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Any interested party may submit comments on this document for consideration by the staff. To be certain of consideration, comments on this report must be received by February 28, 1995. Comments received after the due date will be considered to the extent practical. Comments on the DEIS should be sent to Chief, High-Level Waste and Uranium Recovery Projects Branch, Mail Stop TWFN 7-9, Division of Waste Management, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

**FOR FURTHER INFORMATION CONTACT:** Mr. Michael C. Layton, High-Level Waste and Uranium Recovery Projects Branch, Mail Stop TWFN 7-9, Division of Waste Management, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555. Telephone 301/415-6676.

**SUPPLEMENTARY INFORMATION:** The NRC, in cooperation with the BLM and the BIA, has prepared a DEIS regarding the administrative action of authorizing Hydro Resources, Inc. (HRI), to conduct in-situ leach uranium mining, also known as solution mining, in compliance with a combined source and byproduct material license issued by the NRC, and minerals operating leases issued for Federal and Indian lands by the BLM and BIA. The license and leases would provide programmatic and regulatory oversight in administrative matters; impose operating restrictions and license conditions, as appropriate; and specify environmental monitoring, recordkeeping, and reporting requirements. The DEIS describes the evaluation by the interagency review group concerning (1) the purpose of and need for the proposed action, evaluated under NEPA and the agencies' implementing regulations, (2) alternatives considered, (3) existing environmental conditions, and (4) environmental consequences of the proposed action and proposed mitigating measures. This DEIS concludes, after weighing the environmental, and other benefits of the proposed project against the environmental and other costs, that the appropriate action is to issue the requested license and leases authorizing the applicant to proceed with the project as discussed in this DEIS.

A Notice of Availability and Notice of Opportunity for Hearing were published

previously (59 FR 56557, November 14, 1994). The notice offered members of the public an opportunity to comment upon the DEIS and to request an adjudicatory hearing on the licensing application. The closing date for requesting an Opportunity for Hearing on the pending licensing action expired on December 14, 1994; the date for submitting public comments on the DEIS originally expired on January 7, 1995. Several requests were received by the NRC to extend the 60-day public comment period. The NRC acceded to these requests and extended the comment period from January 7, 1995 to February 28, 1995.

The purpose of this notice is to inform the public that three public meetings will be held at the Chapter Houses in Crownpoint and Church Rock, New Mexico for the purpose of receiving comments on this DEIS. Written comments must be received by February 28, 1995. Comments received after this date will be considered to the extent practical. Any interested party may submit comments on this document for consideration by the staff.

Dated at Rockville, Maryland, this 30th day of January 1995.

For the Nuclear Regulatory Commission

**John O. Thoma,**

*Acting Chief, High-Level Waste and Uranium Recovery Projects Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards.*

[FR Doc. 94-2797 Filed 2-3-95; 8:45 am]

BILLING CODE 7590-01-M

## PHYSICIAN PAYMENT REVIEW COMMISSION

### Commission Meeting

**AGENCY:** Physician Payment Review Commission.

**ACTION:** Notice of meeting.

**SUMMARY:** The Commission will hold meetings on Thursday, February 23 and Friday, February 24, 1995 at the Washington Marriott hotel, 1221 22nd Street NW., Washington, DC, in the Dupont Room to review and revise the draft of its Annual Report to Congress due March 31, 1995. The meeting is scheduled to begin at 10 a.m. on Thursday and 9 a.m. on Friday and the discussion will follow the chapter outline of the report:

#### I. Medicare and Medicaid

1. Background and Overview
2. Access for Medicare Beneficiaries
3. Physician Payment Under the Medicare Fee Schedule
4. Volume Performance Standards
5. Medicare and Other Payers

6. Medicare Risk Program Payment Policy
7. Medicare Coverage Decisions
8. Telemedicine
9. Medicaid Demonstration Waivers

#### II. Broader Health Care System Issues

10. Background and Overview
11. Insurance Reform in a Voluntary Market
12. Relationships between Health Plans and Providers
13. Provider-Driven Integration
14. Network Development in Rural Areas
15. Physician Networks and Antitrust
16. The Changing Labor Market for Physicians
17. Medical Liability Reform
18. Monitoring Quality and Performance
19. Development and Use of Practice Guidelines

#### Appendix

A. Use of Medicare Relative Value Scale by other Payers

While an attempt will be made to keep to this outline, topics may be taken out of sequence. If there is one particular topic of interest, please call to confirm the agenda the week prior to the meeting. After the Commission has reviewed the major conclusions and recommendations for the annual report, it will adjourn into Executive Session for editorial review of the report chapters.

