participation of two or more of the Funds in a co-investment transaction with a portfolio company may be deemed to be a participation by each of them in a joint or joint-and-several transaction with the other.

3. Accordingly, applicants request an order permitting, under section 57(a)(4) and rule 17d–1, any transaction involving investments by a Fund in portfolio companies in which any other Fund is or is proposed to become an investor, but only to the extent that such transaction would not be prohibited if a Subsidiary involved in the transaction (and all of its assets and liabilities) was deemed to be part of Lending, and not a separate company.

Sections 12(h) and 13 of the Exchange Act

1. Section 12(h) of the Exchange Act provides that the SEC may exempt an issuer from section 13 of the Exchange Act if the SEC finds that by reason of the number of public investors, amount of trading interest in the securities, the nature and extent of the activities of the issuer, income or assets of the issuer, or otherwise that such action is not inconsistent with the public interest or the protection of investors. Section 13 of the Exchange Act is the primary section requiring filing of periodic reports.

2. Lending has elected to be regulated as a BDC and has securities registered under section 12 of the Exchange Act. In order to be a BDC, the Subsidiaries must register a class of equity securities under section 12(g) of the Exchange Act or have filed a registration statement to do so. Absent an exemptive order, such registration would subject each Subsidiary to periodic filings with the SEC even though each Subsidiary will have only one equity holder. Accordingly, applicants request an order under section 12(h) of the Exchange Act exempting each Subsidiary from the reporting requirements of section 13(a) of the Exchange Act.

Applicants' Conditions

Applicants agree that any order of the SEC granting the relief required shall be subject to the following conditions:

1. Lending will at all times own and hold, beneficially and of record, all of the outstanding capital stock of the Subsidiaries.

2. Each Subsidiary will have the same fundamental investment policies as Lending, as set forth in Lending's registration statement; the Subsidiaries will not engage in any of the activities described in section 13(a) of the Act, except in each case as authorized by the vote of a majority of the outstanding voting securities of Lending.

3. No person shall serve or act as investment adviser to a Subsidiary under circumstances subject to section 15 of the Act, unless the directors and shareholders of Lending shall have taken the action with respect thereto also required to be taken by the directors and shareholders of the Subsidiary.

4. No person shall serve as a director of a Subsidiary unless elected as a director of Lending at Lending's most recent annual meeting, as contemplated by section 16(a) of the Act and subject to the provisions thereof relating to the filling of vacancies. Notwithstanding the foregoing, the board of directors of each Subsidiary will be elected by Lending as the sole shareholder of that Subsidiary, and such board will be composed of the same persons who serve as directors of Lending.

5. Lending will not itself issue or sell, and Lending will not cause or permit its Subsidiaries to issue or sell, any senior security of which Lending or a Subsidiary is the issuer except as hereinafter set forth. The Funds may issue and sell to banks, insurance companies, and other financial institutions their secured or unsecured promissory notes or other evidences of indebtedness in consideration of any loan, or any extension or renewal thereof made by private arrangement, provided the following conditions are met: (i) such notes or evidences of indebtedness are not intended to be publicly distributed, (ii) such notes or evidences of indebtedness are not convertible into, exchangeable for, or accompanied by any options to acquire any equity security (except that if a Subsidiary is permitted to elect BDC status, these restrictions shall not be applicable to such Subsidiary except to the extent they are applicable generally to BDCs), and (iii) immediately after the issuance or sale of any such notes or evidences of indebtedness by either Lending or the Subsidiaries, Lending and the Subsidiaries, on a consolidated basis, and each Subsidiary and Lending individually, shall have the asset coverage required by section 61(a)(1), except that, in determining whether the Funds, on a consolidated basis, have the asset coverage required by section 61(a)(1), any borrowings by Subsidiary I shall not be considered senior securities and, for purposes of the definition of ''asset coverage'' in section 18(h), shall be treated as indebtedness not represented by senior securities.

