Arts Center'' (Alternative 5) and ''Minimum Management'' (the No Action Alternative, or Alternative 6). Of the six alternatives discussed in the draft SEIS, the Trust has preliminarily determined that the ''Digital Arts Center'' (Alternative 5) would best fulfill its statutory mission and responsibilities under the Presidio Trust Act (Pub. L. 104–333), giving consideration to economic, environmental, technical and other factors.

Identification of a preferred alternative at this time does not imply that the Trust has made a final determination regarding the viability of Alternatives 1, 2, 3, 4 and 6. The Trust invites public comment on all of the alternatives described in the draft SEIS, including the Trust's preferred alternative.

Media coverage of the preferred alternative selection process conducted by the Trust may have resulted in public confusion regarding the continuing viability of Alternatives 1, 2, 3, 4 and 6. For this reason, the Trust has chosen to extend the public comment period to April 27–August 2, 1999 to accommodate a full 45-day comment period for the draft SEIS, as updated by this **Federal Register** notice, which will also enable the public to review and comment on the Trust's selection of Alternative 5 as the Trust's preferred alternative.

### Public Meeting

The Trust will receive additional oral comment on the draft SEIS at the July 20, 1999 meeting of the Citizens' Advisory Commission of the Golden Gate National Recreation Area. The meeting will be held at Park Headquarters, Building 201, Fort Mason, San Francisco, California at 7:30 p.m.

### Comments

Comments on the draft SEIS must be received by August 2, 1999. Written comments on the draft SEIS must be sent to: NEPA Compliance Coordinator—Attn: Letterman Complex, Presidio Trust, 34 Graham Street, P.O. Box 29052, San Francisco, CA 94129–0052, Fax: 415–561–5315, E-mail: planning@presidiotrust.gov.

**FOR FURTHER INFORMATION CONTACT:** John Pelka, NEPA Compliance Coordinator, the Presidio Trust, 34 Graham Street, P.O. Box 29052, San Francisco, CA 94129–0052. Telephone: 415–561–5300.

Reference: 40 CFR 1502.14(e)

Dated: June 14, 1999.

**Karen A. Cook,**

*General Counsel.*

[FR Doc. 99–15507 Filed 6–17–99; 8:45 am]

**BILLING CODE 4310–4R–P**

## SECURITIES AND EXCHANGE COMMISSION

**[Rel No. IC–23870; 813–182]**

## Monitor Investors, L.P., et al.; Application

June 11, 1999.

**AGENCY:** Securities and Exchange Commission (the ''SEC'').

**ACTION:** Notice of application for an order under sections 6(b) and 6(e) of the Investment Company Act of 1940 (the ''Act'') granting an exemption from all provisions of the Act except section 9, sections 17 (other than provisions of paragraphs (a), (d), (f), (g), and (j)) and 30 (other than certain provisions of paragraphs (a), (b), (e) and (h)), sections 36 through 53, and the rules and regulations under the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to exempt certain limited partnerships and other pooled investment vehicles formed for the benefit of key employees of The Monitor Company, Inc. (the ''Company'') from certain provisions of the Act. Each partnership will be an ''employees' securities company'' within the meaning of section 2(a)(13) of the Act.

*Applicants:* Monitor Investors, L.P. (the ''Investor Partnership''), Monitor Coinvestors, L.P. (the ''Coinvestor Partnership'' and together with the Investor Partnership, the ''Initial Partnerships''), and subsequent pooled in investment vehicles identical in all material respects (other than investment objective and strategy) that may be offered in the future to the same class of investors, or a subset of the same class of investors, to whom interests in the Initial Partnerships will be offered (the ''Subsequent Investment Partnerships'' and together with the Initial Partnerships, the ''Investment Partnerships''), and the Company.

**FILING DATES:** The application was filed on December 18, 1997, and amended on November 10, 1998 and June 11, 1999.

*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 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 July 16, 1999 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. 20549–0609. Applicants, 25 First Street, Cambridge, Massachusetts 02141.

