

**SUMMARY:** The Pension Benefit Guaranty Corporation ("PBGC") is requesting that the Office of Management and Budget ("OMB") extend approval, under the Paperwork Reduction Act, of a collection of information in its regulation on Allocating Unfunded Vested Benefits (29 CFR part 4211) (OMB control number 1212-0035). This notice informs the public of the PBGC's request and solicits public comment on the collection of information.

**DATES:** Comments should be submitted by February 27, 1998.

**ADDRESSES:** Comments should be mailed to the Office of Information and Regulatory Affairs of the Office of Management and Budget, Attention: Desk Officer for Pension Benefit Guaranty Corporation, Washington, DC 20503. Copies of the request for extension (including the collection of information) are available from the Communications and Public Affairs Department of the Pension Benefit Guaranty Corporation, suite 240, 1200 K Street, NW., Washington, DC 20005-4026, between 9 a.m. and 4 p.m. on business days.

**FOR FURTHER INFORMATION CONTACT:** Deborah C. Murphy, Attorney, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005-4026, 202-326-4024. (For TTY/TDD users, call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

**SUPPLEMENTARY INFORMATION:** The PBGC administers the pension plan termination insurance programs under Title IV of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Section 4211(c)(5)(A) of ERISA requires the PBGC to prescribe by regulation a procedure whereby multiemployer pension plans can change the way they allocate unfunded vested benefits to withdrawing employers, subject to PBGC approval. Approval of a change is to be based on a determination that the change will not significantly increase the risk of loss to plan participants or the PBGC.

The PBGC's regulation on Allocating Unfunded Vested Benefits (29 CFR part 4211) includes, in § 4211.22, rules for requesting the PBGC's approval of an amendment to a plan's allocation method. Section 4211.22(d) prescribes information that the PBGC needs to identify the plan and evaluate the risk of loss, if any, posed by the amendment (and, hence, determine whether it should approve the amendment). Section 4211.22(e) requires the submission of other information that the

PBGC may need to review the amendment. (The regulation may be accessed on the PBGC's home page at <http://www.pbgc.gov>.)

The collection of information under the regulation has been approved by OMB under control number 1212-0035. The PBGC is requesting that OMB extend its approval for three years. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The PBGC estimates that it receives five submissions from plan sponsors annually under the regulation; that virtually all submissions are prepared by outside consultants; that the total annual hour burden of engaging the services of such consultants is one hour; and that the total annual cost burden of having the submissions prepared is \$1,575.

Issued in Washington, DC, this 23d day of January 1998.

**David M. Strauss,**

*Executive Director, Pension Benefit Guaranty Corporation.*

[FR Doc. 98-2078 Filed 1-27-98; 8:45 am]

BILLING CODE 7708-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23005; 812-10514]

### Merrill Lynch & Co., Inc., et al.; Notice of Application

January 21, 1998.

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

**ACTION:** Notice of application under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from all provisions of the Act.

#### SUMMARY OF THE APPLICATION:

Applicants request an order to permit Merrill Lynch Preferred Funding I, L.P. (the "First Partnership") and Merrill Lynch Preferred Capital Trust I (the "First Trust") to sell securities and use the proceeds to finance the business activities of its parent company, Merrill Lynch & Co., Inc. ("ML & Co."), and companies controlled by ML & Co.

**APPLICANTS:** ML & Co., the First Trust, and the First Partnership.

**FILING DATES:** The application was filed on January 28, 1997. Applicants have agreed to file an amendment, the substance of which is incorporated in this notice, during the notice period.

**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 applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on February 11, 1998, 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 who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, World Financial Center, North Tower, 250 Vesey Street, New York, NY 10281-1318.

**FOR FURTHER INFORMATION CONTACT:** Kathleen L. Knisely, Staff Attorney, at (202) 942-0517, or Christine Y. Greenlees, Branch Chief, 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 at the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549 (tel. 202-942-8090).

