Approximately 100 custodians are subject to the requirement to provide confirmations and keep records, and those custodians and approximately 150 other agents and six depositories are subject to the requirement to provide internal control reports. The 256 respondents make approximately 25,256 responses and spend approximately 25,256 hours annually in complying with the reporting and recordkeeping requirements of the rule.

The estimates of burden hours are made solely for the purposes of the Paperwork Reduction Act, and are not derived from a comprehensive or even a representative survey or study.

Written comments are requested on: (a) Whether the collections of information are necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burdens of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549.

Dated: April 3, 1996.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–8988 Filed 4–10–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 35–26502; International Series Release No. 964]

Filings Under the Public Utility Holding Company Act of 1935, as Amended (''Act'')

April 5, 1996.

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 thereunder. 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 amendments thereto is/are available for public inspection through the Commission's Office 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 April 29, 1996, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, 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 case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact 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 said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

NorAm Energy Corp. (70–8811)

NorAm Energy Corporation (''NorAm''), 1600 Smith, 11th Floor, Houston, Texas, 77002, has filed an application under Section 3(b) of the Act for an order of exemption in connection with its contemplated acquisition, for an aggregate investment of up to $100 million over the next five-year period, of minority interests in businesses to establish and operate natural gas pipeline and distribution systems throughout Latin America (''Latin American Projects'').[1]

NorAm is engaged in the distribution and transmission of natural gas, with business and operations in Texas, Louisiana, Arkansas, Mississippi, Oklahoma, Missouri and Minnesota. NorAm is not a public utility holding company under the Act.

NorAm proposes to participate in the Latin American Projects through wholly owned subsidiaries (''NorAm Subsidiaries'') that will acquire equity or debt interests in entities formed to hold the interests of various parties in the Latin American Projects (''Project Entities'').[2] NorAm will never acquire more than 49% of the equity or 49% of the debt of any Latin American Project.

The businesses to establish and operate natural gas distribution systems would be gas utility companies under the Act. Thus NorAm, the NorAm Subsidiaries, and the Project Entities would each be a holding company under the Act.

Section 3(b) of the Act authorizes the Commission to exempt any subsidiary company of a holding company from the Act if such subsidiary company derives no material part of its income, directly or indirectly, from sources within the United States, and neither it nor any of its subsidiary companies is a public utility company operating in the United States.

NorAm states that the Latin American Projects will not derive any income, directly or indirectly, from sources in the United States, and will not operate, or have any subsidiary operating, as a public utility company in the United States. NorAm further states that the proposed acquisitions will not affect or impair utility functions or the financial condition of NorAm. Under these circumstances, NorAm states that it is not necessary in the public interest or for the protection of investors to subject the businesses to any provisions of the Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–8989 Filed 4–10–96; 8:45 am]

BILLING CODE 8010–01–M

[1] $100 million, as of December 31, 1995, represents approximately 2.7% of NorAm's consolidated assets and approximately 4.5% of NorAm's total capitalization.

[2] By order dated August 1, 1995 (HCAR No. 26345), the Commission issued to NorAm an order of exemption in connection with its contemplated acquisition of an interest in Gas Natural, S.A. (''Gas Natural''), a gas public utility, shares of which were to be sold by the Colombian government pursuant to a privatization plan. The shares have not yet been sold. The $100 million that NorAm proposes to spend over the next five-year period for the Latin American Projects would include the cost of the shares in Gas Natural.

[Investment Company Act Release No. 21874; 812–9878]

Qualivest Funds, et al.; Notice of Application

April 5, 1996.

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

ACTION: Notice of Application for an Order under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: Qualivest Funds (the ''Trust''); Qualivest Capital Management, Inc. (''QCM''); and BISYS Fund Services (''BISYS'').

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act from section 12(d)(1) of the Act and under sections 6(c) and 17(b) of the Act from section 17(a) of the Act.

SUMMARY OF APPLICATION: The order would permit series of the Qualivest Funds to operate as ''funds of funds'' by

investing substantially all of their assets in other series of Qualivest Funds.

FILING DATES: The application was filed on December 8, 1995 and amended on March 1, 1996. Applicants have agreed to file an amendment, the substance of which is incorporated herein, 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 April 30, 1996, 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, 3435 Stelzer Road, Columbus, Ohio 43219.

FOR FURTHER INFORMATION CONTACT: David W. Grim, Staff Attorney, at (202) 942–0571, or David M. Goldenberg, 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 SEC's Public Reference Branch.

Applicants' Representations

1. The Trust is a registered open-end management investment company organized as a Massachusetts business trust with several series. The Trust intends to establish four new series, which are referred to herein as the ''Parent Funds.'' The Trust currently has thirteen existing series. The existing series, along with each open-end management investment company or series thereof to be organized in the future and which is advised by, or to be advised in the future by, QCM, are referred to herein as the ''Underlying Funds.''

