

open account advances (collectively, the "Advances") through December 31, 2000, in an aggregate amount not to exceed \$250 million.

Energy intends to issue up to \$500 million aggregate principal amount of debt securities from time to time through December 31, 2006 (the "Securities") to third parties.² The applicants state that the third parties will have no recourse to CSW or any of its domestic public utility subsidiaries in respect of the Securities. From time to time, Energy will loan all or a portion of the proceeds of the sale of the Securities to CSWI,³ which will use the proceeds to invest in EWGs and FUCOs. From time to time, Energy will use all or portion of the proceeds of the sale of the Securities to invest in EWGs.

CSWI requests authorization, during the period ending five years after issuance of the Commission's order in this matter, the guarantee Energy's performance obligations under the Securities. No fees or interest will be paid to CSWI by Energy or any other associate company in connection with the guaranty. In addition, CSW will not seek reimbursement of the Advances until the maturity of the Securities. The applicants state that any funds separately provided by CSW to Energy or CSWI, in the form of intercompany loans, capital contributions and open account advances, will not be used by Energy or CSWI, as the case may be, towards their respective obligations under the Securities.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-18993 Filed 7-25-96; 8:45 am]

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[Investment Company Act Rel. No. 22083; International Series Rel. No. 1008; 812-10188]

Van Kampen American Capital Equity Opportunity Trust, Series 28; Notice of Application

July 19, 1996.

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

ACTION: Notice of application for exemption under the Investment Company Act of 1940 ("Act").

² Applicants state that the Securities will be issued pursuant to the exemption afforded by rule 52.

³ Applicants state that the loans will also be exempt pursuant to rule 52.

APPLICANT: Van Kampen American Capital Equity Opportunity Trust, Series 28.

RELEVANT ACT SECTIONS: Order requested under section 6(c) for an exemption from section 12(d)(3).

SUMMARY OF APPLICATION: Applicant requests an order on behalf of itself and certain subsequent series (each a "Series") to permit certain Series (the "Strategic Five Series") to invest up to 20.5% and other Series (the "Strategic Ten Series") to invest up to 10.5% of their respective total assets in securities of issuers that derived more than 15% of their gross revenues in their most recent fiscal year from securities related activities.

FILING DATES: The application was filed on June 7, 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 August 13, 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 a hearing may request such notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant, c/o Van Kampen American Capital Distributors, Inc., One Parkview Plaza, Oakbrook Terrace, Illinois 60181.

FOR FURTHER INFORMATION CONTACT: Courtney S. Thornton, Senior Counsel, at (202) 942-0583, or Robert A. Robertson, 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. Each Series will be a series of Van Kampen American Capital Equity Opportunity Trust, a unit investment trust registered under the Act. Van Kampen American Capital Distributors, Inc. is the depositor for the Trust (the "Sponsor").

2. Each Strategic Five Series will invest approximately 20%, but in no

event more than 20.5%, of the value of its total assets in each of the five stocks with the second through the sixth lowest per share stock price of the ten common stocks having the highest dividend yields in the Dow Jones Industrial Average (the "DJIA"), the Financial Times Industrial Ordinary Share Index (the "FT Index"), the Hang Seng Index, the Nikkei 225 Index, the German Stock Index (the "DAX"), the Chilean IPSA Index (the "IPSA"), the Mexican Bolsa Index (the "IPC"), or the Straits Times Industrial Index (the "Straits") (collectively, the "Strategic Five Indexes").¹ Each Strategic Ten Series will invest approximately 10%, but in no event more than 10.5%, of the value of the Series' total assets in each of the ten common stocks having the highest dividend yields on the Nikkei 225 Index, the DAX, the IPSA, the IPC, or the Straits (collectively, the "Strategic Ten Indexes"). Dividend yields will be calculated as of a date no more than five business days prior to the Series' initial date of deposit. Each Series will hold its stocks for approximately one year.

3. Each Index is recognized indicator of the stock market in its respective country. The DJIA, which is the property of DOW Jones & Company, Inc., comprises 30 common stocks chosen by the editors of The Wall Street Journal. The FT Index comprises 30 common stocks chosen by the editors of the Financial Times as representative of British industry and commerce. The Hang Seng Index comprises 33 of the stocks listed on the Stock Exchange of Hong Kong Ltd. The Nikkei 225 index is comprised of 225 Japanese companies listed on the Tokyo Stock Exchange. The DAX is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange. The IPSA is a capitalization-weighted index of 40 stocks trading on the Santiago Stock Exchange. The IPC is a capitalization-weighted index of the leading stocks on the Mexican Stock Exchange. The Straits is a price-weighted index of 30 stocks traded on the Stock Exchange of Singapore compiled by the Straits Times newspaper of Singapore. The publishers of the Indexes are not affiliated with any Series or the Sponsor, and do not

¹ The Sponsor will attempt to purchase equal values of each of the common stocks in a Series' portfolio. However, it is more efficient if securities are purchased in 100 share lots and 50 share lots. As a result, each Strategic Five Series may purchase securities of a securities related issuer that represent in excess of 20%, but in no event more than 20.5%, of such Series' assets on the initial date of deposit. Similarly, each Strategic Ten Series may purchase securities of a securities related issuer that represent over 10%, but in no event more than 10.5%, of such Series' assets.

participate in any way in the creation of any Series or the selection of its stocks.

