

[Release No. 34-35229; File No. SR-MSTC-94-20]

**Self-Regulatory Organizations;
Midwest Securities Trust Company;
Notice of Filing and Immediate
Effectiveness of Proposed Rule
Change Adopting Procedures for
Payment of Interest to Participants**

January 13, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 28, 1994, the Midwest Securities Trust Company ("MSTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-MSTC-94-20) as described in Items I, II, and III below, which Items have been prepared primarily by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization's
Statement of the Terms of Substance of
the Proposed Rule Change**

The proposed rule change modifies MSTC's procedures with respect to the payment of interest on bond issues of Orange County, California, related agencies and instrumentalities, and any entity participating in the Orange County Investment Pools (collectively referred to as "Orange County Bond Issues").

**II. Self-Regulatory Organization's
Statement of the Purpose of, and
Statutory Basis for, the Proposed Rule
Change**

In its filing with the Commission, MSTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. MSTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

*(A) Self-Regulatory Organization's
Statement of the Purpose of, and
Statutory Basis for, the Proposed Rule
Change*

MSTC's rules permit MSTC to adopt procedures with respect to the payment of interest to participants.² In light of Orange County, California's recent bankruptcy filing, MSTC is changing its

procedures with respect to cash payments of interest on any Orange County Bond issue. Specifically, as a result of the bankruptcy filing and the uncertainty as to the effects of this action on Orange County Bond Issues, MSTC will allocate interest payments on these issues as funds are received from the paying agents. Additionally, MSTC will refund to participants any investment earnings on delayed payments received on Orange County Bond Issues in accordance with its established procedures.

MSTC will continue to actively monitor information being released pertaining to events in Orange County, California. However, since it is too early to assess the full impact that the Orange County bankruptcy filing may have on the Orange County Bond Issues, it may become necessary for MSTC to reverse allocated income and principal payments.³ MSTC will advise participants of specific CUSIP numbers if this action becomes necessary.

MSTC believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act⁴ and the rules and regulations thereunder in that it is designed to assure the safeguarding of securities and funds which are in MSTC's possession or control or for which MSTC is responsible.

*(B) Self-Regulatory Organization's
Statements on Burden on Competition*

MSTC does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

*(C) Self-Regulatory Organization's
Statement on Comments on the
Proposed Rule Change Received From
Members, Participants, or Others*

MSTC has not solicited comments with respect to the proposed rule change, and none have been received.

**III. Date of Effectiveness of the
Proposed Rule Change and Timing for
Commission Action**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Act⁵ and subparagraph (e)(1) of Rule 19b-4⁶ thereunder because the proposed rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of

MSTC. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of MSTC. All submissions should refer to File No. SR-MSTC-94-20 and should be submitted by February 10, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-35228; File No. SR-PTC-94-09]

**Self-Regulatory Organizations;
Participants Trust Company; Notice of
Filing and Immediate Effectiveness of
Proposed Rule Change Codifying
Rules**

January 13, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on January 4, 1995, the Participants Trust Company ("PTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule

⁷ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. § 78s(b)(1) (1988).

³ See MSTC Rules, Article III, Rule 1, Section 2(ii), "Depository Services, Payment, Right to Reverse Credits."

⁴ 15 U.S.C. 78q-1(b)(3)(F) (1988).

⁵ 15 U.S.C. 78s(b)(3)(A)(i) (1988).

⁶ 17 CFR 240.19b-4(e)(1) (1994).

¹ 15 U.S.C. § 78s(b)(1) (1988).

² MSTC Rules, Article IV, Rule 1, Section 3, "Shareholder Services, Dividends and Interest Payments."

change (File No. SR-PTC-94-09) as described in Items I, II, and III below, which items have been prepared primarily by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to codify PTC's rules and provide for the distribution to participants and limited purpose participants.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, PTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. PTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

Following an inspection of PTC in 1994, the Commission's Northeast Regional Office recommended that PTC file a rule change with the Commission to provide participants with a new set of rules and procedures which encompasses all amendments.² The filing of the present proposed rule change to codify PTC's rules and distribute the codified rules to participants and limited purpose participants complies with this recommendation.

Specifically, PTC is distributing to participants and limited purpose participants a fully codified set of rules incorporating all amendments into the text of the rules. In addition, the codified set of rules integrates into the rules PTC's procedures which were formerly appended to the rules as a supplement and which, in certain cases, superseded conflicting provisions in the rules. The integration of the amendments and the procedures into the text of PTC's rules makes them easier to follow and to understand by

eliminating the need to refer to several documents at once. In the future, amendments to the rules will be distributed to participants and limited purpose participants in the form of substitute pages that will replace superseded pages in the codified text.

PTC believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act³ and the rules and regulations thereunder in that it is designed to promote the prompt and accurate settlement of securities transactions and to remove impediments to and perfect the mechanisms of a national system for the prompt and accurate settlement of securities transactions.

(B) Self-Regulatory Organization's Statements on Burden on Competition

PTC does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

PTC has not solicited comments with respect to the proposed rule change, and none have been received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Act⁴ and subparagraph (e)(1) of Rule 19b-4⁵ thereunder because the proposed rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the self-regulatory organization. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW.,

Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of PTC. All submissions should refer to File No. SR-PTC-94-09 and should be submitted by February 10, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

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[Release No. IC-20839; 813-132]

Morgan Stanley Capital Investors, L.P. and Morgan Stanley Group Inc.; Notice of Application

January 13, 1995.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the "Act").

APPLICANTS: Morgan Stanley Capital Investors, L.P. (the "Initial Partnership"); and Morgan Stanley Group Inc. ("MSG").

RELEVANT ACT SECTIONS: Applicants seek an order under sections 6(b) and 6(e) granting an exemption from all provisions of the Act except section 9, certain provisions of sections 17 and 30, sections 36 through 53, and the rules and regulations thereunder.

SUMMARY OF APPLICATION: Applicants seek an order, on behalf of the Initial Partnership and certain partnerships or investment vehicles organized by MSG (together, the "Partnerships") that would grant an exemption from most provisions of the Act, and would permit certain affiliated and joint transactions. Each Partnership will be an employees' securities company within the meaning of section 2(a)(13) of the Act. Partnership interests will be offered to

² Letter from Richard H. Walker, Regional Director, Northeast Regional Office, Commission, to John J. Sceppa, President and Chief Executive Officer, PTC (July 7, 1994).

³ 15 U.S.C. § 78q-1(b)(3)(F) (1988).

⁴ 15 U.S.C. § 78(b)(3)(A)(i) (1988).

⁵ 17 CFR 240.19b-4(e)(1) (1994).

⁶ 17 CFR 200.30-3(a)(12) (1994).