

5. At the time of the application, applicant had no shareholders, assets, or liabilities. Applicant is not a party to any litigation or administrative proceeding.

6. Applicant is not now engaged, nor does it propose to engage, in any business activities other than those necessary for the winding up of its affairs. Applicant was terminated as a business trust under the laws of Massachusetts as of September 15, 1995.

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

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 96-5157 Filed 3-5-96; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 21793; 811-3246]

### Lexington Short-Intermediate Government Securities Fund, Inc.; Notice of Application

February 29, 1996.

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

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

**APPLICANT:** Lexington Short-Intermediate Government Securities Fund, Inc.

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

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

**FILING DATE:** The application was filed on January 31, 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 March 26, 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. Applicants, Park 80 West, Plaza Two, Saddle Brook, New Jersey 07662.

**FOR FURTHER INFORMATION CONTACT:** Diane L. Titus, Paralegal Specialist, at

(202) 942-0584, 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. Applicant, an open-end management investment company, is organized as a corporation under the laws of Maryland. On August 19, 1981, applicant registered under the Act and filed a registration statement under the Securities Act of 1933. Applicant's registration statement was declared effective on October 19, 1981 and the initial public offering of its shares commenced on or about that date.

2. On September 12, 1995, applicant's board of directors adopted a plan of complete liquidation and termination (the "Plan"). Prior to the meeting, Lexington Management Corporation (the "Adviser") advised the directors that continued operation was not economically feasible for the Adviser or applicant's shareholders. On September 20, 1995, applicant filed proxy materials with the SEC, and, on October 2, 1995, applicant distributed the proxy materials to shareholders. On November 1, 1995, applicant's shareholders approved the Plan. On December 6, 1995, applicant distributed \$2,878,850 in cash to its shareholders, which amount represented the cash value of applicant's portfolio and the net proceeds received from the liquidation of the remaining portfolio of applicant. Each shareholder received his or her proportionate interest based on the net asset value.

3. Applicant retained \$15,789 to cover outstanding liabilities associated with the liquidation. These liabilities are estimated to be approximately \$15,789. Any costs in excess of this amount will be borne by the Adviser.

4. Applicant has no shareholders. At the time of filing the application, applicant's only debts consisted of the above-mentioned liabilities. Applicant is not a party to any litigation or administrative proceeding.

5. Applicant is not now engaged, nor does it propose to engage, in business activities other than those necessary for the winding-up of its affairs.

6. Applicant intends to file for dissolution, in accordance with the laws of Maryland after the SEC has issued an order.

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

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 96-5218 Filed 3-5-96; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21792; 812-10016]

### McDonald & Company Securities, Inc., et al.; Temporary Order

February 29, 1996.

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

**ACTION:** Temporary Order and Notice of Application for Permanent Exemption under the Investment Company Act of 1940 (the "Act").

**APPLICANT:** McDonald & Company Securities, Inc. ("McDonald").

**RELEVANT ACT SECTIONS:** Permanent order requested, and temporary order issued, under section 9(c) granting an exemption from section 9(a).

**SUMMARY:** McDonald has received a temporary order for sixty days, and has requested a permanent order exemption it from the prohibitions of section 9(a), solely with respect to its conviction on a misdemeanor charge entered by the Common Pleas Court of Franklin County, Ohio, on February 29, 1996. Pending the SEC's action on the request for the permanent order, McDonald has requested an additional temporary order.

**FILING DATE:** The application was filed on February 29, 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 (30 days following publication in the federal registrar] 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 reasons for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 5th Street NW., Washington, DC 20549. Applicant, 800 Superior Avenue, Cleveland, Ohio 44114.

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

Branch Chief, at (202) 942-0572, 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 at the SEC's Public Reference Branch.

#### Applicants Representations

1. McDonald is registered as a broker-dealer and an investment adviser. McDonald serves as underwriter and, through its Gradison Division, as investment adviser to four open-end series investment companies (the "Funds"). The Gradison Division is not organized as a separate legal entity. The Funds consist of eight series with total assets of approximately \$2 billion and 60,000 shareholder accounts as of December 31, 1995.

2. On February 29, 1996, McDonald pled no contest to a fourth degree misdemeanor charge under the laws of the state of Ohio in the Common Pleas Court of Franklin County, Ohio, (Docket No. 96CF 02-1274) and was fined \$2,000 (the "Conviction"). McDonald was found to have violated section 101.71(c) of the Ohio Revised Code ("ORC") by failing to report its expenditures accurately to state legislators during the period of May through August of 1993.

