

sec news digest

Issue 96-5

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COMMISSION ANNOUNCEMENTS

FEE RATE ADVISORY

The Continuing Resolution (CR) on fiscal year 1996 funding was passed on Saturday, January 6, 1996. Accordingly, the fee rate for registration statements and other filings paid pursuant to Section 6(b) of the Securities Act of 1933 reverted to 1/29th of one percent of the offering amount, effective at 8:00 a.m. Monday, January 8, 1996.

The Commission is still reviewing the effects of the CR on filings made between December 15 and January 8. It is possible that filers who paid 1/50th of one percent will be required to pay an additional amount equal to the difference between the amount paid and 1/29th of one percent of the amount of the offering.

Filers should direct all questions regarding the fee rate to the Office of Filer Support at (202) 942-8900.

The Commission will issue further notice as appropriate to keep registrants informed of developments effecting the Section 6(b) fee rate. (Press Rel. 96-2)

GUIDANCE CONCERNING TIMELY FILING OF SECTION 16(a) REPORTS

The Commission announced today that it will not take enforcement action with respect to the failure to file timely reports under Section 16(a) of the Securities Exchange Act that were required to be filed during the week beginning January 8, 1996 and ending January 12, 1996, provided that any such required report is filed no later than the close of business on January 16, 1996. Further, so long as that required report is filed by the close of business on January 16, 1996, disclosure under Item 405 of Regulation S-K regarding compliance with Section 16(a) of the Exchange Act will not be required with respect to that report. The Commission is taking this action in recognition of the effect that this week's snow storm has had on a filer's ability to prepare and timely file his or her Section 16(a) report with the Commission. For further information please call Anne Krauskopf,

ENFORCEMENT PROCEEDINGS

ADMINISTRATIVE PROCEEDINGS ORDERED AGAINST BRADFORD GILLINGHAM

On January 4, the Commission instituted public administrative proceedings against Bradford P. Gillingham (Gillingham), a registered representative of a securities broker-dealer, pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 (Exchange Act).

Simultaneously with the institution of these proceedings, the Commission accepted Gillingham's Offer of Settlement in which he admitted the Commission's findings and consented to the issuance of an order barring him from association with any broker, dealer, municipal securities dealer, investment company or investment adviser. The bar is based on Gillingham's guilty plea to, and conviction of, one count of violating 18 U.S.C. §1001 in connection with testifying falsely before the staff of the Commission during an investigation. [United States of America v. Bradford P. Gillingham, CR 95-0076 CAL, N.D. Cal.].

The Superseding Information in the criminal matter alleged that Gillingham knowingly made false statements to the Commission staff during an investigation after having taken an oath to testify truthfully. Specifically, the Superseding Information alleged that Gillingham denied having a conversation with a mid-level manager of a certain publicly-held corporation regarding the business of the corporation and denied receiving material non-public information regarding the projected revenues and book-to-bill ratio of the corporation from that manager, while knowing, in fact, that he had such a conversation with the manager and that such information was conveyed. (Rel. No. 34-36679)

LAW JUDGE'S FINDING OF LIABILITY AND SANCTIONS IMPOSED AFFIRMED

The Commission has affirmed a law judge's finding of liability and sanctions imposed against Consolidated Investment Services, Inc., (CIS) a former registered broker-dealer, its majority owner and president, Norman P. Rounds, and its senior vice president, James L. Fainter. The Commission found that, from May 1987 through October 1991, Rounds and Fainter failed to provide effective and reasonable supervision of registered representatives Theodore McCormick with a view towards preventing McCormick's violations of Section 17(a) of the Securities Act of 1933 and Section 19(b) of the Securities Exchange Act and Rule 10b-5 thereunder. The Commission concluded that Rounds' and Fainter's failure to supervise permitted McCormick to engage in a wide-ranging fraud.

The Commission ordered that CIS be suspended for thirty days, and thereafter prohibited from employing registered representatives not supervised on site by a registered principal or subjected to semiannual surprise inspections; provided, however that, in the event that CIS no longer conducts business as a broker-dealer, it shall not be subject to this prohibition, and assessed a penalty of \$50,000. The Commission further ordered that Rounds and Fainter be barred in all capacities from association with any broker-dealer with a right to reapply to become so associated after one year, and assessed a penalty of \$50,000. (Rel. 34-36687)

COMMISSION SUSTAINS NASD DISCIPLINARY ACTION AGAINST GEORGE RATHER

The Commission has sustained the disciplinary action taken by the NASD against George H. Rather, Jr., of Spring, Texas, a former registered representative of NASD member firm Howard, Weil, Labouisse, Friedrichs, Inc. The NASD had censured Rather, fined him \$10,000, suspended him from associating with any NASD member in any capacity for 30 days, required him to requalify as a general securities representative, and assessed costs.