6. Subsidiary II will only make loans to, or other investments in, companies that meet one or more of the maximum size standards established by the SBA for the 7(a) Loan Program, the 504 Loan Program, or SBIC investments, although Subsidiary II may make various types of loans (*e.g.*, 7(a) Companion Loans and 504 Related Loans) to, and investments in, these companies.

7. If Advisers enters into an investment advisory agreement with either Subsidiary, Advisers will reduce its fees charged to Lending by an amount equal to the value of such Subsidiary's shares held by Lending times the rate at which advisory or other asset-based fees are charged by Advisers to such Subsidiary.

8. Lending will: (a) file with the SEC on behalf of itself and the Subsidiaries, all information and reports required to be filed with the SEC under the Exchange Act and other federal securities laws, including financial statements prepared solely on a consolidated basis as to Lending and the Subsidiaries, such information and reports to be in satisfaction of the separate filing obligations of each of the Subsidiaries; and (b) provide to its shareholders such information and reports required to be disseminated to Lending's shareholders, including financial statements prepared solely on a consolidated basis as to Lending and the Subsidiaries, such reports to be in satisfaction of the separate filing obligations of Lending and each of the Subsidiaries. Notwithstanding anything in this condition, Lending will not be relieved of any of its reporting obligations including, but not limited to, any consolidating statement setting forth the individual statement of each Subsidiary required by rule 6–03(c) of Regulation S–X.

9. Lending and the Subsidiaries may file on a consolidated basis pursuant to the above condition only so long as the amount of Lending's assets invested in assets other than (a) securities issued by the Subsidiaries or (b) securities similar to those in which the Subsidiaries invest, does not exceed ten percent.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–21322 Filed 8–20–96; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Release No. IC–22143; 811–5520]

Chicago Milwaukee Corporation; Notice of Application

August 15, 1996.

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

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

APPLICANT: Chicago Milwaukee Corporation.

RELEVANT ACT SECTION: Section 8(f).

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

FILING DATES: The application was filed on March 22, 1996 and amended on July 1, 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, NW., Washington, DC 20549. Applicant, 547 West Jackson Boulevard, Chicago, Illinois 60661.

FOR FURTHER INFORMATION CONTACT: Mary Kay Frech, Senior Attorney, at (202) 942–0579, 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. Applicant is an open-end, non-diversified management investment company organized as a corporation under the laws of Maryland.

2. On March 22, 1988, applicant registered under the Act as a closed-end, non-diversified management investment company. On May 12, 1993, at a special meeting of the stockholders of applicant, the stockholders approved the conversion of applicant to an open-end, non-diversified management investment company. Applicant filed a notification of registration as an open-end management company on Form N–8A on July 1, 1993. On October 1, 1993, applicant filed a registration statement on Form N–1A pursuant to section 8(b) of the Act.

3. On May 8, 1995, applicant's board of directors adopted a plan of complete liquidation (the ''Plan'') for the purpose of effecting the complete liquidation of applicant. The board of directors directed that (a) applicant redeem, pursuant to applicant's charter, on May 22, 1995 (the ''Redemption Date''), all of the shares of applicant's common stock issued and outstanding on the Redemption Date at a per share price equal to the net asset value per share of the common stock determined at the close of business on the Redemption Date; and (b) the redemption payment to be made on the Redemption Date be deemed to include an uncertificated, nontransferable (except by the laws of descent and distribution) right entitling the holder thereof to the holder's *pro rata* interest in any assets of applicant remaining available for distribution from time to time after the Redemption Date pursuant to the Plan and after satisfaction of applicant's liabilities. Provision was made for payment of all of applicant's liabilities for which the board of directors determined that such provision was necessary, including expenses expected to be incurred in connection with the winding up of applicant's affairs, by reserving an aggregate amount of $1,752,080, which was in addition to amounts reserved or accrued prior thereto.

