

applicant corresponding to the value of such holder's interest in the Program and thus representing an in-kind distribution of the holder's pro rata interest in the assets of applicant.

6. As of May 29, 1996, there was \$192,817,034 face amount of Programs outstanding, representing beneficial interests in applicant having an aggregate value of \$127,953,550 based on \$4,023,696.556 Fund shares owned by applicant for outstanding Programs at \$31.80 per Fund share.<sup>1</sup>

7. On the Termination Date, applicant distributed all of its net assets, consisting of shares of the Fund, to Program holders of record on that date. Each such Program holder received, at no acquisition fee, the number of Class A shares of the Fund corresponding to the value of his or her Program interest. The distribution to and receipt by each Program holder of record was effected by the establishment, on the books of the Fund, of an account in the name of that individual with the requisite number of Class A shares of the Fund. Distributions of 4,023,696.556 Fund shares held by applicant in the total amount of \$128,557,105 to 23,330 holders of record represented approximately 100% of the net assets of applicant. Each Program holder received his or her proportionate share of such liquidation distribution in Class A shares of the Fund.

8. Any holder of an uncompleted Program on the Termination Date with a face amount of less than \$12,000, may purchase Class A shares of the Fund at net asset value ("NAV"), plus a maximum sales charge of 2%, up the amount representing the unpaid balance of his or her Program, if the purchase order is so designated. Any holder of an uncompleted Program on the Termination Date with a face amount of \$12,000 or more, may purchase Class A shares of the Fund at NAV, up the amount representing the unpaid balance of the Program, if the purchase order is so designated. In addition, any person who was a Program holder on the Termination Date may purchase Class A shares of the Fund at NAV up to the amount representing partial Program withdrawals outstanding on the Termination Date, provided the purchase order is so designated.<sup>2</sup>

<sup>1</sup> The dollar value of the face amount of Programs is the total amount of payments to be made under the Programs purchased by Program holders. The aggregate value of Programs outstanding is the net asset value of the shares of the Fund attributable to such Programs outstanding, which may be greater or less than the face amount depending on the number of payments made and changes in the value of the Fund shares.

<sup>2</sup> The terms of the Programs allowed Programs holders who had made 18 minimum monthly

9. Applicant states that, in order to ensure that holders of uncompleted Programs received full credit for sales commissions previously paid, the Sponsor analyzed the maximum commission rate that would have been applicable to subsequent payments under the Program. Applicant further states that, for each of the foregoing categories of holders of uncompleted Programs, the sales charge, if any, for purchases of Class A shares of the Fund reflecting the unpaid balance of the face amount of the Program is less than the sales charge that would have been applicable if such purchases had been made under continuation of the Program. Termination of the Programs did not result in any Program holder paying a sales charge in excess of that permitted under section 27 of the Act or provided under the terms of the Program.

10. Expenses incurred in connection with the liquidation consist primarily of legal, printing, mailing, and miscellaneous administrative expenses. The expenses are expected to total approximately \$33,079, and have been or will be paid by the Sponsor.

11. Applicant has no assets or securityholders, and is not a party to any liquidation or administrative proceeding. The only known debts or other liabilities of applicant that remain outstanding are legal fees of approximately \$325, which will be paid by the Sponsor. Applicant is not engaged, nor does it propose to engage, in any business activities other than those necessary for the winding-up of its affairs.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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payments to make partial withdrawals of cash or Fund shares from their Programs, subject to certain restrictions. After 90 days from the time of making a withdrawal and before the Program's termination or exchange, Program holders could redeposit cash or Fund shares (depending on what had been withdrawn) to their Programs without a sales charge. Despite the 90-day provision, Program holders were permitted to make partial withdrawals up the Termination Date, and redeposits at any time subsequent to the conversion.

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22635; 811-2092]

### United International Growth Investment Programs; Notice of Application

April 23, 1997.

