participating Funds; and pursuant to section 17(d) of the Act and rule 17d–1 thereunder to permit the Funds to engage in certain joint transactions incident to such deferred fee arrangements.

2. Section 6(c) provides that the SEC may exempt any person, security, or transaction from any provision of the Act, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

3. Section 18(f)(1) generally prohibits a registered open-end investment company from issuing senior securities. Section 13(a)(2) requires that a registered investment company obtain shareholder authorization before issuing any senior security not contemplated by the recitals of policy in its registration statement. The Plans would result in the issuance of a senior security only if it was an obligation or instrument ''similar'' to a bond, debenture or note, and it evidenced indebtedness. In any event, applicants state that the Plans possess none of the characteristics of senior securities that led Congress to enact these sections. The Plans would not confused investors, make it difficult for them to value their shares or convey a false impression of safety. Further, the Plans would not be inconsistent with the theory of mutuality of risk.

4. Section 22(f) prohibits undisclosed restrictions on the transferability or negotiability of redeemable securities issued by open-end investment companies. The Plans would set forth any restrictions on transferability or negotiability, and such restrictions are primarily to benefit the participating directors and would not adversely affect the interests of the independent directors or of any Fund shareholder.

5. Section 22(g) prohibits registered open-end investment companies from issuing any of their securities for services or for property other than cash or securities. These provisions prevent the dilution of equity and voting power that may result when securities are issued for consideration that is not readily valued. Applicants believe that the Plans would provide for deferral of payment of fees and thus should be viewed as being issued not in return for services but in return for a Fund not being required to pay such fees on a current basis.

6. Section 13(a)(3) provides that no registered investment company shall, unless authorized by the vote of a majority of its outstanding voting securities, deviate from any investment policy that is changeable only if authorized by shareholder vote. Each of the existing Funds has limitations on its ability to purchase securities issued by other investment companies. Any relief granted from section 13(a)(3) would extend only to the existing Funds. Applicants believe that an exemption is appropriate to enable the existing Funds to invest in Designated Shares without a shareholder vote. Applicants will provide notice to shareholders of the deferred fee arrangements with the independent directors in their registration statements. The value of the Designated Shares will be *de minimis* in relation to the total net assets of the respective Fund. Changes in the value of the Designated Shares will not affect the value of shareholders' investments. Applicants believe that permitting the Funds to invest in Designated Shares without shareholder approval, therefore, would result in no harm to shareholders.

7. Section 17(a)(1) generally prohibits an affiliated person of a registered investment company from selling any security to such registered investment company, except in limited circumstances. Funds that are advised by the same entity may be ''affiliated persons'' of one another by reason of being under the common control of their adviser. Applicants believe that an exemption from this provision would not implicate Congress' concerns in enacting the section, but would facilitate the matching of each Fund's liability for deferred directors' fees with the Designated Shares that would determine the amount of such Fund's liability.

8. Section 17(b) authorizes the SEC to exempt a proposed transaction from section 17(a) if evidence establishes that: (a) The terms of the transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching; (b) the transaction is consistent with the policy of each registered investment company concerned; and (c) the transaction is consistent with the general purposes of the Act. Because section 17(b) may apply only to a specific proposed transaction, applicants also request an order under section 6(c) so that relief will apply to a class of transactions. Applicants believe that the proposed transactions satisfy the criteria of sections 6(c) and 17(b).

9. Section 17(d) of the Act prohibits affiliated persons from participating in joint transactions with a registered investment company in contravention of rules and regulations prescribed by the SEC. Rule 17d–1 under the Act prohibits affiliated persons of a registered investment company from entering into joint transactions with the investment company unless the SEC has granted an order permitting the transaction after considering whether the participation of such investment company is consistent with the provisions, policies, and purposes of the Act and the extent to which such participation is on a basis different from or less advantageous than that of other participants. Under the Plans, participating independent directors would not receive a benefit that otherwise would inure to a Fund or its shareholders. The effect of the Plans is to defer the payment of compensation that a Fund otherwise would be obligated to pay on a current basis as services are performed by its independent directors. Applicants also believe that the Funds' ability to recruit and retain highly qualified independent directors would be enhanced if they were able to offer their independent directors the option of deferred payment of their directors' fees.

Applicants' Condition

Applicants agree that the order granting the requested relief shall be subject to the following condition:

1. If a Fund purchases Designated Shares issued by itself, an affiliated Fund, or any other fund which has been approved as an Investment Fund, the purchasing Fund will vote such shares in proportion to the votes of all other holders of shares of such Fund, affiliated Fund, or other Investment Fund.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 95–30859 Filed 12–19–95; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 35–26432]

Filings Under the Public Utility Holding Company Act of 1935, as Amended (''Act'')

December 15, 1995.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the

Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by January 8, 1996, to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Central and South West Corporation (70–8087)

Central and South West Corporation (''CSW''), 1616 Woodall Rodgers Freeway, Dallas, Texas 75266–0164, a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a) and 10 of the Act and rules 43, 53 and 54 thereunder.