**Addresses:** Please note that the Commission has a new address: 2120 L Street, NW./Suite 200/Washington, DC 20037. The telephone number is the same: 202/653-7220.

**For Further Information Contact:** Annette Hennessey, Executive Assistant, at 202/653-7220.

**Supplementary Information:** Because of the meeting's format, no agenda will be issued. You may confirm the meeting time and order of issues by calling the Commission's office at 202-653-7220.

**Lauren B. LeRoy,**

*Acting Executive Director.*

[FR Doc. 95-2770 Filed 2-3-95; 8:45 am]

BILLING CODE 6820-SE-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-20869; 812-9348]

### ABT Growth and Income Trust, et al.; Notice of Application

January 30, 1995.

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

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

**APPLICANTS:** ABT Growth and Income Trust, ABT Utility Income Fund, Inc., ABT Investment Series, Inc., ABT Southern Master Trust (together, the "Companies"), ABT Financial Services, Inc. ("ABTFS"), and Palm Beach Capital Management, Ltd. ("PBCM").

**RELEVANT ACT SECTIONS:** Conditional order requested under section 6(c) of the Act granting an exemption from sections 2(a)(32), 2(a)(35), 18(f), 18(g), 18(i), 22(c), and 22(d) thereof and rule 22c-1 thereunder.

**SUMMARY OF APPLICATION:** Applicants seek a conditional order permitting the Companies to issue multiple classes of shares representing interests in the same portfolio of securities, and to assess and, under certain circumstances, waive a contingent deferred sales charge ("CDSC") on certain share redemptions. Applicants request that any relief granted pursuant to the application also apply to future investment companies (a) for which PBCM or any person controlling, controlled by, or under common control with PBCM serves as investment adviser, and/or ABTFS or any person controlling, controlled by, or under common control with ABTFS serves as principal underwriter, and (b) that issue and sell classes of shares on a basis identical in all material respects to that described in the application.

**FILING DATE:** The application was filed on December 8, 1994. Counsel for Applicants has undertaken to file an amendment during the notice period, the substance of which is incorporated herein.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on February 24, 1995, and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reasons for the request, and the issues contested. Persons who wish to be notified of a hearing may request such notification by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street NW., Washington, DC 20549. Applicants, 340 Royal Palm Way, Palm Beach, Florida 33480.

**FOR FURTHER INFORMATION CONTACT:** H.R. Hallock, Jr. Special Counsel, at (202) 942-0564 or Barry D. Miller, Senior Special Counsel at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch.

### Applicants' Representations

1. Each of the Companies is an open-end diversified management investment company registered under the Act. ABT Southern Master Trust offers three portfolios. The other three Companies each offer one portfolio. (The six portfolios, together with any future investment companies that rely on the requested order, are referred to below as the "Funds".)

2. PBCM, or a person controlling, controlled by, or under common control with PBCM, will be the investment adviser for each Fund. ABTFS, or a person controlling, controlled by, or under common control with ABTFS, will serve as the distributor of the shares of each Fund (the "Distributor"). Shares of the Funds will be available through the Distributor and through financial intermediaries that have entered into agreement with the Distributor to sell shares.

#### A. The Multiple Class System

1. Applicants propose that each Fund be permitted to create an unlimited number of classes (the "Multiple Class System"), which would allow each Fund to offer investors the option of purchasing shares (a) in connection with a plan or plans adopted pursuant to rule 12b-1 under the Act (a "Distribution Plan"); (b) in connection with a non-rule 12b-1 shareholder services plan or plans (a "Shareholder Services Plan"), (c) in connection with the allocation of certain expenses that are directly attributable only to a particular class; (d) without any Distribution Plan or Shareholder Services Plan (collectively, the "Plans"); (e) subject to varying front-end sales charges; (f) subject to varying CDSCs; and/or (g) subject to certain conversion features.

