

information needed for determining the amount of the RRB's entitlement.

**ADDITIONAL INFORMATION OR COMMENTS:**

Copies of the form and supporting documents can be obtained from Chuck Mierzwa, the agency clearance officer (312-751-3363). Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092 and the OMB reviewer, Laura Oliven (202-395-7316), Office of Management and Budget, Room 10230, New Executive Office Building, Washington, D.C. 20503.

**Chuck Mierzwa,**

*Clearance Officer.*

[FR Doc. 95-16022 Filed 6-28-95; 8:45 am]

BILLING CODE 7905-01-M

**Agency Forms Submitted for OMB Review**

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. Chapter 35), the Railroad Retirement Board has submitted the following proposal(s) for the collection of information to the Office of Management and Budget for review and approval.

**SUMMARY OF PROPOSAL(S):**

- (1) *Collection title:* Employee's Certification
- (2) *Form(s) submitted:* G-346
- (3) *OMB Number:* 3220-0140
- (4) *Expiration date of current OMB clearance:* October 31, 1995
- (5) *Type of request:* Extension of a currently approved collection
- (6) *Respondents:* Individuals or households
- (7) *Estimated annual number of respondents:* 18,000
- (8) *Total annual responses:* 18,000
- (9) *Total annual reporting hours:* 1,500
- (10) *Collection description:* Under Section 2 of the Railroad Retirement Act, spouses of retired railroad employees may be entitled to an annuity. The collection obtains information from the employee about the employee's previous marriages, if any, to determine if any impediment exists to the marriage between the employee and his or her spouse.

**ADDITIONAL INFORMATION OR COMMENTS:**

Copies of the form and supporting documents can be obtained from Chuck Mierzwa, the agency clearance officer (312-751-3363). Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092 and the OMB reviewer, Laura Oliven (202-395-7316), Office of Management and Budget, Room 10230, New Executive

Office Building, Washington, D.C. 20503.

**Chuck Mierzwa,**

*Clearance Officer.*

[FR Doc. 95-16023 Filed 6-28-95; 8:45 am]

BILLING CODE 7905-01-M

**Agency Forms Submitted for OMB Review**

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. Chapter 35), the Railroad Retirement Board has submitted the following proposal(s) for the collection of information to the Office of Management and Budget for review and approval.

**SUMMARY OF PROPOSAL(S):**

- (1) *Collection title:* Report of Medicaid State Office on Beneficiary's Buy-in Status
- (2) *Form(s) submitted:* RL-380-F
- (3) *OMB Number:* 3220-0185
- (4) *Expiration date of current OMB clearance:* September 30, 1995
- (5) *Type of request:* Extension of a currently approved collection
- (6) *Respondents:* State, Local or Tribal Government
- (7) *Estimated annual number of respondents:* 600
- (8) *Total annual responses:* 600
- (9) *Total annual reporting hours:* 100
- (10) *Collection description:* Under the Railroad Retirement Act, the Railroad Retirement Board administers the Medicare program for persons covered by the railroad retirement system. The collection obtains information needed to determine if certain railroad beneficiaries are entitled to receive Supplementary Medical Insurance program coverage under a State buy-in agreement in States in which they reside.

**ADDITIONAL INFORMATION OR COMMENTS:**

Copies of the form and supporting documents can be obtained from Chuck Mierzwa, the agency clearance officer (312-751-3363). Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092 and the OMB reviewer, Laura Oliven (202-395-7316), Office of Management and Budget, Room 10230, New Executive Office Building, Washington, D.C. 20503.

**Chuck Mierzwa,**

*Clearance Officer.*

[FR Doc. 95-15919 Filed 6-28-95; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-35886; File No. SR-Amex-95-20]

**Self-Regulatory Organizations; Order Granting Accelerated Approval of a Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment Nos. 1 and 2 to the Proposed Rule Change by the American Stock Exchange, Inc. Relating to the Listing and Trading of Indexed Term Notes**

June 23, 1995.

