

FEDERAL RESERVE SYSTEM**Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities**

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. Once the notice has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than July 3, 1997.

A. Federal Reserve Bank of New York (Betsy Buttrill White, Senior Vice President) 33 Liberty Street, New York, New York 10045-0001:

1. *Bankers Trust New York Corporation*, New York, New York ("BTNY"); to acquire 100 percent of the voting shares of Alex Brown Inc., Baltimore, Maryland, and thereby engage in underwriting and dealing in, to a limited extent, all types of debt and equity securities other than interests in open end investment companies. See *J. P. Morgan & Co., Inc., The Chase Manhattan Corp., Bankers Trust New York Corp., Citicorp and Security Pacific Corp.*, 75 Fed. Res. Bull. 192 (1989); in making, acquiring, brokering and servicing loans or other extensions of credit for their own account and the account of others, pursuant to § 225.28(b)(1) of the Board's Regulation Y; in performing functions or activities that may be performed by a trust company (including activities of a fiduciary, agency or custodial nature), pursuant to § 225.28(b)(5) of the Board's Regulation Y; in acting as investment or financial advisor, pursuant to § 225.28(b)(6) of the Board's Regulation Y; in providing

securities brokerage services (including securities clearing and securities execution services on an exchange), alone and in combination with investment advisory services, and incidental activities (including related securities credit activities and custodial services), pursuant to § 225.28(b)(7) of the Board's Regulation Y; in buying and selling in the secondary market all types of securities on the order of customers as a riskless principal to the extent of engaging in a transaction in which the company, after receiving an order to buy (or sell) a security from a customer, purchases (or sells) the security for its own account to offset a contemporaneous sale to (or purchase from) the customer, pursuant to § 225.28(b)(7) of the Board's Regulation Y; in acting as agent for the private placement of securities in accordance with the requirements of the Securities Act of 1933 and the rules of the Securities and Exchange Commission, pursuant to § 225.28(b)(7) of the Board's Regulation Y; in underwriting and dealing in obligations of the United States, general obligations of states and their political subdivisions, and other obligations that state member banks of the Federal Reserve System may be authorized to underwrite and deal in under 12 U.S.C. 24 and 335, pursuant to § 225.28(b)(8) of the Board's Regulation Y; and in providing administrative and other services to investment companies, including open-end investment companies ("mutual funds"). See *Barclays PLC*, 82 Fed. Res. Bull. 158 (1996); *Bank of Ireland*, 82 Fed. Res. Bull. 1129 (1996). BTNY would engage in these activities in accordance with the limitations and conditions previously established by the Board by regulation or order, with certain exceptions relating to the proposed provision of advisory and administrative services to mutual funds that are discussed in the notice. BTNY also intends to acquire certain offshore subsidiaries, companies engaged in providing services to other Alex Brown affiliates, and proprietary investments currently owned by Alex Brown.

In order to approve the proposal, the Board must determine that the proposed activities to be conducted by BTNY "Can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. 1843(c)(8). BTNY believes that the proposal would

produce public benefits that outweigh any potential adverse effects. In particular, BTNY maintains that the proposal would not materially reduce competition in the relevant markets and would enable BTNY to offer its customer a broader range of products. BTNY also maintains that its proposal would not result in any adverse effects.

In publishing the proposal for comment, the Board does not take a position on issues raised by the proposal. Notice of the proposal is published solely to seek the views of interested persons on the issues presented by the notice and does not represent a determination by the Board that the proposal meets, or is likely to meet, the standards of the BHC Act. Any request for a hearing on this notice must, as required by § 262.3(e) of the Board's Rules of Procedure (12 CFR 262.3(e)), be accompanied by a statement of the reasons why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by the approval of the proposal.

Board of Governors of the Federal Reserve System, June 17, 1997.

Jennifer J. Johnson,

Deputy Secretary of the Board.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES**Office of the Assistant Secretary for Planning and Evaluation; Supporting State Efforts to Link Administrative Data Systems for the Purpose of Studying the Effects of Welfare Reform on Other State and Federal Public Assistance Programs**

AGENCY: Office of the Assistant Secretary for Planning and Evaluation, HHS.

ACTION: Request for grant applications from states to link their administrative program data for the purposes of studying the effects of the newly implemented Temporary Assistance for Needy Families (TANF) program on recipients and on other state and federal governmental assistance programs.

SUMMARY: The Office of the Assistant Secretary for Planning and Evaluation (ASPE) announces the availability of funds and invites applications for data linking projects that will allow for improved program management,