

sec news digest

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COMMISSION ANNOUNCEMENTS

SECTION 16 LETTER INDEX BY SUBJECT MATTER

The Division of Corporation Finance has released an index organizing by subject matter Section 16 letters issued through July 31, 1992. The index is updated on approximately the first day of every month and copies of it may be obtained by writing to, or by making a request in person at the Public Reference Room, Securities and Exchange Commission, 450 5th Street, N.W., Room 1024, Washington, D.C. 20549.

ADMINISTRATIVE PROCEEDINGS

PROCEEDINGS ON APPLICATION BY ARTHUR ROSS REMANDED TO NASD

The Commission has remanded to the NASD an appeal by Arthur H. Ross of New York City, New York. Ross seeks relief from the NASD's denial of his application to perform supervisory functions and to become a principal in the firm that employs him, First New York Securities Co. The application was necessitated by a 1985 Commission order which barred Ross from acting in such capacities, but providing that he could apply to become so associated after three and one-half years.

The Commission explained that its policy has been to look favorably on applications for re-entry after the prescribed time unless "new" adverse information has come to light. The NASD did point to some new information, i.e., the fact that, subsequent to the Commission order, the New York Stock Exchange suspended Ross for the same three and one-half years, citing violations not covered by the Commission order. However, the Commission found that in denying Ross' request the NASD may have given undue weight to the 1985 Commission order, contrary to the Commission's policy regarding the treatment of a conditional bar. Because the NASD's decision did not reflect the extent to which, as required, its conclusion was based on circumstances in addition to those which led to the conditional bar order against Ross, the Commission remanded the matter and directed the NASD to focus on new information, not the original misconduct. (Rel. 34-30956)

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U.S. SECURITIES
EXCHANGE COMMISSION

NASD ACTION AGAINST EDWARD DAROZA, JR. AFFIRMED

The Commission has affirmed sanctions imposed by the NASD on Edward B. Daroza, Jr. of Redmond, Washington, president of Daroza Anderson Inc., a former NASD member. The NASD censured Daroza, assessed a fine of \$15,000, barred him from association with any NASD member in a principal capacity and suspended him from association with a member in any capacity for six months.

The Commission affirmed the NASD's finding that Daroza was responsible for his firm's failure to comply with net capital requirements. The Commission rejected Daroza's argument that because the Internal Revenue Service determined to accept a smaller tax liability than originally assessed and included in the firm's net capital computation, there was no net capital deficiency. The Commission concluded that for purposes of calculating net capital, the proper tax liabilities were those amounts assessed at the time net capital was determined.

The Commission also found, as had the NASD, that Daroza deceived the firm's clearing broker regarding the firm's relationship to two accounts, opened in the names of companies he set up and used as alter egos for himself and the firm. He incurred substantial losses in these accounts which he attempted to leave with the clearing broker. The Commission rejected Daroza's request for leniency because he eventually agreed to pay his debt to the clearing broker. (Rel. 34-30957)

INVESTMENT COMPANY ACT RELEASES

DAILY MONEY FUND, INC., ET AL.

A notice has been issued giving interested persons until August 24 to request a hearing on an application filed by Daily Money Fund, Inc., et al. for an order under Section 6(c) of the Investment Company Act that would grant an exemption from the provisions of Section 18(f), 18(g) and 18(i) of the Act. The exemption would apply to the extent necessary to permit certain open-end management investment companies to issue and sell an unlimited number of classes of shares representing interests in the same investment portfolio. The classes would be identical in all respects except for differences related to expenses incurred solely by a particular class of shares, voting rights, certain exchange privileges and class designation. (Rel. IC-18874 - July 30)

HOLDING COMPANY ACT RELEASES

NEW ENGLAND POWER COMPANY

An order has been issued authorizing a proposal by New England Power Co. (NEPCO), an electric public-utility subsidiary company of New England Electric System, a registered holding company. The order authorizes NEPCO to enter into one or more interest rate swap agreements on or before December 31, 1996, in sums not to exceed in the aggregate a notional amount of \$617 million. The order also grants NEPCO an exception to the competitive bidding requirements of Rule 50 under Subsection 50(a)(5) thereunder with regard to the swaps. (Rel. 35-25592)

GEORGIA POWER COMPANY

A supplemental order has been issued authorizing Georgia Power Company (Georgia), a subsidiary of The Southern Company, a registered holding company, to refinance facilities at the Plant Bowen Project and the Plant Branch Project. Georgia has been granted authority to enter transactions in connection with the issuance and sale of \$75 million aggregate principal amount of pollution control revenue bonds. The Commission has reserved jurisdiction over the issuance of up to \$581.425 million of additional principal amounts of revenue bonds. (Rel. 35-25593)

THE CONNECTICUT LIGHT AND POWER COMPANY; EUA POWER CORPORATION

A notice has been issued giving interested persons until August 20 to request a hearing on a proposal by The Connecticut Light and Power Company (CL&P), a public-utility subsidiary company of Northeast Utilities, a registered holding company, and EUA Power Corporation (EUA Power), a debtor in possession under Chapter 11 of the Bankruptcy Code and a public-utility subsidiary company of Eastern Utilities Associates, a registered holding company. CL&P proposes to make monthly advances through February 28, 1994, in an aggregate amount not to exceed \$13.2 million outstanding at any one time, in favor of EUA Power as beneficiary for certain expenses including EUA Power's share of the costs relating to the Seabrook Nuclear Power Plant. The United Illuminating Company, an exempt public utility holding company, will also make advances up to \$8.8 million. (Rel. 35-25594)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTINGS GRANTED

An order has been issued granting the application of the Midwest Stock Exchange to strike from listing and registration Nicor, Inc., \$1.90 Convertible Preference Stock, \$36.50 Stated Value. (Rel. 34-30962)

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration Granada Food Corporation, Common Stock, Par Value \$.10. (Rel. 34-30971)

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration Granada Biosciences, Inc., Common Stock, Par Value \$.10. (Rel. 34-30976)

An order has been issued granting the application of the Pacific Stock Exchange to strike from listing and registration DWG Corporation, 5 1/2% Convertible Subordinated Debenture, due January 15, 1994. (Rel. 34-30979)

UNLISTED TRADING PRIVILEGES SOUGHT

Notices have been issued granting the applications of four exchanges for unlisted trading privileges in issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. The exchanges and number of issues are as follows: Philadelphia Stock Exchange - 22 issues (Rel. 34-30963); Midwest Stock Exchange - 8 issues (Rel. 34-30964); Boston Stock Exchange - 2 issues (Rel. 34-30965); and Cincinnati Stock Exchange - 11 issues (Rel. 34-30966).

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until August 19 to comment on the application of ACM Government Securities Fund, Inc. to withdraw its Common Stock \$.01 Par Value, from listing and registration of the Pacific Stock Exchange. (Rel. 34-30972)

UNLISTED TRADING PRIVILEGES GRANTED

Orders have been issued granting the application of five exchanges for unlisted trading privileges in issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. The exchanges and number of issues are as follows: Cincinnati Stock Exchange - 26 issues (Rel. 34-30973); Midwest Stock Exchange - 13 issues (Rel. 34-30974); Philadelphia Stock Exchange - 13 issues (Rel. 34-30975); Pacific Stock Exchange - 5 issues (Rel. 34-30977); and Boston Stock Exchange - 10 issues (Rel. 34-30980).