2. With respect to each class, each Fund could enter into one or more Distribution Plan agreements and/or Shareholder Services Plan agreements (collectively, "Plan Agreements") with PBCM, the Distributor, and/or other groups, organizations or institutions concerning the provision of certain services to shareholders of that class. With respect to each class, a Fund could pay either directly or indirectly for such services under a Plan Agreement ("Plan Payments"). The expense of Plan Payments would be borne entirely by the owners or beneficial owners of the class of the Fund to which the Plan Agreement relates.

3. The provision of distribution services and shareholder servicing under the Plans will complement (and not be duplicative of) the services to be

provided to each Fund by its manager, investment adviser(s), and/or distributor, and by the parties that provide custody, transfer agency, and administrative services to each Fund. When a class is subject to both a Distribution Plan and a Shareholder Services Plan, the provision of services under one Plan will complement (and not be duplicative of) the services provided under the other Plan. The Funds will comply with Article III, Section 26 of the Rules of Fair Practice of the National Association of Securities Dealers, Inc. ("NASD") with respect to asset-based distribution charges.

4. The expenses of the Companies that cannot be attributed directly to any one Fund ("Company Expenses") generally will be allocated to each Fund based on the relative net assets of the Fund. Certain expenses that may be attributable to a particular Fund, but not a particular class ("Fund Expenses"), will be allocated to each class based upon the relative net assets of the classes. Certain expenses may be attributable to a particular class of a Fund ("Class Expenses"). All such Class Expenses incurred by a class will be charged directly to the net assets of that particular class, and thus will be borne on a *pro rata* basis by the outstanding shares of such class.

5. PBCM may choose to reimburse or waive Class Expenses on certain classes of a Fund on a voluntary, temporary basis. Class Expenses are by their nature specific to a given class and, therefore, expected to vary from one class to another. Applicants thus believe that it is acceptable and consistent with shareholder expectations to reimburse or waive Class Expenses at different levels for different classes of the same Fund.

6. In addition, PBCM may waive or reimburse, Company Expenses and/or Fund Expenses (with or without a waiver or reimbursement of Class Expenses), but only if the same proportionate amount of Company Expenses and/or Fund Expenses are waived or reimbursed for each class of the Fund. Thus, any Company Expenses that are waived or reimbursed would be credited to each class of a Fund based on the relative net assets of the classes. Similarly, any Fund Expenses that are waived or reimbursed would be credited to each class of that Fund according to the relative net assets of the classes.

7. Because Plan Payments and other Class Expenses will be borne exclusively by the class to which they are attributable, the net income and net asset value per share of (and dividends payable to) each class within a Fund may be different. Dividends and other

distributions payable to each class of shares in a Fund, however, will be declared and paid on the same days and at the same times, and, except with respect to Plan Payments and Class Expenses, will be determined in the same manner and paid in the same amounts.

8. Shares of one or more classes subject to a CDSC ("Convertible CDSC Shares") may automatically convert to shares of a class not subject to a CDSC ("Non-CDSC Shares") after a prescribed period of time, and thereafter be subject to lower Plan Payments, if any, applicable to the Non-CDSC Shares. It is expected that Convertible CDSC Shares will convert to Non-CDSC Shares after approximately eight years from the purchase date. Non-CDSC Shares will in all cases be subject to lower aggregate Plan Payments, if any, and any other ongoing Class Expenses than Convertible CDSC Shares.

9. The conversion will be on the basis of the relative net asset values of the two classes, without the imposition of any sales or other charge except that any asset-based sales or other charge applicable to the Non-CDSC Shares would thereafter be applied to the converted shares. Convertible CDSC Shares in a shareholder's account that were purchased through the reinvestment of dividends and other distributions paid in respect of Convertible CDSC Shares will be considered to be held in a separate sub-account. Each time any Convertible CDSC Shares in the shareholder's account convert to Non-CDSC Shares, a *pro rata* portion of the Convertible CDSC Shares then in the sub-account will also convert to Non-CDSC Shares.