**FOR FURTHER INFORMATION CONTACT:** Mary Kay Frech, 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, 450 Fifth Street, N.W., Washington, D.C. 20549–0102 (tel. 202–942–8090).

### Applicants' Representations

1. The Company is an international strategy and business consulting firm which provides customized analysis, advice and implementation assistance to major corporations.

2. The Initial Partnership are Delaware limited partnerships created by the Company. Each Investment Partnership will be formed as an ''employees' securities company'' within the meaning of section 2(a)(13) of the Act, and will operate as a non-diversified, closed-end investment. The Investment Partnerships will be established for the benefit of certain key employees of the Company to reward and retain these employees and to facilitate the Company's recruitment efforts.

3. Each Investment Partnership will have at least one general partner (the ''General Partner''), which will be owned and controlled by the chief executive officer and another senior officer of the Company. The General Partner will manage and control each of the Investment Partnerships. Monitor GP, Inc., a Delaware corporation, is the General Partner of the Initial Partnerships. The General Partner will have a capital commitment to each Initial Partnership equal to at least 1% of the Initial Partnership's aggregate capital commitments. The General Partner will not charge the Initial Partnerships a management fee, nor will it be entitled to a performance-based fee or ''carried interest.'' The General Partner will register as an investment adviser if it is required to do so under

the Investment Advisers Act of 1940 (''Advisers Act'').

4. Limited partner (''Limited Partner'') interests in the Investment Partnerships (''Interests'') will be offered and sold by the Investment Partnerships to Eligible Participants (as defined below) in reliance on section 4(2) of the Securities Act of 1933 (''Securities Act'') or Regulation D under the Securities Act, and will be sold without a sales load or any similar fee. Eligible Participants consist of: (a) Eligible Employees (as defined below), (b) trusts and other investment vehicles of which the trustees, grantors and/or beneficiaries are Eligible Employees or of which the beneficiaries are immediate family members (including only spouses, parents, children, spouses of children, brothers, sisters, and grandchildren) of Eligible Employees, including self-directed retirements plan vehicles (including individual retirement accounts) (''Eligible Trust''), (c) partnerships, corporations or other entities the voting power of which is controlled by Eligible Employees, and (d) the Company. Interests will be offered directly to Eligible Participants described in (b) and (c) above only if they are accredited investors for purposes of Regulation D under the Securities Act.

5. ''Eligible Employees'' include (a) members of the professional staff of the Company who are accredited investors meeting the income requirements of rule 501(a)(6) of Regulation D under the Securities Act, including director, global account managers, and case team leaders, (b) former members of the professional staff of the Company who are accredited investors meeting the income requirements of Rule 501(a)(6) of Regulation D and who provide to the Company more than thirty hours per week, on average, for services as sub-contractors, and (c) members of the administrative staff of the Company who are accredited investors meeting the income requirements of Rule 501(a)(6) of Regulation D. Eligible Employees will be experienced professional in the leveraged buyout, venture capital, investment banking or management consulting business, or in related administrative, financial, accounting or operational activities. Prior to offering Interests to an Eligible Employee, the General Partner must reasonably believe that the Eligible Employee will be a sophisticated investor capable of understanding and evaluating the risk of participating in the Investment Partnership without the benefit of regulatory safeguards. No Eligible Employee will be required to invest in an Investment Partnership.

6. Monitor Clipper Partners, Inc. (''MCP''), a Delaware corporation, was formed in 1997 by certain senior employees of the Company and certain members of the Clipper Group, a private equity investment firm. MCP has established, and will establish from time to time, private equity investment funds in reliance on section 3(c)(1) of the Act (collectively, the ''Initial Investment Funds'') which will be involved in different types of investments, including leveraged buyout and venture capital transactions, and which will invest in a variety of securities. MCP, as the manager of the Initial Investment Funds, will perform the day-to-day investment and administrative operations for the Initial Investment Funds. Each Initial Investment Fund will pay MCP a management fee based on the total capital subscriptions to such Initial Investment Fund. Monitor Clipper Partners, L.P. (''MCP, L.P.'') will serve as general partner of the Initial Investment Funds and will receive a ''carried interest'' on the profits of the Initial Investment Funds.[1] MCP, L.P. is exempt from registration under the Act in reliance on section 3(c)(1) of the Act.

