

the interactive receipt and distribution of certain trade reports will facilitate the prompt and accurate clearance and settlement of securities transactions.

B. Self-Regulatory Organization's Statement on Burden on Competition

PHILADEP does not believe that the proposed rule change will impact or impose a burden on competition.

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

No written comments have been solicited or received. PHILADEP will notify the Commission of any written comments received.

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

Section 17A(b)(3)(F)⁵ of the Act requires the rules of a clearing agency be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and to provide for the prompt and accurate clearance and settlement of securities transactions. The Commission believes that PHILADEP's proposal to modify its interface with DTC's ID System to enable interactive communication should help cooperation and coordination among PHILADEP and DTC and the parties involved in institutional trades. The Commission further believes that the proposed interactive capability is consistent with PHILADEP's obligation to provide for the prompt and accurate clearance and settlement of securities transactions because it should help PHILADEP participants to settle institutional trades in a T+3 settlement cycle, which will be the standard settlement time for most broker dealer trades beginning June 7, 1995.⁶ Currently, institutional trades settle on a T+5 cycle.

PHILADEP has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. The Commission finds good cause for so approving the proposed rule change because timely settlement of institutional trades is critical to the successful conversion to T+3 and

accelerated approval of the proposed rule change will allow PHILADEP participants to utilize and become familiar with the interactive capabilities available through PHILADEP's modified interface with DTC's ID system prior to the implementation of T+3 settlement.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making such 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 filings will also be available for inspection and copying at the principal office of PHILADEP. All submissions should refer to File No. SR-PHILADEP-95-02 and should be submitted by June 20, 1995.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-PHILADEP-95-02) be, and hereby is, approved.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-13074 Filed 5-26-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. IC-21087; International Series Release No. 812; 812-7846]

Citibank, NA., et al.; Notice of Application

May 22, 1995.

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

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

APPLICANTS: Citibank, N.A. ("Citibank") and Citicorp.

RELEVANT 1940 ACT SECTIONS: Exemption requested under section 6(c) from section 17(f) and rule 17F-5.

SUMMARY OF APPLICATION: Applicants seek conditional exemptive relief from section 17(f) of the 1940 Act and rule 17f-5 thereunder with respect to two forms of foreign custody arrangements. The requested exemption would amend an existing order (the "1992 Order")¹ allowing Citibank, acting as custodian or subcustodian, to deposit the securities of United States investment companies with certain foreign subsidiaries of the Applicants. The requested exemption also would allow Citibank to make available direct custody arrangements between United States investment companies and certain foreign subsidiaries of the Applicants.

FILING DATES: The application was filed on January 7, 1992, and was amended and restated on September 8, 1992, May 19, 1993, November 21, 1994, April 24, 1995, and May 22, 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 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 June 16, 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 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 5th Street, NW., Washington, DC 20549. Applicants, c/o Caroline F. Marks, Esq., GTS-Legal, 111 Wall Street, 15th Floor, Zone 9, New York, New York 10043.

FOR FURTHER INFORMATION CONTRACT: H.R. Hallock, Jr., Special Counsel, at (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

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.

¹ Investment Company Act Release Nos. 18710 (May 15, 1992) (notice) and 18782 (June 12, 1992) (order).

⁷ 17 CFR 200.30-3(a)(12) (1994).

⁵ 15 U.S.C. 78q-1(b)(3)(F) (1988).

⁶ For a detailed description and discussion of the conversion to a three business day settlement cycle, refer to Securities Exchange Act Release Nos. 33023 (October 13, 1993) 58 FR 52891 [File No. S7-5-93] (adoption of Commission Rule 15c6-1) and 34952 (November 9, 1994), 59 FR 59137 (changing effective date from June 1, 1995, to June 7, 1995).

Applicants' Representations

A. Background

1. Citibank, a United States national banking association, is a wholly-owned subsidiary of Citicorp, a Delaware bank holding company. Citibank operates an extensive custodian network through its branches and through its own subsidiaries and subsidiaries of Citicorp, as well as unaffiliated correspondent banks. As of December 31, 1993, Citibank had approximately \$648 billion in assets under custody.

