

advisory services to, or acting as a depositor for, any registered investment company, or related to acting as a principal underwriter for, any registered open-end investment company, unit investment trust or registered face amount certificate company without first making further application to the SEC.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-9459 Filed 4-11-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22603; 811-5764]

Tri-Magna Corporation; Notice of Application

April 7, 1997.

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

ACTION: Notice of Application for Deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: Tri-Magna Corporation.

RELEVANT SECTION OF ACT: Order requested under 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 August 27, 1996, and amended on February 20, 1997.

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 May 2, 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, NW., Washington, DC 20549. Applicant, 205 East 42nd Street, Suite 2020, New York, NY 10017.

FOR FURTHER INFORMATION CONTACT: H.R. Hallock, Jr., Special Counsel, at (202) 942-0564, 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 summary includes information from a prior application by applicant and certain affiliates that was granted on May 21, 1996 and has been incorporated in the application by reference.¹ The complete application and prior application incorporated by reference may be obtained for a fee at the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is a closed-end management investment company. It was organized as a Delaware corporation in 1989 for the purpose of acquiring all the outstanding voting capital stock of Medallion Funding Corp. ("MFC"), a New York corporation registered under the Act since 1981 as a closed-end investment company and licensed by the Small Business Administration ("SBA") as a Specialized Small Business Investment Company.

2. On February 3, 1989, Applicant registered under section 8(a) of the Act by filing a Form N-8A. On the same date, applicant filed a registration statement on Form N-14 under the Securities Act of 1933 to register 665,900 shares of common stock. Such registration statement became effective and applicant commenced an initial public offering of its shares on April 21, 1989.

3. Applicant's business consisted primarily of making loans through MFC and another wholly-owned subsidiary, Medallion Taxi Media, Inc. ("Media"), to finance the purchase of taxicab medallions, taxicabs and related assets by persons defined by the SBA as socially or economically disadvantaged. After 1992, several trends affecting the finance industry in general and applicant in particular had combined to produce lower yields on applicant's loan portfolio and corresponding smaller shareholder returns.

4. Applicant's management pursued several alternatives to resolve these ongoing problems. Management first considered raising additional capital through an offering of applicant's common stock. Then, after receiving a uniformly negative response to any such offering in meetings with investment bankers, the board of directors directed management to pursue efforts to sell

applicant. Management did not succeed, however, in obtaining any offer to buy applicant at any price.

5. Subsequently, in January 1995, management began to consider a purchase of applicant and, in May 1995, submitted a proposal to applicant's board that involved the acquisition of applicant and certain other similar companies by Medallion Financial Corp. ("Medallion"). Medallion, a business development company under the Act, was organized in 1995 for the purpose of acquiring applicant and such other companies. Medallion proposed to acquire all of applicant's outstanding shares in a cash merger at a price of \$20 per share.

6. In August 1995, an independent committee of applicant's board engaged Gruntal & Co., Inc. ("Gruntal"), to evaluate the fairness of Medallion's proposal. Gruntal provided its opinion, by letter dated October 11, 1995, that the terms of the proposed merger were fair to applicant and its shareholders. Using discounted cash flow and other analyses, Gruntal valued applicant's shares at between \$19.57 and \$27.79, before applying a discount of up to 30% to account for the limited trading market for applicant's common stock and other items.

7. Based on their review of Gruntal's opinion, the independent directors recommended that applicant's board approve an Agreement of Merger (the "Agreement") with Medallion. At a meeting on October 18, 1995, applicant's full board approved the Agreement, which was executed on December 21, 1995.

8. As of March 31, 1996, applicant had 668,900 shares of common stock outstanding and a net asset value of \$17,505,681, or \$26.17 per share. Applicant states that such valuation omits the effect of an arrangement with the SBA under which applicant in 1995 had repurchased its preferred stock owned by the SBA at a substantial discount. Under this arrangement, the SBA retained a liquidating interest based on the amount of the discount, which initially amounted to more than \$6 million, or approximately \$9.00 per share. Applicant treated the full amount of the discount, which was amortizable over a five year period, as an increase in capital. In connection with the merger, Medallion agreed to assume liability for any payment due on the liquidating interest. Accordingly, when the liquidating interest is considered, applicant asserts that the \$20 per share merger price for its shares is greater than its net asset value per share.

