purchasing, redeeming, or retaining Portfolio shares. Shareholders will receive an information statement that includes all the information about a new Adviser or Adviser Agreement that would be included in a proxy statement. In addition, applicants state that all fees payable by the Manager to the Adviser will be disclosed in the prospectus of the applicable Portfolio in accordance with the requirements of Form N–1A.

5. Applicants believe that investors who seek the investment advice of Prudential Securities typically have determined that they are unwilling to assume the burden of selecting an appropriate mix of investments to attain their investment objectives, or the appropriate money manager or managers to make specific investments in accord with those objectives. The Target Program is designed to create an asset allocation strategy to meet an investor's individual needs as well as selecting investments within each asset category.

6. Section 6(c) of the Act provides that the SEC may exempt any person, security, or transaction from any provision of the Act, if and 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. Applicants believe that the requested relief meets this standard.

Applicants' Conditions

Applicants agree that the requested exemption will be subject to the following conditions:

1. The Manager will provide general management and administrative services to the Trust, including overall supervisory responsibility for the general management and investment of the Trust's securities portfolio, and, subject to review and approval by the Board, will (a) set the Portfolios' overall investment strategies; (b) select Advisers; (c) monitor and evaluate the performance of the Advisers; (d) allocate and, when appropriate, reallocate a Portfolio's assets among its Advisers in those cases where a Portfolio has more than one Adviser; and (e) implement procedures reasonably designed to ensure that the Advisers comply with the Trust's investment objectives, policies, and restrictions.

2. Before a Portfolio may rely on the order requested hereby, the operation of the Portfolio in the manner described in the application will be approved by a majority of its outstanding voting securities, as defined in the Act, or, in the case of a new Portfolio whose public shareholders purchased shares on the basis of a prospectus containing the disclosure contemplated by condition 4 below, by the sole shareholder before offering of shares of such Portfolio to the public.

3. The Trust will furnish to shareholders all information about a new Adviser or Advisory Agreement that would be included in a proxy statement. Such information will include any change in such disclosure caused by the addition of a new Adviser or any proposed material change in a Portfolio's Advisory Agreement. The Trust will meet this condition by providing shareholders with an informal information statement complying with the provisions of Regulation 14C under the Securities Exchange Act of 1934, as amended, and Schedule 14C thereunder. With respect to a newly retained Adviser, or a change in an Advisory Agreement, this information statement will be provided to shareholders of the Portfolio a maximum of ninety (90) days after the addition of the new Adviser or the implementation of any change in an Advisory Agreement. The information statement will also meet the requirements of Schedule 14A under the Exchange Act.

4. The Trust will disclose in its prospectus the existence, substance, and effect of the order granted pursuant to this application.

5. No trustee or officer of the Trust or director or officer of the Manager will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by such director, trustee, or officer) any interest in any Adviser except for (a) ownership of interests in the Manager or any entity that controls, is controlled by, or is under common control with the Manager; or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly traded company that is either an Adviser or any entity that controls, is controlled by or is under common control with an Adviser.

6. The Manager will not enter into an Advisory Agreement with any Adviser that is an ''affiliated person,'' as defined in section 2(a)(3) of the Act, of the Trust or the Manager other than by reason of serving as an Adviser to one or more Portfolios (an ''Affiliated Adviser'') without such agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Portfolio.

7. At all times, a majority of the members of the Board will be persons each of whom is not an ''interested person'' of the Trust as defined in section 2(a)(19) of the Act (the ''Independent Trustees''), and the nomination of new or additional Independent Trustees will be placed within the discretion of the then existing Independent Trustees.

8. When an Adviser change is proposed for a Portfolio with an Affiliated Adviser, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Board's minutes, that such change is in the best interests of the Portfolio and its shareholders and does not involve a conflict of interest from which the Manager or the Affiliated Adviser derives an inappropriate advantage.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–21107 Filed 8–19–96; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Release No. 22134; 812–10076]

Transamerica Investors, Inc. and Transamerica Investment Services, Inc.; Notice of Application

August 13, 1996.

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

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

APPLICANTS: Transamerica Investors, Inc. and Transamerica Investment Services, Inc.

RELEVANT ACT SECTION: Order requested under section 17(d) of the Act and rule 17d–1 thereunder.

SUMMARY OF APPLICATION: Applicants request an order to permit certain investment companies to deposit their uninvested cash balances in one or more joint accounts to be used to enter into repurchase agreements.

FILING DATE: The application was filed on April 5, 1996 and amended on July 17, 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 September 9, 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. Applicants, Transamerica Center, 1150 South Olive, Los Angeles, CA 90015–2211.

FOR FURTHER INFORMATION CONTACT: Mary T. Geffroy, Staff Attorney, at (202) 942–0553, or Mercer E. Bullard, 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. Transamerica Investors, Inc. (''TII''), a Maryland corporation, is registered under the Act as an open-end management investment company of the series type. TII currently consists of six series. Transamerica Investment Services, Inc. (''TIS''), the investment adviser to each series of TII, is a Delaware corporation and is registered with the Commission as an investment adviser under the Investment Advisers Act of 1940. TIS is a wholly-owned subsidiary of Transamerica Corporation. State Street Bank & Trust Company provides custodial services for TII, and Transamerica Occidental Life Insurance Company acts as TII's administrator.

