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ENFORCEMENT PROCEEDINGS

JAMES MCCURRY, FORMER COMPLIANCE OFFICER AND OPERATIONS MANAGER OF BIEDENHARN INVESTMENT GROUP, INC., BARRED

On December 29 the Commission issued an Order Instituting Proceedings, Making Findings and Imposing Remedial Sanctions against James McCurry (McCurry), formerly the compliance officer and operations manager of Biedenharn Investment Group, Inc. (Biedenharn), a now defunct broker-dealer formerly registered with the Commission. McCurry consented to the entry of the Order without admitting or denying the Commission's findings, except the entry of a permanent injunction against him which was admitted.

The Order makes findings that McCurry participated in the offer and sale to investors of over \$36 million of note securities issued by Towers Credit Corporation and Towers Financial Corporation (Towers) by means of a general public solicitation through mailings of form letters, which made materially misleading statements to investors concerning the relative safety of an investment in Towers notes; the risks associated with the investment; the ratings on the securities offered by Towers; and the collateralization for and/or insurance for the Towers obligations. The Order makes further findings that McCurry was permanently enjoined by consent in the United States District Court for the Western District of Louisiana (Shreveport Division, SEC v. James McCurry and William E. Powdrill, III) from violations of the securities registration and antifraud provisions of the federal securities laws in connection with the offer and sale of note securities offered and issued by Towers. The Order bars McCurry from association with any broker, dealer, investment adviser, investment company or municipal securities dealer. (Rel. 34-36654)

WILLIAM POWDRILL, FORMER REGISTERED SALES REPRESENTATIVE OF BIEDENHARN INVESTMENT GROUP, INC., BARRED

On December 29 the Commission issued an Order Instituting Proceedings, Making Findings and Imposing Remedial Sanctions against William E. Powdrill, III (Powdrill), formerly a registered sales representative of Biedenharn Investment Group, Inc. (Biedenharn), a now defunct broker-dealer formerly registered with the Commission. Powdrill consented to the entry of the Order without admitting or denying the

Commission's findings, except the entry of a permanent injunction against him which was admitted.

The Order makes findings that McCurry participated in the offer and sale to investors of over \$36 million of note securities issued by Towers Credit Corporation and Towers Financial Corporation (Towers) by means of a general public solicitation through mailings of form letters, which made materially misleading statements to investors concerning the relative safety of an investment in Towers notes; the risks associated with the investment; the ratings on the securities offered by Towers; and the collateralization for and/or insurance for the Towers obligations. The Order makes further findings that McCurry was permanently enjoined by consent in the United States District Court for the Western District of Louisiana (Shreveport Division, SEC v. James McCurry and William E. Powdrill, III) from violations of the securities registration and antifraud provisions of the federal securities laws in connection with the offer and sale of note securities offered and issued by Towers. The Order bars Powdrill from association with any broker, dealer, investment adviser, investment company or municipal securities dealer. (Rel. 34-36655)

EDWARD DUFFY AND MICHAEL KARP SANCTIONED FOR ROLES IN SARIVOLA FRAUD

The Commission announced the institution and settlement of administrative proceedings pursuant to Rule 102(e) of the Rules of practice against Edward F. Duffy and Michael N. Karp. Duffy and Karp were previously named as defendants in SEC v. Anthony Sarivola, et al., a civil injunctive action filed by the Commission on October 31, 1995 in the U.S. District Court for the Southern District of New York. The Commission's complaint alleged that Duffy and Karp participated in a fraudulent scheme masterminded by Anthony Sarivola while they served as counsel for and directors of certain companies controlled by Sarivola. On November 17, 1995, the court permanently enjoined Duffy and Karp, on consent, from future violations of certain antifraud provisions of the federal securities laws.

