to allocate Contract values among the other investment options in their Contracts.

f. The proposed substutition will not be considered a ''transfer'' for purposes of calculating any transfer fee that may otherwise be payable under a Contract.

g. The proposed substitution will not alter the tax benefits to the Contract owners.

h. Contract owners may choose to withdraw amounts credited to them following the proposed substitution, subject to any applicable deferred sales charge and other restrictions on withdrawal rights currently imposed under their respective contracts.

i. The number of separate accounts investing in the IMS Prime Money Fund make it more likely to achieve economies of scale in operations more quickly than the Cash Management Portfolio. Moreover, Applicants do not expect, and do not believe it is reasonable to expect, that the Adviser will remain forever willing and able to spend large sums of money to maintain the favorable expense ratio that the Cash Management Portfolio has enjoyed so far.

Conclusion

For the reasons set forth above, Applicants represent that the order requested approving the proposed substitution is necessary and appropriate in the public interest and consistent with the protection of investors and purposes fairly intended by the policy and provisions of the Act and should be granted.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 96–28760 Filed 11–7–96; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Rel. No. 22311; 812–10384]

Freedom Mutual Fund, et al.; Notice of Application

November 1, 1996.

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

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

APPLICANTS: Freedom Mutual Fund (''Freedom Mutual''), on behalf of Freedom Cash Management Fund and Freedom Government Securities Fund (''Freedom Funds''), Freedom Group of Tax Exempt Funds (''Freedom Group''), on behalf of Freedom Tax Exempt Money Fund and Freedom California Tax Exempt Money Fund (''Group Funds''), FundManager Trust (together with Freedom Mutual and Freedom Group, ''Trusts''), on behalf of FundManager Aggressive Growth Fund, FundManager Growth Fund, FundManager Growth & Income Fund, FundManager Bond Fund and FundManager Managed Total Return Fund (together with the Freedom Funds and the Group Funds, ''Funds''), and Freedom Capital Management Corporation (''Adviser'').

RELEVANT ACT SECTION: Exemption requested pursuant to section 6(c) for an exemption from section 15(a) of the Act.

SUMMARY OF APPLICATION: Applicants request an order permitting implementation, without formal shareholder approval, of new investment advisory agreements between the Trusts and the Adviser with respect to each Fund for an interim period of not more than 120 days, beginning on the date on which the Adviser's parent is sold to JHFSC Acquisition Corp. and ending no later than March 31, 1997. The requested order also would permit the Adviser to receive all fees earned under the New Agreements following shareholder approval.

FILING DATE: The application was filed on October 8, 1996. Applicants have agreed to file an amendment during the notice period, the substance of which is included in this notice.

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 November 22, 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, N.W., Washington, D.C. 20549. Applicants, One Beacon Street, Boston, Massachusetts 02108.

FOR FURTHER INFORMATION CONTACT: Harry Eisenstein, Staff Attorney, at (202) 942–0552, or Mercer E. Bullard, Branch Chief, at (202) 942–0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch.

Applicants' Representations

1. Each Trust is an open-end management investment company registered under the Act. Freedom Mutual and Freedom Group are Massachusetts business trusts, and FundManager Trust is a Delaware business trust. The Adviser, a registered investment adviser under the Investment Advisers Act of 1940, manages the assets of each Fund pursuant to an investment advisory agreement with each Trust (''Existing Agreement''). The Adviser is a wholly owned subsidiary of John Hancock Freedom Securities Corporation (''JHFSC''), which is wholly owned by John Hancock Subsidiaries, Inc. (''Hancock Subsidiaries'').