2. Applicants request that any relief granted pursuant to the application apply to any existing or future series of TII, and any other registered investment companies or series thereof that now or in the future are advised or subadvised by TIS or any entity controlling, controlled by, or under common control with TIS (collectively with TII, the ''Funds''). All Funds that currently intend to rely upon the requested order are named as applicants. Three additional registered investment companies, Transamerica Income Shares, Inc. and Transamerica Occidental's Separate Account Funds B and C, that currently do not intend to rely upon the requested relief, in the future, may rely upon the order in accordance with the terms and conditions contained in the application.

3. At the end of each trading day, applicants expect that some or all of the Funds will have uninvested cash balances in their respective custodian banks that would not otherwise be invested in portfolio securities by TIS. Currently, such cash balances may be invested in repurchase agreements separately on behalf of each Fund.

4. Applicants propose to deposit some or all of the uninvested cash balances of the Funds remaining at the end of each trading day into one or more joint accounts (''Joint Accounts'') and to invest the daily balance of the Joint Accounts in repurchase agreements having maturities of 7 days or less that are collateralized fully as defined in rule 2a–7 under the Act (''Short-Term Repurchase Agreements''), as authorized by the investment policies of the Funds.

5. A Fund's decision to use a Joint Account will be based upon the same factors as its decision to make any other short-term liquid investment. The Joint Accounts would only be used to aggregate what otherwise would be one or more daily individual transactions necessary for the management of each of the Funds' daily uninvested cash balance.

6. TIS will not participate as an investor in the Joint Account. TIS will be responsible for investing funds held by the Joint Accounts, establishing accounting and control procedures, and ensuring the fair and equitable treatment of the Funds.

7. Any repurchase agreements entered into through the Joint Accounts will comply with the terms of Investment Company Act Release No. 13005 (February 2, 1983) and any other existing and future positions taken by the Commission or its staff by rule, release, letter, or otherwise, relating to repurchase agreement transactions. Applicants acknowledge that they have a continuing obligation to monitor the SEC's published statements on repurchase agreements, and represent that repurchase agreement transactions will comply with future positions of the SEC to the extent that such positions set forth different or additional requirements regarding repurchase agreements.

Applicants' Legal Analysis

1. Section 17(d) of the Act makes it unlawful for an affiliated person of a registered investment company, acting as principal, to effect any transaction in which the registered investment company is a joint or a joint and several participant with such person in contravention of rules and regulations proscribed by the SEC. Rule 17d–1(a) under the Act provides that an affiliated person of a registered investment company, acting as principal, shall not participate in, or effect any transaction in connection with, any joint enterprise or other joint arrangement in which the registered investment company is a participant unless the SEC has issued an order approving the arrangement.

2. The Funds, by participating in the Joint Accounts, and TIS, by managing the Joint Accounts, could be deemed to be ''joint participants'' in a transaction within the meaning of section 17(d). In addition, the proposed Joint Accounts could be deemed to be a ''joint enterprise or other joint arrangement'' within the meaning of rule 17d–1.

3. Applicants believe that no Fund will be in a less favorable position as a result of the Joint Accounts. Applicants believe that a Fund's investment in the Joint Account will not be subject to the claims of creditors, whether brought in bankruptcy, insolvency or other legal proceedings, or of any other participant Fund in the Joint Account. Applicants further believe that each Fund's liability on any Short-Term Repurchase Agreement will be limited to its interest in such investment; no Fund will be jointly liable for the investments of any other Fund.

4. Applicants believe that the Joint Accounts could result in certain benefits to the Funds. For example, the Funds may earn a higher rate of return on investments through the Joint Accounts relative to the returns they could earn individually. Under most market conditions, it is possible to negotiate a rate of return on larger repurchase agreements that is higher than the rate on smaller repurchase agreements.

5. The Joint Accounts also may reduce the potential for errors by reducing the number of trade tickets and cash wires that must be processed by the sellers of Short-Term Repurchase Agreements and by the Funds' custodians and accountants.

6. For the reasons set forth above, applicants believe that granting the requested order is consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act and the finding required by rule 17d–1.

Applicants' Conditions

Applicants will comply with the following procedures as conditions to any SEC order:

1. The Joint Accounts would consist of one or more separate cash accounts established at a custodian bank. A Joint Account may be established at more than one custodian bank and more than one Joint Account may be established at any custodian bank. A Fund may transfer a portion of its daily cash balances to more than one Joint Account. After the calculation of its daily cash balance and at the direction of TIS, each Fund would transfer into one or more Joint Accounts the cash it

intends to invest through the Joint Accounts. Each Fund whose regular custodian is a custodian other than the bank at which a proposed Joint Account would be maintained and that wishes to participate in the Joint Account would appoint the latter bank as a sub-custodian for the limited purposes of: (1) receiving and disbursing cash; (2) holding any Short-Term Repurchase Agreements; and (3) holding any collateral received from a transaction effected through the Joint Account. All Funds that appoint such sub-custodians will have taken all necessary actions to authorize such bank as their legal custodian, including all actions required under the Act.