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

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

**APPLICANT:** United International Growth Investment Programs.

**RELEVANT ACT SECTION:** Order requested under section 8(f).

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

**FILING DATES:** The application was filed on July 26, 1996, and amended on November 26, 1996, and March 12, 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 19, 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, 6300 Lamar Avenue, PO Box 29217, Shawnee Mission, KS 66201-9217.

**FOR FURTHER INFORMATION CONTACT:** Christine Y. Greenlees, Senior Counsel, (202) 942-0581, or Mercer E. Bullard, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulations).

**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 unit investment trust that has variously offered Monthly

Investment Programs ("MIPs"), Executive-Professional Investment Programs ("EIPs"), and Variable Investment Programs ("VIPs"). Applicant was created under the laws of Missouri pursuant to a custodian agreement dated July 15, 1970. Waddell & Reed, Inc. (the "Sponsor") and State Street Bank and Trust Company (the "Custodian") serve as applicant's Sponsor and Custodian, respectively.

2. According to SEC records, on July 22, 1970, applicant filed a notification of registration on Form N-8A under section 8(a) of the Act, a registration statement on Form N-8B-2 under section 8(b) of the Act, and a registration statement on Form S-6 under the Securities Act of 1933. The Form S-6, filed to register \$10,000,000 face amount of MIPs and \$10,000,000 face amount of EIPs, became effective on November 18, 1970, and the initial public offering of MIPs and EIPs commenced on or after such date. Thereafter, applicant filed a registration statement to register an indefinite face amount of VIPs that became effective in October 1975. The initial public offering of VIPs commenced and the public offering of applicant's MIPs and EIPs ceased on or soon after such effective date (MIPs, EIPs, and VIPs are collectively referred to herein as "Programs").<sup>1</sup>

3. Before February 29, 1996, the Sponsor ceased to offer and sell any new Program. The Custodian subsequently informed the Sponsor that it intended to resign as custodian. Accordingly, and in light of changes since the inception of the Programs in the ways of investing in the Fund that underlies the Programs, the Sponsor determined not to continue the Programs.

4. The Program certificates provide that the Programs may be changed by agreement of the Sponsor and the Custodian without the consent of the Program holders, provided that the change does not adversely affect the substantive rights of the Program holders. The Sponsor determined that: (a) The amendment of the certificates of each Program to permit the termination of that Program by the Sponsor did not adversely affect the substantive rights of the Program holders; and (b) overall, as direct shareholders of the Fund, Program holders on the Termination

Date, as defined below, would be in a position at least as favorable, if not more favorable, than if their Programs had not terminated. Effective March 11, 1996, the Sponsor and the Custodian amended the certificates of the Programs to permit the termination of each Program by the Sponsor in accordance with the terms of the notice sent to Program holders as described below.

5. On or about February 29, 1996, applicant sent to all holders of record of an interest in applicant notice that, as of May 30, 1996 (the "Termination Date"), applicant would be terminated and the Sponsor would arrange for each holder of a Program to receive the number of Class A shares of the Fund held by applicant corresponding to the value of such holder's interest in the Program and thus representing an in-kind distribution of the holder's pro rata interest in the assets of applicant.

6. As of May 29, 1996, there was \$67,489,901 face amount of Programs outstanding, representing beneficial interests in applicant having an aggregate value of \$48,795,644 based on 5,532,385.980 Fund shares owned by applicant for outstanding Programs at \$8.82 per Fund share.<sup>2</sup>

7. On the Termination Date, applicant distributed all of its net assets, consisting of shares of the Fund, to Program holders of record on that date. Each such Program holder received, at no acquisition fee, the number of Class A shares of the Fund corresponding to the value of his or her Program interest. The distribution to and receipt by each Program holder of record was affected by the establishment, on the books of the Fund, of an account in the name of that individual with the requisite number of Class A shares of the Fund. Distributions of 5,532,385.980 Fund shares held by applicant in the total amount of \$48,850,968 to 8,243 holders of the record represented approximately 100% of the net assets of applicant. Each Program holder received his or her proportionate share of such liquidation distribution in Class A shares of the fund.