4. The securities deposited in each Series will be chosen solely according to the formula described above, and will not necessarily reflect the research opinions or buy or sell recommendations of the Sponsor. The Sponsor is authorized to determine the date of deposit, to purchase securities for deposit in the Series, and do supervise each Series' portfolio. The Sponsor will have no discretion as to which securities are purchased. Securities deposited in a Series may include securities of securities related issuers.

5. The portfolios of the Series will not be actively managed. Sales of portfolio securities will be made in connection with redemptions, for payment of expenses, and at termination of the Series on a date specified a year in advance. The Sponsor does not have discretion as to when securities will be sold except in extremely limited circumstances, such as a default in the payment of any outstanding obligation, a decrease in the price of a security, or other credit factors so that, in the opinion of the Sponsor, the retention of the securities would be detrimental to the Series.

Applicant's Legal Analysis

1. Section 12(d)(3) of the Act prohibits an investment company from acquiring any security issued by any person who is a broker, dealer, underwriter, or investment adviser. Rule 12d3-1 thereunder exempts the purchase of securities of an issuer that derived more than 15% of its gross revenues in its most recent fiscal year from securities related activities, provided that, among other things, immediately after such acquisition, the acquiring company has invested to more than 5% of the value of its total assets in securities of the issuer.

2. Section 6(c) of the Act provides that the SEC may exempt any person, transaction, or class of transactions from any provision of the Act or any rule thereunder, if and to the extent that the exemption is necessary or appropriate in the public interest and consistent with the provision of investors and the purposes fairly intended by the policy and provisions of the Act.

3. Applicant requests an exemption under section 6(c) from section 12(d)(3) to permit a Strategic Five Series to invest up to approximately 20%, but in no event more than 20.5%, of the value of its total assets in securities of a securities related issuer, and to permit a Strategic Ten Series to invest up to 10%, but in no event more than 10.5%,

of the value of its total assets in securities of a securities related issuer. Each Series will comply with all of the conditions of rule 12d3-1, except the condition prohibiting an investment company from investing more than 5% of the value of its total assets in securities of a securities related issuer.

4. Section 12(d)(3) was intended to prevent investment companies from exposing their assets to the entrepreneurial risks of securities related businesses, to prevent potential conflicts of interest, and to eliminate certain reciprocal practices between investment companies and securities related businesses. One potential conflict could occur if an investment company purchased securities or other interests in a broker-dealer to reward that broker-dealer for selling fund shares, rather than solely on investment merit. Applicant believes that this concern does not arise in connection with its application because neither the Series nor the Sponsor has discretion in choosing the portfolio securities or amount purchased. The security must first be included in the appropriate Index, each of which is unaffiliated with the Sponsor and the applicant. In addition, with respect to the Strategic Five Series, each security must also qualify as one of the five stocks with the second through the sixth lowest dollar per share stock price of the ten highest dividend yielding stocks in the relevant Strategic Five Index. With respect to the Strategic Ten Series, the securities must also qualify as one of the ten highest dividend yielding securities in the relevant Strategic Ten Index.

5. Applicant also believes that the effect of a Series' purchase on the stock of parents of broker-dealers would be *de minimis*. The common stocks of securities related issuers represented in the Indexes are widely held, have active markets, and that potential purchases by any Series would represent an insignificant amount of the outstanding common stock and trading volume of any of these issues. Accordingly, applicant believes it is highly unlikely that purchases of these securities by a Series would have any significant impact on the market value of such securities.

6. Another potential conflict of interest could occur if an investment company directed brokerage to a broker-dealer in which the company has invested to enhance the profitability of the broker-dealer or to assist it during financial difficulty, even though that broker-dealer may not offer the best price and execution. To preclude this type of conflict, applicant agrees, as a condition of this application, that no

company held in the portfolio of a Series, nor any affiliate thereof, will act as a broker for any Series in the purchase or sale of any security in its portfolio. In light of the above, applicant believes that its proposal meets the section 6(c) standards.

Applicant's Condition

Applicant agrees that the requested exemptive order may be conditioned upon no company held in the portfolio of a Series, nor any affiliate thereof, acting as broker for any Series in the purchase or sale of any security for the Series' portfolio.

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

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-37458; File No. SR-Amex-96-13]

Self-Regulatory Organizations; American Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment No. 1 to Proposed Rule Change Relating to Amendments to Rule 117 (Trading Halts Due to Extraordinary Market Volatility)

July 19, 1996.

I. Introduction

On April 11, 1996, the American Stock Exchange, Inc. ("Amex" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend its circuit breaker rules.

The proposed rule change was published for comment in Securities Exchange Act Release No. 37146 (Apr. 26, 1996), 61 FR 19650 (May 2, 1996).³

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Commission has received one comment letter specifically addressing the Amex proposal as well as the identical rule proposal of the New York Stock Exchange ("NYSE"). See Letter from Joseph R. Hardiman, President, National Association of Securities Dealers, to Jonathan G. Katz, Secretary, SEC, dated May 23, 1996. The Commission has also received three additional comment letters on the NYSE's proposal. See Letter from William R. Rothe, Chairman, and John L. Watson III, President, Security Traders Association, to Jonathan G. Katz, Secretary, SEC, dated May 10, 1996; Letter from Peter W. Jenkins, Chairman, and Holly A. Stark, Vice Chairman, Securities Traders Association's Institutional Committee, to Jonathan G. Katz, Secretary, SEC, dated May 17, 1996; Letter from

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