

sec news digest

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ENFORCEMENT PROCEEDINGS

COMMISSION BARS JAMES PEARCE

The Commission instituted a public administrative proceeding against James A. Pearce (Pearce) pursuant to Sections 15(b) and 19(h) of the Exchange Act and Section 203(f) of the Advisers Act. Simultaneous with the institution of the proceedings, Pearce submitted an Offer of Settlement in which, while neither admitting nor denying the Commission's findings, he consented to the entry of an Order barring him from association with any broker, dealer, investment company, investment adviser or municipal securities dealer. The Order was based on a permanent injunction against Pearce entered in an action arising from the Commission's ongoing investigation concerning the activities of convicted felon and security violator Steven D. Wymer (Wymer). The Commission's complaint alleged that Pearce, while acting as a marketing director and salesman for Wymer, prepared and distributed false and misleading marketing materials; acted as a registered representative without informing the clients of the investment advisers; assured a client that the fraudulent trades it questioned were legitimate and agreed to assist Wymer in the concealment of excessive trading mark-ups in exchange for a portion of the mark-ups and signed and filed with the Commission a materially false Form ADV and Form ADV-Amendment. (Rel. 34-36608; IA-1543)

INVESTMENT COMPANY ACT RELEASES

STEIN ROE INCOME TRUST, ET AL.

A notice has been issued giving interested persons until January 16 to request a hearing on an application filed by Stein Roe Income Trust et al. for an order 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) for an exemption from Sections 17(a)(1) and 17(a)(3) of the Act, and under Section

17(d) of the Act and Rule 17d-1 thereunder to permit certain joint arrangements. The order would permit the trusts to borrow money from each other through a credit facility. (Rel. IC-21609 - December 19)

PRUCO LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until January 15 to request a hearing on an application filed by Pruco Life Insurance Company (Pruco Life), Pruco Life Insurance Company Insurance Company of New Jersey (Pruco Life of New Jersey), The Prudential Insurance Company of America (Prudential), Pruco Life Flexible Premium Variable Annuity Account (Separate Account), and Pruco Securities Corporation (Securities) (collectively, Applicants). Applicants seek an order under Section 6(c) of the Investment Company Act granting exemptions from Sections 22(d), 26(a)(2)(C), and 27(c)(2) of the Act, to the extent necessary to permit the deduction of a mortality and expense risk charge from the assets of the Separate Account or any other separate account established by Pruco Life, Pruco Life of New Jersey, or Prudential to support individual flexible premium annuity contracts (Contracts) as well as other variable annuity contracts that are substantially similar in all material respects to the Contracts (Future Contracts); to permit a waiver of the withdrawal charge for Contracts or Future Contracts issued in connection with the waiver of withdrawal charges endorsement; and to permit a reduction of the withdrawal charge to Contract and Future Contract owners age 84 or older to insure compliance with state non-forfeiture laws. (Rel. IC-21610 - December 19)

SMITH BARNEY INC., ET AL.

An order has been issued on an application filed by Smith Barney Inc., et al. under Section 6(c) of the Investment Company Act requesting an exemption from Section 12(d)(1) of the Act, and under Sections 6(c) and 17(b) of the Act requesting an exemption from Section 17(a) of the Act. The order permits the Smith Barney Cardinal Investment Fund Inc., which will be registered as an open-end management investment company, to acquire up to 100% of the voting shares of any other Smith Barney open-end management investment company. (Rel. IC-21613 - December 19)

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, ET AL.

An order has been issued under Section 6(c) of the Investment Company Act exempting Merrill Lynch, Pierce, Fenner & Smith Incorporated, Smith Barney Inc., Prudential Securities Incorporated, Dean Witter Reynolds Inc., Painewebber Incorporated and certain unit

investment trusts for which they serve as sponsors from Section 26(a)(2)(D) of the Act. The order permits trustees for the unit investment trusts to deposit trust assets in the custody of foreign banks and securities depositories. (Rel. IC-21614; International Series Rel. 906 - December 20)

SEI INSTITUTIONAL MANAGED TRUST, ET AL.

An order has been issued on an application filed by SEI Institutional Managed Trust, et al. 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 under Section 17(d) of the Act and Rule 17d-1 thereunder. The order permits SEI Asset Allocation Trust to operate as a "fund of funds" and to acquire up to 100% of the voting shares of any acquired fund. (Rel. IC-21615 - December 20)

PITCAIRN GROUP L.P.

An order has been issued on an application filed by Pitcairn Group L.P. under Section 6(c) of the Investment Company Act for an exemption from all provisions of the Act. Applicant is a privately-held investment company substantially owned and controlled by one family and certain persons and entities affiliated with, or otherwise related to, members of that family. (Rel. IC-21616 - December 20)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY

An order has been issued authorizing Consolidated Natural Gas Company (Consolidated), a registered holding company, to implement a shareholder rights plan. Under the Plan, Consolidated would distribute to the holders of each share of its outstanding common stock one right to purchase one-half of a share of additional common stock at a price of \$175 per share, subject to adjustment by the board of directors to prevent dilution. Upon the occurrence of certain events related to a possible takeover of Consolidated, each right would become exercisable. Upon exercise, a holder would receive shares of common stock, or other assets or securities of Consolidated, equal to the purchase price of the right then in effect. If Consolidated is acquired in a business combination transaction or more than half of its assets or earning power is transferred, a holder would receive upon exercise common stock of

the acquiring company having a value equal to twice the purchase price of the right then in effect. The rights would be subject to redemption by Consolidated or exchange for shares of common stock in some circumstances, and the board of directors of Consolidated may amend the terms of the rights without limitation prior to their exercisability, and in immaterial respects thereafter. (Rel. 35-26434)

NORTHEAST UTILITIES

A supplemental order has been issued authorizing Northeast Utilities, a registered public-utility holding company, to amend its employee stock ownership plan (ESOP) and the related trust agreement to modify the manner in which the ESOP trustee votes the unallocated shares held in the ESOP trust. (Rel. 35-26435)

SELF-REGULATORY ORGANIZATIONS

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the American Stock Exchange to revise its equity transaction charges (SR-Amex-95-52) 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 December 25. (Rel. 34-36602)

PROPOSED RULE CHANGES

The Pacific Stock Exchange filed a proposed rule change (SR-PSE-95-31) to amend its arbitration rule governing prehearing document exchanges. Publication of the proposal is expected in the Federal Register during the week of December 25. (Rel. 34-36603)

The International Securities Clearing Corporation filed a proposed rule change (SR-ISCC-95-05) to add S.D.INDEVAL, S.A. de C.V. as a service provider to its to Global Clearance Network Service. Publication is expected in the Federal Register during the week of December 25. (Rel. 34-36605; International Series Rel. 904)

The Options Clearing Corporation filed a proposed rule change (SR-OCC-95-14) to modify the cut-off times for the filing of late exercise notices for any eligible option contracts and to eliminate references to trading volume in OCC's late exercise rule. The proposed rule change also adds a provision to OCC's exercise rule to provide expressly for the submission of exercise instructions through electronic means. Publication of the proposal is expected in the Federal Register during the week of December 25. (Rel. 34-36607)