2. Under a contribution agreement (''Contribution Agreement'') dated October 4, 1996, among Hancock Subsidiaries, JHFSC Acquisition Corp. (''Newco''), Thomas H. Lee Equity Fund III, L.P. (''Lee''), and SCP Private Equity Partners, L.P. (''SCP''), Hancock Subsidiaries will contribute 100% of the issued and outstanding shares of capital stock of JHFSC to Newco in exchange for $180,000,000 (subject to reduction to the extent of certain distributions made prior to closing) and 4.999% of the issued and outstanding capital stock of Newco (''Transaction''). As a result of the Transaction, Lee, a Massachusetts limited partnership, and SCP, a Delaware limited partnership, will hold a majority of the stock of Newco. JHFSC will become a wholly-owned subsidiary of Newco, and the Adviser will remain a wholly-owned subsidiary of JHFSC. Applicants expect to consummate the Transaction on November 26, 1996, assuming the necessary approvals are received or waived.

3. Applicants request an exemption to permit implementation, without shareholder approval, of new advisory agreements between the Trusts and the Adviser with respect to each Fund (''New Agreements''). The requested exemption would cover an interim period of not more than 120 days beginning on the date of the Transaction and continuing through the date a New Agreement is approved or disapproved by the shareholders of the respective Funds (but in no event later than March 31, 1997) (''Interim Period''). The New Agreements are identical to the Trusts' Existing Agreements, except for their effective dates and, with resect to the Freedom Mutual Fund and the Freedom

Group of Tax Exempt Funds, revisions have been made to reflect the change of the names of those Trusts from Tucker Anthony Mutual Fund and Tucker Anthony Group of Tax Exempt Funds, respectively, to their current names.

4. The Trusts' Boards of Trustees held meetings on September 10, 1996, and October 3, 1996, for the purpose of considering approval of the New Agreements in accordance with Section 15(c) of the Act. The Boards received from the Adviser, Hancock Subsidiaries, and Newco such information as the Trustees deemed reasonably necessary to evaluate whether the terms of the New Agreements are in the best interests of the Funds and their shareholders. At the October 3, 1996 meeting, the Trustees voted unanimously (subject to execution of the Contribution Agreement) to approve the New Agreements and recommend that shareholders of each Fund approve the New Agreements.

5. Applicants also request an exemption to permit the Adviser to receive from each Fund all fees earned under the New Agreements (which would be the same as all fees that would have been earned under the Existing Agreements) implemented during the Interim Period if and to the extent the New Agreements are approved by the shareholders of each Fund. The fees to be paid during the Interim Period are at the same rate as the fees currently payable by the Funds.

6. Applicants propose to enter into an escrow arrangement with an unaffiliated financial institution that will serve as escrow agent. The arrangement, in substance, will provide as described below. The fees payable to the Adviser during the Interim Period under the New Agreements will be paid into an interest-bearing escrow account maintained by an escrow agent. Amounts in the escrow account with respect to the Funds (including interest earned on such paid fees) will be paid to the Adviser only if shareholders of the Funds approve the New Agreements. If shareholders of the Funds fail to approve the New Agreements, the escrow agent will pay the Funds the escrow amounts (including any interest earned). The escrow agent will release the moneys as provided above only upon receipt of certificates from officers of the Funds (none of whom is an affiliate of the Adviser) stating, if the moneys are to be delivered to the Adviser, that the New Agreements have received the requisite Fund shareholder vote, or, if the moneys are to be delivered to the Funds, that the Interim Period has ended and the New Agreements have not been approved by the requisite Fund shareholder vote. Before any such certificate is sent, the trustees of the relevant Trust who are hot ''interested persons'' of the Trust within the meaning of Section 2(a)(19) of the Act (''Independent Trustees'') will be notified.

Applicants' Legal Analysis

1. Section 15(a) of the Act provides, in pertinent part, that it shall be unlawful for any person to serve or act as investment adviser of a registered investment company, except pursuant to a written contract that has been approved by the vote of a majority of the outstanding voting securities of such company. Section 15(a) further requires that such written contract provide for automatic termination in the event of its assignment. Section 2(a)(4) of the Act defines ''assignment'' to include any direct or indirect transfer of a contract by the assignor.

