

Regulations, the General Counsel of the United States Postal Service has certified that in her opinion the meeting was properly closed to public observation, pursuant to section 552b(c)(9)(B) of Title 5, United States Code; and § 7.3(i) of Title 39, Code of Federal Regulations.

Thomas J. Koerber,  
*Secretary.*

[FR Doc. 96-29562 Filed 11-14-96; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

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

Extension: Rule 18f-3—SEC File No. 270-385—OMB Control No. 3235-0441

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") is publishing for public comment the following summary of previously approved information collection requirements.

Rule 18f-3 permits any registered open-end management investment company that satisfies its conditions to issue multiple classes of shares representing interests in the same portfolio of securities but having different arrangements for shareholder services, distribution, or both. Rule 18f-3 requires, among other things, that a multiple class fund adopt a written plan setting forth the different class arrangements. The Commission estimates that approximately 600 investment companies use rule 18f-3 and that the annual paperwork burden is approximately one hour per respondent, for a total of about 600 burden hours.

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act, and is 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, N.W., Washington, DC 20549.

Dated: November 7, 1996.

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 96-29440 Filed 11-15-96; 8:45 am]

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### [Investment Company Act Release No. 22326; 811-3787; 811-7526]

### Bando McGlocklin Capital Corporation and Bando McGlocklin Small Business Investment Corporation; Notice of Applications

November 12, 1996.

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

**ACTION:** Notice of applications for orders under the Investment Company Act of 1940 (the "Act").

**APPLICANTS:** Bando McGlocklin Capital Corporation, file no. 811-3787 ("BMCC") and Bando McGlocklin Small Business Investment Corporation, file no. 811-7526 ("BMSBIC").

**RELEVANT ACT SECTIONS:** Section 8(f).

**SUMMARY OF APPLICATIONS:** Applicants seek an order declaring that each has ceased to be an investment company.

**FILED DATES:** The applications were filed on August 7, 1996 and amended on October 17, 1996 and November 8, 1996.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the applications 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 December 16, 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, 13555 Bishops Court, Brookfield, Wisconsin 53005.

**FOR FURTHER INFORMATION CONTACT:** Elaine M. Boggs, Senior Staff Attorney, at (202) 942-0572, 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.

### Applicants' Representations

1. Applicants are closed-end management investment companies that are organized as corporations under the laws of Wisconsin. BMCC registered under the Act on Form N-5 on June 29, 1983 and filed an initial registration statement under the Securities Act of 1933 on March 27, 1987, which became effective on May 13, 1987. BMSBIC registered under the Act on Form N-5 on February 27, 1993. BMCC, directly and through its wholly-owned subsidiaries, BMSBIC and Bando McGlocklin Small Business Lending Corporation ("BMSBLC"), provides long-term secured loans (primarily first mortgage) to finance the growth, expansion, and modernization of small businesses.

2. Prior to March 26, 1993, BMCC operated as a small business investment company ("SBIC") licensed under the Small Business Investment Act of 1958 ("SBIA"). On March 26, 1993, BMCC completed the formation of a holding company by transferring substantially all of its assets (including its license to operate as an SBIC) and liabilities to BMSBIC. On May 5, 1993, BMCC formed Bando McGlocklin Investment Company as a wholly-owned subsidiary and transferred a partially developed real estate parcel to it at fair value. On March 3, 1994, BMCC formed BMSBLC. On June 13, 1994, BMSBLC registered as a closed-end management investment company under the Act. BMSBLC makes loans to small business concerns qualifying under the SBA section 7(a) loan guarantee program. In connection with establishing BMCC's holding company structure, applicants received several orders from the SEC (the "Orders").<sup>1</sup>

<sup>1</sup> Investment Company Act Release Nos. 20261 (Apr. 29, 1994) (notice) and 20317 (May 25, 1994) (order) (order amending prior orders permitting BMCC to establish BMSBLC as a wholly-owned subsidiary); 19584 (July 21, 1993) (notice) and 19636 (Aug. 17, 1993) (order) (order amending

3. Applicants' fundamental investment policies state that, among other things, each is permitted to operate as a closed-end management investment company and to engage in the business of purchasing or selling real estate and real estate mortgage loans. BMCC conducts most of its business through BMSBIC which, as an SBIC registered under the SBIA, is subject to the supervision and regulation of the United States Small Business Administration ("SBA").

4. Due to changes in SBA regulations, BMSBIC has decided that it is impracticable for it to borrow from the SBA. Therefore, BMSBIC intends to surrender its license as an SBIC and applicants have filed to deregister under the Act. After deregistration, BMCC and BMSBIC intend to rely on the exemptions provided by sections 3(c)(6) and 3(c)(5)(C) of the Act, respectively, and operate as real estate investment trusts ("REITs") pursuant to section 856 of the Internal Revenue Code of 1986, as amended. In addition, BMCC intends to liquidate BMSBLC and deregister it under the Act.