The Commission, like the NASD, concluded that Rather violated applicable NASD rules by failing to submit to Howard, Weil on a timely basis five order tickets for purchases of collateralized mortgage obligations totalling \$12 million. This failure caused Howard, Weil's books and records, mark-to-market adjustments, and FOCUS Reports for the period in question to be inaccurate. (Rel. 34-36688)

COMMISSION AFFIRMS FINDINGS AND SANCTIONS AGAINST TIMOTHY MOBLEY

The Commission has affirmed an administrative law judge's findings against Timothy Mobley, a salesman formerly employed by two broker-dealers. The law judge barred Mobley from association with any broker or dealer and from association with any member of a national securities exchange or registered securities association.

The Commission found that Mobley was subject to a permanent injunction from violating, and aiding and abetting the violation of, antifraud provision of the securities laws, and from aiding and abetting the violations of recordkeeping provisions of the securities laws. [SEC v. Thomas Bell, et al., CV-S-92-1083, HDM-LRL, D. Nev., filed March 16, 1994]. The Commission agreed with the law judge's reasoning that Mobley should be barred. (Rel. 34-36689)

NASD ACTION AGAINST GERALD DONNELLY SUSTAINED

The Commission has sustained NASD disciplinary action against Gerald E. Donnelly, a former salesman with Bear Stearns & Company, Inc. Donnelly was censured, fined \$25,000, suspended in all capacities for sixteen business days, and required to requalify by examination before reassociating with any NASD member.

The Commission upheld NASD findings that Donnelly engaged in excessive trading in four customer trust accounts and exercised discretionary authority over those accounts without obtaining written authorization

or his firm's acceptance. The Commission found that the activity in these accounts reflected an aggressive short-term trading strategy which was wholly inconsistent with the customer's investment objectives. Donnelly, the Commission concluded, placed his own interests above those of his customers. (Rel. 34-36690)

COMMISSION SUSTAINS CBOE ACTION AGAINST JOHN LEBENS

The Commission has sustained disciplinary action taken by the CBOE against John F. Lebens of Chesterfield, Missouri. Lebens was a former trader for Bridge Trading Company (the firm), a CBOE member organization. The CBOE censured Lebens, suspended him for four months from Exchange membership and association with any member or member organization, fined him \$50,000, and ordered him to refrain from acting in any supervisory or non-supervised capacity for a period of one year following his suspension.

The Commission found that Lebens improperly shifted losing personal trades to proprietary accounts of the firm, submitted inaccurate and incomplete trade tickets in connection with those trades, some of which he failed to time-stamp, and obtained improper extensions of credit from his clearing firm. In sustaining the CBOE's sanctions, the Commission stated that, contrary to Lebens' contention, it did not regard his misconduct as less serious because the firm was his victim rather than members of the public. (Rel. 34-36691)

DECISION SUSPENDING CAROLE HAYNES FOR FIVE MONTHS AND ORDERING THAT SHE PERMANENTLY CEASE AND DESIST FROM VIOLATING SECTIONS 9(a) AND 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER

The decision of an administrative law judge suspending Carole L. Haynes from association with any broker or dealer for a period of five months and ordering that she permanently cease and desist from committing or causing any violation of Sections 9(a)(1) and 10(b) or the Securities Exchange Act of 1934 and Rule 10b-5 thereunder has become final. Haynes' suspension is effective January 15, 1996.

