

35. National Education Goals Panel—Chairperson
36. National Endowment for Democracy—Chairperson
37. National Mediation Board—Chairperson
38. National Science Foundation/Arctic Research Commission—Chairperson
39. National Transportation Safety Board—Chairperson
40. Neighborhood Reinvestment Corporation—Chairperson
41. Nuclear Waste Technical Review Board—Chairperson
42. Occupational Safety and Health Review Commission—Chairperson
43. Office of Government Ethics—Director
44. Office of Navajo and Hopi Indian Relocation—Chairperson
45. Office of Special Counsel—Special Counsel
46. Office of the Nuclear Waste Negotiator—Negotiator
47. Offices of Independent Counsel—Independent Counsels
48. Ounce of Prevention Council—Chairperson
49. Overseas Private Investment Corporation—Board of Directors
50. Postal Rate Commission—Chairperson
51. Selective Service System—Director
52. Smithsonian Institution/John F. Kennedy Center for the Performing Arts—Chairperson
53. Smithsonian Institution/National Gallery of Art—Board of Trustees
54. Smithsonian Institution/Woodrow Wilson International Center for Scholars—Board of Trustees
55. State Justice Institute—Director
56. Susquehanna River Basin Commission—U.S. Commissioner
57. Trade and Development Agency—Director
58. Thrift Depositor Protection Oversight Board—Chairperson
59. U.S. Enrichment Corporation—Chairperson
60. U.S. Holocaust Memorial Council—Chairperson
61. U.S. Institute of Peace—Chairperson

[FR Doc. 96-24692 Filed 9-25-96; 8:45 am]

BILLING CODE 3110-01-P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Notice of Meeting of the Trade and Environment Policy Advisory Committee

AGENCY: Office of the United States Trade Representative.

ACTION: Notice that the October 9, 1996, meeting of the Trade and Environment

Policy Advisory Committee will be held from 10:00 a.m. to 3:00 p.m. The meeting will be closed to the public from 10:00 a.m. to 2:30 p.m. and open to the public from 2:30 p.m. to 3:00 p.m.

SUMMARY: The Trade and Environment Policy Advisory Committee will hold a meeting on October 9, 1996 from 10:00 a.m. to 3:00 p.m. The meeting will be closed to the public from 10:00 a.m. to 2:30 p.m. The meeting will influence a review and discussion of current issues which influence U.S. trade policy. Pursuant to Section 2155(f)(2) of Title 19 of the United States Code, I have determined that this meeting will be concerned with matters the disclosure of which would seriously compromise the development by the United States Government of trade policy, priorities, negotiating objectives or bargaining positions with respect to the operation of any trade agreement and other matters arising in connection with the development, implementation and administration of the trade policy of the United States. The meeting will be open to the public and press from 2:30 p.m. to 3:00 p.m. when trade policy issues will be discussed. Attendance during this part of the meeting is for observation only. Individuals who are not members of the committee will not be invited to comment.

DATES: The meeting is scheduled for October 9, 1996, unless otherwise notified.

ADDRESSES: The meeting will be held at the Sheraton Carlton Hotel in the Chandelier Room, located at 16th and K Streets, Washington, DC, unless otherwise notified.

FOR FURTHER INFORMATION CONTACT:

Suzanna Kang, Office of the United States Trade Representative, (202) 395-6120.

Charlene Barshefsky,

Acting United States Trade Representative.

[FR Doc. 96-24689 Filed 9-25-96; 8:45 am]

BILLING CODE 3190-01-M

RAILROAD RETIREMENT BOARD

Agency Forms Submitted for OMB Review

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the Railroad Retirement Board has submitted the following proposal(s) for the collection of information to the Office of Management and Budget for review and approval.