8. Any holder of an uncompleted Program on the Termination Date with a face amount of less than \$12,000, may purchase Class A shares of the Fund at the net asset value ("NAV", plus a maximum sales charge of 2%, up to the

amount representing the unpaid balance of his or her Program, if the purchase order is so designated. Any holder of an uncompleted Program on the Termination date with a face amount of \$12,000 or more, may purchase Class A shares of the Fund at NAV, up to the amount representing the unpaid balance of the Program, if the purchase order is so designated. In addition, any person who was a Program, holder on the Termination Date may purchase Class A shares of the Fund at NAV up to the amount presenting partial Program withdrawals outstanding on the Termination Date, provided the purchase order is so designated.<sup>3</sup>

9. Applicant states that, in order to ensure that holders of uncompleted Programs received full credit for sales commissions previously paid, the Sponsor analyzed the maximum commission rate that would have been applicable to subsequent payments under the Program. Applicant further states that, for each of the foregoing categories of holders of uncompleted Programs, the sales charge, if any, for purchases of Class A shares of the Fund reflecting the unpaid balance of the face amount of the Program is less than the sales charge that would have been applicable if such purchases had been made under continuation of the Program. Termination of the Programs did not result in any Program holder paying a sales charge in excess of that permitted under section 27 of the Act or provided under section 27 of the Act or provided under the terms of the Program.

10. Expenses incurred in connection with the liquidation consist primarily of legal, printing, mailing, and miscellaneous administrative expenses. The expenses are expected to total approximately \$19,393, and have been or will be paid by the Sponsor.

11. Applicant has no assets or security holders, and is not a party to any litigation or administrative proceeding. The only known debts or other liabilities of applicant that remain outstanding are legal fees of approximately \$325, which will be paid by the Sponsor. Applicant is not engaged, nor does it propose to engage,

<sup>1</sup> On September 11, 1981, United Continental Growth Fund, Inc., the underlying funding vehicle for the Programs, changed its name to United International Growth Fund, Inc. (the "Fund"). Applicant changed its name from United Continental Growth Investment Program to United International Growth Investment Programs contemporaneously with the name change of the Fund.

<sup>2</sup> The dollar value of the face amount of Programs is the total amount of payments to be made under the Programs purchased by Program holders. The aggregate value of Programs outstanding is the net asset value of the shares of the Fund attributable to such Programs outstanding, which may be greater or less than the face amount depending on the number of payments made and changes in the value of the Fund shares.

<sup>3</sup> The terms of the Programs allowed Program holders who had made 18 minimum monthly payments to make partial withdrawal of cash or Fund shares from their Programs, subject to certain restrictions. After 90 days from the time of making withdrawal and before the Program's termination or exchange, Program holders could redeposit cash or Fund shares (depending on what had been withdrawn) to their Programs without a sale charge. Despite the 90-day provision, Program holders were permitted to make partial withdrawals up to the Termination Date and redeposits at any time subsequent to the conversion.

in any business activities other than those necessary for the winding-up of its affairs.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22631; 811-447]

### United Periodic Investment Plans to Acquire United Accumulative Fund Shares of United Funds, Inc.; Notice of Application

April 23, 1997.

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

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

**APPLICANT:** United Periodic Investment Plans to Acquire United Accumulative Fund Shares of United Funds, Inc.

**RELEVANT ACT SECTION:** Order requested under section 8(f).

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

**FILING DATES:** The application was filed on July 26, 1996, and amended on November 26, 1996, and March 12, 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 19, 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, 6300 Lamar Avenue, P.O. Box 29217, Shawnee Mission, KS 66201-9217.

**FOR FURTHER INFORMATION CONTACT:** Christine Y. Greenlees, Senior Counsel, (202) 942-0581, 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.

