Participating Insurance Companies and Participating Plans under their agreements governing participation in the Funds, and these responsibilities will be carried out with a view only to the interests of the Contract owners and, as applicable, Plan participants.

For purposes of this Condition Four, a majority of the disinterested members of the applicable Board will determine whether or not any proposed action adequately remedies any material irreconcilable conflict, but in no event will the relevant Fund or Quest (or any other investment advisor to a Fund) be required to establish a new funding medium for any Contract. No Participating Insurance Company shall be required by this Condition Four to establish a new funding medium for any Contract if an offer to do so has been declined by a vote of a majority of Contract owners materially affected by the material irreconcilable conflict. No Participating Plan shall be required by this Condition Four to establish a new funding medium for such Plan if (a) a majority of Plan participants materially and adversely affected by the material irreconcilable conflict vote to decline such offer, or (b) pursuant to governing plan documents and applicable law, the Participating Plan makes such decision without Plan participant vote.

5. Quest, all Participating Insurance Companies, and Participating Plans will be promptly informed in writing of any Board's determination that a material irreconcilable conflict exists, and its implications.

6. Participating Insurance Companies will provide pass-through voting privileges to all Contract owners so long as the Commission continues to interpret the 1940 Act as requiring pass-through voting privileges for Contract owners. Accordingly, the Participating Insurance Companies will vote shares of a Fund held in their separate accounts in a manner consistent with voting instructions timely received from Contract owners. Participating Insurance Companies will be responsible for assuring that each of their separate accounts calculates voting privileges in a manner consistent with all other Participating Insurance Companies. The obligation to calculate voting privileges in a manner consistent with all other separate accounts investing in the Fund will be a contractual obligation of all Participating Insurance Companies under the agreements governing participation in the Fund. Each Participating Insurance Company will vote shares for which it has not received voting instructions as well as shares attributable to it in the same proportion as it votes shares for which it has received instructions. Each Participating Plan will vote as required by applicable law and governing plan documents.

7. All reports of potential or existing conflicts of interest received by a Board, and all Board action with regard to determining the existence of a conflict, notifying Quest, Participating Insurance Companies and Participating Plans of a conflict, and determining whether any proposed action adequately remedies a conflict, will be properly recorded in the minutes of the appropriate Board or other appropriate records, and such minutes or other records shall be made available to the Commission upon request.

8. Each Fund will notify all Participating Companies that separate account prospectus disclosure regarding potential risks of mixed and shared funding may be appropriate. Each Fund shall disclose in its prospectus that: (a) Its shares may be offered to insurance company separate accounts that fund both variable annuity and variable life insurance contracts, and to Plans; (b) due to differences of tax treatment and other considerations, the interests of various Contracts owners participating in the Fund and the interests of Plans investing in the Fund may conflict; and, (c) the Board will monitor the Fund for any material conflicts of interest and determine what action, if any, should be taken.

9. Each Fund will comply with all provisions of the 1940 Act requiring voting by shareholders (which for these purposes, shall be the persons having a voting interest in the shares of the Fund) and in particular, each Fund will either provide for annual meetings (except to the extent that the Commission may interpret Section 16 of the 1940 Act not to require such meetings) or comply with Section 16(c) of the 1940 Act (although the Fund is one of the trusts described in Section 16(c) of the 1940 Act), as well as with Section 16(a) and, if applicable, Section 16(b) of the 1940 Act. Further, the Fund will act in accordance with the Commission's interpretation of the requirements of Section 16(a) with respect to periodic elections of directors (or trustees) and with whatever rules the Commission may promulgate with respect thereto.

10. If and to the extent Rule 6e–2 or Rule 6e–3(T) is amended, or Rule 6e–3(T) is adopted, to provide exemptive relief from any provision of the 1940 Act or the rules thereunder with respect to mixed and shared funding on terms and conditions materially different from any exemptions granted in the order requested by Applicants, then the Fund and the Participating Insurance Companies, as appropriate, shall take such steps as may be necessary to comply with Rule 6e–2 or Rule 6e–3(T), as amended, and Rule 6e–3, as adopted, to the extent such rules are applicable.

11. No less than annually, Quest (or any other investment adviser of a Fund), the Participating Insurance Companies and Participating Plans shall submit to the Boards such reports, materials, or data as the Boards may reasonably request so that the Boards may carry out fully the obligations imposed upon them by the conditions stated in the application. Such reports, materials, and data shall be submitted more frequently if deemed appropriate by the Boards. The obligations of Quest, Participating Insurance Companies and Participating Plans to provide these reports, materials, and data to the Boards shall be a contractual obligation of Quest, all Participating Insurance Companies and Participating Plans under the agreements governing their participation in the Fund.

12. If a Plan should become an owner of 10% or more of the issued and outstanding shares of a Fund, such Plan will execute a participation agreement with the applicable Fund including the conditions set forth herein to the extent applicable. A Plan will execute an application containing an acknowledgment of this condition at the time of its initial purchase of shares of the Fund.