2. In 1987, the SEC exempted Citibank (the "1987 Order")² from section 17(f) of the 1940 Act to permit it, as the custodian of the securities and other assets (the "Securities") of any registered management investment company, other than an investment company registered under section 7(d) of the 1940 Act, or as subcustodian of the Securities of such investment companies for which any other entity is acting as custodian, to deposit such Securities under custodial arrangements (the "Agency Custody Arrangements") with certain specified foreign subsidiaries of Citibank (the "Citibank Subsidiaries") or Citicorp (the "Citicorp Subsidiaries" and, together with the Citibank Subsidiaries, the "Foreign Subsidiaries").

3. In 1990, the SEC exempted Citibank (the "1990 Order")³ from section 17(f) to permit it, acting as custodian or subcustodian, to maintain the Securities of such investment companies with several additional Foreign Subsidiaries. In the 1992 Order, the SEC exempted Citibank to permit it to maintain the Securities of such investment companies with certain additional Foreign Subsidiaries and to eliminate the requirement of the 1987 and 1990 Orders that each Foreign Subsidiary be a signatory to the custody agreement.

4. Each of the Foreign Subsidiaries currently providing custodial services to U.S. Investment Companies is, and any additional Foreign Subsidiary providing such services in the future will be, a banking institution or trust company incorporated under the laws of a country other than the United States and regulated as such by that country's government or an agency thereof. Each of these Foreign Subsidiaries is, or will be, experienced, capable and well qualified to provide such services.

²Investment Company Act Release Nos. 15580 (Feb. 13, 1987) (notice) and 15617 (Mar 11, 1987) (order).

³Investment Company Act Release Nos. 17329 (Feb. 1, 1990) (notice) and 17360 (Feb. 28, 1990) (order).

B. Relief Requested

1. Applicants seek exemptive relief to allow 14 Citibank Subsidiaries that were granted relief in the 1992 Order⁴ to act as custodians for any registered management investment company, incorporated or organized under the laws of the United States or a state thereof (a "U.S. Investment Company") under direct contractual arrangements with such U.S. Investment Companies or their custodians (the "Direct Custody Arrangements"), as well as under the Agency Custody Arrangements referred to above. Applicants also seek exemptive relief for the Direct and Agency Custody Arrangements with respect to one additional Citibank Subsidiary, Citibank a.s. in the Czech Republic. Each of these 15 Citibank Subsidiaries is a majority-owned or wholly-owned subsidiary of Citibank.

2. In addition, Applicants seek relief to modify the Agency Custody Arrangements permitted by the 1992 Order to provide for the Citicorp guarantee described in paragraphs 9 through 11 below and set forth in Conditions 3(b), 5(c) and 9 below. Finally, Applicants seek to have any order granting relief with respect to the Agency or Direct Custody Arrangements apply to any other Foreign Subsidiary in the future that does not meet the minimum shareholders' equity requirement of rule 17f-5,⁵ except that the Direct Custody Arrangements would apply to the Citicorp Subsidiaries only at such time as direct custody services are to be offered by them in accordance with applicable law.⁶

3. Applicants intend that any order granting the relief requested by the application supersede the 1987, 1990, and 1992 Orders and provide a single comprehensive order covering both the Direct and Agency Custody Arrangements.

⁴Citibank (Channel Islands) Limited; Citibank, S.A. in France; Citicorp Investment Bank (The Netherlands) N.V.; Citibank (Zaire) S.A.R.L.; Citibank Zambia Limited; Citicorp Nominees Pty. Limited in Australia; Citibank, Nominees (New Zealand) Limited; Citibank Portugal, S.A.; Banco de Honduras S.A.; Citibank Budapest Rt.; Citibank-Maghreb in Morocco; Citibank (Trinidad & Tobago) Limited; Cititrust Colombia S.A. Sociedad Fiduciaria; and Citibank (Poland) S.A.

⁵Applicants do not request any relief with respect to Citibank T/O or any other subsidiary or affiliate of Citibank located in the Russian Federation. Should the Applicants request exemptive relief in the future with respect to Citibank T/O, such request would be the subject of a separate application.

⁶Citibank is subject to certain constraints imposed by the Federal Reserve Act with respect to its transactions with Citicorp and its subsidiaries. Accordingly, Applicants presently intend to permit only the existing and any additional Citibank Subsidiaries, but not the Citicorp Subsidiaries, to offer Direct Custody Arrangements.

4. Under the Agency Custody Arrangements, the Securities are maintained in the custody of the Foreign Subsidiaries only in accordance with a custody agreement among (a) the U.S. Investment Company or its custodian, (b) Citibank, and (c) Citicorp (the "Agency Custody Agreement"). Citibank acts as the custodian or subcustodian of the Securities and delegates its responsibilities to the Foreign Subsidiaries in accordance with the terms of a subcustodian agreement (the "Subcustodian Agreement").

