

Operational Update on Park Activities, and Citizens Open Forum.

**FOR FURTHER INFORMATION CONTACT:** John A. Latschar, Superintendent, Gettysburg National Military Park, 97 Taneytown Road, Gettysburg, Pennsylvania 17325.

**SUPPLEMENTARY INFORMATION:** The meeting will be open to the public. Any member of the public may file with the Commission a written statement concerning agenda items. The statement should be addressed to the Advisory Commission, Gettysburg National Military Park, 97 Taneytown Road, Gettysburg, Pennsylvania 17325. Minutes of the meeting will be available for inspection four weeks after the meeting at the permanent headquarters of the Gettysburg National Military Park located at 97 Taneytown Road, Gettysburg, Pennsylvania 17325.

Dated: August 18, 1999.

**John A. Latschar,**

*Superintendent, Gettysburg NMP/Eisenhower NHS.*

[FR Doc. 99-22372 Filed 8-27-99; 8:45 am]

BILLING CODE 4310-70-M

## DEPARTMENT OF THE INTERIOR

### National Park Service

#### **Availability of Plan of Operations; Mining Operation Dorothy Lode Claim #1; North Cascades National Park, Skagit County, Washington**

Notice is hereby given in accordance with Section 9.17(a) of Title 36 of the Code of Federal Regulations, Part 9, Subpart A, that the National Park Service has received from Mr. William Webster a Proposed Plan of Operations to remove a limited quantity of stockpiled ore from existing workings on the Dorothy Lode Claim #1 in North Cascades National Park. The ore would be transported by helicopter from Thunder Basin east to Washington State Route 20 (the North Cascades Highway).

The Proposed Plan of Operations is available for public review and comment for a period of 30 days from the publication of this notice. The document can be viewed during normal business hours at the Office of the Superintendent, North Cascades National Park, 2105 State Route 20, Sedro Woolley, Washington, 98284-9394.

Dated: August 19, 1999.

**William F. Paleck,**

*Superintendent, North Cascades National Park Service Complex.*

[FR Doc. 99-22442 Filed 8-27-99; 8:45 am]

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## DEPARTMENT OF THE INTERIOR

### Bureau of Reclamation

#### **Bay-Delta Advisory Council's Ecosystem Roundtable Meeting**

**AGENCY:** Bureau of Reclamation, Interior.

**ACTION:** Notice of meeting.

**SUMMARY:** The Bay-Delta Advisory Council's (BDAC) Ecosystem Roundtable will meet on September 14, 1999, to discuss additional 1999 watershed projects, priorities and potential projects for FY 2000, and other issues. This meeting is open to the public. Interested persons may make oral statements to the Ecosystem Roundtable or may file written statements for consideration.

**DATES:** The BDAC Ecosystem Roundtable meeting will be held from 9:30 a.m. to 12:00 p.m. on Tuesday, September 14, 1999.

**ADDRESSES:** The Ecosystem Roundtable will meet at the Resources Building, Room 1131, 1416 Ninth Street, Sacramento, CA 95814.

#### **FOR FURTHER INFORMATION CONTACT:**

Wendy Halverson Martin, CALFED Bay-Delta Program, at (916) 657-2666. If reasonable accommodation is needed due to a disability, please contact the Equal Employment Opportunity Office at (916) 653-6952 or TDD (916) 653-6934 at least one week prior to the meeting.

**SUPPLEMENTARY INFORMATION:** The San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta system) is a critically important part of California's natural environment and economy. In recognition of the serious problems facing the region and the complex resource management decisions that must be made, the state of California and the Federal government are working together to stabilize, protect, restore, and enhance the Bay-Delta system. The State and Federal agencies with management and regulatory responsibilities in the Bay-Delta system are working together as CALFED to provide policy direction and oversight for the process.

