

sec news digest

Issue 95-74

April 18, 1995

COMMISSION ANNOUNCEMENTS

TEMPLETON RUSSIA FUND, INC.

The staff of the Division of Investment Management has issued a no-action response under Section 17(f) of the Investment Company Act of 1940 and Rule 17f-5 thereunder to permit Templeton Russia Fund, Inc. (Fund) to hold equity securities of Russian issuers recorded in the Russian share registration system. Chase Manhattan Bank (Chase) will serve as the Fund's primary U.S. custodian bank. Chase, in turn, will enter into a sub-custody agreement with its Russian subsidiary, Chase Manhattan Bank International (Chase Moscow), to perform certain functions as Chase's agent. The no-action response is conditioned on the Fund and Chase Moscow employing certain procedures designed to provide reasonable protection for fund assets, and also on the agreement by the Fund to prominently disclose, both in the Fund's prospectus and in advertising, the risk of loss presented by the Russian share registration system. Copies of the letter may be obtained by writing to, or by making a request in person at, the Public Reference Room, Securities and Exchange Commission, 450 5th Street, N.W., Room 1024, Washington, D.C. 20549. (File No. 811-8788)

STAFF ACCOUNTING BULLETIN NO. 94

The Commission staff has issued a Staff Accounting Bulletin which expresses certain views of the staff regarding accounting and disclosures relating to extinguishment of debt. FOR FURTHER INFORMATION CONTACT: Douglas Tanner at (202) 942-2960 or Tracey Barber at (202) 942-4400.

ENFORCEMENT PROCEEDINGS

IN THE MATTER OF ANGELO DANNA, C.P.A. AND MARK DENTINGER, C.P.A.

Administrative Law Judge Brenda P. Murray found that Angelo P. Danna and Mark P. Dentinger violated Rule 2(e)(ii) of the Commission's Rules of Practice, 17 CFR 201.2(e), in connection with Ernst & Young's 1986 audit of ILC Technology, a high tech company located in Hawthorne, CA. The Initial Decision found that Mr. Danna and Mr. Dentinger, engagement partner and manager respectively, engaged in improper professional conduct because the audit did not comply with Generally Accepted Auditing Standards in the areas of planning and procedures, supervision, obtaining sufficient competent evidence, and the exercise of due professional care. Based on these findings and public interest considerations, Judge Murray denied Mr. Danna the privilege of appearing or practicing before the Commission for a period of one year, and denied Mr. Dentinger the privilege of appearing or practicing before the Commission for a period of six months. (Initial Decision Rel. No. 62)

INJUNCTION ENTERED AGAINST WAYNE WOOD

On January 27, the Honorable Dee V. Benson, U.S. District Judge for the District of Utah, entered an order permanently enjoining Wayne E. Wood from future violations of Section 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. Wood was also ordered to disgorge \$37,194.72 in profits from his sales of Unifirst stock with payment of disgorgement waived based upon his demonstrated inability to pay.

The Commission's complaint alleged that Wood, as president of Unifirst Corp., caused a Rule 15c2-11 information statement containing financial statements that Wood knew overstated the company's net worth by \$44,500,000 to be distributed to broker-dealers. The complaint also alleged that Wood failed to disclose in Unifirst's Rule 15c2-11 materials that he controlled over 70% of the issued and outstanding stock of the company. Wood opened brokerage accounts in the names of nominees and through such accounts sold his Unifirst stock to the public. [SEC v. Unifirst, et al., Civil Action No. C93-867B, USDC, D. Utah] (LR-14469)

INVESTMENT COMPANY ACT RELEASES

GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until May 9 to request a hearing on an application filed by Great-West Life & Annuity Insurance Company (Company), The Great-West Life Assurance Company, and Retirement Plan Series Account (Separate Account). Applicants seek an order under Section 6(c) of the Investment Company Act granting exemptions from Sections 26(a)(2)(C) and 27(c)(2) of the Act, to the extent necessary to permit the payment to the Company of a mortality and expense risk charge from the assets of the Separate Account under flexible premium deferred individual variable annuity contracts (Contracts) and any other variable annuity contracts offered by the Company and made available through the Separate Account or through any other similar separate account(s) established by the Company, whether currently existing or hereafter created, which are substantially similar in all material respects (Future Contracts). Applicants also request that the relief be extended to any other broker-dealer, whether currently existing or hereafter created, which may serve in the future as principal underwriter of Contracts or Future Contracts. (Rel. IC-21010 - April 14)

MONTGOMERY ASSET MANAGEMENT, L.P., ET AL.

