

Notice of Proposal To Issue Common Stock; Order Authorizing Solicitation of Proxies

Ameren Corporation ("Ameren"), a registered holding company, and its subsidiary service company, Ameren Services Company ("Ameren Services"), both located at 1901 Chouteau Avenue, St. Louis, Missouri 63103 (both, "Declarants"), have filed a declaration under sections 6(a), 7 and 12(e) of the Act and rules 62 and 65 under the Act.

Ameren proposes to: (1) solicit proxies from its shareholders for their approval, at Ameren's 1998 Annual Meeting of Shareholders scheduled for April 28, 1998, of Ameren's Long-Term Incentive Plan of 1998 ("LTIP"), a stock compensation plan approved by the Ameren Board of Directors; and (2) issue and/or acquire in the open market, through March 31, 2003, up to four million shares of its common stock, \$0.01 par value ("Common Stock") for purposes of awards under the LTIP.

The purpose of the LTIP is to give Ameren and its subsidiaries and other associates ("affiliates," as defined in the LTIP) a competitive advantage in attracting, retaining and motivating officers, employees and directors by awarding incentives linked to the profitability of Ameren and its businesses. Declarants also state that the LTIP is intended to increase shareholder value. The LTIP will be administered by the Human Resources Committee of the Ameren Board of Directors ("Committee"), which will determine the officers and employees eligible to receive awards and the amount of any award. The Committee will interpret the LTIP and can adopt rules deemed appropriate. No LTIP awards may be made to Committee members, except by action of the full Board of Directors.

The following awards may be granted under the LTIP: (1) performance units—rights, which may be payable in cash, shares of Common Stock, other awards or other property, which is contingent on the achievement of performance goals set by the Committee; (2) restricted stock—rights to receive shares of Common Stock awarded as determined by the Committee, which shares will be subject to transferability or other restrictions; (3) options—rights to purchase shares of Common Stock, or other awards or property, at a specified price during a prescribed time period; and (4) stock appreciation rights—the right to receive a cash payment equal to the excess of the fair market value of Common Stock on the date of exercise over the grant price of the stock appreciation right. The exercise price of options and the grant price of stock

appreciation rights will not be less than the fair market value of the Common Stock on the date of the grant.

Any Common Stock used to fund the LTIP may be, at the discretion of Ameren, authorized but unissued shares, treasury shares or shares purchased on the open market by an independent plan administrator or agent. The decision as to whether shares are to be purchased directly from Ameren, in the open market or in privately negotiated transactions, will be based on Ameren's need for common equity and any other factors considered by Ameren to be relevant. Ameren states that the Common Stock used to fund the LTIP will be in addition to the shares of Common Stock proposed to be issued or acquired for other benefit plans and the dividend reinvestment plan.¹

As mentioned above, Ameren proposes to solicit proxies from its shareholders to approve the LTIP. Ameren and/or Ameren Services propose to mail the proxy materials to the shareholders of Common Stock on or about March 20, 1998. Accordingly, Ameren and Ameren Services request that an order authorizing the solicitation of proxies be issued as soon as practicable under rule 62(d).

It appears to the Commission that Ameren's and Ameren Services' declaration regarding the proposed solicitation of proxies should be permitted to become effective immediately.

It is ordered, under rule 62 under the Act, that the declaration regarding the proposed solicitation of proxies become effective immediately, subject to the terms and conditions contained in rule 24 under the Act.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 98-6178 Filed 3-10-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23057; 812-10994]

Vestaur Securities, Inc. and CoreStates Investment Advisers, Inc.; Notice of Application

March 4, 1998.

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

¹ See Holding Co. Act Release No. 26809 (Dec. 30, 1997).

ACTION: Notice of application for exemption under section 6(c) of the Investment Company Act of 1940 (the "Act") from section 15(a) of the Act.

SUMMARY OF APPLICATION: Applicants seek an order to permit the implementation, without prior shareholder approval, of a new investment advisory agreement ("New Agreement") between Vestaur Securities, Inc. ("Fund") and CoreStates Investment Advisers, Inc. ("Adviser") in connection with the merger of CoreStates Financial Corp ("CoreStates") with and into First Union Corporation ("First Union"). The order would cover a period of up to 120 days following the date of the consummation of the merger (but in no event later than July 31, 1998) ("Interim Period"). The order also would permit the Adviser to receive all fees earned under the New Agreement during the Interim Period following shareholder approval.

APPLICANTS: Fund and Adviser.

FILING DATES: The application was filed on February 6, 1998. Applicants have agreed to file an amendment to the application during the notice period, the substance of which is included in this notice.

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 March 30, 1998, and should be accompanied by proof of service on applicants in the form of an affidavit or, for layers, 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, DC. 20549. Fund, c/o Mark E. Stalnecker, Centre Square West-UM Floor, 15th and Market Streets, Philadelphia, Pennsylvania 19101, and Adviser, c/o Mark E. Stalnecker, 1500 Market Street, P.O. Box 7558, Philadelphia, Pennsylvania 19101-7558.

