

and 98-76. The form obtains the information needed to determine the amount to be withheld.

**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. 97-3497 Filed 2-11-97; 8:45 am]

BILLING CODE 7905-01-M

### Sunshine Act; Meeting

U.S. Railroad Retirement Board; Notice of Public Meeting

Notice is hereby given that the Railroad Retirement Board will hold a meeting on February 19, 1997, 9:00 a.m., at the Board's meeting room on the 8th floor of its headquarters building, 844 North Rush Street, Chicago, Illinois, 60611. The agenda for this meeting follows:

#### Portion Open to the Public

- (1) Impact of P.L. 104-193 on Benefits under Railroad Retirement and Railroad Unemployment Insurance acts
- (2) Letter to Ken Apfel, Office of Management and Budget, re Bulletin No. 96-02, Consolidation of Agency Data Centers
- (3) Supplemental Annuity Tax
- (4) Streamlining the Approval Process for Change-of-Station
- (5) Fiscal Year 1997 Medicare Carrier Budget
- (6) Coverage Determinations:
  - A. CSX Professional Services Group, Inc.
  - B. Paladin Strategies, Ltd.
- (7) Regulations:
  - A. Part 216, Eligibility for an Annuity (Final Rule)
  - B. Parts 222 and 229, Stepchild
  - C. Part 295, Payments Pursuant to Court Decree or Court-Approved Property Settlement
  - D. Part 335, Sickness Benefits
- (8) Administrative Circular REF(RRB)-2, Committees at the Railroad Retirement Board
- (9) Chief Information Officer Vacancy Announcement
- (10) Composition of Performance Review Board

(11) Labor Member Truth in Budgeting Status Report

#### Portion Closed to the Public

(A) SES Performance Appraisal for FY 1996

The person to contact for more information is Beatrice Ezerski, Secretary to the Board, Phone No. 312-751-4920.

Dated: February 7, 1997.

Beatrice Ezerski,

Secretary to the Board.

[FR Doc. 97-3579 Filed 2-10-97; 9:38 am]

BILLING CODE 7905-01-M

### SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-22496; File No. 812-10512]

#### American Skandia Trust, et al.

February 5, 1997.

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

**ACTION:** Notice of Application for Exemption under the Investment Company Act of 1940 (the "1940 Act").

**APPLICANTS:** American Skandia Trust (the "Fund"), American Skandia Investment Services, Inc. (the "Adviser"), and INVESCO Trust Company ("INVESCO").

**RELEVANT 1940 ACT SECTIONS:** Order requested under Section 6(c) of the 1940 Act for exemption from Section 15(a) of the 1940 Act.

**SUMMARY OF APPLICATION:** Applicants seek an order to permit INVESCO to serve as the investment subadvisor to the INVESCO Equity Income Portfolio (the "Portfolio") of the Fund, without formal approval by the contract owners of the Portfolio, pursuant to a new investment management agreement (the "New Agreement"). The order would cover an interim period not greater than 120 days (the "Interim Period") and would permit INVESCO to receive from the Adviser fees earned under the New Agreement during the Interim Period.

**FILING DATE:** The application was filed on February 4, 1997.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing on this application by writing to the Secretary of the SEC and serving Applicants with a copy of the request, personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on March 3, 1997, 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 Secretary of the SEC.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. The Fund and the Adviser: P.O. Box 883, One Corporate Drive, Shelton, Connecticut 06484-0883; INVESCO, P.O. Box 173706, Denver, Colorado 80217-3706.

**FOR FURTHER INFORMATION CONTACT:** Patrice M. Pitts, Branch Chief, at (202) 942-0670, Office of Insurance Products, Division of Investment Management.

**SUPPLEMENTARY INFORMATION:** Following is a summary of the application. The complete application is available for a fee from the Commission's Public Reference Branch.

#### Applicants' Representations

1. The Fund, a registered open-end management investment company organized as a Massachusetts business trust, currently offers twenty-three portfolios investment options. The Adviser and INVESCO are registered as investment advisors under the Investment Advisers Act of 1940, as amended. The Adviser serves as the investment adviser to each portfolio of the fund pursuant to investment management agreements that comply with Section 15 of the 1940 Act. In 1994, the Adviser entered into a subadvisory agreement (the "Existing Agreement") that authorized INVESCO to serve as the investment adviser to the Portfolio. Pursuant to the Existing Agreement, INVESCO received fees from the Adviser for services provided by INVESCO to the Portfolio.

2. On November 4, 1996, INVESCO PLC, the indirect parent of INVESCO, announced its intention to merge with AIM Management Group ("AIM"). Under the merger agreement, INVESCO PLC will acquire AIM by issuing new shares of INVESCO PLC to the existing shareholders of AIM. After the merger is completed, existing AIM shareholders will own approximately 45% of INVESCO PLC and the new merged entity will be named AMVESCO. The merger is subject to several conditions, one of which is that the shareholders of both INVESCO PLC and AIM must approve the merger. The merger should be completed by February 28, 1997 (the "Effective Date"). The merger will result in a change in control of INVESCO because approximately 45% of the

outstanding stock of INVESCO PLC will then be owned by shareholders of AIM. The change in control also would result in an assignment of the Existing Agreement, thereby terminating that agreement in accord with its terms and the provisions of Section 15(a) of the 1940 Act.