5. The Agency Custody Agreement provides that the delegation by Citibank to a Foreign Subsidiary does not relieve Citibank of any responsibility to the U.S. Investment Company or its custodian for any loss due to such delegation except such loss as may result from political risk (e.g., exchange control restrictions, confiscation, expropriation, nationalization, insurrection, civil strife or armed hostilities), and other risk of loss for which neither Citibank nor the Foreign Subsidiary would be liable under rule 17f-5 (e.g., despite the exercise of reasonable care, loss due to Act of God, nuclear incident and the like). The Agency Custody Agreement also provides that Citicorp is liable, in accordance with the terms of the guarantee described below, for losses of Securities resulting from the bankruptcy or insolvency of the Foreign Subsidiaries.

6. There may be instances in which a U.S. Investment Company would prefer having a Foreign Subsidiary be engaged as a direct custodian, receive direct instruction, and maintain separate accounts for it without the involvement of Citibank. In addition, certain United States banks that serve as custodians of U.S. Investment Companies do not require the custody services of another United States custodian, but nonetheless do require the services of foreign subcustodians in certain foreign countries.

7. The Direct Custody Arrangements for which an exemption is being sought would enable the Citibank Subsidiaries referred to in paragraph 1 and note 4 above to act as direct custodians in accordance with either a master custody agreement under which a U.S. Investment Company or its custodian would enter into a direct custodian relationship with a number of Citibank Subsidiaries or an individual custody agreement under which a U.S. Investment Company or its custodian would enter into a direct custodial relationship with a particular Citibank Subsidiary (either, a "Direct Custody Agreement"). The Direct Custody

Agreement would be among (i) the U.S. Investment Company or custodian for which the Foreign Subsidiary acts as custodian or subcustodian, (ii) the Foreign Subsidiary, (iii) Citicorp, and (iv) Citibank. The terms of each Direct Custody Agreement would include a confirmation by the Foreign Subsidiary that it will act as the custodian or subcustodian, as the case may be, of the Securities under the requested order, an agreement by Citicorp that it is liable, in accordance with the terms of its guarantee, for losses of Securities resulting from the bankruptcy or insolvency of the Foreign Subsidiary, and an agreement by Citibank to be liable for any loss resulting from the performance of the Foreign Subsidiary, except such loss as may result from political risk (e.g., exchange control restrictions, confiscation, expropriation, nationalization, insurrection, civil strife or armed hostilities), and other risk of loss for which neither Citibank nor the Foreign Subsidiary would be liable under rule 17f-5 (e.g., despite the exercise of reasonable care, loss due to Act of God, nuclear incident and the like).

8. The extent of Citibank's liability for losses attributable to a Foreign Subsidiary under the Direct Custody Arrangements would be the same as that provided for under the Agency Custody Arrangements. Under both the Agency Custody Arrangements and the Direct Custody Arrangements, Citibank would be liable for the negligent acts or omissions of the Foreign Subsidiaries.

9. Both the Agency and Direct Custody Agreements would provide that Citicorp will be liable in accordance with the terms of a guarantee for losses of Securities resulting from bankruptcy or insolvency of any of the Foreign Subsidiaries. Under the 1987, 1990, and 1992 Orders, Citicorp has issued a guarantee for losses resulting from the bankruptcy or insolvency of each Foreign Subsidiary (the "Guarantee"). If the requested order is issued, the Guarantee will be amended to cover all the Securities held by the Foreign Subsidiaries pursuant to an Agency Custody Agreement or a Direct Custody Agreement. The dollar amount of the Guarantee applicable to all Foreign Subsidiaries will equal or exceed the aggregate market value of the Securities held in the custody of the Foreign Subsidiaries.

10. The value of the Securities held under Agency Custody Agreement will be calculated by Citibank based on records maintained by Citibank, as custodian, and reports by the Foreign Subsidiaries. The total amount also will be reported to Citicorp. In addition,

each Foreign Subsidiary will submit to Citicorp monthly its calculation, and the basis on which it was made, of the value of the Securities held by it under Direct Custody Agreements. After review of the results of the monthly monitoring, Citicorp will take the necessary steps to adjust the amount of the Guarantee to cover the aggregate value of the Securities.

