

sec news digest

Issue 95-87

May 5, 1995

COMMISSION ANNOUNCEMENTS

COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted under provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding open meetings on Wednesday mornings. Otherwise, meetings will be scheduled according to the requirements of agenda items under consideration.

Visitors are welcome at all open meetings, insofar as space is available.

Meetings will be held in the Commission Meeting Room, Room 1C30, at the Commission's headquarters building, 450 Fifth Street, N.W., Washington, D.C. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

Any member of the public who requires auxiliary aids such as a sign-language interpreter or material on tape to attend a public meeting should contact Nancy Wolynetz, Office of Administrative and Personnel Management, to make arrangements. Ms. Wolynetz can be reached at (202) 942-4091 or at a TTY number (202) 942-4075. Staff members at the Commission are encouraged to contact Ms. Wolynetz if they receive inquiries on availability of auxiliary aids.

CLOSED MEETING - TUESDAY, MAY 9, 1995 - 10:00 A.M.

The subject matter of the closed meeting scheduled for Tuesday, May 9, 1995, at 10:00 a.m., will be: Institution of injunctive actions; Institution of administrative proceedings of an enforcement nature; Settlement of injunctive actions; Settlement of administrative proceedings of an enforcement nature; and Opinion.

OPEN MEETING - WEDNESDAY, MAY 10, 1995 - 10:00 A.M.

The subject matter of the open meeting scheduled for Wednesday, May 10, 1995, at 10:00 a.m., will be:

Consideration of whether to adopt: (i) Rule 434 and amendments to existing rules and forms under the Securities Act of 1933, the Securities Exchange Act of 1934 and the Investment Company Act of 1940 in order to facilitate prospectus delivery under the T+3 securities transaction settlement cycle effective June 7, 1995 and otherwise streamline the registration process; (ii) amendments to Rule 15c6-1 under the Exchange Act with respect to settlement of firm commitment underwritten offerings; and (iii) revisions to Rule 15c2-8 under the Exchange Act to reflect the provisions of Rule 434 and new means of disseminating prospectus information. For further information, contact Anita Klein or Joseph Babits at (202) 942-2900.

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.

ENFORCEMENT PROCEEDINGS

VICTOR WEXLER BARRED

The Commission announced that on May 2 it entered an order pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 barring Victor M. Wexler of Livingston, New Jersey, from association with any broker, dealer, municipal securities dealer, investment adviser or investment company, with a right to reapply after five years. The Commission simultaneously accepted Wexler's Offer and Settlement in which, without admitting or denying the findings, except as to jurisdiction and the entry of the permanent injunction, he consented to the issuance of the order. The order finds that on March 1, 1995, Wexler was enjoined by the U.S. District Court for the Southern District of New York in SEC v. Wexler, et al. (92-CIV-2902 (SWK)). In that action, Wexler was accused of violations of Sections 5(a) and 17(a) of the Securities act of 1933, and Sections 90(b), 15(b), 15(c) and 17(a) of the Exchange Act and Rules 10b-5, 10b-6, 15b3-1, 15c1-2 and 17a-3 thereunder in connection with the manipulation of trading in securities of Keller Industries Limited in 1989. The Court also ordered Wexler to disgorge \$311,175, representing his gains from the conduct alleged in the complaint, plus prejudgment interest. Based upon Wexler's demonstrated inability to pay, payment of all but \$91,876.23 of the disgorgement and prejudgment interest was waived. [SEC v. Victor M. Wexler, Alfred F. Gerriets, II, Alan M. Stern, Victor Goldman, David S. Borsack, Michael L. Vanechanos, Walter C. Wright, and John L. Toscani, U.S.D.C., S.D.N.Y., Civil Action No. 92-CIV-2902 (SWK)] (LR-14489)

TEMPORARY RESTRAINING ORDER ENTERED AND COMPLAINT FILED AGAINST KENTON CAPITAL, DONALD WALLACE, JEFFREY CARTER, DELTAUR PARTNERS, HARRY WATSON, TRACY FRENCH, AND TERRY PLACK

The Commission announced that on May 3 Judge Gladys Kessler of the United States District Court for the District of Columbia entered an order temporarily restraining and enjoining Kenton Capital, Ltd., Donald C. Wallace, Jeffrey E. Carter, Deltaur Partners, Harry Watson, Tracy L. French and Terry Plack from violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, Sections 10(b), 15(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Rule 203(a) of the Investment Advisers Act. In addition, the Court issued an asset freeze and ordered the repatriation of investor funds wired to the Cayman Islands. The Commission also named as relief defendants Atlantic Pacific Guarantee Corporation and Charles Smith, who are alleged to have received investor funds that were unlawfully raised by the other defendants.