### Applicants' Representations

1. ML & Co. is a company incorporated under Delaware law. It is a holding company that, through its subsidiaries, provides investment, financing, insurance, and related services on a global basis. Its principal subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated, is a leading broker-dealer, investment banking firm, and underwriter. Other subsidiaries provide a variety of financial services on a global basis, including broker-dealer services, swap activities, futures activities, banking, investment banking, consumer and mortgage lending, real estate activities, and asset management. Applicants state that ML & Co. is primarily engaged in the business of a holding company, and does not hold more than 40% of its assets in "investment securities," as defined in section 3(a)(2) of the Act.

2. ML & Co. has formed a two-tier structure, consisting of the First Trust and the First Partnership, to provide financing to itself and entities controlled by ML & Co. ("Controlled Companies"). To provide additional financing, ML & Co. proposes to form one or more two-tier structures

substantially similar to the First Trust and First Partnership<sup>1</sup> as well as one or more finance subsidiaries that differ in structure (each, an "Other Finance Subsidiary").

3. Each Trust will be a statutory business trust organized under the laws of Delaware or another jurisdiction. Each Partnership will be a limited partnership organized under the laws of Delaware or another jurisdiction. The general partner interests in the Partnership (the "General Partner Interests") will be owned by ML & Co. and/or one or more Controlled Companies, which will be the sole general partners of the Partnership (the "General Partners").

4. Each Trust will issue common securities ("Trust Common Securities") and preferred securities ("Trust Preferred Securities"). The Trust Common Securities will represent undivided beneficial interests in the assets of the Trust and will be owned by ML & Co. and/or one or more of its Controlled Companies. The Trust Preferred Securities will represent preferred undivided beneficial interests in the assets of the Trust and will entitle the holders to receive cumulative cash distributions accumulating from the date of original issuance and payable quarterly in arrears at a specified rate, as well as a specified amount on liquidation of the Trust, if, as, and when the Trust has funds available for payment. The distribution rate and payment dates on the Trust Preferred Securities will correspond to the distribution rate and payment dates for the Partnership Preferred Securities (as defined below) which, as described below, generally will be the only assets of the Trust.

5. Each Partnership will sell the General Partner Interests and limited partnership interests (the "Partnership Preferred Securities"). The Partnership Preferred Securities will provide essentially for the same distributions and liquidation payments as the Trust Preferred Securities. The funds for distributions on the Partnership Preferred Securities will come primarily from payments made to the Partnership by ML & Co. and/or its Controlled Companies.

6. Each Trust will use all of the proceeds of its offering of Trust Preferred Securities to purchase the Partnership Preferred Securities. The Trust will not invest or make loans to any other company. Each Partnership

will make investments in or loans to ML & Co. and/or its Controlled Companies of at least 85% of any cash or cash equivalent raised or to be raised from the sale of the Partnership Preferred Securities, within six months of the receipt of such cash or cash equivalents. Applicants anticipate that substantially all of the proceeds from the sale of the Partnership Preferred Securities (and indirectly, from the sale of the Trust Preferred Securities), together with the capital contribution from the General Partners, will be used by the Partnership to purchase debentures or equity securities of ML & Co. and/or one or more of its Controlled Companies.

7. Amounts that are not loaned to ML & Co. and/or its Controlled Companies will consist of: (i) interest and dividends receivable from such investments and loans, cash on hand and demand deposits, time deposits and certificates of deposit, in no case having a maturity of greater than nine months; (ii) United States government securities; (iii) repurchase agreements having a maturity of no greater than nine months with respect to United States government securities; and (iv) other debt securities (e.g., commercial paper) which arise out of current transactions, and which have maturities at the time of issuance not exceeding nine months.

8. The payment of distributions by the Trust or the Partnership and the payments on liquidation of the Trust or the Partnership will be guaranteed on a subordinated basis by ML & Co. (the "Guarantee").<sup>2</sup> If ML & Co. fails to make a guarantee payment, a holder of either Trust Preferred Securities or Partnership Preferred Securities may institute directly a proceeding against ML & Co. for enforcement of the payment without first proceeding against any other entity.

#### Applicants' Legal Analysis

1. Applicants request an order pursuant to section 6(c) of the Act granting an exemption from all provisions of the Act for the Trust, the Partnership, and the Other Finance Subsidiaries.<sup>3</sup> Applicants state that rule 3a-5 under the Act provides an exemption from the definition of investment company for certain companies organized primarily to finance the business operations of their parent companies or companies controlled by their parent companies.