2. Applicants state that, upon completion of the Transaction, Hancock Subsidiaries, the Adviser's indirect parent, will no longer control JHFSC. Applicants therefore believe that the Transaction will result in an indirect ''assignment'' of the Existing Agreements within the meaning of section 2(a)(4), terminating the Existing Agreements according with their terms.

3. Rule 15a–4 provides, among other things, that if an investment advisory contract with an investment company is terminated by assignment, the adviser may continue to act as such for 120 days under a written contract that has not been approved by the company's shareholders, if the new contract is approved by the board of directors (or trustees) of the investment company (including a majority of trustees that are not ''interested persons'' of the investment company), the compensation to be paid under the new contract does not exceed the compensation which would have been paid under the contract most recently approved by shareholders of the investment company, and neither the investment adviser nor any controlling person of the investment adviser ''directly or indirectly receives money or other benefit'' in connection with the assignment. Applicants state that they cannot rely on rule 15a–4 because of the benefits to Hancock Subsidiaries arising from the Transaction.

4. Applicants contend that the Trusts have prepared the required proxy materials as expeditiously as possible and shareholder meetings are expected to be held on or about December 16, 1996. Applicants believe that the timing of the shareholder meetings may not provide an adequate solicitation period to obtain approval of the New Agreements by the shareholders of each Fund prior to effecting the Transaction, particularly because shareholders of investment companies frequently do not return proxies.

5. Applicants submit that the scope and quality of services provided for the Funds during the Interim Period will not be diminished. During the Interim Period, each Fund would operate under the New Agreements, which are, except as noted above, the same as the Existing Agreements. Applicants are not aware of any material changes in the personnel who will provide investment management services during the Interim Period.

6. Applicants assert that the best interests of Fund shareholders would be served if the Adviser receives fees for services during the Interim Period as provided in the application. Applicants contend that these fees are a substantial part of the Adviser's total revenues and, thus, are essential to maintaining its ability to provide services to the Funds.

7. Section 6(c) of the Act provides that the SEC may exempt any person, security, or transaction from any provision of the Act, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. For the reasons stated above, applicants believe that the requested relief meets this standard.

Applicants' Conditions

Applicants agree as conditions to the issuance of the exemptive order requested by this application that:

1. The New Agreements will have the same terms and conditions as the Existing Agreements, except for their effective dates and, with respect to the Freedom Mutual Fund and the Freedom Group of Tax Exempt Funds, revisions have been made to reflect the change of the names of those Trusts from Tucker Anthony Mutual Fund and Tucker Anthony Group of Tax Exempt Funds, respectively, to their current names.

2. Fees earned by the Adviser in respect of the New Agreements during the Interim Period will be maintained in an interest-bearing escrow account, and amounts in the account (including interest earned on such paid fees) will be paid: (a) to the Adviser in accordance with the New Agreements, after the requisite approvals are obtained, or (b) to the respective Fund, in the absence of such approvals.

3. The Funds will hold meetings of shareholders to vote on approval of the New Agreements on or before the 120th

day following the termination of the Existing Agreements (but in no event later than March 31, 1997).

4. Newco and/or Hancock Subsidiaries will bear the costs of preparing and filing the application and the costs relating to the solicitation of Fund shareholder approval necessitated by the Transaction.

5. The Adviser will take all appropriate steps so that the scope and quality of advisory and other services provided to the Funds during the Interim Period will be at least equivalent, in the judgment of the Boards, including a majority of the Independent Trustees, to the scope and quality of services previously provided. If personnel providing material services during the Interim Period change materially, the Adviser will apprise and consult with the Boards to assure that they, including a majority of the Independent Trustees of each Trust, are satisfied that the services provided will not be diminished in scope or quality.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 96–28701 Filed 11–7–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 35–26598]

Filings Under the Public Utility Holding Company Act of 1935, as Amended (''Act'')

November 1, 1996.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by November 25, 1996, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy of the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Central and South West Corporation (70–8087)

Central and South West Corporation (''CSW''), a registered holding company, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202, has filed a post-effective amendment to its application-declaration under sections 6(a), 7, 9(a) and 10 of the Act and rule 54 thereunder.