FOR FURTHER INFORMATION CONTACT: Joseph B. McDonald, Jr., Senior Counsel, at (202) 942-0533, or Edward P. MacDonald, Branch Chief, at (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

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, DC 20549 (tel. 202-942-8090).

Applicants' Representations

1. The Fund is a Delaware corporation registered under the Act as a closed-end management investment company. The Adviser is an investment adviser registered under the Investment Advisers Act of 1940 and is an indirect wholly-owned subsidiary of CoreStates.

2. On November 17, 1997, CoreStates entered into an agreement and plan of merger ("Merger Agreement") under which CoreStates will be merged with and into First Union ("Transaction"). Upon consummation of the merger (expected to occur on March 31, 1998), the Adviser will become an indirect wholly-owned subsidiary of First Union.

3. Applicants state that the Transaction will result in an assignment of the existing investment advisory agreement between the Fund and the Adviser ("Existing Agreement"). Applicants request an exemption: (i) to permit the implementation, without prior shareholder approval, of the New Agreement; and (ii) to permit the Adviser to receive from the Fund all fees earned under the New Agreement during the Interim Period if the New Agreement is approved by shareholders of the Fund. Applicants state that the New Agreement will have substantially the same terms and conditions as the Existing Agreement, except for its effective date, termination date and escrow provisions described below.

4. The Board will meet on March 11, 1998, in accordance with section 15(c) of the Act, to review and approve the New Agreement.¹ The Board requested the Adviser to provide information it deemed reasonably necessary to evaluate whether the terms of the New Agreement are in the best interests of the Fund and its shareholders, and at the Board meeting on March 11, 1998, the Board will consider such information.

5. Applicants propose to enter into an escrow arrangement with an unaffiliated financial institution ("Escrow Agent"). The fees payable to the Adviser under the New Agreement during the Interim Period will be paid into an interest-bearing escrow account maintained by

the Escrow Agent. The amounts in the escrow account (including interest earned on such paid fees) will be paid to the Adviser only if Fund shareholders approve the New Agreement. If the Interim Period has ended and the Fund shareholders have failed to approve the New Agreement, the Escrow Agent will pay to the Fund the escrow amounts (including any interest earned). Before the release of any such escrow amounts, the directors of the Fund who are not "interested persons" of the Fund, within the meaning of section 2(a)(19) of the Act ("Independent Directors") will be notified.

Applicants' Legal Analysis

1. Section 15(a) of the Act provides, in pertinent part, that it shall be unlawful for any person to serve or act as an investment adviser of a registered investment company, except pursuant to a written contract that has been approved by the vote of a majority of the outstanding voting securities of such registered investment company. Section 15(a) of the Act further requires that such written contract provide for automatic termination in the event of its "assignment." Section 2(a)(4) of the Act defines "assignment" to include any direct or indirect transfer of a contract by the assignor, or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor.

2. Applicants state that, upon completion of the Transaction, indirect control of the Adviser will transfer to First Union. Accordingly, the Transaction will result in an "assignment" of the Existing Agreement and the Existing Agreement will terminate.

3. Rule 15a-4 provides, in pertinent part, that if an investment advisory contract with an investment company is terminated by an assignment in which the adviser does not directly or indirectly receive a benefit, the adviser may continue to act as such for the company for 120 days under a written contract that has not been approved by the company's shareholders, provided that: (a) the new contract is approved by that company's board of directors (including a majority of the non-interested directors); (b) the compensation to be paid under the new contract does not exceed the compensation that would have been paid under the contract most recently approved by the company's shareholders; and (c) neither the adviser nor any controlling person of the adviser "directly or indirectly receives money or other benefit" in connection with the assignment. Applicants state

that they cannot rely on rule 15a-4 because of the benefits CoreStates, the Adviser's parent, will receive from the Transaction.

4. Section 6(c) provides that the SEC may exempt any person, security, or transaction from any provision of the 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 provisions of the Act. Applicants assert that the requested relief meets this standard.

5. Applicants submit that the timing of the Transaction arose primarily out of business considerations unrelated to the Fund and the Adviser. Applicants state that the requested relief would permit the continuity of investment management for the Fund, without interruption, during the period following the Transaction.

6. Applicants submit that the scope and quality of investment advisory services provided for the Fund during the Interim Period will not be diminished. During the Interim Period, the Adviser will operate under the New Agreement, which will be substantively the same as the Existing Agreement, except for its effective date and escrow provisions. Applicants are not aware of any material changes in the personnel that will provide investment management services during the Interim Period. Accordingly, the Fund should receive, during the Interim Period, the same investment advisory services, provided in the same manner, as the Fund received before the Transaction.

7. Applicants assert that to deprive the Adviser of fees during the Interim Period would be a harsh result and an unreasonable penalty to attach to the Transaction and would serve no useful purpose. Therefore, applicants submit that the fees payable to the Adviser under the New Agreement during the Interim Period will be maintained in an interest-bearing escrow account by the Escrow Agent. Such fees, however, will not be released by the Escrow Agent to the Adviser without notice to the Independent Directors and appropriate certifications that the New Agreement has been approved by the shareholders of the Fund.

