

of the Commission and the self-regulatory organization of which the broker-dealer is a member.

Rule 17a-4(b)(10) under the Act describes the record preservation requirements for those records required to be kept pursuant to Rule 17a-3(a)(16), including how such records should be kept and for how long, to be used in monitoring compliance with the Commission's financial responsibility program and antifraud and antimanipulative rules as well as other rules and regulations of the Commission and the self-regulatory organizations. It is estimated that approximately 105 active broker-dealer respondents registered with the Commission incur an average burden of 315 hours per year to comply with this rule.

Under Rule 17a-4(a)(10) broker-dealers are required to retain records for a period of not less than three years. Compliance with the rule is mandatory. The required records are available only to the examination staff of the Commission and the self-regulatory organization of which the broker-dealer is a member.

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 control number.

General comments regarding the estimated burden hours should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: June 18, 2001.

**Margaret H. McFarland,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25006; 812-12108]

### The Managers Funds and The Managers Funds LLC; Notice of Application

June 20, 2001.

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

**ACTION:** Notice of an application for an order under section 38(a) of the Investment Company Act of 1940 (the "Act").

**SUMMARY OF APPLICATION:** The Managers Funds ("Managers Funds") and The Managers Funds LLC request an order to rescind a prior order dated September 23, 1998 (the "Prior Order")<sup>1</sup> that declared that Managers Funds had ceased to be an investment company.

**FILING DATES:** The application was filed on May 22, 2000, and amended on October 20, 2000.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless the Commission 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 Commission by 5:30 p.m. on July 16, 2001, 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 Commission's Secretary.

**ADDRESSES:** Secretary, Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, 40 Richards Avenue, Norwalk, Connecticut 06854.

**FOR FURTHER INFORMATION CONTACT:**

Diane L. Titus, Paralegal Specialist, at (202) 942-0584, or Mary Kay Frech, 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 from the Commission's Public Reference Branch, 450 Fifth Street, N.W., Washington, DC 20549 (telephone (202) 942-8090).

<sup>1</sup> Management of Managers Capital Appreciation Fund (File No. 811-3752), Investment Company Act Rel. Nos. 23419 (Aug. 38, 1998) (notice) and 23458 (Sept. 23, 1998) (order).

### Applicants' Representations

1. Managers Funds was organized as a Massachusetts business trust under the name The Management of Managers Group of Funds ("Group of Funds") on November 23, 1987. Currently, Managers Funds is a no-load mutual fund family composed of eight series, each having distinct investment objectives, strategies, risks and policies. The Managers Funds LLC (the "Manager"), a subsidiary of Affiliated Managers Group, Inc., is registered as an investment adviser under the Investment Advisers Act of 1940 and serves as investment manager to Managers Funds.

2. In May 1983, nine "Management of Managers" funds were organized as separate Massachusetts business trusts, each with a single portfolio and each registered separately under the Act. In 1986 and 1987, two other funds were added to the complex. Also in 1987, the Manager proposed to restructure the Management of Managers complex so that each of the funds in the complex would become a series of a single registered multi-series fund. To facilitate the reorganization of the eleven separate fund registrants into a single surviving fund, Group of Funds (later renamed Managers Funds) was organized. On December 30, 1987, pursuant to approval of a plan of reorganization by the shareholders of each fund, the assets of each of the previously existing funds in the Management of Managers complex were acquired by Group of Funds (the "Reorganization"). Group of Funds immediately adopted the registration statement of each predecessor registrant under both the Act and the Securities Act of 1933, and filed an amendment to the Form N-1A registration statement of each registrant declaring itself to be the successor registrant.

3. Late in 1988, the filings made by Group of Funds began to be recorded under the file number that had been assigned originally to Management of Managers Equity Fund (later renamed Management of Managers Capital Appreciation Fund) ("Capital Appreciation Fund"), one of the original separately registered single funds that operated as a series of Group of Funds following the Reorganization. In December 1988, the Commission updated its records to change the name of this registrant to Group of Funds, and in 1991, the name was changed again to its present name, Managers Funds.

4. In 1998, an application under section 8(f) of the Act for an order or deregistration was filed for each of the inactive registrants. Each application

stated that the reason for deregistration was the merger of the registrant into a successor investment company and identified that successor as Group of Funds (file number 811-3752). Eleven applications were filed, and, upon filing, each was assigned one of the eleven file numbers that had been assigned to the original eleven registrants in the Management of Managers complex.<sup>2</sup> The application for the Capital Appreciation Fund was assigned the file number 811-3752, which was the file number under which its filings were recorded prior to the Reorganization. Because this file number was ultimately assigned to the filings of Group of Funds, and is the file number under which the Managers Funds' filings are currently being recorded, the Prior Order, when issued by the Commission, effectively deregistered Managers Funds.

