

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.

prior to the commencement of operations.

3. State Street will serve as the investment adviser, custodian, transfer agent, and administrator of the Trust with respect to each Investment Fund, and will be entitled to receive a fee for its services.

4. State Street proposes to enter into a securities lending agreement ("Lending Agreement") with each Lending Fund.² The Lending Agreement will authorize State Street to enter into a master borrowing agreement ("Borrowing Agreement") with each person designated by the Lending Fund as eligible to borrow securities ("Borrower"). State Street will maintain a list of Borrowers that it believes to be creditworthy and that are eligible to participate in the Program. Each Lending Fund will be responsible for independently evaluating and monitoring the creditworthiness of each Borrower it selects from the pre-approved list and will have the right to add Borrowers to the list, subject to State Street's approval.

5. State Street will invest cash collateral received in the Program on behalf of a Lending Fund in shares of one or more Investment Funds to the extent permitted by the terms of the Lending Agreement. The Lending Agreement will authorize and instruct State Street to invest the cash collateral in accordance with specific guidelines provided by the Lending Fund. Such guidelines will identify the particular Investment Funds and other investment vehicles, instruments, and accounts, if any, in which cash collateral may be invested, and the maximum and minimum amounts of cash or percentages of collateral that may be invested in each Investment Fund and other authorized investments.³ Each Lending Fund will reserve at all times the right to rescind authorization to invest in an Investment Fund. State Street will not purchase shares of any Investment Fund unless the Lending Fund has represented to State Street that (a) Its policies generally permit the Lending Fund to engage in securities lending transactions; (b) such transactions will be conducted in

accordance with the securities lending guidelines established in a series of non-action letters issued by the SEC's Division of Investment Management; (c) its policies permit the Lending Fund to purchase shares of the Investment Funds with cash collateral; and (d) its securities lending activities will be conducted in accordance with all applicable representation and conditions of the application.

6. The Lending Agreement and the Borrowing Agreement will establish, with respect to each transaction, the initial and ongoing collateralization requirements, the types of collateral that may be accepted, and the manner in which the portion of the income earned on the investment of cash collateral during the term of the loan to be repaid to the Borrower ("Borrower's Rebate") will be established. The Lending Agreement will fix the percentage of the difference between the Borrower's Rebate and the actual return on the investment of cash collateral ("Net Income") to be retained by the Lending Fund and the percentage to be paid by the Lending Fund to State Street. The Lending Agreement also will authorize State Street to negotiate the Borrower's Rebate for each transaction.

7. During the term of each loan, the Lending Fund will retain the economic rights of an owner of the securities that are the subject of a loan, and will have the power to terminate a loan at any time and recall loaned portfolio securities in time to exercise voting rights. The Borrowing Agreement will provide that, within three trading days (or such other time period as is the customary settlement period for the loaned securities) of the Lending Fund giving notice of the termination of any loan, the Borrower is required to transfer the loaned securities (or certificates for identical securities) to State Street or the Lending Fund's custodian, and pay to State Street or the Lending Fund's custodian the amount of all dividends and distributions that would have been payable to the Lending Fund on or with respect to such securities if they had not been loaned, to the extent not previously paid.

8. Applicants represent that participation in the Program will provide the Lending Funds with economies of scale that will maximize investment opportunities, minimize investment risk, facilitate management of liquidity, and minimize administrative costs, thereby increasing their net income. In addition, applicants state that participation in the Program will permit the Lending Funds to minimize credit risk and interest-rate risk through diversification, while

receiving the procedural and substantive protections of the Act.

Applicants' Legal Analysis

1. Section 12(d)(1)(A) prohibits an investment company from acquiring shares of another investment company if, immediately after such acquisition, the acquiring company would own more than three percent of the total outstanding voting stock of the acquired company, securities of the acquired company with an aggregate value in excess of five percent of the value of the total assets of the acquiring company, or securities of any investment companies (including the acquired company) with an aggregate value in excess of ten percent of the value of the total assets of the acquiring company. Section 12(d)(1)(B) prohibits an investment company from selling its shares to another investment company if after such sale more than three percent of the outstanding voting stock of the acquired company would be owned by the acquiring company, or more than ten percent of the voting stock of the acquired company would be owned by investment companies.