Applicants' Conditions

Applicants agree as conditions to the issuance of the exemptive order requested by the application that:

1. The New Agreement will have substantially the same terms and conditions as the Existing Advisory Agreements, except for its effective date, termination date and escrow provisions.

¹ Applicants acknowledge that, to the extent that the Board cannot meet prior to the consummation of the Transaction, the Fund may not rely on the exemptive relief requested in this application.

2. Fees earned by the Adviser in respect of the New Agreement during the Interim Period will be maintained in an interest-bearing escrow account, and amounts in the account (including interest earned on such paid fees) will be paid: (a) to the Adviser in accordance with the New Agreement, after the requisite shareholder approval is obtained; or (b) to the Fund, in the absence of shareholder approval with respect to the Fund.

3. The Fund will hold a meeting of shareholders to vote on approval of the New Agreement on or before the 120th day following the termination of the Existing Agreement (but in no event later than July 31, 1998).

4. Either First Union or the Adviser will bear the costs of preparing and filing the application and the costs relating to the solicitation of shareholder approval of the New Agreement necessitated by the Transaction.

5. The Adviser will take all appropriate steps so that the quality and scope of advisory and other services provided to the Fund during the Interim Period will be at least equivalent, in the judgment of the Board, including a majority of the Independent Directors, to the scope and quality of services previously provided. In the event of any material change in the personnel providing services pursuant to the New Agreement, the Adviser will apprise and consult with the Board to assure that the Directors, including a majority of the Independent Directors of the Fund, are satisfied that the services provided will not be diminished in scope or quality.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 98-6180 Filed 3-10-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Agency Meetings

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 March 16, 1998.

An open meeting will be held on Monday, March 16, 1998, at 10:00 a.m. A closed meeting will be held on Monday, March 16, 1998, following the 10:00 a.m. open meeting.

Commissioners, Counsel to the Commissioners, the Secretary to the

Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Unger, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the open meeting scheduled for Monday, March 16, 1998, at 10:00 a.m., will be: The Commission will hear oral argument on an appeal by Victor Teicher & Co., L.P., an unregistered investment adviser exempt from registration, and Victor Teicher, its sole general partner. Based on respondents' criminal convictions, the law judge barred respondents from all aspects of the securities industry, including association with any investment adviser, registered or unregistered. For further information, contact William S. Stern at (202) 942-0949.

The subject matter of the closed meeting scheduled for Monday, March 16, 1998, following the 10:00 a.m. open meeting, will be: Post argument discussion.

At times, changes in Commission priorities require alternations 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 at (202) 942-7070.

Dated: March 9, 1998.

Jonathan G. Katz,
Secretary

[FR Doc. 98-6432 Filed 3-9-98; 3:58 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release Nos. PA-24; File No. S7-6-98]

Privacy Act of 1974: Major Alterations to the Pay and Leave System (SEC-15) and the Office of Inspector General Investigative Files (SEC-43)

AGENCY: Securities and Exchange Commission.

ACTION: Notice of major alterations.

SUMMARY: In accordance with the requirements of the Privacy Act of 1974, as amended, 5 U.S.C. 552a, the Securities and Exchange Commission

gives notice of major alterations to the Pay and Leave System (SEC-15) by adding, among other things, three new routine uses; and the Office of Inspector General Investigative Files (SEC-43) by adding nine new routine uses. Amendments to these systems were last published at 62 FR 47884 and 47885, September 11, 1997.

DATES: Comments must be received no later than April 10, 1998. The changes to these systems of records will take effect April 20, 1998, unless the Commission receives comments which would result in a contrary determination.

ADDRESSES: Persons wishing to submit comments should file three (3) copies thereof with Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Reference should be made to File No. S7-6-98. Copies of the comments will be available for public inspection and copying at the Commission's Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549.

FOR FURTHER INFORMATION CONTACT: Hannah R. Hall, Privacy Act Officer, (202) 942-4320, Office of Filings and Information Services, Freedom of Information Act and Privacy Act Operations, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop O-5, Alexandria, VA 22312-2413.

SUPPLEMENTARY INFORMATION: The Securities and Exchange Commission (SEC) is republishing the Pay and Leave System (SEC-15) with major alterations, including three new routine uses for the system, numbered 10, 11, and 12. This system of records is subject to the Privacy Act of 1974, 5 U.S.C. 552a.

Pursuant to the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Pub. L. 104-193) ("Reconciliation Act"), the SEC will disclose data from SEC-15 to the Office of Child Support Enforcement, Administration for Children and Families, Department of Health and Human Services for use in the Federal Parent Locator System (FPLS) and the Federal Tax Offset System.

FPLS is a computerized network through which States may request location information from Federal and State agencies to find non-custodial parents and/or their employers for purposes of establishing paternity and securing support. Effective October 1, 1997, the FPLS was expanded to include the National Directory of New Hires (NDNH), a database containing information on employees commencing employment, quarterly wage data on