The Merger Agreement provides for the Transaction to be effected by (a) a merger of Pacific Sub with and into Pacific, with Pacific remaining as the surviving corporation and (b) a merger of Enova Sub with and into Envoa, with Enova remaining as the surviving corporation.

The application states that the combination of Pacific and Enova is expected to provide strategic, financial and other benefits to the shareholders of both companies, and their respective employees, customers and communities. Such benefits are anticipated to include cost savings and cost avoidances derived from the integration of corporate functions, corporate programs and field support functions, the streamlining of inventories and purchasing economics, and consolidation of facilities. The applicants state that the combination is timed to coincide with California electric utility deregulation and ongoing natural gas utility deregulation and is intended to establish a company that, by providing multiple energy products and services to customers at lower prices than either company could offer individually, will have the ability to compete effectively in the California and the rapidly developing national and international markets for energy and energy services.

Upon consummation of the proposed Transaction: (1) Each share of Pacific Common Stock [9] will be canceled and converted into the right to receive 1.5038 shares of MEC Common Stock; and (2) each share of Enova Common Stock [10] will be canceled and converted into the right to receive one share of MEC Common Stock. The Transaction will not affect any other class of common or preferred stock of the parties to the Transaction. Thus, any shares of Pacific Preferred Stock and preferred stock of SoCalGas and SDG&E outstanding on the date of the consummation of the Transaction will remain outstanding preferred stock of the same companies.

Upon completion of the Transaction, Pacific and Enova will become subsidiaries of MEC, which will own all of the issued and outstanding common stock of each of Pacific and Enova. Pacific and Enova would continue to own and operate their primary subsidiaries, SoCalGas and SEG&E, respectively.[11] MEC's Board of Directors will consist of an equal number of directors designated by Pacific and Enova. The Transaction is expected to qualify as tax-free reorganization under section 351 of the Internal Revenue Code of 1986, as amended.

As a result of the Transaction, MEC will be a public-utility holding company as defined in section 2(a)(7) of the Act with indirect ownership of two public-utility companies, SoCalGas and SDG&E. MEC states that following consummation of the Transaction, it will be entitled to an exemption from all provisions of the Act except section 9(a)(2) because it and each of its pubic-utility subsidiaries from which it derives a material part of its income will be predominantly intrastate in character and will carry on their utility businesses substantially within the state of California.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–11408 Filed 5–1–97; 8:45 am]

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common stock in each of Pacific Sub and Enova Sub.

[9] Shares of Pacific Common Stock owned by Enova, Pacific, MEC or any of their wholly-owned subsidiaries and shares as to which dissenters' rights are perfected will not be eligible for this treatment.

[10] Shares of Enova Common Stock owned by Enova, Pacific, MEC or any of their wholly-owned subsidiaries and shares as to which dissenters' rights are perfected will not be eligible for this treatment.

[11] Pursuant to the Merger Agreement, Pacific and Enova have formed a joint venture company (''JV Company'') with an initial capitalization of $10 million to engage in energy marketing activities and provide energy-related services. The JV Company is terminable by either party in the event the Merger Agreement is terminated.

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–22639; 812–10600]

WNC Housing Tax Credit Fund VI, L.P., Series 5 and 6, and WNC & Associates, Inc.; Notice of Application

April 28, 1997.

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

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

APPLICANTS: WNC Housing Tax Credit Fund VI, L.P., Series 5 and WNC Housing Tax Credit Fund VI, L.P., Series 6 (each a ''Series,'' and collectively, the ''Fund''), and WNC & Associates, Inc. (the ''General Partner'').

RELEVANT ACT SECTIONS: Exemption requested under section 6(c) from all provisions of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit each Series to invest in limited partnerships that engage in the ownership and operation of apartment complexes for low and moderate income persons.

FILING DATES: The application was filed on April 1, 1997. Applicants will file an amendment during the notice period, the substance of which is reflected herein.

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 request should be received by the SEC by 5:30 p.m. on May 23, 1997, 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 NW., Washington, DC 20549. Applicants, 3158 Redhill Avenue, Suite 120, Costa Mesa, California 92626–3416.

FOR FURTHER INFORMATION CONTACT: Courtney S. Thornton, Senior Counsel, at (202) 942–0583, 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 at the SEC's Public Reference Branch.

Applicants' Representations

1. Each Series was formed as a California limited partnership on March 3, 1997. Each Series will operate as a ''two-tier'' partnership, *i.e.*, each Series, as a limited partner, will invest in other limited partnerships (''Local Limited Partnerships''). The Local Limited Partnerships in turn will engage in the ownership and operation of apartment complexes expected to be qualified for low income housing tax credit under the Internal Revenue Code of 1986.

2. The objectives of each Series are to (a) provide current tax benefits primarily in the form of low income housing credits which investors may use to offset their Federal income tax liabilities, (b) preserve and protect Fund capital, and (c) provide cash distributions from sale or refinancing transactions.

