

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: (i) 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.

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[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.

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATES: The application was filed on May 10, 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 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant, 700 Central Avenue, St. Petersburg, Florida 33701.

FOR FURTHER INFORMATION CONTACT: Diana L. Titus, Paralegal Specialist, at (202) 942-0584, 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 from the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is a closed-end diversified management investment company organized as a Maryland corporation. On March 27, 1990, applicant registered under the Act and filed a registration statement on Form N-2 pursuant to section 8(b) of the Act and under the Securities Act of 1933 to register shares of applicant's common stock. The registration statement was declared effective on May 23, 1990 and the initial public offering of applicant's shares commenced on that date.

2. On December 5, 1995, applicant's Board of Directors approved a plan of reorganization providing for a transfer of all or substantially all of applicant's assets in exchange for Class I shares of Franklin Global Utilities Fund ("Franklin Global"), a series of Franklin Strategic Series. In accordance with rule 17a-8 under the Act, which governs mergers of certain affiliated investment companies, the board determined that the reorganization was in the best interests of applicant and that the interests of applicant's existing

shareholders would not be diluted as a result of the reorganization.¹

3. On December 19, 1995, applicant filed proxy materials with the SEC. On or about January 19, 1996, proxy materials were sent to shareholders. At a meeting held on February 20, 1996, the reorganization was approved by applicant's shareholders.

4. On March 29, 1996, Franklin Global acquired all or substantially all of the assets of applicant in exchange in Class I shares of Franklin Global and the assumption by Franklin Global of certain identifiable liabilities of applicant. The number of full and fractional shares of Franklin Global that was issued to applicant's shareholders was determined on the basis of the relative net asset values per share and the aggregate net assets of Franklin Global and applicant as of the close of business on the New York Stock Exchange on that date.

5. Expenses incurred in connection with the reorganization were approximately \$72,537. Applicant, its adviser, Templeton Global Advisors Limited, Franklin Global, and its adviser, Franklin Advisors, Inc. shared these expenses equally. No brokerage commissions were paid to transfer ownership of portfolio securities by applicant to Franklin Global.

6. Applicant has no remaining assets, debts, or liabilities, and has no securityholders.

7. Applicant is not a party to any litigation or administrative proceeding. Applicant is not now engaged, and does not propose to engage, in any business activities other than those necessary for the winding up of its affairs.

8. Applicant intends to file a certificate of dissolution in accordance with Maryland laws.

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

Margaret H. McFarland,

Deputy Secretary.

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¹ Although purchases and sales between affiliated persons generally are prohibited by section 17(a) of the Act, rule 17a-8 provides an exemption for certain purchases and sales among investment companies that are affiliated persons of each other solely by reason of having a common investment adviser, common directors, and/or common officers.

[Release No. 34-37309; International Series Release No. 993; File No. 600-29]

Self-Regulatory Organizations; Cedel Bank; Notice of Filing of Application for Exemption From Registration as a Clearing Agency

June 12, 1996.

I. Introduction

On August 31, 1995, Cedel Bank, société anonyme, Luxembourg ("Cedel")¹ filed with the Securities and Exchange Commission ("Commission") an application on Form CA-1² for exemption from registration as a clearing agency pursuant to Section 17A of the Securities Exchange Act of 1934 ("Exchange Act")³ and Rule 17Ab2-1 thereunder.⁴ Cedel's application includes procedures and guidelines for its proposed offering of clearance, settlement, and credit support services for transactions in U.S. securities⁵ conducted by U.S. entities. The Commission is publishing this notice to solicit comments from interested persons.

II. Description of Cedel Operations

A. Clearance and Settlement

Cedel currently offers to its customers international clearance and settlement of securities transactions in primary and secondary markets, trade confirmation, securities custody, and securities lending services. The securities that Cedel clears are fixed income bonds such as Eurobonds, domestic and convertible bonds, money market instruments, short and medium term notes, equities, and warrants.

¹ Cedel Bank is a wholly-owned subsidiary of Cedel International. On January 1, 1995, Cedel, which was established in 1970, was converted into Cedel Bank to perform lending, clearing, and settlement activities, and a parent company, Cedel International, was created into which Cedel transferred the nonbanking subsidiaries. Cedel Bank is licensed in Luxembourg both as a bank and as a "professionnel du secteur financier" ("PSF") and is under the supervision of the Institut Monétaire Luxembourgeois ("IML"), Luxembourg's banking and securities regulatory authority. Cedel International is licensed as a non-bank PSF and also is under the supervision of the IML. The IML establishes capital and liquidity requirements, evaluates the financial condition and performance of all Luxembourg financial institutions, conducts on-site inspections, and monitors all financial institutions and their controlling companies for adherence to Luxembourg laws and regulations. On April 24, 1996, the Federal Reserve Board granted Cedel's request to establish a representative office in New York.

² Copies of the application for exemption are available for inspection and copying at the Commission's Public Reference Room.

³ 15 U.S.C. § 78q-1.

⁴ 17 CFR 240.17Ab2-1.

⁵ The services will cover all types of U.S. equity, debt, and government securities.