Conclusion

For the reasons stated above, Applicants assert that the requested exemptions from Sections 9(a), 13(a), 15(a) and 15(b) of the 1940 Act and Rules 6e–2(b)(15) and 6e–3(T)(b)(15) thereunder, are appropriate in the public interest consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–17150 Filed 7–3–96; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–22046; 811–1500]

Sherman, Dean Fund, Inc.; Notice of Application

June 28, 1996.

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

ACTION: Notice of application for deregistration under the Investment Company Act of 1940 (the ''Act'').

APPLICANT: Sherman, Dean Fund, Inc.

RELEVANT ACT SECTION: Order requested under section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring it has ceased to be an investment company.

FILING DATE: The application was filed on June 10, 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 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 July 23, 1996, 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 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. Applicant, 3570 Hunters Sound, San Antonio, Texas 78230.

FOR FURTHER INFORMATION CONTACT: Marianne H. Khawly, Staff Attorney, at (202) 942–0562, or Alison E. Baur, 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.

Applicant's Representations

1. On May 15, 1967, applicant, a Delaware corporation, registered as an open-end management investment company under the Act by filing with the SEC a Notification of Registration on Form N–8A. SEC records indicate that on August 10, 1967, applicant filed a registration statement on Form S–5 that became effective on February 14, 1968. Applicant commenced its initial immediately. On September 13, 1993, pursuant to a shareholder vote, applicant changed its classification to a closed-end investment company. On September 14, 1993, applicant filed a registration statement with the SEC on Form N–2 to reflect this change.

2. On March 8, 1996, in order to accommodate requests from shareholders seeking to sell their shares, applicant filed a Notification of Repurchase Offer pursuant to rule 23c–3 under the Act to repurchase a total of 61,155 shares.[1] On March 29, 1996, applicant repurchased 60,580.683 shares at net asset value from 235 shareholders. As a result, applicant states that presently there are 68 beneficial owners of its shares.

3. As of the filing of this application, applicant had assets of $1,760,000 invested in three publicly traded securities. Applicant's liabilities consisted of approximately $13,000 attributable to management fees, legal and accounting expenses, and office expenses.

4. Applicant presently is not a party to any litigation or administrative proceeding.

Applicant's Legal Analysis

1. Section 8(f) of the Act provides that whenever the SEC, upon application or its own motion, finds that a registered investment company has ceased to be an investment company, the SEC shall so declare by order and upon the taking effect of such order, the registration of such company shall cease to be in effect.

2. Section 3(c)(1) of the Act provides that an issuer is not an investment company within the meaning of the Act if (a) its outstanding securities (other than short-term paper) are beneficially owned by not more than 100 persons, and (b) it is not making and does not propose to make a public offering of securities.

3. Applicant believes that, pursuant to section 3(c)(1), it is no longer an investment company as defined in section 3 because only 68 persons are beneficial holders of its securities. Applicant states that it is not making and does not presently propose to make a public offering of its securities. Accordingly, applicant requests that the SEC issue an order under section 8(f) declaring that it has ceased to be an investment company.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 96–17152 Filed 7–3–96; 8:45 am]

BILLING CODE 8010–01–M

[1] Rule 23c–3 under the Act generally provides that a closed-end company may offer to repurchase securities, of which it is the issuer, subject to certain restrictions.

[Release No. 34–37379; File No. 265–19]

Consumer Affairs Advisory Committee; Meeting

AGENCY: Securities and Exchange Commission.

ACTION: Notice of meeting of the Securities and Exchange Commission (''Commission'') Consumer Affairs Advisory Committee (''Committee'').

SUMMARY: The Securities and Exchange Commission's Consumer Affairs Advisory Committee will meet on July 22, 1996, in Room 1C30 at the Commission's Headquarters, 450 Fifth Street, NW., Washington, DC, beginning at 9:45 a.m. The meeting will be open to the public. This notice also serves to invite the public to submit written comments to the Committee.

ADDRESSES: You should submit written comments in triplicate and refer to File No. 265–19. Send your comments to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549.

FOR FURTHER INFORMATION CONTACT: Jonathan M. Gottsegen, Counsel to the Director, Office of Investor Education and Assistance (202) 942–7040; Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549.

SUPPLEMENTARY INFORMATION: Section 10(a) of the Federal Advisory Committee Act, 5 U.S.C. app 10a, requires the Securities and Exchange Commission to give notice that the Consumer Affairs Advisory Committee will meet on July 22, 1996, in Room 1C30 at the Commission's Headquarters, 450 Fifth Street, NW., Washington, DC., beginning at 9:45 a.m. The meeting will be open to the public.

The Committee's responsibilities include assisting the Commission in identifying investor problems and being more responsive to their needs. The Committee will explore fundamental issues of concern to investors, including matters currently under consideration by the Commission and topics of emerging concern to investors and the financial services industry.

Dated: June 28, 1996.

Jonathan G. Katz,

Advisory Committee Management Officer.

[FR Doc. 96–17143 Filed 7–3–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–37372; File No. 600–22]

Self-Regulatory Organizations; MBS Clearing Corporation; Notice of Filing of Request and Order Approving Application for Extension of Temporary Registration as a Clearing Agency

June 26, 1996.

On June 6, 1996, the MBS Clearing Corporation (''MBS'') filed with the Securities and Exchange Commission (''Commission'') a request pursuant to