

SEC NEWS DIGEST

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COMMISSION ANNOUNCEMENTS

SEC ANNOUNCES APPOINTMENT OF KAREN BURGESS AS ASSOCIATE GENERAL COUNSEL

Chairman Levitt today announced that he has appointed Karen Buck Burgess as Associate General Counsel in the Office of the General Counsel.

Ms. Burgess has served as Assistant General Counsel in the Office of the General Counsel since May 1992. She has been primarily responsible for advising the General Counsel and the Commission on legislative issues such as proposed legislation, testimony and providing technical assistance to Congress. Prior to this, Ms. Burgess served the Commission in a variety of capacities, including as Deputy Chief Counsel in the Division of Market Regulation and Special Counsel in the Office of the Chairman. (Press Rel. 96-90)

COMMISSION MEETINGS

CLOSED MEETING - WEDNESDAY, JULY 17, 1996 - 10:00 A.M.

The subject matter of the closed meeting scheduled for Wednesday, July 17, 1996, at 10:00 a.m., will be: institution and settlement of administrative proceedings of an enforcement nature; institution and settlement of injunctive actions; and formal order of investigation.

ENFORCEMENT PROCEEDINGS

SECURITIES INVESTOR PROTECTION CORPORATION SEEKS APPOINTMENT OF A TRUSTEE TO LIQUIDATE A.R. BARON & CO., INC.

The Commission's cooperation with the Securities Investor Protection Corporation (SIPC) resulted in a suit by SIPC seeking the appointment of a trustee of SIPC's choice to take control and liquidate the assets of A.R. Baron, to protect investors. A.R. Baron is a broker-dealer headquartered in New York City.

The Commission previously ordered an emergency Temporary Cease and Desist Order and related interim relief, to which A.R. Baron and two of its principals, Andrew Bressman, and Roman Okin, consented. Bressman is a registered representative and principal of the firm, as well as its President and Chief Executive Officer. Okin is a registered representative and principal of the firm.

The Division of Enforcement alleged in its cease-and-desist proceeding (Admin. Proc. File No. 3-9010) that, from at least February 1995 and continuing to the present, A.R. Baron, Bressman and Okin have engaged in egregious fraudulent sales practices, including placing unauthorized trades in customer accounts.

A.R. Baron filed a Chapter 11 petition in Bankruptcy Court in the District of New Jersey on July 3, 1996. The appointment by the Court of a trustee would have the effect of staying the A.R. Baron bankruptcy proceeding and placing all A.R. Baron assets in the control of the trustee. [Securities Investor Protection Corp. v. A.R. Baron & Co., Inc., No. 96-CIV-5171, SDNY] (LR-14978)

COURT ISSUES PRELIMINARY INJUNCTIONS AGAINST COMPARATOR SYSTEMS CORPORATION, ROBERT REED ROGERS, GREGORY ARMIJO, AND SCOTT HITT

On July 9, the Honorable Lourdes G. Baird, United States District Judge, issued a preliminary injunction against defendants Comparator Systems Corporation, Robert Reed Rogers, and Gregory Armijo, prohibiting violations of the anti-fraud and other provisions of the federal securities laws, and continuing the existing freeze on the assets of the defendants Rogers and Armijo, subject to temporary allowances for living expenses. Defendants Comparator, Rogers, and Armijo stipulated to the entry of the preliminary injunction.

On June 13, Judge Baird issued a preliminary injunction upon default against defendant Scott Hitt which prohibits Hitt from violating the anti-fraud and other provisions of the securities laws and continues the freeze on his assets. [SEC v. Comparator Systems Corporation, et al., Civil Action No. 96-3856, LGB, JGx, C.D. Cal.] (LR-14979; AAE Rel. 801)

INVESTMENT COMPANY ACT RELEASES

SIRROM CAPITAL CORPORATION

An order has been issued on an application filed by Sirrom Capital Corporation (Sirrom Capital) under Section 6(c) of the Investment Company Act for an exemption from Sections 12(d)(1), 18(a), 19(b),

60 and 61(a); Sections 6(c) and 17(b) of the Act for an exemption from Section 17(a); Section 57(c) of the Act for an exemption from Sections 57(a)(1), (2), and (3); and Sections 17(d) and 57(a)(4) and Rule 17d-1 thereunder. The order would permit Sirrom Capital and Sirrom Investments, Inc., a wholly-owned subsidiary, to effect certain joint transactions. (Rel. IC-22057 - July 9)

TEMPLETON GLOBAL UTILITIES, INC.

An order has been issued under Section 8(f) of the Investment Company Act declaring that Templeton Global Utilities, Inc. has ceased to be an investment company. (Rel. IC-22058 - July 9)

NATIONAL FINANCIAL SERVICES CORPORATION AND FIDELITY UNIT INVESTMENT TRUSTS

An order has been issued under Section 6(c) of the Investment Company Act on an application filed by National Financial Services Corporation, as sponsor, and Fidelity Unit Investment Trusts, Fidelity Defined Trusts, Series 1 and Subsequent Series (Trusts), a registered unit investment trust, granting exemptive relief from various provisions of the Act. The order permits the Trusts to implement a deferred sales charge program and grants certain series of the Trusts an exemption from both the initial net worth requirements of Section 14(a) and the limitations on distributions of capital gains set forth in Section 19(b) and Rule 19b-1. The order also grants exemptive relief under Section 11(a) to allow certain exchanges otherwise prohibited by Section 11(c) that involve the Trusts and under Sections 6(c) and 17(b) to allow certain terminating series of a Trust to sell portfolio securities to new series of such Trust. (Rel. IC-22059 - July 10)

SHERRY LANE GROWTH FUND, INC., ET AL.