On May 30, 1995, the American Stock Exchange, Inc. ("Amex" or "Exchange") submitted to the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade indexed term notes ("Notes"), the return on which is based in whole or in part on changes in the value of twenty-four (24) equity securities of companies that have been identified by the Note underwriter, The Bear Stearns Companies ("Bear Stearns"), as "consolidation candidates." Notice of the proposal appeared in the **Federal Register** on June 9, 1995.<sup>3</sup> No comment letters were received on the proposal. The Exchange filed Amendment No. 1 to the proposed rule change on June 12, 1995,<sup>4</sup> and Amendment No. 2 on June 20, 1995.<sup>5</sup> This order approves the Amex proposal, as amended.

Under Section 107 of the Amex Company Guide ("Guide"), the Exchange may approve for listing and trading securities which cannot be readily categorized under the listing criteria for common and preferred

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

<sup>2</sup> 17 CFR 240.19b-4 (1994).

<sup>3</sup> See Securities Exchange Act Release No. 35802 (June 2, 1995), 60 FR 30614.

<sup>4</sup> In Amendment No. 1, the Exchange amended the proposal to provide that at maturity, (1) holders of the Notes will participate in 90% of the percentage change between the "original portfolio value" and the "average portfolio value"; and (2) the average portfolio value will be determined by reference to the average of the monthly closing Index values over the term of the Notes. See Letter from William Floyd-Jones, Jr., Assistant General Counsel, Legal & Regulatory Policy Division, Amex, to Michael Walinskas, Branch Chief, Office of Market Supervision ("OMS"), Division of Market Regulation ("Division"), Commission, dated June 8, 1995 ("Amendment No. 1").

<sup>5</sup> In Amendment No. 2, as described below, the Exchange clarifies the Exchange rules that will govern the trading of the Notes. See Letter from Michael Bickford, Vice President, Capital Markets Group, Amex, to Michael Walinskas, Branch Chief, OMS, Division, Commission, dated June 20, 1995 ("Amendment No. 2").

stocks, bonds, debentures, or warrants.<sup>6</sup> The Amex now proposes to list for trading, under Section 107A of the Guide, Notes whose value is based in whole or in part on changes in the value of twenty-four (24) equity securities of companies that have been identified by the Note underwriter as "consolidation candidates" ("Index").<sup>7</sup>

The Notes are non-convertible debt securities of Bear Stearns, and will conform to the listing guidelines under Section 107A of the Guide.<sup>8</sup> The Notes will have a term of three years from the date of issue. The Notes provide for a single payment at maturity, and will bear no periodic payments of interest. At maturity, the Notes will entitle the holder to receive an amount based upon ninety percent (90%) of the percentage change between the "original portfolio value"<sup>9</sup> and the "average portfolio value",<sup>10</sup> provided, however that the amount payable at maturity will not be less than 90% of the principal amount of the Notes. Thus, while there is no cap on the appreciation, investors participate in only 90% of the appreciation, as calculated above.<sup>11</sup> The Notes are cash-settled in that they do

<sup>6</sup> See Securities Exchange Act Release No. 27753 (March 1, 1990), 55 FR 8626 (March 8, 1990).

<sup>7</sup> The components of the Index are: Agouron Pharmaceuticals, Inc.; Biogen, Inc.; Campbell Soup Co.; Crestar Financial Corp.; Electronic Arts, Inc.; Heinz (H.J.) Co.; Healthcare COMPARE Corp.; Integra Financial Corp.; McCormick & Co., Inc.; Mercantile Bancorporation; Mesa, Inc.; Midlantic Corp., Inc.; The Money Store, Inc.; Multicare Companies, Inc.; Oryx Energy Co.; Physician Corp. of America; Protein Design Labs, Inc.; Quaker Oats Co.; Santa Fe Energy Resources; Sierra Health Services, Inc.; Triton Energy Corp.; United Companies Financial Corp.; Upjohn Co.; and Vertex Pharmaceuticals, Inc.