3. Section 101.73 of the ORC requires a "statement of expenditures" to be filed with the Ohio Joint Legislative Ethics Committee by any employer of a legislative agent or the agent who makes certain expenditures to the Ohio legislators or their staff. This report must include the amount of the expenditures. Section 101.71(C) provides that no person shall fail to file a statement required to be filed pursuant to section 101.73. Section 101.99 of the ORC states that failure to satisfy this duty is a fourth degree misdemeanor.

4. McDonald was found to have failed to report its expenditures accurately as required pursuant to section 101.73. The expenditures in question totaled \$9,540. All but \$40 of these expenditures represented payments of honoraria to legislators for agreeing to attend a McDonald sponsored seminar on two successive days. Payments of honoraria were legally permissible under Ohio law at that time. The seminar at issue was attended only by McDonald employees and government affairs consultants acting as McDonald agents. The purpose of the seminar was to educate McDonald employees on current matters pending before the Ohio General Assembly. No

specific legislation materially affecting McDonald was discussed at the seminar.

#### Applicant's Legal Analysis

1. Section 9(a) of the Act disqualifies, among others, any person or company from serving or acting in the capacity of investment adviser or principal underwriter for any registered open-end company, if such person, or an affiliated person of such person, within ten years has been convicted of any felony or misdemeanor involving the purchase or sale of any security or arising out of such person's conduct as, among other things, an underwriter, a broker, or a dealer.

2. If the conduct that led to the Conviction is deemed to arise out of McDonald's conduct as a underwriter, broker, or dealer, the prohibitions in section 9(a) would apply to McDonald as a result of the Conviction. In addition, the section 9(a) prohibitions would apply to any company which is an affiliated person of McDonald.

3. Section 9(c) of the Act provides that, upon application, the SEC shall grant an exemption from the provisions of section 9(a), either unconditionally or on appropriate temporary or other conditional basis, if it is established that the prohibitions of section 9(a), as applied to the applicant, are unduly or disproportionately severe, or the conduct of such person has been such as to not make it against the public interest or protection of investors to grant the application.

4. McDonald requests a permanent order exempting it from the disqualification provisions of section 9(a) solely with respect to the Conviction, and a temporary order exempting it from section 9(a) pending the SEC's determination with respect to the permanent order. Applicant understands that the SEC's Division of Investment Management (the "Division") only has the delegated authority to issue a temporary order for a period not to exceed sixty days. 17 C.F.R. 200.30-5(a)(7). Accordingly, applicant requests that the Division, under its delegated authority, issue a temporary order for sixty days. If the SEC has not made a final determination with respect to the permanent order within the sixty day time period, applicant further requests that the SEC issue an additional temporary order to remain in effect until it makes a final determination concerning the permanent order. McDonald requests that the requested relief extend to all entities that may become affiliated persons (as that term is defined in section 2(a)(3) of the Act) of McDonald in the future. No affiliated person of

McDonald currently requires such relief or currently intends to rely upon the requested relief.

5. McDonald believes that the prohibitions of section 9(a) in connection with the Conviction would be unduly or disproportionately severe and its conduct is not such as to make it against the public interest or protection of investors for the SEC to grant the requested relief for the following reasons:

a. The ORC provisions which form the basis of the Conviction apply to any person or organization required to register as an employer of a legislative agent. These are statutes of general applicability and none of these provisions relate solely to underwriters, brokers, or dealers.

b. The matters giving rise to the Conviction are unrelated to any of McDonald's activities regrading registered investment companies, including its position as principal underwriter and investment adviser to the Funds.

c. Upon learning that a report had not been filed accurately, McDonald took remedial actions, including the following: (i) it filed an amended report which accurately reported the expenditures which had been made, (ii) it reassigned direct responsibility for filing these reports to a senior management official who has overall responsibility for McDonald's financial reporting obligations, and (iii) it established a procedure for the prior review of all such filings.

d. McDonald has never previously filed an application for relief pursuant to section 9(c) and is not currently subject to any other judgment or order that would disqualify it under section 9(a), besides the Conviction described herein.

e. A denial of the requested orders would adversely affect the Funds and their shareholders. The Funds and their shareholders would incur additional costs and possible disruption of service if the Funds were required to retain one or more new principal underwriters and investment advisers and to seek related approvals of their boards of trustees and shareholders.

f. In addition, McDonald states that granting a sixty day temporary exemption would protect the interests of the Funds by allowing time for the orderly consideration of the application for permanent relief by the SEC.

g. If the requested exemption is not granted, section 9(a) would have an unduly and disproportionately severe impact on McDonald. The imposition of

these prohibitions would prohibit McDonald from acting as the principal underwriter or investment adviser for the Funds and other registered open-end investment companies in the future. McDonald states that acting in these capacities for the Funds is an integral part of McDonald's business as a full-service brokerage firm. McDonald states that it would lose substantial revenue if it were prohibited from conducting this business.

