

sec news digest

Issue 96-9

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RULES AND RELATED MATTERS

CALCULATION OF YIELD BY CERTAIN UNIT INVESTMENT TRUSTS

The Commission is proposing for public comment amendments to Form S-6 and Rule 482 under the Securities Act of 1933, and to Rule 34b-1 under the Investment Company Act of 1940. The proposed amendments would require certain unit investment trusts to use a uniform formula to calculate yields quoted in their prospectuses, advertisements, and sales literature. FOR FURTHER INFORMATION CONTACT: Anthony R. Bosch at (202) 942-0721. (Rel. Nos. 33-7243; IC-21538; File No. S7-32-95)

ENFORCEMENT PROCEEDINGS

TEMPORARY RESTRAINING ORDER ENTERED AGAINST ROBERT GERSH, BOSTON MUNICIPAL SECURITIES, INC., DEVONSHIRE ESCROW AND TRANSFER CORP., AND SEVEN RELIEF DEFENDANTS

On January 12, after a hearing, the Honorable Reginald C. Lindsay of the United States District Court for the District of Massachusetts granted the Commission's request for a preliminary injunction against Defendants Robert D. Gersh (Gersh), Boston Municipal Securities (BMS), and Devonshire Escrow and Transfer Corp. (Devonshire) and Relief Defendants Ma'ayan Book Company, Charles River Landing, Ltd., CRL Group, Inc., Culinary Classics of Chestnut Hill, Inc., Culinary Classics of Burlington, Inc., The Kitchen Shelf, Inc. and the Compu-Bill Co., Inc. (Relief Defendants). The Commission's complaint alleged that the Defendants violated Section

10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder and Section 17(a) of the Securities Act of 1933 by engaging in continuing fraudulent acts in connection with the offer and sale of \$14 million in securities in the form of Certificates of Participation (COPs). At least \$7,000,000 in investor funds has been misappropriated by the Defendants and remain unaccounted for. The complaint alleged that Gersh commingled the proceeds of the investments and misappropriated the monies to invest in a variety of personal business ventures. The complaint further alleged that Gersh defaulted on two COPs issues. Since the filing of the Commission's complaint, Gersh has defaulted on four additional COPs offerings totalling \$2,635,000. The Court had previously granted the Commission's *ex parte* request for a Temporary Restraining Order, asset freeze and other relief. [SEC v. Gersh, et al., Civil Action No. 95-12580, RCL, D. Massachusetts] (LR-14785)

INVESTMENT COMPANY ACT RELEASES

CONNECTICUT GENERAL LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting Connecticut General Life Insurance Company (CG Life), CG Variable Life Insurance Separate Account II (Account), and CIGNA Financial Advisors, Inc. from Section 27(c)(2) of the Act and Rule 6e-3(T)(c)(4)(v) thereunder. The order provides exemptions to the extent necessary to permit the deduction of a charge that is reasonable in relation to CG Life's increased federal income tax burden resulting from the receipt of premiums in connection with certain flexible premium variable life insurance contracts issued by CG Life, the Account and any other separate account established in the future by CG Life. (Rel. IC-21674 - January 16)

SPECTRA FUND, INC., ET AL.

An order has been issued on an application filed by Spectra Fund, Inc., et al. under Section 17(b) of the Investment Company Act for an exemption from Sections 17(a)(1) and 17(a)(2) of the Act. The order permits Spectra Fund, Inc. to convert from a closed-end management investment company organized as a Massachusetts corporation to an open-end management investment company organized as a Massachusetts business trust by transferring all of its asset and liabilities to Spectra Fund in exchange for shares thereof. (Rel. IC-21677 - January 17)

STEIN ROE INCOME TRUST, ET AL.

An order has been issued on an application filed by Stein Roe Income Trust, et al. under Section 6(c) of the Investment Company Act for an exemption from Sections 12(d)(1), 18(f), and 21(b) of the Act, under Sections 6(c) and 17(b) of the Act for an exemption from Section 17(a) of the Act, and under Section 17(d) of the Act and Rule 17d-1 thereunder. The order permits certain trusts to borrow money from each other through a credit facility. (Rel. IC-21678 - January 17)

SAFECO LIFE INSURANCE COMPANY, ET AL.

