

Moreover, by reason of Section 12(b) of the Act and the rules and regulations of the Commission thereunder, the Company shall continue to be obligated to file reports with the Commission and the NSYE under Section 13 and other applicable sections of the Act.

Any interested person may, on or before July 28, 1999, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609 facts bearing upon whether the application has been made in accordance with the rules of the Exchange 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. 99-17887 Filed 7-13-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23892; 813-166]

CIBC World Markets Corp., Notice of Application

July 7, 1999.

AGENCY: Securities and Exchange Commission ("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, certain provisions of sections 17 and 30, sections 36 through 53, and the rules and regulations under those sections.

SUMMARY OF APPLICATION: Applicant, CIBC World Markets Corp. ("CIBC WM"), requests an order to exempt certain entities formed for the benefit of key employees of CIBC WM and its affiliates from certain provisions of the Act, and to permit the funds to engage in certain joint transactions. Each entity will be an "employees' securities company" as defined in section 2(a)(13) of the Act.

FILING DATES: The application was filed on March 11, 1997 and amended on February 27, 1998, and August 7, 1998. Applicant has agreed to file an additional amendment, the substance of

which is reflected in this notice, during the notice period.

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 August 2, 1999, 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 requests, 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. Applicant, One World Financial Center, 200 Liberty Street, New York, NY 10281.

FOR FURTHER INFORMATION CONTACT: Mary T. Geffroy, Senior Counsel, at (202) 942-0553, or Christine Y. Greenlees, 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, 450 Fifth Street, N.W., Washington, D.C. 20549-0102 (tel. (202) 942-8090).

Applicant's Representations

1. Applicant, a Delaware corporation and subsidiary of The Canadian Imperial Bank of Commerce, is a brokerage and investment banking firm.¹ Applicant is registered as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act"). Applicant and its affiliates, as defined in rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act"), are referred to in this notice collectively as the "CIBC WM Group."

2. Applicant proposes to organize one or more limited partnerships, limited liability companies, or other entities under the laws of the state of Delaware or another state (each, a "Partnership," and collectively, the "Partnerships") for the benefit of certain key employees. Each Partnership will be an "employees'

securities company" within the meaning of section 2(a)(13) of the Act, and will operate as a closed-end management investment company. The goal of the Partnerships is to create investment opportunities that are competitive with those at other brokerage and investment banking firms for employees and to facilitate the recruitment of high caliber employees. Participation in a Partnership will be voluntary.

3. It is currently anticipated that the initial Partnership will be a limited liability company and that an independent board of managers ("Independent Board") will have overall responsibility for its operations. All of the members of the Independent Board will be individuals who are not "interested persons" (as defined in section 2(a)(19) of the Act) of CIBC WM or any other entity in the CIBC WM Group (collectively, a "CIBC WM Company"). Applicant proposes to use the independent board of managers structure so that the Partnerships will not be considered "subsidiaries" of a CIBC WM Company for bank regulatory purposes. Applicant states that the independent board of managers structure will not undermine the community of interest between the Partnerships and the CIBC WM Group. In the case of any General Partner that is an Independent Board, the Board members will not be eligible to purchase Interests (as defined below) in a Partnership. Subsequently established Partnerships will be structured in the same manner or, alternatively, a CIBC WM Company may act as general partner (or functional equivalent with respect to any Partnership organized as a limited liability company, business trust or other entity) of those Partnerships. As used in this notice, the term "General Partner" refers to the Independent Board or a CIBC WM Company which acts as general partner of a Partnership (or functional equivalent). The General Partner will be responsible for the overall management of each Partnership and will have the authority to make all decisions regarding the acquisition, management and disposition of Partnership investments, except that the General Partner may delegate certain of its responsibilities regarding the acquisition, management and disposition of Partnership investments to an Investment Adviser (as defined below); provided, further, that if the General Partner is an Independent Board, such Board will delegate all decisions regarding the acquisition, management and disposition of

¹ Applicant was known as Oppenheimer & Co., Inc. until November 4, 1997, when the stock of its parent, Oppenheimer Holdings, was acquired by CIBC Wood Gundy Securities Corp., which was then merged into Oppenheimer & Co., Inc.

Partnership investments to an Investment Adviser. The General Partner also may delegate administrative responsibilities to a CIBC WM Company or to an unaffiliated third party administrator.