One area of Bay-Delta management includes the establishment of a joint State-Federal process to develop long-term solutions to problems in the Bay-Delta system related to fish and wildlife, water supply reliability, natural disasters, and water quality. The intent to develop a comprehensive and balanced plan which addresses all of the resource problems. This effort, the CALFED Bay-Delta Program (Program), is being carried out under the policy

direction of CALFED. The Program is exploring and developing a long-term solution for a cooperative planning process that will determine the most appropriate strategy and actions necessary to improve water quality, restore health to the Bay-Delta ecosystem, provide for a variety of beneficial uses, and minimize Bay-Delta system vulnerability. A group of citizen advisors representing California's agricultural, environmental, urban, business, fishing, and other interests who have a stake in finding long-term solutions for the problems affecting the Bay-Delta system has been chartered under the Federal Advisory Committee Act (FACA). The BDAC provides advice to CALFED on the program mission, problems to be addressed, and objectives for the Program. BDAC provides a forum to help ensure public participation, and will review reports and other materials prepared by CALFED staff. BDAC has established a subcommittee called the Ecosystem Roundtable to provide input on annual workplans to implement ecosystem restoration projects and programs.

Minutes of the meeting will be maintained by the Program, Suite 1155, 1416 Ninth Street, Sacramento, CA 95814, and will be available for public inspection during regular business hours, Monday through Friday within 30 days following the meeting.

Dated: August 24, 1999.

**Neil Stessman,**

*Acting Deputy Regional Director, Mid-Pacific Region.*

[FR Doc. 99-22400 Filed 8-27-99; 8:45 am]

BILLING CODE 4310-94-M

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23963; 812-11718]

### **HSBC Securities (USA) Inc., et al.; Notice of Application**

August 23, 1999.

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

**ACTION:** Notice of application for an order under section 12(d)(1)(J) of the Investment Company Act of 1940 (the "Act") for an exemption from section 12(d)(1) of the Act, under section 6(c) of the Act for an exemption from sections 12(d)(3) and 14(a) of the Act, and under section 17(b) of the Act for an exemption from section 17(a) of the Act.

**Summary of Application:** HSBC Securities (USA) Inc. ("HSBC Securities") and HSBC Holdings plc

("HSBC Holdings," together with HSBC Securities, "HSBC") request an order with respect to the future HSBC Capital Funding Trusts ("HSBC Trusts") and future trusts that are substantially similar to the HSBC Trusts and for which HSBC Securities will serve as a principal underwriter (collectively, the "Trusts") and all English limited partnerships, the general partner of which is a wholly owned subsidiary of HSBC Holdings and in which the Trusts invest (the "(Limited Partnerships)") that would (i) permit other registered investment companies to own a greater percentage of the total outstanding voting stock of any Trust (the "Securities") than that permitted by section 12(d)(1), (ii) exempt the Trusts from the initial net worth requirements of section 14(a), and (iii) permit the Trusts to purchase certain securities from HSBC or its affiliates at the time of a Trust's initial issuance of Securities.

**Applicants:** HSBC Securities and HSBC Holdings.

**Filing Dates:** The application was filed on July 29, 1999. Applicants have agreed to file an amendment to the application, 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 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 September 13, 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, NW, Washington, DC 20549-0609. Applicants: HSBC Securities, 140 Broadway, New York, New York 10005; HSBC Holdings, 10 Lower Thames Street, London EC3 6AE, England.

**FOR FURTHER INFORMATION CONTACT:** Bruce R. MacNeil, Staff Attorney, at (202) 942-0634, or 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, NW, Washington, DC 20549-0102 (tel. no. 202-942-8090).

### Applicants' Representations

1. Each Trust will be a limited-life, grantor trust registered under the Act as a non-diversified, closed-end management investment company. HSBC Securities will serve as a principal underwriter (as defined in section 2(a)(29) of the Act) of the Securities issued to the public by each Trust.

2. Each Trust's assets will consist of (i) American Depositary Shares representing preference shares issued by HSBC Holdings ("Shares") and (ii) a limited partnership interest in a Limited Partnership (the "Limited Partnership Interest"). As discussed below, the Limited Partnership will hold subordinated debt issued by HSBC Holdings or a member of the HSBC Holdings group. Each Trust's assets will be purchased at the time of and with the proceeds of the issuance and sale of the Securities.

