18. Applicants submit that the purpose of section 12(d)(3) was to: (a) prevent investment companies from exposing their assets to the entrepreneurial risks of securities related businesses; (b) prevent potential conflicts of interest; (c) eliminate certain reciprocal practices between investment companies and securities related businesses; and (d) ensure that investment companies maintain adequate liquidity in their portfolios. Applicants assert that the proposed transaction does not give rise to the type of abuses section 12(d)(3) was designed to address. Applicants also believe that the requested relief meets the standards for an exemption set forth in section 6(c).

Applicants' Conditions

Applicants agree that any order granting the requested relief shall be subject to the following conditions:

A. Conditions With Request to DSC Relief and Exchange and Rollover Options

1. Whenever the Exchange Option or Rollover Option is to be terminated or its terms are to be amended materially, any holder of a security subject to that privilege will be given prominent notice of the impending termination or amendment at least 60 days prior to the date of termination or the effective date of the amendment, *provided that:* (a) no such notice need be given if the only material effect of an amendment is to reduce or eliminate the sales charge payable at the time of an exchange, to add one or more new Series eligible for the Exchange Option or the Rollover Option, or to delete a Series which has terminated; and (b) no notice need be given if, under extraordinary circumstances, either: (i) there is a suspension of the redemption of Units of the Trust under section 22(e) of the Act and the rules and regulations promulgated thereunder, or (ii) a Trust temporarily delays or ceases the sale of its Units because it is unable to invest amounts effectively in accordance with applicable investment objectives, policies, and restrictions.

2. An investor who purchases Units under the Exchange Option or the Rollover Option will pay a lower sales charge than that which would be paid for the Units by a new investor.

3. The prospectus of each Trust offering exchanges or rollovers and any sales literature or advertising that mentions the existence of the Exchange Option or the Rollover Option will disclose that such Exchange Option or Rollover Option is subject to modification, termination, or suspension, without notice except in certain limited cases.

4. Each Series offering Units subject to a DSC will include in its prospectus the table required by item 2 of Form N–1A (modified as appropriate to reflect the differences between unit investment trusts and open-end management investment companies), and a schedule setting forth the number and date of each installment payment.

B. Condition for Exemption From Section 12(d)(3)

No company held in the Ten Series' portfolio or the Five Series' portfolio, nor any affiliate thereof, will act as broker for any Ten Series or Five Series in the purchase or sale of any security for such Series' portfolio.

C. Condition for Exemption From Section 14(a)

Applicants will comply in all respects with the requirements of rule 14a–3, except that the Equity Trusts will not restrict their portfolio investments to ''eligible trust securities.''

D. Conditions for Exemption From Section 17(a)

1. Each sale of Equity Securities by a Rollover Trust to a New Trust will be effected at the closing price of the securities sold on the applicable Exchange or the Nasdaq-NMS on the sale date, without any brokerage charges or other remuneration except customary transfer fees, if any.

2. The nature and conditions of such transactions will be fully disclosed to investors in the appropriate prospectus of each future Rollover Trust and New Trust.

3. The Trustee of each Rollover Trust and New Trust will: (a) review the procedures discussed in the application relating to the sale of securities from a Rollover Trust and the purchase of those securities for deposit in a New Trust, and (b) make such changes to the procedures as the Trustee deems necessary that are reasonably designed to comply with paragraphs (a) through (d) of rule 17a–7.

4. A written copy of these procedures and a written record of each transaction pursuant to any order granting the application will be maintained as provided in rule 17a–7(f).

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–3266 Filed 2–10–97; 8:45 am]

BILLING CODE 8010–01–M

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (Mitcham Industries, Inc., Common Stock, $0.01 Par Value) File No. 1–13490

February 5, 1997.

Mitcham Industries, Inc. (''Company'') has filed an application with the Securities and Exchange Commission (''Commission''), pursuant to Section 12(d) of the Securities Exchange 1934 (''Act'') and Rule 12d2–2(d) promulgated thereunder, to withdraw the above specified security (''Security'') from listing and registration on the Pacific Stock Exchange, Inc. (''PSE'').

The reasons alleged in the application for withdrawing the Security from listing and registration include the following:

The Company originally listed on the PSE when its Security was listed on the Nasdaq SmallCap Market in order to obtain the blue sky secondary market trading exemptions afforded by the PSE listing. Since April 26, 1996, the Company's Security has been listed on the Nasdaq National Market System, which provides secondary market trading exemptions for all states. In addition, the Company believes that there is insignificant trading of its Security on the PSE.

