SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Extension:

Rule 20a–1 SEC File No. 270–132 OMB Control No. 3235–0158

Rule 489 and Form F–N SEC File No. 270–361 OMB Control No. 3235–0411

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (''Commission'') has submitted to the Office of Management and Budget request[s] for extension of the previously approved collection[s] of information discussed below.

Rule 20a–1 requires that the solicitation of a proxy, consent or authorization with respect to a security issued by a registered fund be in compliance with Regulation 14A (17 CFR 240.14A–1), Schedule 14A (17 CFR 240.14a–101), and all other rules and regulations adopted under section 14(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78n(a)). Rule 20a–1 also requires a fund's investment adviser, or a prospective adviser, to transmit to the person making a proxy solicitation the information necessary to enable that person to comply with the rules and regulations applicable to the solicitation.

Regulation 14A and Schedule 14A establish the disclosure requirements applicable to the solicitation of proxies, consents and authorizations. In particular, Item 22 of Schedule 14A contains extensive disclosure requirements for registered investment company proxy statements. Among other things, it requires the disclosure of information about fund fee or expense increases, the election of directors, the approval of an investment advisory contract and the approval of a distribution plan.

The Commission requires the dissemination of this information to assist investors in understanding their fund investments and the choices they may be asked to make regarding fund operations. The Commission does not use the information in proxies directly, but reviews proxy statement filings for compliance with applicable rules.

It is estimated that approximately 1,000 registered investment companies are required to file one proxy statement annually. The total annual reporting and recordkeeping burden of the collection of information is estimated to be approximately 96,200 hours (1,000 responses × 96.2 hours per response).

Rule 489 and Form F–N requires certain entities that are excepted from the definition of investment company by virtue of rules 3a–1, 3a–5, and 3a–6 under the Investment Company Act of 1940 to file Form F–N to appoint a United States agent for services of process when making a public offering of securities in the United States.

It is estimated that approximately 21 entities are required by rule 489 to file Form F–N. The total estimated annual burden of complying with the filing requirement is approximately 25 hours.

General comments regarding the above information should be directed to the following persons: (1) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, D.C. 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: June 16, 1997.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–16269 Filed 6–20–97; 8:45 am]

BILLING CODE 6712–02–M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC—22713; 812–10572]

J.P. Morgan Index Funding Company I, et al.; Notice of Application

June 17, 1997.

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

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

APPLICANTS: J.P. Morgan Index Funding Company I, J.P. Morgan Index Funding Company II, J.P. Morgan Index Funding Company III, J.P. Morgan Index Funding Company IV, and J.P. Morgan Index Funding Company V.

RELEVANT ACT SECTION: Order requested under section 6(c) of the Act that would exempt applicants from all provisions of the Act.

SUMMARY OF APPLICATION: Applicants request an order that would permit them to sell their preferred beneficial interests and use the proceeds to finance the business activities of their parent company, J.P. Morgan & Co. Incorporated (''J.P. Morgan''), and certain subsidiaries of J.P. Morgan.

FILLING DATES: The application was filed on 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 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 July 14, 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 who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, DC 20549. Applicants, c/o J.P. Morgan, 60 Wall Street, New York, NY 10260.

FOR FURTHER INFORMATION CONTACT: Lisa McCrea, Staff Attorney (202) 942–0562, or Mercer E. Bullard, Branch Chief, (202) 942–0564 (Office of Investment Company Regulation, Division of Investment Management).

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. Applicants were organized as Delaware business trusts on December 12, 1996. J.P. Morgan, a Delaware corporation, owns all of the outstanding beneficial voting interests of applicants. J.P. Morgan is the holding company for a group of global subsidiaries that provide financial services to corporations, governments, financial institutions, institutional investors, professional firms, privately held companies, nonprofit organizations, and financially sophisticated individuals. The financial services that J.P. Morgan provides include finance and advisory services, sales and trading, asset and liability management, and equity investments. J.P. Morgan's largest subsidiary, Morgan Guaranty Trust Company of New York (''Morgan Guaranty''), is a New York State chartered bank. Morgan Guaranty is subject to restrictions on loans and extensions of credit to J.P. Morgan and

certain other affiliates and on certain other types of transactions with them or involving their securities.

2. Applicants were organized to engage in financing activities that will provide funds for use in the operations of J.P. Morgan, Morgan Guaranty, and certain subsidiaries of either. Applicants' primary function will be to obtain funds through the offer and sale of their preferred beneficial interests in U.S., European, and other overseas markets, and to lend the proceeds to J.P. Morgan, Morgan Guaranty and direct or indirect subsidiaries of either.

3. Applicants expect that the securities they issue will consist initially of preferred beneficial trust interests. Due to the nature of capital markets, applicants may issue beneficial interests in amounts exceeding the amounts required by J.P. Morgan, Morgan Guaranty and their subsidiaries at the time. In accordance with rule 3a–5(a)(5) under the Act, an applicant will loan at least 85% of the cash or cash equivalents raised by that applicant to J.P. Morgan, Morgan Guaranty or their subsidiaries as soon as practicable, but in no event later than six months after that applicant's receipt of such cash or cash equivalents.

