The retention of these records may not exceed ten years beyond the employee's separation date. The records are maintained longer if the employee is rehired during the ten year period.

5. *Disciplinary Tracking System Records.* These are maintained until research purposes are served, not to exceed thirty years. Destruction is by electronic erasure.

SYSTEM MANAGER(S) AND ADDRESS:

[CHANGE TO READ]

Vice President, Human Resources, United States Postal Service, 475 L'Enfant Plaza SW, Washington DC 20260–4200

Vice President, Labor Relations, United States Postal Service, 475 L'Enfant Plaza SW, Washington DC 20260–4100

NOTIFICATION PROCEDURE:

[Change to Read] Current employees wishing to gain access to records within this system should submit requests to the facility head where currently employed. Requests should include their name and Social Security number. Former employees should submit requests to the facility head where last employed. Requests should include name, Social Security number, date of birth, name and address of office where last employed, and the begin and end dates of postal employment. Former Post Office Department employees having no Postal Service employment (prior to July 1971) must submit the request to the Office of Personnel Management (formerly the U.S. Civil Service Commission) at:

Office of Personnel Management, Compliance and Investigations Group, 1900 E Street NW, Washington DC 20415–0001

RECORD ACCESS PROCEDURES:

Requests for access must be made in accordance with the notification procedure above and Postal Service Privacy Act regulations regarding access to records and verification of identity under 39 CFR 266.6.

CONTESTING RECORD PROCEDURES:

See Notification and Record Access Procedures above.

RECORD SOURCE CATEGORIES:

[CHANGE TO READ] Individual employee, personal references, former employers, and other Postal Service personnel records systems.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

The Postal Service has claimed exemptions from certain provisions of the Act for several of its other systems of records as permitted by 5 U.S.C. 552a (j) and (k). See 39 CFR 266.9. To the extent that copies of exempted records from those other systems are incorporated into this system, the exemptions applicable to the original primary system must continue to apply to the incorporated records.

Stanley F. Mires,

Chief Counsel, Legislative.

[FR Doc. 96–15779 Filed 6–19–96; 8:45 am]

BILLING CODE 7710–12–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–22017; 812–9830]

National Financial Services Corporation, et al.; Notice of Application

June 14, 1996.

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

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: National Financial Services Corporation (the ''Sponsor'') and Fidelity Unit Investment Trusts, Fidelity Defined Trusts, Series 1 and Subsequent Series (the ''Trust'').

RELEVANT ACT SECTIONS: Order requested pursuant to section 6(c) for exemptions from sections 2(a)(32), 2(a)(35), 14(a), 19(b), 22(d), and 26(a)(2) of the Act and rules 19b–1 and 22c–1 thereunder; pursuant to section 11(a) for an exemption from section 11(c); and pursuant to sections 6(c) and 17(b) for an exeption from section 17(a).

SUMMARY OF APPLICATION: Applicants request an order to allow: (a) the Trust and any future unit investment trust sponsored by the Sponsor (collectively, the ''Trusts'') to implement a deferred sales charge program; (b) the exchange of units of different series of the Trusts (each, a ''Series'') and, in addition, certain exchange transactions made in connection with the termination of a Series into a new Series of the same Trust; (c) units of the Trusts to be publicly offered without requiring the Sponsor to take for its own account or place with others $100,000 worth of units in those Trusts; (d) certain Trusts to distribute capital gains resulting from the sale of portfolio securities within a reasonable time after receipt; and (e) a terminating Series of a Trust to sell portfolio securities to a new Series of that Trust.

FILING DATES: The application was filed on October 26, 1995, and amended and fully restated applications were filed on February 26 and June 7, 1996.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving 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 9, 1996, 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 request, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, 82 Devonshire Street, Boston, MA 02109.

FOR FURTHER INFORMATION CONTACT: H.R. Hallock, Jr., Special Counsel, at (202) 942–0564, or Robert A. Robertson, Branch Chief, at (202) 942–0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

Applicant's Representations

1. The Sponsor, a registered broker-dealer, is a wholly-owned subsidiary of Fidelity Global Brokerage Group, Inc., which in turn is a wholly-owned subsidiary of FMR Corp. The Sponsor engages in various securities trading, brokerage and clearing activities as well as serving as sponsor of the Trust.

2. The Trust is a unit investment trust registered as an investment company under the Act, and any future Trust sponsored by the Sponsor similarly will be a registered unit investment trust. Fidelity Defined Trusts, Series 1, consists of three underlying portfolios: Laddered Government Series 1, Short Treasury Portfolio; Laddered Government Series 2, Short/Intermediate Treasury Portfolio; and Rolling Government Series 1, Short Treasury Portfolios.

3. Each of the Trusts is or will be sponsored by the Sponsor and is or will be made up of one or more Series issuing securities registered or to be registered under the Securities Act of 1933. Each Series is or will be created by a Trust Indenture among the Sponsor, a banking institution or trust company as trustee, and an evaluator.

4. While the structure of particular Trusts and particular Series may differ in various respects depending on the nature of the underlying portfolios, the Sponsor in each case will acquire a portfolio of securities which it deposits with the trustee in exchange for certificates representing units of fractional undivided interest in the deposited portfolio (''Units''). The Sponsor in each case will deposit substantially more than $100,000 of debt or equity securities, or a combination thereof, depending on the investment objective of the particular Series, for each Series. The Units are then offered to the public through the Sponsor and dealers at a public offering price which, during the initial offering period, is based upon the aggregate offering side evaluation of the underlying securities plus a sales charge.

5. The Sponsor maintains a secondary market for Units of outstanding Series and continually offers to purchase these Units at prices based upon the bid side evaluation of the underlying securities. If the Sponsor discontinues maintaining such a market at any time for any Series, holders of Units (''Unitholders'') of such a Series may redeem their Units through the trustee.

6. Distribution payments of tax-exempt or taxable income, depending on a particular Trust's investment objective, will be made to Unitholders on an annual, semi-annual, quarterly or monthly basis. The Trusts generally will distribute to Unitholders any capital gains realized in connection with the sale of portfolio securities along with the Trust's regular distributions in reliance on paragraph (c) of rule 19b–1.

A. Deferred Sales Charge Program

1. Applicants request an exemption to permit them to impose a deferred sales charge (''DSC'') on Units, and to reduce or waive the DSC under certain circumstances. Under applicants' proposal, the Sponsor will determine both the amount of the sales charge per Unit and whether to defer the collection of all or part of such charge over a period (the ''Collection Period'') subsequent to the settlement date for the purchase of Units. The Sponsor will in no event add to the deferred amount of the sales charge any additional amount for interest or any similar or related charge to reflect or adjust for such deferral.

2. The Sponsor anticipates collecting a portion of the total sales charge immediately upon purchase of Trust Units. The balance of the sales charge will be collected in installments over the Collection Period for the particular Trust Series. To the extent that distribution income is sufficient to pay a DSC installment, such deductions will be collected from distributions on a holder's Units (''Distribution Deductions''). If distribution income is insufficient to pay a DSC installment, the trustee, pursuant to the terms of the trust indenture, may sell portfolio securities in an amount necessary to provide the requisite payments. If a Unitholder redeems or sells to the Sponsor his or her Units before the total sales charge has been collected from installment payments, the Sponsor intends to deduct any unpaid DSC expense from sale or redemption proceeds.

3. For purposes of calculating the amount of the DSC due upon redemption or sale of Units, the Sponsor will assume that Units on which the sales charge has been paid in full are liquidated first. Any Units liquidated over and above such amounts will be subject to the DSC, which will be applied on the assumption that Units held for the longest time are redeemed first. The Sponsor may adopt a procedure of waiving the DSC in connection with redemptions or sales of Units under certain circumstances. Any such waiver will be disclosed in the prospectus for each Series subject to the waiver, and will be implemented in accordance with rule 22d–1.

4. The Sponsor believes the DSC program will be adequately disclosed to potential investors as well as Unitholders. The prospectus for each Trust Series will describe the operation of the DSC, including the amount and date of each Distribution Deduction and the duration of the Collection Period. The prospectus will also disclose that the trustee may sell portfolio securities in the event that income generated by the portfolio is insufficient to pay for DSC expenses. The securities confirmation statement for each Unitholder's purchase transaction will state both the front-end sales charge imposed, if any, and the amount of the DSC to be deducted in regular installments.

B. The Exchange and Rollover Options

1. Applicants propose to permit certain offers of exchange among the Series of the Trusts (the ''Exchange Option'') and to permit certain offers of exchange made in connection with the termination of certain Trust Series (the ''Rollover Option''). The Exchange Option will extend to exchanges of Units sold either with a front-end sales charge or with DSC for Units of another Trust Series sold either with a front-end sales charge or with a DSC. The Rollover Option will extend to exchanges of Units in certain terminating Series of a Trust (the ''Rollover Trusts'') for Units of a new Trust Series of the same type (the ''New Trusts'').

2. An investor who purchases Units under either the Exchange or the Rollover Option will pay a lower sales charge than that which would be paid by a new investor. The reduced sales charge imposed will be reasonably related to the expenses incurred in connection with the administration of the program, which may include an amount that will fairly and adequately compensate the Sponsor and the participating underwriters and brokers for their services in providing the program.

3. The sales charge on Units acquired pursuant to the Exchange Option generally will be reduced from the normally higher sales charge on secondary market transactions to a flat fee of $25 per Unit (for Units of a Series whose initial cost was approximately $1,000 per Unit), or its equivalent, depending on the cost of Units in a particular Series. An adjustment will be made if Units of any Series are exchanged within five months of their acquisition for Units of a Series with a higher sales charge (the ''Five Months Adjustment''). An adjustment also will be made if Units that impose Distribution Deductions are exchanged for Units of a Series that imposes a front-end sales charge at any time before the Distribution Deductions (plus any portion of the sales charge on the exchanged Units collected up front) have at least equaled the per Unit sales charge then applicable on the acquired Units (the ''DSC Front-end Exchange Adjustment''). In cases involving either the Five Months or the DSC Front-end Exchange Adjustment, the exchange fee will be the greater of $25 per Unit (or its equivalent) or an amount which, together with the sales charge already paid on the Units being exchanged, equals the normal sales charge on the acquired Units.

4. Under the Exchange Option, if DSC Units are exchanged for DSC Units or another Series, the reduced sales charge will be collected in connection with such an exchange. The Distribution Deductions will continue to be taken from the investment income generated by the newly acquired Units, or proceeds from the sale of Trust portfolio securities, as the case may be, until the original balance of the sales charge owed on the initial investment has been collected. The DSC due on the initial investment will not be collected at the time of exchange.

5. Under the Rollover Option, Unitholders of Rollover Trusts may elect by a certain date (the ''Rollover Notification Date'') to redeem their Units in the terminating Rollover Trust and invest in Units in the New Trust, which is created on or about the Rollover Notification Date, at a reduced sales charge. The applicable sales charge upon the initial investment in the Rollover Trust typically is 2.9% of the public offering price, while the reduced sales charge applicable to investment in the New Trust by Unitholders electing the Rollover Option usually will be 1.9% of the public offering price.

C. Purchase and Sale Transactions Between Series

1. Applicants also request an exemption to permit the Rollover Trusts to sell their portfolio securities to the New Trusts. Each of the Rollover Trusts will contain a portfolio of equity securities (the ''Equity Securities'') representing a portion of a specific published index (an ''Index''). The Equity Securities in each portfolio will be (a) actively traded (*i.e.*, have had an average daily trading volume in the preceding six months of at least 500 shares equal in value to at least U.S. $25,000) on (i) an exchange (an ''Exchange'') which is either a national securities exchange that meets the qualifications of section 6 of the Securities Exchange Act of 1934 or a foreign securities exchange that meets the qualifications set forth in a proposed amendment to rule 12d3–1(d)(6) under the Act [1] and which releases daily closing prices, or (ii) the Nasdaq National Market System and (b) included in an Index. The investment objective of each Rollover Trust will be to seek a greater total return than that achieved by the stocks constituting the entire Index over the life of the Rollover Trust. To achieve this objective, each Rollover Trust will consist of a specified number of the highest dividend yielding stocks in such Trusts' respective Index.

2. Each Rollover Trust will hold its securities for a specified period, generally one year. As the Rollover Trust terminates, the Sponsor intends to create a New Trust for the next period. With respect to the Rollover Trusts, the New Trust will be based on the same Index, using the same number of current top dividend yielding stocks in the Index.

3. In connection with its termination, each Rollover Trust will sell all of its portfolio securities as quickly as practicable in the applicable market, but over a period of time so as to minimize any adverse impact on the market price. Similarly, a New Trust will acquire its portfolio securities in market purchase transactions. Because there normally will be some overlap between the portfolios of each Rollover Trust and the corresponding New Trust, this procedure will result in substantial brokerage commissions on portfolio securities of the same issue that are borne by the Rollover Trust and the New Trust.

4. In light of these costs, applicants request exemptive relief to allow any Rollover Trust to sell Equity Securities that are listed on an Exchange or Nasdaq-NMS and actively traded (as described above) to their respective New Trusts, and to permit the New trusts to purchase such securities at the closing sale prices of the securities on the applicable Exchange or on Nasdaq-NMS on the ''Sale Date.'' The Sale Date for securities sold to a New Trust will be, with respect to Units that will be exchanged under the Rollover Option, the first day of the period between the Rollover Notification Date and the date specified for termination of the Rollover Trust. With respect to other sales to the New Trust, the Sale Date will be the date the Sponsor deposits cash or a letter of credit in a New Trust with instructions to purchase securities, to the extent appropriate Equity Securities are available from a Rollover Trust by reason of Units tendered for redemption that day or termination of the Rollover Trust.

5. Each sale of Equity Securities by a Rollover Trust to a New Trust will satisfy all of the requirements of rule 17a–7, except for paragraph (e) thereof. To minimize overreaching, the Sponsor will certify to the trustee, within five days of each sale from a Rollover Trust to a New Trust, (a) that the transaction is consistent with the policy of both the Rollover Trust and the New Trust, (b) the date of such transaction and (c) the closing sales prices on the Exchange or Nasdag-NMS for the Sale Date of the securities subject to such sale. The trustee will countersign the certificate, unless the trustee disagrees with the price listed on the certificate, in which event the trustee will immediately notify the Sponsor. If the Sponsor can verify the corrected price, the Sponsor will ensure that the price of Units of the New Trust, and distribution to Unitholders of the Rollover Trust, accurately reflect the corrected price. If the Sponsor disagrees with the trustee's corrected price, the Sponsor and the trustee will jointly determine the correct sales price by reference to a mutually agreeable, independently published list of closing sales prices for the date of the transaction.

Applicants' Legal Analysis

1. Applicants request and exemption under section 6(c) granting relief from sections 2(a)(32), 2(a)(35), 22(d) and 26(a)(2) and rule 22c-1 to permit them to assess a DSC, and to waive the DSC under certain circumstances. Applicants also request SEC approval under sections 11(a) and 11(c) to enable them to implement the Exchange and Rollover Options. In addition, applicants request and exemption under sections 6(c) and 17(b) granting relief from section 17(a) to permit Rollover Trusts to sell portfolio securities to a New Trust and to permit the New Trusts to purchase such securities. Finally, applicants seek an exemption under section 6(c) granting relief from sections 14(a) and 19(b) and rule 19b–1 to the extent described below.

2. Section 2(a)(32) defines a ''redeemable security'' as a security that, upon its presentation to the issuer, entitles the holder to receive approximately his or her proportionate share of the issuer's current net assets, or the cash equivalent of those assets. Because the imposition of a DSC may cause a redeeming Unitholder to receive an amount less than the net asset value of the redeemed Units, applicants request an exemption from section 2(a)(32) so that Units subject to a DSC are considered redeemable securities for purposes of the Act.[2]

3. Section 2(a)(35), in relevant part, defines the term ''sales load'' to be the difference between the public selling price of a security and that portion of the sale proceeds invested or held for investment by the depositor or trustee. Because a DSC is not charged at the time of purchase, applicants request an exemption from section 2(a)(35).

4. Rule 22c–1 requires that the price of a redeemable security issued by an investment company for purposes of sale, redemption, and repurchase be based on the security's current net asset value. Because the imposition of a DSC may cause a redeeming Unitholder to receive an amount less than the net asset value of the redeemed Units,

[1] Investment Company Act Release No. 17096 (Aug. 3, 1989) (proposing amendments to rule 12d3–1). The proposed amendment defined a ''Qualified Foreign Exchange'' to mean a foreign stock exchange meeting certain standards with respect to trading volume and other matters. As subsequently amended, however, the rule omitted that proposed definition.