CSW currently has in place a Dividend Reinvestment and Stock Purchase Plan (''Current Plan'') pursuant to which shares of CSW's common stock, $3.50 par value per share (''Common Stock''), are either newly issued or purchased in the open market with reinvested dividends and optional cash payments made by registered shareholders of CSW, employees and eligible retirees of CSW or its subsidiaries and non-shareholders of legal age who are residents of the States of Arkansas, Louisiana, Oklahoma and Texas.

CSW now proposes to make certain amendments to the Current Plan (''Plan'') (a) to increase the number of originally issued shares of Common Stock that may be offered pursuant to the Plan from 5 to 10 million, (b) to permit non-shareholders of legal age who are residents of all fifty States of the United States and the District of Columbia to participate in the Plan, (c) to increase the initial cash investment required for enrollment in the Plan by non-employees and non-retirees from $100 to $250, and (d) to change the frequency of investment in shares of Common Stock by the Plan from bi-monthly to weekly.

The Plan will be open to registered shareholders of CSW, employees and eligible retirees of CSW or its subsidiary companies, and non-shareholders of legal age who are residents of the fifty States of the United States and the District of Columbia. Such residents include but are not limited to retail electric customers of CSW's public utility subsidiaries.

Consistent with the Current Plan, the Plan will include full, partial or no reinvestment of dividends and the ability to make optional cash purchases of at least $25 per investment and not more than $100,00 annually. There is an initial purchase requirement of $250 in order to enroll in the Plan. Employees and retirees will be able to participate in the Plan through payroll/pension deductions with a $10 minimum per pay period.

The shares of Common Stock purchased under the Plan with the initial cash investments, optional cash purchase payments and reinvested dividends, if any, may be, in the discretion of CSW, authorized but previously unissued Common Stock or shares of Common Stock purchased on the open market by the independent agent of the Plan (''Independent Agent''). CSW proposes to use the proceeds from the sale of the newly issued shares of Common Stock for repayment of long- or short-term indebtedness, by working capital or for other general corporate purposes. Purchases will be made weekly on each Monday of each week (or, if not a business day, the next succeeding business day). The timing and manner of purchases and sales on the open market will be determined solely by the Independent Agent. The price of shares of newly issued Common Stock will be the average of the daily high and low sale prices of the Common Stock on the New York Stock Exchange on the applicable investment date. The price of shares of Common Stock purchased on the open market by the Independent Agent with respect to any investment period will be the average price of all such shares of Common Stock purchased during such investment period plus brokerage commissions and other fees. The investment period will commence on each Monday of each week (or, if not a business day, the next succeeding business day) and will continue until all applicable funds are invested, but in no instance past the day prior to the commencement of the next investment period.

A Participant may sell or withdraw all or a portion of his/her shares at any time. Sales will be made weekly by the Independent Agent and the price will be the weighted average cost of shares sold during the applicable investment period, less fees and commissions/

CSW's Shareholder Services Department will continue to share the administration of the Plan with the Independent Agent. The Independent Agent will make open market purchases and sales under the Plan and CSW will handle the other elements of Plan administration. Participants will receive quarterly statements of activity in their account.

EUA Cognenex Corporation (70–8755)

EUA Cogenex Corporation (''Cogenex''), P.O. Box 2333, Boston, Massachusetts 02107, a nonutility subsidiary of Eastern Utilities Associates (''EUA''), a registered holding company, have filed an application-declaration under sections 9(a), 10, 12(b), 12(f) and 13 of the Act and rules 45, 53, 54, 90 and 91 thereunder.

Cogenex proposes to form a Delaware limited liability company (''JV ESCO'') with Westar Business Services, a nonaffiliated Kansas corporation and a wholly owned subsidiary of Western Resources, Inc., a Kansas corporation, for the purpose of providing energy conservation services in the states of Kansas, Missouri, Nebraska, Oklahoma and Arkansas and to other Westar or Cogenex customers outside such states as opportunities arise (''Territory''). Cogenex and Westar will each own 50% of JV ESCO and share equally in the capital contributions, allocations of profits and losses and distributions of JV ESCO. JV ESCO will be governed overall by a board of directors comprised of six directors, three of whom will be appointed by Cogenex and three by Westar. Daily management decisions will be made by a management committee comprised of one representative from each of Cogenex and Westar. Cogenex and Westar will make capital contributions in an amount initially expected to be approximately $1,000 each, which will be used by JV ESCO for working capital purposes. Cogenex states that capital contributions to JV ESCO will be exempt from the requirement of Commission authorization pursuant to rule 45(b)(4). Cogenex and Westar will subcontract personnel to JV ESCO at cost as needed until such time, if any, as JV ESCO employs its own personnel.

Cogenex and Westar entered into a letter agreement dated November 15, 1995 in which they agreed to perform initial marketing, sales, auditing, bidding, job procurement and performance activities in preparation of forming JV ESCO and to develop a long-term business plan for JV ESCO. The term of the letter agreement is one year (''Interim Period''), unless terminated

sooner by the formation of JV ESCO or by the decision of one or both of Cogenex and Westar. Cogenex and Westar will assign all contracts and business opportunities obtained during the Interim Period within the Territory at cost by JV ESCO. Cogenex and Westar will also be reimbursed by JV ESCO for their expenses incurred during the Interim Period but not previously reimbursed.

