the proportionate or percentage amount of sales charges deducted not exceed the proportionate or percentage amount previously deducted pursuant to the same method.

13. Applicants assert that, if Section 27(a)(3) and the related provisions of Rule 6e–3(T) were interpreted to prevent the resumption of sales charge deductions from contract assets once the deduction of such charges has ceased for any reason, the utility of policy designs that deduct sales charges from contract assets would be greatly reduced. Applicants submit that deducting part of the sales charges from Policy value, rather than from premium payments, is advantageous to Policy owners because more assets are put to work as Policy value with the potential of earning a return for the Policy owner's benefit.

14. Third, Rule 6e–3(T)(c)(4) defines ''sales load'' for any contract period as the excess of premium payments over changes in ''cash value'' (other than from investment performance) and certain enumerated charges. Applicants submit that because premium based bonuses and Policy value bonuses affect the Policy's cash value in the contract period during which they are credited, such bonuses could be deemed to result in sales charges that vary from one contract period to the next, relative to the amount of premium payments paid in such periods. The stair step provisions could apply to the extent that the sales load, as a percentage of premium payments made in a contract period, were thereby deemed to be more than that in a prior contract period. Applicants submit that the Policy's charge structure complies with the spirit and apparent purposes of Rule 6e–3(T)(b)(13)(ii) and 6e–3(T)(d)(1)(ii).

15. The stair step issues under the Policies result from the imposition of deferred sales charges in the form of monthly and/or daily deductions and, in the case of Policies that are surrendered or lapse before a certain time, the surrender charge. The stair step issues under the Policies do not result from early deduction of front-end charges. Although sales charges will be deducted through several different types of deductions, the rate of these charges will not increase.

Conclusion

For the reasons summarized above, Applicants represent that the exemptions requested are necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–15509 Filed 6–18–96; 8:45 am]

BILLING CODE 8010–01–M

Issuer Delisting; Notice of Application to Withdraw From Listing and Registration (Medicore, Inc., Common Stock, $.01 Par Value); File No. 1–9167

June 12, 1996.

Medicore, Inc. (''Company'') has filed an application with the Securities and Exchange Commission (''Commission''), pursuant to Section 12(d) of the Securities Exchange Act of 1934 (''Act'') and Rule 12d2–2(d) promulgated thereunder, to withdraw the above specified security (''Security'') from listing and registration on the American Stock Exchange, Inc. (''Amex'').

The reasons alleged in the application for withdrawing the Security from listing and registration include the following:

According to the Company, its Board of Directors unanimously approved resolutions on May 6, 1996 to withdraw the Security from listing on the Amex and instead, to list the Security on the National Association of Securities Dealers Automated Quotations National Market System (''Nasdaq/NMS'').

The decision of the Board followed a thorough study of the matter and was based upon the belief that listing the Security on the Nasdaq/NMS will be more beneficial to the Company's stockholders than the present listing on the Amex because:

The Board of Directors has determined as per the resolutions dated May 6, 1996 of which this withdrawal statement is a part, to withdraw its security from listing on the Amex to provide its Security with what the Board believes to be a broader base of trading and greater liquidity, all to the benefit of its shareholders and investors.

The Company has had good relations with the Amex and its staff, but believes in its evaluation of its trading market over the years and discussions with other investment banking firms, that it is in the best interest of the Company and its shareholders to withdraw its listing of its Security from the Amex and list the Security on the Nasdaq National Market. It is the opinion of the Board that the Company will be provided with greater visibility and that its Security with a broader base of trading and more liquidity for shareholders and investors in the decentralized market place of the Nasdaq National Market.

Over the years, the Company has held discussions with the staff of the Amex and the specialist dealing with the Company's Security as to the depth of trading, volume, block transactions and pricing, resulting in ultimately a new specialist being appointed for trading the Company's Security. The Board, after full evaluation, has determined that the Nasdaq National Market, a major trading market with very significant national and international corporations having listed their securities for trading on the Nasdaq National Market, will provide a more liquid, efficient and broader market for the Company's securities. Further, the Board, based on discussions with other broker/dealers over the years, is of the opinion that the Company will have more broker-dealers involved with it and its securities, with greater exposure in the financial community and such will, to the extent necessary, facilitate further capital formation. All of the above factors will certainly be beneficial to the Company's shareholders and investors.