4. In the event that applicants borrow amounts in excess of the amounts required by J.P. Morgan, Morgan Guaranty, and their subsidiaries, applicants will invest such excess in temporary investments pending lending the money to J.P. Morgan, Morgan Guaranty and their subsidiaries. In accordance with rule 3a–5(a)(6), all applicants' investments will be made in government securities, securities of J.P. Morgan, Morgan Guaranty or a company controlled by J.P. Morgan or Morgan Guaranty (or, in the case of a partnership or joint venture, the securities of the partners or participants in the joint venture), or securities which are exempt from the provisions of the Securities Act of 1933 by section 3(a)(3) of the Act.

5. Before applicants issue any beneficial interests, J.P. Morgan will enter into a guarantee agreement with applicants (the ''Guarantee Agreement'') under which J.P. Morgan will unconditionally guarantee the payment of principal and dividends on the beneficial interests when due. The Guarantee Agreement also will fulfill the requirements of the rule 3a–5(a)(2) under the Act, as interpreted by the SEC.[1]

6. Applicants believe that the Guarantee Agreement provides assurance that the holders of each applicant's beneficial interests will be able to look to J.P. Morgan for payment. The Guarantee Agreement will give each holder of beneficial interests issued by an applicant a direct right of action against J.P. Morgan to enforce J.P. Morgan's obligations under the Guarantee Agreement without first proceeding against the applicant. J.P. Morgan and an applicant may amend or modify the Guarantee Agreement by agreement, but amendments or modifications will apply only prospectively and will not relieve J.P. Morgan of any of its obligations under the Guarantee Agreement with respect to beneficial interests outstanding on the effective date of the amendment or modification or adversely affect the beneficial interest holders' rights. Neither an applicant nor J.P. Morgan may terminate the Guarantee Agreement unless all beneficial interests issued and guaranteed under it have been redeemed or paid in full.

Applicants' Legal Analysis

1. Applicants request an exemption from all provisions of the Act. Applicants note that the SEC has stated that it generally is appropriate to exempt a finance subsidiary from all provisions of the Act where the primary purpose of the finance subsidiary is to finance the business operations of its parent or other subsidiaries of its parent and where any purchaser of the finance subsidiary's securities ultimately looks to the parent for repayment and not to the finance subsidiary.[2]

2. Rule 3a–5 provides an exemption from the definition of investment company for certain companies organized primarily to finance the business operations of their parent companies or companies controlled by their parent companies. Under rule 3a–5(b)(2), a ''parent company'' is one that derives its non-investment company status from section 3(a) of the Act, or rules thereunder, or section 3(b) of the Act. Applicants believe that J.P. Morgan may not qualify as a ''parent company'' under rule 3a–5(b)(2) because it derives its non-investment company status from section 3(c)(6) of the Act.

3. Under rule 3a–5(b)(3), a ''company controlled by the parent company'' may only be a company that derives its non-investment company status from section 3(a), or rules thereunder, or section 3(b). Applicants initially will loan funds to Morgan Guaranty, which derives its non-investment company status from section 3(c)(3) of the Act, and may loan funds to certain subsidiaries which derive their non-investment company status from section 3(c) of the Act. Consequently, applicants believe that Morgan Guaranty does not, and certain of the subsidiaries to which applicants may loan funds may not, qualify as a ''company controlled by the parent company'' under rule 3a–5(b)(3).

4. Applicants note that, in the release adopting rule 3a–5, the SEC stated that it may be appropriate to grant exemptive relief to the finance subsidiary of a section 3(c) issuer, upon examination of all relevant factors.[3] Applicants submit that the SEC also identified in the release its concern that a company may be considered a non-investment company under section 3(c) but still be engaged primarily in investment company activities.[4] Applicants state that J.P. Morgan is a bank holding company whose primary activities involve managing the activities of its banking and permitted non-banking subsidiaries. Applicants submit that, because J.P. Morgan is highly regulated by the Federal Reserve and various state banking agencies, regulation under the Act is neither warranted nor relevant.

5. Section 6(c) of the Act provides that the SEC, by order upon application, may exempt any person, security or transaction, or any class or classes of persons, securities or transactions, from any provision or provisions of the Act 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 submit that the exemptive relief requested meets the standards of section 6(c).

Applicants' Condition

Applicants agree that the order granting the requested relief shall be subject to the condition that each applicant will comply with all of the provisions of rule 3a–5 under the Act, except: (a) J.P. Morgan will not meet the portion of the definition of ''parent company'' under rule 3a–5(b)(2)(i) solely because it is excluded from the definition of investment company under section 3(c)(6) of the Act; (b) Morgan Guaranty will not meet the portion of the definition of ''company controlled by the parent company'' in rule 3a-5(b)(3)(i) solely because it is excluded from the definition of investment company under section 3(c)(3) of the Act; and (c) each applicant will be

[1] *See, e.g., Chieftain International Funding Corp.*, (pub. avail. Nov. 3, 1992); *Cleary, Gottlieb, Stein & Hamilton*, (pub. avail. Dec. 23, 1985).