Cogenex and Westar also propose to guarantee third party loans to JV ESCO for up to an aggregate of $15 million. Cogenex states that such guarantees shall be made within five years of the formation of JV ESCO. Cogenex also states that any amount borrowed by JV ESCO from third party lenders will be through loans exempt from the requirement of Commission authorization pursuant to rule 52(b).

Cogenex requests that any goods or services furnished by Cogenex or any of its associate companies (other than an associate company which is a public utility company) to JV ESCO be furnished at prices not to exceed market prices pursuant to an exception from the requirements of section 13(b) and rules 90 and 91 thereunder. JV ESCO will not be providing goods or services to Cogenex or its associate companies.

Hope Gas, Inc., et al. (70–8757)

Hope Gas, Inc. (''Hope Gas''), Bank One Center, Clarksburg, West Virginia, 26302–2868, a gas public utility subsidiary company of Consolidated Natural Gas Company (''CNG''), a registered holding company, and CNG Producing Company (''CNGP''), 1450 Poydras Street, New Orleans, Louisiana, 70112–6000, a gas and oil exploration and production subsidiary company of CNG, have filed an application under sections 9(a) and 10 of the Act and rules 43 and 54 thereunder.

Hope Gas has signed a binding letter of intent, contingent upon Commission approval, to sell all of its production wells to CNGP. The sale price of approximately $4.6 million is the net book value of all the production properties as shown on Hope Gas' books of account as maintained in the ordinary course of business and in accordance with generally accepted accounting standards.

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

Margaret H. McFarland,

Secretary.

FR Doc. 95–30905 Filed 12–19–95; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Rel. No. 21602; 812–9648]

State Street Bank and Trust Company, et al.; Notice of Application

December 14, 1995.

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

ACTION: Notice of Application for Exemption Under the Investment Company Act of 1940 (''Act'').

APPLICANTS: State Street Bank and Trust Company (''State Street'') and Global Lending Trust (''Trust''), on behalf of themselves and any registered management investment company or series thereof that may participate from time to time as lenders (''Lending Funds'') in the securities lending program administered by State Street (''Program'').

RELEVANT ACT SECTIONS: Order requested under section 6(c) to grant an exemption from section 12(d)(1), under sections 6(c) and 17(b) to grant an exemption from section 17(a), and under rule 17d–1 to permit certain transactions in accordance with section 17(d) and rule 17d–1.

SUMMARY OF APPLICATION: Applicants seek an order that would permit State Street, as agent for the Lending Funds, to invest cash collateral derived from securities lending transactions in shares of one or more series of the Trust (''Investment Funds'').

FILING DATES: The application was filed on June 23, 1995, and amended on October 24 and December 14, 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 January 8, 1996, 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 such notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants: State Street, Two International Place, Boston, Massachusetts 02110; Global Lending Trust, c/o Raymond P. Boulanger, Exchange Place, 25th Floor, Boston, Massachusetts 02109.

FOR FURTHER INFORMATION CONTACT: Courtney S. Thornton, Senior Attorney, at (202) 942–0583, or C. David Messman, 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

State Street, a wholly-owned subsidiary of State Street Boston Corporation, is a Massachusetts chartered trust company and a member of the Federal Reserve System. State Street provides institutional custody services and asset management services for pension plans, foundations, governmental plans, individuals, and registered management investment companies. State Street also administers the Program, which involved securities loan transactions in excess of $50 billion on average during the first three quarters of 1995.

2. The Trust is a Massachusetts business trust organized pursuant to a master trust agreement dated June 15, 1995. The Trust proposes initially to establish three separate Investment Funds: The U.S. Government Securities Money Market Fund (''Government Securities Fund''), the General Money Market Fund (''Money Market Fund''), and the Short-Term Fund.[1] Shares of each Investment Fund will be sold on a private placement basis in accordance with Regulation D under the Securities Act of 1933 only to Lending Funds and other institutional investors participating in the Program. Shares of the Investment Funds will be sold directly by the Trust without a distributor and will not be subject to a sales load or a redemption fee. Assets of the Trust will not be subject to a rule 12b–1 fee. The Trust will register as an investment company under the Act

[1] The Government Securities Fund will invest exclusively in securities issued or backed by the U.S. Government or its agencies or instrumentalities and in repurchase agreements collateralized with such securities (''U.S. Government Securities''). The Money Market Fund will invest in a variety of U.S. dollar-denominated instruments, including U.S. Government Securities, corporate debt obligations, commercial paper, time deposits, certificates of deposit and bankers acceptances, obligations of foreign governments and supranational organizations and shares of money market mutual funds. All investments of the Government Securities Fund and the Money Market Fund will qualify as ''eligible securities'' within the meaning of rule 2a–7 under the Act. The Short-Term Fund will invest in a variety of securities, the maximum effective duration of which will not exceed five years.