

Applicant's Legal Analysis

1. Applicant seeks relief exempting it from the provisions of section 9(a) of the Act solely with respect to the proposed injunction, for itself and any future entity that may become an affiliated person of Stifel.

2. Section 9(a) provides, in pertinent part, that it is unlawful for any person, or any affiliated person of such person, to serve or act in the capacity of investment advisor or depositor of any registered investment company, or principal underwriter of any registered open-end investment company or unit investment trust, if such person has been permanently or temporarily enjoined from engaging in any conduct in connection with its activities as an underwriter, broker, dealer, or investment adviser, or in connection with the purchase or sale of any security.

3. Section 9(c) provides that, upon application, the Commission shall by order grant an exemption from the provisions of section 9(a), either unconditionally or on a temporary or other conditional basis, if it is established that the prohibitions of section 9(a), as applied to the applicant, are unduly or disproportionately severe or that the conduct of such person has been such as not to make it against the public interest or protection of investors to grant the exemption.

4. As a result of the injunction, Stifel is subject to the disqualification provisions of section 9(a). Applicant asserts that the application of such provisions to it is unduly and disproportionately severe. Applicant further asserts that Stifel's conduct has been such as not to make it against the public interest or protection of investors to grant the requested relief.

5. Applicant states that the conduct that gave rise to the injunction involved Stifel's Oklahoma Public Finance Office, which is now closed, and was not in any way related to activities of application as underwriter for unit investment trusts. In addition, none of the individuals who acted improperly were involved in Stifel's underwriting of unit investment trusts.

6. Stifel has taken the following remedial actions in response to the events that led to the injunction:

a. Stifel formed a special committee of outside directors to conduct an investigation into the matters that formed the basis of the injunction. Stifel hired the law firm of Bryan Cave to assist the company in that regard. Bryan Cave hired the accounting firm of Coopers & Lybrand to assist them with the investigation.

b. As a result of the investigation mentioned above, Stifel has implemented new procedures regarding the disclosure and the prior review of certain fees.

c. The Stifel officer responsible for the majority of the illegal conduct, and his supervisor, have been terminated by the firm. The firm's assets in Oklahoma have been sold.

d. Stifel has hired a former Wisconsin State Securities Commissioner as its Director of Compliance and an attorney formerly in the Commission's Pacific Regional Office as General Counsel. The firm also has replaced the head of its municipal securities operations.

7. The prohibitions of section 9(a) would be unduly and disproportionately severe as applied to applicant because, if the exemption were not granted, the prohibitions would unfairly and unreasonably deprive applicant of its ability to provide uninterrupted services to the unit investment trusts for which it provides distribution services. Such inability would have an adverse effect on applicant's business. Applicant makes a market in the units of the unit investment trusts that it underwrites, which it no longer would be able to do absent the requested relief. In addition, applicant would be unable to render distribution services to registered unit investment trusts that may be organized in the future.

8. Applicant represents that it has not previously filed an application for relief pursuant to section 9(c), has no prior record of Commission enforcement proceedings, and is not subject to any judgment that would disqualify it under section 9(a).

9. Applicant believes that its ability to serve as principal underwriter for any registered unit investment trust, and to comply with the requirements of the Investment Company Act, are not impaired by the injunction.

Applicant's Condition

Applicant agrees that any order granted by the Commission pursuant to the application will be subject to the condition that Stifel will comply with the Final Judgment of Permanent Injunction.

Temporary Order

The Commission has considered the matter and, without necessarily agreeing with all of the facts represented or all of the arguments asserted by applicant, finds that the issuance of a temporary order under section 9(c) of the Investment Company Act, subject to the foregoing condition, is not inconsistent

with the public interest or the protection of investors.

Accordingly, it is ordered, under section 9(c) of the Investment Company Act, that the applicant be, and hereby is, granted a temporary exemption from the provisions of section 9(a) of the Act, solely with respect to the injunction specifically described in the application, subject to the condition contained in the application, which condition is expressly incorporated herein.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION**Honolulu District Advisory Council Meeting; Public Meeting**

The U.S. Small Business Administration Honolulu District Advisory Council will hold a public meeting on Thursday, September 7, 1995 at 9:30 a.m. at the Business Information and Counseling Center, 130 Merchant Street, Suite 1030, Honolulu, HI 96813; to discuss matters as may be presented by members, staff of the U.S. Small Business Administration, or others present.

For further information, write or call Mr. Andrew K. Poepoe, District Director, U.S. Small Business Administration, 300 Ala Moana Blvd., Room 2314, Honolulu, Hawaii 96850, (808) 541-2965.

Dated: August 3, 1995.

Dorothy A. Overall,

Director, Office of Advisory Council.

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DEPARTMENT OF TRANSPORTATION**Coast Guard**

[CGD 95-066]

National Environmental Policy Act Environmental Assessment for U.S. Coast Guard Activities Along the U.S. Atlantic Coast

AGENCY: Coast Guard, DOT.

ACTION: Notice of availability; request for comments. .

SUMMARY: Pursuant to the National Environmental Policy Act of 1969, the Council on Environmental Quality Regulations, and the Coast Guard National Environmental Policy Act