The Commission today announced the institution of administrative proceedings pursuant to Section 21C of the Securities Exchange Act of 1934 against American Mobile Systems Inc. (AMS) of Woodland Hills, California. AMS consented to the entry of an Order by the Commission without admitting or denying the matters set forth therein.

The Order found that AMS violated periodic reporting provisions of the securities laws by failing to describe accurately related-party transactions between AMS and various affiliates of its former Chief Executive Officer in Forms 10-K for the fiscal years ended June 30, 1989, June 30, 1990, and June 30, 1991, and Forms 10-Q for the periods ended September 30, 1991, and December 31, 1991. The Order further found the AMS failed to devise and maintain a system of internal accounting controls sufficient to prevent or detect the former CEO's misappropriation of more than $4 million from AMS for the benefit of his affiliates.

The Commission ordered AMS to cease and desist from committing or causing any violations of Sections 13(a) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder. (Rel. 34-35888; AAER-683)

PAUL C. KETTLER SANCTIONED IN INITIAL DECISION

SEC Administrative Law Judge Glenn R. Lawrence has ordered that Paul C. Kettler be remedially sanctioned in the form of a permanent bar from association with a broker-dealer in both a supervisory and a proprietary capacity, and a bar from all association with a broker-dealer, with a right to reapply, in a nonsupervisory or a nonproprietary capacity, after five years. Judge Lawrence's sanction of Kettler was published June 27, 1995 in an Initial Decision in the matter of Paul C. Kettler, Administrative Proceeding File No. 3-8206. Kettler was sole proprietor of Kettler & Company, headquartered in Chicago, which from about October 1987 through at least August 1988, operated approximately 15 branch locations, including a branch office located near Fort Lauderdale, Florida. During July, 1988, the manager of the Florida branch, Randal C. Forman, violated federal securities laws in connection with the
initial public offering (IPO) and trading in shares and warrants of Windy City Capital Corporation.

Judge Lawrence found that Kettler failed reasonably to supervise Forman with a view toward preventing those violations. Kettler, despite 1) being on notice of prior regulatory concerns regarding possible excessive markups in securities sold by the Florida branch, and 2) having available to him information from which he could have determined that the Florida branch was selling Windy City common stock at increasingly higher prices and at markups far in excess of ten percent, made no effort to detect and prevent Forman's violative conduct. Judge Lawrence imposed the sanction on Kettler as necessary or appropriate in the public interest, for the protection of investors. (Initial Decision Rel. 66)

INVESTMENT COMPANY ACT RELEASES

PACIFIC CORINTHIAN VARIABLE FUND

A notice has been issued giving interested persons until July 24 to request a hearing on an application by Pacific Corinthian Variable Fund for an order under Section 8(f) of the Investment Company Act declaring that the applicant has ceased to be an investment company. (Rel. IC-21175 - June 29)

THE TRAVELERS LIFE AND ANNUITY COMPANY, ET AL.

A notice has been issued giving interested persons until July 24 to request a hearing on an application filed by The Travelers Life and Annuity Company, et al. for an order under Section 6(c) of the Investment Company Act exempting applicants from Sections 26(a)(2)(C) and 27(c)(2) of the Act. The order would permit applicants to deduct a mortality and expense risk charge from the assets of separate accounts established by applicants to support certain variable annuity contracts. (Rel. IC-21173 - June 29)

HARRIS & HARRIS GROUP, INC.

A notice has been issued giving interested persons until July 24 to request a hearing on an application filed by Harris & Harris Group, Inc., for an order under Sections 6(c) and 61(a) of the Investment Company Act that would exempt applicant from Sections 18(d), 23(b), 61(a)(3)(B), and 61(b). Applicant is a closed-end registered investment company that intends to elect business development company (BDC) status under the Act. Before becoming a registered investment company, applicant issued warrants that currently are held by two of its officers and issued stock options to certain officers and non-employee directors. Upon applicant's election of BDC status, the requested order would permit the options and warrants to remain exercisable pursuant to their terms as if they had been issued pursuant to an executive compensation

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HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY, ET AL.

An order has been issued regarding a proposal by Consolidated Natural Gas Company (CNG), a registered holding company, and its wholly owned subsidiary companies, CNG Research Company, Consolidated Natural Gas Service Company, Inc., CNG Coal Company, CNG Producing Company, CNG Pipeline Company, CNG Transmission Corporation, CNG Storage Service Company, CNG Energy Services Corporation, The Peoples Natural Gas Company, The East Ohio Gas Company, Virginia Natural Gas, Inc., Hope Gas, Inc., and West Ohio Gas Company (collectively, Subsidiaries). CNG has been authorized, from time to time through June 30, 1996, to issue and sell commercial paper and/or short term notes in amounts not to exceed $1.25 billion and to finance the Subsidiaries with up to $1.225 billion through June 30, 1996. (Rel. 35-26321)

ENTERGY CORPORATION

A supplemental order has been issued authorizing a proposal by Entergy Corporation (Entergy), a registered holding company, to invest up to $350 million in its wholly owned nonutility subsidiary company, Entergy Enterprises, Inc. (Enterprises), for its use in (1) preliminary development activities for potential investments by Entergy in various energy-related nonutility projects; (2) provision of consulting services to unaffiliated companies and associate companies primarily in the areas of power generation, transmission and distribution and related operations; (3) provisions of management and administrative support services (Administrative Services) to certain of Enterprises' associate companies; (4) provision of operations and maintenance services (O&M Services), directly or indirectly, to unaffiliated third parties and affiliated power projects; and (5) other related transactions. The order also permits Enterprises to provide Administrative Services to associate companies that are exempt wholesale generators and foreign utility companies, and authorizes Enterprises to charge fair market value for Administrative and O&M Services provided to certain associate companies. (Rel. 35-26322)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission granted approval of a proposed rule change filed by the Municipal Securities Rulemaking Board (SR-MSRB-95-03) under Section 19(b) of the Exchange Act amending its rules relating to the submission of transaction information for confirmation, clearance, and settlement
of transactions with customers. (Rel. 34-35917)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGES

The Commission granted accelerated approval on a temporary basis of proposed rule changes (SR-NSCC-95-04; SR-MCC-95-02; SR-SCCP-95-03) filed under Section 19(b) of the Exchange Act by the National Securities Clearing Corporation, the Midwest Clearing Corporation, and the Stock Clearing Corporation of Philadelphia relating to the guarantee of trades in continuous net settlement systems. The proposals are approved through June 28, 1996. Publication of the approval order is expected in the Federal Register during the week of July 14. (Rel. 34-35916)

The Commission granted accelerated approval to a proposed rule change submitted by the National Association of Securities Dealers (SR-NASD-95-31) under Rule 19b-4 to extend, on an interim basis, the OTC Bulletin Board Service through September 28, 1995. Publication of the approval order is expected in the Federal Register during the week of July 3. (Rel. 34-35918)

WITHDRAWALS

A notice has been issued giving interested persons until July 21 to comment on the application of New York Bancorp Inc., to withdraw its Common Stock, $.01 Par Value, from listing and registration on the American Stock Exchange, Inc. (Rel. 34-35919)

A notice has been issued giving interested persons until July 21, 1995, to comment on the application of Grand Toys International, Inc., to withdraw its Common Stock, $.001 Par Value, and its Redeemable Warrants from listing and registration on the Boston Stock Exchange. (Rel. 34-35920)