2. The Joint Accounts will not be distinguishable from any other accounts maintained by the Funds at their custodians except that monies from the Funds will be deposited in the Joint Account on a commingled basis. The Joint Accounts will not have a separate existence and will not have any indicia of a separate legal entity. The Joint Accounts will only be used to aggregate individual transactions necessary for the management of each Fund's daily uninvested cash balance.

3. Cash in the Joint Accounts will be invested in one or more repurchase agreements with maturities of 7 days or less that are collateralized fully as defined in rule 2a–7 under the Act, and that satisfy the uniform standards set by the Funds for such investments. The securities subject to the repurchase agreement will be transferred to a Joint Account and they will not be held by the Fund's repurchase counterparty or by an affiliated person of that counterparty.

4. Each Fund would participate in a Joint Account on the same basis as every other Fund in conformity with its respective fundamental investment objectives, policies, and restrictions. Any future Funds that participate in the Joint Account would be required to do so on the same terms and conditions as the existing Funds.

5. Each Fund's investment in a Joint Account will be documented daily on the books of each Fund and the books of its custodian. Each Fund, through its investment adviser and/or custodian, will maintain records (in conformity with Section 31 of the Act and rules thereunder) documenting for any given day, the Fund's aggregate investment in a Joint Account and its pro rata share of each Short-Term Repurchase Agreement made through such Joint Account.

6. All assets held by a Joint Account would be valued on an amortized cost basis to the extent permitted by applicable Commission releases, rules, letters, or orders.

7. Each Fund valuing its net assets based on amortized cost in reliance upon rule 2a–7 under the Act will use the average maturity of the instrument(s) in the Joint Accounts in which such Fund has an interest (determined on a dollar-weighted basis) for the purpose of computing its average portfolio maturity with respect to the portion of its assets held in a Joint Account on that day.

8. Not every Fund participating in the Joint Accounts will necessarily have its cash invested in every Short-Term Repurchase Agreement. However, to the extent a Fund's cash is applied to a particular Short-Term Repurchase Agreement, the Fund will participate in and own its proportionate share of such Short-Term Repurchase Agreement, and any income earned or accrued thereon, based upon the percentage of such investment purchased with amounts contributed by such Fund.

9. To assure that there will be no opportunity for one Fund to use any part of a balance of a Joint Account credited to another Fund, no Fund will be allowed to create a negative balance in any Joint Account for any reason. Each Fund would be permitted to draw down its entire balance at any time, provided TIS determines that such draw down would have no significant adverse impact on any other Fund participating in the Joint Account. Each Fund's decision to invest in a Joint Account would be solely at its option, and no Fund will be obligated either to invest in the Joint Accounts or to maintain any minimum balance in the Joint Accounts. In addition, each Fund will retain the sole rights of ownership of any of its assets, including interest payable on such assets, invested in the Joint Accounts.

10. TIS will administer, manage, and invest the cash balance in the Joint Accounts in accordance with and as part of its duties under existing, or any future, investment advisory contracts or subadvisory contracts with each Fund. TIS will not collect any additional or separate fee for advising or managing any Joint Account.

11. The administration of the Joint Accounts will be within the fidelity bond coverage maintained for the Funds as required by section 17(g) of the Act and rule 17g–1 thereunder.

12. The Board of Directors of the Funds participating in the Joint Account will adopt procedures pursuant to which the Joint Accounts will operate and which will be reasonably designed to provide that the requirements set forth in the application are met. The Board will make and approve such changes that they deem necessary to ensure that such procedures are followed. In addition, the Board will determine, no less frequently than annually, that the Joint Accounts have been operated in accordance with the proposed procedures, and will permit a Fund to continue to participate therein only if it determines that there is a reasonable likelihood that the Fund and its shareholders will benefit from the Fund's continued participation.

13. Investments held in a Joint Account generally will not be sold prior to maturity except: (a) if the adviser believes that the investment no longer presents minimal credit risk; (b) if, as a result of a credit downgrading or otherwise, the investment no longer satisfies the investment criteria of all Funds participating in the investment; or (c) if the counterparty defaults. A fund may, however, sell its fractional portion of an investment in a Joint Account prior to the maturity of the investment in such Joint Account if the cost of such transaction will be borne solely by the selling Fund and the transaction would not adversely affect the other Funds participating in that Joint Account. In no case would an early termination by less than all participating Funds be permitted if it would reduce the principal amount or yield received by other Funds participating in a particular Joint Account or otherwise adversely affect the other participating Funds. Each Fund participating in such Joint Account will be deemed to have consented to such sale and partition of the investment in such Joint Account.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–21111 Filed 8–19–96; 8:45 am]

BILLING CODE 8010–01–M

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94–409, that the Securities and Exchange Commission will hold the following meeting during the week of August 19, 1996.

A closed meeting will be held on Thursday, August 22, 1996, at 10:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.