

data including the name and address of the official authorized to enter into the cooperative agreement between the agency and the U.S. Government; a proposed detailed budget outlining how the funds will be spent; and internal controls which will ensure the funds are spent for stated purposes. The proposals and applications are first submitted to and reviewed by the area Executive Committee in the HIDTA and, upon approval, forwarded for review by National HIDTA Committee which includes representatives of ONDCP, the Departments of Justice, Treasury, and Health and Human Services. Next, they are submitted to the Director of ONDCP for review, final approval, and transfer of funds. The applicant may be required to submit additional information deemed necessary prior to approval of the cooperative agreement.

Funding Mechanism and Restrictions

Upon receipt and approval of the application, the applicant and the government will execute cooperative agreements specifying the mechanism for receipt of funds and the conditions attendant to initial and continued receipt of the funds. The applicant will be expected to comply with the following conditions prior to the expenditure of any of the funds: all travel funded must be in accordance with the published U.S. Government travel regulations; all pertinent information regarding the cooperative agreement must be made available to the public; applicable civil rights and anti-discrimination statutes must be adhered to; accounting systems and records shall be such that the Comptroller General of the United States shall be able to audit the uses of the funds. Other conditions regarding expenditures of the funds and applicant performance shall be specified in the terms and conditions of the cooperative agreement that must be executed before any funds may be received.

For any expenditure incurred prior to execution of the cooperative agreement, detailed transaction records must be submitted along with evidence supporting that the expenditures were for the purposes stated in the legislation. The ONDCP/HIDTA Director will have to approve reimbursement for these expenditures before they can be considered eligible grant costs.

Lee P. Brown,

Director.

[FR Doc. 95-30163 Filed 12-11-95; 8:45 am]

BILLING CODE 3180-02-P

OFFICE OF PERSONNEL MANAGEMENT

Federal Prevailing Rate Advisory Committee, Open Committee Meeting

According to the provisions of section 10 of the Federal Advisory Committee Act (Pub. L. 92-463), notice is hereby given that meetings of the Federal Prevailing Rate Advisory Committee will be held on—

Thursday, January 4, 1996

Thursday, January 18, 1996

Thursday, February 8, 1996

Thursday, February 22, 1996

The meetings will start at 10:45 a.m. and will be held in Room 5A06A, Office of Personnel Management Building, 1900 E Street, NW., Washington, DC.

The Federal Prevailing Rate Advisory Committee is composed of a Chairman, five representatives from labor unions holding exclusive bargaining rights for Federal blue-collar employees, and five representatives from Federal agencies. Entitlement to membership on the Committee is provided for in 5 U.S.C. 5347.

The Committee's primary responsibility is to review the Prevailing Rate System and other matters pertinent to establishing prevailing rates under subchapter IV, chapter 53, 5 U.S.C., as amended, and from time to time advise the Office of Personnel Management.

These scheduled meetings will start in open session with both labor and management representatives attending. During the meeting either the labor members or the management members may caucus separately with the Chairman to devise strategy and formulate positions. Premature disclosure of the matters discussed in these caucuses would unacceptably impair the ability of the Committee to reach a consensus on the matters being considered and would disrupt substantially the disposition of its business. Therefore, these caucuses will be closed to the public because of a determination made by the Director of the Office of Personnel Management under the provisions of section 10(d) of the Federal Advisory Committee Act (Pub. L. 92-463) and 5 U.S.C. 552b(c)(9)(B). These caucuses may, depending on the issues involved, constitute a substantial portion of the meeting.

Annually, the Committee publishes for the Office of Personnel Management, the President, and Congress a comprehensive report of pay issues discussed, concluded recommendations, and related activities. These reports are available to the public, upon written request to the Committee's Secretary.

The public is invited to submit material in writing to the Chairman on Federal Wage System pay matters felt to be deserving of the Committee's attention. Additional information on these meetings may be obtained by contacting the Committee's Secretary, Office of Personnel Management, Federal Prevailing Rate Advisory Committee, Room 5559 1900 E Street, NW., Washington, DC 20415 (202) 606-1500.

Dated: December 5, 1995.

Anthony F. Ingrassia,

Chairman Federal Prevailing Rate Advisory Committee.

[FR Doc. 95-30054 Filed 12-11-95; 8:45 am]

BILLING CODE 6325-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-36552; International Series Release No. 898; File No. SR-NASD-95-49]

Self-Regulatory Organizations; National Association of Securities Dealers; Notice of Filing of Proposed Rule Change Granting the Canadian Depository for Securities Access to the Automated Confirmation Transaction Service

December 5, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on October 12, 1995, the National Association of Securities Dealers, Inc., ("NASD") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared primarily by the NASD. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The NASD proposes to amend its "Rules of Practice and Procedure for the Automated Confirmation Transaction Service" ("ACT Rules") to permit The Canadian Depository for Securities ("CDS") to enter trades in NASD's Automated Confirmation Transaction Service ("ACT").