10. The conversion of Convertible CDSC Shares into Non-CDSC Shares would be subject to the availability of an opinion by counsel or an Internal Revenue Service private letter ruling to the effect that the conversion does not constitute a taxable event under federal income tax law. The proposed conversion may be suspended if such a ruling or opinion is not available. In that event, no further conversions would occur and the Convertible CDSC Shares might be subject to higher Plan Payments for an indefinite period.

11. Different classes within a Fund will have different exchange privileges. Shares may be exchanged at net asset value for shares of the corresponding class of certain other Funds. Exchange privileges will comply with rule 11a-3 under the Act.

#### B. The CDSC

1. Applicants request that the Funds be permitted to assess a CDSC on share

redemptions of certain classes, if such shares are redeemed within a prescribed period of time after purchase.

In no event would the amount of the CDSC exceed 6% of the aggregate purchase payments made by an investor in a CDSC class. The CDSC of any particular Fund, however, may be lower than 6%. The amount of the CDSC to be imposed in any given instance will depend on the number of years elapsed since the investor purchased the shares being redeemed, as set forth in the Fund's prospectus. The amount of the CDSC will be calculated as the lesser of the amount that represents a specified percentage of the net asset value of the shares at the time of purchase, or the amount that represents such percentage of the net asset value of the shares at the time of redemption. The CDSC will comply, to the extent applicable, with the requirements of Article III, Section 26(d) of the Rules of Fair Practice of the NASD.

2. The CDSC will not be imposed on redemptions of shares that were purchased more than six years prior to the redemptions (the "CDSC Period"), or on shares derived from reinvestment of dividends or distributions. No CDSC will be imposed on an amount that represents an increase in the value of the shares redeemed resulting from capital appreciation above the amount paid for such shares purchased during the CDSC Period. In determining the applicability and rate of any CDSC, it will be assumed that a redemption is made first on shares representing reinvestment of dividends and capital gain distributions, then of shares held by the shareholder for a period equal to or greater than the CDSC Period, and finally of other shares held by the shareholder for the longest period of time. This will result in a charge, if any, imposed at the lowest possible rate. No CDSC will be imposed on any shares issued prior to the date of the order granting exemptive relief.

3. Applicants request the ability to waive or reduce the CDSC in certain instances as described in the application. If a Fund waives or reduces the CDSC, such waiver or reduction will be uniformly applied to all offerees of the particular class of the Fund's shares. In waiving or reducing the CDSC, the Funds will comply with the requirements of rule 22d-1 under the Act. The CDSC will be waived or reduced as provided in a Fund's prospectus at the time the investor purchased the shares.

4. Applicants also request the ability to provide a *pro rata* credit for any CDSC paid in connection with a redemption followed by a reinvestment

effected within a specified period not exceeding 365 days from the redemption. Such credit will be paid by the Distributor.

#### Applicants' Legal Analysis

1. Applicants request an order under section 6(c) of the Act for an exemption from sections 18(f)(1), 18(g), and 18(i) to the extent that the proposed Multiple Class System may be deemed to (a) result in a "senior security" within the meaning of section 18(g) and to be prohibited by section 18(f)(1); and (b) violate the equal voting provisions of section 18(i). Applicants also request an order pursuant to section 6(c) providing an exemption from sections 2(a)(32), 2(a)(35), 22(c), and 22(d) of the Act and rule 22c-1 thereunder, to the extent necessary to permit the imposition of a CDSC on certain redemptions of shares, and the waiver or reduction of the CDSC in certain circumstances.

2. Applicants believe that the proposed allocation of expenses and voting rights in the manner described in the application is equitable and would not discriminate against any group of shareholders. Although investors purchasing shares offered in connection with a Plan and/or bearing particular Class Expenses would bear the costs associated with the related services, they would also enjoy the benefits of those services and the exclusive shareholder voting rights with respect to matters affecting the applicable Plan. Conversely, investors purchasing shares that are not covered by a Plan or not bearing Class Expenses would not be burdened with such expenses or enjoy such voting rights.

