

sec news digest

Issue 96-95

May 21, 1996

COMMISSION ANNOUNCEMENTS

COMMISSION MEETINGS

CHANGE IN THE MEETING: TIME CHANGE

The time for the open meeting scheduled for Thursday, May 23, 1996, at 10:00 a.m., has been changed to 9:30 a.m.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary (202) 942-7070.

BARRY BARBASH TO TESTIFY

Barry Barbash, Director of the Division of Investment Management, will testify before the Senate Committee on Banking, Housing, and Urban Affairs at 10:00 a.m. on Thursday, May 23, 1996. The subject of the testimony will be S.1317, a bill to repeal the Public Utility Holding Company Act of 1935. The hearing will be held in room 538 of the Dirksen Senate Office Building.

ENFORCEMENT PROCEEDINGS

VOUCHER INVESTMENT FUND RUSS-INVEST

The Commission today announced that it instituted and settled public administrative proceedings against VOUCHER INVESTMENT FUND RUSS-INVEST (RUSS-INVEST), a Russian investment company, pursuant to Section 8A of the Securities Act of 1933 and Section 9(f) of the Investment Company Act of 1940. The Commission found that RUSS-INVEST, which had neither registered the offering of securities with

the Commission nor registered itself with the Commission as an investment company, violated Section 5(c) of the Securities Act and Section 7(d) of the Investment Company Act by making an unregistered public offering of securities in a June 8, 1995 advertisement appearing in The New York Times.

The Commission ordered, pursuant to Section 8A of the Securities Act and Section 9(f) of the Investment Company Act, that RUSS-INVEST cease and desist from committing or causing any violation and any future violation of Section 5(c) of the Securities Act and Section 7(d) of the Investment Company Act. RUSS-INVEST consented to the entry of the Commission's Order without admitting or denying the Commission's findings. (Rel. Nos. 33-7294; IC-21966)

ADMINISTRATIVE PROCEEDINGS SETTLED AGAINST MELVIN MULLIN

The Commission announced that it has accepted an Offer of Settlement submitted by Mullin, in connection with administrative proceedings which were instituted against him on January 9, 1996. In his Offer, the respondent, without admitting or denying the findings contained in the Commission's Order, agreed to a three month suspension from association with any broker, dealer, investment company, investment adviser or municipal securities dealer, to be followed by a three month supervisory suspension, and to the payment of a civil penalty in the amount of \$25,000.

The Commission's Order found that, during the period from November 1991 through February 1993, Mullin failed reasonably to supervise a registered representative (RR) who was subject to Mullin's direct supervision. During that period, the RR violated the antifraud provisions of the securities laws and caused the broker-dealer with which both he and Mullin were associated to violate the books and records provisions of the federal securities laws by causing millions of dollars in fictitious profits to be recorded on the broker-dealer's books and records. The Order further found that Mullin did not monitor the RR'S activities in sufficient detail to prevent and detect the RR's violations and that he failed to investigate adequately the RR's tremendous increase in profits. For further information, see release 34-36696. (Rel. 34-37226)

INVESTMENT COMPANY ACT RELEASES

PRUDENTIAL STRATEGIST FUND, INC.

An order has been issued under Section 8(f) of the Investment Company Act declaring that the Prudential Strategist Fund, Inc. has ceased to be an investment company. (Rel. IC-21963 - May 20)

FRANKLIN TEMPLETON FUND MANAGER, ET AL.

A notice has been issued giving interested persons until June 14 to request a hearing on an application filed by Franklin Templeton Fund Manager, et al. for an order under Section 6(c) of the Investment Company Act exempting applicants from Section 12(d)(1) of the Act, and under Sections 6(c) and 17(b) of the Act exempting applicants from Section 17(a) of the Act. The requested order would permit series of the Franklin Templeton Fund Manager, which will be registered under the Act as an open-end management investment company, to invest substantially all of their assets in a combination of Franklin Funds and Templeton Funds in excess of the percentage limitations of Section 12(d)(1). (Rel. IC-21964 - May 20)

NATIONAL EQUITY TRUST

A notice has been issued giving interested persons until June 14 to request a hearing on an application filed by National Equity Trust for an order under Section 6(c) of the Investment Company Act that would exempt applicant from Section 12(d)(3) of the Act. The order would permit any series of applicant to invest up to 10% of its assets in securities of an issuer that derives more than 15% of its gross revenues in its most recent fiscal year from securities related activities. (Rel. IC-21965 - May 20)

SELF-REGULATORY ORGANIZATIONS

DELISTINGS GRANTED

An order has been issued granting the application of the York Stock Exchange to strike from listing and registration Loral Corporation, 7 5/8% Senior Notes, due June 15, 2004; 8 3/8% Senior Debentures, due January 15, 2023; 7% Senior Debentures, due September 15, 2023; 83/8% Senior Debentures, due June 15, 2024; and its 7 5/8% Senior Debentures, due June 15, 2025. (Rel. 34-37224)

An order has been issued granting the application of the Boston Stock Exchange to strike from listing and registration Phoenix Resources Technologies, Inc., formerly Hughes Resources, Inc., Common Stock, \$.01 Par Value. (Rel. 34-37225)

PROPOSED RULE CHANGE

The National Association of Securities Dealers filed a notice of a proposed rule change (SR-NASD-96-17) that would amend the definitions of "Bona fide independent market" and "Bona fide independent market maker." Publication of the notice of the proposed rule change in the Federal Register is expected during the week of May 20. (Rel. 34-37223)