

Any person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other person; (ii) any person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote by such other person; (iii) any person directly or indirectly controlling, controlled by, or under common control with, such other person; and (iv) if such other person is an investment company, any investment adviser thereof.

2. Section 17(a) of the Act, in pertinent part, prohibits an affiliated person of a registered investment company, or any affiliated person of such a person, acting as principal, from selling to or purchasing from such registered company, any security or other property. Section 17(b) provides that the SEC may exempt a transaction from section 17(a) if the evidence establishes that the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

3. Rule 17a-8 under the Act exempts from the prohibitions of section 17(a) mergers, consolidations, or purchases or sales of substantially all of the assets involving registered investment companies that are affiliated persons, or affiliated persons of such affiliated persons, solely by reason of having a common investment adviser, common directors/trustees, and/or common officers, provided that certain conditions are satisfied.

4. The proposed reorganization may not be exempt from the prohibitions of section 17(a) by reason of rule 17a-8 because the Acquiring Funds and the Acquired Funds may be affiliated for reasons other than those set forth in the rule. FC-NBD owns 100% of the outstanding voting securities of NBD, the co-investment adviser to the Acquiring Funds, and indirectly owns 100% of the outstanding voting securities of FCIMCO, the co-investment adviser to the Acquiring Funds and the investment adviser to the Acquired Funds. In addition, as of January 31, 1996, FC-NBD and its affiliates held of record in their own names or through nominees 100% of the outstanding shares of each Acquired Fund. Therefore, each Acquiring Fund may be deemed an affiliated person of an affiliated person of its corresponding Acquired Fund, and vice versa, for

reasons not based solely on their common investment adviser.

5. Applicants believe that the terms of the reorganization satisfy the standards of section 17(b). The Woodward and Prairie boards, including the disinterested trustees thereof, have reviewed the terms of the reorganization and have found that participation in the reorganization as contemplated by the Reorganization Agreement is in the best interests of each Acquiring Fund and each Acquired Fund, respectively, and that the interests of existing shareholders of the Acquiring Funds and the Acquired Funds, respectively, will not be diluted as a result of the reorganization. Applicants state that the reorganization is consistent with each Fund's investment objective and policies because the investment objective and policies of each Acquired Fund are identical to those of its corresponding Acquiring Fund.

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

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-37109; International Series Release No. 966; File No. SR-ISCC-96-02]

Self-Regulatory Organizations; International Securities Clearing Corporation; Order Granting Accelerated Approval of a Proposed Rule Change To Permit ISCC To Charge and To Collect From Members Charges Imposed by Certain Third Parties

April 12, 1996.

On March 19, 1996, the International Securities Clearing Corporation ("ISCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-ISCC-96-02) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ to permit ISCC to charge and to collect from members charges imposed by certain third parties. Notice of the proposal was published in the Federal Register on March 28, 1996.² No comment letters were received. For the reasons discussed below, the Commission is granting accelerated approval of the proposed rule change.

¹ 15 U.S.C. 78s(b)(1) (1988).

² Securities Exchange Act Release No. 37000 (March 21, 1996), 61 FR 13908.

I. Description

The proposed rule change expands ISCC's authority to charge and to collect from its members fees imposed by certain third parties. In such situations, third parties will include all individual ISCC member charges in one invoice to ISCC, and ISCC will include the third parties' charges to individual members on the members' settlement statements.³ ISCC's current rules permit ISCC to charge members for fees imposed by banks and trust companies in conjunction with the Global Clearance Network Service. The proposed rule change permits ISCC to include on its members' settlement statements charges imposed by entities or organizations with which ISCC has entered into agreements and which provide services or equipment to ISCC members which are integral to the services provided by ISCC. If a member does not consent to such charges or otherwise disputes such charges, ISCC will not fine the member for not paying to ISCC the third party's charges. In addition, ISCC will have no liability to any third party vendors for such charges.

II. Discussion

Section 17A(b)(3)(F)⁴ of the Act requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions. The Commission believes ISCC's proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act because it will facilitate access to ISCC's services by making it easier for ISCC members to obtain hardware, software, or related services or equipment necessary to fully utilize ISCC. Specifically, the proposed rule change allows ISCC to consolidate third party billings and ISCC payment obligations. Consolidation of members' payment obligations should not only simplify members' disbursement processes, it should facilitate ISCC

³ From time to time, third parties which have entered into agreements with ISCC and which provide ISCC members with certain services or equipment that facilitate access to an ISCC service request that ISCC directly bill its members for the services or equipment that the third parties provide to members. For example, if ISCC members wanted to obtain computer hardware and/or software to access certain ISCC services, ISCC could make arrangements with a third party vendor to supply members with the appropriate hardware and/or software. The third party vendor would send a detailed monthly invoice directly to ISCC reflecting each individual member's charge. ISCC would then include the appropriate charge on each member's monthly statement. ISCC would remit to the vendor within the agreed upon time period the amount that ISCC actually collected from members in connection with the vendor's charges.