By order dated October 4, 1993 (HCAR No. 25902) (''Initial Order''), the Commission authorized CSW to establish a Dividend Reinvestment and Stock Purchase Plan (''Plan'') pursuant to which shares of CSW's common stock, $3.50 par value per share (''Common Stock''), are either newly issued or purchased in the open market with reinvested dividends and optional cash payments made by registered shareholders of CSW, employees and eligible retirees of CSW or its subsidiaries and non-shareholders of legal age who are residents of the States of Arkansas, Louisiana, Oklahoma and Texas.

By supplemental order, dated January 30, 1996 (HCAR No. 26466) (''Supplemental Order''), CSW was authorized to make the following amendments to the Plan: (1) To increase the number of originally issued shares of Common Stock that may be offered pursuant to the Plan from five million to ten million; (2) to permit non-shareholders of legal age who are residents of all fifty states of the United States and the District of Columbia to participate in the Plan; (3) to increase the initial cash investment required for enrollment in the Plan by nonemployees and nonretirees from $100 to $250; and (4) to change the frequency of investment in shares of Common Stock by the Plan from bi-monthly to weekly.

CSW now requests authorization to extend the period of authorization by which it may issue, sell and acquire the Common Stock pursuant to the Plan, under the terms and conditions set forth in the Initial Order and Supplemental Order, through December 31, 2001.

Ohio Valley Electric Corporation (70–8527)

Ohio Valley Electric Corporation (''Ohio Valley''), P.O. Box 468, Piketon, Ohio 45661, an electric utility subsidiary of American Electric Power Company, Inc., a registered holding company, has filed a post-effective amendment to its application-declaration filed under sections 6(a) and 7 of the Act and rule 54 thereunder.

By prior Commission order dated December 28, 1994 (HCAR No. 26203), Ohio Valley was authorized to incur short-term indebtedness through the issuance and sale of notes (''Notes'') to banks in an aggregate amount not to exceed $25 million outstanding at any one time from time to time prior to January 1, 1997, provided that no such notes mature later than June 30, 1997.

Ohio Valley now proposes to extend such authorization through December 31, 2001. The Notes will mature not more than 270 days after the date of issuance or renewal thereof, provided that no Notes will mature later than June 30, 2002. Notes will bear interest at an annual rate not greater than the bank's prime commercial rate in effect from time to time. Such credit arrangements may require the payment of a fee that is not greater than ⅕ of 1% per annum of the size of the line of credit made available by the bank and the maintenance of additional balances of not greater than 20% of the line of credit.

The maximum effective annual interest cost under any of the above arrangements, assuming full use of the line of credit, will not exceed 125% of the prime commercial rate in effect from time to time, or not more than 10.625% on the basis of a prime commercial rate of 8.5%.

The proceeds of the short-term debt incurred by Ohio Valley will be added to its general funds and used to pay its general obligations and for other corporate purposes.

Central and South West Corporation, et al. (70–8557)

Central and South West Corporation (''CSW''), a registered holding company, its service company subsidiary, Central and South West Services, Inc. (''Services''), both located at 1616 Woodall Rodgers Freeway, Dallas, Texas 75202, and four of its public utility subsidiaries, Central Power and Light Company (''CPL''), 539 North Carancahua Street, Corpus Christi, Texas 78401–2802, Public Service Company of Oklahoma (''PSO''), 212 East Sixth Street, Tulsa, Oklahoma 74119–1212, Southwestern Electric Power Company (''SWEPCO''), 428 Travis Street, Shreveport, Louisiana 71156–0001 and West Texas Utilities Company (''WTU''), 301 Cypress Street, Abilene, Texas 7960–5820 (together, ''Subsidiaries''), have filed an application-declaration under sections