3. Applicants assert that the abuses that section 18 of the Act is intended to redress are not present under the proposed arrangement. In this regard, Applicants state that because the rights and privileges of classes with respect to any Fund would be substantially identical, the possibility that their interests would ever conflict is remote. In addition, the proposed arrangement does not involve borrowings and does not affect the Funds' assets or reserves. Nor will the proposed arrangement increase the speculative character of the shares in a Fund, because all shares will participate in all of the Fund's appreciation, income, and expenses. No class of shares will have any preference or priority over any other class in a Fund in the usual sense (that is, no class will have distribution or liquidation preferences with respect to particular assets and no class will be protected by any reserve or other account).

### Applicants' Conditions

Applicants agree that the following conditions may be imposed in any order granting the requested relief:

1. Each class of shares of a Fund will represent interests in the same portfolio of investments, and be identical in all respects, except as set forth below. The only differences between the classes of shares of a Fund will relate solely to one or more of the following: (a) Expenses assessed to a class pursuant to a Plan, if any, with respect to such class; (b) the impact of Class Expenses, which will be limited to any or all of the following: (i) Transfer agent fees identified as being attributable to a specific class of shares, (ii) stationery, printing, postage, and delivery expenses related to preparing and distributing materials such as shareholder reports, prospectuses, and proxy statements to current shareholders of a specific class, (iii) Blue Sky registration fees incurred by a class of shares, (iv) SEC registration fees incurred by a class of shares, (v) expenses of administrative personnel and services as required to support the shareholders of a specific class, (vi) directors/trustees' fees or expenses incurred as a result of issues relating to one class of shares, (vii) accounting expenses relating solely to one class of shares, (viii) auditors fees, litigation expenses, and legal fees and expenses relating to a class of shares, (ix) expenses incurred in connection with shareholders' meetings as a result of issues relating to one class of shares, and (x) any other incremental expenses subsequently identified which should be properly allocated to a particular class of shares and which, as such, are approved by the SEC pursuant to an amended order; (c) the fact that the classes will vote separately with respect to matters relating to a Fund's Distribution Plan, if any, or any other matters appropriately limited to such class(es), except as provided in condition 15 below; (d) the different exchange privileges of the classes of shares, if any; (e) the designation of each class of shares of a Fund; and (f) certain conversion features offered by some of the classes.

2. Each Company's board of directors/trustees ("Trustees"), including a majority of the Trustees who are not interested persons of the Company ("Independent Trustees"), will have approved the Multiple Class System with respect to a particular Fund prior to the implementation of the system by that Fund. The minutes of the meetings of the Trustees regarding the deliberations of the Trustees with respect to the approvals necessary to

implement the Multiple Class System will reflect in detail the reasons for the determination by the Trustees that the proposed Multiple Class System is in the best interests of each Fund and its shareholders.

3. The initial determination of the Class Expenses that will be allocated to a particular class and any subsequent changes thereto will be reviewed and approved by a vote of the Trustees, including a majority of the Independent Trustees. Any person authorized to direct the allocation and disposition of monies paid or payable by a Fund to meet Class Expenses shall provide to the Trustees, and the Trustees shall review, at least quarterly, a written report of the amounts so expended and the purposes for which such expenditures were made.

4. If any class will be subject to a Shareholder Services Plan, the Plan will be adopted and operated in accordance with the procedures set forth in rule 12b-1(b) through (f) as if the expenditures made thereunder were subject to rule 12b-1, except that shareholders will not enjoy the voting rights specified in rule 12b-1.

5. On an ongoing basis, the Trustees, pursuant to their fiduciary responsibilities under the Act and otherwise, will monitor each Fund, as applicable, for the existence of any material conflicts among the interests of the classes of its shares, if there is more than one class. The Trustees, including a majority of the Independent Trustees, shall take such action as is reasonably necessary to eliminate any such conflicts that may develop. Each Fund's investment manager and/or Distributor will be responsible for reporting any potential or existing conflicts to the Trustees. If such a conflict arises, the Fund's investment manager and/or Distributor, at their own expense, will take such actions as are necessary to remedy such conflict, including establishing a new registered management investment company, if necessary.