4. A. CIBC WM Company will serve as investment adviser to the Partnerships. The investment adviser will either be: (a) Registered as an investment adviser under the Advisers Act; (b) exempt from the registration requirements of the Advisers Act by virtue of section 203(b)(3) of the Advisers Act; or (c) excluded from the definition of investment adviser under the Advisers Act because it is a bank or a bank holding company. The term "Investment Adviser" as used in this notice refers to a CIBC WM Company which acts as investment adviser to a Partnership. With respect to some or all Partnerships, the Investment Adviser may delegate certain of its responsibilities to one or more subadvisers, each of which will be a CIBC WM Company and registered under the Advisers Act is required under applicable law; provided, however, that if the Investment Adviser elects to enter into any side-by-side investment with an unaffiliated entity, the Investment Adviser will be permitted to engage as sub-investment adviser the entity responsible for the management of such side-by-side investment.

5. In the case of certain Partnerships, the General Partner will have the authority to terminate the agreement with the Investment Adviser on 120 days' prior written notice to the Investment Adviser. In the event that the General Partner terminates an agreement with an Investment Adviser, the General Partner will: (a) cause the Partnership to cease making new investment commitments; (b) cause the Partnership to dissolve; or (c) appoint a replacement investment adviser with the concurrent affirmative vote of at least a majority in interest of the Limited Partners (or functional equivalent with respect to any Partnership organized as a limited liability company, business trust or other entity). If the replacement investment adviser is not a CIBC WM Company, the Partnership will cease to rely upon the order granting the requested relief and the General Partner will cause the Partnership to register under the Act, unless it obtains such exemptive relief from the Act as may be necessary. Each limited partnership agreement or other organizational document of the Partnership (the "Partnership Agreement") will provide that, in the event the General Partner

gives notice of termination to the Investment Adviser, the affirmative vote of at least a majority in interest of the Limited Partners will be effective to retain the Partnership's agreement with the Investment Adviser in full force and effect. Each Partnership Agreement also will provide that the Limited Partners may direct the Partnership to cease making new investment commitments upon the affirmative vote of a majority in interest of the Limited Partners.²

6. Interests in the Partnerships ("Interests") will be offered without registration in reliance on section 4(2) of the Securities Act of 1933 (the "Securities Act") or Regulation D under the Securities Act, and will be sold without a sales load or similar fee. Interests will be sold only to "Limited Partners," which will be: (a) current or former key employees, officers, directors, partners and persons on retainer of the CIBC WM Group ("Eligible Employees"); (b) spouses, parents, children, spouses of children, brothers, sisters and grandchildren of Eligible Employees ("Qualified Family Members"); or (c) trusts or other investment vehicles established for the benefit of Eligible Employees or Qualified Family members ("Qualified Investment Vehicles" and, collectively with Qualified Family Members, "Qualified Participants"). Interests will not be transferable except with the express consent of the General Partner and then only to Eligible Employees or Qualified Participants.

7. Prior to offering Interests to an Eligible Employee or Qualified Family Member, a CIBC WM Company must reasonably believe that the Eligible Employee or Qualified Family Member will be capable of understanding and evaluating the merits and risks of participation in the Partnership. Eligible Employees will be professionals engaged in various aspects of the investment banking or financial services business, or in related administrative,

financial, accounting, legal or operational activities.

8. Eligible Employees and Qualified Family Members must be "accredited investors" meeting the income requirements set forth in rule 501(a)(6) of Regulation D under the Securities Act, except that a maximum of 35 Eligible Employees who are sophisticated investors but who do not meet the definition of an accredited investor may become Limited Partners of a Partnership if each such Eligible Employee falls into one of the following categories: (a) Eligible Employees who (i) have a graduate degree in business, law or accounting, (ii) have a minimum of five years of consulting, investment banking or similar business experience, and (iii) will have had reportable income from all sources (including any profit shares or bonus) in the calendar year immediately preceding the Eligible Employee's admission as a Limited Partner in excess of \$120,000 and will have a reasonable expectation of reportable income of at least \$150,000 in the years in which the Eligible Employee invests in a Partnership. In addition, an Eligible Employee in this category (a) will not be permitted to invest in any year more than 10% of his or her income from all sources for the immediately preceding year in the aggregate in the Partnership and in all other Partnerships in which he has previously invested; or (b) Eligible Employees who have primary responsibility for operating the Partnership. These responsibilities include identifying, investigating, structuring, negotiating, and monitoring investments for the Partnership, communicating with the Limited Partners, maintaining the books and records of the partnership, and making recommendations with respect to investment decisions by the Investment Adviser. Each Eligible Employee in this category (b) will: (i) be closely involved with and knowledgeable with respect to the Partnership's affairs, (ii) be an officer or employee of a CIBC WM Company, and (iii) have had reportable income from all sources (including any profit shares or bonus) in the calendar year immediately preceding the Eligible Employee's admission as a Limited Partner in excess of \$120,000 and will have a reasonable expectation of reportable income of at least \$150,000 in the years in which the Eligible Employee invests in the Partnership. Qualified Investment Vehicles must meet the standards for an "accredited investor" under rule 501(a) of Regulation D.