7. The Company has formed the Investor Partnership to invest as a limited partner in MCP, L.P., and has formed the Coinvestor Partnership to invest as a limited partner in the Initial Investment Funds. The General Partner has the sole discretion to determine which Eligible Employees may participate in either the Investor Partnership or the Coinvestor Partnership. All of the Limited Partners of the Investor Partnership also are Limited Partners of the Coinvestor Partnership, but not all of the Limited Partners of the Coinvestor Partnership are Limited Partners of the Investor Partnership. Subsequent Partnerships may be established by the Company to make private equity and other investments, both directly and through investments in limited partnerships and other pooled investment vehicles, including investments in public companies and investments in registered investment companies. No Investment Partnership, however, will acquire any security issued by a registered investment company if, immediately after such acquisition, the Investment Partnership would own more than 3% of the outstanding voting stock of the registered investment company. The specific investment objective and strategies of an Investment Partnership will be set forth in the organizational documents with respect to the Investment Partnership, and each Eligible Participant will receive a copy prior to investment in the Investment Partnership.

8. Management of the Investor Partnership will be vested in the General Partner. The Investor Partnership, as a limited partner of MCP, L.P., will participate in the carried interest paid by the limited partners of the Initial Investment Funds to MCP, L.P. The term of the Investor Partnership terminates on the same day as the term of MCP, L.P. The Investor Partnership will make allocations and distributions on an investment-by-investment basis in proportion to each partner's distributive share with respect to that investment (the ''Investment Distributive Share''). A Limited Partner's Investment Distributive Share with respect to a particular investment will be 50% vested when that investment is made, and will be 100% vested when that investment is sold. No Limited Partner will have the right to withdraw from the Investor Partnership. A Limited Partner whose employment with the Company or any of its affiliates is terminated for any reason, however, shall be deemed to have withdrawn from the Investor Partnership as of the date of termination and the unvested portion of such Limited Partner's Interest will be automatically forfeited. A Limited Partner's vested Interest in the Investor Partnership is not subject to forfeiture and can only be repurchased if the Limited Partner's employment is terminated for cause. The purchase price for such vested Interest will not be less than the lower of (a) the actual capital contributions made by the Limited Partner to acquire the vested Interest, and (b) the fair market value, determined at the time of repurchase in good faith by the General Partner, of such vested Interest. The vesting and forfeiture provisions, and the events that trigger such provisions, will be fully disclosed to Eligible Participants prior to investment in the Investor Partnership.

9. The Coinvestor Partnership's investment strategy will be primarily to invest as a limited partner in the Initial Investment Funds. The term of the Coinvestor Partnership terminates on the same day as the Initial Investment Fund of which it is a limited partner. The Coinvestor Partnership generally does not have to pay the carried interest which the other limited partners of the Initial Investment Funds are required to

[1] A ''carried interest'' is an allocation to the general partner based on the net gains of an investment program and is in addition to the amount that is allocable to the general partner with respect to its capital contributions. Any ''carried interest'' charged by a registered investment adviser will be structured to comply with section 205 of the Advisers Act.

pay.[2] Allocations of net income or net loss attributable to investments in the Coinvestor Partnership will be proportionate to capital contributions with respect to each investment. Limited Partners in the Coinvestor Partnership are fully vested in each investment when it is made. A Limited Partner of the Coinvestor Partnership whose employment with the Company or one of its affiliates terminates is not automatically required to withdraw from the Coinvestor Partnership. In general, a departed employee will continue as a Limited Partner of the Coinvestor Partnership and will be required to fund such Limited Partner's capital commitment to the Partnership. However, the General Partner will have the right, but not the obligation, to terminate the unfunded portion of the limited Partner's capital subscription, on such terms as set forth in the partnership agreement. If the General Partner exercises this right, the Limited Partner would retain his Interest in the Coinvestor Partnership to the extent of the capital contributions that the Limited Partner has made prior to the termination of the Limited Partner's employment with the Company, but would not be permitted to make any future capital contributions to the Coinvestor Partnership.