9. In April 1996, the board renegotiated the Agreement to permit

¹ Medallion Financial Corp., Investment Company Act Release Nos. 21915 (April 24, 1996) (notice) and 21969 (May 12, 1996) (order).

applicant's payment of an additional dividend of \$0.50 per share to its shareholders plus the accumulated earnings, if any, of Media. Consummation of the merger was conditioned on, among other things, approval by a majority of applicant's shareholders and by certain governmental agencies and other third parties, including the SEC and SBA.

10. On May 21, 1996, Medallion, MFC, applicant and two individual affiliates of both Medallion and applicant obtained an SEC order under sections 6(c), 17(b) and 57(c) of the Act granting exemptions from various provisions of the Act and permitting certain joint transactions in connection with the proposed merger. Proxy materials concerning the merger were filed with the SEC and distributed to applicant's shareholders. At a meeting on May 22, 1996, by resolution adopted by 80% of shareholders, applicant's shareholders approved the merger with Medallion.

11. On May 29, 1996, pursuant to the terms of the Agreement, applicant merged with and into Medallion. In connection with the merger, applicant distributed to shareholders an amount from current earnings sufficient to preserve its tax status and transferred to Medallion its only assets, consisting of the securities of MFC and Media. In exchange, applicant's shareholders received \$20 per share in cash and the right to receive the two additional dividend distributions provided for under the Agreement. These dividends were paid on July 8 and August 22, 1996, respectively, in the amounts of \$0.50 and \$0.31 per share.

12. Applicant and Medallion each bore their respective costs and expenses incurred in negotiating and entering into the Agreement and thereafter consummating the merger. The Agreement required applicant to pay or reimburse Medallion for up to the lesser of \$200,000 or one-third of the aggregate amount of certain "joint" expenses, such as legal, accounting and filing fees, incurred in connection with the merger. It was estimated before the merger that these expenses would exceed \$600,000, and they in fact exceeded \$1 million. Accordingly, applicant reimbursed Medallion for the full \$200,000.

13. On May 29, 1996, a certificate of merger was filed with the Secretary of State of Delaware, pursuant to which applicant was merged with and into Medallion, with Medallion being the surviving corporation.

14. Applicant has no assets, or any debts or other liabilities. There are no shareholders of applicant to whom distributions in complete liquidation of

their interests have not been made, and applicant has no remaining shareholders. Applicant is not a party to any litigation or administrative proceeding.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-9460 Filed 4-11-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

Historic Hotel Holdings, Inc.; Order of Suspension of Trading

April 10, 1997.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Historic Hotel Holdings, Inc. ("HHH"), because of questions regarding, among other things, HHH's alleged ownership of and plans to renovate, or current efforts to acquire, a hotel; in what market HHH's securities are traded; and HHH's alleged acquisition of a company purportedly engaged in a business connected to the oil and gas industry.

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 above-listed company is suspended for the period from 9:30 a.m. EDT, April 10, 1997 through 11:59 p.m. EDT, on April 23, 1997.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-9649 Filed 4-10-97; 12:11 pm]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #2925; Amendment #4]

State of California

In accordance with a notice from the Federal Emergency Management Agency, dated April 1, 1997, the above-numbered Declaration is hereby amended to close the incident period for this disaster effective April 1, 1997.

All other information remains the same, i.e., the termination date for filing

applications for loans for physical damage is April 11, 1997 and for economic injury the deadline is October 6, 1997.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: April 2, 1997.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 97-9485 Filed 4-11-97; 8:45 am]

BILLING CODE 8025-11-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #2940; Amendment #1]

State of Illinois

In accordance with a notice from the Federal Emergency Management Agency, dated April 1, 1997, the above-numbered Declaration is hereby amended to establish the incident period as beginning March 1 and closing effective April 1, 1997.

All other information remains the same, i.e., the termination date for filing applications for physical damage is May 20, 1997, and for loans for economic injury the deadline is December 22, 1997.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: April 8, 1997.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 97-9486 Filed 4-11-97; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #2935; Amendment #1]

State of Indiana

In accordance with a notice from the Federal Emergency Management Agency, dated March 31, 1997, the above-numbered Declaration is hereby amended to close the incident period for this disaster effective March 31, 1997.

All other information remains the same, i.e., the termination date for filing applications for physical damage is May 4, 1997 and for economic injury the deadline is December 8, 1997.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: April 2, 1997.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 97-9489 Filed 4-11-97; 8:45 am]

BILLING CODE 8025-01-P