

Portfolios from unexpected large redemptions.

7. Section 17(a) makes it unlawful for an affiliated person of a registered investment company to sell securities to, or purchase securities from, the company. The Funds and the Underlying Portfolios may be considered affiliated persons because they share a common adviser. Thus, purchases or sales of securities between a Fund and an Underlying Portfolio may be prohibited by section 17(a).

8. Section 17(b) provides that the SEC shall exempt a proposed transaction from section 17(a) if evidence establishes that: (a) The terms of the proposed transaction are reasonable and fair and do not involve overreaching; (b) the proposed transaction is consistent with the policies of the registered investment company concerned; and (c) the proposed transaction is consistent with the general provisions of the Act. Applicants request an exemption under sections 6(c) and 17(b) to permit the Funds to purchase shares of an Underlying Portfolio, and an Underlying Portfolio to redeem such shares.¹ Applicants believe that the proposed transactions meet the standards of sections 6(c) and 17(b).

Applicants' Conditions

Applicants expressly consent to the imposition of the following conditions in connection with this request for exemptive relief:

1. The Funds and each Underlying Portfolio will be part of the same "group of investment companies," as defined in rule 11a-3 under the Act.

2. No Underlying Portfolio will acquire securities of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

3. A majority of the directors of the Funds will not be "interested persons," as defined in section 2(a)(19) of the Act.

4. Any sales-related charges or service fees relating to the shares of the Funds, when aggregated with any charges or service fees paid by the Funds with respect to the securities of the Underlying Portfolio, will not exceed the limits set forth in Article III, section 26, of the NASD's Rules of Fair Practice.

5. Before approving any advisory contract under section 15 of the Act, the board of directors of the Funds, including a majority of the directors who are not "interested persons," as

¹ Section 17(b) applies to specific proposed transactions, rather than an ongoing series of future transactions. See *Keystone Custodian Funds*, 21 S.E.C. 295, 298-99 (1945). Section 6(c) frequently is used to grant relief from section 17(a) to permit an ongoing series of future transactions.

defined in section 2(a)(19), will find that the advisory fees charged under the contract are based on services provided that are in addition to, rather than duplicative of, services provided under any Underlying Portfolio advisory contract. This finding, and the basis upon which the finding was made, will be recorded fully in the minute books of the Funds.

6. Applicants agree to provide the following information, in an electronic format, to the Chief Financial Analyst of the SEC's Division of Investment Management: monthly average total assets for the Funds and Underlying Portfolios; monthly purchases and redemptions (other than by exchange) for the Funds and each Underlying Portfolio; monthly exchanges into and out of the Funds and each Underlying Portfolio; month-end allocations of the Funds' assets among the Underlying Portfolios; annual expense ratios for the Funds and each Underlying Portfolio; and a description of any vote taken by the shareholders of any Underlying Portfolio, including a statement of the percentage of votes cast for and against the proposal by the Funds and by the other shareholders of the Underlying Portfolio. The information will be provided as soon as reasonably practicable following each fiscal year-end of the Funds (unless the Chief Financial Analyst notifies applicants in writing that the information need no longer be submitted).

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

Margaret H. McFarland,
Deputy Secretary.

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Agency Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of July 1, 1996.

A closed meeting will be held on Tuesday, July 2, 1996, at 10:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and

(10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Johnson, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Tuesday, July 2, 1996, at 10:00 a.m., will be:

Institution and settlement of administrative proceedings of an enforcement nature.

Institution of injunctive actions.

Settlement of injunctive action.

Opinion.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: June 25, 1996.

Jonathan G. Katz,
Secretary.

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Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Dissemination of Indications in Connection With Circuit Breaker Trading Halts Under Rule 117

June 24, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 17, 1996, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. 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 Amex proposes to implement guidelines for dissemination of indications to the consolidated tape in connection with the resumption of trading following a "circuit breaker" trading halt pursuant to the Amex's Rule 117.³

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Commission notes that Rule 117—the Exchange's "circuit breaker" rule—provides that