¹ 15 U.S.C. 78s(b)(1) (1988).

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

In its filing with the Commission, the NASD included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The NASD has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

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

In 1992, the NASD approved an amendment to the ACT Rules to permit certain non member clearing organizations and their member broker/dealers to have access to and participate in ACT.³ The rule change was adopted with the West Canada Clearing Corporation ("WCCC") in mind, and WCCC was the first non member clearing organization to be granted access to and participation in ACT.⁴

In granting access and participation to non member clearing organizations, however, the NASD was concerned about its ability to regulate individual non member broker/dealers that enter into transactions with NASD member. Accordingly, the NASD determined to permit non member participation only for those organizations that would guarantee the trades submitted by their members. The amendments to the ACT Rules allowing non member clearing organizations access to and participation in ACT and specifically approving WCCC participation were

² The Commission has modified the text of the summaries prepared by the NASD.

³ Generally, ACT facilitates comparison and clearing of interdealer over-the-counter equity trades by requiring input of trade details within specific time frames, comparing the trade details, and submitting matched, locked-in trades for clearing. For a complete description of ACT, refer to Securities Exchange Act Release Nos. 27229 (September 8, 1989), 54 FR 38484 [File No. SR-NASD-89-25] (order partially approving proposed rule change to permit ACT to be used by self-clearing firms) and 28583 (October 26, 1990), 55 FR 46120 [File No. SR-NASD-89-25] (order approving remainder of File SR-NASD-89-25 to permit ACT to be used by introducing and correspondent broker-dealers).

⁴ The NASD granted access and participation to WCCC in part because it submits its transaction data to the Midwest Clearing Corporation ("MCC") through an end-of-day processing transmittal that is part of the regional interface between the clearing corporations. WCCC also demonstrated sufficient financial strength to support the trade guarantee made on behalf of its members.

approved by the Commission on April 19, 1995.⁵

The NASD has received another request through the International Securities Clearing Corporation to allow member broker/dealers of CDS to participate in ACT. After reviewing the financial status of CDS, the NASD believes CDS is in a financial position to guarantee the performance of its members. In addition, CDS is a member of the National Securities Clearing Corporation ("NSCC") and a Special Representative under NSCC's rules.⁶ Furthermore, CDS members submit trade data through NSCC's Correspondent Clearing Service⁷ as required by ACT Rules.⁸

The NASD believes that permitting CDS broker/dealer members to participate in ACT will expand the universe of Canadian brokers executing trades with NASD members in the U.S. and will facilitate comparison of trades executed by members of CDS in the T+3 settlement cycle.

The NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act⁹ which require that the rules of the NASD be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The NASD believes the rule change is consistent with the Act because the rule change will permit CDS broker/dealer members to participate in ACT under an agreement by CDS to guarantee its member transactions. It will expand the universe of Canadian brokers executing trades with NASD members in the U.S.,

⁵ Securities Exchange Act Release No. 35625 (April 19, 1995), 60 FR 20785 [File No. SR-NASD-94-55] (order approving proposed rule change relating to the access of WCCC and its members to ACT).

⁶ Generally, a Special Representative is a member or a registered clearing agency that has been authorized by one or more other persons to act on their behalf at NSCC. For a complete description of Special Representative, refer to NSCC Rule 39, "Special Representative/Index Receipt Agent."

⁷ Under the correspondent clearing service, NSCC members functioning as Special Representatives (e.g., CDS) submit transaction data on behalf of correspondents, which are NSCC members or non members of NSCC that are members of an interfaced clearing organization (e.g., CDS member). For a complete description of NSCC's Correspondent Clearing Service, refer to NSCC Procedure IV., C.

⁸ ACT Rules require that a nonmember clearing organization not be given access to ACT unless it (1) is a clearing agency registered under the Act, (2) maintains membership in a registered clearing agency, or (3) maintains an effective clearing arrangement with a registered clearing agency.

⁹ 15 U.S.C. 78o-3(b)(6) (1994).

and it will facilitate the comparison of trades executed by members of CDS in the T+3 settlement cycle.

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

The NASD does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments were neither solicited nor received.

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

Within thirty five days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the NASD consents, the Commission will:

A. By order approve such proposed rule change or

B. Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying in the Commission's Public Reference Section. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR-NASD-95-49 and should be submitted by January 2, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Jonathan G. Katz,
Secretary.

[FR Doc. 95-30222 Filed 12-11-95; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 21570; 812-9820]

EAI Select Managers Equity Fund, et al.; Notice of Application

December 6, 1995.

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

ACTION: Notice of application for an Order under the Investment Company Act of 1940 (the "Act").