<sup>8</sup> Specifically, the Notes must have: (1) A minimum public distribution of one million trading units; (2) a minimum of 400 holders; (3) an aggregate market value of at least \$4 million; and (4) a term of at least one year. Additionally, the issuer of the Notes must have assets of at least \$100 million, stockholders' equity of at least \$10 million, and pre-tax income of at least \$750,000 in the last fiscal year or in two of the three prior fiscal years. As an alternative to these financial criteria, the issuer may have either: (1) assets in excess of \$200 million and stockholders' equity in excess of \$10 million; or (2) assets in excess of \$100 million and stockholders' equity in excess of \$20 million.

<sup>9</sup> The "original portfolio value" is the closing level of the Index at the time that the Notes are priced immediately preceding the issuance of the Notes.

<sup>10</sup> The "average portfolio value" is the average of the closing values of the Index on the last trading day of each of the 36 months during the term of the Notes. See Amendment No. 1, *supra* note 4.

<sup>11</sup> The Commission notes that because the average portfolio value is based on an average of closing Index values over the term of the Notes, the percentage change between the "original portfolio value" and the "average portfolio value" may be significantly different than the percentage change in the value of the Index between the date that the Notes are issued and the maturity date for the Notes.

not give the holder any right to receive an Index security or any other ownership right or interest in the securities comprising the Index, although the return on the investment is based on the aggregate value of the Index.

According to the Amex, the Notes will allow investors to combine the protection of a portion of the principal amount of the Notes with a potential additional payment based upon the performance of an Index of 24 equity securities of "consolidation candidates". In particular, the proposed Notes will provide 90% principal protection with the opportunity to participate in 90% of any appreciation of the underlying Index, as calculated above.

The Index consists of 24 securities that satisfy the following criteria: (1) A minimum market capitalization per component of \$75 million, except that up to 10% of the number of component securities in the Index may have individual market capitalizations of not less than \$50 million; (2) trading volume per Index component in each of the six months prior to the offering of the Notes of not less than one million shares, except that up to 10% of the number of Index component securities may have a trading volume in each of the six months prior to the offering of not less than 500,000; (3) at least 90% of the number of components in the Index will satisfy the then current criteria for standardized options trading set forth in Exchange Rule 915; (4) all components of the Index will be listed on the Amex or the New York Stock Exchange, or will be National Market securities traded through Nasdaq; and (5) all components of the Index will be subject to last sale reporting pursuant to Rule 11Aa3-1 of the Act.

At the outset, each of the securities in the Index will have equal representation. Specifically, each security included in the Index will be assigned a multiplier on the date of issuance of the Notes so that each component represents an equal percentage of the value of the Index on the date of issuance. The multiplier indicates the number of shares of a security, rounded to the nearest whole share, given its market price on an exchange or through Nasdaq, to be included in the calculation of the Index. Accordingly, each of the 24 companies included in the Index will represent approximately 4.17 percent of the weight of the Index at the time of issuance of the Notes. The Index divisor will initially be set to provide a benchmark value of 100.00 at the close of trading on the day preceding the issuance of the Notes.

The number of shares of each component stock in the Index will remain fixed except in the event of certain types of corporate actions such as the payment of a dividend (other than an ordinary cash dividend), a stock distribution, stock split, reverse stock split, rights offering, distribution, reorganization, recapitalization, or similar event with respect to the component securities. The number of shares of each component security may also be adjusted, if necessary, in the event of a merger, consolidation, dissolution, or liquidation of an issuer, or in certain other events such as the distribution of property by an issuer to shareholders. Shares of a component security may be replaced (or supplemented) with other securities under certain circumstances, such as the conversion of a component stock into another class of security, or the spin-off of a subsidiary. If the security remains in the Index, the number of shares of that security will be adjusted, if necessary, to the nearest whole share, to maintain the component's relative weight in the Index at the level immediately prior to the corporate action.<sup>12</sup> In all cases, the divisor will be adjusted, if necessary, to ensure continuity of the value of the Index. In the event that a security in the Index is canceled due to a corporate consolidation and the holders of such security receive cash, the cash value of such securities will be included in the Index and will accrue interest at LIBOR to term, compounded daily.