3. On March 27, 1997, the Fund filed a registration statement under the Securities Act of 1993 pursuant to which the Fund intends to offer publicly, in one or more series of offerings, 50,000 units of limited partnership interest (''Units'') at $1,000 per unit. The minimum investment will be five Units for most investors, although employees of the General Partner and its affiliates and/or investors in syndications previously sponsored by the General Partner may purchase a minimum of two Units. Purchasers of the Units will become limited partners (''Limited Partners'') of the Series offering the Units.

4. A Series will not accept any subscriptions for Units until the requested exemptive order is granted or the Series receives an opinion of counsel that it is exempt from registration under the Act. Subscriptions for Units must be approved by the General Partner. Such approval will be conditioned upon representations as to suitability of the investment for each subscriber. The suitability standards provide, among other things, that investment is a Series is suitable only for an investor who either (a) has a net worth (exclusive of home, furnishings, and automobiles), of at least $35,000 and an annual gross income of at least $35,000, or (b) irrespective of annual income, has a net worth (exclusive of home, furnishings, and automobiles) of at least $75,000. Units will be sold only to investors who meet these suitability standards, or such more restrictive suitability standards as may be established by certain states for purchases of Units within their respective jurisdictions. In addition, transfers of Units will be permitted only if the transferee meets the same suitability standards as had been imposed on the transferor Limited Partner.

5. Although a Series' direct control over the management of each apartment complex will be limited, the Series' ownership of interests in Local Limited Partnerships will, in an economic sense, be tantamount to direct ownership of the apartment complexes themselves. A Series normally will acquire at least a 90% interest in the profits, losses, and tax credits of the Local Limited Partnerships. However, in certain cases, the Series may acquire a lesser interest in such partnerships. In these cases, the Series normally will acquire at least a 50% interest in the profits, losses, and tax credits of the Local Limited Partnership. From 95% to 100% of the proceeds from a sale or refinancing of an apartment complex normally will be paid to the Series until it has received a full return of that portion of the net proceeds invested in the Local Limited Partnership (which may be reduced by an cash flow distributions previously received). A Series also will receive a share of any remaining sale or refinancing proceeds. A Series' share of these proceeds may range from 10% to 90%.

6. Each Series will have certain voting rights with respect to each Local Limited Partnership. The voting rights will include the right to dismiss and replace the local general partner on the basis of performance, to approve or disapprove a sale or refinancing of the apartment complex owned by such Local Limited Partnership, to approve or disapprove the dissolution of the Local Limited Partnership, and to approve or disapprove amendments to the Local Limited Partnership agreement materially and adversely affecting the Series' investment.

7. Each Series will be controlled by the General Partner, pursuant to a partnership agreement (the ''Partnership Agreement''). The Limited Partners, consistent with their limited liability status, will not be entitled to participate in the control of the business of the Series. However, a majority-in-interest of the Limited Partners will have the right to amend the Partnership Agreement (subject to certain limitations), to remove any General Partner and elect a replacement, and to dissolve the Series. In addition, under the Partnership Agreement, each Limited Partner is entitled to review all books and records of the Series.

8. The Partnership Agreement and prospectus of the Series contain numerous provisions designed to insure fair dealing by the General Partner with the Limited Partners. All compensation to be paid to the General Partner and its affiliates is specified in the Partnership Agreement and prospectus. While the fees and other forms of compensation that will be paid to the General Partner and its affiliates will not have been negotiated at arm's length, applicants believe that the compensation is fair and on terms no less favorable to the Series than would be the case if such arrangements had been made with independent third parties.

9. During the offering and organizational phase, the General Partner and its affiliates will receive a dealer-manager fee and a nonaccountable expense reimbursement in amounts equal to 2% and 1%, respectively, of capital contributions. The General Partner also will be reimbursed by each Series for the actual amount of expenses incurred in connection with organizing the Series and conducting the offering. However, the General Partner has agreed to pay any organizational and offering expenses (including selling commissions, the dealer-manager fee, and the nonaccountable expense reimbursement) in excess of 13% of capital contributions.

10. During the acquisition phase, each Series will pay the General Partner or its affiliates a fee equal to 7% for analyzing and evaluating potential investments in Local Limited Partnerships. The General Partner and its affiliates will be reimbursed by each Series for the actual amount of any partnership acquisition expenses advanced by them, provided that acquisition expenses will not exceed 1.5% of capital contributions. Aggregate acquisition fees and acquisition expenses paid in connection with the acquisition of Local Limited Partnership interests by each Series will be limited by the Partnership Agreement and will comply with guidelines published by the North American Securities Administrators Association. These guidelines require that a specified percentage (generally 80%, but subject to reduction) of the aggregate Limited Partners' capital contributions to a Series be committed to Local Limited Partnership interests.