An order has been issued under Section 6(c) of the Investment Company Act exempting Safeco Life Insurance Company (Safeco), Safeco Resource Variable Account B, Safeco Separate Account C, First Safeco National Life Insurance Company of New York (First Safeco), Safeco Resource Series Trust (Trust), Safeco Asset Management Company, and certain other life insurance companies and their separate accounts investing now or in the future in the Trust from Sections 9(a), 13(a), 15(a), and 15(b) of the Act and Rules 6e-2(a)(2), 6e-2(b)(15), and 6e-3(T)(b)(15) thereunder. The order permits shares of the Trust and any other investment company that is offered to fund variable insurance products and for which Asset Management, or any of its affiliates, may serve as investment advisor, administrator, manager, principal underwriter, or sponsor to be sold to and held by the separate accounts funding variable annuity and variable life insurance contracts issued by Safeco, First Safeco, or any affiliated or unaffiliated life insurance company or to qualified pension and retirement plans outside of the separate account context. In addition, the order permits the assets of separate accounts of Safeco and First Safeco to be derived from the sale of scheduled premium variable life insurance contracts and flexible premium variable life insurance contracts. (Rel. IC-21679 - January 17)

NEW ENGLAND VARIABLE LIFE INSURANCE COMPANY, ET AL.

An order has been issued to New England Variable Life Insurance Company, New England Variable Annuity Separate Account (NEVLICO Account), New England Mutual Life Insurance Company, The New England Variable Account (TNE Account) and New England Securities Corporation approving offers to owners of certain variable annuity contracts supported by the TNE Account (Old Contracts) to exchange the Old Contracts for certain variable annuity contracts supported by the NEVLICO Account. (Rel. IC-21680 - January 17)

FIRST COLONIAL VENTURES, LTD.

A notice has been issued giving interested persons until February 12 to request a hearing with respect to a proposed order under Section 8(f) of the Investment Company Act declaring that First Colonial Ventures, Ltd. has ceased to be an investment company. The proposed order, to be issued by the Commission on its own motion, would declare that First Colonial ceased to be an investment company when it elected on June 29, 1995 to be regulated as a business development company pursuant to Section 54(a) of the Act. (Rel. IC-21681 - January 17)

PROTECTIVE LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until February 12 to request a hearing on an application filed by Protective Life Insurance Company (Company), Protective Variable Life Separate Account (Account), and Investment Distributors, Inc. (collectively, Applicants). Applicants seek an order pursuant to Section 6(c) of the Investment Company Act granting exemptions from the provisions of Section 27(c)(2) thereof and from Rule 6e-3(T)(c)(4)(v) thereunder to the extent necessary to permit them to deduct from premiums received under certain flexible premium variable life insurance contracts issued by the Company an amount that is reasonable in relation to the Company's increased federal income tax burden related to the receipt of such premium payments and that results from the application of Section 848 of the Internal Revenue Code of 1986, as amended. Exemptive relief also is requested to the extent necessary to permit the deduction of the charge from any other separate account established in the future by the Company, in connection with the issuance and sale of certain flexible premium variable annuity contracts. (Rel. IC-21682 - January 17)

SHEARSON LEHMAN SERIES FUND

An order has been issued under Section 8(f) of the Investment Company Act declaring that Shearson Lehman Series Fund has ceased to be an investment company. (Rel. IC-21683 - January 17)

HOUSEHOLD PERSONAL PORTFOLIOS

An order has been issued under Section 8(f) of the Investment Company Act declaring that Household Personal Portfolios has ceased to be an investment company. (Rel. IC-21684 - January 17)

HOLDING COMPANY ACT RELEASES

CINERGY CORP., ET AL.