9. The terms of each Partnership will be disclosed to the Eligible Employees

² The duration of a particular Partnership will be set forth in its Partnership Agreement. Each Partnership may be dissolved prior to its expiration upon the occurrence of the following events: (i) the resignation, withdrawal, dissolution or bankruptcy of the General Partner (or, where applicable, the resignation of the members of the Independent Board), (ii) the insolvency or bankruptcy of the Partnership, (iii) the sale of all or substantially all of the Partnership's assets, (iv) the conversion of the Partnership to corporate form pursuant to the terms of the applicable Partnership Agreement, (v) a determination by the General Partner that it is in the best interests of the Limited Partners to dissolve the Partnership, or (vi) any other event requiring dissolution of the Partnership under applicable law. Upon dissolution of a Partnership, the Partnership's assets will be distributed in accordance with the applicable Partnership Agreement.

at the time they are offered the right to subscribe for Interests in the Partnerships, at which time the Eligible Employees will be furnished with a copy of the Partnership Agreement. The Partnership Agreement will set forth in full the terms applicable to a Limited Partner's investment in the Partnership.

10. A CIBC WM Company may purchase Interests, which it may offer to new Eligible Employees joining the CIBC WM Group after the closing of the Partnership or which it may award to Eligible Employees as a bonus or similar compensation. A CIBC WM Company will acquire these Interests in the same manner of payment, at the same time, and at the same price as Interests purchased by the Limited Partners. A CIBC WM Company may sell the Interests it has so acquired to any Eligible Employee or Qualified Participant at any time during the life of the Partnership at a price no greater than the net asset value of the Interests on the previous appraisal date as defined in the Partnership Agreement after the date of sale.

11. If a Limited Partner terminates employment with a CIBC WM Company or is in bankruptcy, the Interests may be acquired by a CIBC WM Company, or by any Eligible Employee or Qualified Participant designated by a CIBC WM Company. If a CIBC WM Company does not exercise the right to acquire the Interest, it will continue to be held by the Limited Partner. In addition, in the event of a Limited Partner's death, total disability or adjudication of incompetence, the Limited Partner or a representative of the Limited Partner may have the right, during an established time period following the occurrence of any of those events, to tender the Limited Partner's Interest to a CIBC WM Company or any Eligible Employee or Qualified Participant designated by a CIBC WM Company for mandatory purchase (subject to applicable banking regulations) by a CIBC WM Company or any Eligible Employee or Qualified Participant designated by a CIBC WM Company.

12. If an investment program provides for vesting, an Eligible Employee's Interest at the beginning of the program will be treated as "unvested," and "vesting" will occur either: (a) through the passage of time; or (b) upon the occurrence of a specified event. The termination of an Eligible Employee's employment will not affect the Eligible Employee's rights with respect to the vested portion of the Interest, unless certain specified events disclosed in the relevant Partnership Agreement occur, including the termination of employment for cause. The portion of

an Eligible Employee's Interest that is "unvested" at the time of the Eligible Employee's termination of employment, and the portion that is vested in the event the specified events disclosed in the relevant Partnership Agreement occur, may be subject to repurchase by a CIBC WM Company or reallocation to other Limited Partners in the relevant Partnership.

13. Upon repurchase or reallocation of a former Eligible Employee's unvested or vested Interest, a CIBC WM Company will, at a minimum, pay the Eligible Employee the lesser of: (a) the amount actually paid by the Eligible Employee; or (b) the fair market value of the Interest, as determined in good faith by a CIBC WM Company. The terms of any repurchase or cancellation will apply equally to any Qualified Participant of an Eligible Employee.