11. During the operating phase, the General Partner will receive 1% of any cash available for distribution and each Series may pay certain fees and reimbursements to the General Partner or its affiliates. An asset management fee will be payable for services related to the administration of the affairs of each Series in connection with each Local Limited Partnership in which the Series invests. Other fees may be paid in consideration of property management services provided by the General Partner or its affiliates as the management and leasing agents for some of the apartment complexes. In addition, the General Partner and its affiliates generally will be allocated 1% of profits and losses of each Series for tax purposes and tax credits.

12. During the liquidation phase, and subject to certain prior payments to the Limited Partners, each Series will pay the General Partner or its affiliates a fee equal to 1% of the sales price of the properties sold in which the General Partner or its affiliates have provided a substantial amount of services. The General Partner also will receive 10% of any additional sale or refinancing proceeds remaining after the return of the Limited Partners' capital contribution, subject to certain prior payments.

13. All proceeds from a Series' public offering of Units initially will be placed

in an escrow account with the National Bank of Southern California (''Escrow Agent''). Pending release of offering proceeds to the Series, the Escrow Agent will deposit escrowed funds in short-term United States Government securities, securities issued or guaranteed by the United States Government, and certificates of deposit or time or demand deposits in commercial banks. Upon receipt of a prescribed minimum amount of capital contributions for a Series, funds in escrow will be released to the Series and held by it pending investment in Local Limited Partnerships.

14. If investment opportunities may be invested in by more than one entity that the General Partner or its affiliates advises or manages, the decisions as to the particular entity that will be allocated the investment will be based upon such factors as the effect of the acquisition on diversification of each entity's portfolio, the estimated income tax effects of the purchase on each entity, the amount of funds of each entity available for investment, and the length of time such funds have been available for investment. Priority generally will be given to the entity having uninvested funds for the longest period of time. However, (a) any entity that was formed to invest primarily in apartment complexes eligible only for Federal low income housing credits will be given priority with respect to any investment that is not eligible for California low income housing credits, and (b) any entity that was formed to invest primarily in apartment complexes eligible for California low income housing credits as well as for Federal credits will be given priority with respect to any investment that is eligible for the California credits.

Applicants' Legal Analysis

1. Applicants believe that the Fund and its Series will not be ''investment companies'' under sections 3(a)(1) or 3(a)(3) of the Act. If the Fund and its Series are deemed to be investment companies, however, applicants request an exemption under section 6(c) from all provisions of the Act.

2. Section 3(a)(1) of the Act provides that an issuer is an ''investment company'' if it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities. Applicants, however, believe that the Partnership will not be an investment company under section 3(a)(1) because the Partnership will be in the business of investing in and being beneficial owner or apartment complexes, not securities.

3. Section 3(a)(3) of the Act provides that an issuer is an ''investment company'' if it is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire ''investment securities'' having a value exceeding 40% of the value of such issuer's total assets (exclusive of Government securities and cash items). Applicants, however, believe that the Local Limited Partnership interests should not be considered ''investment securities'' because those interests are not readily marketable, have no value apart from the value of the apartment complexes owned by the Local Limited Partnerships, and cannot be sold without severe adverse tax consequences.

4. Applicants believe that the two-tier structure is consistent with the purposes and criteria set forth in the SEC's release concerning two-tier real estate partnerships (the ''Release'').[1] The Release states that investment companies that are two-tier real estate partnerships that invest in limited partnerships engaged in the development and operation of housing for low and moderate income persons may qualify for an exemption from the Act pursuant to section 6(c). Section 6(c) provides that the SEC may exempt any person from any provision of the Act and any rule thereunder, 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.

5. The Release lists two conditions, designed for the protection of investors, which must be satisfied by two-tier partnerships to qualify for the exemption under section 6(c). First, interests in the issuer should be sold only to persons for whom investments in limited profit, essentially tax-shelter, investments would not be unsuitable. Second, requirements for fair dealing by the general partner of the issuer with the limited partners of the issuer should be included in the basic organizational documents of the company.

6. Applicants assert, among other things, that the suitability standards set forth in the application, the requirements for fair dealing provided by the Partnership Agreement, and pertinent governmental regulations imposed on each Local Limited Partnership by various Federal, state, and local agencies provide protection to investors in Units comparable to that provided by the Act. In addition, applicants assert that the requested exemption is both necessary and appropriate in the public interest.

[1] ???

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–11455 Filed 5–1–97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94–409, that the Securities and Exchange Commission will hold the following meeting during the week of May 5, 1997.

A closed meeting will be held on Monday, May 5, 1997, at 10:30 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c) (4), (8), (9)(A) and (10) and 17 CFR 200.402(a) (4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Johnson, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Monday, May 5, 1997, at 10:30 a.m., will be:

Institution and settlement of injunctive actions.

Institution of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 942–7070.

Dated: April 29, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97–11612 Filed 4–30–97; 8:45 am]

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