10. A Limited Partner's Interest in an Investment Partnership is nontransferable, except that a Limited Partner may: (a) with the consent of the General Partner, which may be granted or withheld in the General Partner's sole discretion, transfer all or a portion of his Interest in the Partnership to another Eligible Participant; or (b) with the prior written consent of the General Partner, which shall be based on criteria specified in the partnership agreement of the Partnership, transfer all or a portion of his Interest to certain Eligible Participants.

11. Each Investment Partnership will send its Limited Partners an annual report regarding its operations, which will contain audited financial statements. Within 90 days after the end of each fiscal year of an Investment Partnership or as soon as practicable thereafter, the Investment Partnership will send to each Limited Partner a report indicating his share of the income or losses of the Investment Partnership for federal income tax purposes.

12. The Company may perform consulting services for the Initial Investment Funds and the portfolio companies of the Initial Investment Funds, and may be paid by these entities for its services and for related disbursements and charges. The Initial Investment Funds (or the portfolio companies of the Initial Investment Funds) in which the Investment Partnership invests will pay the Company in cash or in the form of securities of a portfolio company. The Company may retain such securities or transfer them to Monitor Consulting, P.L., a limited partnership whose limited partners are certain employees of the Company, and whose general partner is Monitor G.P., Inc. Monitor Consulting, L.P. will dispose of the securities that it owns in accordance with the ''lock-step'' procedures described in condition 3 below.

**Applicants' Legal Analysis**

1. Section 6(b) of the Act provides, in part, that the SEC will exempt employees' securities companies from the provisions of the Act to the extent that the exemption is consistent with the protection of investors. Section 6(b) provides that the SEC will consider, in determining the provisions of the Act from which the company should be exempt, the company's form of organization and capital structure, the persons owning and controlling its securities, the price of the company's securities and the amount of any sales load, how the company's funds are invested, and the relationship between the company and the issuers of the securities in which it invests. Section 2(a)(13) defines an employees' securities company, in relevant part, as any investment company all of whose securities are beneficially owned by (a) current or former employees, or persons on retainer, of one or more affiliated employers, (b) immediate family members of those persons, or (c) the employer or employers together with any of the persons in (a) or (b).

2. Section 7 of the Act generally prohibits investment companies that are not registered under section 8 from selling or redeeming their securities. Section 6(e) provides that, in connection with any order exempting an investment company from section 7 of the Act, certain provisions of the Act, as specified by the SEC, will be applicable to the company and other persons dealing with the company as though the company were registered under the Act. Applicants request an order under sections 6(b) and 6(e) of the Act exempting the Investment Partnerships from all provisions of the Act, except section 9, certain provisions of sections 17 and 30, sections 36 through 53, and the rules and regulations under those sections.

3. Section 17(a) of the Act generally prohibits any affiliated person of a registered investment company, or any affiliated person of an affiliated person, acting as principal, from knowingly selling or purchasing any security or other property to or from the registered investment company. Applicants request an exemption from section 17(a) to permit: (a) the Investment Partnerships to make their initial purchase of partnerships interests in MCP, L.P. and the Initial Investment Fund; (b) a purchase by an Investment Partnership, directly or indirectly, from any affiliated person (as defined in section 2(a)(3) of the Act) (''affiliated person'') of an Investment Partnership or of the Company of securities or other property previously acquired for the account of the affiliated person; (c) a sale by an Investment Partnership to another Investment Partnership, the Company, or any affiliated person of an Investment Partnership of securities or other property previously acquired by the Investment Partnership; (d) a direct or indirect investment by an Investment Partnership in securities of issuers for which the Company, another Investment Partnership or any affiliated person of the Company or of an Investment Partnership have performed services and from which they may have received fees, including portfolio companies of the Initial Investment Funds; (e) a direct or indirect investment in or a transaction with any individual, company, or other investment vehicle in which the Company, its officers, directors or employees, or any other affiliated person of the Company (including MCP or the Initial Investment Funds) own 5% or more of the voting securities; and (f) a sale by an Investment Partnership as a selling security holder in public offering in which the Company, MCP, or any affiliated person of the Company or MCP acts as member of the selling group.