Without admitting or denying the Commission's findings, Duffy consented to be permanently denied the privilege of appearing or practicing before the Commission, and Karp consented to be denied the privilege of appearing or practicing before the Commission with a right to apply to resume appearing or practicing after two years. (Rel. 34-36664)

FINAL JUDGMENT OF PERMANENT INJUNCTION ENTERED AGAINST JAMES MCCURRY AND WILLIAM POWDRILL

The Securities and Exchange Commission today announced the entry of Final Judgments of Permanent Injunction on December 19, 1995 in the U.S. District Court for the Western District of Louisiana against James McCurry (McCurry) and William E. Powdrill, III (Powdrill) which permanently enjoined Powdrill and McCurry from violating the antifraud and registration provisions of the federal securities laws. Based upon the defendants' inability to pay, disgorgement and prejudgment interest was waived as to Powdrill and civil penalties were not

imposed against either defendant. McCurry and Powdrill consented to the entry of the Final Judgments without admitting or denying the allegations in the Commission's complaint.

The Commission alleged that McCurry and Powdrill violated the antifraud and securities registration provisions of the federal securities laws. According to the Commission's complaint, from at least April 1988 until September 1992, McCurry and Powdrill raised \$12.8 million through the offer and sale of notes issued by Towers Credit Corporation and Towers Financial Corporation (Towers), of which \$5.2 million subsequently defaulted. The Commission also alleged that McCurry and Powdrill misrepresented the safety of the notes, which were speculative and subject to numerous risks and that they falsely claimed that certain of the notes were covered by insurance or were fully collateralized.

In a related action on February 8, 1993, the Commission filed a civil action against Towers and certain of its principals alleging antifraud and registration violations of the federal securities laws. See LR-13514. [SEC v. James McCurry and William E. Powdrill, III, USDC/WD, LA/Shreveport Div, Civil Action No. CA-95-0552-S] (LR-14768)

DAVID SCHWARTZ SETTLES INSIDER TRADING CASE CONCERNING SECURITIES OF DESOTO, INC.

The Commission announced today that the Honorable John G. Koeltl of the United States District Court for the Southern District of New York signed a final judgment against defendant David P. Schwartz permanently enjoining him from future violations of Section 14(e) of the Securities Exchange Act of 1934 and Rule 14e-3 thereunder, and ordering him to pay \$3,063.83 in disgorgement and prejudgment interest, and \$14,833.00 as a civil penalty under the Insider Trading and Securities Fraud Enforcement Act of 1988. The judgment was entered on December 14, 1995. Defendant Schwartz consented to the entry of the final judgment without admitting or denying the allegations in the complaint.

In this action the Commission alleges that on November 9, 1989, while in possession of material, nonpublic information relating to the tender offer for DeSoto, Inc. announced later that day, defendant Schwartz, at the time an employee of Morgan Stanley & Co. Inc., tipped defendant Edward A. Cantor, who then purchased 35,000 shares of DeSoto, Inc. for a total cost of about \$1,443,750. Defendant Cantor previously settled with the Commission without admitting or denying the allegations.

Disgorgement and prejudgment interest paid by defendants Cantor and Schwartz is being held by the Court for the benefit of persons who submit valid claims within one year after the date of entry of the final judgments. The Commission intends to petition the Court to appoint a special claims master to develop a distribution plan. The litigation is pending against defendant Michael Levine. For further information, see LR-14329 (November 9, 1994) and LR-14678 (October 4, 1995). [SEC v. Cantor, et al., 94 Civ. 8079, JGK, U.S.D.C. S.D.N.Y. filed November 8, 1994] (LR-14769)

INVESTMENT COMPANY ACT RELEASES

MUTUAL FUND GROUP, ET AL.

A notice has been issued giving interested persons until January 22 to request a hearing on an application filed by Mutual Fund Group, et al. for an order under Section 6(c) of the Investment Company Act exempting applicants from Section 15(a) of the Act. The Chase Manhattan Corporation, the holding company of applicants' investment adviser, The Chase Manhattan Bank, National Association (the Adviser), will be merged with Chemical Banking Corporation. The merger will result in the assignment and, thus, the termination of the applicant investment companies' (the Chase Funds) existing investment advisory and sub-advisory contracts with the Adviser and Atlanta Capital Management Company (Atlanta Capital), a sub-adviser. Applicants request an order to permit the implementation, without shareholder approval, of interim advisory and sub-advisory contracts during a period of up to 120 days following January 31. The order also will permit the Adviser and Atlanta Capital to receive fees earned under the interim advisory and sub-advisory contracts following approval by the Chase Funds' shareholders. (Rel. IC-21629 - December 28, 1995)

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act granting exemptions from Section 27(a)(3) of the Act and Rule 6e-3(T)(b)(13)(ii) thereunder, to The Prudential Insurance Company of America, The Prudential Variable Appreciable Account (Separate Account), and Pruco Securities Corporation. This order permits the Separate Account to issue flexible premium survivorship variable life insurance contracts in which the sales charge deducted from premiums up to one target premium paid during any year exceeds the sales charge payable on any excess premium payments made in any prior year. (Rel. IC-21630 - December 28, 1995)

AMERICAN SKANDIA LIFE ASSURANCE CORPORATION, ET AL.