A notice has been issued giving interested persons until February 5 to request a hearing on a proposal by Cinergy Corp. (Cinergy), a registered holding company, and its wholly owned nonutility holding company subsidiary, Cinergy Investments (Investments), and Cinergy's service company subsidiary, Cinergy Services (Services). Cinergy and Investments propose to establish and finance, in an aggregate amount at any time outstanding up to \$100 million through December 31, 2006, two new subsidiaries of Investments, EnergyCos. The EnergyCos will engage in district cooling and heating businesses in the greater metropolitan area of Cincinnati, Ohio. Services proposes to provide services to the EnergyCos. (Rel. 35-26450)

ALABAMA POWER COMPANY, ET AL.

A supplemental order has been issued authorizing a proposal by Alabama Power Company (Alabama), Georgia Power Company (Georgia), Gulf Power Company (Gulf), Mississippi Power Company (Mississippi), and Savannah Electric and Power Company (Savannah), electric public utility subsidiary companies of The Southern Company, a registered holding company, whereby Alabama will, among other things, borrow money from and make equity capital contributions to a newly organized subsidiary formed solely to issue and sell preferred securities in aggregate amounts of up to \$97 million. Jurisdiction has been reserved over the issuance and sale of additional preferred securities by Alabama, Georgia, Gulf, Mississippi and Savannah in respective aggregate amounts of \$78 million, \$200 million, \$15 million, \$15 million and \$10 million, through December 31, 1997. (Rel. 35-26452)

COLUMBIA GAS SYSTEM, INC., ET AL.

A notice has been issued to provide all interested persons until February 8 to request a hearing on a proposal by Columbia Gas System, Inc. (Columbia), a registered holding company, and thirty-one subsidiary companies, to revise the cost of money on all short-term advances from, and the investment rate for money invested in, the Columbia system Money Pool. (Rel. 35-26453)

SOUTHERN DEVELOPMENT AND INVESTMENT GROUP, INC.

An order has been issued authorizing Southern Development and Investment Group, Inc., a wholly owned subsidiary of The Southern Company, a registered holding company, to acquire 250,000 shares of authorized and unissued common stock of ITC Holding Company (ITC).

ITC is a telecommunications holding company that, through its subsidiaries, provides local telephone exchange, toll, cellular, and teleconferencing services and sells related products, primarily in the southeastern United States. (Rel. 35-26454)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change submitted by the Chicago Stock Exchange (SR-CHX-95-29) to revise its rules in connection with the CHX's decision to withdraw from the clearance and settlement and securities depository businesses. (Rel. 34-36723)

PROPOSED RULE CHANGES

The American Stock Exchange filed a proposed rule change (SR-Amex-95-54) proposing to amend Exchange Rules 190 and 950 regarding restrictions on specialists. Publication of the notice is expected in the Federal Register during the week of January 22. (Rel. 34-36726)

The Commission received a proposed rule change filing (SR-Phlx-95-80) by the Philadelphia Stock Exchange on January 10, 1996, that would reduce the strike price on foreign currency options on the Australian dollar from a \$.01 interval to a \$.005 interval. Publication of the notice is expected in the Federal Register during the week of January 22. (Rel. 34-36729; IS-918)

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change submitted by the Philadelphia Stock Exchange (SR-Phlx-95-60) and notice of filing and order granting accelerated approval to Amendment No. 2 to the proposed rule change relating to Alternate Specialists. (Rel. 34-36728)

The Commission approved a proposed rule change submitted by the Chicago Stock Exchange (SR-CHX-95-18) relating to priority and precedence of professional orders. (Rel. 34-36730)

The Commission approved a proposed rule change filed by the Municipal Securities Rulemaking Board (SR-MSRB-95-15) that amends MSRB Rules G-8 and G-9, on recordkeeping and record retention, Rule G-37, on political contributions and prohibitions on municipal securities business, and add a new Rule G-38 regarding consultants. (Rel. 34-36727)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the New York Stock Exchange to modify its vendor service administrative fee (SR-NYSE-95-41) 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 22. (Rel. 34-36731)