The law judge found that Haynes, the sole owner and president of First Potomac Investment Services, Inc., a registered broker-dealer, aided and abetted John G. Broumas, former chairman of the board of Madison National Bank of Virginia and a former director of James Madison Limited, in a fraudulent market manipulation scheme in James Madison Limited stock. The law judge further found that Haynes caused Broumas' violations of the Exchange Act antifraud provisions. Haynes' misconduct, as detailed in the decision, included executing 61 wash trades and matched orders in James Madison Limited stock. (Rel. 34-36692)

DECISION BARRING VICTOR STREVEL FINAL

The decision of an administrative law judge barring Victor H. Strevel from association with any broker or dealer and participation in any further offering of penny stock under Sections 15(b)(6) and 19(h) of the Securities Exchange Act of 1934 has become final. The law judge

imposed the bar based on Strevel's 1994 conviction, pursuant to a plea of guilty, on one count of conspiracy, twelve counts of securities fraud, and one count of knowingly structuring a transaction to avoid applicable reporting requirements. Strevel's criminal activities occurred while he was working for First Alliance Securities, Inc. The law judge found that the activities for which Strevel was convicted were "extremely egregious, and involved an organized scheme to defraud investors using a wide variety of fraudulent practices." (Rel. 34-36693

FIRST FIDELITY SECURITIES GROUP CONSENTS TO ISSUANCE OF ORDER FINDING FRAUD AND OTHER VIOLATIONS IN CONNECTION WITH CERTAIN MUNICIPAL SECURITIES TRANSACTIONS AND REQUIRING IT TO PAY DISGORGEMENT, PREJUDGMENT INTEREST AND A CIVIL PENALTY

The Commission announced that it issued an Order Instituting Public Administrative Proceedings Pursuant to Section 15B(c)(2) of the Securities Exchange Act of 1934, Making Findings And Imposing Sanctions (Order) against First Fidelity Securities Group (FFSG), a separately identifiable department of the treasury division of First Fidelity Bank N.A. FFSG consented, without admitting or denying the Commission's findings, to the issuance of the Order finding that FFSG wilfully violated Section 17(a) of the Securities Act, and Sections 10(b) and 15B(c)(1) of the Exchange Act and Rule 10b-5, and rules G-8, G-17 and G-20 of the Municipal Securities Rulemaking Board, and requiring FFSG to pay disgorgement and prejudgment interest in the amount of \$1,793,309.43 and pay a \$500,000 penalty.

According to the Order, FFSG paid undisclosed kickbacks of \$176,296.16 to an individual who was at various times either a financial consultant to Essex County, New Jersey's (Essex County) Board of Chosen Freeholders, or Essex County's Treasurer, and budget and financial consultant for the Irvington, New Jersey (Irvington) Municipal Council. FFSG made these kickbacks to secure the lead underwriter role on three Essex County offerings of municipal securities and two Irvington offerings of municipal securities. According to the Order, First Fidelity also agreed to pay over \$200,000 in undisclosed kickbacks to Consolidated Financial Management, Inc., the Camden County Municipal Utilities Authority's (CCMUA) financial advisor, in connection with the CCMUA's February 1990 municipal securities offering (the CCMUA Offering). FFSG concealed the kickbacks by making false entries on its municipal securities dealer books and records.

As a result of First Fidelity Bancorporation's merger on January 1, 1996, with and into First Union Corporation (First Union), FFSG's municipal securities business will be conducted in First Union's registered broker-dealer subsidiary. Prior to the merger, FFSG adopted new policies and procedures to avoid future violations. These policies and procedures will continue at First Union's broker-dealer subsidiary.

For further information, see In the Matter of First Fidelity Securities Group (Rel. 34-36694, January 9, 1996, and LR-14421, February 23, 1995). (Rel. 34-36694)

ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST EDWARD CERULLO

The Commission announced that it instituted public administrative proceedings against Edward A. Cerullo pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934. The Commission simultaneously accepted the offer of settlement of Cerullo in which the respondent, without admitting or denying the findings of the Order, agreed to a suspension from association in a supervisory capacity with any broker, dealer, investment company, investment adviser or municipal securities dealer, for a period of twelve months, and agreed to pay a civil penalty in the amount of \$50,000.

The Order for Proceedings contains findings that, during the period from February 1993 through April 17, 1994, Cerullo, the head of a registered broker-dealer's Fixed Income Division, failed reasonably to supervise the trading of a registered representative (RR) subject to Cerullo's direct supervision. While under Cerullo's supervision, the RR violated the antifraud provisions and caused the broker-dealer with which the RR was associated to violate the books and records provision of the federal securities laws. The Order further found that Cerullo did not monitor the RR's activities in sufficient detail to prevent and detect the RR's violations of the federal securities laws. Furthermore, Cerullo failed to investigate adequately the RR's tremendous increase in profits, which increased from approximately \$32 million in 1992, to approximately \$150 million in 1993. (Rel. 34-36695)

ADMINISTRATIVE PROCEEDINGS AND CEASE AND DESIST PROCEEDINGS INSTITUTED AGAINST ORLANDO JOSEPH JETT; ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST MELVIN MULLIN

The Commission announced that it instituted public administrative cease and desist proceedings against Orlando Joseph Jett pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b), 19(h) and 21C of the Securities Exchange Act of 1934; and instituted public administrative proceedings against Melvin Mullin pursuant to Sections 15(b) and 19(h) of the Exchange Act.