An order has been issued pursuant to Section 26(b) of the Investment Company Act and an exemption granted pursuant to Section 6(c) of the Act from Sections 17(a), 17(b), 17(d) of the Act and Rule 17d-1 thereunder, to American Skandia Life Assurance Corporation, American Skandia Life Assurance Corporation Variable Account B (Class 1), American Skandia Life Assurance Corporation Variable Account B (Class 2), and American Skandia Marketing, Inc. The order permits certain underlying mutual funds of the separate account to be substituted for certain other underlying mutual funds. (Rel. IC-21631 - December 28, 1995)

PAINWEBBER LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 26(b) of the Investment Company Act to PaineWebber Life Insurance Company and PaineWebber Variable Annuity Account approving the substitution of shares of the Balanced Portfolio of the PaineWebber Series Trust (Trust) for shares of the Asset Allocation Portfolio of the Trust. (Rel. IC-21632 - December 28, 1995)

FIRST PRAIRIE QUALITY INCOME FUND

An order has been issued under Section 8(f) of the Investment Company Act declaring that First Prairie Quality Income Fund has ceased to be an investment company. (Rel. IC-21635 - December 29, 1995)

FIRST PRAIRIE SPECIAL EQUITY FUND

An order has been issued under Section 8(f) of the Investment Company Act declaring that First Prairie Special Equity Fund has ceased to be an investment company. (Rel. IC-21636 - December 29, 1995)

FIRST PRAIRIE MUNICIPAL INCOME FUND

An order has been issued under Section 8(f) of the Investment Company Act declaring that First Prairie Municipal Income Fund has ceased to be an investment company. (Rel. IC-21637 - December 29, 1995)

FIRST PRAIRIE GROWTH EQUITY FUND

An order has been issued under Section 8(f) of the Investment Company Act declaring that First Prairie Growth Equity Fund has ceased to be an investment company. (Rel. IC-21638 - December 29, 1995)

FIRST PRAIRIE INTERNATIONAL FUND

An order has been issued under Section 8(f) of the Investment Company Act declaring that First Prairie International Fund has ceased to be an investment company. (Rel. IC-21639 - December 29, 1995)

CIGNA VARIABLE PRODUCTS GROUP, et al.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting CIGNA Variable Products Group (the Trust), CIGNA Investments, Inc. (CIGNA) and certain life insurance companies and their separate accounts investing now or in the future in the Trust from the provisions of Sections 9(a), 13(a), 15(a) and 15(b) of the 1940 Act and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder to the extent necessary to permit shares of the Trust and shares of any other investment company that is designed to fund insurance products and for which CIGNA, or any of its affiliates, may serve as investment advisor, administrator, manager, principal underwriter or sponsor to be sold to and held by: (a) variable annuity and variable life insurance separate accounts of both affiliated and unaffiliated life

insurance companies; and (b) qualified pension and retirement plans outside of the separate account context. (Rel. IC-21641 - December 29, 1995)

DFA INVESTMENT DIMENSIONS GROUP INC., ET AL.

A notice has been issued giving interested persons until January 23 to request a hearing on an application filed by the DFA Investment Dimensions Group Inc., et al. for an order under Section 6(c) of the Investment Company Act exempting applicants from Section 12(d)(1) of the Act, under Sections 6(c) and 17(b) of the Act exempting applicants from Section 17(a) of the Act, and pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder permitting certain joint transactions. The requested order would permit an open-end management investment company, DFA International Asset Allocation Fund, to invest substantially all its assets in the shares of another open-end management investment company, The DFA Investment Trust Company. (Rel. IC-21642 - December 29, 1995)