SUMMARY OF PROPOSAL(S):

- (1) *Collection title:* Pension Plan Reports
- (2) *Form(s) submitted:* G-88p, G-88r, and G-88r.1
- (3) *OMB Number:* 3220-0089
- (4) *Expiration date of current OMB clearance:* October 31, 1996
- (5) *Type of request:* Extension of a currently approved collection
- (6) *Respondents:* Business or other for-profit
- (7) *Estimated annual number of respondents:* 500
- (8) *Total annual responses:* 2,240
- (9) *Total annual reporting hours:* 300
- (10) *Collection description:* The Railroad Retirement Act provides for payment of a supplemental annuity to a qualified railroad retirement annuitant. The collection obtains information from the annuitant's employer to determine (a) The existence of a railroad employer pension plans and whether such plans, if they exist, require a reduction to supplemental annuities paid to the employer's former employees and (b) the amount of supplemental annuities due railroad employees.

ADDITIONAL INFORMATION OR COMMENTS:

Copies of the form and supporting documents can be obtained from Chuck Mierzwa, the agency clearance officer (312-751-3363). Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092 and the OMB reviewer, Laura Oliven (202-395-7316), Office of Management and Budget, Room 10230, New Executive Office Building, Washington, DC 20503. Chuck Mierzwa,
Clearance Officer.

[FR Doc. 96-24679 Filed 9-25-96; 8:45 am]

BILLING CODE 7905-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22236; 812-9844]

Daily Money Fund, et al.; Notice of Application

September 20, 1996.

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

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

APPLICANTS: Daily Money Fund, Daily Tax-Exempt Money Fund, Fidelity Advisor Korea Fund, Inc., Fidelity Advisor Emerging Asia Fund, Inc., Fidelity Advisor Series I, Fidelity

Advisor Series II, Fidelity Advisor Series III, Fidelity Advisor Series IV, Fidelity Advisor Series V, Fidelity Advisor Series VI, Fidelity Advisor Series VII, Fidelity Advisor Series VIII, Fidelity Advisor Annuity Fund, Fidelity Beacon Street Trust, Fidelity Boston Street Trust, Fidelity California Municipal Trust, Fidelity California Municipal Trust II, Fidelity Capital Trust, Fidelity Charles Street Trust, Fidelity Commonwealth Trust, Fidelity Congress Street Fund, Fidelity Contrafund, Fidelity Court Street Trust, Fidelity Court Street Trust II, Fidelity Destiny Portfolios, Fidelity Deutsche Mark Performance Portfolio, L.P., Fidelity Devonshire Trust, Fidelity Exchange Fund, Fidelity Financial Trust, Fidelity Fixed-Income Trust, Fidelity Government Securities Fund, Fidelity Hastings Street Trust, Fidelity Hereford Street Trust, Fidelity Income Fund, Fidelity Institutional Cash Portfolios, Fidelity Institutional Tax-Exempt Cash Portfolios, Fidelity Institutional Investors Trust, Fidelity Institutional Trust, Fidelity Investment Trust, Fidelity Magellan Fund, Fidelity Massachusetts Municipal Trust, Fidelity Money Market Trust, Fidelity Mt. Vernon Street Trust, Fidelity Municipal Trust, Fidelity Municipal Trust II, Fidelity New York Municipal Trust, Fidelity New York Municipal Trust II, Fidelity North Carolina Capital Management, Fidelity Phillips Street Trust, Fidelity Puritan Trust, Fidelity School Street Trust, Fidelity Securities Fund, Fidelity Select Portfolios, Fidelity Sterling Performance Portfolio, L.P., Fidelity Summer Street Trust, Fidelity Trend Fund, Fidelity Union Street Trust, Fidelity Union Street Trust II, Fidelity U.S. Investments—Bond fund, L.P., Fidelity U.S. Investments—Government Securities Fund, L.P., Fidelity Yen Performance Portfolio, L.P., Variable Insurance Products Fund, Variable Insurance Products Fund II (collectively, the "Trust"); Fidelity Advisor World U.S. Large-Cap Stock Fund (Bermuda) Ltd., Fidelity Advisor World Europe fund (Bermuda) Ltd., Fidelity Advisor World Europe Fund (Bermuda) Ltd., Fidelity Advisor World Southeast Asia Fund (Bermuda) Ltd., Fidelity World Advisory World U.S. Limited Term Bond Fund (Bermuda) Ltd., Fidelity Advisor World U.S. Government Investment Fund (Bermuda) Ltd., Fidelity Advisor World U.S. Treasury Money Fund (Bermuda) Ltd. (collectively, the "Fidelity Advisor World Funds"); Fidelity Management and Research Company ("FMR"); Fidelity Management Trust Company (or an affiliate trustee) ("FMTC");

Fidelity Group Trust for Employee Benefit Plans ("Fidelity Group Trust"); FMR Texas Inc. ("FMR Texas");¹ Fidelity Service Co. ("FSC"); Fidelity Investments Institutional Operations Company ("FIIOC");² each Trust and all other registered investment companies and series thereof that are advised by FMR or a person controlling, controlled by, or under common control with FMR (collectively, the "Adviser") and all other registered investment companies and series thereof for which the Adviser in the future acts as investment adviser (collectively, the "Registered Funds"); the Fidelity Advisor World Funds, and other pooled investment funds advised or in the future advised by the Adviser, or a person controlling, controlled by, or under common control with the Adviser, offered exclusively outside the United States to non-U.S. residents (the "Off-Shore Funds"); state and local entities or accounts thereof advised or in the future advised by the Adviser that are exempt from regulation under the Act pursuant to section 2(b) of the Act (the "2(b) Entities"); collective trust funds of the Fidelity Group Trust, the trustee for which, or in the future the trustee for which, is FMTC, that are excepted from the definition of investment company by section 3(c)(11) of the Act (the "3(c)(11) Entities"); and individual institutional accounts advised by the Adviser (collectively, the Registered Funds, the Off-Shore Funds, the 2(b) Entities, the 3(c)(11) Entities, and the individual institutional accounts are the "Funds").

RELEVANT ACT SECTIONS: Order of exemption requested under section 6(c) of the Act from section 12(d)(1)(A)(ii) of the Act and rule 2a-7(c)(4) (i) and (ii) thereunder, under sections 6(c) and 17(b) that would grant an exemption from section 17(a), and under rule 17d-1 to permit certain transactions in accordance with section 17(d) and rule 17d-1.

SUMMARY OF APPLICATION: The requested order would permit certain Funds, including money market funds (the "Participating Funds"), to purchase shares of affiliated investment companies (the "Central Funds") for cash management purposes (the "Cash Management Transactions") and permit

¹ The term "FMR Texas" includes any other company controlled or under common control with FMR Texas that acts in the future as investment adviser to the non-publicly traded Fidelity money market or short-term bond funds that are the subject of the requested relief.

² The terms "FSC" and "FIIOC" include any other company controlled by or under common control with FMR that acts in the future as shareholder servicing or dividend disbursing agent for the Trusts.

the Participating Funds and the Central Funds to engage in certain transactions with each other.

FILING DATES: The application was filed on November 11, 1995, and amended on March 18, and July 10, 1996. Applicants have agreed to file an amendment, the substance of which is incorporated herein, during the notice period.

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 15, 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 Fifth Street NW., Washington, DC 20549. Applicants, 82 Devonshire Street, Boston, MA 02109.

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 from the SEC's Public Reference Branch.

Applicants' Representations

1. Each of the Registered Funds is registered under the Act and most of the Trusts are series companies. The current Off-Shore Funds are portfolios of mutual funds established under the laws of Bermuda. Each of the 3(c)(11) Entities is organized as a separate pooled account under the Fidelity Group Trust, for which FMTC acts as trustee. The only 2(b) Entity that currently intends to rely on the requested order is the Massachusetts Municipal Depository Trust ("Municipal Trust"), which is established pursuant to Massachusetts law.³

³ A 2(b) Entity (including the Municipal Trust) may participate in the Cash Management Transactions if it determines that the proposed investments in instruments through the proposed transactions are consistent with state laws or

2. The Adviser, a registered investment adviser, acts as each Fund's investment manager and provides the Funds with administrative services. FMR Texas will provide investment management services to the Central Funds that are money market funds. FSC is the transfer and dividend paying agent for each of the retail Registered Funds and FIIOC is the transfer and dividend paying agent for each of the institutional Registered Funds. FMR Corp. is the parent holding company for FMR, FMTC, FMR Texas, FSC, and FIIOC.