[2] Without an exemption, a Trust selling units subject to a DSC could not meet the definition of a unit investment trust under section 4(2) of the Act. As here relevant, section 4(2) defined a unit investment trust as an investment company that issues only ''redeemable securities.''

applicants request an exemption from this rule.

5. Section 22(d) requires an investment company and its principal underwriter and dealers to sell securities only at a current public offering price described in the investment company's prospectus. Because sales charges traditionally have been a component of the public offering price, section 22(d) historically required that all investors be charged the same load. Rule 22d–1 was adopted to permit the sale of redeemable securities with scheduled variations in the sales load. Because rule 22d–1 does not extend to scheduled variations in DSCs, applicants seek relief from section 22(d) to permit them to waive or reduce their DSC in certain instances.

6. Section 26(a)(2), in relevant part, prohibits a trustee or custodian of a unit investment trust from collecting from the Trust as an expense any payment to a depositor or principal underwriter thereof. Because of this prohibition, applicants need an exemption to permit the trustee to collect the DSC installments from Distribution Deductions or Trust assets and disburse them to the Sponsor.

7. Section 6(c) provides, in relevant part, that the SEC, by order upon application may exempt any person or transaction, or any class or classes of persons or transactions, from any provision of the Act or any rule thereunder if such exemption is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants believe that implementation of the DSC program in the manner described above would be fair and in the best interests of the Unitholders of the Trusts. Thus, granting the requested relief from sections 2(a)(32), 2(a)(35), 22(d), and 26(a)(2) and rule 22c–1 would meet the requirements for an exemption established by section 6(c).

8. Section 11(c) prohibits any offers of exchange of the securities of a registered unit investment trust for the securities of any other investment company, unless the terms of the offer have been approved by the SEC under section 11(a). Applicants believe that the reduced sales charge imposed at the time of exchange is a reasonable and justifiable expenses to be allocated for the professional assistance and operational expenses incurred in connection with either the Exchange or Rollover Option. Applicants further believe that the requirement that a person who has acquired Units at a lower sales charge pay the difference, if greater than the reduced fixed charge, upon exercising the Exchange Option when the Five Months Adjustment or the DSC Front-end Exchange Adjustment applies is appropriate in order to maintain the equitable treatment of various investors in each Trust Series.

9. Section 17(a) generally makes it unlawful for an affiliated person of a registered investment company to sell securities to, or purchase securities from, the company. Investment companies under common control may be considered affiliated persons of one another. Each Series will have an identical or common Sponsor, National Financial Services Corporation. Since the Sponsor of each Series may be considered to control each Series, it is likely that each Series would be considered an affiliated person of the other Series.

10. Section 17(b) provides that the SEC shall exempt a proposed transaction from section 17(a) if evidence establishes that: (a) the terms of the proposed transaction are reasonable and fair and do not involve overreaching; (b) the proposed transaction is consistent with the policies of the registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act. As noted above, section 6(c) authorizes the SEC to exempt classes of transactions. Applicants believe the proposed sales of portfolio securities from a Rollover Trust to a New Trust as described above satisfy the requirements set forth in sections 6(c) and 17(b).

11. Rule 17a–7 permits registered investment companies that might be deemed affiliates solely by reason of common investment advisers, directors, and/or officers, to purchase securities from, or sell securities to, one another at an independently determined price, provided certain conditions are met. Paragraph (e) of the rule requires an investment company's board of directors to adopt and monitor the procedures for these transactions to assure compliance with the rule. A unit investment trust does not have a board of directors and, therefore, may not rely on the rule. Applicants represent that they will comply with all of the provisions of rule 17a–7, other than paragraph (e).

12. Applicants represent that purchases and sales between Trust Series will be consistent with the policy of each Series, as only securities that otherwise would be bought and sold on the open market pursuant to the policy of each Trust Series will be involved in the proposed transactions. Further, applicants submit that requiring the Series to buy and sell on the open market leads to unnecessary brokerage fees and is therefore contrary to the general purposes of the Act.

13. Section 14(a) requires in substance that investment companies have $100,000 of net worth prior to making a public offering. The Sponsor will deposit substantially more than $100,000 of securities for each Series. As the Sponsor intends to sell all of a Trust Series' Units to the public, however, representing the entire beneficial ownership of the Trust, applicants request an exemption under section 6(c) from the net worth requirement of section 14(a). Applicants will comply in all respects with rule 14a–3, which provides an exemption from section 14(a), except that certain future Trusts (the ''Equity Trusts'') will not restrict their portfolio investments to ''eligible trust securities'' as required by the rule.

14. Section 19(b) and rule 19b–1 make it unlawful, except under limited circumstances, for a registered investment company to distribute long-term capital gains more than once every twelve months. Rule 19b–1(c), under certain circumstances, excepts a unit investment trust investing in ''eligible trust securities'' (as defined in rule 14a–3) from the requirements of rule 19b–1. Because the Equity Trusts will not restrict their investments to ''eligible trust securities,'' such Trusts will not qualify for the exemption in paragraph (c) of rule 19b–1. Applicants therefore request an exemption under section 6(c) from section 19(b) and rule 19b–1 to the extent necessary to permit any capital gains earned in connection with the sale of portfolios securities to be distributed to Unitholders along with the Equity Trust's regular distributions. In all other respects, applicants will comply with section 19(b) and rule 19b–1.

15. Applicants believe that the dangers which section 19(b) and rule 19b–1 are designed to prevent do not exist in the Equity Trusts. Any gains from the sale of portfolio securities would be triggered by the need to meet Trust expenses, DSC installments, or by requests to redeem Units, events over which the Sponsor and the Equity Trusts have no control. Moreover, since principal distributions must be clearly indicated in accompanying reports to Unitholders as a return of principal and will be relatively small in comparison to normal dividend distributions, there is little danger of confusion from failure to differentiate among distributions.

Applicants' Conditions

Applicants agree that any order granting the application will be made subject to the following conditions:

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

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

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

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

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

B. Condition for Exemption From Section 14(a)

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

C. Conditions for Exemption From Section 17(a)

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

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

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

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

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–15774 Filed 6–19–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 35–26533]

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

June 14, 1996.

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 thereunder. 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 thereto is/are available for public inspection through the Commission's Office 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 July 8, 1996, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(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 shall identify specifically the issues of fact 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 said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

General Public Utilities Corporation, et al. (70–7926)

General Public utilities Corporation (''GPU''), 100 Interpace Parkway, Parsippany, New Jersey 07054, and its subsidiaries, Jersey Central Power & Light Company (JCP&L''), 300 Madison Avenue, Morristown, New Jersey 07962, Metropolitan Edison Company (''Met-Ed''), P.O. Box 16001, Reading, Pennsylvania 19640, and Pennsylvania Electric Company (''Penelec''), P.O. Box 16001, Reading, Pennsylvania 19640 (together, ''GPU Companies''), have filed a post-effective amendment to their declaration under Sections 6(a) and 7 of the Act and rule 54 thereunder.

By order dated October 26, 1994 (HCAR No. 26150) (''Order''), the Commission, among other things, authorized the GPU Companies to enter into an amendment to their Credit Agreement, dated as of March 19, 1992, with a group of commercial banks for which Citibank, N.A. and Chemical Bank act as co-agents and Chemical Bank acts as the administrative agent, in order to extend through December 31, 1997 the period during which the GPU Companies were authorized to issue, sell and renew their unsecured promissory notes (''Notes'') from time-to-time in amounts up to $250 million outstanding at any time. In addition, on October 24, 1995, the GPU Companies entered into a Second Amendment to the Credit Agreement which modified certain negative covenants in the Credit Agreement (''Prior Credit Agreement'').

Under the Order, the aggregate principal amount of Notes outstanding at any time under the Prior Credit Agreement, together with all other unsecured debt then outstanding, may not exceed the limitations on such indebtedness imposed by the charters of each of JCP&L, Met-Ed and Penelec, and $200 million in the case of GPU. As of March 31, 1996, the charter limitations on such indebtedness for JCP&L, Met-Ed and Penelec were $290 million, $133 million and $145 million, respectively. At May 1, 1996, the GPU Companies