

And today, because my mom chose life, I am me. My mom was given practically no chance, but she still underwent painful experiences, emotionally and physically, to give me life. I am who I am today, because of her. She had to make a choice. And she chose me!

Because of the enormous obstacles overcome in my struggle, many people have deemed my birth to be a miracle. However, I have learned that life itself, is truly the miracle. Sometimes I forget how precious life is and we all tend to overlook the magic of every day. But then I remember. I remember that there are children not as fortunate as I am. I remember the dream that lies in every moment, and the expectation born in every thought. I remember that I am me. But most importantly, I remember the day I learned to fully appreciate the value of life. It was the day when my mom told me that the result of her choice had turned out to be priceless!

#### TRIBUTE TO SAINTS PETER AND PAUL EVANGELICAL LUTHERAN CHURCH ON ITS 95TH ANNIVERSARY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 21, 1996*

Mr. LIPINSKI. Mr. Speaker, I would like to pay tribute to an outstanding church in my congressional district celebrating 95 years of service to its community this year.

Founded just after the turn of the century, Saints Peter and Paul Evangelical Lutheran Church in Riverside, IL, has served the spiritual needs of its congregation and the community at large since then.

As we know, churches are the backbone of any community and Saints Peter and Paul has been one of the more important supporting structures of Riverside for more than nine decades.

Mr. Speaker, I congratulate Saints Peter and Paul on its 95th anniversary and wish the church many more years of service to its congregation and community.

#### COMMENDING THE SAVE THE DUNES COUNCIL

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 21, 1996*

Mr. VISCLOSKY. Mr. Speaker, it is my honor to commend the Save the Dunes Council, and its executive director, Tom Anderson, as they celebrate their 44th anniversary. The Save the Dunes Council is primarily responsible for the creation of the Indiana Dunes National Lakeshore, which celebrates its 30th anniversary this year.

The Save the Dunes Council was formed to establish a dunes national park. Its main goal was to fight off plans of powerful political and economic interests to industrialize the entire Hoosier shoreline on Lake Michigan. In 1952, Dorothy Buell, a citizen of Ogden Dunes, invited two dozen area women to a meeting in her house on the first day of the summer. This fledgling group was called the Save the Dunes Council. Their main focus was to raise money to buy the 5 miles of beach and dunes gen-

erally located between the towns of Dune Acres on the east and Ogden Dunes on the west. These women did succeed in purchasing a piece of the unprotected land at a 1953 Port County tax sale, which now stands as Cowles Bog.

From these early beginnings, the council, which included Herb and Charlotte Read, and Illinois Senator Paul Douglas, traveled to Washington, DC, to fight plans to industrialize the area. As a result, on November 5, 1966, the first Indiana Dunes bill was enacted to create the 5,800-acre Indiana Dunes National Lakeshore. Since 1983, Dale B. Enquist has been superintendent of the Indiana Dunes National Lakeshore. This year, Mr. Enquist received the Department of the Interior's highest honor, the Meritorious Service Award.

The Council fought corporate interests and the entire Indiana legislative and congressional delegations in the days before the National Environmental Policy Act and open meetings law. While two steel plants and a deep water port on Lake Michigan now sit in the heart of the dunes, 14,000 acres of Indiana's dunes are forever protected as a State and national parkland.

The Save the Dunes Council developed tactics and strategies that were never used before. It stood up to corporate America and won the battle. The Save the Dunes Council has preserved one of the country's most beautiful and precious assets to ever exist. Mr. Speaker, I ask you and my other distinguished colleagues to join me in commending the Save the Dunes Council, as well as the hope it embodies in its continuing effort to preserve our environment.

#### TRIBUTE TO MR. J. GENE CHAMBERS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 21, 1996*

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to Mr. J. Gene Chambers for being honored with scouting's Distinguished Citizen award by the Clinton Valley Council, Boy Scouts of America. The award will be presented to Mr. Chambers on October 16, 1996 in Clinton Township, Michigan.

J. Gene Chambers began his career in the newspaper industry as a sales representative and was promoted through the ranks to become the business manager of a local paper. In 1982, he became publisher of the Macomb Daily and was promoted to executive vice president and CEO of South Eastern Michigan Newspapers. Mr. Chambers has been credited with rescuing the Macomb Daily and its affiliated papers from financial failure.

The list of community services that Mr. Chambers is involved with is extensive. He annually supports the Wertz Warriors Snowmobile Endurance Ride which benefits the winter Special Olympics and the Macomb County Child Advocacy Center, and was a past board member of the Macomb County Crippled Children's Association. In 1993 he was honored as "Business Citizen of the Year" by the Mount Clemens Business Association for his role in fostering community development.

Taking an active role in one's community is a responsibility we all share, but few fulfill. Mr.

Chambers' time, talents, and energy are appreciated by all of us. I thank him for his efforts and commend him for his good work. I applaud the Boy Scouts of Clinton Valley Council for recognizing Mr. Chambers. He has provided outstanding leadership to our community and I know he is proud to be honored by the Scouts.