APPLICANTS: EAI Select Managers Equity Fund ("Fund"), Evaluation Associates Capital Markets, Incorporated ("Manager"), EAI Partners, L.P. ("EAI"), Evaluation Associates, Incorporated 401(K) Plan and Trust ("EAI Plan"), Harding Service Corporation, et al. Profit Sharing Plan and Trust ("Harding Plan"), and Stockwood VII, Inc. 401K Plan ("Stockwood Plan", and, together with the EAI Plan and the Harding Plan, the "Affiliated Plans").

RELEVANT ACT SECTIONS: Order requested under section 17(b) of the Act exempting applicants from section 17(a) of the Act and pursuant to section 17(d) of the Act and rule 17d-1 thereunder.

SUMMARY OF APPLICATION: The requested order would permit a collective investment account sponsored by EAI to transfer its securities to the Fund.

FILING DATES: The application was filed on October 16, 1995 and amended on December 1, 1995. Applicants agree to file an additional amendment, the substance of which is incorporated herein, during the notice period.

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 December 28, 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 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. Applicants: EAI, 200 Connecticut Avenue, Suite 700, Norwalk, Connecticut 06854-1958; Harding Plan and Stockwood Plan, 300 South Street, P.O. Box 1975, Morriston, New Jersey 07962-1975.

FOR FURTHER INFORMATION CONTACT: Sarah A. Buescher, Staff Attorney, at (202) 942-0573, or Alison E. Baur, 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 from the SEC's Public Reference Branch.

Applicants' Representations

1. The Fund is an open-end management investment company organized as a Massachusetts business trust. The Fund has filed a registration statement under the Securities Act of 1933 which will become effective prior to the consummation of the transactions described in this application. The Manager is the investment adviser of the Fund and presently owns all of the Fund's outstanding shares. EAI is the parent of the Manager and is the sponsor of the EAI Plan, an in-house employee benefit plan for employees of EAI, the Manager, and their affiliates.

2. The Harding Plan is an employee benefit plan for employees of Harding Service Corporation ("Harding"). The Stockwood Plan is an employee benefit plan for employees of Stockwood VII, Inc. ("Stockwood"). Certain trustees of the Harding Plan and the Stockwood Plan have a greater than five percent direct or indirect equity interest in EAI. In addition, certain officers, employees and/or affiliates of Harding and Stockwood have a greater than five percent direct or indirect equity interest in EAI.

3. The Affiliated Plans and certain other participant-directed employee benefit plans (collectively, the "Plans") currently invest in The EAI Small Managers Equity Fund Trust, a collective investment account ("Account"). EAI is the investment adviser of the Account. The Account has not registered under the Act in reliance on the exception from the definition of "investment company" under section 3(c)(1) of the Act. Section 3(c)(1) provides that an issuer whose outstanding securities are beneficially owned by not more than one hundred

persons and which is not making and does not propose to make a public offering of its securities is not an investment company. In The PanAgora Group Trust (pub. avail. April 29, 1994), the staff stated that, for purposes of section 3(c)(1), the staff would consider a defined contribution plan participant who decides whether or how much to invest in a private investment company to be a beneficial owner of the company's securities. Participants in the Plans have discretion to direct investment of their assets, and there are more than 100 such participants. Therefore, the Account may no longer rely on the exception in section 3(c)(1) unless the Plans' investment in the Account is terminated by December 31, 1995.¹

4. EAI believes that the Fund is a suitable alternative investment vehicle for the Plans. Applicants contemplate that the Account would make an in-kind distribution of securities held in the Account's portfolio to the Plans and that those Plans choosing to invest in the Fund would purchase shares of the Fund by contributing the distributed securities to the Fund in exchange for Fund shares. The Account would remain available to employee benefit plans whose participants cannot direct asset investment.

5. Upon its withdrawal from the Account, each Plan would receive securities equal in value to its *pro rata* beneficial interest in the Account. Each Plan purchasing shares of the Fund by contribution of the securities distributed to it would receive shares of the Fund having a net asset value equal to the value of the securities contributed. Assets of the Plans used to purchase Fund shares would be valued at "current market value" as defined in rule 17a-7(b). The assets of the Fund would be invested with the same objectives and in the same manner as the assets of the Account are presently invested.

6. Each Plan choosing to purchase Fund shares by an in-kind contribution of securities would do so only upon written direction of the Plan fiduciaries. A party independent of EAI would provide such direction for the Affiliated Plans. EAI and/or the Manager would provide each Plan fiduciary with the Fund's current prospectus and a written statement disclosing the fee structure under which the Manager would be paid. Because the total expenses to be paid by the Fund will be higher than those paid by the Account, a Plan purchasing shares of the Fund would

¹ See Latham & Watkins (pub. avail. Dec. 28, 1994).

¹⁰ 17 CFR 200.30-3(a)(12) (1994).