5. After it receives the requested order, BMCC intends to acquire 90.9% of the non-voting stock of a new Wisconsin chartered bank which will be located in Pewaukee, Wisconsin (the "Bank"). BMCC intends to purchase only non-voting stock of the Bank so that it will qualify as a REIT under the Internal Revenue Code.

#### Applicants' Legal Analysis

1. Section 8(f) of the Act provides that whenever the SEC finds that a registered investment company has ceased to be an investment company it shall declare by order that the registration of such company will cease to be in effect. Section 3(c)(6) of the Act excludes from the definition of investment company any company engaged, directly or through majority-owned subsidiaries, in one or more of the businesses described in subparagraphs (A), (B), or (C) of section 3(c)(5), or in one or more of such businesses (from which not less than 25% of such company's gross income during its last fiscal year was derived) together with an additional business or businesses other than investing, reinvesting, owning, holding, or trading in securities. Section 3(c)(5)(C) excludes from the definition of investment company any person who is not engaged in the business of issuing redeemable securities, face-amount certificates of

the installment type, or periodic payment plan certificates and who is primarily engaged in the business of "purchasing or otherwise acquiring mortgages or other liens on and interests in real estate."

2. Once it is no longer an SBIC, BMSBIC will no longer be able to rely on the exemption provided by section 18(k) of the Act, which exempts SBICs from the leverage restrictions of sections 18(a)(1) (A) and (B) of the Act. Without the exemption provided by section 18(k), BMSBIC would be in immediate violation of section 18(a)(1) (A) and (B) and would not be able to meet such leverage restrictions in the future. Therefore, BMSBIC has decided to deregister under the Act.

3. BMSBIC states that it is not an investment company pursuant to section 3(c)(5)(C) because it is primarily engaged in the business of purchasing or otherwise acquiring mortgages or other liens on and interests in real estate. Applicants represent that as long as BMSBIC relies on section 3(c)(5)(C), BMSBIC will meet criteria established by the SEC or its staff by rule, release, letter, or otherwise with regard to section 3(c)(5)(C).

4. Once BMSBIC is deregistered, BMCC states that it believes that it will be excepted from the definition of "investment company" by virtue of section 3(c)(6) because it will be primarily engaged, directly and through wholly-owned subsidiaries, in the business of purchasing or otherwise acquiring mortgages and other liens on interests in real estate within the meaning of section 3(c)(5)(C). Further, BMCC submits that its planned acquisition of the Bank will not affect its status under section 3(c)(6).<sup>2</sup> Therefore, BMCC seeks an order declaring that it no longer is an investment company under the Act.

5. Applicants' boards of directors have determined that it is in the best interests of applicants and their shareholders for applicants to deregister as investment companies. Applicants' boards of directors met six times during 1996 to consider the proposal to deregister applicants. In their deliberations, the boards considered the advantage of forming the Bank as a source of funds and the disadvantages of applicants being registered under the Act, in particular the difficulty of managing operating companies (rather than pooled investment entities) in compliance with the Act.

6. Applicants believe that deregistering from the Act will afford them significant benefits and flexibility. In addition, BMCC states that after it is deregistered under the Act, BMCC will continue to be a publicly-held company and subject to the reporting and other requirements of the Securities Exchange Act of 1934 (the "1934 Act"). BMCC believes that compliance with the requirements of the 1934 Act will provide sufficient protection to its stockholders to make continued registration under the Act unnecessary.

#### BMCC's Conditions

As a condition to the granting of the requested order, BMCC represents that it will comply with the following conditions:

1. As required by the Orders, before BMCC and BMSBIC change their fundamental investment policies and deregister as investment companies, BMCC will obtain shareholder approval of a resolution authorizing it and BMSBIC to change their fundamental investment policies and to deregister as investment companies under the Act at the 1996 annual meeting of applicant.<sup>3</sup> BMCC will also obtain shareholder approval of a resolution authorizing BMCC to amend its articles of incorporation to remove all restrictions relating to the Act.

2. BMCC will not operate its business so as to be an investment company required to be registered under the Act.

#### BMSBIC's Conditions

As a condition to the granting of the requested order, BMSBIC represents that it will comply with the following conditions:

1. As required by the Orders, before BMCC and BMSBIC rescind their fundamental investment policies and deregister as investment companies, BMCC will obtain shareholder approval of a resolution authorizing it and BMSBIC to rescind their fundamental investment policies and to deregister as investment companies under the Act at the 1996 annual meeting of BMCC.

2. BMSBIC will not operate its business so as to be an investment company required to be registered under the Act.

initial order to permit BMCC to issue one class of senior security which is a stock); and 19030 (Oct. 15, 1992) (notice) and 19092 (Nov. 10, 1992) (order) (initial order permitting BMCC to establish and operate BMSBIC as a wholly-owned subsidiary).

<sup>2</sup> Applicants have not requested the Commission to concur with their analysis with respect to sections 3(c)(5) and/or 3(c)(6).

<sup>3</sup> The meeting is scheduled for December 16, 1996. Proxy materials will be filed with the Commission in connection with the annual meeting.