A notice has been issued giving interested persons until August 5 to request a hearing on an application filed by Sherry Lane Growth Fund, Inc. (Fund) and Sherry Lane Capital Advisors, Inc. for an order under Sections 6(c) and 57(i) of the Investment Company Act and Rule 17d-1 thereunder to permit the Fund and Davis Venture Partners II, L.P. to co-invest in the same portfolio securities. (Rel. IC-22060 - July 10)

FORTIS BENEFITS INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting Fortis Benefits Insurance Company (Fortis Benefits), Variable Account C of Fortis Benefits Insurance Company and Fortis Investors, Inc. from the provisions of Sections 2(a)(32), 22(c), 27(a)(3), 27(c)(1) and 27(d) of the Act and Rules 22c-1, 6e-3

(T)(b)(12), 6e-3 (T)(b)(13) and 6e-3 (T)(d)(1)(ii) thereunder. The order provides exemptions to the extent necessary to permit them to issue flexible premium survivorship variable life insurance policies (Policies) that enable Fortis Benefits to: credit the Policy owner's account with premium based bonuses and Policy value bonuses; include in the Policies' surrender charge any premium tax charge not previously recovered; and, deduct sales charges in a manner that may result in such deductions taken in one period being considered to be higher than those taken in a prior period. (Rel. IC-22061 - July 10)

FMR CORP. AND FIDELITY WATERWAY LIMITED PARTNERSHIP

A notice has been issued giving interested persons until August 5 to request a hearing on an application filed by FMR Corp. and Fidelity Waterway Limited Partnership. Applicants request an order under Sections 6(b) and 6(e) of the Investment Company Act for an exemption from all provisions of the Act except Section 9, certain provisions of Sections 17 and 30, Sections 36 through 53, and the rules and regulations thereunder. The order would permit Fidelity Waterway Limited Partnership, and other partnerships offered to the same class of investors, to engage in certain affiliated and joint transactions. Each partnership will be an employees' securities company within the meaning of Section 2(a)(13) of the Act. (Rel. IC-22062 - July 10)

ABN AMRO BANK N.V., AND ABN AMRO GLOBAL CUSTODY N.V.

An order has been issued under Section 6(c) of the Investment Company Act granting ABN AMRO Bank N.V. and ABN AMRO Global Custody N.V. an exemption from Section 17(f) of the Act. (Rel. IC-22063; IS-1003 - July 10)

ITT HARTFORD LIFE AND ANNUITY INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting ITT Hartford Life and Annuity Company (ILA), ICMG Registered Variable Life Separate Account One (Separate Account), and Hartford Equity Sales Company 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 Separate Account and any separate accounts established in the future by ILA to support certain group flexible premium variable life insurance policies to deduct from premium payments received an amount that is reasonably related to the increased federal tax burden of ILA resulting from the application of Section 848 of the Internal Revenue Code of 1986, as amended. (Rel. IC-22064 - July 10)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change (SR-PTC-96-01) filed by the Participants Trust Company that amends PTC's rules to eliminate the deduction of reserve on gain in the calculation of net free equity for proprietary and agency accounts of a receiving participant in certain transactions. (Rel. 34-37411)

PROPOSED RULE CHANGES

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-96-26) relating to changes to NASD Rule 6630, formerly Section 2 of Part VI of Schedule D to the NASD By-Laws, to require NASD members registered with The Nasdaq Stock Market, Inc. as Consolidated Quotation Service (CQS) market makers to have available in close proximity to the Nasdaq terminals at which they make markets in CQS securities a quotation service that disseminates the bid prices and offer prices then being furnished by or on behalf of all exchanges and CQS market makers in the CQS issues for which they are registered. Publication of the notice of the proposed rule change is expected in the Federal Register during the week of July 15. (Rel. 34-37412)

The MBS Clearing Corporation, the Government Securities Clearing Corporation, and the International Securities Clearing Corporation filed proposed rule changes (SR-MBSCC-96-02, SR-GSCC-96-03, and SR-ISCC-96-04). The proposed rule changes seek the authority to enter into one or more limited cross-guarantee agreements. Publication of the proposals is expected in the Federal Register during the week of July 15. (Rel. 34-37413)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the Boston Stock Exchange to amend its fee schedule pertaining to Transaction Fees (SR-BSE-96-07) became effective on July 1, 1996. Publication of the proposal is expected in the Federal Register during the week of July 15. (Rel. 34-37414)

WITHDRAWAL GRANTED

An order has been issued granting the application of Medicore, Inc. to withdraw from listing and registration on its Common Stock, \$.01 Par Value on the American Stock Exchange. (Rel. 34-37415)

WITHDRAWALS SOUGHT

A notice has been issued giving interested persons until July 30 to comment on the application of Penn Engineering & Manufacturing Corp. to withdraw from listing and registration on the American Stock Exchange Common Stock, \$.01 Par Value and its Class A Common Stock, \$.01 Par Value. (Rel. 34-37416)

A notice has been issued giving interested persons until July 30 to comment on the application of Chase Corporation to withdraw from listing and registration on the Boston Stock Exchange its Common Stock, \$.10 Par Value. (Rel. 34-37417)

A notice has been issued giving interested persons until July 30 to comment on the application of Laser Industries Limited to withdraw from listing and registration on the Boston Stock Exchange its Ordinary Shares Par Value NIS 0.0001. (Rel. 34-37418)