2. QCM, the adviser to the Funds, is an Oregon corporation and is registered as an investment adviser under the Investment Advisers Act of 1940. QCM is an affiliate of United States National Bank of Oregon, which is a wholly owned subsidiary of U.S. Bancorp. BISYS is the administrator for each of the Funds, and also acts as the principal underwriter and distributor for the Funds.

3. Each Underlying Fund offers multiple classes of shares. One of these classes of shares, Class Y shares, is sold to certain institutional investors and bank trust departments, is not subject to a sales load, and does not bear distribution or servicing expenses under a 12b–1 plan. Each Parent Fund will offer three separate classes of shares.

4. The Parent Funds are designed to allow investors to diversify their investments among a number of mutual funds. Each Parent Fund, pursuant to its investment objective, will invest exclusively (except for short-term money market instruments) in Class Y shares of the Underlying Funds and will allocate its assets among such funds in accordance with predetermined percentage ranges. The permissible ranges, as well as the identity of the Underlying Funds, are non-fundamental policies of each Parent Fund and may be changed by the Parent Fund's board of trustees. As new series of the Trust are established in the future, it is anticipated that the board of trustees of one or more of the Parent Funds will authorize investment in shares of such new Underlying Fund.

5. The Parent Funds are structured so as to avoid unnecessary duplication or layering of fees and expenses. QCM will provide advisory services to each of the Parent Funds for an annual fee equal to 0.05% of each Parent Fund's average daily net assets. These advisory services will consist primarily of asset allocation services, and the fees charged will be for services that are provided in addition to, rather than in duplication of, the services provided to the Underlying Funds.

Applicants' Legal Analysis

A. Section 12(d)(1)

1. Section 12(d)(1)(A) provides that no registered investment company may acquire securities of another investment company if such securities represent more than 3% of the acquired company's outstanding voting stock, more than 5% of the acquiring company's total assets, or if such securities, together with the securities of any other acquired investment companies, represent more than 10% of the acquiring company's total assets. Section 12(d)(1)(B) provides that no registered open-end investment company may sell its securities to another investment company if the sale would cause the acquiring company to own more than 3% of the acquired company's voting stock, or if the sale would cause more than 10% of the acquired company's voting stock to be owned by investment companies.

2. Section 6(c) provides that the SEC may exempt persons or transactions 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 request an order under section 6(c) exempting them from section 12(d)(1) to permit the Parent Funds to invest in the Underlying Funds in excess of the percentage limitations of section 12(d)(1).

3. Section 12(d)(1) was intended to mitigate or eliminate actual or potential abuses that might arise when an investment company acquires shares of another investment company. These abuses include the acquiring fund imposing undue influence over the management of the acquired funds through the threat of large-scale redemptions, the acquisition by the acquiring company of voting control of the acquired company, the layering of sales charges, advisory fees, and administrative costs, and the creation of a complex pyramidal structure which may be confusing to investors.

4. Applicants believe that none of these potential or actual abuses are present in their proposed fund of funds structure. Applicants state that there is no basis for the concern that the Parent Funds would exercise influence over the management of the Underlying Funds by the threat of redemptions. Because the Parent Funds will acquire only shares of Underlying Funds, a redemption from one Underlying Fund will simply lead to the placing of the proceeds into another Underlying Fund. Further, the concern that shareholder redemption requests may frequently require a larger scale redemption is minimal. The Parent Funds are designed for persons investing for retirement and other long-term investment purposes. Also, the diversification of the Parent Funds lessens the need for investors to exchange between and among Qualivest Funds, which effectively decreases the rate of redemptions. Applicants also assert that the Parent Funds will pose no threat of excessive voting control over the Underlying Funds.

5. Applicants state that the proposed fund of funds structure contains no layering of sales charges, advisory fees, or administrative costs. Class A and Class C shares of the Parent Funds will be sold subject, respectively, to a front-end sales load and a CDSC. However, layering of sales charges will be avoided because the Parent Funds will invest

only in the Class Y shares of the Underlying Funds, which are not subject to a sales load. Similarly, both the Parent Funds and the Underlying Funds have adopted rule 12b–1 fees for Class A and Class C shares. Again, however, layering of distribution fees will be avoided because the Parent Funds will invest only in Class Y shares of the Underlying Funds, which do not bear any distribution expenses under the 12b–1 plans.