The value of the Index will be calculated continuously by the Amex and will be disseminated every 15 seconds over the Consolidated Tape Association's Network B. The Index value will equal the sum of the products of the most recently available market prices and the applicable multipliers for the securities in the Index.

The Notes may not be redeemed prior to maturity and are not callable by the issuer. Holders of Index Notes will be able to cash-out of their investment only by selling the Notes on the Amex. The Exchange anticipates that the trading value of the Notes in this secondary trading market will depend in large part on the value of the securities compromising the Index and also on such other factors as the level of interest rates, the volatility of the value of the

<sup>12</sup> Telephone conference between Michael Bickford, Vice President, Capital Markets Group, Amex, and Brad Ritter, Senior Counsel, OMS, Division, Commission, on June 20, 1995 ("June 20 Conversation"). The issuer will not attempt to find a replacement stock or compensate for the extinction of a security due to bankruptcy or a similar event.

Index, the time remaining to maturity, dividend rates, and the creditworthiness of the issuer, Bear Stearns.<sup>13</sup>

Because Index Notes are linked to an index of equity securities, the Amex's existing equity floor trading rules will apply to the trading of Index Notes.<sup>14</sup> First, pursuant to Amex Rule 411, the exchange will impose a duty of due diligence on its members and member firms to learn the essential facts relating to every customer prior to trading Index Notes.<sup>15</sup> Second, consistent with Amex Rule 411, the Exchange will further require that a member or member firm specifically approve a customer's account for trading Index Notes prior to, or promptly after, the completion of the transaction.<sup>16</sup> Third, Index Notes will be subject to the equity margin rules of the Exchange.<sup>17</sup> Fourth, the Exchange will, prior to trading Index Notes, distribute a circular to the membership providing guidance with regard to member firm compliance responsibilities (including suitability recommendations) when handling transactions in Index Notes and highlighting the special risks and characteristics of the Index Notes.<sup>18</sup>

### III. Commission Findings and Conclusions

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, the requirements of Section 6(b)(5) of the Act.<sup>19</sup> Specifically, the Commission believes that providing for exchange-trading of the Notes will offer a new and innovative means of participating in the market for securities identified by the issuer of the Notes as consolidation candidates.<sup>20</sup> In particular, the

Commission believes that the Notes will permit investors to gain equity exposure in such companies, while at the same time, limiting the downside risk of their original investment. For the reasons discussed in the Indexed Term Note Approval Orders, the Commission finds that the listing and trading of the Notes is consistent with the Act.<sup>21</sup>

As with the other indexed term notes approved for listing by the Exchange, the Notes are not leveraged instruments. Their price, however, will still be derived and based upon the underlying linked securities. Accordingly, the level of risk involved in the purchase or sale of Index Notes is similar to the risk involved in the purchase or sale of traditional common stock. Nonetheless, the Commission has several specific concerns with this type of products because the final rate or return of the Notes is derivatively priced, based on the performance of the underlying securities. The concerns include: (1) Investor protection concerns, (2) dependence on the credit of the issuer of the security, (3) systemic concerns regarding position exposure of issuers with partially hedged positions or dynamically hedged positions, and (4) the impact on the market for the underlying linked securities.<sup>22</sup> The Commission believes the Amex has adequately addressed each of these issues such that the Commission's regulatory concerns are adequately minimized.<sup>23</sup> In particular, by imposing the listing standards, suitability, disclosure, and compliance requirements noted above, the Amex has adequately addressed the potential public customer concerns that could arise from the hybrid nature of the Notes.<sup>24</sup> Moreover, the Commission believes that the Exchange's existing surveillance procedures are adequate to detect and deter any attempts at manipulation of the Notes and the securities in the Index.