The Order for Proceedings alleges that respondent Jett violated the antifraud provisions and caused the broker-dealer with which he was associated to violate the books and records provisions of the federal securities laws. The Order for Proceedings further alleges that Mullin failed reasonably to supervise Jett with a view to preventing Jett's violations. Specifically, the Order alleges that, from approximately July 1991 until approximately April 1994, Jett exploited an anomaly in the trading and accounting systems of a registered broker-dealer by systematically causing internal delivery instructions to be entered onto the broker-dealer's trading and accounting systems in a manner that caused the broker-dealer's books and records to reflect fictitious trading profits of approximately \$350 million. In furtherance of his scheme, Jett made misrepresentations and omissions of material fact to employees of the broker-dealer concerning his trading strategies and apparent profits. The Order alleges that Mullin, as Jett's direct supervisor from July 1991 until Februar

1993, did not monitor the details of Jett's trading and, thus, failed to take reasonable steps to prevent Jett's violations of the federal securities laws.

A hearing will be scheduled to take evidence on the allegations made by the Division of Enforcement and to afford the respondents an opportunity to present any defenses; to determine whether the allegations are true, and if so, what remedial action, if any, is appropriate; whether a cease and desist order should issue against Jett; whether disgorgement should be ordered against Jett, including reasonable interest, and whether civil penalties should be imposed on the respondents. (Rel. 34-36696)

COMPLAINT ALLEGING FINANCIAL FRAUD AND INSIDER TRADING FILED AGAINST FORMER CALIFORNIA MICRO DEVICES CHIEF ACCOUNTING OFFICER

The Securities and Exchange Commission announced the filing of a complaint with the United States District Court for the Northern District of California against Ronald A. Romito, former Chief Accounting Officer of California Micro Devices Corporation.

The complaint alleges Romito compiled false and misleading financial statements that materially overstated revenue during and for the fiscal year ended June 30, 1994, and sold stock while in possession of material non-public information.

Romito consented, without admitting or denying the allegations, to the entry of an order enjoining him from future violations of Section 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b)(2), and 13(b)(5) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1, 13a-13, 13b2-1 and 13b2-2 thereunder; requiring disgorgement of \$86,000, plus prejudgment interest which represents losses avoided by insider trading; imposing a civil penalty of \$86,000 pursuant to the Insider Trading and Securities Fraud Enforcement Act, but not assessing part of the penalty due to his demonstrated inability to pay; and prohibiting him from serving as an officer or director of any public company. Romito has also consented to the entry of an order in an administrative proceeding prohibiting him from practicing as an accountant before the Commission. The investigation is continuing. [SEC v. Ronald A Romito, USDC ND Cal., Civil Action No. 95 20857, EAI, December 19, 1995] (LR-14776)

ACTION FILED AGAINST MICHAEL TROPIANO

The Securities and Exchange Commission and Commodity Futures Trading Commission today filed a joint civil injunctive action in U.S. District Court in New Jersey against Michael Tropiano d/b/a Ardmore Financial Services, alleging violations of the antifraud, securities registration, broker-dealer registration, and commodity pool operator registration requirements. The defendant consented to the entry of a Preliminary Injunction prohibiting further violations of those provisions, freezing his personal assets and all investor funds under his control, and ordering him to account for investor funds.

