transaction from section 17(a) provided that the terms of the transaction, including the consideration to be paid or received, are fair and reasonable and do not involve overreaching on the part of any person concerned, and the proposed transaction is consistent with the policy of the registered investment company as recited in its registration statement and with the general purposes of the Act.

3. Section 17(d) of the Act and rule 17d–1 under the Act generally prohibit an affiliated person of a registered investment company, or affiliated persons of an affiliated person, when acting as principal, from effecting any transaction in which the company is a joint or joint and several participant unless permitted by Commission order upon application. Applicants state that because the Adviser and the Director Applicants are affiliated persons of the Fund,[4] the proposed settlement could be deemed a transaction or arrangement prohibited by section 17(d) and rule 17d–1. In considering an application for an order under rule 17d–1, the Commission must determine whether the participation of the investment company in a joint enterprise or joint arrangement is consistent with the provisions, policies and purposes of the Act and the extent to which the company's participation would be on a basis different from or less advantageous than that of the other participants.

4. Applicants believe that the relative benefits from the proposed settlement to the Fund markedly outweigh its contributions to the settlement, and that the Fund's participation in the proposed settlement is on terms that are at least as favorable to the Fund as to the Adviser and the Director Applicants. Under the terms of the proposed settlement, the Fund's contributions are limited to the following: (a) 6.25% (50% of 12.5%) of the costs and fees incurred after December 31, 2001 in connection with the litigation and settlement of the Actions (the balance being paid by Gulf and the Adviser); (b) 50% of the costs associated with obtaining the Order after any contribution by Gulf; and (c) the costs associated with liquidating the Fund after any contribution by Gulf. The Fund will make no contribution in respect of the Settlement Payments and will be relieved of any payment obligations to the class members in the Rights Offering Litigation. In addition, as noted above, the Fund will be relieved of its obligation to indemnify the Adviser for the legal fees and expenses it has incurred in connection with the Actions.

5. Applicants state that the participation by the Director Applicants in the proposed settlement is also consistent with the provisions of section 17(d) and rule 17d–1. As part of the Settlement Agreement, the Director Applicants will be released from any liability in connection with the Rights Offering Litigation. Although the Director Applicants' legal expenses incurred in connection with the Rights Offering Litigation have been paid by the Fund, the Fund is obligated under its articles of incorporation and by-laws (and, in the case of the Independent Directors, under separate indemnification agreements with each such Director) to pay those expenses regardless of whether the Actions are settled, provided the Director Applicants have not engaged in willful misfeasance, bad faith, gross negligence or reckless disregard of their duties. Furthermore, the proposed settlement is predicated upon the settlement of both Actions in their entirety. Consequently, if the Director Applicants could not participate, applicants state that the proposed settlement in all likelihood would not be consummated, and the Fund would continue to incur legal fees and expenses in connection with its indemnification of the Director Applicants.

6. Applicants represent that the liquidation of the Fund cannot occur without settlement of the Actions. Applicants state that the liquidation of the Fund will benefit shareholders because it will enable them to realize immediately the full net asset value of their shares. Applicants note that at the Fund's annual meeting of shareholders held on January 16, 2003, the holders of a majority of the Fund's outstanding shares voted in favor of the Fund's liquidation. Applicants also assert that the continued litigation of the Actions would be detrimental to both the Fund and its shareholders because of the costs and expenses to the Fund in connection with its defense of the Actions.

7. Accordingly, applicants submit that the terms of the proposed settlement, including the consideration to be paid or received, are fair and reasonable and do not involve overreaching and that the proposed transaction is consistent with the policy of the Fund and with the general purposes of the Act. Applicants further submit that the Fund's participation in the proposed settlement would not be on a basis different from or less advantageous than that of the other participants.

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

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E5–1133 Filed 3–15–05; 8:45 am]

BILLING CODE 8010–01–P

[4] Each Director Applicant is an affiliated person of the Fund pursuant to section 2(a)(3)(D) of the Act, which defines an ''affiliated person'' of another person to include any director of such other person.

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: 70 FR 11720, March 9, 2005.

STATUS: Closed meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING: Monday, March 14, 2005, at 3:30 p.m.

CHANGE IN THE MEETING: Cancellation of meeting.

The closed meeting scheduled for Monday, March 14, 2005, has been cancelled.

For further information please contact the Office of the Secretary at (202) 942–7070.

Dated: March 11, 2005.

Jonathan G. Katz,

Secretary.

[FR Doc. 05–5267 Filed 3–11–05; 4:16 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–51337; File No. SR–Amex–2004–109]

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change and Amendment Nos. 1, 2 and 3 Thereto Relating to Split Price Priority

March 9, 2005.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on December 23, 2004, the American Stock Exchange LLC (''Amex'' or the ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Amex. On February 4, 2005, the Amex amended the proposed rule change (''Amendment

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.