2. Rule 3a-5(b)(3)(i) in relevant part defines a "company controlled by the parent company" to be a corporation,

partnership, or joint venture that is not considered an investment company under section 3(a) or that is excepted or exempted by order from the definition of investment company by section 3(b) or by the rules and regulations under section 3(a). Certain of the Controlled Companies do not fit within the definition of "companies controlled by the parent company" because they derive their non-investment company status from section 3(c)(2), 3(c)(3), 3(c)(4), 3(c)(5), or 3(c)(6) of the Act. None of the Controlled Companies which will receive loans from the Partnership or the Other Finance Subsidiary will be relying on section 3(c)(1), 3(c)(5)(C), or 3(c)(7) of the Act.

3. Applicants state that none of the Controlled Companies engage primarily in investment company activities. In addition, if ML & Co. or the Controlled Companies were themselves to issue the securities that are to be issued by the Trust or the Partnership and use the proceeds for their own purposes, they would not be subject to regulation under the Act. While ML & Co. has chosen to use the Trust, the Partnership, and the Other Finance Subsidiaries as financing vehicles, the Guarantee ensures that holders of Trust Preferred Securities will have direct recourse against ML & Co.

4. Section 6(c) of the Act permits the SEC to exempt any person or class of persons from any provision of the Act or from any rule under the Act, if such exemption is necessary or appropriate in the public interest, consistent with the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act. Applicants submit that the relief requested satisfies the section 6(c) standard.

#### Applicants' Condition

Applicants agree that the order granting the requested relief will be subject to the following condition:

Applicants will comply with all of the provisions of rule 3a-5 under the Act, except that the Controlled Companies will not meet the portion of the definition of "company controlled by a parent company" in rule 3a-5(b)(3)(i) solely because they are excluded from the definition of investment company under section 3(c)(2), 3(c)(3), 3(c)(4), 3(c)(5), or 3(c)(6) of the Act, provided that any such entity excluded from the definition of investment company under section 3(c)(5) of the Act will fall within section 3(c)(5)(A) or section 3(c)(5)(B) solely by reason of its holdings of accounts receivable of either their own customers or of the customers of other ML & Co. subsidiaries, or by reason of

<sup>1</sup> The First Trust and each future organized trust is referred to herein as the "Trust" and the First Partnership and each future organized partnership is referred to herein as the "Partnership."

<sup>2</sup> See, e.g., *Cleary, Gottlieb, Steen & Hamilton* (pub. avail. Dec. 23, 1985).

<sup>3</sup> Applicants are not seeking relief for the two-tier structure. See *KDSM Inc. and Sinclair Capital* (pub. avail. March 17, 1997).

loans made by it to such subsidiaries or customers, provided, further, that any such entity excluded from the definition of investment company under section 3(c)(6) of the Act will not be engaged primarily, directly, or through majority-owned subsidiaries in one or more of the businesses described in section 3(c)(5) of the Act (except as permitted in this condition).

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-2016 Filed 1-27-98; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

### Struthers Industries, Inc.; Order of Suspension of Trading

United States of America Before the Securities and Exchange Commission  
January 26, 1998.

On January 9, 1998, the Securities and Exchange Commission (the "Commission") ordered a 10 day suspension in trading in Struthers Industries, Inc. ("Struthers") because of questions regarding the accuracy of statements, and material omissions, concerning, among other things, (1) the value of certain broadcast licenses in which Struthers claims to have an ownership interest, (2) the presence of or potential for a recapitalization which will enable Struthers to pursue its business plan, and (3) the resignation of Struthers' auditors.

It appears to the Commission that there is a further lack of current and accurate information concerning the securities of Struthers because of separate and additional questions regarding the accuracy of statements and material omissions in a press release issued by Struthers on or about January 12, 1998 to the effect that, among other things:

(1) Struthers continues to work closely with representatives of its former auditor, BDO Seidman, to resolve the "disagreement with the SEC" over the value of the IVDS licenses Struthers holds under contract; and

(2) Struthers' former auditor strongly believes that Struthers has fairly and accurately valued these licenses.