On behalf of the Boy Scouts of America, I urge my colleagues to join me in saluting J. Gene Chambers.

#### TRIBUTE TO FRED LANG

HON. WILLIAM J. MARTINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 21, 1996*

Mr. MARTINI. Mr. Speaker, I rise to pay tribute to Fred Lang, for displaying outstanding efforts on behalf of young adults in his community.

Mr. Speaker, Mr. Lang will be honored at the Allied Health Industry for the Benefit of the Exploring Division of Passaic Valley Council, Boy Scouts of America. This branch of the Boy Scouts specializes in career development, citizenship training, social activities, service projects, and outdoor and fitness activities.

Fred Lang is also extremely active in other areas of our community, Mr. Speaker. Mr. Lang serves as a member of the governing boards of the Greater Paterson Chamber of Commerce, Jewish Family Services of Northern New Jersey and Paterson Education Fund, as well as an executive board member of the Passaic Valley Council of Boy Scouts.

Mr. Speaker; as we all know, educating and preparing the youth of this country is a great responsibility. That is why I rise today and commend Frederick Lang for his efforts. His commitment to our young Americans is an investment in our country's future.

#### CONFERENCE REPORT ON H.R. 3005, NATIONAL SECURITIES MARKETS IMPROVEMENT ACT OF 1996

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 21, 1996*

Mr. DINGELL. Mr. Speaker, in connection with the passage of H.R. 3005, the National Securities Markets Improvement Act of 1996, I offer the following extension of my remarks to clarify the congressional intent underlying two key components of the legislation.

#### SEC EXEMPTIVE AUTHORITY AND FRAUD

The House bill and Senate amendment contained substantially identical provisions granting the Securities and Exchange Commission [SEC] general exemptive authority under both the Securities Act of 1933 and the Securities Exchange Act of 1934. See H. Rept. 104-622 at 38; S. Rept. 104-293 at 28. The conference agreement adopted those provisions.

By the express terms of the exemption provisions, any exemption must be necessary or appropriate in the public interest and consistent with the protection of investors.

In that regard, Congress intends the public interest test to include the national public interests noted in the underlying statutes, the prevention of fraud and the preservation

of the financial integrity of the markets, as well as the promotion of responsible financial innovation and fair competition. Clearly exemptions from the antifraud provisions would not be in the public interest nor consistent with the protection of investors. This is consistent with the explanation that was before this body when it passed H.R. 3005 (see Congressional Record, June 18, 1996 at H6447): " \* \* \* this bill does not grant the SEC the authority to grant exemptions from the antifraud provisions of either act. In determining the public interest, Congress has expressed the public interest through the express provisions of law that it has enacted. The SEC may not administratively repeal these provisions by use of the new exemptive authority."

#### QUALIFIED PURCHASER EXCEPTION

The Investment Company Act of 1940 (Investment Company Act) establishes a comprehensive federal regulatory framework for investment companies. Regulation of investment companies is designed to: prevent insiders from managing the companies to their benefit and to the detriment of public investors; prevent the issuance of securities having inequitable or discriminatory provisions; prevent the management of investment companies by irresponsible persons; prevent the use of unsound or misleading methods of computing earnings and asset value; prevent changes in the character of investment companies without the consent of investors; ensure the disclosure of full and accurate information about the companies and their sponsors. To accomplish these ends, the Investment Company Act requires the safekeeping and proper valuation of fund assets, restricts greatly transactions with affiliates, limits leveraging, and imposes governance requirements as a check on fund management.

Congress has been reluctant to exempt pooled investment vehicles from the Investment Company Act unless sufficient alternative protections have been established. Thus, Congress has acted cautiously in enacting any new exemptions, appreciating the perils to the public investor, including sophisticated investors, and the American capital markets that can arise from the operation of pooled investment vehicles outside the Investment Company Act. The following examples are part of the record: Last year, an investment fund, Foundation for New Era Philanthropy, collapsed after reportedly running a "Ponzi scheme" that left its investors, including at least 180 nonprofit organizations, with an estimated \$200 million in losses.

The collapse of the Orange County investment fund last year, reportedly due to overleveraging, portfolio illiquidity, and mispricing of assets, harmed many "sophisticated" investors, including more than 180 local governmental bodies that had invested in the pool.

Last year, David Askin, a failed hedge fund manager, settled administrative proceedings in which the SEC charged him with fraudulent conduct in the collapse of his \$600 million hedge funds. It was reported that the collapse caused serious harm to at least one large personal estate, a pension fund, major state universities, and large insurance and brokerage houses.

In 1992, Steven Wymer pleaded guilty to nine felony counts for defrauding his clients, including a state investment pool in which 88 governmental units reportedly had invested.