### Applicant's Representations

1. Applicant is a unit investment trust that has variously offered Periodic Investment Plans to Acquire United Accumulative Fund Shares of United Funds, Inc. and Periodic Investment Plans with Insurance to Acquire United Accumulative Fund Shares of United Funds, Inc. (collectively, the "Plans"). Applicant was created under the laws of Missouri pursuant to a trust agreement dated October 14, 1940. On July 15, 1958, applicant and the then-acting trustee entered into a supplemental trust agreement ("Trust Agreement"), which in fact was an independent agreement creating the Plans. Waddell & Reed, Inc. (the "Sponsor") and State Street Bank and Trust Company (the "Custodian") serve as applicant's Sponsor and Custodian, respectively.

2. On June 25, 1941, applicant filed a notification of registration on Form N-8A under section 8(a) of the Act and a registration statement on Form N-8B-2 under section 8(b) of the Act. Applicant's registration statement on Form S-6 under the Securities Act of 1933, for the registration of United Accumulative Purchase Agreements and Periodic Investment Plans (with and without insurance) ("Purchase Agreements" and "Periodic Investment Plans"), became effective in 1941, and the initial public offering of the Purchase Agreements and Periodic Investment Plans commenced on or soon after such effective date. Thereafter, applicant filed a registration statement of revised forms to register the Plans that became effective on or about February 17, 1959. The initial public offering of the Plans commenced on or soon after such effective date, and the public offering of the Purchase Agreements and Periodic Investment Plans ceased on or prior to such effective date.

3. Before February 29, 1996, the Sponsor ceased to offer and sell any new Plan. The Custodian subsequently informed the Sponsor that it intended to resign as custodian. Accordingly, and in light of changes since the inception of the Plans in the ways of investing in United Funds, Inc. Accumulative Fund (the "Fund"), the Fund which underlies the Plans, the Sponsor determined not to continue the Plans.

4. The Trust Agreement provides that the Plans may be changed by agreement of the Sponsor and the Custodian without the consent of the Plan holders, provided that the change does not adversely affect the substantive rights of the Plan holders. The Sponsor determined that: (a) The amendment of the certificates of each Plan to permit the termination of that Plan by the Sponsor did not adversely affect the substantive rights of the Plan holders; and (b) overall, as direct shareholders of the Fund, Plan holders on the Termination Date, as defined below, would be in a position at least as favorable, if not more favorable, then if their Plans had not terminated. Effective March 11, 1996, the Sponsor and the Custodian amended the certificates of the Plans to permit the termination of each Plan by the Sponsor in accordance with the terms of the notice sent to Plan holders as described below.

5. On or about February 29, 1996, applicant sent to all holders of record of an interest in applicant notice that, as of May 30, 1996 (the "Termination Date"), applicant would be terminated and the Sponsor would arrange for each holder of a Plan to receive the number of Class A shares of the Fund held by applicant corresponding to the value of such holder's interest in the Plan and thus representing an in-kind distribution of the holder's pro rata interest in the assets of applicant.

6. As of May 29, 1996, there was \$38,841,779 face amount of Plans outstanding, representing beneficial interests in applicant having an aggregate value of \$228,599,642 based on 28,083,494,129 Fund shares owned by applicant for outstanding Plans at \$8.14 per Fund share.<sup>1</sup>

7. On the Termination Date, applicant distributed all of its net assets, consisting of shares of the Fund, to Plan holders of record on that date. Each such Plan holder received, at no acquisition fee, the number of Class A shares of the Fund corresponding to the value of his or her Plan interest. The distribution to and receipt by each Plan holder of record was effected by the establishment, on the books of the Fund, of an account in the name of that individual with the requisite number of Class A shares of the Fund. Distributions of 28,083,494.129 Fund shares held by applicant in the total

<sup>1</sup> The dollar value of the face amount of Plans is the total amount of payments to be made under the Plans purchased by Plan holders. The aggregate value of Plans outstanding is the net asset value of the shares of the Fund attributable to such Plans outstanding, which may be greater or less than the face amount depending on the number of payments made and changes in the value of the Fund shares.