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

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-29442 Filed 11-15-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 35-26603]

**Filings Under the Public Utility Holding Company Act of 1935, as amended ("Act")**

November 8, 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 December 2, 1996, to the Secretary, Securities and Exchange Commission, Washington, DC 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 and/or declaration, as filed or as amended, may be granted and/or permitted to become effective.

*Central and South West Corporation, et al. (70-7113; 70-7218)*

Central and South West Corporation ("CSW"), a registered holding company, and its wholly-owned nonutility subsidiary, CSW Credit, Inc. ("Credit"), both at 1616 Woodall Rodgers Freeway, Dallas, Texas 75202, have filed a post-effective amendment under sections 9 and 10 of the Act to their application-declarations filed in the above files under sections 6, 7, 9, 10 and 12 of the Act and rule 45 thereunder.

By orders of the Commission dated July 19, 1985 (HCAR No. 23767), July 31, 1986 (HCAR No. 24157), February 8, 1988 (HCAR No. 24575), December 24,

1991 (HCAR No. 25443) and December 22, 1995 (HCAR No. 26437), CSW was authorized to organize Credit to engage in the business of factoring accounts receivable for certain subsidiaries of CSW<sup>1</sup> and for nonassociate utility companies; Credit was authorized to borrow up to \$520 million and \$304 million in respect of its factoring of associate and nonassociate utility receivables, respectively; and CSW was authorized to make equity investments in Credit of up to \$80 million and \$76 million in connection with its factoring of associate and nonassociate utility receivables, respectively, in each case through December 31, 1996. Credit was required to limit its acquisition of nonassociate utility receivables so that the average amount of such receivables for the preceding twelve-month period outstanding as of the end of any calendar month would be less than the average amount of receivables acquired from associate companies outstanding as of the end of each calendar month during the preceding twelve-month period ("50% Restriction").

In 1987, the applicants filed an application with the Commission seeking authorization for Credit to factor the accounts receivable of nonassociate utilities without regard to the 50% Restriction, to increase Credit's aggregate borrowings and to increase CSW's equity investment in Credit. This application was approved in an initial decision rendered by an administrative law judge on February 23, 1989 (File No. 3-7027) ("ALJ Decision"). On review, the Commission, by order dated March 2, 1994 (HCAR No. 25995), reversed the initial decision, upheld the 50% Restriction and denied the application in its entirety.

The applicants state that on May 29, 1992, CSW and CPL entered into a settlement agreement with Houston Industries Incorporated and its subsidiary, Houston Lighting & Power Company ("HLP"), to resolve a number of disputes between the two systems ("1992 Settlement"). As part of the normalization of business relations between the parties, Credit and HLP agreed to arrangements whereby Credit would purchase electric utility accounts receivable from HLP. The 1992 Settlement was entered into when the ALJ Decision, stating that the 50% Restriction did not apply to Credit, was in effect. The applicants state that CPL and HLP reasonably believed, when they agreed upon the 1992 Settlement,

that the factoring of HLP receivables under the 1992 Settlement would not be subject to the 50% Restriction. They also state that the application of the 50% Restriction diminishes the value to be received by CPL from the 1992 Settlement.

By order dated December 8, 1992 (HCAR No. 25696), Credit was authorized to borrow up to an additional \$650 million in the aggregate outstanding at any one time during the 12½ year term of the 1992 Settlement for the sole purpose of purchasing accounts receivable of HLP. The initial application in connection with this order requested authorization for the factoring of HLP receivables without regard to the 50% Restriction. This request was withdrawn, however, at the request of the Commission staff, pending the outcome of Administrative Proceeding File No. 3-7027. In an order dated December 29, 1992 (HCAR No. 25720), Credit was authorized to sell a sufficient amount of HLP receivables to unrelated third parties in order to comply with the 50% Restriction.

On June 6, 1996, CSW sold Transok and used a portion of the proceeds from the sale to repay outstanding debt. Over the twelve months prior to Transok's sale, Credit factored a rolling monthly average of \$87.4 million of Transok accounts receivable, and CSW estimates that this amount would have grown with Transok's business. As a result of the sale, CSW has significantly less associate receivables to factor and, through operation of the 50% Restriction, is forced to factor less nonassociate receivables and sell receivables of established nonassociate customers. The aggregate effect is to reduce the volume of receivables factored by Credit by twice the amount of Transok receivables.

As a result of these two circumstances, the applicants request authorization for CSW to factor up to \$450 million of HLP accounts receivable and up to \$100 million of accounts receivable of other nonassociate utility companies, on a twelve-month rolling monthly average basis, through December 31, 2000. To the extent that such factoring activities cause nonassociate accounts receivable factored by Credit to exceed the 50% Restriction at any time during that period, the applicants request a temporary exemption from the 50% Restriction.

*Central and South West Corporation, et al. (70-7113; 70-7218)*

Central and South West Corporation ("CSW"), a registered holding company, and its wholly-owned nonutility

<sup>1</sup> These companies included Central Power and Light Company ("CPL"), Public Service Company of Oklahoma, Southwestern Electric Power Company, West Texas Utilities Company and Transok, Inc. ("Transok").