236,411,46.15 shares of common stock outstanding, having an aggregate net asset value of $236,258,547.89 and a per share net asset value of $1.00. There were no other classes of securities of applicant outstanding. Pursuant to the Plan, applicant transferred to PW Fund all rights, title, and interest in and to applicant's assets. In exchange therefor, PW Fund assumed all liabilities, debts, obligations, and duties of applicant, and issued to applicant the number of shares of PW Fund determined by dividing the net asset value of a share of applicant by the net asset value of a share of PW Fund, in each case as of the close of regular trading on the New York Stock Exchange, Inc. on the Closing Date.

6. On the Closing Date, applicant liquidated and distributed *pro rata* to its shareholders of record, determined as of the close of business on the Closing Date, the shares of PW Fund received by applicant in the reorganization, in exchange for such shareholders' shares of applicant.

7. The expenses incurred in connection with the reorganization consisted primarily of legal expenses, expenses of printing and mailing communications to shareholders, registration fees, and miscellaneous accounting and administrative expenses. These expenses totalled approximately $225,000 and were borne by applicant and PW Fund in proportion to their respective net assets.

8. As of the date of the application, applicant has no assets, debts or liabilities, and has no securityholders. Applicant is not a party to any litigation or administrative proceedings. Applicant is not now engaged, and does not propose to engage, in any business activities other than those necessary for winding-up of its affairs.

9. On November 20, 1995, applicant filed Articles of Transfer with the Maryland State Department of Assessments and Taxation. Applicant intends to file Articles of Dissolution with the State of Maryland.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–32958 Filed 12–26–96; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Release No. 22409; 811–5168]

PaineWebber/Kidder, Peabody California Tax Exempt Money Fund; Notice of Application

December 19, 1996.

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

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

APPLICANT: PaineWebber/Kidder, Peabody California Tax Exempt Money Fund.

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 November 6, 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 January 13, 1997, 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, c/o Dianne E. O'Donnell, Legal Department, Mitchell Hutchins Asset Management Inc., 1285 Avenue of the Americas, 18th Floor, New York, New York 10019.

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 an open-end, non-diversified management investment company organized as a business trust under the laws of the Commonwealth of Massachusetts. On May 18, 1987, applicant registered under section 8(a) of the Act and filed a registration statement on Form N–1A pursuant to section 8(b) of the Act and the Securities Act of 1933, covering an indefinite number of shares of beneficial interest. The registration statement was declared effective on August 4, 1987, and the initial public offering of shares commenced thereafter.

2. On July 20, 1995, applicant's Board of Trustees approved an Agreement and Plan of Reorganization and Termination (''Plan'') between applicant and PaineWebber Managed Municipal Trust on behalf of its series, PaineWebber RMA California Municipal Money Fund (''PW Fund''), whereby PW Fund was to acquire all the assets of applicant in exchange solely for shares of beneficial interest in PW Fund and the assumption by PW Fund of 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. According to applicant's proxy statement, the trustees considered a number of factors in approving the Plan, including, (a) the compatibility of the investment objectives, policies, and restrictions of the funds, (b) the investment performance of the funds, (c) the effect of the reorganization on expected investment performance, (d) the effect of the reorganization on the expense ratio of the PW Fund relative to each fund's current expense ratio, and (e) possible alternatives to the reorganization, including continuing to operate on a stand-alone basis on liquidation.

4. Proxy materials relating to the Plan and the transactions contemplated thereby and a combined prospectus relating to the shares of PW Fund to be issued were mailed to applicant's shareholders on or about November 2, 1995. At a special meeting held on December 4, 1995, applicant's shareholders approved the Plan.

5. On December 11, 1995 (the ''Closing Date''), applicant had 120,122,110.24 shares of beneficial interest, par value $.001 per share of applicant outstanding, having an

[1] Applicant and PW Fund 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.

aggregate net asset value of $120,039,529.79 and a per share net asset value of $1.00. Pursuant to the Plan, applicant transferred to PW Fund all rights, title, and interest in and to applicant's assets. In exchange therefor, PW Fund assumed all liabilities, debts, obligations, and duties of applicant, and issued to applicant the number of shares of PW Fund determined by dividing the net asset value of a share of applicant by the net asset value of a share of PW Fund, in each case as of the close of regular trading on the New York Stock Exchange, Inc. on the Closing Date.

