

SEC NEWS DIGEST

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COMMISSION ANNOUNCEMENTS

COMMISSION MEETINGS

CLOSED MEETING - THURSDAY, DECEMBER 12, 1996 - 10:00 A.M.

The subject matter of the closed meeting scheduled for Thursday, December 12, 1996, at 10:00 a.m., will be: Institution and settlement of administrative proceedings of an enforcement nature.

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: The Office of the Secretary at (202) 942-7070.

ENFORCEMENT PROCEEDINGS

ALLEGATIONS OF VIOLATIONS OF THE ANTIFRAUD PROVISIONS OF THE FEDERAL SECURITIES LAWS DISMISSED AGAINST RUSSELL PONCE, CPA

On December 4, an Administrative law judge dismissed the proceeding against Russell Ponce, CPA, the former independent auditor for American Aircraft Corporation. Administrative Law Judge Lillian A. McEwen found after a hearing and consideration of the record that Mr. Ponce did not violate Rule 102(e) of the Commission's Rules of Practice; that he is not lacking in character or integrity; and that he did not engage in unethical or improper professional conduct. Furthermore, the ALJ found that Mr. Ponce did not willfully violate or willfully aid or abet American Aircraft Corporation in the violation of any provision of the federal securities laws or rules or regulations thereunder. (Initial Decision No. 102)

COMMISSION APPROVES WESTCAP DISGORGEMENT PLAN

The Commission has approved a plan for the distribution of disgorged funds (Disgorgement Plan) in connection with an Order Instituting Public Proceedings, Making Findings and Imposing Remedial Sanctions against Westcap Securities, L.P. (Administrative Proceeding File No. 3-8947). On May 8, 1996, the Commission published a notice of

proposed plan of disgorgement and opportunity for comment by non-parties (Notice) pursuant to Rule 612 of the Commission's Rules of Practice [17 C.F.R. 201.612]. The Notice provides that all persons desiring to comment on the Disgorgement Plan may submit their views, in writing, by June 7, 1996 to the Commission. The Commission has not received any comments on the Disgorgement Plan. Accordingly, the Commission has approved the Disgorgement Plan pursuant to Rule 613 of the Commission's Rules of Practice [17 C.F.R. 201.613]. (Rel. 34-38016)

SEC EXTENDS DATE FOR SUBMISSION OF PLAN OF ADMINISTRATION AND DISTRIBUTION OF DISGORGED TRADING PROFITS

The Commission instituted and simultaneously settled a public administrative proceeding against Portfolio Management Consultants, Inc. (PMC) by order dated June 27, 1996. The settlement provided that PMC, inter alia, disgorge certain undisclosed trading profits realized from principal trading with its advisory clients. The settlement also provided that PMC engage an independent accountant to determine the amount of such profits to be disgorged and returned to each affected client. The independent accountant was to complete its work within ninety days of appointment. PMC requested a sixty day extension to submit the Plan of Administration and Distribution because the independent accountant PMC appointed has encountered difficulties in retrieving electronically-stored data necessary to complete the Plan. The Commission found that good reason exists to modify the terms of the original settlement and has ordered a sixty day extension of time for submission of the Plan of Administration and Distribution.

The Order requires the independent accountant to submit a Plan of Administration and Distribution within 150 days of the date of its appointment. (Rel. 33-7368; 34-38019)

INVESTMENT COMPANY ACT RELEASES

SUNAMERICA SERIES TRUST, ET AL.

An order has been issued on an application filed by SunAmerica Series Trust, SunAmerica Equity Funds and SunAmerica Asset Management Corp. (Adviser) under Section 6(c) of the Investment Company Act to exempt applicants from Section 15(a) of the Act and Rule 18f-2 thereunder; and from certain disclosure requirements set forth in Item 22 of Schedule 14A under the Securities Exchange Act of 1934; Items 2, 5(b)(iii), and 16(a)(iii) of Form N-1A; Item 3 of Form N-14; Item 48 of Form N-SAR; and Sections 6-07(2)(a), (b), and (c) of Regulation S-X. The order permits the Adviser to enter into or amend contracts with subadvisers without obtaining shareholder approval and applicants to disclose only aggregate subadvisory fees for each portfolio in their prospectuses and other reports. (Rel. IC-22364 - December 3)

TCW CONVERTIBLE LIMITED PARTNERSHIP, ET AL.

A notice has been issued giving interested persons until December 2 to request a hearing on an application filed by TCW Convertible Limited Partnership (Partnership), et al. for an order under Section 17(b) of the Investment Company Act permitting the exchange of shares of the common stock of TCW Galileo Funds, Inc. for portfolio securities and other assets of the Partnership. (Rel. IC-22365 - December 3)

THE VICTORY PORTFOLIOS, ET AL.

A notice has been issued giving interested persons until December 30 to request a hearing on an application filed by The Victory Portfolios, et al. for an order under Section 6(c) of the Investment Company Act to exempt applicants from Section 15(a) of the Act and Rule 18f-2 thereunder, and from certain disclosure requirements set forth in Item 22 of Schedule 14A under the Securities Exchange Act of 1934, Items 2, 5(b)(iii), and 16(a)(iii) of Form N-1A, Item 3 of Form N-14, Item 48 of Form N-SAR, and Sections 6-07.2(a), (b), and (c) of Regulation S-X. The order would permit KeyCorp Mutual Fund Advisers, Inc., as investment adviser to applicant funds, to enter into and materially amend sub-advisory contracts without receiving prior shareholder approval, and the applicant funds to disclose only aggregate sub-advisory fees for each series in their prospectuses and other reports. (Rel. IC-22366 - December 3)