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\* \* \* \* \*

Dated: December 13, 1996.  
William M. Hill, Jr.,

*SECY Tracking Officer Office of the Secretary.*  
[FR Doc. 96-32115 Filed 12-13-96; 2:32 pm]  
BILLING CODE 7590-01-M

## PENSION BENEFIT GUARANTY CORPORATION

### Assessment of Penalties for Failure To Provide Premium-related Information

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Statement of policy.

**SUMMARY:** The Pension Benefit Guaranty Corporation intends to assess penalties under section 4071 of the Employee Retirement Income Security Act of 1974 for failure to submit premium-related information timely.

**DATES:** This revision to the PBGC's penalty assessment policy is effective for premium-related filings due on or after January 1, 1997, and to days of delinquency on or after that date with respect to filings due before that date.

**FOR FURTHER INFORMATION CONTACT:** Harold J. Ashner, Assistant General Counsel, or Deborah C. Murphy, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, Suite 340, 1200 K Street, NW., Washington, DC 20005-4026, 202-326-4024 (202-326-4179 for TTY and TDD).

**SUPPLEMENTARY INFORMATION:** Section 4071 of ERISA authorizes the PBGC to assess a penalty of up to \$1,000 per day for failure to timely provide a notice or other material information that is required under certain statutory or regulatory provisions. The PBGC's current policy on the assessment of penalties under section 4071 (60 FR 36837 (July 18, 1995)), does not cover submissions of premium-related information under ERISA section 4007 and the PBGC's premium payment regulation. This notice revises the PBGC's section 4071 penalty assessment

policy to include premium-related information.

Issued in Washington, DC, on the 10th day of December 1996.

Robert B. Reich,

*Chairman, Board of Directors, Pension Benefit Guaranty Corporation.*

Issued on the date set forth above pursuant to a resolution of the Board of Directors authorizing its Chairman to issue this final rule.

James J. Keightley,

*Secretary, Board of Directors, Pension Benefit Guaranty Corporation.*

[FR Doc. 96-31973 Filed 12-16-96; 8:45 am]

BILLING CODE 7708-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-22391; File No. 811-6276]

### Annuity Management Series

December 11, 1996

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

**ACTION:** Notice of Application for an Order under the Investment Company Act of 1940 ("1940 Act").

**APPLICANT:** Annuity Management Series ("Applicant" or "Trust").

**RELEVANT 1940 ACT SECTION:** Order requested pursuant to Section 8(f) of the 1940 Act and Rule 8f-1 thereunder.

**SUMMARY OF APPLICATION:** Applicant seeks an order declaring that it has ceased to be an investment company as defined by the 1940 Act.

**FILING DATE:** The application was filed on January 15, 1993. Amendments to the application were filed on September 21, 1994 and August 15, 1996.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Secretary of the Commission and serving Applicant with a copy of the request, personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on January 6, 1997, 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 requestor's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the Commission.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Applicant: J. Martin Levine, Federated Investors, Federated Investors Tower, Pittsburgh, PA 15222-3779.

### FOR FURTHER INFORMATION CONTACT:

Mark C. Amorosi, Attorney, or Kevin M. Kirchoff, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

**SUPPLEMENTARY INFORMATION:** Following is a summary of the application; the complete application is available for a fee from the Public Reference Branch of the Commission.

### Applicant's Representations

1. The Trust is an open-end, diversified management investment company organized as a Massachusetts Business Trust. The Trust consists of four portfolios; Equity Growth Fund, Equity Income Fund, Prime Money Fund, and U.S. Government Bond Fund.

2. On February 5, 1991, the Trust filed with the Commission a notice of registration on Form N-8A, pursuant to Section 8(a) of the 1940 Act, and a registration statement on Form N-1A (File Nos. 33-38845 and 811-6276) pursuant to the Securities Act of 1933 and Section 8(b) of the 1940 Act (the "Registration Statement"). The Registration Statement was declared effective and the public offering commenced on June 7, 1991.

3. On February 12, 1992, it was reported to the Trust's Board of Trustees that Crown America Life Insurance Company ("Crown Life") had withdrawn from its agreement to offer investments of the Trust to Crown Life's variable annuity separate account, and the Board of Trustees unanimously decided to terminate the Trust. As of that date, there were no public shareholders of three of the portfolios, the Equity Income Fund, the Prime Money Fund, and the U.S. Government Bond Fund. In addition, based upon communications between Crown Life and the two insurance contract holders whose accounts were invested in the separate account which, it turn, invested in the Equity Growth Fund, those contract holders intended to, and did, redeem their shares prior to February 12, 1992.

4. At the time of the application, the Trust had no security holders, assets or liabilities, and the Trust was not a party to any litigation or administrative proceeding.