3. Each Trust's investment objective will be to provide to the holders of the Securities ("Holders") (i) fixed dollar quarterly cash distributions on the Securities over the term of the Trust from the proceeds of the Limited Partnership Interest, to the extent HSBC Holdings would be able to pay dividends on issued and outstanding preference shares, (ii) Shares in exchange for Securities upon a fixed termination date for the Trust, or, if earlier, upon a specified trigger event, and (iii) a fixed dollar amount equal to the subscription price per Security if the Securities are redeemed prior to exchange for Shares.

4. The quarterly distributions on the Securities will be funded by distributions on the Trust's Limited Partnership Interest.<sup>1</sup> The sole business of the Limited Partnerships will be the subscription for, and the holding of, subordinated Eurobonds paying quarterly interest and issued by HSBC Holdings ("Eurobonds") or other debt with similar terms and conditions to the Eurobonds and issued by a member of the HSBC Holdings group and guaranteed by HSBC Holdings. All distributions on the Limited Partnership Interest will be funded by income payments on the Eurobonds. HSBC Holdings also will provide subordinated

guarantees to the Trusts in respect of the Trusts' entitlement to payments relating to the Limited Partnership Interest (the "Partnership Guarantees"). The Limited Partnerships will not be obligated to make, and the Partnership Guarantees will not guarantee, any payments to the Trusts in any circumstance under which HSBC Holdings would not have been able to pay dividends on issued and outstanding preference shares.

5. On a fixed termination date for each Trust, or, if earlier, upon a specified trigger event,<sup>2</sup> the Limited Partnership Interest will be redeemed and the Trust will distribute to the Holders the number of Shares that is equal to the Holder's pro rata interest in the Shares. If the Shares are redeemed prior to any such exchange, the Holders will instead receive per Security a fixed dollar amount equal to the subscription price for each Security. The Limited Partnership Interests, Shares, and Partnership Guarantees will be structured so as to require redemption of all the securities constituting assets of a Trust if any are redeemed and to ensure that the Trust has sufficient funds to meet its cash obligations. In no event will Holders receive Limited Partnership Interests or Eurobonds.

6. Securities issued by the Trusts will be listed on a national securities exchange or traded on the Nasdaq National Market System. Thus, the Securities will be "national market system" securities subject to public price quotation and trade reporting requirements. After the Securities are issued, the trading price of the Securities is expected to vary from time to time based primarily upon the creditworthiness of HSBC Holdings, interest rates, and other factors affecting conditions and prices in the debt markets. HSBC Securities may intend, but will not be obligated, to make a market in the Securities of each Trust.

7. Each Trust will be internally managed by three trustees and will not have any separate investment adviser. A majority of the trustees of each Trust will be individuals who are not interested persons, as defined in section 2(a)(19) of the Act, of the Trust. The trustees will have no power to vary the investments held by each Trust. The Trusts will be structured so that the trustees are not authorized to sell any of the underlying assets and will hold them until, in the case of Shares, their redemption or distribution and, in the case of the Limited Partnership

<sup>1</sup> To the extent necessary to make the quarterly distributions, the Trust may invest distributions paid on the Limited Partnership Interest in short-term U.S. government obligations maturing no later than the business day preceding the next following distribution date of the Limited Partnership Interest.

<sup>2</sup> The specified trigger events will relate to the failure of HSBC Holdings to meet certain solvency conditions established by the United Kingdom Financial Services Authority, its principal regulator.

Interests, its redemption. A bank qualified to serve as a trustee under the Trust Indenture Act of 1939, as amended, will act as custodian for each Trust's assets and may act as administrator, paying agent, registrar, and transfer agent with respect to each Trust's Securities. The day-to-day administration of each Trust will be carried out by such bank.

8. The trustees of each Trust will be selected initially by HSBC, together with any other initial Holders, or by the grantors of the Trust. The Holders of each Trust will have the right, upon the declaration in writing or vote of more than two-thirds of the outstanding Securities of the Trust, to remove a trustee. The Holders will be entitled to a vote for each Security held on all matters to be voted on by the Holders and will not be able to cumulate their votes in the election of trustees. The investment objectives and policies of each Trust may be changed only with the approval of all of the Trust's outstanding Securities. Unless the Holders so request, it is not expected that the Trusts will hold any meetings of Holders, or that Holders will ever vote.

9. Each Trust's organizational and ongoing expenses will not be borne by the Holders but will be paid directly or indirectly by a third party (which may include HSBC Securities or HSBC Holdings), as will be described in the prospectus for the relevant Trust. There will be paid annually or quarterly to each of the administrator, the custodian, and the paying agent, and to each trustee, the ongoing amounts in respect of such agent's fee and in the case of the administrator, expenses. These expenses will generally be paid as incurred by a party other than the Trust itself (which party may be HSBC Securities or HSBC Holdings). The Trust agreements will be structured so that no payments in respect of fees and expenses relating to the Trust will be made or payable by the Trust.

10. Applicants assert that the investment product offered by the Trusts serves a valid business purpose. The Trust, unlike most registered investment companies, are not marketed to provide investors with either professional investment asset management or the benefits of investment in a diversified pool of assets. Rather, applicants assert that the Securities are intended to provide Holders with a security having the equivalent payment and risk characteristics of an investment in preference shares of HSBC Holdings, while enabling HSBC Holdings to benefit from favorable regulatory capital

and taxation treatments that would not apply were the Holders to invest directly in preference shares.

### **Applicants' Legal Analysis**

#### *A. Section 12(d)(1)*

1. Section 12(d)(1)(A)(i) of the Act prohibits any registered investment company from owning more than 3% of the total outstanding voting stock of any other investment company. Section 12(d)(1)(C) of the Act similarly prohibits any investment company, other investment companies having the same investment adviser, and companies controlled by such investment companies from owning more than 10% of the total outstanding voting stock of any closed-end investment company.

2. Section 12(d)(1)(J) of the Act provides that the SEC may exempt persons or transactions from any provision of section 12(d)(1), if, and to the extent that, such exemption is consistent with the public interest and protection of investors. Applicants request an order under Section 12(d)(1)(J) to permit other registered investment companies to own a greater percentage of the Securities of any Trust than that permitted by section 12(d)(1).

3. Applicants state that, in order for the Trust to be marketed most successfully, and to be traded at a price that most accurately reflects their value, it is necessary for the Securities to be offered to large investment companies and investment company complexes. Applicants state that large investment companies and investment company complexes seek to spread the fixed costs of analyzing specific investment opportunities by making sizable investments in those opportunities that prove attractive. Conversely, it may not be economically rational for such investors, or their advisers, to take the time to review an investment opportunity if the amount that they would ultimately be permitted to purchase is immaterial in light of the total assets of the investment company or investment company complex. Therefore, applicants argue that in order for the Trusts to be economically attractive to large investment companies and investment company complexes, such investors must be able to acquire Securities in excess of the limitations imposed by sections 12(d)(1)(A)(i) and 12(d)(1)(C).

4. Applicants state that section 12(d)(1) was designed to prevent one investment company from buying of other investment companies and creating complicated pyramidal structures. Applicants also state that

section 12(d)(1) was intended to address the layering of costs to investors.

5. Applicants assert that the concerns about pyramiding and undue influence generally do not arise in the case of the Trusts because neither the trustees nor the Holders will have the power to vary the investments held by each Trust or to acquire or dispose of the assets of the Trusts. To the extent that Holders can change the composition of the board of trustees or the fundamental policies of each Trust by vote, applicants argue that any concerns regarding undue influence will be eliminated by a provision in the charter documents of the Trusts that will require any investment companies owning Securities of any Trust in excess of the limits imposed by sections 12(d)(1)(A)(i) and 12(d)(1)(C) to vote their Securities in proportion to the votes of all other Holders. Applicants also state that the concern about undue influence through a threat to redeem does not arise in the case of the Trusts because the Securities will not be redeemable.