3. Each Participating Fund has, or may be expected to have, uninvested cash held by its custodian bank. Such cash may result from a variety of sources, including dividends or interest received from portfolio securities, securities transactions, reserves held for investment strategy purposes, scheduled maturity of investments, liquidation of investment securities to meet anticipated redemptions and dividend payments, and new monies received from investors.

4. The Central Funds will be open-end management investment companies registered under the Act, but will not register their shares under the Securities Act of 1933. Shares of the Central Funds will be sold only to the Participating Funds. The Central Funds will be taxable or tax-exempt money market funds or short-term bond funds with a portfolio maturity of three years or less. The Central Funds will be used as a cash management device for temporary investment by the Participating Funds.

5. Certain of the Participating Funds currently engage in interfund purchase and sale transactions involving short-term money market instruments in reliance on rule 17a-7.⁴ These transactions are typically between one entity that has a need to raise cash and another that has cash to invest on a short-term basis or between a fund that was seeking to implement portfolio strategy and another fund that was seeking to raise or invest cash. Applicants propose that the Participating Funds and the Central Funds also be permitted to engage in such interfund purchase and sale transactions in securities ("Interfund Transactions").

administrative rules regulating the 2(b) Entity. If not, it must seek to have those laws or rules amended. Accordingly, the Municipal Trust is not named as an applicant because it considers it premature to join formally.

⁴ Rule 17a-7 provides for purchase or sale transactions between registered investment companies and certain affiliated persons provided that certain conditions are met.

Applicants' Legal Analysis

A. Sections 6(c) and 12(d)(1) and Rule 2a-7

1. Section 12(d)(1)(A) of the Act prohibits any registered investment company (the "acquiring company") or any company or companies controlled by such acquiring company to purchase any security issued by any other investment company (the "acquired company") if such purchase will result in the acquiring company or companies it controls owning in the aggregate (a) More than 3% of the outstanding voting stock of the acquired company, (b) securities issued by the acquired company with an aggregate value in excess of 5% of the acquiring company's total assets, or (c) securities issued by the acquired company and all other investment companies with an aggregate value in excess of 10% of the value of the acquiring company's total assets.

2. Since the Participating Funds will be the only shareholders of the Central Funds, more than 3% of the shares of each Central Fund may be owned by one or more of the Registered Funds and more than 10% of each Central Fund's shares may be held by one or more investment companies. In addition, applicants propose that each Registered Fund be permitted to invest in, and hold shares of, the Central Funds to the extent that a Registered Fund's aggregate investment in the Central Funds at the time the investment is made does not exceed 25% of the Registered Fund's total net assets. For these reasons, applicants seek an exemption from the provisions of section 12(d)(1) to the extent necessary to implement the Cash Management Transactions.

3. Rule 2a-7(c)(4) (i) and (ii) require money market funds to limit their investment in the securities of any one issuer (other than certain specified securities) to 5% of fund assets with respect to either 100% or 75% of the fund's total assets. The SEC has interpreted rule 2a-7(c)(4) (i) and (ii) as applying to a money market fund's investment in another money market fund.⁵ Accordingly, applicants seek relief from rule 2a-7(c)(4) (i) and (ii) to the extent necessary to permit the Participating Registered Funds that are money market funds to invest in a Central Fund that is a money market fund, to the same extent, and on the same basis, as Participating Funds that are not money market funds.

4. Section 6(c) permits the SEC to exempt any person or transaction from

any provision of the Act, if 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 of the Act. For the reasons provided below, applicants argue that the requested order meets the section 6(c) standards.

