From—	Through—	Interest rate (percent)
10/1/94	3/31/95	9
4/1/95	6/30/95	10
7/1/95	3/31/96	9
4/1/96	6/30/96	8
7/1/96	12/31/96	9
1/1/97	3/31/97	9
4/1/97	6/30/97	9
7/1/97	9/30/97	9
10/1/97	12/31/97	9

Underpayments and Overpayments of Multiemployer Withdrawal Liability

Section 4219.32(b) of the PBGC's regulation on Notice, Collection, and Redetermination of Withdrawal Liability (29 CFR part 4219) specifies the rate at which a multiemployer plan is to charge or credit interest on underpayments and overpayments of withdrawal liability under section 4219 of ERISA unless an applicable plan provision provides otherwise. For interest accruing during any calendar quarter, the specified rate is the average quoted prime rate on short-term commercial loans for the fifteenth day (or the next business day if the fifteenth day is not a business day) of the month preceding the beginning of the quarter, as reported by the Board of Governors of the Federal Reserve System in Statistical Release H.15 (''Selected Interest Rates''). The rate for the fourth quarter (October through December) of 1997 (*i.e.*, the rate reported for September 15, 1997) is 8.50 percent.

The following table lists the withdrawal liability underpayment and overpayment interest rates for the specified time periods:

From—	Through—	Rate (percent)
10/1/91	12/31/91	8.00
1/1/92	3/31/92	7.50
4/1/92	9/30/92	6.50
10/1/92	6/30/94	6.00
7/1/94	9/30/94	7.25
10/1/94	12/31/94	7.75
1/1/95	3/31/95	8.50
4/1/95	9/30/95	9.00
10/1/95	3/31/96	8.75
4/1/96	12/31/96	8.25
1/1/97	3/31/97	8.25
4/1/97	6/30/97	8.25
7/1/97	9/30/97	8.50
10/1/97	12/31/97	8.50

Multiemployer Plan Valuations Following Mass Withdrawal

The PBGC's regulation on Duties of Plan Sponsor Following Mass Withdrawal (29 CFR part 4281) prescribes the use of interest assumptions under the PBGC's regulation on Allocation of Assets in Single-employer Plans (29 CFR part 4044). The interest assumptions applicable to valuation dates in November 1997 under part 4044 are contained in an amendment to part 4044 published elsewhere in today's **Federal Register**. Tables showing the assumptions applicable to prior periods are codified in appendix B to 29 CFR part 4044.

Issued in Washington, DC, on this 9th day of October 1997.

David M. Strauss,

Executive Director, Pension Benefit Guaranty Corporation.

[FR Doc. 97–27272 Filed 10–14–97; 8:45 am]

BILLING CODE 7708–01–P

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–22842; 812–10582]

Sierra Asset Management Portfolios, et al.; Notice of Application

October 7, 1997.

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

ACTION: Notice of application under sections 6(c), 12(d)(1)(J), and 17(b) of the Investment Company Act of 1940 (the ''Act'') for an exemption from sections 12(d)(1) (A) and (C) and 17(a) of the Act.

SUMMARY OF APPLICATION: Applicants request an order that would amend a prior order [1] (the ''Prior Order'') to permit a ''fund of funds'' that is an open-end investment company to invest in shares of an affiliated closed-end investment company.

APPLICANTS: Sierra Asset Management Portfolios (the ''Trust''), Sierra Prime Income Fund (''SPIF''), Sierra Investment Advisors Corporation (''Sierra Advisors''), and Sierra Investment Services Corporation (''Sierra Services''), including each applicant's successor in interest.[2]

FILING DATES: The application was filed on March 19, 1997 and amended on July 21, 1997. Applicants have agreed to file an amendment, the substance of which is incorporated in this notice, 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 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 October 29, 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 5th Street, N.W., Washington, D.C. 20549. Applicants, 9301 Corbin Avenue, Suite 333, Northridge, California 91324.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Senior Counsel, at (202) 942–0572, or Christine Y. Greenlees, Branch Chief, at (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, 450 5th Street, N.W., Washington, D.C. 20549 (telephone (202) 942–8090).

Applicants' Representations

1. The Trust is registered under the Act as an open-end management investment company and consists of five portfolios (the ''SAM Portfolios'').[3] Each SAM Portfolio operates as a ''fund of funds'' under the Prior Order and invests substantially all of its assets in shares of various portfolios of Sierra Trust Funds. Sierra Trust Funds is a registered open-end management investment company comprised of sixteen portfolios (the ''Underlying Funds'') that is part of the ''same group of investment companies'' (as defined in section 12(d)(1)(G)(ii) of the Act) as the SAM Portfolios. Each SAM Portfolio also invests in other securities. Each SAM Portfolio seeks to provide diversification among major asset categories and stock and bond sub-categories. Certain of the SAM Portfolios are designed to provide exposure in varying degrees to the growth potential of the stock market and/or the income potential of the bond market.

2. Applicants seek to amend the Prior Order to permit the SAM Portfolios to acquire up to 100% of SPIF's shares. Applicants request that relief be extended to any registered open-end management investment company, or

[1] *Sierra Asset Management Trust, et al.*, Investment Company Act Release Nos. 22001 (June 3, 1996) (notice) and 22047 (June 28, 1996) (order).