Any interested person may, on or before February 27, 1997, submit by letter to the Security of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 97–3265 Filed 2–10–97; 8:45 am]

BILLING CODE 8010–01–M

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94–409, that the Securities and Exchange Commission will hold the following meeting during the week of February 10, 1997.

A closed meeting will be held on Friday, February 14, 1997, at 10:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Hunt, as deputy officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Friday, February 14, 1997, at 10:00 a.m., will be:

Institution and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

Regulatory matter bearing enforcement implications.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 942–7070.

Dated: February 7, 1997.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–3540 Filed 2–7–97; 3:53 pm]

BILLING CODE 8010–01–M

[Release No. 34–38242; File No. SR–MBSCC–96–06]

Self-Regulatory Organizations; MBS Clearing Corporation; Order Approving a Proposed Rule Change Relating to the Satisfaction of Participants Fund Deposit Requirements

February 5, 1997.

On October 7, 1996, MBS Clearing Corporation (''MBSCC'') filed with the Securities and Exchange Commission (''Commission'') a proposed rule change (File No. SR–MBSCC–96–06) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') to eliminate the depository receipt as an acceptable form of collateral to satisfy its participants fund deposit requirements.[1] Notice of the proposal was published in the Federal Register on December 12, 1996.[2] No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

MBSCC presently requires each of its participants to pledge or to provide collateral to MBSCC to satisfy MBSCC's participants fund deposit requirements.[3] These deposits form a nonmutualized pool of collateral that is designed to reflect each participant's aggregate projected obligations to its counterparties and to MBSCC. MBSCC currently accepts cash, certain securities, and letters of credit issued by an approved issuer as collateral in satisfaction of its participants' deposit obligations. Previously, MBSCC's participants that used securities to satisfy their deposit requirements were required only to provide evidence of the pledge of securities to MBSCC by using a depository receipt; however, participants were not required to effect a book-entry transfer of such securities to an MBSCC account.[4] The rule change eliminates the use of the depository receipt and instead requires participants that choose to use securities to satisfy their participants deposit requirements to deliver the securities by book-entry to an MBSCC account at an entity approved by MBSCC. In connection with this rule change, MBSCC also will be responsible for the payment of any fees associated with the establishment of a pledge account at a trust company approved by MBSCC's board of directors for use in connection with the book-entry method.

II. Discussion

Section 17A(b)(3)(F)[5] of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible. The Commission believes that MBSCC's proposed rule change is consistent with MBSCC's obligations under Section 17A of the Act. The replacement of depository receipts with the book-entry method should reduce the risks associated with the use of depository receipts.[6] The exclusive use of book-entry method as a means for participants to pledge securities to MBSCC as participants fund collateral should enhance MBSCC's ability to access the collateral in the event of a participant default. This should enable MBSCC to better fulfill its obligation under the Act to assure the safeguarding of securities and funds which are in its custody or control. Furthermore, because MBSCC will be responsible for all fees associated with the establishment of the pledge account, the rule change should help reduce any burdens on MBSCC's participants that result from the elimination of depository receipts as an acceptable form of participants fund deposit.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR–MBSCC–96–06) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[7]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–3325 Filed 2–10–97; 8:45 am]

BILLING CODE 8010–01–M

---

[1] 15 U.S.C. 78s(b)(1).

[2] Securities Exchange Act Release No. 38021 (December 5, 1996), 61 FR 65424.

[3] For a complete description of the participants fund, refer to Securities Exchange Act Release Nos. 37294 (June 10, 1996), 61 FR 30268 [File No. SR–MBSCC–96–01] (notice of filing of proposed rule change] and 37512 (August 1, 1996), 61 FR 41437 [File No. SR–MBSCC–96–01] (order approving proposing rule change).

[4] A depository receipt evidences the pledge of specified securities held by a custodian for the account of a pledgee. MBSCC advised the Commission that as of October 1996, the year to date average daily dollar value of the securities pledged to MBSCC through the use of depository receipts was $1.05 billion.

[5] 15 U.S.C. 78q–1(b)(3)(F).

[6] MBSCC has stated that the use of the depository receipt presents certain risks to MBSCC, including: (1) Forgery, (2) unauthorized individuals executing on behalf of the participant or the custodian, (3) improper segregation of the pledged securities from other securities, (4) unauthorized releases of the pledged securities, and (5) the possibility that the custodian will not release the securities to MBSCC upon MBSCC's proper demand for such a release.

[7] 17 CFR 200.30–3(a)(12).