6. The Trustees will receive quarterly and annual statements concerning the amounts expended under the Plans complying with paragraph (b)(3)(ii) of rule 12b-1, as it may be amended from time to time. In the statements, only expenditures properly attributable to the sale or servicing of a particular class of shares will be used to justify any fee for services charged to that class. Expenditures not related to the sale or servicing of a particular class will not be presented to the Trustees to justify any fee attributable to that class. The statements, including the allocations upon which they are based, will be

subject to the review and approval of the Independent Trustees in the exercise of their fiduciary duties.

7. Dividends and other distributions paid by a Fund with respect to each class of its shares, to the extent any dividends and other distributions are paid, will be declared and paid on the same day and at the same time, and will be determined in the same manner and will be in the same amount, except that the amount of the dividends declared and paid by a particular class may be different from that of another class because Plan Payments made by a class under a Plan and other Class Expenses will be borne exclusively by that class.

8. The methodology and procedures for calculating the net asset value and dividends and other distributions of the classes and the proper allocation of expenses among the classes have been reviewed by an expert (the "Expert") who has rendered a report to the Applicants, which has been provided to the SEC, stating that such methodology and procedures are adequate to ensure that such calculations and allocations would be made in an appropriate manner. On an ongoing basis, the Expert, or an appropriate substitute Expert, will monitor the manner in which the calculations and allocations are being made and, base upon such review, will render at least annually a report to the Funds that the calculations and allocations are being made properly. The reports of the Expert will be filed as part of the periodic reports filed with the SEC pursuant to sections 30(a) and 30(b)(1) of the Act. The work papers of the Expert with respect to such reports, following request by the Funds which the Funds agree to make, will be available for inspection by the Commission staff upon written request to the Funds for such work papers by a senior member of the Division of Investment Management or of a Regional Office of the SEC, limited to the Director, an Associate Director, the Chief Accountant, the Chief Financial Analyst, an Assistant Director, and any Regional Administrators or Associate or Assistant Administrators. The initial report of the Expert is a report on the "Design of a System," including policies and procedures related thereto to be placed into operation, as defined and described in Statement of Auditing Standards ("SAS") No. 70 of the American Institute of Certified Public Accountants ("AICPA") and the ongoing reports will be "Reports on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness" as defined and described in SAS No. 70 of the AICPA, as it may be amended from time to time, or in similar auditing

standards as may be adopted by the AICPA from time to time.

9. Applicants have adequate facilities in place to ensure implementation of the methodology and procedures for calculating the net asset value and dividends and other distributions of the classes of shares and the proper allocation of expenses among the classes of shares and this representation has been concurred with by the Expert in the initial report referred to in condition 8 above and will be concurred with by the Expert, or an appropriate substitute Expert, on an ongoing basis at least annually in the ongoing reports referred to in condition 8 above. Applicants will take immediate corrective action if the Expert or appropriate substitute Expert does not so concur in the ongoing reports.

10. The conditions pursuant to which the exemptive order is granted and the duties and responsibilities of the Trustees with respect to the Multiple Class System will be set forth in guidelines that will be furnished to the Trustees.

11. Each of the Funds will disclose the respective expenses, performance data, distribution arrangements, services, fees, sales loads, deferred sales loads, conversion features, and exchange privileges applicable to each class of shares in every prospectus, regardless of whether all classes of shares are offered through such prospectus. Each Fund will disclose the respective expenses and performance data applicable to all classes of shares in every shareholder report. The shareholder reports will contain, in the statement of assets and liabilities and statement of operations, information related to the Fund as a whole generally and not on per class basis. Each Fund's per share data, however, will be prepared on a per class basis with respect to all classes of shares of such Fund. To the extent any advertisement or sales literature describes the expenses or performance data applicable to any class of shares, it will also disclose the expenses and/or performance data applicable to all classes of shares. The information provided by Applicants for publication in any newspaper or similar listing of the Funds' net asset values and public offering prices will present each class of shares separately.

12. The prospectus of each Fund will contain a statement to the effect that a salesperson and any other person entitled to receive compensation for selling or servicing Fund shares may receive different levels of compensation with respect to one particular class of shares over another in the Fund.