2. Section 6(c) permits the SEC to exempt any person or transaction from any provision of the Act, or any rule or regulation thereunder, if the 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. Applicants submit that the investment of cash collateral in shares of the Investment Funds will permit the Lending Funds to maximize returns with less investment risk than would be present with other means of investment. Applicants also believe that the administrative burdens associated with compliance with section 12(d)(1), such as daily monitoring of total assets and other investments of the Lending Funds, could impair State Street's ability to provide securities lending services to Lending Funds in an economical and administratively efficient manner, and therefore could create competitive disadvantages for the Lending Funds relative to other institutional investors that seek to engage in securities lending activities. In addition, applicants submit that the investment of cash collateral in shares of the Investment Funds do not give rise to the policy concerns of section 12(d)(1), which include unnecessary duplication of costs (such as sales loads, advisory fees, and administrative costs) and undue influence by the fund holding company over its underlying funds arising from the threat of large scale redemptions of the securities of

²The Lending Funds will include, but will not be limited to, investment companies for which State Street or an affiliated person thereof also serves as custodian, transfer agent, and/or administrator.

³Applicants anticipate that one or more of the Lending Funds participating in the Program may be investment companies that hold themselves out as money market funds and comply with the requirements of rule 2a-7 ("Money Market Lending Funds"). Cash collateral in which the lender is a Money Market Lending Fund will not be used to acquire shares of any Investment Fund that does not comply with the requirements of rule 2a-7.

the underlying investment companies. Accordingly, applicants believe that the requested exemption from section 12(d)(1) is in the public interest and consistent with the protection of investors and the purposes intended by the Act.

3. Section 17(a) prohibits any affiliated person of a registered investment company, or any affiliated person of such a person, acting as principal, to sell any security to, or purchase any security from, such investment company. From time to time, it is possible that a Lending Fund may directly or indirectly own, control, or hold with power to vote five percent or more of the shares of an Investment Fund, which will result in the Lending Fund being an affiliated person of the Investment Fund. In these circumstances, the purchase or redemption of shares of an Investment Fund for the same Lending Fund or an affiliated person of such Lending Fund could violate section 17(a).

4. Section 17(b) authorizes the SEC to issue an order of exemption from section 17(a) if the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, the proposed transaction is consistent with the policy of each registered investment company concerned, and the proposed transaction is consistent with the general policy of the Act. Applicants believe that the proposed transaction will be reasonable and fair and consistent with the general purposes of the Act as well as with the policies of each Lending Fund. The Lending Funds will not be able to purchase or redeem shares of the Investment Funds at a price lower or higher than the per share net asset value of the Investment Funds, and there will be no sales loads or redemption fees charged with respect to such shares. In addition, State Street will be able to invest cash collateral only in accordance with specific guidelines provided by the Lending Funds, which will identify both the particular Investment Fund and other investment vehicles, instruments, and accounts (if any) in which cash collateral may be invested, and the maximum and minimum amounts of cash or percentages of collateral that may be invested in each Investment Fund and other authorized investments.

5. Section 17(b) could be interpreted to exempt only a single transaction.⁴ Under section 6(c), however, the

Commission may exempt a series of transactions that otherwise would be prohibited by section 17(a). Applicants believe that the requested relief is appropriate under section 6(c) for the same reasons that it is appropriate under section 17(b).

6. Section 17(d) of the Act and rule 17d-1 thereunder prohibit any affiliated person of a registered investment company, acting as principal, from effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates. The ownership by a Lending Fund of five percent or more of the shares of an Investment Fund would cause the Lending Fund to be an affiliated person of the Trust. State Street, as investment adviser for each of the Investment Funds, will be an affiliated person of the Trust. As such, State Street may, from time to time, be an affiliated person of an affiliated person of one or more Lending Funds by virtue of such Funds' interests in the Trust. Consequently, the proposed purchase of shares of the Investment Funds with cash collateral, the proposed purchase of shares of the Investment Funds with cash collateral, the redemption of such shares, and the sharing of Net Income between State Street and the Lending Funds may constitute a joint transaction for which an exemptive order is required.