Any interested person may, on or before July 3, 1996 submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 96–15449 Filed 6–18–96; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Rel. No. 22016; 812–10058]

Sirrom Capital Corporation; Notice of Application

June 13, 1996.

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

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

APPLICANT: Sirrom Capital Corporation (''Sirrom Capital'').

RELEVANT ACT SECTIONS: Applicant requests an order under: Section 6(c) of the Act for an exemption from sections 12(d)(1), 18(a), 19(b), 60, and 61(a); sections 6(c) and 17(b) of the Act for an exemption from section 17(a); section 57(c) of the Act for an exemption from sections 57(a) (1), (2), and (3); and sections 17(d) and 57(a)(4) and rule 17d–1 under the Act to permit Sirrom Capital and Sirrom Investments, Inc. (''Sirrom Investments'') to effect certain joint transactions.

SUMMARY OF APPLICATION: Applicant requests an order to permit Sirrom Capital to establish and operate a wholly-owned subsidiary, Sirrom Investments, under the terms of a proposed reorganization in which Sirrom Capital will transfer all of its assets, its small business investment company (''SBIC'') license, and liabilities, to Sirrom Investments in exchange for all of the common stock of Sirrom Investments.

FILING DATES: The application was filed on March 2, 1996 and amended on June 4, 1996.

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 applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on July 8, 1996, and should be accompanied by proof of service on 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 who wish to be notified of the date of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicant, Sirrom Capital Corporation, 500 Church Street, Suite 200, Nashville, Tennessee 37219.

FOR FURTHER INFORMATION CONTACT: Marianne H. Khawly, Staff Attorney, at (202) 942–0562, or Alison E. Baur, 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 at the SEC's Public Reference Branch.

Applicant's Representations

1. Sirrom Capital is a closed-end management investment company that has elected to be regulated as a business development company (''BDC'') under the Act. Sirrom Capital also is licensed by the Small Business Administration (''SBA'') as an SBIC under the Small Business Investment Act of 1958 (the ''1958 Act''). Sirrom Capital's investment objective is long-term capital appreciation through venture capital investments in small privately-owned companies (''Portfolio Companies''). Sirrom Capital has filed a registration statement on Form N–2 pursuant to which it will sell up to 2.3 million shares of common stock (the ''Public Offering''). The net proceeds of the Public Offering will be used to capitalize Sirrom Capital following the consummation of the proposed plan of reorganization (the ''Plan'').

2. Under the Plan, Sirrom Capital intends to transfer all of its assets (except the net proceeds of the Public Offering), its SBIC license, and its liabilities to a newly-formed and wholly-owned subsidiary, Sirrom Investments. In exchange, Sirrom Investments will issue to Sirrom Capital all of its outstanding capital stock. After the transfer of assets and liabilities, Sirrom Investments will register under the Act as an SBIC and will conduct the SBIC activities previously conducted by Sirrom Capital. Sirrom Investments would operate as a registered closed-end investment company and an SBIC. Sirrom Capital will continue to operate as a BDC. Applicants chose a two-tier structure so that Sirrom Capital could engage in venture capital transactions and other investment opportunities in which SBICs cannot participate. In addition, Sirrom Investments will have the same fundamental investment policies as Sirrom Capital.

3. Sirrom Capital may make additional investments in Sirrom Investments either as contributions to capital, purchases of additional stock, or loans. Sirrom Investments will not purchase or otherwise acquire any of the capital stock of Sirrom Capital. Sirrom Investments will pay dividends and make other distributions to Sirrom Capital with respect to its investments in Sirrom Investments' stock, including capital gains dividends subject in each case to the requirements of the 1958 Act and regulations thereunder. Sirrom Capital intends to cause Sirrom Investments to qualify and elect to be taxed as a regulated investment company. Accordingly, Sirrom Investments will be required to pay out as dividends to Sirrom Capital substantially all of its so-called ''investment company taxable income'' as defined in section 852 of the Internal Revenue Code (the ''Code''). Similarly, Sirrom Capital intends to continue to qualify and elect to be taxed as a regulated investment company as defined by the Code.

4. Sirrom Investments may make loans or other advances to Sirrom Capital other than on account of purchases of Sirrom Investment's stock. Sirrom Capital and Sirrom Investments also might invest in securities of the same issuer, simultaneously or sequentially, in the same or different securities of such issuer, and deal with such investments separately or jointly. Sirrom Capital or Sirrom Investments also might purchase all or a portion of portfolio investments held by the other in order to enhance the liquidity of the selling company.

