consistent with the Commission's mandate to protect the integrity of the markets and the investing public.

According to Richard R. Lindsey, Director, Division of Market Regulation, candidates for the Fellowship should have at least eight years experience in a public accounting firm or in an organization that provides similar experience in financial accounting and reporting. In addition, a minimum of one year of this experience must have been at a managerial level. Applicants should be thoroughly familiar with the broker-dealer financial responsibility and books and records rules as well as the back office operations of a broker-dealer. Further, applicants should be knowledgeable of current broker-dealer accounting issues. A working knowledge of broker-dealer risk management/internal control systems and the use of derivatives products is required.

Applicants are required to submit by June 12, 1996, a resume; the Optional Application for Federal Employment; or any other written format which clearly identifies information required in the pamphlet "A Guide to Employment with the U. S. Securities and Exchange Commission." In addition, applicants should provide at least two letters of recommendation from persons not related to the candidate who have definite knowledge of his or her professional ability and qualifications. Application procedures and materials can be obtained from Mr. Lawrence Cohen at 202/942-4066. Inquiries about the program can be directed to Mr. Matthew Hughey in the Division of Market Regulation at 202/942-0143.

The Commission's policy of affording equal employment opportunity to all interested candidates will be followed.

ENFORCEMENT PROCEEDINGS

KEVIN SISTI ENJOINED

The Commission announced that on May 15 the Honorable T.F. Gilroy Daly of the U.S. District Court for the District of Connecticut issued a Final Judgment of Permanent Injunction against Kevin P. Sisti (Sisti), a former partner of Colonial Realty Company (Colonial). Sisti, who consented to this order without admitting or denying the Commission's allegations, was enjoined from further violations of the registration and anti fraud provisions of the securities laws and ordered to disgorge \$507,646, plus prejudgment interest thereon, provided, however, that payment of such amount was waived based on his demonstrated inability to pay.

The complaint, filed on March 9, 1995 against Sisti and six others, alleged violations of several antifraud and securities registration provisions of the federal securities laws in connection with a fraudulent unregistered public offering by Colonial of 1200 limited

partnership units in the Colonial Constitution Limited Partnership (CCLP) during 1989 and 1990. During the offering period, CCLP interests totaling more than \$30 million were purchased by over 700 investors residing in 28 states and the District of Columbia. [SEC v. GOOGEL, et al., Civil Action No. 3:95-CV-420, TFGD, D.CT] (LR-14916)

INVESTMENT COMPANY ACT RELEASES

MEDALLION FINANCIAL CORP., ET AL.

An order has been issued on an application filed by Medallion Financial Corp., et al., under Sections 6(c), 17(b), 17(d), 57(a) (4), and 57(c) of the Investment Company Act and Rule 17d-1 thereunder. The order permits Medallion to acquire all the outstanding stock of Tri-Magna Corporation through a merger and to acquire certain other companies. In addition, the order permits Medallion to engage in certain joint transactions with its subsidiaries and permits modified asset coverage requirements for Medallion and its subsidiaries on a consolidated basis. (Rel. IC-21969 - May 21)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The Participants Trust Company filed a proposed rule change (SR-PTC-96-01) to eliminate the deduction of reserve on gain in the calculation of net free equity for proprietary and agency accounts of a receiving participant in certain transactions. Publication of the proposal is expected in the Federal Register during the week of May 27. (Rel. 34-37227)

The Chicago Stock Exchange filed a proposed rule change (SR-CHX-96-14) to trade particular investment company units, known as WEBS, pursuant to unlisted trading privileges. Publication of the proposal is expected in the Federal Register during the week of May 27. (Rel. 34-37228)

The Government Securities Clearing Corporation filed a proposed rule change (SR-GSCC-96-04) to modify GSCC's rules to authorize interdealer brokers to participate in the netting and settlement services for repurchase and reverse repurchase transactions involving government securities. The notice is expected in the Federal Register during the week of May 27. (Rel. 34-37230)

The New York Stock Exchange filed a proposed rule change (SR-NYSE-96-11) to amend Section 202.06(B) and 202.06(C) of the NYSE Listed Company Manual to add Bloomberg Business News to the NYSE's list of news services to whom listed companies must disseminate material news. Publication of the proposal is expected in the Federal Register during the week of May 27. (Rel. 34-37237)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

Delta Clearing Corp. filed a proposed rule change (SR-DCC-96-06) to notify the Commission that it has authorized Tradition (Government Securities) Inc. to participate as a broker in Delta Clearing Corp.'s system for clearance and settlement of U.S. Treasury repurchase and reverse repurchase agreement transactions. Publication is expected in the Federal Register during the week of May 27. (Rel. 34-37235)