4. The decision of applicant's board of directors that liquidation was in the best interests of applicant's shareholders was based on the following factors, among others: (a) the decline in applicant's total assets as a result of shareholder redemptions; (b) the resulting increase in applicant's expense ratio; (c) the expectation of the board of directors that significant shareholder redemptions would continue; (d) the inability to identify an investment company willing to acquire applicant's assets; and (e) the belief that, because of continuing shareholder redemptions, a delay in liquidation of applicant would result in the costs of liquidation being borne by fewer shareholders, to the detriment of those shareholders not redeeming.

5. No action by applicant's securityholders was required in connection with adoption of the Plan or authorization of the redemption of applicant's issued and outstanding common stock. Applicant's shareholders approved applicant's charter on May 12, 1993, including the provision authorizing applicant, by action of its board of directors, to redeem all of applicant's outstanding capital stock.

6. On the Redemption Date, applicant had outstanding 267,828 shares of common stock and total assets of $38,327,203. Assets in the aggregate amount of $2,459,589 were reserved for the payment of applicant's liabilities and expenses incurred in connection with the winding up of applicant's affairs. On the Redemption Date, applicant's total net assets were $35,867,614 and the net asset value per share of applicant's common stock was $133.92. Checks in payment of the proceeds of redemption were mailed on May 23, 1995 to all shareholders of record on the Redemption Date, with each check representing the recipient shareholder's *pro rata* share of the applicant's total net assets on the Redemption Date.[1]

7. Applicant has outstanding contingent obligations to certain third party obligees in respect of obligations assumed by CMC Heartland Partners and Heartland Partners, L.P. and by Milwaukee Land Company, but from which applicant has not sought or obtained releases. In addition, applicant has incurred, and continues to incur, expenses in connection with the winding up of its affairs, including: custody and transfer agency expenses; compensation of its officers and employees; compensation and expenses of members of its board of directors; real estate transfer expenses; postage, telephone, occupancy and related items; and legal and auditing fees and expenses. Such expenses have been paid, and will continue to be paid, from the amounts reserved therefor.

8. At the close of business on June 14, 1996, applicant had total assets of $603,000, all of which was reserved for liabilities and expenses in connection with the winding up of applicant's affairs. Applicant's assets currently are held in U.S. treasury bills and cash.

9. Applicant is a defendant in a lawsuit pending in federal district court in Tacoma, Washington. The plaintiff in that action, Union Pacific Railroad Company (''Union Pacific''), is seeking to collect costs of an environmental clean up of a rail yard in Tacoma. CMC Heartland Partners has assumed applicant's obligations in the defense of this matter and has filed a lawsuit in federal court in Illinois asserting that Union Pacific's claim is barred by the bankruptcy of applicant's former subsidiary to which applicant is successor by merger. Except for this

[1] It is not know yet whether any assets of applicant will be available for distribution to those persons entitled thereto after satisfaction of applicant's liabilities and completion of the winding up of applicant's affairs.

matter, applicant is not a party to any litigation or administrative proceeding.

10. Applicant has no securityholders and no securities outstanding. Applicant is not now engaged and does not propose to engage in any business activities other than those necessary for the winding up of its affairs.

11. Applicant has not filed a certification of dissolution or similar document pursuant to Maryland law. Applicant's charter was forfeited pursuant to Section 3–503 of the Maryland General Corporation Law on October 30, 1995.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–21328 Filed 8–20–96; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Rel. No. IC–22145; 812–10138]

GE Investment Management Incorporated, et al.; Notice of Application

August 15, 1996.

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

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

APPLICANTS: GE Investment Management Incorporated (''GEIM''); GE Investment Services Inc. (''GEIS'') and GE Funds, on behalf of themselves and each open-end management investment company, or series thereof, that is or will be part of a group of investment companies that holds itself out to investors as related companies for purposes of investment and investor services (a) for which GEIM or any entity controlled by or under common control with GEIM now or in the future acts as investment adviser, or (b) for which GEIS or any entity controlling, controlled by or under common control with GEIS now or in the future acts as distributor (collectively, with the GE Funds, the ''GE Family Funds'' or the ''Funds'').[1]

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act for an exemption from section 12(d)(1) of the Act, and under section 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act.