7. Rule 17d-1 permits the SEC to approve a proposed joint transaction covered by the terms of section 17(d). In determining whether to approve such a transaction, the SEC must consider whether the proposed transaction is consistent with the provisions, policies, and purposes of the Act, and the extent to which the participant of the investment company is on a basis different from or less advantageous than that of the other participants. Applicants believe that the proposed transactions satisfy these standards. Each Lending Fund will invest in shares of the Investment Funds on the same basis as every other shareholder of the Trust, and all shares will be priced in the same manner and redeemable under the same terms. The arrangements regarding the sharing of Net Income between State Street and each Lending Fund are the product of arm's length negotiations between the Lending Fund and State Street as service provider. Finally, the proposed investment of cash collateral in the Investment Funds is consistent with the provisions and purposes of the Act because participation in the proposed arrangement will allow the Lending Funds to increase their investment opportunities and returns while

lowering their transaction costs in connection with securities lending transactions.

Applicants' Conditions

Applicants agree that any order of the SEC granting the requested relief will be subject to the following conditions:

1. No Lending Fund will purchase shares of any Investment Fund unless participation in the Program has been approved by a majority of the directors or trustees of the Lending Fund that are not "interested persons" of the Lending Fund within the meaning of section 2(a)(19) of the Act. Such directors or trustees will also evaluate the Program no less frequently than annually, and determine that any investment of cash collateral in the Investment Funds is in the best interests of the shareholders of the Lending Fund.

2. State Street will lend portfolio securities of each of the Lending Funds only in accordance with the guidelines specified by such Lending Fund.

3. Cash collateral from loans by Lending Funds will be invested in shares of each Investment Fund subject to such limitations and guidelines as are specified by the Lending Funds.

4. Cash collateral from loans by Money Market Lending Funds will not be used to acquire shares of any Investment Fund that does not comply with the requirements of rule 2a-7 under the Act.

5. Shares of the Investment Funds will not be subject to a sales load or redemption fee, and assets of the Investment Funds will not be subject to a rule 12b-1 fee.

6. State Street will not acquire shares of any Investment Fund on behalf of any Lending Fund if, at the time of such acquisition, (a) State Street is an affiliated person of the Lending Fund or an affiliated person of an affiliated person of the Lending Fund, or (b) the Lending Fund is an affiliated person of the Investment Fund or an affiliated person of an affiliated person of the Investment Fund, in either case by means other than by directly or indirectly owning, controlling, or holding with the power to vote five percent or more of the shares of an Investment Fund by the Lending Fund or an affiliated person of the Lending Fund.

7. In connection with all matters requiring a vote of shareholders of an Investment Fund, State Street will pass through voting rights to those Lending Funds that have a beneficial interest in such Investment Fund.

⁴ See *Keystone Custodian Funds, Inc.*, 21 S.E.C. 295 (1945).

For the SEC, by the Division of Investment Management, under delegated authority.
Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-30906 Filed 12-19-95; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[License No. 01/01-0341]

Mezzanine Capital Corporation; Notice of Surrender of License

Notice is hereby given that Mezzanine Capital Corporation, 75 State Street, Suite 2500, Boston, Massachusetts 02109, has surrendered its license to operate as a small business investment company under the Small Business Investment Act of 1958, as amended (the Act). Mezzanine Capital Corporation was licensed by the Small Business Administration on May 28, 1987.

Under the authority vested by the Act and pursuant to the Regulations promulgated thereunder, the surrender was accepted on December 1, 1995 and accordingly, all rights, privileges and franchises derived therefrom have been terminated.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies).

Dated: December 14, 1995.

Don A. Christensen,

Associate Administrator for Investment.

[FR Doc. 95-30878 Filed 12-19-95; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGD-95-088]

Navigation Safety Advisory Council, Request for Applications

AGENCY: Coast Guard, DOT.

ACTION: Notice.

SUMMARY: The U.S. Coast Guard is seeking applicants for appointment to membership on the Navigation Safety Advisory Council (NAVSAC).

