

shares. Applicant never made a public offering of its securities and its registration statement under the 1933 Act was withdrawn pursuant to rule 477 of Regulation C of the 1933 Act as of December 29, 1993.

2. Applicant has no shareholder, liabilities, or assets. Applicant is not a party to any litigation or administrative proceeding.

3. Applicant is not now engaged, nor does it propose to engage in any business activities other than those necessary to wind up its affairs.

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

Margaret H. McFarland,

Deputy Secretary.

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[Rel. No. IC-20870 / 812-9430]

The Dreyfus/Laurel Funds, Inc. 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 1949 (the "Act").

APPLICATIONS: The Dreyfus/Laurel Funds, Inc. ("Dreyfus/Laurel Funds") and The Dreyfus/Laurel Investment Series ("Dreyfus/Laurel Series").

RELEVANT ACT SECTIONS: Order requested under section 17(b) granting an exemption from section 17(a), and under section 17(d) and rule 17d-1 permitting certain joint transactions.

SUMMARY OF APPLICATION: Applicants request an order to permit Dreyfus International Equity Allocation Fund (the "Acquiring Fund"), a series of Dreyfus/Laurel Funds, to acquire all of the assets of Dreyfus/Laurel International Fund (the "Acquired Fund"), a series of Dreyfus/Laurel Series. (The Acquiring Fund and the Acquired Fund are referred to individually as a "Fund" and collectively as the "Fund.") Because of certain affiliations, the two series may not rely on rule 17a-8 under the Act.

FILING DATE: The application was filed on January 11, 1995.

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 applicant 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 applicant, 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 reason for the request, and the issues contested.

Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicant, 200 Park Avenue, New York, New York 10166.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Staff Attorney, at (202) 942-0574, or Robert A. Robertson, Branch Chief, 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 at the SEC's Public Reference Branch.

Applicants' Representations

1. The Acquiring Fund is one of nineteen series of Dreyfus/Laurel Funds, a Maryland corporation. Dreyfus/Laurel Funds is registered as an open-end management investment company and the shares of the Acquiring Fund are registered under the Securities Act of 1933. The Acquired Fund is one of three series of Dreyfus/Laurel Series, a Massachusetts business trust. Dreyfus/Laurel Series is registered as an open-end management investment company and the shares of the Acquired Fund are registered under the Securities Act.

2. The Dreyfus Corporation ("Dreyfus") serves as the investment manager to each Fund. Dreyfus is a wholly-owned subsidiary of Mellon Bank, N.A. ("Mellon"), which in turn is a wholly-owned subsidiary of Mellon Bank Corporation.

3. Mellon holds with power to vote more than 50% of the outstanding shares of the Acquiring Fund and controls Dreyfus. The Acquiring Fund currently offers two classes of shares, Investor Class shares and Class R shares. Class R shares are sold primarily to bank trust departments and other financial service providers. The objective of the Acquiring Fund is to exceed the total return of the Morgan Stanley Capital International—Europe Australia Far East Index benchmark through active stock selection, country allocation and currency allocation. The Acquired Fund, currently offering only Investor Class shares, seeks long-term growth in capital by investing in common stocks and securities convertible into common

stock of companies located outside the United States. Neither Fund imposes a sales charge in connection with the purchase or redemption of shares.

4. The Acquiring Fund proposes to acquire all or substantially all of the assets of the Acquired Fund in exchange for Investor Class shares of the Acquiring Fund on or about May 1, 1995, the closing date. The number of full and fractional Investor Class shares of the Acquiring Fund to be issued to shareholders of the Acquired Fund will be determined on the basis of the relative net asset values of the Acquired Fund and the Acquiring Fund. After the closing date, the Acquired Fund will liquidate and distribute *pro rata* to its shareholders of record the Investor Class shares of the Acquiring Fund received by it in the reorganization. After such distribution and the winding up of its affairs, the Acquired Fund will be terminated.

5. An agreement and plan of reorganization (the "Reorganization Agreement") was unanimously approved by the board of directors of Dreyfus/Laurel Funds, including the non-interested directors, and by the board of trustees of the Dreyfus/Laurel Series, including the independent trustees, on December 20, 1994. In the assessment of the reorganization and the terms of the Reorganization Agreement, the factors considered by the boards of Dreyfus/Laurel Funds and Dreyfus/Laurel Series included: (a) the relative past growth in assets and investment performance of the Funds; (b) the future prospects of the Funds, both under circumstances where they are not reorganized and where they are reorganized; (c) the compatibility of the investment objectives, policies and restrictions of the Acquiring Fund and the Acquired Fund; (d) the effect of the reorganization on the expense ratios of each Fund; (e) the costs of the reorganization to the Funds; (f) whether any future cost savings could be achieved by combining the Funds; (g) the tax-free nature of the reorganization; and (h) alternatives to the reorganization.

6. The Dreyfus/Laurel Series will submit the proposed reorganization plan to the shareholders of the Acquired Fund for their approval at a meeting expected to be held in April, 1995. Shareholders of the Acquired Fund will receive a notice of the special meeting of shareholders and a prospectus/proxy statement. A majority of the outstanding shareholders of the Acquired Fund must approve the reorganization. The expenses of the reorganization will be borne by Dreyfus. In addition to shareholder approval, the

consummation of the reorganization is conditioned upon receipt from the SEC of the order requested herein.