14. An Investment Adviser may be paid an advisory fee for its services to a particular Partnership, which may be determined as a percentage of assets under management or aggregate commitments. In addition, an Investment Adviser may be entitled to a performance-based fee based on the Partnership's net gains ("carried interest").³ In the case of a Partnership in which the General Partner is an Independent Board, the Board members may receive compensation for their services from either the Partnership or a CIBC WM Company.

15. It is anticipated that a CIBC WM Company may contribute capital to each Partnership in an amount equal to at least 1% of the aggregate amount of capital contributed by the Limited Partners. A CIBC WM Company also may undertake to contribute additional capital to a Partnership, which may be in an amount representing some multiple of the aggregate amount of capital contributed by the Limited Partners. With respect to a specified portion of the capital contribution of a CIBC WM Company ("Non-Allocable Portion"), a CIBC WM Company may receive, instead of a pro rata allocation of profits and losses, a cumulative return. The cumulative return may be equal to its Applicable Rate (as defined below) with respect to, and expenses incurred in connection with, the Non-Allocable Portion (the "Return"), or some other reasonable return which may be less than its pro rata allocation of profits. The Return generally will be allocable annually out of Partnership profits and will be payable to a CIBC WM Company when profits are realized

by the Partnership, or to the extent not previously paid, upon the liquidation of the Partnership.

16. A CIBC WM Company may lend money to a Partnership at an interest rate that is the lowest rate that applicant determines is permissible under applicable banking regulations (the "Applicable Rate"), provided that the Applicable Rate will be no less favorable than the rate obtainable on an arm's length basis. A CIBC WM Company may, in its sole discretion, adopt the method for determining the calculation of the Applicable Rate. Any indebtedness of the Partnership will be the debt of the Partnership and without recourse to the Limited Partners. Applicant states that the Partnership will retain the right to require the payment of any unfunded capital contributions from the Limited Partners for any appropriate Partnership purpose, including the payment of Partnership indebtedness, and will be permitted to assign this right to any lender to the Partnership.

17. Partnerships may co-invest with or through investment vehicles sponsored and/or managed by a CIBC WM Company or by unaffiliated entities.

18. A Partnership will not purchase or otherwise acquire any security issued by a registered investment company if, immediately after the purchase or acquisition, the Partnership will own in the aggregate more than 3% of the total outstanding voting stock of the registered investment company.

19. As soon as practicable after the end of the fiscal year of each Partnership, each Partnership will send audited annual financial statements to its Limited Partners. In addition, each Partnership will send a report to its Limited Partners setting forth tax information necessary for the preparation of tax returns.

Applicant's Legal Analysis

1. Section 6(b) of the Act provides 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) further 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

³ Any "carried interest" charged by a registered investment adviser will be structured to comply with section 205 of the Advisers Act.

2(a)(13) defines an employees' securities company, in relevant part, as any investment company all of whose securities are beneficially owned by (i) current or former employees, or persons on retainer, of one or more affiliated employers, (ii) immediate family members of those persons or employers, or (iii) the employer or employers together with any of the persons in (i) or (ii).

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 any provision of section 7, 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 that company was registered under the Act.

3. Applicant requests an order under sections 6(b) and 6(e) of the Act exempting the 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.

4. Section 17(a) of the Act generally prohibits any affiliated person of a registered investment company, or any affiliated person of that person, acting as principal, from knowingly selling to or purchasing any security or other property from that company. Applicant requests an exemption from section 17(a) to permit each Partnership to: (a) purchase portfolio investments from or sell portfolio securities to CIBC WM, or any other affiliated person of a Partnership, or an affiliated person of that person ("collectively, Affiliated Entities"), on a principal basis; (b) purchase interests or property in a company or other investment vehicle in which CIBC WM, or an Affiliated Entity, already owns securities, or, where such company or other investment vehicle is otherwise affiliated with CIBC WM or a Partnership; (c) sell, put or tender, or grant options in securities or interests in a company or other investment vehicle back to that entity, where that entity is affiliated with CIBC WM or an Affiliated Entity; (d) participate as a selling security holder in a public offering that is underwritten by CIBC WM or an Affiliated Entity or in which CIBC WM or an Affiliated Entity acts as a member of the underwriting or selling group; (e) invest in companies, partnerships or other investment vehicles offered, sponsored or managed by CIBC WM or an Affiliated Entity (collectively, "CIBC WM Sponsored Vehicles"), or to purchase securities from CIBC WM

Sponsored Vehicles; (f) invest in securities of, or lend money to, entities with which CIBC WM or an Affiliated Entity has performed investment banking or other services and from which they may have received fees; and (g) purchase securities that are underwritten by CIBC WM or an Affiliated Entity (including a member of a selling group) on terms at least as favorable to the Partnership as those offered to investors other than affiliated persons of CIBC WM.