5. Sirrom Capital and Sirrom Investments propose to issue and sell to banks, insurance companies, and other financial institutions their secured or unsecured promissory notes, or other evidences of indebtedness in consideration of any loan, or any extension or renewal thereof made by private arrangement. Sirrom Capital also intends to guarantee any borrowings by Sirrom Investments and vice versa. Sirrom Investments proposes to obtain financing that the SBA permits for SBICs. Sirrom Investments also intends to borrow from Sirrom Capital and vice versa.

Applicant's Legal Analysis

1. Applicant requests an order under: Section 6(c) of the Act for an exemption from sections 12(d)(1), 18(a), 19(b), 60, and 61(a); sections 6(c) and 17(b) of the Act for an exemption from section 17(a); section 57(c) of the Act for an exemption from sections 57(a) (1), (2), and (3); and sections 17(d) and 57(a)(4) and rule 17d–1 under the Act to permit Sirrom Capital and Sirrom Investments to effect certain joint transactions.

2. Section 12(d)(1)(A) of the Act provides that no registered investment company may acquire securities of another investment company if such securities represent more than 3 percent of the acquired company's outstanding voting stock, more than 5 percent 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 percent of the acquiring company's total assets. Section 12(d)(1)(C) also provides that no registered company may purchase or otherwise acquire any security issued by a registered closed-end investment

company, if immediately after such purchase or acquisition the acquiring company owns more than 10 percent of the total outstanding voting stock of such closed-end company. Section 60 of the Act states that section 12 shall apply to a BDC to the same extent as if it were a registered closed-end investment company. Rule 60a–1 exempts a BDC's acquisition of the securities of a wholly-owned SBIC from sections 12(d)(1) (A) and (C). Thus, the transfer of assets from Sirrom Capital to Sirrom Investments is exempt from these provisions.

3. Section 12(d)(1), however, also applies to the activities of Sirrom Investments, and loans made by Sirrom Capital to Sirrom Investments may violate section 12(d)(1) if such loans were considered purchases by Sirrom Investments of the securities of Sirrom Capital. Similarly, loans made by Sirrom Investments to Sirrom Capital may violate section 12(d)(1) if such loans were considered purchases by Sirrom Capital of the securities of Sirrom Investments. Accordingly, applicant requests an exemption from section 12(d)(1) to permit Sirrom Investments' acquisition of those securities representing indebtedness of Sirrom Capital.

4. Section 18(a) of the Investment Company Act prohibits a registered closed-end investment company from issuing any class of senior security unless the company complies with the asset coverage requirements set forth in that section. ''Asset coverage'' is defined in section 18(h) to mean the ratio which the value of the total assets of an issuer, less all liabilities not represented by senior securities, bears to the aggregate amount of senior securities of such issuer. Section 18(k) provides an exemption from the asset coverage provisions of section 18(a) for SBICs. Section 61 makes section 18, with certain modifications, applicable to a BDC.

5. As it is organized currently, Sirrom Capital is entitled to the section 18(k) exclusion for its SBA-guaranteed debt. Following the proposed reorganization, Sirrom Investments, as an SBIC, would be entitled to the section 18(k) exclusion and thus would not need any asset coverage for its SBA-guaranteed debentures. However, Sirrom Capital, since it would no longer be an SBIC, would be subject to the asset coverage requirements of section 18(a), as modified by section 61(a), without the benefit of the section 18(k) exclusion with respect to senior securities it issued directly as well as those issued by Sirrom Investments. Thus, absent the requested relief, Sirrom Capital may be required to comply with the asset coverage requirements of section 18 on a consolidated basis because it may be an indirect issuer of senior securities with respect to Sirrom Investments' indebtedness.

6. Section 19(b) of the Act prohibits any registered investment company from distributing long-term capital gains, as defined in the Code, more often than once every twelve months. Sirrom Investment proposes to pay dividends and make other distributions to Sirrom Capital on a regular basis that may include distribution of long-term capital gains within the meaning of section 19(b) of the Act. Applicant believes that permitting such distributions more often than once a year will allow Sirrom Capital to manage more efficiently its internal cash flow and would result in administrative savings.

