in a Joint Account will be deemed to have consented to such sale and partition of the investments in the Joint Account.

13. Short-Term Investments held through a Joint Account with a remaining maturity of more than seven days, as calculated pursuant to rule 2a–7 under the Act, will be considered illiquid and, for any Participant that is an open-end investment company registered under the Act, subject to the restriction that the Participant may not invest more than 15% (or such other percentage as set forth by the SEC from time to time) of its net assets in illiquid securities and any similar restriction set forth in the Participant's investment restrictions and policies, if CII cannot sell the instrument, or the Participant's fractional interest in such instrument, pursuant to the preceding condition.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–31017 Filed 12–5–96; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Release No. 22361; 811–5435]

The Compass Capital Group®; Notice of Application

December 2, 1996.

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

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

APPLICANT: The Compass Capital Group®.

RELEVANT ACT SECTIONS: Section 8(f).

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

FILING DATES: The application was filed on July 31, 1996 and amended on October 2, 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 December 27, 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. Applicant, 680 East Swedesford Road, Wayne, Pennsylvania 19087.

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.

Applicant's Representations

1. Applicant is an open-end management investment company with sixteen series that is organized as a business trust under the laws of Massachusetts. Twelve of applicant's series are diversified investment companies and four are non-diversified. Applicant registered under the Act and filed a registration statement on Form N–1A on December 31, 1987. Applicant's registration statement was declared effective on March 1, 1988, and applicant commenced a public offering of its shares immediately thereafter.

2. On October 3, 1995, applicant's board of trustees considered and approved a reorganization agreement that provided for the transfer of all the assets and liabilities of applicant to the Compass Capital Funds (formerly, the PNC Fund®) (the ''Acquiring Fund''), a registered open-end investment company. The board of trustees made the findings required by rule 17a–8 under the Act, *i.e.*, that the reorganization was in the best interest of applicant and that there would be no dilution, by virtue of the proposed exchange, in the value of shares held at that time by applicant's shareholders.[1]

3. Definitive proxy materials were filed with the SEC on November 9, 1995. On November 9, 1995, applicant mailed proxy materials to its shareholders. On December 11, 1995, applicant's shareholders approved the reorganization.

4. On January 13, 1996, applicant transferred the assets and liabilities of fifteen series to certain series of the Acquiring Fund in exchange for shares of the respective series of the Acquiring Fund on the basis of the relative net asset values per share of the respective series of applicant and the Acquiring Fund. On February 13, 1996, the assets and liabilities of applicant's remaining series were transferred to a series of the Acquiring Fund in exchange for shares of that series of the Acquiring Fund on the basis of the relative net asset values per share of applicant and the Acquiring Fund. The shares of the Acquiring Fund received by applicant were distributed to the shareholders of applicant, *pro rata*.

5. The expenses incurred in connection with the reorganization totaled approximately $700,000. Applicant paid $286,723 of the expenses, of which $170,734 related to the costs of printing and mailing proxy statements, $56,500 related to audit fees, and $59,489 related to legal expenses. The remaining expenses were borne by the Acquiring Funds and/or their advisers. No brokerage fees were paid in connection with the reorganization.

6. Applicant has taken steps to dissolve under the laws of the Commonwealth of Massachusetts.

7. There are no securityholders to whom distributions in complete liquidation of their interests have not been made. Applicant has retained no assets. Applicant has no debts or other liabilities that remain outstanding. Applicant is not a party to any litigation or administrative proceeding.

8. 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.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–31082 Filed 12–5–96; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Rel. No. 22360; International Series Release No. 1034; 812–10418]

The Lipper Funds, Inc., et al.; Notice of Application

December 2, 1996.

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

ACTION: Notice of application for exemption Under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: The Lipper Funds, Inc. (the ''Company''), on behalf of its portfolio

[1] Rule 17a–8 provides an exemption from section 17(a) for certain reorganizations among registered investment companies that may be affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers.

series, Prime Lipper Europe Equity Fund (the ''Fund''), and Prime Lipper Asset Management (''PLAM'').

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act for an exemption from section 15(a) of the Act.

SUMMARY OF APPLICATION: Assicurazioni Generali S.p.A. (''Generali'') has agreed to acquire a controlling interest in Prime S.p.A., the parent of Prime U.S.A. Inc. (''Prime U.S.A.''), which owns 50% of PLAM, the investment adviser to the Fund. The indirect change of control in Prime U.S.A. will result in the assignment, and thus the termination, of the existing advisory contract between the Fund and PLAM. The order would permit the implementation, without shareholder approval, of a new advisory contract for a period of up to 120 days following the date of the change in control of Prime S.p.A. (but in no event later than May 31, 1997). The order also would permit PLAM to receive from the Fund fees earned under the new advisory contract following approval by the Fund's shareholders.

