

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.

Applicant's Representations

1. Applicant, a Maryland corporation, is a closed-end management investment company. Applicant registered under the Act and filed a registration statement on Form N-2 under section 8(b) of the Act on December 23, 1988. The registration statement was made effective and applicant commenced an initial public offering of its shares on March 23, 1989.

2. On March 12, 1996, applicant's board of directors (the "Board") approved an Agreement and Plan of Reorganization (the "Agreement") between applicant and AIM Funds Group ("AFG"), an open-end management investment company with multiple portfolios. The Agreement provided for the sale of applicant's assets to the AIM High Yield Fund (the "Acquiring Fund"), a portfolio of AFG, in exchange for shares of the Acquiring Fund (the "Reorganization"). Applicant and the Acquiring Fund have the same investment adviser, AIM Advisors, Inc., and accordingly may be deemed to be affiliated persons of one another. Applicant therefore relied on rule 17a-8 under the Act of effect the Reorganization.¹

3. As required by rule 17a-8, the Board, including each of applicant's directors who is not an "interested person" of applicant, found that the Reorganization was in applicant's best interests and would not dilute the interests of its existing shareholders. The Board determined that consummation of the Reorganization was in the best interests of applicant's shareholders because, among other things, it would eliminate the discount from net asset value at which applicant's shares had normally traded. Other important considerations in the Board's determination were that (a) applicant and the Acquiring Fund had a similar investment objective of seeking high current income, (b) the Acquiring Fund's effective advisory fee was lower than applicant's fee, (c) the Acquiring Fund's yield was higher than applicant's yield, and (d) applicant's

shareholders would be able to exchange their shares for shares of other funds in the AIM Family of Funds at net asset value.

4. At the time of the Reorganization, the Acquiring Fund had two classes of shares—Class A shares with a front-end sales charge and a 12b-1 fee and Class B shares with a deferred sales charge and a higher 12b-1 fee. The Agreement provided that applicant's shareholders would receive the number of Class A shares of the Acquiring Fund upon consummation of the Reorganization having an aggregate net asset value equal to the net value of applicant's assets transferred to the Acquiring Fund. The front-end charge normally associated with sales of the Acquiring Fund's Class A shares was waived. The Board deemed it to be in the best interest of applicant's shareholders to receive the Acquiring Fund's Class A shares at net asset value.

5. On or about June 7, 1996, a combined proxy statement/prospectus was distributed to applicant's shareholders. At the annual meeting of applicant's shareholders on July 19, 1996, a majority of shareholders voted for approval of the Agreement and consummation of the Reorganization.

6. As of July 26, 1996, the business day immediately preceding the Reorganization, applicant had 6,976,644 shares of common stock outstanding with an aggregate net asset value of \$69,521,407.14 or \$9.81 per share. On July 29, 1996, applicant transferred all of its assets to the Acquiring Fund and the Acquiring Fund assumed all of the liabilities of applicant. In addition, the Acquiring Fund issued directly to each of applicant's shareholders that number of the Acquiring Fund's Class A shares with an aggregate net asset value equal to the aggregate net asset value of his or her shares of applicant.

7. Expenses incurred in connection with the Reorganization included legal fees, accounting fees, proxy fees and proxy solicitation fees. Applicant paid all of such expenses, which amounted to \$144,930.39. Applicant did not pay any brokerage commissions in connection with the transfer of its assets to the Acquiring Fund.

8. As of the date of filing of the initial application applicant had no shareholders, assets, outstanding debt or expenses. Applicant is not a party to any litigation or administrative proceeding. Applicant is neither engaged, nor does it propose to engage, in any business activities other than those necessary for the winding-up of its affairs.

9. Applicant intends to file articles of dissolution with the State of Maryland.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-15714 Filed 6-13-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [62 FR 30911, June 5, 1997].

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE PREVIOUSLY ANNOUNCED: June 5, 1997.

CHANGE IN THE MEETING: Correction/Deletion.

The following item, inadvertently cited for consideration at a closed meeting held on Wednesday, June 11, 1997, was considered in a closed meeting held on Monday, June 9, 1997, following the 10:00 a.m. open meeting:

Post oral argument discussion.

The following items were not considered at the closed meeting held on Wednesday, June 11, 1997: Opinions.

Commission Hunt, as duty officer, determined that Commission business required the above changes and that no earlier notice thereof was possible.

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 (202) 942-7070.

Dated: June 11, 1997.

Margart H. McFarland,
Deputy Secretary.

[FR Doc. 97-15837 Filed 6-12-97; 12:53 pm]

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SECURITIES AND EXCHANGE COMMISSION

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 meetings during the week of June 16, 1997.

A closed meeting will be held on Monday, June 16, 1997, at 2:00 p.m. An open meeting will be held on Wednesday, June 18, 1997, at 10:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the

¹ Rule 17a-8 provides an exemption from section 17(a) of the Act for certain reorganizations among registered investment companies that may be affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers.