

Office of Filings and Information
Services, Washington DC 20549

Proposed Amendments

Form BDW, SEC File No. 270-17, OMB
Control No. 3235-0018

Rule 11Ac1-1, SEC File No. 270-404,
OMB Control No. 3235-0461

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget requests for approval of proposed amendments on previously approved collections of information:

Form BDW is used by broker-dealers to withdraw from registration with the Commission, the self-regulatory organizations, and the states. It is estimated that approximately 900 broker-dealers annually will incur an average burden of 15 minutes, or 0.25 hours to file for withdrawal on Form BDW electronically with the redesignated Central Registration Depository system, a computer system operated by the National Association of Securities Dealer's Inc. that maintains information regarding broker-dealers and their registered personnel.

Rule 11Ac1-1 contains two related collections of information necessary to disseminate to the public market makers' published quotations to buy and sell securities. The first collection of information is found in 17 CFR 11Ac1-1(c). This reporting requirement obligates each "responsible broker or dealer," as defined under the rule, to communicate to its exchange or association its best bids, best offers, and quotation sizes for any subject security, as defined under the rule. The second collection of information is found in 17 CFR 11Ac1-1(b). This reporting requirement obligates each exchange and association to make available to quotation vendors for dissemination to the public the best bid, best offer, and aggregate quotation size for each subject security.¹ Brokers, dealers, other market participants, and members of the public rely on published quotation information

to determine the best price and market for execution of customer orders.

It is anticipated that 758 respondents, consisting of 8 national securities exchanges or registered national securities associations, 180 exchange specialists and 570 OTC market makers, will make 409,568,000 total annual responses pursuant to Rule 11Ac1-1. The total annual burden is estimated to be approximately 179,670 total annual hours.

General comments regarding the estimated burden hours should be directed to the Desk Officer for the Securities and Exchange Commission at the address below. Any comments concerning the accuracy of the estimated average burden hours for compliance with Commission rules and forms should be directed to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549 and Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, D.C. 20503.

Dated: September 9, 1996.

Jonathan G. Katz,

Secretary.

[FR Doc. 96-24169 Filed 9-19-96; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-22223; 812-9930]

The Gabelli Equity Trust Inc.; Notice of Application

September 16, 1996.

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

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "Act").

APPLICANT: Gabelli Equity Trust Inc.

RELEVANT ACT SECTIONS: Exemption requested under section 6(c) of the Act that would grant an exemption from section 19(b) of the Act and rule 19b-1 thereunder.

SUMMARY OF APPLICATION: Applicant requests an order to make up to four distributions of long-term capital gains in any one taxable year, so long as it maintains in effect a distribution policy calling for quarterly distributions of a fixed percentage or fixed amount of its net asset value.

FILING DATE: The application was filed on December 29, 1995, and amended on June 4, 1996, and August 23, 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 October 11, 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street N.W., Washington, D.C. 20549. Applicant, One Corporate Center, Rye, New York 10580.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Staff Attorney, at (202) 942-0572, 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 at the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is a closed-end management investment company organized as a Maryland corporation. Applicant's investment objective is to seek long-term growth of capital by investing in a portfolio of equity securities.

2. Applicant currently has a "10% Distribution Policy" in which it makes quarterly distributions of \$0.25 per share for each of the first three calendar quarters of each year. Applicant's distribution in December for each calendar year is an adjusting distribution (equal to the sum of 2.5% of the net asset value of applicant as of the last day of the four preceding calendar quarters less aggregate distributions of \$0.75 per share made for the most recent three calendar quarters) in order to meet applicant's 10% pay-out goal. If, for any calendar year, the total distributions required by its 10% Distribution Policy exceed applicant's net investment income and net realized capital gains, the excess will generally be treated as a return of capital. If applicant's net investment income, net short-term realized gains, net long-term realized gains, and returns of capital for any year exceed the amount required to be distributed under its 10%

¹ A third reporting requirement under the Quote Rule, as amended at 17 CFR 11Ac1-1(c)(5), will give electronic communications networks ("ECNs") the option of reporting to an exchange or association for public dissemination, on behalf of their over-the-counter ("OTC") market maker or exchange specialist customers, the best priced orders and a cumulative size for such orders entered by market makers, to satisfy such market makers' reporting obligation under Rule 11Ac1-1(c). Because this reporting requirement is an alternative method of meeting the market makers' reporting obligation, and because it is directed to nine or fewer persons (BCNs), this collection of information is not subject to OMB review under the PRA.

Distribution Policy, applicant may retain and not distribute net long-term capital gains to the extent of such excess.

3. Applicant requests relief to permit it to modify the 10% Distribution Policy to make up to four distributions of net long-term capital gains in any one taxable year, so long as it maintains in effect a distribution policy calling for quarterly distributions of a fixed percentage or fixed amount (with a fourth quarter adjusting distribution) of its net asset value.

Applicant's Legal Analysis

1. Section 19(b) provides that registered investment companies may not, in contravention of such rules, regulations, or orders as the SEC may prescribe, distribute long-term capital gains more often than once every twelve months. Rule 19b-1 limits the number of capital gains distributions, as defined in section 852(b)(3)(C) of the Internal Revenue Code of 1986, as amended, (the "Code"), that applicant may make with respect to any one taxable year to one, plus a supplemental distribution made pursuant to section 855 of the Code not exceeding 10% of the total amount distributed for the year, plus one additional long-term capital gains distribution made to avoid the excise tax under section 4982 of the Code.

2. Rule 19b-1, by limiting the number of net long-term capital gain distributions that applicant may make with respect to any one year, prevents the operation of the 10% Distribution Policy whenever applicant's realized net long-term capital gains in any year exceed the total of the fixed quarterly distributions that under rule 19b-1 may include such capital gains. In that situation, the rule effectively forces the fixed quarterly distributions, that under the rule may not include such capital gains, to be funded with returns of capital (to the extent net investment income and realized short-term capital gains are insufficient), even though net realized long-term capital gains would otherwise be available therefor. The long-term capital gains in excess of the fixed quarterly distributions permitted by the rule then must either be added as an "extra" on one of the permitted capital gains distributions, thus exceeding the total annual amount called for by the 10% Distribution Policy, be made as an adjusting distribution in the fourth quarter that in effect combines the third and fourth quarter distributions (the method applicant used in 1995), or be retained by applicant (with applicant paying taxes thereon).

3. Applicant believes that granting the requested relief would limit applicant's return of capital distributions to that amount necessary to make up any shortfall between applicant's guaranteed distribution and the total of its investment income and capital gains. The likelihood that applicant's shareholders would be subject to additional tax return complexities involved when applicant retains and pays taxes on long-term capital gains would also be avoided.

4. One of the concerns leading to the adoption of section 19(b) and rule 19b-1 was that shareholders might be unable to distinguish between frequent distributions of capital gain and dividends from investment income. In accordance with rule 19a-1 under the Act, a separate statement showing the source of the distribution (net investment income, net realized capital gains, or returns of capital) will accompany each distribution (or the confirmation of the reinvestment thereof under applicant's dividend reinvestment plan). In addition, a statement showing the amount and source of distributions received during the year will be included with applicant's IRS Form 1099-DIV reports sent to each shareholder who received distributions during the year (including shareholders who sold shares during the year). This information will also be included in applicant's annual report to shareholders. Through these disclosures and other communications with shareholders, applicant states that its shareholders will understand that applicant's fixed distributions are not tied to its investment income and realized capital gains and will not represent yield or investment return.

5. Another concern that led to the adoption of section 19(b) and rule 19b-1 was that frequent capital gain distributions could facilitate improper fund distribution practices, including in particular the practice of urging an investor to purchase fund shares on the basis of an upcoming dividend ("selling the dividend"), where the dividend results in an immediate corresponding reduction in net asset value and is in effect a return of the investor's capital. Applicant believes that this concern does not apply to closed-end investment companies, such as applicant, which do not continuously distribute shares.

6. Although, to date, applicant has completed four rights offerings of additional shares to shareholders, each of the offerings were short in duration and involved a relatively small number of new shares. The rights were offered without payment of solicitation fees to brokers and without payment of any

other commission or underwriting fees. Holders of rights in the 1995 offering who did not wish to exercise their rights were able to instruct applicant's subscription agent to sell any unexercised rights and paid a brokerage commission rate of \$.01 per right. Most rights were sold by the subscription agent on the New York Stock Exchange. Applicant states that extensive disclosure regarding the terms and conditions of each rights offering and the 10% Distribution Policy is included in a statutory prospectus available upon the commencement of that offering. Further, applicant states that shares in its rights offerings are generally offered during a one-month interval prior to the declaration of a quarterly dividend and, therefore, the specific abuse of "selling the dividend" cannot occur as a matter of timing.

7. Applicant states that another concern leading to the adoption of section 19(b) and rule 19b-1, increase in administrative costs, is not present because applicant will continue to make quarterly distributions regardless of what portion thereof is composed of capital gains.

8. Section 6(c) of the Act provides that the SEC may exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provisions of the Act, if and to the extent such exemption is necessary or 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. For the reasons stated above, applicant believes that the requested exemption meets the standards set forth in section 6(c).

Applicant's Condition

Applicant agrees that the order granting the requested relief shall terminate upon the effective date of a registration statement under the Securities Act of 1933 for any future public offering by applicant of shares of applicant other than: (i) A such offering does not include the payment of solicitation fees to brokers or the payment of any other commissions¹ or underwriting fees in connection with the offering or exercise of the rights, (b) the rights will not be exercisable

¹ Holders of rights who do not wish to exercise any or all of their rights may instruct applicant's subscription agent to sell their unexercised rights. These shareholders are responsible for paying all brokerage commissions incurred by the subscription agent in selling the unexercised rights. Such sales may be effected by the subscription agent through Gabelli & Company, Inc., a registered broker-dealer, for up to \$.03 per right, if the subscription agent is unable to negotiate a lower brokerage commission with an independent broker.

between the date a dividend to applicant's shareholders is declared and the record date of such dividend, and (c) applicant has not engaged in more than one rights offering during any given calendar year; or (ii) an offering in connection with a merger, consolidation, acquisition, spin-off, or reorganization; unless applicant has received from the staff of the Commission written assurance that the order will remain in effect.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 96-24171 Filed 9-19-96; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 22221; 811-4035]

Merrill Lynch Balanced Fund for Investment and Retirement, Inc.; Notice of Application

September 13, 1996.

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

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

APPLICANT: Merrill Lynch Balanced Fund for Investment and Retirement, Inc.

RELEVANT ACT SECTION: Section 8(f).

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

FILING DATE: The application was filed on July 5, 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 October 8, 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, 800 Scudders Mill Road, Plainsboro, New Jersey 08536-9011.

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, diversified management investment company organized as a corporation under the laws of Maryland. On May 24, 1984, applicant registered under the Act under the name Merrill Lynch Retirement Benefit Fund, Inc., and filed a registration statement to register its shares under the Securities Act of 1933. The name of applicant was changed to Merrill Lynch Retirement Benefit Investment Program, Inc. on July 22, 1985. On October 18, 1985, applicant's registration statement became effective. Applicant officially changed its name to Merrill Lynch Balanced Fund for Investment and Retirement, Inc. on December 21, 1994.

2. On October 13, 1995, applicant's board of directors approved an Agreement and Plan of Reorganization (the "Reorganization") between applicant and Merrill Lynch Global Allocation fund, Inc. ("Global Allocation"), pursuant to which applicant would transfer substantially all of its assets and liabilities to Global Allocation in exchange for newly issued Class A, Class B, Class C, and Class D shares of Global Allocation and the assumption by Global Allocation of substantially all of applicant's liabilities. In accordance with rule 17a-8 of the Act, applicant's directors determined that the Reorganization was in the best interests of applicant and that the interests of applicant's existing shareholders would not be diluted as a result.¹

3. In approving the Reorganization, the directors identified certain potential benefits likely to result from the Reorganization, including, (a) that shareholders would remain invested in an open-end fund that had an investment objective similar to that of applicant, (b) that the total operating expenses of Global Allocation after the

¹ Applicant and Global Allocation may be deemed to be affiliated persons of each other by reason of having a common investment adviser, common directors, and/or common officers. Although purchases and sales between affiliated persons generally are prohibited by section 17(a) of the Act, rule 17a-8 provides an exemption for certain purchases and sales among investment companies that are affiliated persons of each other solely by reason of having a common investment adviser, common directors, and/or common officers.

Reorganization, as a percentage of net assets, would be less than the current operating expenses for applicant, (c) that Global Allocation could experience increasing economies of scale resulting from a larger asset base, and (d) that Global Allocation might experience greater flexibility in portfolio management because it is organized as a non-diversified fund.

4. On or about November 29, 1995, proxy materials soliciting shareholder approval of the Reorganization were mailed to all shareholders of record as of October 31, 1995. The Reorganization was approved, in accordance with Maryland law, by applicant's shareholders at a special meeting held on January 25, 1996.

5. As of 4:15 p.m. on March 1, 1996 (the "Valuation Time"), applicant had 912,616 Class A shares, 10,877,028 Class B shares, 110,774 Class C shares, and 41,129,078 Class D shares of common stock outstanding, \$.01 par value. The net asset value per Class A share was \$11.45, aggregating \$10,445,504; the net asset value per Class B share was \$11.69, aggregating \$127,150,468; the net asset value per Class C share was \$11.51, aggregating \$1,274,899; and the net asset value per Class D share was \$11.43, aggregating \$470,266,584.

6. On March 4, 1996, applicant transferred assets valued at \$609,137,455 and received in exchange 42,850,506.360 newly issued shares of common stock of Global Allocation. Such shares were then distributed to applicant's shareholders on that date in exchange for such shareholder's proportional interest in applicant. Specifically, applicant's shareholders received shares of that class of shares of Global Allocation having the same letter designation (i.e., Class A, Class B, Class C, or Class D) and the same distribution fees, account maintenance fees, and sales charges (including contingent deferred sales charges), if any, as applicant's shares held by them immediately prior to the Reorganization. The aggregate net asset value of the corresponding shares of Global Allocation issued to applicant's shareholders equaled the aggregate net asset value of the outstanding shares of applicant.

7. The expenses of the Reorganization directly attributable to each of applicant and Global Allocation were deducted from applicant's and Global Allocation's assets, respectively, prior to the Valuation Time. These expenses included the expenses incurred in