4. Applicants assert that the community of interest among the partners of the Investment Partnerships and the Company will serve to reduce the risk of abuse in transactions

[2] The Coinvestor Partnership is required to pay a carried interest with respect to the portion of the coinvestment of each of its Limited Partners that exceeds either (a) if such Limited Partner is also a Limited Partner of the Investor Partnership, the lesser of (i) $1,500,000 less the commitment, if any, of such Limited Partner to the Investor Partnership, or (ii) the commitment of such Limited Partner to the Coinvestor Partnership; or (b) if such Limited Partner is not a Limited Partner of the Investor Partnership, the lesser of (i) $1,250,000, or (ii) the commitment of such Limited Partner to the Coinvestor Partnership. Any Eligible Employee that does not wish to be subject to a carried interest can choose to make a commitment below the applicable threshold. As of the date of the application, only one Eligible Employee that is not a Limited Partner of the Investor Partnership has made a commitment to the Coinvestor Partnership that is large enough to be subject to a carried interest.

involving an Investment Partnership and the Company or any affiliated persons of the Investment Partnership or the Company. Applicants also acknowledge that any transactions subject to section 17(a) for which exemptive relief has not been requested would require specific approval by the SEC.

5. Section 17(d) of the Act and rule 17d–1 under the Act prohibit any affiliated person of a registered investment company, or any affiliated person of an affiliated person, acting as principal, from participating in any joint arrangement with the company unless authorized by the SEC. Applicants request exemptive relief to permit: (a) portfolio investments made by the Initial Investment Funds that might result, in certain limited circumstances, in the Investor Partnership earning a carried interest on the profits attributable to the Coinvestor Partnership; (b) an investment by one or more Investment Partnerships in a security (i) in which another Initial Investment Fund, the Company, MCP, another Investment Partnership or an affiliated person of any of the Initial Investment Funds, the Company, MCP, or an Investment Partnership, or a transferee of one of these is a participant or becomes a participant, or (ii) with respect to which MCP or any affiliated person of MCP is entitled to receive fees or compensation of any kind, including, but not limited to, transaction fees, consulting fees, or other economic benefits or interests; and (c) an investment by one or more Investment Partnerships in an investment vehicle sponsored, offered, or managed by MCP, the Company, another Investment Partnership, or any affiliated person of the Company or an Investment Partnership.

6. Applicants assert that the flexibility to structure co-investments and joint investments will not involve abuses of the type section 17(d) and rule 17d–1 were designed to prevent. Applicants state that, in light of the Company's purpose of establishing the Investment Partnerships so as to reward Eligible Participants and to attract highly-qualified personnel to the Company, the possibility is minimal that an affiliated-party investor will enter into a transaction with an Investment Partnership with the intent of disadvantaging the Investment Partnership. In addition, applicants assert that strict compliance with section 17(d) would cause an Investment Partnership to forego investment opportunities simply because a partner of the Investment Partnerships, the Company, MCP, or another affiliated person of the Investment Partnership made a similar investment.

7. Section 17(f) provides that the securities and similar investments of a registered management investment company must be placed in the custody of a bank, a member of a national securities exchange, or the company itself in accordance with SEC rules. Rule 17f–2 under the Act specifies the requirements that must be satisfied for a registered management investment company to act as a custodian of its own investments. Applicants request an exemption from section 17(f) of the Act and rule 17f–2 under the Act to permit the following exceptions from the requirements of rule 17f–2: (a) compliance with paragraph (b) of the rule may be achieved through safekeeping in the locked files of the Company; (b) for purposes of paragraph (d) of the rule, (i) employees of the Company will be deemed employees of the Investment Partnerships, (ii) officers and directors of an Investment Partnership will be deemed to be officers of such Investment Partnership, and (iii) the directors of an Investment Partnership will be deemed to be the board of directors of such Investment Partnership; and (c) in place of the verification procedure under paragraph (f) of the rule, verification will be effected quarterly by two employees of the Company. Applicants expect that almost all of the Investment Partnership's investments will be evidenced only by partnership agreements or similar documents, rather than by negotiable certificates which could be misappropriated. Applicants assert that these instruments are most suitably kept in the Company's files, where they can be referred to as necessary.