5. Applicant submits that an exemption from section 17(a) is consistent with the protection of investors. Applicant states that the Limited Partners will have been fully informed of the possible extent of the Partnership's investment with affiliated persons and will be able to evaluate the attendant risks. Applicant asserts that the community of interest among the Limited Partners and the CIBC WM Group will provide the best protection against any risk of abuse.

6. Section 17(d) of the Act and rule 17d-1 under the Act prohibit any affiliated person or principal underwriter of a registered investment company, or any affiliated person of that person or underwriter, acting as principal, from participating in any joint arrangement with the company unless authorized by the SEC. Rule 17d-1 under the Act permits the SEC to approve a proposed joint transaction covered by the terms of section 17(d). In determining whether to approve a transaction, the SEC is to consider whether participation of the investment company in the arrangement is consistent with the provisions, policies, and purposes of the Act and the extent to which the company's participation is on a basis different from or less advantageous than that of other participants.

7. Applicant requests relief to permit affiliated persons of each Partnership or affiliated persons of any of those persons, to participate in any joint arrangement in which the Partnership is a participant. Applicant submits that the flexibility to structure co-investments and joint investments in the manner described in the application will not involve abuses of the type section 17(d) and rule 17d-1 were designed to prevent. Applicant further states that the concern that permitting joint investments with CIBC WM or another CIBC WM affiliated person on the one hand, and a Partnership on the other, might lead to disadvantageous treatment of the Partnership will be mitigated by the fact that CIBC WM is acutely concerned with its relationship with the key employees who invest in the

Partnerships. Applicant also asserts that, in light of CIBC WM's purpose of establishing the Partnerships to reward Eligible Employees and to attract highly qualified personnel to CIBC WM, it is unlikely that an affiliated co-investor will enter into a transaction with a Partnership with the intent of disadvantaging the Partnership. Applicant also states that any investment by a Partnership made concurrently with an affiliated co-investor will on the same terms as the investment by the affiliated co-investor.

8. Section 17(f) of the Act designates the entities that may act as custodians of investment company assets. Rule 17f-1 imposes certain requirements when the custodian is a member of a national securities exchange. Applicant requests an exemption from section 17(f) and rule 17f-1 to the extent necessary to permit a CIBC WM Company to act as custodian of Partnership assets without a written contract, as would be required by rule 17f-1(a). Applicant also requests an exemption from the requirement in rule 17f-1(b)(4) that an independent account periodically verify the assets held by the custodian. Applicant states that, because of the community of interest between the Partnerships and the CIBC WM Group and the existing requirement for an independent annual audit, compliance with these requirements would be unnecessarily burdensome and expensive. The Partnerships will comply with all other requirements of rule 17f-1.

9. Section 17(g) of the Act and rule 17g-1 under the Act generally require the bonding of officers and employees of a registered investment company who have access to its securities or funds. 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. In the case of any Partnership for which a CIBC WM Company is the General Partner, applicant requests exemptive relief to permit the General Partner, applicant requests exemptive relief to permit the General Partner's board of directors or similar body (the "Board"), who may be deemed interested persons, to take actions and make determinations set forth in the rule. Applicant states that, because all of the members of the Board will be interested persons, applicant could not comply with rule 17g-1 without the requested relief. Specifically, each Partnership will comply with rule 17g-1 by having a majority of the directors of the Board take actions and make determinations as are set forth in rule 17g-1. Applicant states that each Partnership will comply

with all other requirements of rule 17g-1.