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-1 OAKHURST CO INC, 1001 SANTERRE, GRAND PRAIRIE, TX 15238 (214) 660-4499
- 987,451 (\$1,481,176.50) COMMON STOCK. (FILE 333-173 - JAN. 12) (BR. 4)
- S-3 CANYON RESOURCES CORP, 14142 DENVER W PKWY STE 250, GOLDEN, CO 80401
(303) 278-8464 - 61,539 (\$174,770.76) COMMON STOCK. (FILE 333-175 -
JAN. 12) (BR. 2)
- S-8 SERVICE CORPORATION INTERNATIONAL, 1929 ALLEN PKWY, P O BOX 130548,
HOUSTON, TX 77219 (713) 522-5141 - 2,000,000 (\$81,375,000) COMMON STOCK.
(FILE 333-177 - JAN. 12) (BR. 5)
- S-8 SERVICE CORPORATION INTERNATIONAL, 1929 ALLEN PKWY, P O BOX 130548,
HOUSTON, TX 77219 (713) 522-5141 - 4,175,000 (\$112,665,625) COMMON STOCK.
(FILE 333-179 - JAN. 12) (BR. 5)
- S-6 NUVEEN TAX FREE UNIT TRUST SERIES 848, JOHN NUVEEN & CO INC,
333 WEST WACKER DRIVE, CHICAGO, IL 60606 (312) 917-7786 -
INDEFINITE SHARES. (FILE 333-181 - JAN. 12) (NEW ISSUE)
- S-3 HORIZON CMS HEALTHCARE CORP, 6001 INDIAN SCHOOL RD NE STE 530,
ALBUQUERQUE, NM 87110 (505) 881-4961 - 200,000,000 (\$200,000,000)
STRAIGHT BONDS. (FILE 333-185 - JAN. 12)
- S-8 MGM GRAND INC, 3799 LAS VEGAS BLVD S, LAS VEGAS, NV 89109 (702) 891-3333
- 2,500,000 (\$71,093,750) COMMON STOCK. (FILE 333-187 - JAN. 12) (BR. 12)
- S-8 IMC GLOBAL INC, 2100 SANDERS RD, NORTHBROOK, IL 60062 (708) 272-9200 -
1,000,000 (\$38,500,000) COMMON STOCK. (FILE 333-189 - JAN. 12) (BR. 2)
- S-3 PACIFIC TELECOM INC, 805 BROADWAY, P O BOX 9901, VANCOUVER, WA 98668
(206) 696-0983 (FILE 333-191 - JAN. 12) (BR. 7)

REGISTRATIONS CONT.

- S-4 SOUTHTRUST CORP, 420 N 20TH ST, BIRMINGHAM, AL 35203 (205) 254-5000 -
5,880,579 (\$147,538,591) COMMON STOCK. (FILE 333-193 - JAN. 16) (BR. 1)
- S-3 ROBOTIC VISION SYSTEMS INC, 425 RABRO DR EAST, HAUPPAUGE, NY 11788
(516) 273-9700 - 369,856 (\$8,321,760) COMMON STOCK. (FILE 333-195 -
JAN. 12) (BR. 8)
- S-1 SUPERIOR SERVICES INC, 10150 WEST NATIONAL AVE, STE 350, WEST ALLIS, WI
53227 (414) 328-2800 - \$55,000,000 COMMON STOCK. (FILE 333-240 - JAN. 11)
(BR. 8 - NEW ISSUE)
- S-1 CSG SYSTEMS INTERNATIONAL INC, 5251 DTC PARKWAY, ENGLEWOOD, CO 80111
(303) 796-2850 - \$46,690,000 COMMON STOCK. (FILE 333-244 - JAN. 11)
(BR. 9)
- S-1 POWERCERV CORP, 400 NORTH ASHLEY DR, STE 2700, TAMPA, FL 33602
(813) 226-2600 - 3,795,000 (\$41,745,000) COMMON STOCK. (FILE 333-250 -
JAN. 11) (BR. 10)