13. Applicants acknowledge that the grant of the exemptive order requested by the application will not imply SEC approval of, authorization of, or acquiescence in any particular level of payments that any Fund may make pursuant to a Plan in reliance on the exemptive order.

14. Any class of shares with a conversion feature will convert into another class of shares on the basis of the relative net asset values of the two classes, without the imposition of any sales load, fee, or other charge. After conversion, the converted shares will be subject to an asset-based sales charge and/or service fee (as those terms are defined in Article III, Section 26 of the NASD's Rules of Fair Practice), if any, that in the aggregate are lower than the asset-based sales charges and service fee to which they were subject prior to the conversion.

15. If a Fund implements any amendment to a Distribution Plan (or, if presented to shareholders, adopts or implements any amendment of a Shareholder Services Plan) that would increase materially the amount that may be borne by the Non-CDSC Shares under the Plan, then existing CDSC Shares will stop converting into the Non-CDSC Shares unless the holders of a majority of convertible CDSC Shares, as defined in the Act, voting separately as a class, approve the amendment. The Trustees shall take such action as is necessary to ensure that existing Convertible CDSC Shares are exchanged or converted into a new class of shares ("New Non-CDSC Shares"), identical in all material respects to Non-CDSC Shares as they existed prior to implementation of the amendment, no later than the date such shares previously were scheduled to convert into Non-CDSC Shares. If deemed advisable by the Trustees to implement the foregoing, such action may include the exchange of all existing Convertible CDSC Shares for a new class ("New Convertible CDSC Shares") of shares, identical to existing Convertible CDSC Shares in all material respects except that the New Convertible CDSC Shares will convert into the New Non-CDSC Shares. The New Non-CDSC Shares and New Convertible CDSC Shares may be formed without further exemptive relief. Exchanges or conversions described in this condition shall be effected in a manner that the Trustees reasonably believe will not be subject to Federal taxation. In accordance with condition 5, any additional cost associated with the creation, exchange, or conversion of the New Non-CDSC Shares or New Convertible CDSC Shares shall be borne solely by the Fund's investment

manager or Distributor. Convertible CDSC Shares sold after the implementation of the amendment may convert into Non-CDSC Shares subject to the higher maximum payment, provided that the material features of the Non-CDSC Shares plan and the relationship of such plan to the Convertible CDSC Shares are disclosed in an effective registration statement.

16. The Distributor will adopt compliance standards as to when each class of shares may be sold to particular investors. Applicants will require all persons selling shares of a Fund to agree to conform to such standards.

17. Applicants will comply with the provisions of proposed rule 6c-10 under the Act, Investment Company Act Release No. 16169 (Nov. 2, 1988), as such rule is currently proposed and as it may be repropoed, adopted or amended.

For the Commission, by the Division of Investment Management, under delegated authority.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 95-2752 Filed 2-3-95; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-20868; 812-9312]

### **Franklin Gold Fund, et al.; Notice of Application**

January 30, 1995.

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

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

**APPLICANTS:** Franklin Gold Fund; Franklin Premier Return Fund; Franklin Equity Fund; AGE High Income Fund, Inc.; Franklin Custodian Funds, Inc.; Franklin Money Fund; Franklin California Tax-Free Income Fund, Inc.; Franklin Federal Money Fund; Franklin Tax-Exempt Money Fund; Franklin New York Tax-Free Income Fund, Inc.; Franklin Federal Tax-Free Income Fund; Franklin Tax-Free Trust; Franklin California Tax-Free Trust; Franklin New York Tax-Free Trust; Franklin Investors Securities Trust; Institutional Fiduciary Trust; Franklin Balance Sheet Investment Fund; Franklin Tax-Advantaged International Bond Fund; Franklin Tax-Advantaged High Yield Securities Fund; Franklin Tax-Advantaged U.S. Government Securities Fund; Franklin Strategic Mortgage Portfolio; Franklin Municipal Securities Trust; Franklin Managed Trust; Franklin Strategic Series; Adjustable Rate Securities Portfolios; The Money Market