5. Applicants request an order to rescind the Prior Order to ensure that Managers Funds is reflected on the Commission's records as a continuously reporting, active registered investment company.

#### *Applicants' Legal Analysis*

1. Section 8(f) of the Act provides, in relevant part, that whenever the Commission finds that a registered investment company has ceased to be an investment company, it shall so declare by order. On the effective date of the order, the registration of the company shall cease to be in effect.

2. Section 38(a) of the Act states, in relevant part, that the Commission shall have the authority to rescind an order if necessary or appropriate to the exercise of the powers conferred upon the Commission by the Act.

3. The Commission issued the prior Order in response to an application filed under section 8(f), which sought deregistration for the Capital Appreciation Fund, one of the former stand-alone funds that merged into, and now operates as a series of, the Managers Funds. Applicants submit that the Prior Order was issued in error because Managers Funds has not ceased to be an investment company. Applicants state that since its organization, its acquisition of the former stand-alone Management of Managers funds, and its succession to the registration statements of each of those funds, Managers Funds has at all times been and remained an active investment company, operating pursuant to the Act and the rules

<sup>2</sup> To ensure the continued registration of a surviving multi-series fund, ten applications for deregistration should have been filed, not eleven.

thereunder and complying with the reporting and filing requirements for registered investment companies.

4. Applicants submit that the requested relief is necessary to conform the records of the Commission to the fact that Managers Funds is an active investment company complying with the Act and the rules thereunder and the reporting and filing requirements for registered investment companies.

5. Applicants request that the Commission rescind the Prior Order pursuant to section 38(a) of the Act, effective as of the date of the Prior Order. Applicants submit that the requested relief is necessary and appropriate to the exercise of the Commission's powers under the Act.

By the Commission.

**Margaret H. McFarland,**

*Deputy Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 35-27420]**

### **Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")**

June 19, 2001.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by July 13, 2001, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After July 13, 2001, the

application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

### **Cinergy Services, Inc., et al. (70-9879)**

Cinergy Services, Inc. ("Services"), a wholly owned service company subsidiary of Cinergy Corporation ("Cinergy"), a registered public utility holding company; The Cincinnati Gas & Electric Company ("CG&E"), an electric and gas utility subsidiary company of Cinergy; CG&E's utility subsidiaries, The Union Light, Heat and Power Company ("ULH&P"), and electric and gas utility company, Lawrenceburg Gas Company ("Lawrenceburg"), a gas utility company, and Miami Power Corporation ("Miami"), an electric utility company; CG&E's nonutility subsidiaries, KO Transmission Company ("KO"), and Tri-State Improvement Company ("Tri-State"), all located at 130 East Fourth Street, Cincinnati, Ohio 45202; and PSI Energy, Inc. ("PSA"), 1000 East Main Street, Plainfield, Indiana 46168, an electric utility subsidiary company of Cinergy ("Applicants"), have filed an application-declaration under sections 6(a), 7, 9(a) and 10 of the Act and rule 54 under the Act.

By order dated May 30, 1997 (HCAR No. 26723) ("1997 Order"), the Commission authorized Applicants, through December 31, 2002, to undertake a short-term debt financing program. Among other things, Applicants were authorized to continue to operate a system money pool ("Money Pool") to provide short-term cash and working capital requirements for associate companies, other than Cinergy.<sup>1</sup> The 1997 Order authorized the utility subsidiaries, ULH&P, Lawrenceburg, Miami and PSI ("Utility Subsidiaries"),<sup>2</sup> to make loans to and incur borrowings from each other under the terms of the Money Pool. The 1997 Order also authorized Cinergy, CG&E, Services, KO and Tri-State to make loans to ULH&P, Lawrenceburg, Miami and PSI through the Money Pool. Additionally, ULH&P, Lawrenceburg, Miami and PSI were authorized to incur short-term bank borrowings from third

<sup>1</sup> By Commission order dated August 25, 1995 (HCAR No. 26362) ("Money Pool Order"), Cinergy was authorized to organize and operate the Money Pool. The Applicants do not propose to change any of the terms and conditions governing its operation from those approved in the Money Pool Order.

<sup>2</sup> While CG&E is a utility subsidiary and will be treated like the other utilities for all purposes under the Money Pool, it is exempt from the filing requirements of sections 6(a) and 7 under the Act, under rule 52(a), as discussed below.