10. Section 17(j) of the Act and paragraph (a) of rule 17j-1 under the Act prohibit certain enumerated persons from engaging in fraudulent or deceptive practices in connection with the purchase or sale of a security held or to be acquired by a registered investment company. Rule 17j-1 also requires that every registered investment company adopt a written code of ethics and that every access person of a registered investment company report personal securities transactions. Applicant requests an exemption from these provisions of rule 17j-1 because they are unnecessarily burdensome as applied to the Partnerships. Applicant will remain subject to rule 17j-1(a).

11. Applicant requests an exemption from the requirements of sections 30(a), 30(b), and 30(e) of the Act, and the rules under those sections. These provisions require registered investment companies to prepare and file with the SEC and mail to their shareholders certain periodic reports and financial statements. Applicant contends that the forms prescribed by the SEC for periodic reports have little relevance to the Partnerships and would entail administrative and legal costs that outweigh any benefit to the Limited Partners. Applicant requests exemptive relief to the extent necessary to permit each Partnership to report annually to its Limited Partners. Applicant also requests an exemption from section 30(h) of the Act to the extent necessary to exempt the General Partner (including any of its members) of each Partnership from filing Forms 3, 4 and 5 under section 16(a) of the Exchange Act with respect to their ownership of Interests in the Partnership. Applicant asserts that, because there will be no trading market for the Interests and the transfer of Interests will be severely restricted, these filings are unnecessary for the protection of investors and burdensome to those required to make them.

Applicant's Conditions

Applicant agrees that the order granting the requested relief will be subject to the following conditions:

1. Each proposed transaction otherwise prohibited by section 17(a) or section 17(d) and rule 17d-1 (the "Section 17 Transactions") will be effected only if the Investment Adviser determines that: (a) the terms of the transaction, including the consideration to be paid or received, are fair and reasonable to the Limited Partners and do not involve overreaching of the

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 Partnership's organizational documents, and the Partnership's reports to its Limited Partners. In addition, the Investment Adviser will record and preserve a description of the Section 17 Transactions, the Investment Adviser's findings, the information or materials upon which the Investment Adviser's findings are based, and the basis for those findings. These records will be maintained for the life of the Partnership and at least two years thereafter, and will be subject to examination by the SEC and its staff.⁴

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

3. The Investment Adviser will not invest the funds of any Partnerships in any investment in which an "Affiliated Co-Investor" (as defined below) has acquired or proposes to 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 Partnership and an Affiliated Co-Investor are participants, unless the Affiliated Co-Investor, prior to disposing of all or part of its investment: (a) gives the Investment Adviser 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 Partnership has the opportunity to dispose of the 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 any person who is: (i) an "affiliated person" (as that term is defined in the Act) of the Partnership; (ii) CIBC WM or a CIBC WM Company; (iii) an officer or director of CIBC WM or CIBC WM Company; (iv) a company, partnership, or other investment vehicle offered, sponsored, or managed by CIBC WM or a CIBC WM Company; (v) any entity with respect to which CIBC WM or a CIBC WM

⁴ Each Partnership will preserve the accounts, books and other documents required to be maintained in an easily accessible place for the first two years.

Company provides management, investment management or similar services as manager, investment manager, or general partner or in a similar capacity, for which it may receive compensation, including without limitation, management fees, performance fees, carried interests entitling it to share disproportionately in income and capital gains or similar compensation; or (vi) a company in which an officer, director, or member of the General Partner acts as an officer, director, or General Partner, or has a similar capacity to control the sale or other disposition of the company's securities. The restrictions contained in this condition, however, will not be deemed to limit or prevent the disposition of an investment by an Affiliated Co-Investor: (i) 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; (ii) to Qualified Family Members of the Affiliated Co-Investor or a trust established for any Affiliated Co-Investor or any such family member; (iii) 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; (iv) 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 that Act; (v) when the securities are government securities as defined in section 2(a)(16) of the Act; (vi) when the investment is comprised of securities that are listed on or traded on any foreign securities exchange or board of trade that satisfies regulatory requirements under the law of the jurisdiction in which the foreign securities exchange or board of trade is organized similar to those that apply to a national securities exchange or a national market system for securities, or (vii) when any entity with respect to which CIBC WM or a CIBC WM Company provides management, investment management, or similar services as manager, investment manager, or general partner or in a similar capacity, if CIBC WM or such entity does not have the actual investment discretion over the sale or disposition of the entity's securities.