The complaint alleges that Tropiano defrauded investors by selling

investment contracts in pools purportedly formed to engage in commodity futures trading. From 1989 through 1995, the defendant raised approximately \$2.9 million from 118 investors. After initially conducting some trading, defendant in 1992 ceased all trading activity. Thereafter, he disseminated to investors false account statements which reflected fictitious profitable trades, and continued to raise money from investors. Tropiano misappropriated approximately \$1.5 million for his own use. Tropiano failed to register the investment contract securities with the Securities and Exchange Commission, failed to register as a broker-dealer with the Securities and Exchange Commission, and failed to maintain his registration as a commodity pool operator with the Commodity Futures Trading Commission. [SEC and CFTC v. Michael Tropiano d/b/a Ardmore Financial Services, Civil Action No. 96-CV-228, JEI, D.N.J.] (LR-14778)

SETTLEMENT OF INSIDER TRADING CHARGES AGAINST LAWRENCE FRIEDMAN AND JAMES GALANTE

On January 3, the United States District Court for the Southern District of New York entered Final Judgments of Permanent Injunction and Other Equitable Relief against Lawrence Friedman and James Galante for violations of the federal securities laws in connection with their respective trading in two AT&T acquisition targets -- Digital Microwave Corporation and Teradata Corporation. Without admitting or denying the allegations in the complaint, filed on October 31, 1995, Friedman and Galante consented to the entry of an injunction, disgorgement of their profits of \$19,304.00 and \$2,934.24, respectively, plus prejudgment interest, and a one time penalty of \$18,831.79 and \$2,065.24, respectively.

The Commission's complaint alleges that Friedman traded on material, non-public information about both planned acquisitions that he received from Thomas Alger, an AT&T insider, who, in turn, received the information from Charles Brumfield, at the time a Vice President in AT&T's Human Resources Department. The Commission's complaint alleges that Galante traded on material, non-public information about both planned acquisitions that he received from Alfred Volpe. Volpe had received the information from Joseph Cusimano, who had received the information from Charles Brumfield. Litigation with respect to the remaining defendants is continuing. [S.E.C. v. Brumfield, et al., Civ. Action No. 95-9283, JES, S.D.N.Y.] (LR-14779)

INVESTMENT COMPANY ACT RELEASES

WELLINGTON UNDERWRITING PLC

An order has been issued under Section 6(c) of the Investment Company Act on an application by Wellington Underwriting plc, a United Kingdom

insurance holding company, conditionally exempting it from all provisions of the Act prior to a proposed offering of its American Depository Shares in the United States. (Rel. IC-21648 - January 3)

RENAISSANCE ASSETS TRUST

A notice has been issued giving interested persons until January 29 to request a hearing on an application filed by Renaissance Assets Trust for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21652 - January 4)

VAN KAMPEN MERRITT PENNSYLVANIA MUNICIPAL OPPORTUNITY TRUST

A notice has been issued giving interested persons until January 29 to request a hearing on an application filed by Van Kampen Merritt Pennsylvania Municipal Opportunity Trust for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21653 - January 4)

VAN KAMPEN MERRITT NEW YORK MUNICIPAL OPPORTUNITY TRUST

A notice has been issued giving interested persons until January 29 to request a hearing on an application filed by Van Kampen Merritt New York Municipal Opportunity Trust for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21654 - January 4)

VAN KAMPEN MERRITT TEXAS MUNICIPAL OPPORTUNITY TRUST

A notice has been issued giving interested persons until January 29 to request a hearing on an application filed by Van Kampen Merritt Texas Municipal Opportunity Trust for an order under Section 8(f) of the Investment Company Act of declaring that applicant has ceased to be an investment company. (Rel. IC-21655 - January 4)

VAN KAMPEN MERRITT TRUST FOR INSURED MUNICIPALS II

A notice has been issued giving interested persons until January 29 to request a hearing on an application filed by Van Kampen Merritt Trust For Insured Municipals II for an order under Section 8(f) of the Investment Company Act declaring that applicant has ceased to be an investment company. (Rel. IC-21656 - January 4)

VAN KAMPEN MERRITT MICHIGAN QUALITY MUNICIPAL TRUST

A notice has been issued giving interested persons until January 29 to request a hearing on an application filed by Van Kampen Merritt Michigan Quality Municipal Trust for an order under Section 8(f) of the Investment Company Act of declaring that applicant has ceased to be an investment company. (Rel. IC-21657 - January 4)

VAN KAMPEN MERRITT CALIFORNIA MUNICIPAL OPPORTUNITY TRUST

A notice has been issued giving interested persons until January 29

to request a hearing on an application filed by Van Kampen Merritt California Municipal Opportunity Trust for an order under Section 8(f) of the Investment Company Act of declaring that applicant has ceased to be an investment company. (Rel. IC-21658 - January 4)