11. In the event that at the time of an insolvency a Foreign Subsidiary holds Securities having an aggregate value in excess of the aggregate value of Securities which such Foreign Subsidiary held at the time of the previous adjustment of the Guarantee, Citicorp will immediately take such steps as may be necessary to increase the size of the Guarantee to cover the amount of such excess. This coverage will remain in place until such time as the Foreign Subsidiary's bankruptcy estate is settled, the amount of any loss to the U.S. Investment Company attributable to the bankruptcy or insolvency is calculated, and payment under the Guarantee, if necessary, is made.

Applicants' Legal Analysis

1. Applicants seek the requested exemptive relief because the Foreign Subsidiaries do not qualify to serve as custodians for U.S. Investment Companies under the terms of section 17(f) of the 1940 Act or rule 17f-5 thereunder. Section 17(f) provides, in relevant part, that a registered management investment company may place and maintain its securities and similar assets in the custody of a bank or banks meeting the requirements of section 26(a) of the 1940 Act. The Foreign Subsidiaries, however, do not fall within the definition of a "bank" as that term is defined in section 2(a)(5) of the 1940 Act.

2. Rule 17f-5 would permit a U.S. Investment Company to deposit securities, cash and cash equivalents with an "eligible foreign custodian," a term that is defined to include, as here relevant, a majority-owned direct or indirect subsidiary of a qualified U.S. bank or bank holding company that is incorporated or organized under the laws of a country other than the United States and that has shareholders' equity in excess of \$100,000,000 (U.S. \$ or equivalent). None of the Foreign Subsidiaries currently meets or in the future will meet the minimum shareholders' equity requirement of rule 17f-5.

3. Citibank believes that permitting U.S. Investment Companies and their custodians to enter into direct custodial arrangements with the Foreign

Subsidiaries adequately would protect U.S. Investment Companies and their shareholders against loss while permitting the Foreign Subsidiaries to serve the needs of U.S. Investment Companies more efficiently by being able to interact directly with the U.S. Investment Company or its custodian. The proposed arrangements would enable the Foreign Subsidiaries, as direct custodians, to carry out their custodial duties and to respond to their customers' instructions, inquiries and other operational needs without communications being processed through Citibank, thereby reducing the cost and time involved in administering custodial accounts.

4. Although Citibank would not be in an agency relationship with the Foreign Subsidiaries under the Direct Custody Arrangements, it nonetheless would provide the necessary review and independent oversight of their performance and capabilities. Applicants submit that Citibank's ongoing review insures that safeguards substantially equal to those provided by its United States operations are in place and provides for uniformity in procedures for custodial administration. Because Citibank would be a party to each Direct Custody Agreement and would agree to be responsible for negligent acts or omissions of the Foreign Subsidiaries, Citibank would have a vested interest in verifying that each Foreign Subsidiary maintained adequate standards for the safekeeping of securities.

5. Under the Direct Custody Arrangements, Citibank will be in privity of contract with the U.S. Investment Company or its custodian. While it would be necessary for a U.S. Investment Company or its custodian to establish the negligence of the applicable Foreign Subsidiary in the action against Citibank, obtaining a judgment against the particular Foreign Subsidiary would not be a condition precedent to bringing an action against Citibank.

6. Under the Agency Custody Arrangements, Citibank, in its capacity as custodian, would have custodial obligations to the U.S. Investment Company or its custodian. In that case, the Foreign Subsidiary would be the subcustodian and an agent of Citibank. Applicants assert that any distinction between the agency and direct custodial relationships, however, is not of consequence to U.S. Investment Companies and their custodians, since in either case they would be able to seek recovery for losses caused by the Foreign Subsidiaries' negligence from,

and bring an action directly against Citibank.

7. Applicants assert that provision of the Guarantee by Citicorp (rather than by Citibank) under the Agency and Direct Custody Arrangements does not negatively affect the level of protection afforded the U.S. Investment Companies and custodians whose Securities are held in the custody of the Foreign Subsidiaries. Since the total Guarantee amount is available to cover one or more Foreign Subsidiaries, Applicants assert that the Guarantee should be more than sufficient to cover losses attributable to the bankruptcy of any one particular Foreign Subsidiary.

8. Applicants submit that, as required by section 6(c) of the 1940 Act, the exemptions requested are (i) necessary or appropriate in the public interest, (ii) consistent with the protection of investors, and (iii) consistent with the purposes fairly intended by the policy and provisions of the 1940 Act.