[2] Investment Company Act Release No. 14725 (December 14, 1984) (adopting rule 3a–5).

[3] *Id.*

[4] *Id.*

permitted to invest in or make loans to corporations, partnerships, and joint ventures that do not meet the portion of the definition of ''company controlled by the parent company'' in rule 3a–5(b)(3)(i) solely because they are excluded from the definition of investment company by section 3(c)(2), 3(c)(3), 3(c)(4) or 3(c)(6) of the Act, provided that any such entity excluded from the definition of investment company under section 3(c)(6) will not be engaged primarily, directly or through majority owned subsidiaries in one or more of the businesses described in section 3(c)(5) of the Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–16338 Filed 6–20–97; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IA–1639/803–106]

KPMG Investment Advisors; Notice of Application

June 17, 1997.

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

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

APPLICANT: KPMG Investment Advisers (''KPMGIA'').

RELEVANT ADVISERS ACT SECTIONS: Exemption requested under section 203A(c) from section 203A(a).

SUMMARY OF APPLICATION: Applicant requests an order to permit it to continue to be registered with the SEC as an investment adviser.

FILING DATES: The application was filed on March 7, 1997, and amended on June 5, 1997. By letter dated June 17, 1997, applicant's counsel stated that an additional amendment, the substance of which is incorporated herein, will be filed 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 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 July 7, 1997, and should be accompanied by proof of service on 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 5th Street, N.W., Washington, D.C. 20549. Applicant, 4200 Norwest Center, 90 South Seventh Street, Minneapolis, Minnesota 55402.

FOR FURTHER INFORMATION CONTACT: Jennifer S. Choi, Special Counsel, at (202) 942–0725 (Division of Investment Management, Task Force on Investment Adviser 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.

Applicant's Representations

1. Applicant is a general partnership owned by KPMG Peat Marwick LLP (''KPMG''). KPMG provides accounting and related services to individuals and entities in the private and public sectors throughout the United States.

2. Since December 13, 1994, applicant has been registered with the SEC as an investment adviser. Applicant's principal place of business is in Minneapolis, Minnesota, and it has approximately 32 registered advisory representatives conducting business from 19 offices located in 13 states and Puerto Rico.

3. Applicant is responsible for the investment advice component of the personal financial planning services offered by KPMG. Applicant supervises the delivery of investment advice by partners and professional employees of KPMG in connection with personal financial planning services offered by KPMG to its clients, and the scope, content and delivery of such advice is subject to quality control standards prescribed and monitored by applicant.

4. Applicant does not manage or exercise discretionary authority over clients' accounts or maintain custody of clients' funds or securities. In instances where clients seek or would benefit from specific advice on securities investments, applicant may present the client with a list of investment advisers that specialize in providing such advice from which the client may choose.

5. Applicant provides generic advice on securities of all types but does not recommend specific securities. At the request of a client, applicant would provide an analysis of the attributes of a specific security without recommendation as to whether a client should buy, sell or hold the security. With regard to mutual funds, applicant may assist a client in identifying categories of funds that match the client's individual profile. Applicant does not select mutual funds for clients. If a client's needs dictate, applicant would, using published ranking data, assist the client in selecting several mutual funds in each investment category for further consideration. The client would then have the opportunity to compare the investment philosophy, past performance, and other features and services of the funds before making the investment decision. Applicant would discuss the use of professional money managers with clients with an investable asset base in excess of $250,000. Applicant also provides asset allocation services and ongoing performance evaluations.

6. Applicant's fees are generally based on actual or estimated hourly charges, which vary according to the staff classification, experience and location of the individual providing the service.

Applicant's Legal Analysis

1. Under section 203A(a) of the Advisers Act, which would become effective July 8, 1997, as a consequence of the enactment on October 11, 1996 of the National Securities Markets Improvement Act of 1996,[1] an investment adviser that is regulated or required to be regulated as an investment adviser in the state in which it maintains its principal office and place of business is prohibited from registering with the SEC unless the adviser (i) has assets under management of not less than $25 million (or such higher amount as the SEC may, by rule, deem appropriate), or (ii) is an adviser to an investment company registered under the Investment Company Act of 1940, as amended. The SEC is directed by section 203(h) of the Advisers Act to cancel the registration of any adviser that no longer meets the criteria for registration.

2. Applicant states that it does not meet the statutory test of having $25 million of assets under management. Applicant also states that it does not act as an investment adviser to any registered investment company. Applicant also states that it would not qualify for exemption from the prohibition on SEC registration as provided in rule 203A–2 under the Advisers Act. Applicant states that it would not be able to rely on the rule to relieve the burden of multi-state registration because it does not qualify

[1] The effective date of the National Securities Markets Improvement Act of 1996, originally April 9, 1997, was extended to July 8, 1997 by Pub. L. No. 105–8 (Mar. 31, 1997).