DATES: Completed applications and resumes must be received by February 29, 1996. Application forms may be obtained by contacting the Executive Director at the address below.

ADDRESSES: To request an application, either call (202) 267-0415 and give your name and mailing address or write to Commandant (G-NVT-3), U.S. Coast Guard, 2100 Second St., SW., Room

1409, Washington, DC 20593-001. Completed applications and resumes should be mailed or delivered to the above address.

FOR FURTHER INFORMATION CONTACT:

Margie G. Hegy, Executive Director, Navigation Safety Advisory Council (NAVSAC), Commandant (G-NVT-3), U.S. Coast Guard, 2100 Second St., SW., Room 1409, Washington, DC 20593-001, (202) 267-0415.

SUPPLEMENTARY INFORMATION: NAVSAC

is a twenty-one member Federal advisory council that advises the Coast Guard on matters relating to the prevention of vessel collisions, rammings, and groundings, including, but not limited to: Inland Rules of the Road, International Rules of the Road, navigation regulations and equipment, routing measures, marine information, diving safety, and aids to navigation systems.

The applications will be considered for seven (07) expiring terms. The Council consists of 21 members who have expertise, knowledge and experience in the Navigation Rules of the Road (International and Inland), aids to navigation, navigational safety equipment, vessel traffic service, and traffic separation schemes and vessel routing.

To achieve the balance of membership required by the Federal Advisory Committee Act, the Coast Guard is especially interested in receiving applications from minorities and women. To assure balanced representation of subject matter expertise, members are chosen, insofar as practical, from the following groups: (1) Recognized experts and leaders in organizations having an active interest in the Rules of the Road and vessel and port safety; (2) representatives of owners and operators of vessels, professional mariners, recreational boaters, and the recreational boating industry; (3) individuals with an interest in maritime law; and (4) Federal and state officials with responsibility for vessel and port safety.

The three-year membership term begins July 1, 1996, and, assuming that Congress passes pending legislation to renew the Council, will expire June 30, 1999. Those persons who have submitted previous applications must reapply as no applications received prior to this solicitation will be considered.

The Council meets twice each year at various sites in the continental United States. Members serve without compensation from the Federal Government, although travel

reimbursement and per diem may be provided.

Dated: December 15, 1996.

Rudy K. Peschel,

Rear Admiral, U.S. Coast Guard, Chief, Office of Navigation, Safety and Waterway Services.

[FR Doc. 95-30966 Filed 12-19-95; 8:45 am]

BILLING CODE 4910-14-M

Federal Aviation Administration

[Summary Notice No. PE-95-44]

Petitions for Exemptions; Summary of Petitions Received; Dispositions of Petitions Issued

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of petitions for exemption received and of dispositions of prior petitions.

SUMMARY: Pursuant to FAA's rulemaking provisions governing the application, processing, and disposition of petitions for exemption (14 CFR part 11), this notice contains a summary of certain petitions seeking relief from specified requirements of the Federal Aviation Regulations (14 CFR chapter I), dispositions of certain petitions previously received, and corrections. The purpose of this notice is to improve the public's awareness of, and participation in, this aspect of FAA's regulatory activities. Neither publication of this notice nor the inclusion or omission of information in the summary is intended to affect the legal status of any petition or its final disposition.

DATES: Comments on petitions received must identify the petition docket number involved and must be received on or before January 9, 1996.

ADDRESSES: Send comments on any petition in triplicate to: Federal Aviation Administration, Office of the Chief Counsel, Attn: Rule Docket (AGC-200), Petition Docket No. _____, 800 Independence Avenue, SW., Washington, DC 20591.

Comments may also be sent electronically to the following internet address: nprmcmts@mail.hq.faa.gov.

The petition, any comments received, and a copy of any final disposition are filed in the assigned regulatory docket and are available for examination in the Rules Docket (AGC-200), Room 915G, FAA Headquarters Building (FOB 10A), 800 Independence Avenue, SW., Washington, DC 20591; telephone (202) 267-3132.

FOR FURTHER INFORMATION CONTACT: Mr. D. Michael Smith, Office of Rulemaking (ARM-1), Federal Aviation Administration, 800 Independence