The Commission's complaint, filed on May 3, alleges that defendants are involved in a scheme whereby, using pooled investor funds, they purportedly lease debt securities, hypothecate those securities with foreign banks,, and then use the resulting proceeds to fund trading in so-called "bank instruments." The complaint further alleges that defendants have promised investors under some schemes weekly profits of over 3,000% and, under other schemes, annual returns ranging from 34,200% to over 1,200,000%, with little or no risk. [SEC v. Kenton Capital, Ltd., et al., Civ. No. 95-0829, D.D.C., May 3, 1995] (LR-14490)

INVESTMENT COMPANY ACT RELEASES

COMPANION LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until May 30, 1995 to request a hearing on an application filed by Companion Life Insurance Company (Companion Life), Companion Life Separate Account C (the Separate Account), and Mutual of Omaha Investor Services, Inc. (collectively, the Applicants). An order is sought under Section 6(c) of the Investment Company Act granting exemptions from Section 26(a)(2)(C) and 27 (c)(2) of the Act to the Applicants and certain principal underwriters of the Separate Account, to the extent necessary to permit the payment to Companion Life of a mortality and expense risk charge from the assets of the Separate Account under certain flexible payment deferred variable annuity contracts. (IC-21039 - May 3, 1995)

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK, ET AL.

A notice has been issued giving interested persons until May 30, 1995 to request a hearing on an application filed by The Mutual Life Insurance Company of New York (Mutual of New York), MONY Life Insurance Company of America (MONY, together with Mutual of New York, the Companies), MONY Variable Account L (Account L), MONY America Variable Account L (MONY Account L), any other separate Account established by

the Companies in the future to support flexible premium, single premium, or scheduled premium variable life insurance policies (the Other Accounts, collectively, with Account L and MONY Account L, the Accounts) and MONY Securities Corp. The application requests an order pursuant to Section 6(c) of the Investment Company Act granting exemptions from the provisions of Section 27(c)(2) of the Act and Rules 6e-2(c)(4)(v), 6e-3(T)(c)(4)(v), 6e-2(a)(2), and 6e-2(b)(15) thereunder to permit applicants to deduct from premium payments received a charge that is reasonable in relation to the Companies' increased federal income tax burden resulting from the Companies' receipt of such premiums in connection with certain variable life insurance policies. The order would also permit any of the Accounts to derive its assets from both flexible and scheduled premium variable life insurance policies and nevertheless to qualify as a variable life insurance separate account, with respect to single premium or scheduled premium life insurance policies, for the purposes of Rule 6e-2. (IC-21040 - May 4, 1995)

BAYERISCHE VEREINSBANK AKTIENGESELLSCHAFT, ET AL.

A notice has been issued giving interested persons until May 30, 1995 to request a hearing on an application filed by Bayerische Vereinsbank Aktiengesellschaft (BV) et al for an order under Section 6(c) of the Investment Company Act of 1940 exempting applicants from subparagraphs (a)(1) and (a)(3) of Rule 3a-5 under the Act. The order would permit a wholly-owned BV subsidiary to sell its commercial paper in the United States to raise funds for the business operations of BV without registering as an investment company. (IC-21041; International Series Rel. 807 - May 4)

HOLDING COMPANY ACT RELEASES

THE EAST OHIO GAS COMPANY

An order has been issued authorizing a proposal by The East Ohio Gas Company (East Ohio), a gas public-utility subsidiary of Consolidated Natural Gas Company (CNG), a registered holding company. East Ohio and CNG propose that East Ohio sell certain utility assets, including 378 production wells, connecting lines, leases, access rights, contract rights and records associated with the wells to Belden & Blake Corporation (Belden & Blake) for \$6.5 million. Belden & Blake is a nonassociated oil and gas drilling and exploration company. (Rel. 35-26285)