6. Section 12(d)(1) also was designed to address the excessive costs and fees that may result from multiple layers of investment companies. Applicants state that these concerns do not arise in the case of the Trusts because of the limited ongoing fees and expenses incurred by the Trusts and the fact that these fees and expenses will be borne either directly or indirectly by HSBC Holdings or HSBC Securities or another third party, and not by the Holders. In addition, the Holders will not, as a practical matter, bear the organizational expenses (including underwriting expenses) of the Trusts. Applicants assert that the organizational expenses will be borne directly by HSBC Holdings, HSBC Securities, or other third parties. Thus, a Holder will not pay duplicative charges to purchase Securities. Finally, there will be no duplication of advisory fees because the Trusts will not have any separate investment advisers.

#### *B. Section 12(d)(3)*

1. Section 12(d)(3) of the Act generally prohibits a registered investment company from acquiring any security issued by any person who is a broker, dealer, investment adviser, or engaged in the business of underwriting (collectively, "securities-related activities"). Applicants state that because HSBC Holdings is engaged in securities-related activities, the Trusts may be prohibited by section 12(d)(3) from purchasing the Shares and Limited Partnership Interests.

2. Rule 12d3-1 under the Act exempts from the prohibition of section 12(d)(3)

purchases of securities of an issuer engaged in securities-related activities if certain conditions are met. One of these conditions, set forth in rule 12d3-1(c), prohibits the acquisition of a security issued, among other persons, by the investment company's principal underwriter or any affiliated person of the principal underwriter.

3. Section 2(a)(3) of the Act defines an "affiliated person" of another person to include (i) any person directly or indirectly owning, controlling, or holding with power to vote 5% or more of the outstanding voting securities of the other person, (ii) any person 5% or more of whose voting securities are directly or indirectly owned, controlled, or held with the power to vote by the other person, and (iii) any person directly or indirectly controlling, controlled by, or under common control with, the other person.

4. Applicants state that HSBC Holdings is an affiliated person of HSBC Securities, the Trusts' principal underwriter. Applicants thus state that they are unable to rely on rule 12d3-1.

5. Applicants request an exemption under section 6(c) of the Act from section 12(d)(3) to permit the Trusts to purchase the Shares and Limited Partnership Interests, provided that the requirements of rule 12d3-1, except paragraph (c), are met. Section 6(c) provides that the SEC may exempt any person or transaction from any provision of the Act or any rule under the Act to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act. For the reasons stated below, applicants believe that the requested relief satisfies this standard.

6. Applicants assert that their proposal does not raise the concerns about conflicts of interest that the provisions of rule 12d3-1(c) were designed to address. Applicants state that the Shares and the Limited Partnership Interests will be acquired by the Trusts only at the time of the issuance of the Securities and a Trust's assets will remain fixed for the life of the Trust.

#### C. Section 14(a)

1. Section 14(a) of the Act requires, in pertinent part, that an investment company have a net worth of at least \$100,000 before making any public offering of its shares. The purpose of section 14(a) is to ensure that investment companies are adequately capitalized prior to or simultaneously with the sale of their securities to the

public. Rule 14a-3 under the Act exempts from section 14(a) unit investment trusts ("UITs") that meet certain conditions in recognition of the fact that, once the units are sold, a UIT requires much less commitment on the part of the sponsor than does a management investment company. Rule 14a-3 provides that a UIT investing in eligible trust securities shall be exempt from the net worth requirement, provided that the UIT holds at least \$100,000 of eligible trust securities at the commencement of a public offering.

2. Applicants request an order under section 6(c) exempting the Trusts from the requirements of section 14(a). Applicants believe that the exemption is appropriate in the public interest and consistent with the protection of investors and the policies and provisions of the Act. Applicants assert that, while the Trusts are classified as management companies, they have the characteristics of UITs. Investors in the Trust, like investors in a UIT, will not be purchasing interests in a managed pool of securities, but rather in a fixed portfolio that is held until the termination of the Trust. Applicants believe therefore, that there is no need for an ongoing commitment on the part of the underwriter.

