

effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates. Applicants assert that the Funds, by participating in the Proposed Transactions, and the Adviser, by managing the assets of both the Non-Money Market Funds and the Money Market Funds, could be deemed to be "joint participants \* \* \* in a transaction" within the meaning of section 17(d) of the Act, and the Proposed Transactions could be deemed to be "joint enterprise[s]" within the meaning of rule 17d-1 under the Act.

2. In passing upon applications submitted pursuant to section 17(d) and rule 17d-1, the SEC will consider whether the participation of such registered or controlled company in such joint enterprise, joint arrangement or profit-sharing plan on the basis proposed is consistent with the provisions, policies, and purposes of the Act, and the extent to which such participation is on a basis different from or less advantageous than that of other participants. Applicants assert that the Non-Money Market Funds and the Money Market Funds will not participate in this arrangement on a basis that is different from or less advantageous than the participants that are not investment companies. Thus, Applicants believe that the Proposed Transactions satisfy the standards of rule 17d-1.

#### Applicants' Conditions

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

1. The shares of the Money Market Funds sold to and redeemed from the Non-Money Market 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 NASD Rules of Conduct).<sup>2</sup>

2. If the Adviser collects a fee from a Money Market Fund for acting as its investment adviser with respect to assets invested by a Non-Money Market Fund, before the next meeting of the Board of Directors of a Non-Money Market Fund that invests in the Money Market Funds is held for the purpose of voting on an advisory contract under section 15 of the Act, the Adviser to the Non-Money Market Fund will provide the Board of Directors with specific information regarding the approximate cost to the Adviser for, or portion of the

advisory fee under the existing advisory fee attributable to, managing the assets of the Non-Money Market Fund that can be expected to be invested in such Money Market Funds. Before approving any advisory contract under section 15, the Board of Directors of such Non-Money Market Fund, including a majority of the Directors who are not "interested persons," as defined in section 2(a)(19) of the Act, shall consider to what extent, if any, the advisory fees charged to the Non-Money Market Fund by the Adviser should be reduced to account for the fee indirectly paid by the Non-Money Market Fund because of the advisory fee paid by the Money Market Fund to the Adviser. The minute books of the Non-Money Market Fund will record fully the Directors' consideration in approving the advisory contract, including the considerations relating to fees referred to above.

3. Each of the Non-Money Market Funds will invest Uninvested Cash in, and hold shares of, the Money Market Funds only to the extent that the Non-Money Market Fund's aggregate investment in the Money Market Funds does not exceed 25% of the Non-Money Market Fund's total net assets. For purposes of this limitation, each Non-Money Market Fund or series thereof will be treated as a separate investment company.

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

5. Each Non-Money Market Fund, the Money Market Funds, and any future fund that may rely on the order shall be part of the same "group of investment companies," as defined in rule 11a-3(a)(5) under the Act.

6. No Money Market Fund shall acquire securities of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

7. A majority of the Directors of each Non-Money Market Fund will not be "interested persons," as defined in section 2(a)(19) of the Act.

For the SEC, by the Division of Investment Management, under delegated authority.  
Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 96-28515 Filed 11-15-96; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 22305; 811-7942]

#### Voyageur Arizona Municipal Income Fund II, Inc.; Notice of Application

October 30, 1996.

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

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

**APPLICANT:** Voyageur Arizona Municipal Income Fund II, 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 October 21, 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 November 25, 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, 90 South Seventh Street, Suite 4400 Minneapolis, Minnesota 55402-4115.

**FOR FURTHER INFORMATION CONTACT:** Diane L. Titus, Paralegal Specialist, at (202) 942-0584, or Mary Kay Frech, 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 a closed-end, diversified management investment company incorporated under the laws of Minnesota. On August 5, 1993, applicant registered under the Act and filed a registration statement on Form N-2 under the Act and the Securities Act of 1933. Applicant's registration statement was not declared effective,

<sup>2</sup> The staff notes that, until recently, rule 2830(b)(9) of the NASD Rules of Conduct was section 26(b)(9) of Article III of the NASD Rules of Fair Practice.

and applicant made no public offering of its securities.

2. Applicant has no securityholders, debts, liabilities or assets. Applicant is not a party to any litigation or administrative proceeding. Applicant is not now engaged, nor does it propose to engage, in any business activities other than those necessary for the winding up of its affairs.

3. Applicant will statutorily dissolve its existence in Minnesota.

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

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-28457 Filed 11-5-96; 8:45 am]

BILLING CODE 8010-01-M

**[Investment Company Act Release No. 22304; 811-8432]**

**Voyageur Colorado Municipal Income Fund II, Inc.; Notice of Application**

October 30, 1996.

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

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

**APPLICANT:** Voyageur Colorado Municipal Income Fund II, 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 October 21, 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 November 25, 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, 90 South Seventh Street, Suite 4400, Minneapolis, Minnesota 55402-4115.

**FOR FURTHER INFORMATION CONTACT:** Diane L. Titus, Paralegal Specialist, at (202) 942-0584, or Mary Kay Frech,

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 a closed-end, diversified management investment company incorporated under the laws of Minnesota. On March 21, 1994, applicant registered under the Act and filed a registration statement on Form N-2 under the Act and the Securities Act of 1933. Applicant's registration statement was not declared effective, and applicant made no public offering of its securities.

2. Applicant has no securityholders, debts, liabilities or assets. Applicant is not a party to any litigation or administrative proceeding. Applicant is not now engaged, nor does it propose to engage, in any business activities other than those necessary for the winding up of its affairs.

3. Applicant will statutorily dissolve its existence in Minnesota.

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

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-28456 Filed 11-5-96; 8:45 am]

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**[Release No. 34-37902; File No. SR-Amex-96-40]**

**Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by American Stock Exchange, Inc. Relating to the Waiver of Transaction Charges for FLEX Equity Options**

October 31, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), notice is hereby given that on October 25, 1996, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Amex. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The Amex proposes to waive the imposition of transaction charges for FLEX Equity Options for a period of 90 days to commence on the first day of trading of the product. The text of the proposed rule change is available at the Office of the Secretary, Amex and at the Commission.

**II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the Amex included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Amex has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

**A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change**

**(1) Purpose**

The Exchange is preparing to commence trading in FLEX Equity Options on October 24, 1996. In an effort to promote the use of this product, the Exchange has determined to waive transaction charges for the first 90 days of trading. The Exchange believes that transaction costs will or could be a meaningful factor in encouraging or deterring trading in this product. The waiver of the imposition and collection of transaction charges for FLEX Equity Option's orders executed on the Exchange will be for all account types e.g., the accounts of floor traders, specialists and customer and firm proprietary off-floor orders.

**(b) Basis**

The proposed rule change is consistent with Section 6(b) of the Act in general and furthers the objectives of Section 6(b)(5) in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and is not designed to permit unfair discrimination between customers, issuers, brokers or dealers.

**B. Self-Regulatory Organization's Statement on Burden on Competition**

The proposed rule change will impose no burden on competition.