Further, the Commission believes that the listing standards and issuance restrictions discussed above, particularly, the objective standards for market capitalization, trading volume, and options eligibility, will ensure that at the time that the Notes are issued, the Index will be composed of highly capitalized, liquid securities. As a

result, the Commission believes that any concerns regarding the potential for manipulation of the Index or adverse market impact on the securities comprising the Index are adequately minimized.

The Commission realizes that Index Notes are dependent upon the individual credit of the issuer, Bear Stearns. To some extent this credit risk is minimized by the Exchange's listing standards in Section 107A of the Guide which provide that only issuers satisfying substantial asset and equity requirements may issue securities such as Index Notes.<sup>25</sup> In addition, the Exchange's hybrid listing standards further require that Index Notes have at least \$4 million in market value.<sup>26</sup> In any event, financial information regarding Bear Stearns, in addition to the information on the issuers of the securities comprising the Index, will be publicly available.<sup>27</sup>

The Commission finds good cause for approving the proposed rule change and Amendment Nos. 1 and 2 to the proposal prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register**. Specifically, the proposal, as amended, is substantively similar to other indexed term notes that the Commission has approved for listing by the Amex.<sup>28</sup> To the Commission's knowledge, these other issues of notes have traded on the Amex without any material problems occurring.<sup>29</sup> The only substantive differences between these Notes and those previously approved are the composition of the index of securities on which the values of the Notes will be based, the method for calculating the value to be received by holders upon maturity of the Notes, and the amount of participation by investors in the appreciation of the Index during the term of the Notes. With regard to the composition of the Index, as discussed above, the Commission believes that the objective eligibility standards for including a particular security in the Index minimize the potential for manipulation of the Notes and any possible adverse market impact on the securities contained in the Index.

The Commission also believes that the proposed method for calculating the amount to be paid to holders at maturity does not raise any significant regulatory concerns. The formula used here involves the averaging of 36 monthly

<sup>13</sup> See Amendment No. 2, *supra* note 5.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.* Amex Rule 411 requires that every member, member firm or member corporation use due diligence to learn the essential facts relative to every customer and to every order or account accepted.

<sup>16</sup> See Amendment No. 2, *supra* note 5.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.* The Commission notes that the circular should also highlight the formula for calculating the payment to holders at maturity as well as the participation rate in the appreciation of the Index, as described above.

<sup>19</sup> 15 U.S.C. 78f(b)(2) (1988).

<sup>20</sup> The Commission notes that the Index Notes are very similar in structure to other indexed term notes recently approved by the Commission for listing on the Amex. See Securities Exchange Act Release Nos. 34820 (October 11, 1994), 59 FR 52571 (October 18, 1994) (approval for listing of indexed term notes linked to a portfolio of "basic" industry securities), 34723 (September 27, 1994), 59 FR 50631 (October 4, 1994) (approval for listing of indexed term notes linked to a portfolio of banking industry securities), and 33495 (January 19, 1994),

59 FR 3883 (January 27, 1994) (approval for listing of Telecommunications Basket Stock Upside Note Securities) (collectively, Indexed Term Note Approval Orders").

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> The Exchange will also distribute a circular to its membership calling attention to the specific risks associated with the Notes. See *supra* note 18.

<sup>25</sup> See *supra* note 8.

<sup>26</sup> See Amex Company Guide § 107A.

<sup>27</sup> The companies that comprise the Index are reporting companies under the Act.

<sup>28</sup> See Indexed Term Note Approval Orders, *supra* note 20.