Applicants' Conditions

If the requested order is granted, Applicants agree to the following conditions:

1. The foreign custody arrangements proposed with respect to the Foreign Subsidiaries will satisfy the requirements of rule 17f-5 in all respects other than with regard to shareholders' equity.

2. Securities of U.S. Investment Companies and their custodians entering into Direct Custody Arrangements will be maintained with a Foreign Subsidiary only in accordance with a Direct Custody Agreement, required to remain in effect at all times during which the Foreign Subsidiary fails to satisfy the requirements of rule 17f-5 relating to shareholders' equity.

3. The Direct Custody Agreement will be among (i) each U.S. Investment Company or custodian for which the Foreign Subsidiary serves as custodian or subcustodian, (ii) the Foreign Subsidiary, (iii) Citibank, and (iv) Citicorp. The Direct Custody Agreement will provide the following:

(a) confirmation by the Foreign Subsidiary that it will act as the custodian or subcustodian, as the case may be, of the Securities of the U.S. Investment Company pursuant to the requested order;

(b) Citicorp will be liable, in accordance with the terms of the Guarantee, for losses of the Securities of the U.S. Investment Companies resulting from the bankruptcy or insolvency of the particular Foreign Subsidiary; and

(c) Citibank will be liable for any loss resulting from the performance of the

Foreign Subsidiary, except such loss as may result from (i) political risk (e.g., exchange control restrictions, confiscation, expropriation, nationalization, insurrection, civil strife, or armed hostilities) and (ii) other risks of loss for which the Foreign Subsidiary would not be liable under rule 17f-5.

4. Under the Direct Custody Arrangements, U.S. Investment Companies or their custodians, as the case may be, will be entitled to seek relief directly against Citibank or the particular Foreign Subsidiary.

5. Securities of U.S. Investment Companies custodied pursuant to Agency Custody Arrangements will be maintained with a Foreign Subsidiary only in accordance with an Agency Custody Agreement, required to remain in effect at all times during which the foreign Subsidiary fails to satisfy the requirements of rule 17f-5 relating to shareholders' equity.

6. The Agency Custody Agreement will be among (i) the U.S. Investment Companies or custodians for which Citibank serves as custodian or subcustodian, (ii) Citibank, and (iii) Citicorp. The Agency Custody Agreement will provide the following:

(a) Citibank will act as the custodian or subcustodian, as the case may be, of the Securities of the U.S. Investment Companies and will be able to delegate its responsibilities to the Foreign Subsidiaries;

(b) Citibank's delegation of duties to a Foreign Subsidiary would not relieve Citibank of any responsibility to the U.S. Investment Company or its custodian for any loss due to such delegation except such loss as may result from (i) political risk (e.g., exchange control restrictions, confiscation, expropriation, nationalization, insurrection, civil strife or armed hostilities) and (ii) other risks of loss for which neither Citibank nor the Foreign Subsidiary would be liable under rule 17f-5; and

(c) Citicorp will be liable, in accordance with the terms of the Guarantee, for losses of U.S. Investment Company Securities resulting from the bankruptcy or insolvency of the Foreign Subsidiary.

7. With respect to the Agency Custody Arrangements, Citibank has entered, or will enter, into a Subcustodian Agreement with each Foreign Subsidiary pursuant to which Citibank will delegate to the Foreign Subsidiary such of its duties and obligations as would be necessary to permit the Foreign Subsidiary to hold in custody, in the country in which it operates, the Securities of the U.S. Investment Company. The Subcustodian Agreement

provides, or will provide, an acknowledgement by the Foreign Subsidiary that it is acting as a foreign custodian for U.S. Investment Companies and their custodians pursuant to the terms of the exemptive order requested by the application. The Subcustodian Agreement provides explicitly, or will explicitly provide, that U.S. Investment Companies or their custodians, as the case may be, that have entered into an Agency Custody Agreement with Citibank will be third party beneficiaries of the Subcustodian Agreement, will be entitled to enforce the terms thereof, and will be entitled to seek relief directly against the Foreign Subsidiary or against Citibank.

8. Each Subcustodian Agreement is or will be governed by New York law; or, if any Subcustodian Agreement were governed by the local law of the foreign jurisdiction in which the Foreign Subsidiary is located, Citibank has obtained or shall obtain an opinion of counsel from such foreign jurisdiction opining as to the enforceability of the rights of a third party beneficiary under the laws of such foreign jurisdiction.