3. Applicants state that, in order to ensure that each Trust will become a going concern, the Securities of each Trust will be publicly offered in a firm commitment underwriting, registered under the Securities Act of 1933, or in a transaction exempt from such registration, and resulting in net proceeds to each Trust of at least \$100,000,000. Prior to the issuance and delivery of the Securities of each Trust to the underwriters, the underwriters will enter into an underwriting agreement pursuant to which they will agree to purchase the Securities subject to customary conditions to closing. The underwriters will not be entitled to purchase less than all of the Securities of each Trust. Accordingly, applicants state that the offering will not be completed at all or each Trust will have a net worth substantially in excess of \$100,000 on the date of the issuance of the Securities. Applicants also do not anticipate that the net worth of the Trusts will fall below \$100,000 before they are terminated.

#### D. Section 17(a)

1. Sections 17(a)(1) and 17(a)(2) of the Act generally prohibit the principal underwriter, or any affiliated person of the principal underwriter, of a registered investment company from selling or purchasing any securities to or from that investment company. The

effect of these provisions is to preclude the Trusts from purchasing the Shares and the Limited Partnership Interests (including the Partnership Guarantees) from HSBC Holdings and the Limited Partnerships, respectively.

2. Section 17(b) of the Act provides that the SEC shall exempt a proposed transaction from section 17(a) if evidence establishes that the terms of the proposed transaction are reasonable and fair and do not involve overreaching, and the proposed transaction is consistent with the policies of the registered investment company involved and the purposes of the Act. Applicants request an exemption under section 17(b) from sections 17(a)(1) and 17(a)(2) to permit the Trusts to purchase Shares and the Limited Partnership Interests (including the Partnership Guarantees) from HSBC Holdings and the Limited Partnerships.

3. Applicants state that they are seeking relief from section 17(a) only with respect to the initial purchase of the Shares and Limited Partnership Interests and not with respect to an ongoing course of business. Applicants state that the terms of the Shares and the Limited Partnership Interests (including the terms of the associated Partnership Guarantees and Eurobonds) and of their purchase will be fully disclosed to investors in the Securities prior to the making of an investment decision. Applicants also state that the Securities are expected to be investment-grade rated securities and that their pricing and economic characteristics will be established by reference to similar investment-grade rated instruments. Applicants assert that, since an investment in the Securities is in effect a proxy for investment in the Shares, and since the Trusts will use all of the proceeds of the offering of the Securities to buy the requisite number of Shares and Limited Partnership Interests, there should be no potential for overreaching by HSBC Holdings or the Limited Partnerships.

#### Applicants' Conditions

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

1. Any investment company owning Securities of any Trust in excess of the limits imposed by section 12(d)(1) of the Act will be required by the Trust's charter documents to vote its Trust Securities in proportion to the vote of all other Holders.

2. The investment objectives and policies of each Trust as recited in such Trust's registration statement will fully and accurately describe the investment objectives and policies of the Trust as

set forth in the trust agreement establishing the Trust and may be changed only with the approval of all the Holders of such Trust's outstanding Securities.

3. The underlying securities to be purchased by each Trust will be sufficient to provide payments to Holders of Securities that are consistent with the investment objectives and policies of the Trust as recited in the Trust's registration statement and will be consistent with the interests of the Trust and the Holders of its Securities.

4. The terms of the transactions will be fair to the Holders of the Securities issued by each Trust and will not involve overreaching of the Trust or the Holders of Securities thereof on the part of any person concerned. Prior to the sale of the Shares and the Limited Partnership Interest to each Trust, the trustees of such Trust, including a majority of trustees who are not interested persons of the Trust, shall have determined that the terms of the transaction, including the price at which the Shares and the Limited Partnership Interest are to be purchased by such Trust, are reasonable and fair and do not involve overreaching on the part of any person concerned.

5. No fee, spread, or other remuneration shall be received by HSBC Securities in connection with the sale of the Shares or the Limited Partnership Interests to the Trust.