6. On the Closing Date, applicant liquidated and distributed *pro rata* to its shareholders of record, determined as of the close of business on the Closing Date, the shares of PW Fund received by applicant in the reorganization, in exchange for such shareholders' shares of applicant.

7. The expenses incurred in connection with the reorganization consisted primarily of legal expenses, expenses of printing and mailing communications to shareholders, registration fees, and miscellaneous accounting and administrative expenses. These expenses totalled approximately $150,000 and were borne by applicant and PW Fund in proportion to their respective net assets.

8. As of the date of the application, applicant has no assets, debts or liabilities, and has no securityholders. Applicant is not a party to any litigation or administrative proceedings. Applicant is not now engaged, and does not propose to engage, in any business activities other than those necessary for winding-up of its affairs.

9. Applicant intends to file appropriate documentation to terminate its existence in Massachusetts, as required by Massachusetts law.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–32959 Filed 12–26–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–38066; File No. SR–MSRB–96–12]

Self-Regulatory Organizations; Notice of Filing and Order Granting Approval of Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to the Permanent Operation of the Continuing Disclosure Information System of the Municipal Securities Information Library System

December 19, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''), 15 U.S.C. 78s(b)(1), notice is hereby given that on November 28, 1996, the Municipal Securities Rulemaking Board (''Board'' or ''MSRB'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') a proposed rule change (File No. SR–MSRB–96–12). The proposed rule change is described in Items, I, II, and III below, which Items have been prepared by the Board. The Commission is publishing this notice to solicit comments of the proposed rule change from interested persons.

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

The MSRB is filing herewith a proposed rule change for upgrading its interim Continuing Disclosure Information (''CDI'') System of the Municipal Securities Information Library® (''MSIL®'') system to CDINet, the Board's proposed permanent system for processing and disseminating continuing disclosure information and notices of material events.[1] The changes are as follows:

1. The current limit of 10 pages per document for fax and paper submissions will be changed to 25 pages. For documents exceeding 25 pages, the first 25 pages will be transmitted, with the full text made available to subscribers by mail, upon request. The capacity of the system to transmit documents will also be increased.

2. CDINet will replace the interim CDI System's modem submission system with a secure Web page on the Internet that may be used by submitters of disclosure documents.

3. The annual subscription price for CDINet will be increased to $23,000.

[1] The Municipal Securities Information Library and MSIL are registered trademarks of the Board. The MSIL® system, which was approved in Securities Exchange Act Release No. 29298 (June 13, 1991), is a central facility through which information about municipal securities is collected, stored and disseminated.

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 Board 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 tests of these statements may be examined at the places specified in Item IV below. The Board 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

On April 6, 1992, the Securities and Exchange Commission (''Commission'' or ''SEC'') approved the CDI Pilot system for an 18-month period.[2] The CDI System began operating on January 23, 1993, and functions as part of the Board's MSIL® system. The CDI System accepts and electronically disseminates voluntary submissions of official disclosure notices relating to outstanding issues of municipal securities, *i.e.*, continuing disclosure information. During its first phase of operation, the System accepted disclosure notices only from trustees. On May 17, 1993, the System also began accepting disclosure notices from issuers.[3]

On November 10, 1994, the Commission approved an amendment to its Rule 15c2–12 which prohibits dealers from underwriting issues of municipal securities unless the issuer commits, among other things, to provide material events notices to the Board's CDI System or to all Nationally Recognized Municipal Securities Information Repositories (''NRMSIRs'') and to the applicable state information depository.[4] In addition, the rule prohibits dealers from recommending municipal securities without having a system in place to receive material events notices. To conform to the new Commission requirements, the Board revised the CDI System and implemented an interim System

[2] Securities Exchange Act Rel. No. 30556 (April 6, 1992). A complete description of the CDI System is contained in File No. SR–MSRB–90–4, Amendment No. 1.

[3] On May 17, 1993, the Board reported to the Commission on the initial phase of operation of the CDI System regarding technical, policy and cost issues and proposed enhancements to the System.

[4] Securities Exchange Act Rel. No. 34961 (Nov. 10, 1994).