5. Applicants state that it would be in the best interests of the Participating Funds and their shareholders to provide the widest possible range of investments for available cash. By adding shares of the Central Funds as another investment option, the applicants believe that the Participating Funds may reduce their aggregate exposure to counterparty risk in repurchase agreements and diversify the risk associated with direct purchases of short-term obligations while providing high current rates of return, ready liquidity, and increased diversity of holdings indirectly through investment in the Central Funds. Reducing the amount of uninvested cash held at custodian banks also would reduce the Participating Funds' credit exposure to such banks. These benefits would be particularly pronounced for any tax-exempt Participating Funds, which have fewer cash management options than taxable funds.

6. With respect to section 12(d)(1), applicants state that a fund's cash position fluctuates with shareholder and investment activity. Applicants believe that a maximum of 25% of a Participating Fund's assets will cover normal investment patterns and permit the majority of a fund's cash to be invested in a Central Fund (assuming that a fund's fundamental investment policy permits such investment).

7. In addition, applicants state that section 12(d)(1) is intended to protect an investment company's shareholders against (a) undue influence over portfolio management through the threat of large-scale redemptions, the threat of loss of advisory fees to the adviser, and the disruption of orderly management of the investment company through the maintenance of large cash balances to meet potential redemptions, (b) the acquisition of voting control of the company, and (c) the layering of sales charges, advisory fees, and administrative costs. Applicants state that because an Adviser will serve as investment adviser to both the Participating Funds and the Central Funds, it is not susceptible to undue influence regarding its management of the Central Funds due to threatened redemptions or loss of fees. In addition, applicants state that each of the Central Funds will be managed specifically to maintain a highly liquid portfolio and

⁵ See Investment Company Act Release No. 21837 (Mar. 21, 1996) (release adopting amendments to rule 2a-7).

that access to the Central Funds will enhance each Participating Fund's ability to manage and invest cash. Further, since no Central Fund will be publicly offered, only the Participating Funds will exercise voting control over the Central Funds and each Participating Fund will hold a *pro rata* share of a Central Fund's outstanding voting securities based on the amount of its investment. Additionally, since the Participating Funds will not incur many of the expenses associated with direct investment, these savings should significantly offset the affect of the remaining expenses incurred by the Central Funds. Therefore, applicants believe none of the perceived abuses meant to be addressed by section 12(d)(1) is created by the Cash Management Transactions.

8. Applicants state that rule 2a-7 is designed to minimize the risk that a money market fund will not be able to maintain a stable net asset value. A Central Fund that is a money market fund will seek to maintain a constant net asset value and will be as liquid as a publicly offered money market fund. Applicants state that the net asset value per share of a money market Participating Fund would be made no more volatile as a result of investing a portion of its assets in another money market fund. In addition, investment in a Central Fund would be as liquid as other investment alternatives.

Accordingly, applicants believe that the investment by a money market Participating Fund in a Central Fund that is a money market fund would be consistent with the risk-limiting objectives of rule 2a-7, as amended.

B. Sections 17(a) and 17(b).

1. Section 2(a)(3) of the Act defines an affiliated person of an investment company to include any person that owns more than 5% of the outstanding voting securities of that company and any investment adviser of the investment company and any person directly or indirectly controlling, or under common control with, such investment adviser. Under section 2(a)(3), FMR, as investment adviser of each of the Funds, is an affiliated person of each Fund. Further, because the Funds either share a common investment adviser or have an investment adviser that is under common control with those of the other Funds, and most Registered Funds also share a common board of trustees, or other governing body, the Funds may be deemed to be under common control with all the other Funds and, therefore, each is an affiliated person of those Funds. In addition, it is likely that a

Participating Fund would own more than 5% of the outstanding voting securities of the Central Fund. Thus, each Participating Fund and the Central Fund may be affiliated persons (or affiliates of affiliates) of each other Fund.