A notice has been issued giving interested persons until May 9 to request a hearing on an application filed by Montgomery Asset Management, L.P. (Montgomery) and The Montgomery Funds III (Fund) for an order pursuant to Section 6(c) of the Investment Company Act granting exemptions from the provisions of Sections 9(a), 13(a), 15(a), and 15(b) of the Act and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder to the extent necessary to permit shares of the Fund and certain other investment companies for which Montgomery or an affiliate of Montgomery serves as investment adviser, administrator, manager, principal underwriter or sponsor to be sold to and held by variable annuity and variable life insurance separate accounts of both affiliated and unaffiliated life insurance companies and qualified pension and retirement plans. (Rel. IC-21011 - April 14)

HOLDING COMPANY ACT RELEASES

CINERGY CORP, ET AL.

A notice has been issued giving interested persons until May 8 to request a hearing on a proposal by CINergy Corp., a registered holding company, and certain of its subsidiaries to incur short-term borrowings, to issue notes and/or commercial paper, to make capital contributions to subsidiaries, and to implement a system of money pools to provide for their short-term cash requirements, in each case through May 31, 1997. (Rel. 35-26273)

NORTHEAST UTILITIES, ET AL.

A notice has been issued giving interested persons until May 8 to comment on a proposal by Northeast Utilities, a registered holding company, and HEC Inc., a nonutility subsidiary of Northeast, and HEC International Corporation and HEC Energy Consulting Canada Inc., each a wholly owned nonutility subsidiary of HEC, and HECI, a joint venture subsidiary that is 50% owned by HEC International and 50% owned by a non-affiliate (collectively, Applicants). Applicants propose that they be allowed to engage in energy management, demand-side management and consulting services, as authorized by prior Commission orders, without regard to a revenue limitation imposed by prior Commission orders. In addition, HEC requests authorization to form joint ventures with utilities serving customers in different areas outside of the Region, without subsequent Commission approval. These joint ventures would be organized to provide the services that HEC currently provides. (Rel. 35-26273)

CENTRAL POWER & LIGHT CO.

A notice has been issued giving interested persons until May 8 to request a hearing on a proposal by Central Power and Light Company (CPL), a wholly owned electric utility subsidiary company of Central and South West Corporation, a registered holding company, to incur obligations, through December 31, 1997, in connection with the proposed issuance of up to \$475 million in Pollution Control Revenue Bonds, the proceeds of which will be used to reacquire all or a portion of previously issued Pollution Control revenue Bonds. CPL also seeks authorization to enter into interest rate swaps through the life of the bonds. (Rel. 35-26273)

APPALACHIAN POWER COMPANY, ET AL.

A notice has been issued giving interested persons until May 8 to request a hearing on a proposal by Appalachian Power Company, Columbus Southern Power Company, Kentucky Power Company, Kingsport Power Company, Indiana Michigan Power Company, Ohio Power Company and Wheeling Power Company, all public-utility subsidiary companies of American Electric Power Company, a registered holding company, to, among other things, acquire, sell and service equipment using or producing electricity or steam. The companies also propose to broker services provided by third party contractors, provide energy management, consulting and meter reading services and provide certain customer financing. (Rel. 35-26273)

THE COLUMBIA GAS SYSTEM, INC., ET AL.

A notice has been issued giving interested persons until May 8 to request a hearing on a proposal by The Columbia Gas System, Inc., a registered holding company, and its wholly owned subsidiary company, TriStar Ventures Corporation to invest up to \$7 million through December 31, 1996, in natural gas vehicle activities and certain related transactions. (Rel. 35-26273)

EASTERN UTILITIES ASSOCIATES, ET AL.