6. QCM will charge an annual advisory fee of 0.05% of each Parent Fund's average daily net assets. Applicants state that this advisory fee is based entirely on services that are provided in addition to, rather than duplicative of, the services provided pursuant to an Underlying Fund's advisory contract. Moreover, before approving any advisory contract under section 15 of the Act, the board of trustees of each Parent Fund, including a majority of the trustees who are not ''interested persons,'' as defined in section 2(a)(19) (''Independent Trustees''), will have found that advisory fees charged under such contract are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to any Underlying Fund's advisory contract. Applicants assert that layering of advisory fees will therefore be avoided.

7. Applicants state that shareholder servicing costs, such as costs for transfer agency functions as well as printing and mailing prospectuses, shareholders reports, and proxies, will be borne by investors at the Parent Fund level. Layering will be avoided, however, because the shareholder servicing costs at the Underlying Fund level associated with the single account of a Parent Fund will be minimal. Certain non-shareholder servicing administrative expenses (e.g., custodial, accounting, auditing, legal, and trustee fees) will necessarily be incurred by both the Parent Funds and the Underlying Funds. BISYS, as administrator of each of the Parent Funds, will be responsible for providing these services, or arranging for these services to be provided, to the Parent Funds. These duplicative expenses are expected to be minimal, are expected to be substantially offset by the reduction in shareholder servicing costs for the Underlying Funds, and do not raise the same concerns as the fund or funds structures Congress sought to limit in enacting section 12(d)(1). Further, applicants have agreed that any sales charges or service fees charged with respect to the Parent Funds, including those paid by the Parent Fund with respect to securities of the Underlying Funds, will not exceed the limits set forth in the Rules of Fair Practice of the National Association of Securities Dealers, Inc. (''NASD'').

B. Section 17(a)

1. Section 17(a) makes it unlawful for an affiliated person of a registered investment company, or any affiliated person of such person, to sell securities to, or purchase securities from, the company. The Parent Funds and the Underlying Funds may be considered affiliated persons because they are each advised by QCM. An Underlying Fund's issuance of its shares to a Parent Fund may be considered a sale prohibited by section 17(a).

2. Section 17(b) provides that the SEC shall exempt a proposed transaction from section 17(a) if evidence establishes that: (a) the terms of the proposed transaction are reasonable and fair and do not involve overreaching; (b) the proposed transaction is consistent with the policies of the registered investment company involved; and (c) the proposed transaction is consistent with the general provisions of the Act. Applicants request an exemption under sections 6(c) and 17(b) to permit the Underlying Funds to sell their shares to the Parent Funds.[1] Applicants believe that the proposed transactions meet the standards of sections 6(c) and 17(b).

Applicants' Conditions

Applicants agree that the order granting the requested relief shall be subject to the following conditions:

1. The Parent Funds and each Underlying Fund will be part of the same ''group of investment companies'' as defined in rule 11a–3 under the Act.

2. No Underlying Fund shall acquire securities of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

3. A majority of the trustees of each Parent Fund will be Independent Trustees.

4. Before approving any advisory contract under section 15 of the Act, the board of trustees of each Parent Fund, including the Independent Trustees, shall find advisory fees charged under such contract are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to any Underlying Fund's advisory contract. Such finding, and the basis upon which the finding was made, will be recorded fully in the minute books of the Parent Fund.

5. Any sales charges or service fees charged with respect to securities of any Parent Fund, when aggregated with any sales charges or service fees paid by the Parent Fund with respect to shares of the Underlying Funds, shall not exceed the limits set forth in Article III, section 26, of the Rules of Fair Practice of the NASD.

6. The applicants agree to provide the following information, in electronic format, to the Chief Financial Analyst of the SEC's Division of Investment Management: monthly average total assets of each Parent Fund and each of its Underlying Funds; monthly purchases and redemptions (other than by exchange) for each Parent Fund and each of its Underlying Funds; monthly exchanges into and out of each Parent Fund and each of its Underlying Funds; month-end allocations of each Parent Fund's assets among its Underlying Funds; annual expense ratios for each Parent Fund and each of its Underlying Funds; and a description of any vote taken by the shareholders of any Underlying Fund, including a statement of the percentage of votes cast for and against the proposal by the Parent Funds and by the other shareholders of the Underlying Funds. Such information will be provided as soon as reasonably practicable following each fiscal year-end of the Parent Funds (unless the Chief Financial Analyst shall notify applicants in writing that such information need no longer be submitted).

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–9020 Filed 4–10–96; 8:45 am]

BILLING CODE 8010–01–M

[1] Section 17(b) applies to specific proposed transactions, rather than an ongoing series of future transactions. *See* Keystone Custodian Funds, 21 S.E.C. 295, 298–99 (1945). Section 6(c) frequently is used to grant relief from section 17(a) to permit an ongoing series of future transactions.

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, D.C. 20549

Revision:

Rule 10f–3

SEC File No. 270–237

OMB Control No. 3235–0226

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (''Commission'') has submitted to the Office of Management and Budget