6. Each Trust will comply with rule 12d-3 under the Act, except paragraph (c) of the rule to the extent permitted by the order.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99-22374 Filed 8-27-99; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27066]

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

August 23, 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 complete statements of the proposed transaction(s) summarized below. The

application(s) and/or declaration(s) and any amendments is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by September 21, 1999, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549-0609, and serve a copy on the relevant applicant(s) and/or declaration(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After September 21, 1999, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

#### Eastern Utilities Associates (70-9527)

Eastern Utilities Associates ("EUA"), One Liberty Square, P.O. Box 2333, Boston, Massachusetts 02107, a registered holding company, Eastern Edison Company ("Eastern Edison"), 750 West Center Street, West Bridgewater, Massachusetts 02379, an electric utility subsidiary of EUA, and Montaup Electric Company ("Montaup"), 750 West Center Street, West Bridgewater, Massachusetts 02379, a nonutility subsidiary of Eastern Edison, have filed an application-declaration under sections 6(a)(2), 7, 9(a), 10, and 12(c) of the Act and rules 43 and 46 under the Act.

EUA proposes to acquire from Eastern Edison, and Eastern Edison proposes to transfer to EUA, the securities of Montaup, including: (1) preferred stock; (2) common stock; and (3) debentures ("Montaup Securities"). The transfer of the Montaup Securities to EUA by Eastern Edison will take the form of, and it is also proposed that Eastern Edison make, a special dividend payment comprising all remaining capitalization of Montaup. Eastern Edison further proposes to make the dividend payment out of retained earnings to the maximum extent possible and, thereafter, out of paid-in capital and unearned surplus. Eastern Edison proposes that the dividend payment take the form of a redemption of its common stock, which will be funded with Montaup Securities.

Prior to executing the transactions proposed above (and subject to Commission authorization and the

consent of Eastern Edison, as sole shareholder of Montaup), Montaup proposes to amend its corporate charter to eliminate its status as a Section 9A company under Chapter 164 of the Massachusetts General Laws so that its ability to transmit and sell electricity will not be tied to its sole shareholder.

#### Cinergy Corp., et al. New Century Energies, Inc., et al. (70-9531)

Cinergy Corp. ("Cinergy"), a registered holding company located at 139 East Fourth Street, Cincinnati, Ohio 45202, New Century Energies, Inc. ("NCE"), a registered holding company located at 1225 17th Street Denver, Colorado 80202, and Cadence Network LLC ("Cadence" and together with Cinergy and NCE, "Applicants"), a nonutility company and subsidiary of each of Cinergy and NCE, located at 105 East Fourth Street, Suite 200 Cincinnati, Ohio 45202, have filed a joint application under sections 6(a), 7, 9(a) and 10 of the Act and rule 54 under the Act.

Cinergy and NCE acquired their ownership interests in Cadence in September 1997 under rule 58. Each of Cinergy and NCE indirectly holds a one-third ownership interest in Cadence. Cinergy holds its one-third interest in Cadence through its wholly owned, special-purpose nonutility subsidiary, Cinergy-Cadence, Inc. ("Cinergy-Cadence"); NCE holds its one-third interest in Cadence through its wholly owned, special-purpose nonutility subsidiary, New Century-Cadence, Inc. ("New Century-Cadence"). Both of these subsidiaries were formed under rule 58 in order to acquire and hold Cinergy's and NCE's respective interests in Cadence.

Applicants state that Cadence uses information to reduce energy-related costs for commercial businesses that own and operate families of chain stores or other multi-location retail establishments. Cadence collects, centralizes and redistributes to customers relevant cost information using sophisticated technology. Through The Cadence Network ("Network"), an Internet-based interactive reporting tool developed by Cadence, Cadence's are able to track and manage electricity, natural gas and related costs incurred at their facilities (e.g., with respect to heating ventilation and air conditioning, water/sewage, telephone, cable, and trash collection). The Network anchors other services offered by Cadence that are specifically targeted at reducing the customers's energy-related costs. Currently these services consist of bill verification and