A notice has been issued giving interested persons until May 8 to request a hearing on a proposal by Eastern Utilities Associates (EUA), a registered holding company, and its direct subsidiary companies, Blackstone Valley Electric Company, Eastern Edison Company, EUA Cogenex Corporation, EUA Service Corporation and Newport Electric Corporation, and its indirect subsidiary companies, Montaup Electric Company and TransCapacity Limited Partnership to contribute up to 150,000 common shares of EUA or cash to purchase such number of shares for the Eastern Utilities Associates Employees' Savings Plan. (Rel. 35-26273)

CONSOLIDATED NATURAL GAS CO., ET AL.

A notice has been issued giving interested persons until May 8 to request a hearing on a proposal by Consolidated Natural Gas Co. (Consolidated), a registered public utility holding company, and Consolidated System LNG Company (Consolidated LNG), a wholly owned subsidiary company of Consolidated, for Consolidated LNG to declare on its common stock a one-time dividend to Consolidated of \$48,816,000. (Rel. 35-26273)

CINERGY CORPORATION, ET AL.

A notice has been issued giving interested persons until May 8 to request a hearing on a proposal by CINergy Corporation (CINergy), a registered holding company, CINergy Investments, Inc. (CINergy Investments), a wholly owned subsidiary company of CINergy, and CINergy Services, Inc., a wholly owned subsidiary service company of CINergy, to organize and invest in subsidiary companies (Companies) for the purpose of engaging in activities with respect to exempt wholesale generators (EWGs) and foreign utility companies (FUCOs). CINergy and CINergy Investments propose through May 31, 1998 to acquire, in one or more transactions, the securities of one or more Companies to be organized for the purpose of engaging, directly or indirectly, and exclusively, in the business of acquiring, owning and holding the securities of, and/or providing services to, one or more FUCOs and/or EWGs; make direct and/or indirect debt and equity investments in Companies and certain existing special purpose subsidiary companies and provide guarantees in connection with the activities of the Companies up to an aggregate principal amount of \$115 million; and for the Companies to engage in external equity and non-recourse debt financing transactions with unaffiliated third parties up to an aggregate principal amount of \$300 million. (Rel. 35-26273)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The Depository Trust Company filed a proposed rule change (SR-DTC-95-06) to modify its Same-Day Funds Settlement System to accommodate the overall conversion to same-day funds settlement for securities transactions. Publication of the proposal is expected in the Federal Register during the week of April 24. (Rel. 34-35613)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC under the Securities Act of 1933. The reported information appears as follows: Form, Name, Address and Phone Number (if available) of the issuer of the security; Title and the number and/or face amount of the securities being offered; Name of the managing underwriter or depositor (if applicable); File number and date filed; Assigned Branch; and a designation if the statement is a New Issue.

S-6 INSURED MUNICIPALS INC TR & INV QUAL TAX EX TR MULTI SER 251,
ONE PARKVIEW PLAZA, UIT ADMN, C/O VAN KAMPEN MERRITT INC, OAKBROOK TERRACE,
IL 60181 (708) 684-6057 - 1,000 (\$1,020,000) UNIT INVESTMENT TRUST. (FILE
33-58523 - APR. 11) (BR. 18 - NEW ISSUE)

REGISTRATIONS CONT.