FILING DATE: The application was filed on November 8, 1996 and amended on November 25, 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 December 27, 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 notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 5th Street, N.W., Washington, D.C. 20549. Applicants, 101 Park Avenue, New York, New York 10178.

FOR FURTHER INFORMATION CONTACT: Sarah A. Buescher, Staff Attorney, at (202) 942–0573, or May 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 is available for a fee at the SEC's Public Reference Branch.

Applicants' Representations

1. The Company has three investment portfolios, one of which is the Fund. PLAM serves as investment adviser to the Fund and Lipper & Company, L.L.C. serves as investment adviser to the other two portfolios.

2. PLAM is a joint venture structured as an equally-owned New York general partnership between Lipper Europe L.P., a Delaware limited partnership controlled by Lipper & Company, and Prime U.S.A., a Delaware corporation and a wholly-owned subsidiary of Prime S.p.A., an Italian company that is currently controlled by Fiat S.p.A.

3. On October 22, 1996, Generali and Fiat S.p.A. entered into an agreement pursuant to which Generali agreed to acquire 95.1% of the outstanding stock of Prime S.p.A. from Fiat S.p.A. (the ''Purchase''). Consummation of the Purchase is subject to the satisfaction or waiver of certain conditions, including regulatory approvals in Italy. Prime S.p.A. has informed applicants that the only significant condition to closing is the receipt of regulatory approval that is currently pending and that could be received at any time. While regulatory approvals could be delayed or denied, applicants believe that a change in control of PLAM could occur soon. Applicants represent that Fiat S.p.A. and Generali determined the terms and timing of the Purchase in response to factors beyond the scope of the Act and unrelated to the Fund and Lipper Europe L.P.

4. The consummation of the Purchase will directly result in a change in control of Prime U.S.A. from Fiat S.p.A. to Generali. Because Prime U.S.A. is an equal partner of PLAM with Lipper Europe L.P., the indirect change of control of Prime U.S.A. will constitute an assignment of the existing investment advisory agreement between the Fund and PLAM within the meaning of section 2(a)(4) of the Act.

5. Applicants request an exemption to permit the implementation, without formal shareholder approval, of a new investment advisory agreement between the Fund and PLAM. The requested exemption would cover an interim period (the ''Interim Period'') of not more than 120 days beginning on the day the Purchase is consummated and continuing through the date the new investment advisory agreement is approved or disapproved by the Fund's shareholders (but in no event later than May 31, 1997). During the Interim Period, PLAM's advisory fees would be paid into escrow.

6. The investment advisory agreement between PLAM and the Fund to be entered into upon consummation of the Purchase is identical to the existing investment advisory agreement, except for its effective date and escrow provisions. The aggregate contractual rate chargeable for advisory services will remain the same as in the existing agreement. The Fund proposes to implement the new investment advisory agreement during the Interim Period, subject to the conditions contained in the application.

7. In accordance with section 15(c) of the Act,[1] the Company's board of directors will meet on a date prior to the assignment of the existing investment advisory agreement and they will receive all information that in their view is reasonably necessary to evaluate whether the new investment advisory agreement would be in the best interest of the Fund and its shareholders. The board also will consider whether to vote to recommend that the Fund's shareholders approve the new investment advisory agreement.

8. The Fund expects to prepare the required proxy materials and schedule a shareholder meeting as soon as practicable. Applicants believe that a 120 day period will allow for reasonable adjournments of a shareholder meeting if necessary to obtain sufficient shareholder response in order to obtain the required approval.

9. Applicants propose to enter into an escrow arrangement with an unaffiliated financial institution, such as the Fund's custodian, as escrow agent. The arrangement would provide that: (a) The investment advisory fees payable to PLAM during the Interim Period under the new investment advisory agreement would be paid into an interest-bearing escrow account maintained by the interest earned on such paid fees) would be paid to PLAM only upon approval of Fund shareholders of the new investment advisory agreement or, in the absence of such approval, to the Fund; and (c) the escrow agent would release the moneys only upon receipt of a certificate from an officer of the Company who is not an interested person of PLAM stating that the moneys are to be delivered to PLAM and that the new investment advisory agreement has received the requisite Fund shareholder vote or, if the moneys are to be delivered to the Fund, that the Interim

[1] Section 15(c) provides, in relevant part, that it shall be unlawful for any registered investment company to enter into an investment advisory contract unless the terms of such contract have been approved by the vote of a majority of directors, who are not parties to such contract or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

Period has ended, and the new investment advisory agreement has not received the requisite Fund shareholder vote. Before any certificate is sent, the boards of directors of the Company would be notified.