Section 3(c)(1) of the Investment Company Act currently exempts from regulation any pooled investment vehicle with up to one hundred investors that has not made and does not propose to make a public offering.

The conference agreement would create a new section 3(c)(7) exemption from the Investment Company Act for pooled investment vehicles that sell their securities only to "qualified purchasers" defined as persons with at least \$5 million in investments and institutional investors with at least \$25 million in investments. The term "investments" must be defined by the SEC.

The conferees believed that investor protections could be maintained under more liberal thresholds than the House bill's \$10 million in "securities" for natural persons and \$100 million in securities for institutional investors. However, for investor protection reasons, the conferees rejected the Senate amendment's provisions that would have allowed the SEC by rule to specify additional qualified purchasers who did not meet the statutorily defined standards of financial sophistication but nonetheless would be taken outside the protections of the Investment Company Act.

Given this record and the purposes of the Investment Company Act, it is not the intention of Congress that the SEC would use its authority under section 6(c) of the Act to reduce the thresholds or to ease the statutorily-established conditions to this exemption.

Moreover, the grandfather provision in section 3(c)(7) was intended to allow existing section 3(c)(1) pools to open themselves up to qualified purchasers without having to terminate longstanding relationships with investors that are not qualified purchasers. The grandfather provision was not intended to allow sponsors to nominally "convert" that pool to a section 3(c)(7) pool in order to raise additional funds through another section 3(c)(1) pool without regard to section 3(c)(1)'s 100 person limitation. In the absence of new, bona fide qualified purchaser investors in the "grandfathered" section 3(c)(1) pool, this would be an abuse of the grandfather provision that Congress did not intend. The grandfather provision also was not intended to override existing interpretative positions concerning the circumstances under which two or more related section 3(c)(1) pools would be integrated for purposes of determining whether section 3(c)(1)'s requirement that the voting securities of a section 3(c)(1) company be owned by no more than 100 persons. Such an abusive practice would not be protected by the "non-integration" provision of new section 3(c)(7)(E) which explicitly provides that that provision does not address the question of whether a person is a bona fide qualified purchaser.

purpose venue for all manner of public gatherings, a forerunner of our modern community convention center. Besides hosting everything from operas, rock concerts, and religious revivals to circuses, conventions, and boxing matches, it is perhaps best remembered as the primary location for generations of school graduations.

In 1986, the city was forced to close the building due to code violations and structural hazards. Sorely missed, the voters approved an initiative in 1992 to restore and reopen the auditorium in its original, multi-purpose configuration.

Phase I of the renovation began in November of 1994. The project was unique in that rather than commission a set of architectural plans to be put out to bid, the city first established a minimum scope of work and a maximum project budget. Then a list of secondary renovation priorities was developed, with instructions to address as many of these items as possible within the budget. Finally, the city asked engineering, design and construction firms to form partnerships to bid on the job, and instructed the winning team to work in tandem to design and build the project. This design/build concept gave them flexibility, which was essential because the cost of some of the work, such as seismic retrofitting, would vary depending on the methods used. Money saved on essential renovations has been applied to secondary priorities.

The result is extraordinary. In addition to the esthetic restoration of the building, alterations have been made to meet modern standards of earthquake and fire safety, and new electrical, mechanical, and environmental systems were installed. Accessibility was enhanced by adding ramps at the front and side entrances, space for wheelchairs in seating areas throughout the main level, new signage, and accessible restrooms. Today, the building looks better than ever and is more safe and functional than ever. Perhaps most importantly, the project has been completed within its budget of \$10.8 million.

For many, the auditorium represents a priceless link with the city's past and the history of its cultural development. Newly refurbished, it is one of Sacramento's most beloved historical landmarks, especially among our community of veterans.

Sacramento Memorial Auditorium is dedicated to the memory of all Sacramento County residents who give their lives in service to the United States in any of America's wars, past or future. The names of these men and women are inscribed in a permanent honor roll displayed within the building, a reminder of the terrible cost of war and a tribute to the price and patriotism of Sacramento residents. As part of the restoration, a new and expanded honor roll has been added, listing our fallen heroes and heroines from the Spanish-American War through the Persian Gulf War.

Mr. Speaker, we ask our colleagues to join us in honoring the men and women who worked to make this project such and overwhelming success. We are proud to have such a beautiful and utilitarian monument to our country's fallen heroes and look forward to many years of continued use and enjoyment.

#### SALUTING THE REOPENING OF THE SACRAMENTO MEMORIAL AUDITORIUM

HON. ROBERT T. MATSUI  
HON. VIC FAZIO  
HON. JOHN T. DOOLITTLE  
HON. RICHARD W. POMBO  
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1996

Mr. MATSUI, Mr. FAZIO, Mr. DOOLITTLE, Mr. POMBO. Mr. Speaker, we rise today to pay tribute to all parties responsible for the grand reopening of the Sacramento Memorial Auditorium.

Originally opened in 1927, this landmark building served for almost 60 years as a multi-