⁴ 15 U.S.C. 78q-1(b)(3)(F) (1988).

members' ability to obtain equipment or services that are integral to ISCC's services and that are provided by third parties. By enhancing the ability of ISCC's members to access ISCC's securities settlement services, the proposed rule change should promote the prompt and accurate clearance and settlement of securities transactions.

ISCC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. The Commission finds good cause for so approving the proposed rule change because accelerated approval will facilitate ISCC members' ability to obtain on a timely basis certain computer hardware presently being offered by third parties in connection with certain ISCC services.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular Section 17A of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-ISCC-96-02) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-37113; File No. SR-MCC-96-03]

Self-Regulatory Organizations; Midwest Clearing Corporation; Order Granting Accelerated Approval of a Proposed Rule Change Relating to the Pass-Through of Certain Fees and Charges and the Elimination of All Other Charges

April 15, 1996.

On March 1, 1996, the Midwest Clearing Corporation ("MCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-MCC-96-03) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") relating to the pass-through of certain fees and charges and the elimination of all other charges.¹ On March 7, 1996, MCC amended the

filing.² Notice of the proposal was published in the Federal Register on March 22, 1996.³ No comment letters were received. For the reasons discussed below, the Commission is granting accelerated approval of the proposed rule change.

I. Description

The proposed rule change permits MCC to charge Sponsored Participants ("SPs") and Temporary Sponsored Participants ("TSPs") at cost the fees and charges assessed on MCC by the National Securities Clearing Corporation ("NSCC") in connection with SPs' and TSPs' use of NSCC's services. The proposed rule change also eliminates all other existing MCC fees. MCC is eliminating its existing fee schedule in its entirety and replacing it with the following schedule.

Sponsored Participants and Temporary Sponsored Participants

Fees and Charges Assessed on MCC by the National Securities Clearing Corporation

Charge: Rebilled at Cost.

II. Discussion

Section 17A(b)(3)(D)⁴ of the Act requires that the rules of a clearing agency provide for the equitable allocation of dues, fees, and other charges among MCC's participants. In addition, Section 17A(b)(3)(F)⁵ of the Act requires that the rules of a clearing agency be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions. The Commission believes MCC's proposed rule change is consistent with the requirements of Section 17A(b)(3)(D) because MCC will be charging SPs and TSPs at cost NSCC's fees and charges assessed on MCC for such SPs' and TSPs' use of NSCC's services. The Commission believes the proposal is consistent with Section 17A(b)(3)(F) in that it should foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions by allowing MCC to pass through the

² MCC originally filed the proposed rule change under Section 19(b)(3)(A) of the Act. On March 7, 1996, MCC requested that the proposal be considered filed under Section 19(b)(2) of the Act. Telephone conversation between David T. Rusoff, Foley and Lardner [counsel to MCC], and Jerry W. Carpenter, Assistant Director, Peter R. Geraghty, Senior Counsel, and Cheryl O. Tumlin, Attorney, Division of Market Regulation, Commission (March 7, 1996).

³ Securities Exchange Act Release No. 36982 (March 18, 1996), 61 FR 11913.

⁴ 15 U.S.C. 78q-1(b)(3)(D) (1988).

⁵ 15 U.S.C. 78q-1(b)(3)(F) (1988).

NSCC charges to the parties utilizing NSCC's services.

MCC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. The Commission finds good cause for so approving the proposed rule change because accelerated approval will allow MCC to not make charges under its existing fee schedule and to pass through charges to SPs and TSPs contemporaneously with NSCC assessing charges on MCC for its services to such participants.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular Section 17A of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-MCC-96-03) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-9693 Filed 4-18-96; 8:45 am]

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[Release No. 34-37112; International Series Release No. 967; File No. SR-NASD-96-13]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to the Use of the New York Stock Exchange's Modified General Securities Representative Examination (Series 47) to Qualify as a General Securities Representative

April 12, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on April 3, 1996, the National Association of Securities Dealers, Inc. ("NASD" or "Association") 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 NASD. The Commission is publishing this notice to solicit

⁵ 17 CFR 200.30-3(a)(12) (1995).

¹ 15 U.S.C. 78s(b)(1) (1988).

⁶ 17 CFR 200.30-3(a)(12) (1995).

¹ 15 U.S.C. 78s(b)(1).