7. Section 6(c) of the Act provides that the SEC may exempt persons or transactions from any provision of the Act if 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. Applicant states that the operation of Sirrom Capital as a BDC with a wholly-owned SBIC subsidiary is intended to permit Sirrom Capital to expand the scope of its operations beyond that which would be permitted to it as an SBIC. Applicant further states that the requested exemptions would permit Sirrom Capital and Sirrom Investments to operate effectively as one company even though they will be divided into two legal entities. Accordingly applicant believes that the requested exemptions from sections 12(d)(1), 18(a), 19(b), 60(a), and 61(a) meet the section 6(c) standards.

8. Section 17(a) of the Act generally prohibits an affiliated person of a registered investment company to sell any security or other property to such registered investment company, to purchase from such registered investment company any security or other property, or to borrow money or other property from such registered investment company. Sections 57(a) (1), (2), and (3) generally prohibit any person related to a business development company from engaging in the transactions described in section 17(a). Section 2(a)(3)(A) defines ''affiliated person'' of another person as, among other things, 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. Section 2(a)(3)(B) defines ''affiliated person'' of another person as, among other things, 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. Thus, Sirrom Capital is an affiliated person of Sirrom Investments and vice versa because Sirrom Capital owns 100% of Sirrom Investments' voting securities. In addition, Portfolio Companies of Sirrom Investments may also be affiliated persons of Sirrom Capital and Sirrom Investments by reason of ownership of 5% or more of such Portfolio Company's voting securities. According, any exchange of securities between Sirrom Capital and Sirrom Investments, and between either or both of them and their Portfolio Companies, could constitute an affiliated transaction prohibited by sections 17(a) and 57(a) of the Act.

9. Section 17(b) authorizes the SEC to exempt a proposed transaction from section 17(a) if evidence establishes that the terms of the 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, the transaction is consistent with the policies of the registered investment company, and the general purposes of the Act. Section 57(c) authorizes the SEC to exempt a proposed transaction from sections 57(a) (1), (2), and (3) if it finds that the participation of the BDC meets the criteria set forth for registered investment companies in section 17(b). Section 57(i) of the Act provides, among other things, that the rules and regulations under section 17(a) applicable to registered closed-end investment companies shall apply to transactions subject to section 57(a) in the absence of rules under sections 57(a). No rules with respect to affiliated transactions have been adopted under section 57(a).

10. Rule 57b–1, however, exempts from section 57(a) transactions between BDCs and specific downstream affiliates. Thus, applicants assert that if Sirrom Capital were to continue to operate as one BDC, transactions with portfolio affiliates would be permissible without Commission approval by virtue of Rule 57b–1 under the Act. Similarly, certain transactions between registered investment companies and their downstream affiliates are exempt from the prohibitions of section 17(a) of the Act by virtue of rule 17a–6. Applicant believes that Sirrom Investments should be permitted to invest in downstream affiliates of Sirrom Capital and vice versa to the extent permitted under the Act as if they were a single company. Thus, applicant believes that the requested exemption from section 17(a)

meets the standards of sections 6(c) and 17(b) and the requested exemption from sections 57(a) (1), (2), and (3) meets the standards of section 57(c).

11. Section 17(d) of the Act prohibits an affiliated person of a registered investment company, acting as principal, from effecting any transaction in which such investment company is a joint, or joint and several, participant with such person unless the SEC has issued an order approving the arrangement. Rule 17d–1 states that the Commission will consider whether the participation of such registered investment company in such joint arrangement, on the basis proposed, is consistent with the provisions, policies, and purposes of the Act and the extent to which such participation is different from or less advantageous than that of other participants. Section 57(a)(4) of the Act applies identical standards to BDCs. Since Sirrom Capital and Sirrom Investments would be affiliated persons, investments by Sirrom Capital in the Portfolio Companies of Sirrom Investments and investments by Sirrom Investments in the Portfolio Companies of Sirrom Capital may be prohibited by sections 17(d), 57(a)(4) and rule 17d–1.

12. If Sirrom Capital and Sirrom Investments were operating as one registered investment company, rule 17d–1(d)(5) would exempt transactions between them and their downstream affiliates from section 17(d). If they were operating as one BDC, such transactions would be exempted from section 57(a)(4) by rule 57b–1. Thus, applicant believes that Sirrom Capital and Sirrom Investments should be permitted to invest in Portfolio Companies in which the other is or proposed to be an investor to the extent that such transaction would not be prohibited if Sirrom Investments were deemed to be part of Sirrom Capital and not a separate company. Thus applicant believes that requested relief under section 17(d) and 57(a)(4) and rule 17d–1 under the Act is consistent with the provisions, policies, and purposes of the Act and the participation of Sirrom Capital and Sirrom Investments is not different from or less advantageous than that of other participants.

