

SEC NEWS DIGEST

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ENFORCEMENT PROCEEDINGS

COMMISSION DISMISSES APPLICATION FOR REVIEW BY LANCE VAN ALSTYNE

The Commission has dismissed an application for review by Lance E. Van Alstyne. In a default decision, the NASD found that Van Alstyne, formerly associated with Merchant Banking Services, Inc. (MBSI), a former association member, failed to register as a principal of MBSI, sold unregistered securities, and failed to respond to requests for information from the NASD. The NASD denied Van Alstyne's motion to set aside the default decision on the grounds that he never received the association's complaint or decision. The Commission has determined that it lacks jurisdiction to review the matter, because denial of the motion to set aside a default decision is not among the actions enumerated in Section 19(d) of the Securities Exchange Act of 1934, and because the applicant has not shown the extraordinary relief required for the Commission to review the application as a late-filed appeal of the default decision. (Rel. 34-40738; File No. 3-9575)

SEC FILES CASE AGAINST COMPLIANCE OFFICER AND OTHER FOR INSIDER TRADING INVOLVING THE SECURITIES OF 13 COMPANIES

The Commission today filed a complaint in the United States District Court for the Southern District of New York against Marisa Baridis, Jeffrey Streich, Keith Youngswick a/k/a Keith Young, and Tina Eichenholz, all of whom reside in the New York area. The complaint alleges insider trading by the defendants in advance of public announcements concerning the securities of thirteen publicly traded companies. According to the complaint, Baridis, a former employee in the compliance departments of two Wall Street investment firms, Smith Barney, Inc., and Morgan Stanley Dean Witter & Co., had access to material nonpublic information concerning the firms' clients, and she sold the information to Streich, a former registered representative, and Mitchell Y. Sher (Sher was the subject of an earlier enforcement action). Streich, in turn, tipped ten others, including Eichenholz and Youngswick. The named defendants, except for Streich, have consented, without admitting or denying the Commission's allegations, to settlements of this matter. For further information see Litigation Release No. 15741 (May 15, 1998). [SEC v. Marisa Baridis, et al., 98 Civ. 8535, JSM, SDNY] (LR-15990)

INVESTMENT COMPANY ACT RELEASES

CCB FUNDS

A notice has been issued giving interested persons until December 24 to request a hearing on an application filed by CCB Funds (formerly, 111 Corcoran Funds) for an exemption from Section 17(a) of the Investment Company Act. The order would permit an in-kind redemption of shares of the applicant by an affiliated person of the applicant. (Rel. IC-23581 - December 1)

SELECT ADVISORS TRUST A, ET AL.

A notice has been issued giving interested persons until December 28 to request a hearing on an application by Select Advisors Trust A, et al. for an order from Section 17(a) of the Investment Company Act. The order would permit a reorganization involving certain registered investment companies. (Rel. IC-23582 - December 2)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The New York Stock Exchange filed a proposed rule change (SR-NYSE-98-36) to amend Rule 35 (Floor Employees to be Registered) and adopt a new Interpretation to Rule 35 regarding Trading Assistant qualifications. Publication of the proposal is expected in the Federal Register during the week of December 7. (Rel. 34-40720)

The New York Stock Exchange filed a proposed rule change (SR-NYSE-98-35) relating to specifications and a content outline for the Trading Assistant Qualification Examination (Series 25). Publication of the proposal is expected in the Federal Register during the week of December 7. (Rel. 34-40721)

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change submitted by the New York Stock Exchange (SR-NYSE-97-09) to amend NYSE Rule 123A.30 relating to specialists' handling of percentage orders. (Rel. 34-40722)

The Commission approved a proposed rule change submitted by the Philadelphia Stock Exchange (SR-PHLX-98-37) relating to the adoption of Rule 220, which concerns procedures for the handling of stopped stock. (Rel. 34-40728)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval of a proposed rule change submitted by the Chicago Board Options Exchange (SR-CBOE-98-47) relating to trade match delayed submission fees. (Rel. 34-40729)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the New York Stock Exchange to increase the administration fee for the Series 16 examination (SR-NYSE-98-39) has become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected in the Federal Register during the week of December 7. (Rel. 34-40731)

WITHDRAWAL OF PROPOSED RULE CHANGE AND AMENDMENT NO. 1 RELATING TO TRADE MATCH DELAYED SUBMISSION FEES

The Chicago Board Options Exchange withdrew a proposed change (SR-CBOE-98-09) that would have revised CBOE Rule 2.30, Trade Match Delayed Submission Fee. Publication of the withdrawal is expected in the Federal Register during the week of December 7. (Rel. 34-40732)