The Commission is of the opinion that the public interest and the protection of investors require a second 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 9:30 a.m. EST, January 26, 1998 through 11:59 p.m. EST, on February 6, 1998.

By the Commission.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-2183 Filed 1-26-98; 12:31 pm]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [To be Published]

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, N.W., Washington, D.C.

DATE PREVIOUSLY ANNOUNCED: To Be Published.

CHANGE IN THE MEETING: Cancellation of Meeting.

The closed meeting scheduled for Thursday, January 29, 1998, at 10:00 a.m., has been cancelled.

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: January 23, 1998.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 98-2136 Filed 1-23-98; 4:35 pm]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39550; File No. SR-NASD-96-51]

### Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment Nos. 2, 3, and 4 to the Proposed Rule Change Relating to NASD Rule 11890 Regarding Clearly Erroneous Transactions

January 14, 1998.

On December 17, 1996, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with

the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder.<sup>2</sup> On January 17, 1997, the NASD filed Amendment No. 1 to the proposed rule change.<sup>3</sup> Notice of the proposed rule change and Amendment No. 1 thereto, including the substance of the proposal, were published for comment in the **Federal Register**.<sup>4</sup> No comments were received. On March 11, 1997, August 13, 1997, and January 5, 1998, the NASD, through its wholly owned subsidiary, The Nasdaq Stock Market, Inc. ("Nasdaq"), submitted to the Commission Amendment Nos. 2,<sup>5</sup> 3,<sup>6</sup> and 4<sup>7</sup> respectively, to the proposed rule change. The Commission is hereby approving the proposed rule change, including Amendment 1 to the proposal. In addition, the Commission is publishing this notice to solicit

<sup>1</sup> 15 U.S.C. § 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See letter from Robert E. Aber, Vice President and General Counsel, Nasdaq, to Katherine A. England, Assistant Director, Division of Market Regulation, SEC, dated January 17, 1997 ("Amendment No. 1"). Amendment No. 1 corrected typographical errors in the text of the proposed rule change.

<sup>4</sup> Securities Exchange Act Release No. 38196 (Jan. 22, 1997) 62 FR 4368 (Jan. 29, 1997) ("Notice").

<sup>5</sup> See Letter from Robert E. Aber, Vice President and General Counsel, Nasdaq, to Ivette Lopez, Assistant Director, Division of Market Regulation, SEC, dated March 11, 1997 ("Amendment No. 2"). In Amendment No. 2, the NASD: (1) Provides the names of Nasdaq officers who have authority to declare transactions clearly erroneous (see footnote 12, below); (2) replaces the term "Association" with "Nasdaq" in section (b)(4) of NASD Rule 11890; (3) clarifies that the Market Operations Review Committee's ("MORC's") decision constitutes the final action of the NASD; (4) clarifies that the officers with the authority to declare on their own motion transactions clearly erroneous because of a system malfunction are the same persons who are authorized to take action when a member makes a complaint; (5) clarifies the length of time for Nasdaq to act on an allegedly clearly erroneous transaction; and (6) explains that as soon as Nasdaq obtains a written appeal from a party, Nasdaq would notify the other party to the transaction.

<sup>6</sup> See Letter from Robert E. Aber, Vice President and General Counsel, Nasdaq, to Ivette Lopez, Assistant Director, Division of Market Regulation, SEC, dated August 13, 1997 ("Amendment No. 3"). In Amendment No. 3, Nasdaq adds to NASD Rule 11890(d)(1) a provision that if Nasdaq notifies the parties of action taken pursuant to paragraph (c) of that rule after 4:00 p.m., either party has until 9:30 a.m. the next trading day to appeal.

<sup>7</sup> See Letter from Robert E. Aber, Vice President and General Counsel, Nasdaq, to Katherine A. England, Assistant Director, Division of Market Regulation, SEC, dated January 5, 1998 ("Amendment No. 4"). In Amendment No. 4 Nasdaq corrected a drafting error to proposed NASD Rule 11890(d)(1) to clarify that an "appeal to the Committee [i.e., the MORC] shall not operate as a stay of the determination made pursuant to paragraphs (a)(2) or (c)" of proposed NASD Rule 11890.