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting Massachusetts Mutual Life Insurance Company (MassMutual), Massachusetts Mutual Variable Life Separate Account I (Separate Account) and MML Investors Services, Inc. from Sections 27(a)(3) and 27(c)(2) of the Act, and Rules 6e-3(T)(c)(4)(v) thereunder. The order permits MassMutual: (1) to deduct from premium payments received in connection with certain flexible premium variable life insurance policies (Policies) issued by MassMutual in the future and made available through the Separate Account or any other separate account established in the future by MassMutual to support flexible premium variable life insurance contracts, an amount less than or approximately equal to the amount by which MassMutual's federal tax liabilities will be increased as a result of its receipt of those premium payments; and (2) to deduct from premium payments less than or equal to the minimum planned premium under the Policies a sales load that is greater than the sales load previously deducted from payments in excess of the minimum planned premium. (Rel. No. IC-21659 - January 4)

PROPOSED TECHNICAL CHANGE UNDER THE INVESTMENT COMPANY ACT

The Commission issued a release proposing a technical change to a rule under the Investment Company Act to provide that a plan regarding payment of asset-based distribution charges adopted prior to an investment company's beginning to offer its shares to the public would not have to be approved by the company's shareholders. Such a plan is typically approved by the company's initial shareholder -- the company's investment adviser in most cases. Shareholder approval of the plan under these circumstances is virtually automatic, mechanical, and offers no significant protection to the company's public shareholders. Thus, requiring shareholder approval of these plans before an investment company offers its shares to the public is unnecessary. For further information, contact Holly Hill-Little at (202) 942-0978. (Rel. IC-21660 - January 5)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

Government Securities Clearing Corporation filed a proposed rule change (SR-GSCC-95-06) under Section 19(b)(3)(A) of the Securities Exchange Act which became effective upon filing. The proposed rule change implements charges for GSCC's repo service. Publication of the

proposal is expected in the Federal Register during the week of January 7, 1996. (Rel. 34-36674)

The Options Price Reporting Authority filed a proposed rule change (SR-OPRA-95-6) pursuant to Rule 11Aa3-2 under the Securities Exchange Act of 1934 to amend its National Market System Plan for the purpose of permanently approving the pilot program providing for the dissemination of certain implied volatility quotations in foreign currency options directly by the Philadelphia Stock Exchange through selected vendors, rather than through the OPRA system. Publication of the release is expected in the Federal Register during the week of January 7, 1996. (Rel. 34-36680)

A proposed rule change filed by the Philadelphia Stock Exchange (SR-Phlx-95-89) to adopt a monthly credit of up to 100% of the \$250 monthly fee charged for each stock execution machine operated by a member 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 January 7, 1996. (Rel. 34-36682)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission permanently approved on an accelerated basis a proposed rule change filed by the Participants Trust Company (SR-PTC-95-08) modifying the opening of processing activity for security transactions on a permanent basis. Publication of the proposal is expected in the Federal Register during the week of January 7, 1996. (Rel. 34-36677)

APPROVAL OF PROPOSED RULE CHANGE

The Commission granted approval of proposed rule changes (SR-CHX-95-27, SR-MSTC-95-10, SR-MCC-95-04, SR-DTC-95-22, SR-NSCC-95-15) filed by the Chicago Stock Exchange (CHX), Midwest Securities Trust Company (MSTC), Midwest Clearing Corporation (MCC), The Depository Trust Company (DTC), and the National Securities Clearing Corporation (NSCC) under Section 19(b)(2) of the Securities Exchange Act. The proposals involve proposed arrangements by and among CHX, MSTC, MCC, DTC, NSCC, and the Securities Trust Company of New Jersey relating to a decision by CHX to withdraw from the clearance and settlement, securities depository and branch receive businesses. Publication of the release is expected in the Federal Register during the week of January 7, 1996. (Rel. 34-36684)

NOTICE OF FILING OF PROPOSED RULE CHANGES

The Philadelphia Depository Trust Company filed a proposed rule change (SR-Philadep-95-08) under Section 19(b) of the Securities Exchange Act to convert the money settlement for securities transactions to a same-day funds settlement system. Publication of the proposal is expected in the Federal Register during the week of January 7, 1996. (Rel. 34-36681)

The Depository Trust Company filed a proposed rule change (SR-DTC-95-25) under Section 19(b) of the Securities Exchange Act. The

proposed rule change seeks to allow participants to make intraday withdrawals of principal and income payments. Publication of the proposal is expected in the Federal Register during the week of January 7, 1996. (Rel. 34-36686)