Applicants' Legal Analysis

1. Section 17(a) of the Act, in pertinent part, prohibits an affiliated person of a registered investment company, or any affiliated person of such a person, acting as principal, from selling to or purchasing from such registered company, any security or other property. Section 17(b) provides that the SEC may exempt a transaction from section 17(a) if evidence establishes that the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transaction is consistent with the policy of the registered investment company concerned and with the general purposes of the Act.

2. Rule 17a-8 under the Act exempts from the prohibitions of section 17(a) mergers, consolidations, or purchases or sales of substantially all the assets involving registered investment companies that may be affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors/trustees and/or common officers provided that certain conditions are satisfied.

3. The proposed reorganization may not be exempt from the prohibitions of section 17(a) by reason of rule 17a-8 because the Acquiring Fund and the Acquired Fund may be affiliated for reasons other than those set forth in the rule. Mellon owns 100% of the outstanding voting securities of Dreyfus, the adviser to the Acquired Fund. In addition, Mellon holds with power to vote more than 50% of the outstanding voting securities of the Acquiring Fund. Therefore, the Acquiring Fund may be deemed an affiliated person of the Acquired Fund for reasons not based solely on their common adviser.

4. Applicants believe that the terms of the reorganization satisfy the standards of section 17(b). Each Fund's board, including the disinterested trustees and directors, has reviewed the terms of the reorganization and have found that participation in the reorganization as contemplated by the Reorganization Agreement is in the best interests of Dreyfus/Laurel Funds, Dreyfus/Laurel Series, and each Fund, and that the interests of existing shareholders of each Fund will not be diluted as a result of the reorganization. Each board considered the compatibility of the investment objectives, policies and

restrictions of the two Funds and found that they were similar in that both Funds emphasized investment in international equity securities.

5. Section 17(d) prohibits any affiliated person of a registered investment company, acting as principal, from effecting any transaction in which such registered investment company is a joint participant with such person in contravention of SEC rules and regulations. Rule 17d-1 provides that no joint transaction may be consummated unless the SEC first approves the transaction.

6. The Funds may be affiliated persons of each other, and the proposed transaction might be deemed to be a joint enterprise or other joint arrangement. Applicants believe that the terms of the reorganization are consistent with the provisions, policies and purposes of the Act in that they are reasonable and fair to all parties, do not involve overreaching, and are consistent with the investment policies of each of the Funds. The participation in the reorganization by each Fund also is not on a basis different from or less advantageous than that of other participants.

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

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-35298; File Nos. SR-NYSE-94-48 and SR-PSE 94-37]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the New York Stock Exchange, Inc. and the Pacific Stock Exchange, Inc., Relating to the Off-Site Storage of Customer Options Account Information

January 30, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 20, 1994, the New York Stock Exchange, Inc. ("NYSE"),² and on December 23, 1994, the Pacific Stock Exchange, Inc. ("PSE") (together, the "Exchanges"), submitted to the Securities and Exchange Commission

¹ 15 U.S.C. 78s(b)(1) (1988).

² On January 27, 1995, the NYSE submitted a letter requesting accelerated approval of its proposal. See Letter from James E. Buck, Senior Vice President and Secretary, NYSE, to Glenn Barrentine, Team Leader, Division of Market Regulation, Commission, dated January 27, 1995.

("SEC" or "Commission") the proposed rule changes as described in Items I and II below, which Items have been prepared by the Exchanges. The Commission is publishing this notice to solicit comments on the proposed rule changes from interested persons.

I. Self-Regulatory Organizations' Statement of the Terms of Substance of the Proposed Rule Changes

Currently, paragraph (c), "Maintenance of Customer Records," of NYSE Rule 722, "Supervision of Accounts," and paragraph (d)(3), "Maintenance of Customer Records," of PSE Rule 9.18, "Doing a Public Business in Options," require that background and financial information of customers be maintained at both the branch office servicing the customer's account and at the principal supervisory office with jurisdiction over the branch office. NYSE Rule 722(c) and PSE Rule 9.18(d)(3) also require that copies of account statements of options customers be maintained at both the branch office supervising the accounts and at the principle supervisory office with jurisdiction over that branch for the most recent six-month period. The Exchanges propose to amend their rules to provide that the customer information and account statements currently maintained at the principal supervisory office may be maintained at a location other than the principal supervisory office if the documents and information are readily accessible and promptly retrievable.

The text of the proposed rule changes is available at the Office of the Secretary, NYSE, at the Office of the Secretary, PSE, and at the Commission.

II. Self-Regulatory Organizations' Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

In their filings with the Commission, the self-regulatory organizations included statements concerning the purpose of and basis for the proposed rule changes and discussed any comments they received on the proposed rule changes. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organizations have prepared summaries, set forth in Section (A), (B), and (C) below, of the most significant aspects of such statements.

(A) Self-Regulatory Organizations' Statements of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

Currently, the rules of the NYSE and the PSE require that both the branch