3. On February 12, 1997, the board of trustees of the Fund is scheduled to meet to discuss the merger and the approval of the New Agreement. The board also will consider whether to call a special meeting of the Portfolio's shareholders to consider approving the New Agreement as required by the 1940 Act.

4. The trustees, including a majority of the trustees who are not "interested persons" of the Adviser or of INVESCO, as that term is defined in the 1940 Act, should evaluate, with the assistance of counsel, the New Agreement. The trustees will consider several factors in evaluating the New Agreement, for example: that the New Agreement contains substantially identical terms and conditions, including identical advisory fees, as contained in the Existing Agreement; and the assurances of INVESCO that it would provide investment advisory and other services to the Fund during the Interim Period and thereafter, and that the services provided will be of the same quality as those provided before the Interim Period.

5. The board also will consider the following factors: (a) whether payment of subadvisory fees to INVESCO during the Interim Period would be appropriated and fair since there will be no diminution in the scope and quality of services provided to the Portfolio; (b) that the fees to be paid during the Interim Period are the same as the fees paid under the Existing Agreement; (c) that the fees earned by INVESCO during the Interim Period will be maintained in an interest-bearing escrow account until the New Agreement is approved or disapproved by the shareholders of the Portfolio; (d) and whether the nonpayment of investment advisory fees during the Interim Period would be unduly harsh in light of the services provided by INVESCO to the Fund during the Interim Period.

#### Applicants' Legal Analysis

1. Applicants request an order of the Commission pursuant to Section 6(c) of the 1940 Act exempting them from the provisions of Section 15(a) of the 1940 Act. The order would permit INVESCO to serve as investment subadvisor, without formal approval by the shareholders, pursuant to the New Agreement. The order would cover the

Interim Period and would permit INVESCO to receive from the Adviser the fees earned under the New Agreement.

2. Section 6(c) provides, in pertinent part, that the Commission may, by order upon application, conditionally or unconditionally exempt any person, security or transaction from any provision of the 1940 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 the provisions of the 1940 Act. Section 15(a) prohibits an investment advisor from providing investment advisory services to an investment company except pursuant to a written contract has been approved by a majority of the voting securities of such investment company. Section 15(a) further requires that such written contract provide for its automatic termination in the event of an assignment. Under Section 2(a)(4) of the 1940 Act, an assignment includes any direct or indirect transfer of a contract by the assignor or any direct or indirect transfer of a controlling block of the assignor's voting securities.

3. Applicants anticipate that the merger will take place on February 28, 1997, and that the indirect parent of INVESCO will change as a result of the merger. The merger, therefore, will result in an "assignment" of the Existing Agreement within the meaning of Section 2(a)(4) of the 1940 Act. Upon assignment, the Existing Agreement will terminate by its own terms and pursuant to Section 15(a).

4. Rule 15a-4 under the 1940 Act provides, in pertinent part, that if an investment advisor's, or, as here, a subadvisor's, investment advisory contract is terminated by assignment, the investment advisor may continue to act as such for 120 days at the previous compensation rate if a new contract is approved by the board of directors of the investment company, and if the investment advisor or a controlling person of the investment advisor does not directly or indirectly receive money or other benefit in connection with the assignment. Applicants concede that they may not rely on Rule 15a-4 because INVESCO, PLC and its shareholders may be deemed to receive a benefit in connection with the assignment of the Existing Agreement because INVESCO, PLC, the parent of INVESCO, will receive substantial consideration from AIM for the merger.

5. Applicants submit that the termination of the Existing Agreement, effected through the merger, will cause the board of trustees of the Fund to

consider appropriate actions in the best interests of the Portfolio and its shareholders. Applicants submit that the scope and quality of services provided to the Portfolio during the Interim Period will not be diminished. Applicants further submit that, while they may not rely on Rule 15a-4, they believe that the requested belief is consistent with the spirit of that rule and in the best interests of the Fund. Applicants further submit that appropriate escrow arrangements will be established to collect fees payable to INVESCO during the Interim Period under the New Agreement.

#### Conditions for Relief

1. Applicants represent that the New Agreement will have the same terms and conditions, including identical investment management fees, as the Existing Agreement. The New Agreement will have a different effective date than the Existing Agreement and will have provisions for the escrow arrangement not contained in the Existing Agreement.

2. Applicants further represent that the advisory fees paid to INVESCO by the Adviser will be paid into an interest-bearing escrow account until paid to: (a) INVESCO in accordance with the New Agreement, after the requisite shareholder approval is obtained; or (b) in the absence of such approval, to the Portfolio.