Applicant's Conditions

Applicant agrees that the order granting the requested relief shall be subject to the following conditions:

1. Sirrom Capital at all times will own and hold, beneficially and of record, all of the outstanding voting capital stock of Sirrom Investments.

2. Sirrom Investments will have the same fundamental investment policies as Sirrom Capital, as set forth in Sirrom Capital's Form N–2 (Reg. No. 33–95394). Sirrom Capital will not cause or permit Sirrom Investments to change any of its fundamental investment policies, or take any other action referred to in section 13(a) of the Act, unless such action shall have been authorized by Sirrom Capital after approval of such action by a vote of a majority, as defined in the Act, of outstanding voting securities of Sirrom Capital.

3. No person shall serve or act as investment adviser to Sirrom Investments under circumstances subject to section 15 of the Act, unless the directors and shareholders of Sirrom Capital shall have taken the action with respect thereto also required to be taken by the directors and shareholders of Sirrom Investments.

4. No person shall serve as director of Sirrom Investments who shall not have been elected as a director of Sirrom Capital at its most recent annual meeting, as contemplated by section 16(a) of the Act and subject to the provisions thereof relating to the filling of vacancies. Notwithstanding the foregoing, the board of directors of Sirrom Investments will be elected by Sirrom Capital as the sole shareholder of Sirrom Investments, and such boards will be composed of the same persons that serve as directors of Sirrom Capital.

5. Sirrom Capital will not itself issue, and Sirrom Capital will not cause or permit Sirrom Investments to issue, any senior security or sell any senior security of which Sirrom Capital or Sirrom Investments is the issuer except as hereinafter set forth: (a) Sirrom Capital and Sirrom Investments may issue and sell to banks, insurance companies, and other financial institutions their secured or unsecured promissory notes or other evidences of indebtedness in consideration of any loan, or any extension or renewal thereof made by private arrangement, provided the following conditions are met: (1) such notes or evidences of indebtedness are not intended to be publicly distributed, (ii) such notes or evidence of indebtedness are not convertible into, exchangeable for, or accompanied by any options to acquire any equity security (except that, with respect to Sirrom Capital, the restrictions in this clause (ii) shall not be applicable except to the extent that they are applicable generally to BDCs), and (iii) immediately after the issuance or sale of any such notes or evidences of indebtedness, Sirrom Capital and Sirrom Investments on a consolidated basis, and Sirrom Capital individually, shall have the asset coverage that would be required by section 18(a) if Sirrom Capital and Sirrom Investments had each selected to become a BDC pursuant to section 54 of the Act. (except that, in determining whether Sirrom Capital and Sirrom Investments, on a consolidated basis, have the asset coverage required by section 18(a), any borrowings by Sirrom Investments pursuant to section 18(k) of the Act shall not be considered senior securities and, for purposes of the definition of asset coverage in section 18(h), shall be treated as indebtedness not represented by senior securities); and (b) in addition, (i) Sirrom Investments may obtain financing on such basis and in such amount as the SBA may from time to time permit for SBICs, (ii) Sirrom Investments may borrow from Sirrom Capital and Sirrom Capital may borrow from Sirrom Investments, and (iii) Sirrom Investments may guarantee any borrowings of Sirrom Capital, to the extent permitted by the SBA. None of the borrowings or other arrangements set forth in clause (b) above shall be deemed senior securities for purposes of any order issued pursuant to this application.[1]

6. Sirrom Capital will file with the Commission financial statements required by the federal securities laws on a consolidated basis as to Sirrom Capital and Sirrom Investments, and on an unconsolidated basis with respect to Sirrom Investments. Sirrom Capital will provide to its shareholders financial statements on a consolidated basis as to Sirrom Capital and Sirrom Investments, except when unconsolidated financial statements are required under generally accepted accounting principles.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–15578 Filed 6–18–96; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Release No. 22015; 811–6065]

Templeton Global Utilities, Inc.; Notice of Application

June 13, 1996.

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

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

APPLICANT: Templeton Global Utilities, Inc.

RELEVANT ACT SECTION: Section 8(f).

[1] Sirrom Investments will only issue such senior securities as are exempt from section 18(a) under section 18(k) of the Act.