

sec news digest

Issue 94-236

December 13, 1994

COMMISSION ANNOUNCEMENTS

NEW FACSIMILE NUMBER FOR THE OFFICE OF THE CHIEF ACCOUNTANT

Effective December 21, 1994, the facsimile phone number for the Commission's Office of the Chief Accountant will be changed. The new number will be (202) 942-9656. Persons who use fax as a means of communicating with that office should note the change. Callers to the former number will not be redirected to the new number.

ENFORCEMENT PROCEEDINGS

PROCEEDINGS INSTITUTED AGAINST THE CENTER FOR FINANCIAL PLANNING

On December 6, the Commission instituted public administrative proceedings under Section 203(e) of the Investment Advisers Act of 1940 against the Center For Financial Planning, Inc. (CFP), an investment adviser registered with the Commission from September 13, 1990. The proceedings are based on allegations that on September 21, 1994, the United States District Court for the Northern District of Georgia entered a final judgment against CFP finding that it violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and Sections 206(1) and 206(2) of the Investment Advisers Act in connection with a scheme in which more than \$1.6 million of CFP clients' funds were misappropriated. The final judgment also permanently enjoined CFP from violating these sections and ordered that CFP pay disgorgement of \$1,604,708, prejudgment interest of \$56,656, and a civil penalty of \$100,000.

A hearing will be held to determine what, if any, remedial action is appropriate in the public interest. (Rel. IA-1456)

AIM EQUITY FUNDS, INC., ET AL.

A notice has been issued giving interested persons until January 3 to request a hearing on an application filed by AIM Equity Funds, Inc., et al. for a conditional order pursuant to Section 17(d) of the Investment Company Act and Rule 17d-1 thereunder. The requested order would permit applicants to invest jointly in repurchase agreements with remaining maturities not to exceed 60 days and certain other short-term money market instruments with remaining maturities not to exceed 90 days. (Rel. IC-20761 - December 9)

AFD EXCHANGE RESERVES, ET AL.

An order has been issued on an application filed by AFD Exchange Reserves, et al. under Section 6(c) of the Investment Company Act amending prior orders granting exemptions from Sections 2(a) (32), 2(a) (35), 18(f), 18(g), 18(i), 22(c) and 22(d) of the Act and Rule 22c-1 thereunder. The prior orders permit the issuance of up to three classes of shares and the imposition of a contingent deferred sales charge (CDSC) on certain redemptions of two class of shares and the waiver of the CDSC under certain circumstances. The amended order permits applicants to issue and sell up to four classes of shares, to impose a contingent deferred sales charge on certain redemptions of shares, and to waive the CDSC under certain circumstances. (Rel. IC-20763 - December 12)

HOLDING COMPANY ACT RELEASES

NEW ENGLAND ELECTRIC SYSTEM

An order has been issued authorizing a proposal by New England Electric System (NEES), a registered holding company, to provide guarantees to employees of NEES subsidiaries relative to premiums for life insurance plans provided by the subsidiaries. (Rel. 35-26182)

CONSOLIDATED NATURAL GAS COMPANY, ET AL.

A notice has been issued giving interested persons until January 3 to request a hearing on a proposal by Consolidated Natural Gas Company (CNG), a registered holding company, and CNG Financial Services, Inc. (CNGF), a wholly-owned subsidiary company of CNG. CNG and CNGF seek authorization, through December 31, 1998, for CNGF to engage in the financing of certain gas utilizing equipment (Gas Equipment) for customers who purchase or may be expected to purchase gas, directly or indirectly, from companies of the CNG System and for CNG to provide CNGF with the funds necessary to make loans to such customers. (Rel. 35-26183)

CENTRAL AND SOUTH WEST CORPORATION, ET AL.

An order has been issued authorizing a proposal by Central and South West Corporation (CSW), a registered holding company, and CSW Energy, Inc. (CSW Energy), a wholly owned nonutility subsidiary company of CSW, to invest in a 320-MW qualifying cogeneration facility, to be located in or near Sweeny, Texas, and form related project entities, in connection with their program to develop sources of energy and capacity from qualifying cogeneration facilities, qualifying small power production facilities, and independent power facilities, including exempt wholesale generators. (Rel. 35-26184)

SELF-REGULATORY ORGANIZATIONS

DELISTINGS GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Live Entertainment, Inc., Common Stock, \$.01 Par Value. (Rel. 34-35070)

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Carolco Pictures, Inc., Common Stock, \$.001 Par Value. (Rel. 34-35071)

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until December 27 to comment on the application of Media Logic, Inc. to withdraw its Common Stock, \$.01 Par Value, from listing and registration on the Boston Stock Exchange. (Rel. 34-35072)

PROPOSED RULE CHANGES

The Government Securities Clearing Corporation filed a proposed rule change (SR-GSCC-94-07) that will modify GSCC rules to establish minimum financial standards for two current Netting System membership categories: insurance companies and registered investment companies. Publication of the proposed rule change is expected in the Federal Register during the week of December 12. (Rel. 34-35061)

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-94-69) that would amend Schedule A to its By-Laws to adjust the amount of credit as set forth in Section 1(d), which is currently 62%, to 69%. The proposed rule change is effective until December 31, 1994, after which a previously filed (SR-NASD-94-58) rule change amending the NASD's fee structure will go in to effect. (Rel. 34-35073)