8. Section 17(g) of the Act and rule 17g–1 generally require the bonding of officers and employees of a registered investment company who have access to securities or funds of the company. Rule 17g–1 requires that a majority of directors who are not interested persons take certain actions and give certain approvals relating to fidelity bonding. Applicants request exemptive relief to permit each Investment Partnership to comply with rule 17g–1 without the necessity of having a majority of the members of the board of directors of the General Partner who are not interested persons take such actions and make such approvals and request instead that the actions and approvals be take by the directors, regardless of whether they are interested persons. Applicants state that, because it is likely that all directors would be considered interested persons in the Investment Partnerships, the Investment Partnerships could not comply with rule 17g–1 without the request relief. Applicants state that they will comply with all other requirements of rule 17g–1.

9. Section 17(j) and paragraph (a) of rule 17j–1 make it unlawful for certain enumerated persons to engage in fraudulent, deceitful, or manipulative practices in connection with the purchase or sale of security held or to be acquired by a registered investment company. Rule 17j–1 also requires every registered investment company to adopt a written code of ethics and every access person of a registered investment company to report personal securities transactions. Applicants request an exemption from the requirements of rule 17j–1, except for the anti-fraud provisions of paragraph (a), because they are burdensome and unnecessary as applied to the Investment Partnerships. Applicants state that requiring the Investment Partnerships to adopt a written code of ethics and requiring access persons to report each of their securities transactions would be time-consuming and expensive and would serve little purpose of light of the community of interests among the partners of the Investment Partnerships by virtue of their common association with the Company.

10. Applicants request an exemption from the requirements in sections 30(a), 30(b), and 30(e), and the rules under these sections, that registered investment companies prepare and file with the SEC and mail to their shareholders certain periodic reports and financial statements. Applicants contend that the forms prescribed by the SEC for periodic reports have little relevance to the Investment Partnerships and would entail administrative and legal costs that outweigh any benefit to the partners of the Investment Partnerships. Applicants request exemptive relief to the extent necessary to permit each Investment Partnership to report annually to its partners. Applicants also request an exemption from section 30(h) to the extent necessary to exempt the directors and any other persons who may be deemed to be members of an advisory board of an Investment Partnership from filing Forms 3, 4, and 5 under section 16(a) of the Securities Exchange Act of 1934 (''Exchange Act'') with respect to their ownership of interests in the Investment Partnerships. Applicants assert that, because there is no trading market for the interests of the Investment Partnerships and the transfers will be severely restricted, these filings are unnecessary for the

protection of investors and burdensome to those required to make them.

**Applicant's Conditions**

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

1. Each proposed transaction described in the application otherwise prohibited by section 17(a) or section 17(d) of the Act and rule 17d–1 under the Act (the ''Section 17 Transactions'') will be effected only if the board of directors of the General Partner determines that: (a) The terms of the transaction, including the consideration to paid or received, are fair and reasonable to the Limited Partners and do not involve overreaching with respect to the Investment Partnership or its Limited Partners on the part of any person concerned; and (b) the transaction is consistent with the interests of the Limited Partners, the Investment Partnership's organizational documents, and the Investment Partnership's reports to its Limited Partners.

In addition, the board of directors of the General Partner will record and preserve a description of the Section 17 Transactions, their findings, the information or materials upon which their findings are based and the basis thereof. All such records will be maintained for the life of the Investment Partnerships and at least two years thereafter, and will be subject to examination by the SEC and its staff. Each Investment Partnership will preserve the accounts, books, and other documents required to be maintained in an easily accessible place for the first two years.

