

SEC NEWS DIGEST

Issue 96-244

December 24, 1996

RULES AND RELATED MATTERS

COMMISSION ADOPTS AMENDMENT TO RULE ON ISSUER ODD-LOT TENDER OFFERS

On December 18, 1996, the Securities and Exchange Commission adopted an amendment to Rule 13e-4 under the Securities Exchange Act of 1934 (Exchange Act). Rule 13e-4 governs cash tender offers and exchange offers by issuers for their equity securities. The amendment removes the rule's requirement that issuer tender offers made to odd-lot holders specify a record date of share ownership for eligibility to tender into the offer, thereby enabling issuers to conduct extended odd-lot tender offers for their equity securities. The Commission also granted a class exemption from Rule 10b-13, and a temporary class exemption from Rule 10b-6, under the Exchange Act to facilitate issuer odd-lot tender offers. For further information, contact the Office of Risk Management and Control at (202) 942-0772, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. (Rels. 33-7376; 34-38068; IC-22413)

FINAL RULE ON OVER THE COUNTER TRANSACTION FEES

The Commission has issued a release adopting amendments to Rule 31-1 under the Securities Exchange Act of 1934, and Rule 24e-2 under the Investment Company Act of 1940. The purpose of these amendments is to conform Rules 31-1 and 24e-2 to recently enacted legislation. Rule 31-1 is being amended to conform the Rule to legislation which extends transaction fees to transactions in over-the-counter securities (other than bonds, debentures, and other evidences of indebtedness) subject to prompt last-sale reporting. Publication of the rule amendments is expected to appear in the Federal Register during the week of December 23. (Rels. 34-38073 and IC-22415; File No. S7-26-95)

ENFORCEMENT PROCEEDINGS

ORDER MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS AGAINST STANLEY SWOYER

The Commission announced that it has settled the administrative proceeding pending against Stanley L. Swoyer (Swoyer) of Palm Desert, California. Swoyer consented to an Order which bars him from association in any capacity with any broker, dealer, investment adviser, investment company or municipal securities dealer.

The Order is based on Swoyer's criminal conviction for making false statements of material fact in connection with the sale of securities in violation of North Carolina Penal Code Section 78A-8(2) (State of North Carolina v. Swoyer, Case No. 95-CRS-5635-36, Superior Court of Gaston County, North Carolina). The underlying criminal case charged that Swoyer misappropriated \$50,000 in investment funds from a former client who had given the money to Swoyer to invest in a private placement offering. Swoyer failed to invest the funds as promised and misappropriated the money for his own personal use. (Rel. 34-38074)

COMMISSION SUSTAINS NYSE DISCIPLINARY ACTION AGAINST McLAUGHLIN PIVEN VOGEL SECURITIES, INC.

The Commission has sustained disciplinary action against McLaughlin Piven Vogel Securities, Inc. of New York, New York. The New York Stock Exchange had found that McLaughlin Piven required its trainees, as a condition of employment, to sign a form contract purporting to waive the trainee's right to compel arbitration of certain employment-related disputes. The NYSE censured McLaughlin Piven, fined it \$15,000 and required the Firm to notify each trainee who had signed the contract of his or her right to compel arbitration of disputes arising since the contract's execution.

The Commission concluded that the contract used by McLaughlin Piven is inconsistent with an Exchange rule with which all Exchange members must comply. That rule directs that arbitration of employment-related disputes may be compelled by either a NYSE member or its employee. The Commission rejected the Firm's assertion that the Exchange rule is an unconstitutional infringement on the parties' right to contract. The Commission concluded that, long before the contracts at issue were executed, McLaughlin Piven agreed to arbitrate employment related disputes as part of its membership contract with the NYSE. The Commission further concluded that the sanctions imposed by the NYSE were neither excessive nor oppressive. (Rel. 34-38076)

PROCEEDINGS INSTITUTED ALLEGING PAYMENTS TO BROKERS ON ENROTEK CORPORATION

The Commission instituted public administrative proceedings against 11 respondents alleged to have participated in a scheme involving brokers selling stock of Enrotek Corporation to unsuspecting customers in return for undisclosed payments of money. The respondents, which included John L. Banach, the former president of Enrotek, were alleged to have willfully violated antifraud provisions under the Securities Act of 1933 and Securities Exchange Act of 1934. The proceedings are to determine whether the staff allegations are true and, in connection therewith, to afford respondents an opportunity to establish any defenses and to determine what, if any, remedial action is appropriate. (Rel. 34-38079)

INVESTMENT COMPANY ACT RELEASES

PIMCO ADVISORS FUND, ET AL.

A notice has been issued giving interested persons until January 14, 1997 to request a hearing on an application filed by PIMCO Advisors Fund for an order under Section 6(c) of the Investment Company Act that would exempt applicants from Sections 13(a)(2), 13(a)(3), 17(a)(1), 18(f)(1), 22(f) and 22(g) of the Act and Rule 2a-7 thereunder, and pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder. The order would amend a prior order that permitted certain investment companies to enter into deferred compensation arrangements with their non-interested trustees by extending the relief granted under that order to certain additional entities. (Rel. IC-22414 - December 20)

BOSTON MUTUAL LIFE VARIABLE ACCOUNT A

An order has been issued pursuant to Section 8(f) of the Investment Company Act declaring that Boston Mutual Life Variable Account A has ceased to be an investment company. (Rel. IC-22416 - December 23)

HOLDING COMPANY ACT RELEASES

COLUMBIA GAS SYSTEM, INC., ET AL.

An order has been issued authorizing a proposal by Columbia Gas System, Inc. (Columbia), a registered holding company, and Columbia Gas of Maryland, Inc. (Columbia Maryland), a natural gas subsidiary company of Columbia, for Columbia Maryland to refinance long-term debt. (Rel. 35-26632)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGES

The Commission granted accelerated approval to a proposed rule change submitted by the Municipal Securities Rulemaking Board (SR-MSRB-96-12) relating to the permanent operation of the Continuing Disclosure Information System of the Municipal Securities Information Library System. Publication is expected to be made in the Federal Register during the week of December 23. (Rel. 34-38066)

The Commission has approved on an accelerated basis a proposed rule change submitted by NASD Regulation, Inc. (SR-NASD-96-44) relating to a one-year extension of the pilot injunctive relief rule. Publication of the approval order is expected to appear in the Federal Register during the week of December 23. (Rel. 34-38069)

PROPOSED RULE CHANGES

Stock Clearing Corporation of Philadelphia filed a proposed rule change (SR-SCCP-96-08) under Section 19(b) of the Securities Exchange Act to establish a new participants fund formula for continuous net settlement participants. Publication of the proposal is expected in the Federal Register during the week of December 23. (Rel. 34-38070)

The Options Clearing Corporation filed a proposed rule change (SR-OCC-96-19) under Section 19(b) of the Securities Exchange Act that will amend OCC's by-laws to adjust the expiration time and assignment processing procedures for certain flexibly structured foreign currency options. Publication of the proposal is expected in the Federal Register during the week of December 23. (Rel. 34-38070)

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934, on December 16 the American Stock Exchange filed with the Commission a proposed rule change (SR-Amex-96-49), to amend Exchange Rule 117 to increase the circuit breaker parameters on a one-year pilot basis. Publication of the notice is expected to appear in the Federal Register during the week of December 23. (Rel. 34-38071)

DELISTING

An order has been issued granting the application of the Pacific Stock Exchange to strike from listing and registration LaTex Resources, Inc., Common Stock, \$.01 Par Value. (Rel. 34-38072)