

August 26, 1997

MEMORANDUM TO: Karen D. Cyr
General Counsel

FROM: John C. Hoyle, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - SECY-97-174 - N

EMPLOYEE OWNERSHIP OF ENERGY OR UTILITY
SECTOR MUTUAL FUNDS

RC

This is to advise you that the Commission has not objected to the recommendation that no change be made to the current prohibited security regulation. When the list of prohibited securities is published, it should be accompanied by a statement that makes it clear that investments in other sector mutual funds that are not on the prohibited securities list could preclude employees from working on particular matters affecting any entity in the sector if the employee's investment in the sector fund exceeds \$5,000.

cc: Chairman Jackson
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
EDO
OGC
CIO
CFO
OCA
OIG
Office Directors, Regions, ACRS, ACN

W, ASLBP

(via E-Mail)

PDR
DCS