

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22705; 811-5737]

American Government Term Trust Inc.; Notice of Application

June 12, 1997.

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

ACTION: Notice of application for deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: American Government Term Trust Inc.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATES: The application was filed on March 18, 1997, and an amendment thereto on June 3, 1997.

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 applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on July 7, 1997, and should be accompanied by proof of service on the 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant, 222 South Ninth Street, Piper Jaffray Tower, Minneapolis, Minnesota 55402.

FOR FURTHER INFORMATION CONTACT: Diane L. Titus, Paralegal Specialist, at (202) 942-0584, or Elizabeth G. Osterman, Assistant Director, 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.

Applicant's Representations

1. Applicant is a closed-end diversified management investment company, organized under the laws of the State of Minnesota. On December 7, 1988, applicant filed a notification or registration on Form N-8A under

section 8(a) of the Act. On the same date, applicant filed a registration statement on Form N-2 under section 8(b) of the Act and under the Securities Act of 1933. Applicant's registration statement was declared effective on January 19, 1989, and the initial public offering commenced on that date.

2. At a meeting held August 18, 1995, applicant's board of directors considered a written report of the Adviser recommending the liquidation and dissolution of applicant and approved the Adviser's recommendation. The Adviser determined that applicant would not be able to meet its investment objective of reaching \$10 per share on August 31, 2001. The Adviser researched alternatives to liquidation including (a) changing investment policies, (b) reducing applicant's dividends, and (c) converting to an open-end investment company. In the Adviser's opinion, the first alternative would significantly increase the risk in applicant's portfolio; the second alternative would most likely still not attain the \$10 per share objective; and the third alternative would transform applicant into a significantly different investment vehicle than originally selected by shareholders. The board determined that it would not be in the best interests of shareholders to pursue any of these alternatives and the alternatives to liquidation did not afford shareholders sufficient promise of additional value to justify pursuing the alternatives. The board noted that liquidation and dissolution would permit shareholders to receive the net asset value underlying their shares, rather than the discounted market price that they would be able to receive upon a sale of those shares in the open market, and to invest that amount in investment vehicles of their own choice.

3. At a meeting held on October 9, 1995, applicant's board of directors approved the terms of the Plan of Liquidation and Dissolution (the "Plan"). A Proxy Statement for a special meeting of shareholders was filed with the SEC and mailed to applicant's shareholders on or about November 1, 1997. Applicant's shareholders approved the Plan at a meeting held on December 7, 1995.

4. On December 21, 1995, applicant paid shareholders a liquidating distribution. As of that date, applicant had 8,005,700 shares of common stock outstanding with an aggregate net asset value of \$71,401,807 and per share net asset value of \$8.91887.

5. In connection with its liquidation and dissolution, applicant incurred approximately \$53,073 in expenses.

Expenses of liquidation, other than taxes, were paid by applicant's investment adviser. No brokerage commissions were paid in connection with the liquidation, because the portfolio securities consisted of U.S. Treasury securities.

6. Applicant's transfer agent, Investors Fiduciary Trust Company, has established a non-interest bearing bank account for security holders who have not surrendered their share certificates for payment. As of March 2, 1997, applicant had 17 security holder accounts totalling 9,045,856 shares at a value of approximately \$80,643. The transfer agent will continue to mail letters to these accounts until they submit their certificates or other requested information so that payment can be made. The address and identity of the security holders is not in question.

7. Applicant is a party to litigation, however, Piper Jaffray Companies Inc. ("Piper") and Piper Capital Management Incorporated ("Piper Capital") have agreed, pursuant to an Assumption Agreement between and among Piper, Piper Capital, and applicant, to assume all liabilities of applicant in connection with the lawsuit.

8. Applicant has no debts or liabilities. Applicant is not engaged in and does not propose to engage in any business activities other than those necessary for the winding up of its affairs.

9. Applicant filed a Notice of Intent to Dissolve and Articles of Dissolution with the Minnesota Secretary of State on December 7, 1995, and January 9, 1996, respectively.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-15938 Filed 6-17-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38736; File No. SR-DCC-97-03]

Self-Regulatory Organizations; Delta Clearing Corp.; Notice of Filing of Proposed Rule Change Regarding Novated Repos

June 11, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ notice is hereby given that on March 11, 1997, Delta Clearing Corp.

¹ 15 U.S.C. 78s(b)(1).