2. Section 17(a) of the Act generally prohibits sales or purchases of securities between a registered investment company and any affiliated person of that company. The sale by the Central Funds of their shares to the Participating Registered Funds and the redemption of such shares by the Registered Funds could be deemed to be a principal transaction between affiliated persons that is prohibited under section 17(a). Therefore, applicants request an order to permit the Central Funds to sell their shares to the Registered Funds and to permit the Registered Funds to redeem such shares from the Central Funds. In addition, applicants request relief to permit the Participating and the Central Funds to engage in Interfund Transactions that otherwise would be effected in reliance on rule 17a-7 except for the affiliation created by the Cash Management Transactions.

3. Section 17(b) permits the SEC to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that the terms of the proposed transaction are fair and reasonable and do not invoke overreaching on the part of any person concerned. Section 17(b) could be interpreted to exempt only a single transaction. However, the Commission, under section 6(c) of the Act, may exempt a series of transactions that otherwise would be prohibited by section 17(a). For the reason stated below, applicants believe that the terms of the transactions meet the standards of section 6(c) and 17(b).

4. With respect to the relief requested from section 17(a) for the Cash Management Transactions, applicants state that the terms of the Cash Management Transactions are fair because the consideration paid and received for the sale and redemption of shares of the Central Funds will be based on the net asset value per share of the Central Funds. In addition, the purchase of shares of the Central Funds by the Participating Funds will be effected in accordance with each Participating Fund's investment restrictions and policies as set forth in its registration statement.

5. With respect to the relief requested from section 17(a) for the Interfund Transactions, applicants state that the Funds will comply with rule 17a-7 under the Act in all respects, other than the requirement that the registered

investment company and the affiliated person thereof (or the affiliated person of such person) be affiliated persons of each other solely by reason of having a common investment adviser or investment advisers which are affiliated persons of each other, common officers and/or common directors. Applicants state that the additional affiliation created by the Cash Management Transactions does not effect the other protections provided by rule 17a-7, including oversight by the board of trustees of each Fund.

C. Section 17(d) and Rule 17d-1

1. Section 17(d) of the Act and rule 17d-1 thereunder prohibit an affiliated person of an investment company, acting as principal, from participating in or effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates. Applicants contend that because they are acting together to create the Central Funds as a private facility for their cash management needs, the Central Funds may be deemed a joint enterprise for the purposes of section 17(d) and rule 17d-1.

2. Rule 17d-1 permits the SEC to approve a proposed joint transaction. In determining whether to approve a transaction, the SEC is to consider whether the proposed transaction is consistent with the provisions, policies, and purposes of the Act, and the extent to which the participation of the investment companies is on a basis different from or less advantageous than that of the other participants. For the reasons stated below, applicants believe that the requested relief meets these standards.

3. Applicants state the Cash Management Transactions are intended to provide substantial benefits to all Participating Funds and that the Central Funds will benefit from having as large an asset base as possible. Moreover, applicants state that the arrangement is not intended to increase the fees for the Adviser or any other non-investment company participant. Finally, each Participating Fund may purchase and redeem shares of each Central Fund, and would receive dividends and bear expenses on the same basis as each other Participating Fund that also invests in such Central Fund.

Applicants' Conditions

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

1. The shares of the Central Funds sold to and redeemed from the Registered Funds will not be subject to

a sales load, redemption fee, distribution fee under a plan adopted in accordance with rule 12b-1, or service fee (as defined in rule 2830(b)(9) of the National Association of Securities Dealers' Rules of Conduct).⁶

2. If the Adviser to the Central Fund collects a fee from the Central Fund for acting as its investment adviser, before the next meeting of the board of trustees of a Registered Fund that invests in the Central Fund is held for the purpose of voting on an advisory contract under section 15, the Adviser to the Registered Funds will provide the board of trustees with specific information regarding the approximate cost to the Adviser for managing the assets of the Registered Fund that can be expected to be invested in such Central Funds. Before approving any advisory contract under section 15, the board of trustees of such Registered Fund, including a majority of the trustees who are not "interested persons," as defined in section 2(a)(19), shall consider to what extent, if any, the advisory fees charged to the Registered Fund by the Adviser should be reduced to account for the fee indirectly paid by the Registered Fund because of the advisory fee paid by the Central Fund. The minute books of the Registered Fund will record fully the trustees' consideration in approving the advisory contract, including the considerations relating to fees referred to above.