5. The Trust has not, within the last 18 months, transferred any of its assets to a separate trust, the beneficiaries of which were or are security holders of the Trust. No assets have been retained by the Trust. The Trust is not now

engaged nor does it propose to engage in business activities other than those necessary for the winding-up of its affairs. All expenses incurred in connection with the liquidation of the Trust have been, and will be, paid by Federated Advisers, the investment adviser to the portfolios of the Trust. There will be no allocation of these expenses to the Trust.

6. If the order sought herein is granted, the trust will shortly thereafter file with the Secretary of State of the Commonwealth of Massachusetts the documents necessary to dissolve itself as a Massachusetts Business Trust, thereby ceasing to exist as a legal entity.

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

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-31958 Filed 12-16-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-38042; File No. SR-NASD-96-42]

**Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the National Association of Securities Dealers, Inc.**

December 11, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> Notice is hereby given that on November 15, 1996, the National Association of Securities Dealers Regulation, Inc. ("NASD Regulation") 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 self-regulatory organization. The Commission is publishing this notice to solicit comment on the proposed rule change from interested persons.

**I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

NASD Regulation proposes to amend Rule 11580 of the Conduct Rules of the National Association of Securities Dealers, Inc. ("NASD" or "Association"), the grant authority to NASD Regulation staff to provide exemptions to the provisions of NASD Rule 11580. The text of the proposed rule change is set forth below [next text is italicized; deleted text is bracketed]:

**Uniform Practice Code**

**11500. Delivery of Securities With Restrictions**

\* \* \* \* \*

**11580. Transfer of Limited Partnership Securities**

(a) Each member who participates in the transfer of limited partnership securities, as defined in Rule 2810, shall use standard transfer forms in the same form as set forth in IM-11580. This rule shall not apply to limited partnership securities which are traded on the Nasdaq Stock Market or a registered national securities exchange.

(b) *The Corporate Financing Department may, pursuant to a written request for good cause shown, grant an exemption from the requirements of subparagraph (a) to permit a member to modify the standard transfer forms for the transfer of limited partnership securities where necessary to meet other legal or regulatory requirements or to otherwise facilitate the transfer of the securities.*

**II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NASD Regulation has prepared summaries, set forth in Section A, B, and C below, of the most significant aspects of such statements.

**A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

**1. Purpose**

**Background**

On January 29, 1996, the Commission approved an amendment to the NASD's Uniform Practice Code requiring members to use standardized transfer, registration confirmation, and distribution allocation forms ("Forms") when transferring limited partnership securities.<sup>2</sup> Prior to the amendment, NASD members were confronted with limited partnership transfer requirements that varied widely as to the type of information and documents necessary for a valid transfer of a

partnership interest. In addition, non-standardized distribution payment provisions required by partnerships caused or contributed to delays or mistakes in the allocation of cash distributions between buyers and sellers of partnership securities, often leading to disputes over distributions that were settled by broker-dealers at their own expense or through arbitration or litigation. The Forms were developed in order to provide a uniform way for members to assist in the transfer of limited partnership interest and the allocation of partnership distributions. Use of the Forms became mandatory for NASD members on May 15, 1996.

After the amendment became effective, transfer agents, member firms, and securities attorneys raised a number of questions concerning the applicability of the Forms to certain types of transfers. For example, it was suggested that the distribution allocation form be modified to provide additional options for specific treatment of capital transactions, capital distributions, sale or refinancing proceeds, special distributions, liquidating distributions, and distributions with respect to terminating transactions.

In another case, a NASD member stated that in order to satisfy certain legal and operating requirements of partnerships sold by it, modifications to both the transfer and distribution allocation forms were necessary to satisfy certain conditions of purchase imposed by its limited partnership secondary transaction department.

In addition, while the Forms were intended to be used for all purchases, sales, exchanges, and transfers of limited partnership interests, many member firms have developed standard one page documents for transfers that are "not for consideration," such as transfers related to a change of trustee or custodian or transfers resulting from death, divorce, or gift. These previously developed documents fulfill the same purpose as the new Standardized Transfer Forms, *i.e.*, permitting a fast and efficient transfer of the security.

Finally, other miscellaneous issues have been raised in connection with the use of the Forms, including a request to meet a requirement that each investor demonstrate U.S. citizenship.

**Description of Proposed Amendment**

NASD Regulation believes it will continue to receive requests for permission to modify the Forms in order to meet differing requirements. NASD Regulations is, therefore, proposing to add new paragraph (b) to NASD Rule 11580 to grant authority to NASD

<sup>2</sup> Securities Exchange Act Release No. 36783 (Jan. 29, 1996), 61 FR 3955 (approving File No. SR-NASD-95-53).

<sup>1</sup> 15 U.S.C. 78s(b)(1).