- S-6 INSURED MUNICIPALS INC TR & INV QUAL TAX EX TR MULTI SER 250,
ONE PARKVIEW PLAZA, UIT ADMN, C/O VAN KAMPEN MERRITT INC, OAKBROOK TERRACE,
IL 60181 (708) 684-6057 - 1,000 (\$1,020,000) UNIT INVESTMENT TRUST. (FILE
33-58525 - APR. 11) (BR. 18 - NEW ISSUE)
- S-6 MUNICIPAL INVT TR FD INSURED SERIES 223 DEFINED ASSET FUNDS,
450 LEXINGTON AVENUE, C/O DAVIS POLK & WARDWELL, NEW YORK, NY 10017
(NUL) L - - INDEFINITE SHARES. (FILE 33-58527 - APR. 11) (NEW ISSUE)
- S-6 DEFINED ASSET FUNDS MUNICIPAL INVT TR FD MULTISTATE SER 88,
C/O DAVIS POLK & WARDWELL, 450 LEXINGTON AVE, NEW YORK, NY 10017 -
INDEFINITE SHARES. (FILE 33-58529 - APR. 11) (NEW ISSUE)
- S-6 DEFINED ASSET FUNDS MUNICIPAL INVT TR FD MULTISTATE SER 89,
C/O DAVIS POLK & WARDWELL, 450 LEXINGTON AVE, NEW YORK, NY 10017 -
INDEFINITE SHARES. (FILE 33-58531 - APR. 11) (NEW ISSUE)
- S-6 INTERNATIONAL BD FD MULTI CURRENCY SER 29 DEF ASSET FDS,
450 LEXINGTON AVENUE, C/O DAVIS POLK & WARDWELL, NEW YORK, NY 10017
(NUL) L - - INDEFINITE SHARES. (FILE 33-58533 - APR. 11) (BR. 22
- NEW ISSUE)
- S-6 EQUITY INCOME FUND CONCEPT SERIES 19 DEFINED ASSET FUNDS,
450 LEXINGTON AVENUE, C/O DAVIS POLK & WARDWELL, NEW YORK, NY 10017
(212) -45-0-45 - INDEFINITE SHARES. (FILE 33-58535 - APR. 11) (BR. 22
- NEW ISSUE)
- S-4 HIBERNIA CORP, 313 CARONDELET ST, NEW ORLEANS, LA 70130 (504) 533-5552
- 2,500,000 (\$6,525,000) COMMON STOCK. (FILE 33-58537 - APR. 11) (BR. 2)
- S-2 COMMUNITY BANK SYSTEM INC, 5790 WIDEWATERS PKWY, DEWITT, NY 13214
(315) 445-2282 - 862,600 (\$32,856,250) COMMON STOCK. (FILE 33-58539 -
APR. 11) (BR. 1)
- S-8 IOWA ILLINOIS GAS & ELECTRIC CO, 206 E 2ND ST, DAVENPORT, IA 52808
(319) 326-7111 - 300,000 (\$6,375,000) COMMON STOCK. (FILE 33-58541 -
APR. 11) (BR. 8)
- S-3 DATAMETRICS CORP, 21135 ERWIN STREET, WOODLAND HILLS, CA 91367
(818) 598-6200 - 170,000 (\$1,253,750) COMMON STOCK. (FILE 33-58543 -
APR. 11) (BR. 10)
- S-4 WESTERN WASTE INDUSTRIES, 21061 S WESTERN AVE, TORRANCE, CA 90501
(310) 328-0900 - 3,000,000 (\$48,375,000) COMMON STOCK. (FILE 33-58545 -
APR. 12) (BR. 8)
- S-11 CNL INCOME FUND XVII LTD, 400 E SOUTH ST, STE 500, ORLANDO, FL 32801
(407) 422-1574 - 6,500,000 (\$65,000,000) LIMITED PARTNERSHIP CERTIFICATE.
(FILE 33-90998 - APR. 07) (BR. 6 - NEW ISSUE)
- S-3 PACIFIC GAS TRANSMISSION CO, 160 SPEAR ST, SAN FRANCISCO, CA 94105
(415) 781-0474 (FILE 33-91048 - APR. 10) (BR. 8)
- S-8 AMERICA ONLINE INC, 8619 WESTWOOD CENTER DR, C/O LENNERT J LEADER CFO,
VIENNA, VA 22182 (703) 448-8700 - 25,567 (\$295,810.19) COMMON STOCK.
(FILE 33-91050 - APR. 10) (BR. 9)

REGISTRATIONS CONT.

- S-3 ARROW INTERNATIONAL INC, 3000 BERNVILLE RD, P O BOX 19605, READING, PA 19605 (610) 378-0131 - 3,450,000 (\$121,612,500) COMMON STOCK. UNDERWRITER: ALEX BROWN & SONS INC, MORGAN STANLEY & CO INC. (FILE 33-91052 - APR. 10) (BR. 8)
- S-8 SKY SCIENTIFIC INC, 1515 N FEDERAL HWY STE 310, BOCA RATON, FL 33432 (407) 362-9494 - 547,432 (\$114,960.72) COMMON STOCK. (FILE 33-91060 - APR. 10) (BR. 1)