SUMMARY OF APPLICATION: The requested order would permit applicants to create a ''fund of funds,'' whereby the series of GE LifeStyle Funds (''LifeStyle'') would allocate substantially all of their assets among the series of the GE Funds.

FILING DATES: The application was filed on May 8, 1996, and amended on August 9, 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 September 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 interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request such notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, 3003 Summer Street, Stamford, Connecticut 06905.

FOR FURTHER INFORMATION CONTACT: Courtney S. Thornton, Senior Counsel, at (202) 942–0583, 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.

Applicants' Representations

1. GE Funds, a Massachusetts business trust, is registered under the Act as an open-end management investment company. GE Funds consists of eleven series, eight of which are offered currently.

2. GEIM, a Delaware corporation that is registered as an investment adviser under the Investment Advisers Act of 1940, acts as investment adviser and administrator to the existing series of GE Funds. GEIM is a wholly-owned subsidiary of General Electric Company, a publicly-held holding company. GEIS is the distributor of the GE Family Funds.

3. LifeStyle is organized as a Massachusetts business trust. LifeStyle will be registered under the Act as a non-diversified, open-end management investment company, and will operate as a ''fund of funds.'' GEIM will serve as investment adviser to LifeStyle. Initially, LifeStyle will consist of six series (the ''Investing Funds''): GE Conservative Strategy Fund, GE Moderate Strategy Fund, and GE Aggressive Strategy Fund (collectively, the ''Strategy Funds''), and GE Conservative Allocation Fund, GE Moderate Allocation Fund, and GE Aggressive Allocation Fund (collectively, the ''Allocation Funds''). The Strategy Funds will not charge any rule 12b–1 fees, but will impose either a front-end sales charge of up to 4.75% or, for purchases in excess of $1 million not subject to the front-end sales charge, a contingent deferred sales charge of up to 1% on shares held for less than one year. The Allocation Funds initially will be sold without a front-end or deferred sales charge, and will not charge any rule 12b–1 fees.

4. Substantially all of the assets of the Investing Funds will be invested in shares of any GE Family Fund that is not itself an Investing Fund (a ''Portfolio Fund''). The Portfolio Funds initially will consist of the following series of GE Funds: GE U.S. Equity Fund, GE International Equity Fund, GE Fixed Income Fund, GE Short-Term Government Fund, and, potentially, GE Money Market Fund. Other GE Family Funds may be added as Portfolio Funds in the future. The Strategy Funds will invest in Class A shares of the Portfolio Funds, which generally are offered with a front-end sales charge and are subject to service and distribution fees at a combined annual rate of .50% of the average net asset value attributable to the class. The Allocation Funds will invest in Class D shares of the Portfolio Funds, which are offered without a sales charge or rule 12b–1 fees. Neither the Strategy Funds nor the Allocation Funds will pay initial sales charges in connection with the Investing Funds' investments and holdings in Portfolio Fund shares.

5. Subject to the supervision and direction of LifeStyle's board of trustees, allocations of the assets of each Investing Fund among shares of the Portfolio Funds will be made in accordance with the investment objective of the Fund. Subsequent allocations of these assets will be made, consistent with quantitative and other market and economic analyses developed by GEIM in its role as investment adviser to LifeStyle. It is contemplated that GEIM will engage an investment advisory firm to consult periodically with the board of trustees concerning changes to: (a) the Portfolio Funds in which the Investing Funds may invest; (b) the percentage range of assets that may be invested by each Investing Fund in any one Portfolio Fund; and (c) the percentage range of

[1] GE Funds is the only existing GE Family Fund that currently intends to rely on the requested order. Other existing GE Family Funds do not presently intend to rely on the requested order, but may do so in the future in accordance with the terms thereof.