#### Applicant's Condition

Applicant agrees that the following condition may be imposed in any order of the SEC granting relief:

Any temporary exemption issued pursuant to this application shall be without prejudice to, and shall not limit the SEC's rights in any manner with respect to, any SEC investigation of, or administrative proceedings involving or against, applicant, including without limitation, the consideration by the SEC of the application for a permanent exemption from section 9(a) of the Act requested pursuant to this application or the revocation or removal of any temporary exemptions granted under the Act in connection with this application.

#### Temporary Order

The Division has considered the matter and, without necessarily agreeing with all of the facts represented or all of the arguments asserted by applicant, finds, in accordance with 17 CFR 200.30-5(a)(7), that it appears that (i) the prohibitions of section 9(a), as applied to applicant, may be unduly or disproportionately severe, (ii) applicant's conduct has been such as not to make it against the public interest or protection of investors to grant the temporary exemption, and (iii) granting the temporary exemption would protect the interests of the investment companies being served by applicant by allowing time for the orderly consideration of the application for permanent relief.

Accordingly, *it is hereby ordered*, under section 9(c), that applicant is granted a temporary exemption for sixty days from the provisions of section 9(a), effective forthwith, solely with respect to the Conviction, subject to the condition in the application.

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

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 96-5217 Filed 3-5-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36908; File No. 265-19]

#### Consumer Affairs Advisory Committee

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Notice of the Renewal of the Securities and Exchange Commission Consumer Affairs Advisory Committee.

**SUMMARY:** The Chairman of the Commission, with the concurrence of the other members of the Commission, has renewed the Securities and Exchange Commission's Consumer Affairs Advisory Committee ("Committee"). The Committee will advise the Commission on the interests and concerns of individual investors in the securities market.

**ADDRESSES:** Written comments should be submitted in triplicate and should refer to File No. 265-19. Comments should be submitted to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

**FOR FURTHER INFORMATION CONTACT:** Jonathan M. Gottsegen, Counsel to the Director, Office of Investor Education and Assistance, at (202) 942-7040; Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

**SUPPLEMENTARY INFORMATION:** In accordance with the requirements of the Federal Advisory Committee Act, 5 U.S.C. App., the Securities and Exchange Commission has directed publication of this notice that Chairman Arthur Levitt, with the concurrence of the other member of the Commission, has renewed the "Securities and Exchange Commission Consumer Affairs Advisory Committee." Chairman Levitt certifies that he has determined that the renewal of the Committee is necessary and in the public interest.

The Committee's charter directs the Committee to (1) advise the Commission on the interests and concerns of consumers and individual investors who participate, directly or indirectly, in the U.S. securities markets, and (2) to advise the Commission on how the Commission's existing and proposed rules and programs could be improved to provide better disclosure and protection to individual consumers and investors.

The Committee members represent the varied interests affected by the range of issues being considered. The Committee's membership includes persons who represent investors, issuers, market participants, independent public accountants, regulators and the public at large. The Committee's members represent a

variety of viewpoints and have varying experience, and the Committee is balanced in terms of points of view, backgrounds and tasks. The Chairman of the Committee is Chairman Levitt.

The Committee will conduct its operations in accordance with the provisions of the Federal Advisory Committee Act. The duties of the Committee are solely advisory. Determinations of action to be taken and policy to be expressed with respect to matters upon which the Advisory Committee provides advice or recommendations shall be made solely by the Commission. The Committee will meet at such intervals as are necessary to carry out its functions. The Securities and Exchange Commission will provide necessary support services to the Committee.

The Committee will terminate on February 18, 1998 unless its charter is renewed for a further period in accordance with the Federal Advisory Committee Act. The Committee will also terminate on February 18, 1998 if the Chairman, with the concurrence of the other members of the Commission, determine that continuance of the Committee is no longer in the public interest.

Concurrent with publication of this notice in the Federal Register, a copy of the charter of the Committee will be filed with the Chairman of the Commission, the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Commerce. A copy of the charter will also be furnished to the Library of Congress and placed in the Commission's Public Reference Room for public inspection.

Dated: February 29, 1996.

By the Commission.

Jonathan G. Katz,

*Secretary.*

[FR Doc. 96-5158 Filed 3-5-96; 8:45 am]

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[Release NO. 34-36905; File No. SR-CSE-96-02]

#### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by The Cincinnati Stock Exchange Relating To Including Within the Exchange's Minor Rule Plan Rule 4.1 Which Deals With the Maintenance of Records

February 28, 1996.

Pursuant to Section 19(b)(1) of the Secretary Exchange Act of 1934