4. Each Partnership and its General Partner and Investment Adviser will maintain and preserve, for the life of the Partnership and at least two years thereafter, the accounts, books, and

other documents that constitute the record forming the basis for the audited financial statements that are to be provided to the Limited Partners, and each annual report of the Partnership required by the terms of the applicable Partnership Agreement to be sent to the Limited Partners, and agree that these records will be subject to examination by the SEC and its staff.⁵

5. The General Partner will send or cause to be sent to each Limited Partner who had an interest in the Partnership, at any time during the fiscal year then ended, Partnership financial statements audited by the Partnership's independent accountants. At the end of each fiscal year, the General Partner will make or cause to be made a valuation made of all of the assets of the 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 Partnership. In addition, as soon as practicable after the end of each fiscal year of each Partnership, the General Partner will send or cause to be sent a report to each person who was a Limited Partner at any time during the fiscal year then ended, setting forth the tax information necessary for the preparation by the Limited Partners of their federal and state income tax returns, and a report of the investment activities of the Partnership during that year.

6. In any case where purchases or sales are made by a Partnership from or to an entity affiliated with the Partnership by reason of a 5% or more investment in the entity by a CIBC WM Group director, officer, or employee, that individual will not participate in the Investment Adviser's determination of whether or not to effect the purchase or sale.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-17882 Filed 7-13-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (Hasbro, Inc., Common Stock, Par Value \$.50 per Share, and Related Preference Share Purchase Rights), File No. 1-6682

July 7, 1999.

Hasbro, Inc. ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the securities specified above ("Securities") from listing and registration on the American Stock Exchange LLC ("Amex" or "Exchange").

The Securities have been listed for trading on the Amex and, pursuant to Registration Statements on Form 8-A filed with the Commission which became effective on June 9, 1999, on the New York Stock Exchange, Inc. ("NYSE"). Trading in the Securities on the NYSE commenced at the opening of business on June 23, 1999.

The Company has complied with the rules of the Amex by filing with the Exchange a certified copy of the resolutions adopted by the Company's Board of Directors authorizing the withdrawal of its Securities from listing on the Exchange and by setting forth in detail to the Amex the reasons for such proposed withdrawal, and the facts in support thereof. The Amex has in turn informed the Company that it would not interpose any objection to the withdrawal of the Company's Securities from listing on the Exchange.

In making the decision to withdraw its Securities from listing on the Amex, the Company considered it expedient to avoid the direct and indirect costs and the division of the market which might result from listing the Securities simultaneously on the Amex and the NYSE.

The Company's application relates solely to the withdrawal of the Securities from listing on the Amex and shall have no effect upon the continued listing of the Securities on the NYSE. Moreover, by reason of Section 12(b) of the Act and the rules and regulations of the Commission thereunder, the Company shall continue to be obligated to file reports under Section 13 of the Act with the Commission and the NYSE.

Any interested person may, on or before July 28, 1999, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street,

NW., Washington, DC 20549-0609, facts bearing upon whether the application has been made in accordance with the rules of the Exchange 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. 99-17880 Filed 7-13-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23899; 812-11266]

The Short Term Bond Portfolio, et al.; Notice of Application

July 8, 1999.

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

ACTION: Notice of an application under section 12(d)(1)(J) of the Investment Company Act of 1940 (the "Act") for an exemption from sections 12(d)(1)(A) and (B) of the Act, under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and 17(a)(2) of the Act, and under section 17(d) of the Act and rule 17d-1 under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain registered open-end management investment companies to invest uninvested cash in affiliated money market funds.

APPLICANTS: The Short Term Bond Portfolio, The U.S. Fixed Income Portfolio, The Tax Exempt Bond Portfolio, The New Tax Exempt Bond Portfolio, The U.S. Equity Portfolio, The U.S. Small Company Portfolio, The International Equity Portfolio, The Emerging Markets Equity Portfolio, The Diversified Portfolio, The Series Portfolio, Series Portfolio II (collectively, the "Investing Master Funds"); The Prime Money Market Portfolio, The Federal Money Market Portfolio, The Tax Exempt Money Market Portfolio, and The Treasury Money Market Portfolio, a subtrust of Series Portfolio II (collectively, the "Underlying Master Funds"); J.P. Morgan Series Trust ("Series Trust"), J.P. Morgan Institutional Funds

⁵ Each Partnership will preserve the accounts, books and other documents required to be maintained in an easily accessible place for the first two years.