<sup>29</sup> See June 20 Conversation, *supra* note 12.

closing Index values over a three year period. Accordingly, the Commission believes that this calculation method reduces the potential for manipulation. Moreover, as noted above, the Amex has adequate surveillance procedures in place to detect and deter attempts at manipulation involving either the Notes or the securities contained in the Index. Similarly, the Commission also believes that limiting investors' participation in the appreciation of the Index does not raise any regulatory concerns. The Commission has previously approved equity linked products where investors only receive a percentage of the appreciation of the linked securities.<sup>30</sup> As a result, the Commission believes that these aspects of the Notes are consistent with the Act so long as they are adequately disclosed to investors by the issuer and described in the circular to be issued by the Exchange upon issuance of the Notes. Finally, the Commission has not received any comment to date on the proposal and has not received any comment on similarly structured notes previously approved.<sup>31</sup>

Based on the above, the Commission believes that the proposed rule change is consistent with Section 6(b)(5) of the Act and finds good cause for approving the proposal and Amendment Nos. 1 and 2 to the proposal on an accelerated basis.

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. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to

File No. SR-Amex-95-20 and should be submitted by July 20, 1995.

It therefore is ordered, pursuant to Section 19(b)(2) of the Act,<sup>32</sup> that the proposed rule change (SR-Amex-95-20), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>33</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 95-16054 Filed 6-28-95; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21161; 812-9538]

### ASA Limited; Notice of Application

June 23, 1995.

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

**ACTION:** Notice of application for an order under section 7(d) of the Investment Company Act of 1940 (the "Act").

**APPLICANT:** ASA Limited.

**RELEVANT ACT SECTIONS:** Order requested under section 7(d) of the Act.

**SUMMARY OF APPLICATION:** Applicant, a South African company registered as an investment company in the United States, requests an order to allow applicant to appoint Chase Manhattan Bank, N.A. ("Chase") as its custodian and to authorize Chase to appoint Standard Bank of South Africa Limited ("Standard Bank") as applicant's subcustodian. The order would supersede prior orders issued under section 7(d) with respect to applicant's custodial arrangements.

**FILING DATE:** The application was filed on March 16, 1995 and amended on June 9, 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 July 18, 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, 36 Wierda Road West, Sandton 2196, South Africa.

**FOR FURTHER INFORMATION CONTACT:** Felice R. Foundos, Senior Attorney, at (202) 942-0571, 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.

### Applicant's Representations

#### A. Background

1. ASA Limited (formerly known as American-South African Investment Company, Ltd) is a South African company and a closed-end, non-diversified management investment company. On August 13, 1958, the SEC issued an order (the "Original Order") under section 7(d) of the Act allowing applicant to register as an investment company under the Act and to make a public offering of its securities in the United States.<sup>1</sup> Applicant's custodian is Citibank, N.A. ("Citibank").

2. The Original Order was issued subject to several conditions, including several restrictions imposed on applicant concerning the custody of its assets and the consummation of its portfolio transactions. The Original Order required applicant to, among other things, keep all of its assets, except for \$75,000 in cash to cover administrative expenses, in the custody of a bank in the United States. The \$75,000 was kept in a non-interest bearing checking account with a South African bank. The Original Order also required applicant to settle all purchases and sales of portfolio securities, other than those executed on certain established stock exchanges, in the United States. As a condition to the relief, applicant agreed not to change its undertakings and agreements contained in the original application, including its custodian agreement with Citibank, without SEC approval. Since the Original Order, applicant has received several orders modifying the restrictions on its custodial arrangements.

3. In 1959, the SEC issued an order allowing applicant to consummate in South Africa purchases and sales of South African Treasury Bills from and to the South African Treasury or the

<sup>30</sup> See Securities Exchange Act Release No. 32950 (September 23, 1993), 58 FR 50985 (September 29, 1993) (approval for the listing of debt exchangeable for common stock ("DECS") by the New York Stock Exchange).

<sup>31</sup> See Indexed Term Note Approval Orders, *supra* note 20.

<sup>32</sup> 15 U.S.C. 78s(b)(2) (1988).

<sup>33</sup> 17 CFR 200.30-3(a)(12) (1994).

<sup>1</sup> Investment Company Act Release Nos. 2739 (July 3, 1958) (notice) and 2756 (Aug. 13, 1958) (order).