[2] ''Successor in interest'' is limited to entities that result from a reorganization into another jurisdiction or a change in the type of business organization.

[3] The Trust was initially organized as the ''Sierra Asset Management Trust,'' but changed its name on July 19, 1996, prior to the Trust's registration statement becoming effective.

series thereof, for which Sierra Services or any entity controlling, controlled by, or under common control with Sierra Services, now or in the future acts as investment adviser or principal underwriter (the ''Funds'').[4]

3. SPIF is registered under the Act as a non-diversified closed-end fund. SPIF seeks to provide a high level of current income, consistent with preservation of capital, through investments primarily in senior collateralized loans made by banks or other financial institutions to U.S. corporations, partnerships, and other entities. The loans generally are expected to pay interest at rates that float or reset at a margin above a generally recognized base lending rate and, in addition, have a dollar-weighted average maturity of ninety days or less. As a result, the net asset value (''NAV'') of SPIF's shares has remained, and is expected to remain, relatively stable. Sierra Services has determined that SPIF's investment objective and policies make it an appropriate investment for four of the five SAM Portfolios. (It is not presently intended that the other portfolio will invest in shares of SPIF.)

4. Sierra Services is an investment adviser registered under the Investment Advisers Act of 1940 (the ''Advisers Act'') and a broker-dealer registered under the Securities Exchange Act of 1934. Sierra Services serves as the principal underwriter/distributor of the SAM Portfolios and SPIF. Sierra Services also serves as the SAM Portfolios' investment adviser, for which it receives payment equal to 0.15% of each SAM Portfolio's average net assets. Sierra Advisors is an investment adviser registered under the Advisers Act and provides overall investment management services to SPIF, for which it receives payment equal to .95% of SPIF's assets. Sierra Advisors and Sierra Services are wholly-owned subsidiaries of Sierra Capital Management Corporation, which in turn is a wholly-owned subsidiary of Washington Mutual, Inc. Van Kampen American Capital Management, Inc. (''VKM'') is an investment adviser registered under the Advisers Act and manages SPIF's investment portfolio on a day-to-day basis.

5. The SAM Portfolios currently offer two classes of shares, class A shares and class B shares. Class A shares are subject to a maximum front-end sales charge that ranges from 4.50% to 5.75%. Purchases of $1 million or more and certain other purchases are not subject to a front-end sales charge but may be subject to a contingent deferred sales charge (''CDSC'') of up to 1.00%. Class A shares also are subject to a 0.25% asset-based sales charge. Class B shares are subject to a maximum CDSC of 5%, a 0.75% asset-based sales charge, and a 0.25% shareholder servicing fee.

6. SPIF currently offers a single class of shares that carry a maximum 4.5% front-end sales charge.[5] SPIF has received an order of the Commission permitting it to offer additional classes of shares subject to differing sales charge structures (the ''Multi-Class Order'').[6] The sales charges would include front-end sales charges, early withdrawal charges that are analogous to CDSCs and that comply in substance with the terms of rule 6c–10 under the Act, and asset-based distribution fees that comply with the terms of rule 12b–1 under the Act. In addition, under the Multi-Class Order, SPIF has agreed to comply with the terms of rule 18f–3 under the Act. SPIF also has agreed to treat all sales-related compensation as sales charges subject to the terms of rule 2830 of the Conduct Rules of the National Association of Securities Dealers, Inc. (''NASD'').

7. SPIF's shares are offered to the public on a continuous basis pursuant to rule 415 under the Securities Act of 1933. Unlike most closed-end funds, SPIF's shares are not listed on an exchange or traded over-the-counter. No secondary market exists for SPIF's shares, and none is expected to develop in the future. SPIF has made, and intends to continue to make, pursuant to section 23(c)(2) of the Act, quarterly tender offers to repurchase a specified percentage of its outstanding shares for cash at NAV, subject to approval by SPIF's board of trustees (the ''Tender Privilege'').

8. Under the Tender Privilege, absent an early withdrawal charge, SPIF shareholders receive cash in an amount equal to the NAV of their shares as determined by State Street Bank & Trust Company at the close of business on the date that the Tender Privilege terminates. SPIF shareholders who do not wish to receive cash under the Tender Privilege may instead elect to exchange their shares (the ''Exchange Privilege'') for shares of the Sierra Trust Funds or the SAM Portfolios. SPIF has informed investors in its promotional materials that there can be no assurance that the Tender and Exchange Privileges will be offered every quarter, or if completed, that they will provide sufficient liquidity for all shareholders who wish to dispose of their SPIF shares.

9. Sierra Services acknowledges that SPIF shares will be deemed illiquid securities unless determined otherwise by the Trust's board of trustees, and that any purchase of SPIF shares by a SAM Portfolio will comply with the SEC rules, regulations, and staff positions concerning the liquidity of an open-end fund's portfolio. The Trust acknowledges that the periodic tender offers do not by themselves provide a basis for determining that the SPIF shares are liquid.