3. Each Participating Fund, each Central Fund, and any future fund that may rely on the order shall be advised by or, in the case of a 3(c)(11) Entity, shall have as its trustee, FMR or a person controlling, controlled by, or under common control with FMR.

4. Investment in shares of the Central Funds will be in accordance with each Registered Fund's respective investment restrictions, if any, and will be consistent with each Registered Fund's policies as set forth in its prospectuses and statements of additional information.

5. No Central Fund shall acquire securities of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act, except as permitted by the SEC's prior interfund lending order issued to the Fidelity family of funds.⁷

6. A majority of the trustees of each Registered Fund will not be "interested persons," as defined in section 2(a)(19) of the Act.

7. Each of the Registered Funds will invest uninvested cash in, and hold

shares of, the Central Funds only to the extent that the Registered Fund's aggregate investment in the Central Funds at the time the investment is made does not exceed 25% of the Registered Fund's total net assets. For purposes of this limitation, each Registered Fund or series thereof will be treated as a separate investment company.

8. To engage in Interfund Transactions, the Funds will comply with rule 17a-7 under the Act in all respects other than the requirement that the parties to the transaction be affiliated persons (or affiliated persons of affiliated persons) of each other solely by reason of having a common investment adviser or investment advisers which are affiliated persons of each other, common officers, and/or common directors.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-24698 Filed 9-25-96; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-22234; 811-8832]

Harcourt-Symes, Ltd f/n/a First August Financial Corporation; Notice of Application

September 19, 1996.

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

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

APPLICANT: Harcourt-Symes, Ltd.

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 11, 1996 and amended on June 6, 1996 and September 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 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 15, 1996, and should be accompanied by proof of service on 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 who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street NW., Washington, DC 20549. Applicant, 1550 SW. Allen Blvd., Beaverton, OR 97005.

FOR FURTHER INFORMATION CONTACT: Harry Eisenstein, Senior Counsel, (202) 942-0552, or Alison E. Baur, Branch Chief, (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

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 was organized as a business corporation in Oregon in 1984 under the name Brandenfels Industries, Inc. The original business of applicant was the manufacture and marketing of butcher tables, cutting blocks and refillable spice grinders. Applicant was not successful in its operations and was involuntarily dissolved on July 29, 1986. Applicant was inactive until July 19, 1988, when it was reinstated in the state of Oregon. After a number of name changes, applicant reorganized as a business development company under the name of First August Financial Corporation in August 1994.

2. On October 25, 1994, applicant filed a notification of registration on Form N-8A pursuant to section 8(a) of the Act to register as a closed-end management investment company. Applicant then filed a registration statement on Form 10 on January 23, 1995 pursuant to section 12 of the Securities Exchange Act of 1934 for the registration of applicant's common stock. SEC records indicate that the registration statement was declared effective on March 24, 1995.

3. On February 1, 1995, applicant filed its notification of election to be regulated as a business development company on Form N-54A pursuant to section 54(a) of the Act.

4. On January 15, 1996, the Board of Directors of applicant unanimously consented, without a meeting, to submit a proposed liquidation and reorganization to the shareholders for their approval. On February 16, 1996, at a special meeting of shareholders, the shareholders approved a plan for the cessation of the business of applicant and its liquidation.

5. On February 16, 1996, applicant changed its name to Mortgage Bankers Service Corporation, and pursuant to an agreement ("Agreement") transferred all

⁶ The staff notes that until recently rule 2830 of the NASD's Rules of Conduct was section 26 of Article III of the NASD Rules of Fair Practice.

⁷ See *Daily Money Fund*, Investment Company Act Release No. 17303 (Jan. 11, 1990).