9. The dollar value of the Guarantee applicable to the Foreign Subsidiaries shall be at least equal to the aggregate value of the Securities of U.S. Investment Companies held in the custody of the Foreign Subsidiaries pursuant to the Direct Custody Agreements and the Agency Custody Agreements, calculated at the close of the previous calendar month. The value of U.S. Investment Company Securities held in the custody of the Foreign Subsidiaries as Citibank's subcustodians will be calculated by Citibank based on records maintained by Citibank and reports by the Foreign Subsidiaries at the end of each calendar month, and such amount will be reported to Citicorp. In addition each Foreign Subsidiary will submit to Citicorp monthly its calculation, and the basis on which it was made, of the market value of U.S. Investment Company Securities held in custody by it under Direct Custody Agreements. After reviewing the results of the monthly monitoring, Citicorp will take such steps as may be necessary to adjust the amount of the Guarantee to cover the aggregate value of the Securities held under Agency and direct Custody Agreements. In the event of the insolvency of a Foreign Subsidiary at a time when the aggregate value of U.S. Investment Company Securities held by such Foreign Subsidiary is in excess of the amount of such Securities which such Foreign Subsidiary held at the prior month's end, Citicorp will immediately take such steps as may be necessary to

increase the size of the Guarantee to cover the amount of such excess.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-13075 Filed 5-26-95; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 21088; 811-5501]

Kidder, Peabody Corporate Income Fund; Notice of Application

May 22, 1995.

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

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

APPLICANT: Kidder, Peabody Corporate Income Fund.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring it has ceased to be an investment company.

FILING DATE: The application was filed on May 4, 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 June 16, 1995, and should be accompanied by proof of service on the 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicant, 60 Broad Street, New York, New York 10004-2350.

FOR FURTHER INFORMATION CONTACT: Diane L. Titus, Paralegal Specialist, at (202) 942-0584, or H.R. Hallock, Jr., 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.

Applicant's Representations

1. Applicant is an open-end, non-diversified management investment company, organized as a business trust under the laws of the Commonwealth of Massachusetts. On March 15, 1988, applicant registered under the Act and filed a registration statement under the Act and the Securities Act of 1933. Applicant's registration statement was never declared effective, an applicant has made no public offering of its shares.

2. Applicant never issued or sold any securities, except to its sole shareholder and sponsor, Kidder Peabody Asset Management, Inc. As of the date of filing of the application, applicant had no shareholders, liabilities or assets. Applicant is not a party to any litigation or administrative proceeding.

3. Pursuant to written consent, applicant's sole Trustee determined that it was advisable and in the best interests of the applicant to withdraw its registration statement with the SEC, cease to be registered as an investment company and terminate its existence as a Massachusetts business trust and liquidate any assets and that the proceeds from the liquidation of the shares be returned to Kidder Peabody Asset Management, Inc.

4. Applicant is not now engaged, nor does it propose to engage in any business activities other than those necessary for the winding-up of its affairs.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-13076 Filed 5-26-95; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 21090; 811-7756]

Kidder, Peabody Series Trust; Notice of Application

May 22, 1995.

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

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

APPLICANT: Kidder, Peabody Series Trust.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring it has ceased to be an investment company.

FILING DATE: The application was filed on May 4, 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 June 16, 1995, and should be accompanied by proof of service on the 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant, 60 Broad Street, New York, New York 10004-2350.

FOR FURTHER INFORMATION CONTACT: Diane L. Titus, Paralegal Specialist, at (202) 942-0584, or H.R. Hallock, Jr., 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.

Applicant's Representations

1. Applicant is an open-end, non-diversified management investment company, organized as a business trust under the laws of the Commonwealth of Massachusetts. On May 27, 1993, applicant registered under the Act and filed a registration statement under the Act and under the Securities Act of 1933. Applicant's registration statement was never declared effective, and applicant has made no public offering of its shares.

2. Applicant never issued or sold any securities, except to its sole shareholder and sponsor, Kidder Peabody Asset Management, Inc. As of the date of filing of the application, applicant had no shareholders, liabilities or assets. Applicant is not a party to any litigation or administrative proceeding.

3. Pursuant to written consent, applicant's sole Trustee determined that it was advisable and in the best interests of the applicant to withdraw its registration statement with the SEC, cease to be registered as an investment company and terminate its existence as a Massachusetts business trust and liquidate any assets and that the proceeds from the liquidation of the shares be returned to Kidder Peabody Asset Management, Inc.