Applicants' Legal Analysis

1. Applicants request an order pursuant to section 6(c) of the Act exempting them from section 15(a) of the Act to the extent necessary (a) to permit the implementation during the Interim Period of the new investment advisory agreement prior to receiving shareholder approval and (b) to permit PLAM to receive from the Fund all fees earned under the new investment advisory agreement (which would be the same as all fees that would have been earned under the existing investment advisory agreement) implemented during the Interim Period if and to the extent the new investment advisory agreement is approved by the shareholders of the Fund. Because the Fund has not had sufficient advance notice of the Purchase, it will not be possible for the Fund to obtain prior approval of the new investment advisory agreement by Fund shareholders.

2. Section 15(a) prohibits an investment adviser from providing investment advisory services to an investment company except under a written contract that has been approved by a majority of the voting securities of the investment company. Section 15(a) further requires that the 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 or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor.

3. Upon consummation of the Purchase, Fiat S.p.A. will transfer ownership of its interest in Prime S.p.A., the parent of Prime U.S.A., to Generali. The Purchase will result in an ''assignment'' within the meaning of section 2(a)(4) of the existing investment advisory agreement, terminating the agreement according to its terms.

4. Rule 15a–4 provides, in relevant part, that if an investment adviser's contract with an investment company is terminated by assignment, the adviser may continue to act as such for 120 days at the previous compensation rate if a new contract is approved by the board of directors of the investment company and if neither the investment adviser nor a controlling person thereof directly or indirectly receives money or other benefit in connection with the assignment. Applicants cannot relay on rule 15a–4 because of the benefits which will accrue to Fiat S.p.A. due to the Purchase.

5. Section 6(c) 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. Applicants believe that the requested relief meets this standard.

6. Applicants believe that the requested relief is necessary, as it would permit continuity of investment management to the Fund during the period following the consummation of the Purchase so that services to the Fund would not be disrupted. Applicants also believe that the Interim Period would facilitate the orderly and reasonable consideration of the new advisory agreement by the Fund's shareholders.

7. Applicants represent that the best interests of the Fund's shareholders would be served if PLAM receives fees for services during the Interim Period as provided herein. In addition, applicants believe that it would be unjust to deprive Lipper Europe L.P. of fees due to a change in control of the parent of Prime U.S.A. Finally, the fees to be paid during the Interim Period are at the same rate as the fees currently payable by the Fund under the existing investment advisory agreement.

Applicants' Conditions

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

1. The new investment advisory agreement will have the identical terms and conditions as the existing investment advisory agreement, except for its effective date and escrow provisions.

2. The investment advisory fees paid to PLAM 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 PLAM in accordance with the new investment advisory agreement, after the requisite approval is obtained, or (b) to the Fund, in the absence of such approval.

3. The Fund will hold a meeting of shareholders to vote on approval of the new investment advisory agreement on or before the 120th day following the termination of the existing advisory agreement (but in no event later than May 31, 1997).

4. PLAM will bear the costs of preparing and filing the application. The Fund will not bear any costs relating to the solicitation of shareholder approval of the Fund's shareholders necessitated by the consummation of the Purchase.

5. PLAM will take all appropriate steps so that the scope and quality of investment advisory services provided to the Fund during the Interim Period will be at least equivalent, in the judgment of the Company's board of directors, including a majority of the non-interested directors, to the scope and quality of services previously provided. If personnel providing material services during the Interim Period change materially, PLAM will apprise and consult with the board of directors of the Company to assure that they, including a majority of the non-interested board members, are satisfied that the services provided will not be diminished in scope or quality.

6. The board of directors of the Company, including a majority of non-interested directors, will have approved the new investment advisory agreement in accordance with the requirements of section 15(c) of the Act prior to termination of the existing investment advisory agreement.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–31083 Filed 12–5–96; 8:45 am]

BILLING CODE 8010–01–M

Interactive Multimedia Publishers, Inc., File No. 500–1; Order Directing Suspension of Trading

December 3, 1996.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Interactive Multimedia Publishers, Inc. (''IMP'') (trading symbol DROM) because of questions that have been raised regarding the accuracy of disclosure concerning IMP's corporate history and tradability of its shares.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above listed company.

Therefore, *it is ordered*, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the securities of Interactive Multimedia Publishers, Inc. (trading symbol DROM), over-the-counter, on the National Association of Securities Dealers, Inc.'s