2. In connection with the Section 17 Transactions, the board of directors of the General Partners will adopt, and periodically review and update, procedures designed to ensure that reasonable inquiry is made, prior to the consummation of any such transaction, with respect to the possible involvement in the transaction of any affiliated person or promoter of or principal underwriter for the Investment Partnerships, or any affiliated person or such person, promoter, or principal underwriter.

3. A General Partner will not invest the funds of any Investment Partnership in any investment in which an ''Affiliated Co-Investor,'' as defined below, has or proposes or acquire the same class of securities of the same issuer, where the investment involves a joint enterprise or other joint arrangement within the meaning of rule 17d–1, in which the Investment Partnership and an Affiliated Co-Investor are participants, unless any such Affiliated Co-Investor, prior to disposing of all or part of its investment, (a) gives the General Partner sufficient, but not less than one day's, notice of its intent to dispose of its investment, and (b) refrains from disposing of its investment unless the Investment Partnership has the opportunity to dispose of the Investment Partnership's investment prior to or concurrently with, on the same terms as, and pro rata with the Affiliated Co-Investor. The term ''Affiliated Co-Investor'' means the Company, and any person who is (a) an ''affiliated person'' (as such term is defined in section 2(a)(3) of the Act) of the Investment Partnership; (b) a shareholder of the Company, or other entity controlled by a shareholder of the Company; or (c) any entity with respect to which a General Partner of such Investment Partnership or another shareholder of the Company acts as a general partner or in a similar capacity or has a similar capacity to control the sale or other disposition of such entity's securities. The restrictions contained in this condition, however, shall not be deemed to limit or prevent the disposition of an investment by an Affiliated Co-Investor: (a) to its direct or indirect wholly-owned subsidiary, to any company (a ''parent'') of which the Affiliated Co-Investor is a direct or indirect wholly-owned subsidiary, or to a direct or indirect wholly-owned subsidiary of its parent; (b) to immediate family members of the Affiliated Co-Investor or a trust established for any Affiliated Co-Investor or any such family members; (c) when the investment is comprised of securities that are listed on any exchange registered as a national securities exchange under section 6 of the Exchange Act; or (d) when the investment is comprised of securities that are national market system securities pursuant to section 11A(a)(2) of the Exchange Act and rule 11Aa2–1 under the Exchange Act.

4. Each Investment Partnership and its General Partner will maintain and preserve, for the life of each such Investment Partnership and at least two years thereafter, such accounts, books, and other documents as constitute the record forming the basis for the financial statements that are to be provided to the partners, and each annual report of such Investment Partnership required by the terms of the applicable Investment Partnership agreement to be sent to the partners, and agree that all such records will be subject to examination by the SEC and its staff. Each Investment Partnership will preserve the accounts, books, and other documents required to be maintained in an easily accessible place for the first two years.

5. In any case where purchases or sales are made from or to an entity affiliated with an Investment Partnership by reason of a 5% or more investment in such entity by a director, officer, or shareholder of the Company or any of its affiliates, such individual will not participate in the applicable General Partner's determination of whether or not to effect the purchase or sale.

6. The General Partner of each Investment Partnership will send audited financial statements for that Investment Partnership to each of the partners of the Investment Partnership who had an interest in that Investment Partnership at any time during the fiscal year then ended. At the end of each fiscal year, the General Partner will make a valuation or have a valuation made of all of the assets of the Investment Partnership as of the fiscal year end in a manner consistent with customary practice with respect to the valuation of assets of the kind held by the Investment Partnership. In addition, within 90 days after the end of fiscal year of each of the Investment Partnerships or as soon as practicable thereafter, the General Partner shall send a report to each person that was a partner of such Investment Partnership at any time during such fiscal year, setting forth such tax information as shall be necessary for the preparation by such partner of his federal and state income tax returns and a report of the investment activities of the Investment Partnership during such year.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99–15483 Filed 6–17–99; 8:45 am]

BILLING CODE 8010–01–M

## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 35–27036]**

## Filings Under the Public Utility Holding Company Act of 1935, as Amended (''Act'')

June 11, 1999.

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 under the Act. all interested persons are referred to the application(s) and/or declaration(s) for