3. The Portfolio will hold a meeting of the shareholders to vote on approval of the New Agreement on or before the expiration of the 120th day following the termination of the Existing Agreement, but in no event later than June 30, 1997.

4. Neither the Fund nor the Portfolio will pay any costs of preparing and filing the application, or any costs of soliciting a vote of the Portfolio's shareholders in connection with the merger.

5. INVESCO will take all appropriate steps to ensure that the scope and quality of advisory and other services provided to the Portfolio during the Interim Period will be at least equivalent, in the judgment of the board of the Fund, to the scope and quality of services previously provided. In the event of any material change during the Interim Period in the manner of or the personnel providing services pursuant to the Interim Agreement, INVESCO will apprise and consult with the board of the Fund to ensure that the board, including a majority of its independent trustees, is satisfied that the services provided will not be diminished in scope or quality.

6. Before the termination of the Existing Agreement, the board of the Fund, including a majority of its independent trustees, will have approved the New Agreement as required by Section 15(c) of the 1940 Act.

#### Conclusion

For the reasons set forth above, Applicants submit that the exemptive relief requested is necessary and appropriate in the public interest, and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 97-3431 Filed 2-11-97; 8:45 am]

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#### [File No. 500-1]

#### **Twenty First Century Health, Inc.; Order of Suspension of Trading**

February 10, 1997.

It appears to the Securities and Exchange Commission that there is a lack of adequate and accurate current information concerning the securities of Twenty First Century Health, Inc. ("TFCH"), of Las Vegas, Nevada. Questions have been raised about publicly-disseminated information concerning, among other things: (1) TFCH's financial condition; (2) the existence, effectiveness, and marketability of a medical device for testing blood sugar purportedly licensed by TFCH; (3) the size of the market for that device; and (4) the ownership, value, and business of certain companies purportedly acquired by TFCH.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above listed company is suspended for the period from 9:00 a.m. EST, February 10, 1997 through 11:59 p.m. EST, on February 24, 1997.

By the Commission.

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 97-3625 Filed 2-10-97; 12:46 pm]

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[Release No. 34-38243; File No. SR-Amex-97-02]

#### **Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange, Inc., Relating to Amendments to Rules 103 and 950 Regarding Intra-day Trading**

February 5, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on January 22, 1997, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") 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**

Amex proposes to amend Exchange Rules 103 and 950 regarding new intra-day trading provisions. The text of the proposed rule change is available at the Office of the Secretary, the Amex and at the Commission.

#### **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 self-regulatory organization 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 self-regulatory organization has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

##### **1. Purpose**

Under Rule 103(c), an Amex Floor member, with certain exceptions, may not exercise discretion with respect to the choice of security to be bought or sold, the total amount of the security to be bought or sold, or whether the transaction shall be a purchase or sale. Currently, there are no provisions in Rule 103(c), or otherwise, specifically governing the practice of intra-day

trading. The term "intra-day trading" refers to the practice whereby a customer places orders on both sides of the market and attempts to profit by buying at the bid and selling at the offer.

The Exchange proposes to amend Rule 103 to add new intra-day trading provisions. These provisions will apply only when a Floor member simultaneously represents, for the same customer's account,<sup>2</sup> market or limit orders on both sides of a minimum variation market. Under the proposal, if a Floor member acquires a position on behalf of an intra-day trader's account, Rule 103(c)(2) will place certain restrictions on how the member can liquidate or cover that position during the same trading session. Specifically, the member will be required to obtain a new liquidating order (i.e., one entered subsequent to the acquisition of the contra-side position) from his or her customer. The new order must be time-recorded both upstairs and upon receipt on the Trading Floor.

Proposed Rule 103(c)(3) will thereafter require that the Floor member must execute the liquidating order entered pursuant to Rule 103(c)(2) before he or she can execute any other order for the same account on the same side of the market as that liquidating order. Pursuant to proposed Commentary .01 to Rule 103, the provisions of Rule 103(c)(2) and (3) will not apply, however, to the execution of: an order to liquidate or cover a position carried over from a previous trading session; a position assumed as part of a strategy relating to bona fide arbitrage; or a position assumed in reliance on the exemption for block positioners.

Proposed Commentary .02 to Rule 103 sets forth examples of how the provisions of Rule 103(c)(2) and (3) will operate, while proposed Commentary .03 to Rule 103 details the types of orders that a Floor member may handle simultaneously, without violating rule 103's prohibition against a member choosing whether a transaction will be a purchase or sale.

These new changes are intended to address trading situations where a Floor member, representing at the same time buy and sell orders at the minimum variation for the same customer, may be perceived as having a time and place advantage over other market participants in that he or she may be able to trade for the same customer without leaving the Trading Crowd. By requiring the entry of a new liquidating

<sup>2</sup> For purposes of this Rule, an "account" would be deemed to be any account in which the same person or persons is directly or indirectly interested.

<sup>1</sup> 15 U.S.C. § 78s(b)(1).