Applicants' Legal Analysis

1. Section 12(d)(1)(A) provides that no registered investment company may acquire securities of another investment company if the securities represent more than 3% of the acquired company's outstanding voting stock, more than 5% of the acquiring company's total assets, or if the securities, together with the securities of any other acquired investment companies, represent more than 10% of the acquiring company's total assets. The purpose of section 12(d)(1)(A) was to address the perceived adverse consequences of ''pyramiding'' of investment companies in a fund of funds arrangement, including duplicative costs, the exercise of undue influence or control over the underlying fund, and the potential adverse impact of large-scale redemptions.

2. Section 12(d)(1)(C) provides that no registered investment company may acquire securities of a registered closed-end company if the acquiring company, together with any other investment companies advised by the investment adviser, own more than 10% of the closed-end fund's outstanding voting securities. Applicants state that there were no additional concerns underlying section 12(d)(1)(C); rather, section 12(d)(1)(C) was intended to relax the section 12(d)(1)(A) prohibitions to accommodate fund industry difficulties associated with monitoring the acquisition of closed-end fund shares.

3. Applicants request relief from the limitations of sections 12(d)(1) (A) and (C) to the extent necessary to permit each individual SAM Portfolio to invest more than 5% of its assets in SPIF and acquire more than 3% of SPIF's shares.

4. Section 12(d)(1)(J) provides that the SEC may exempt persons or transactions from any provision of section 12(d)(1) if and to the extent the exemption is consistent with the public interest and the protection of investors. For the reasons below, applicants assert that the

[4] All investment companies that presently intend to rely on the requested order are named as applicants.

[5] Shares of SPIF would be sold to the SAM Portfolios without imposition of a sales charge.

[6] *Sierra Prime Income Fund, et al.* Investment Company Act Release Nos. 22512 (Feb. 14, 1997) (notice) and 22556 (March 12, 1997) (order).

proposal meets the requirements of section 12(d)(1)(J).

5. Section 12(d)(1)(G) of the Act provides that section 12(d)(1) will not apply to the securities of an acquired company purchased by an acquiring company if: (a) The acquiring company and the acquired company are part of the same group of investment companies; (b) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, government securities, and short-term paper; (c) the aggregate sales loads and distribution-related fees of the acquiring company and the acquired company are limited; and (d) the acquired company has a policy that prohibits it from acquiring securities of registered open-end investment companies or registered unit investment trusts in reliance on section 12(d)(1) (F) or (G).

6. Applicants may not rely on section 12(d)(1)(G) because the SAM Portfolios will, in addition to investing directly in portfolio securities as permitted by the Prior Order, be investing in shares of SPIF, a closed-end fund. However, applicants believe that exemptive relief to permit investments by the SAM Portfolios in shares of SPIF is appropriate because SPIF will operate in a manner substantially similar to an open-end fund. Applicants state that operational similarities between SPIF and an open-end fund include the following: (a) Share offerings on a continuous basis at a price equal to their NAV, plus any applicable sales charges; (b) daily pricing of shares that substantially complies with rule 22c–1 under the Act; and (c) procedures that permit investors to tender their shares for cash in an amount equal to their NAV.

7. Applicants assert that permitting the SAM Portfolios to invest in SPIF would not raise the concerns underlying sections 12(d)(1)(A) and (C). Applicants believe that the proposal will not raise the concern that investors will be subject to two layers of advisory fees. Applicants state that, before approving any advisory contract under section 15 of the Act, the trustees of the Trust, including a majority of the trustees who are not ''interested persons,'' as defined in section 2(a)(19) of the Act, will find that any advisory fees charged under the contract are based on services provided that are in addition to, rather than duplicative of, services provided under any advisory contract with an Underlying Fund or SPIF. Applicants also note that the advisory fees charged to the Trust are, in essence, for asset allocation, while the Underlying Funds' and SPIF's advisory fees relate to the selection and disposition of specific securities.

8. Applicants assert that the proposal will not involve layering of sales charges. Applicants state that, as a condition to the requested relief, any sales charges or distribution or service fees relating to the shares of a SAM Portfolio will not exceed the limits set forth in rule 2830 of the Conduct Rules of the NASD when aggregated with any sales charges or distribution or service fees that the SAM Portfolio may pay relating to the acquisition, holding, or disposition of shares of the Underlying Funds or SPIF.

9. Applicants state that administrative and similar fees may be charged at the Trust and Underlying Fund and SPIF levels. However, applicants believe that overall administrative and other expenses may be reduced at each individual level under the proposed arrangement.

10. Applicants contend that the threat of large scale redemptions is minimized in the proposed structure. Applicants assert that the SAM Portfolios are designed for long-term investors, which reduces the possibility that the SAM Portfolios will be used as short-term trading vehicles and further protects the SAM Portfolios, the Underlying Funds, and SPIF from unexpected large redemptions.

11. Applicants state that an additional concern underlying section 12(d)(1) is the creation of overly complex investment vehicles. Applicants state that these concerns are addresses by the fact that no Underlying Fund or SPIF will acquire securities of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

12. Section 17(a) generally prohibits an affiliated person of a registered investment company from selling securities to, or purchasing securities from, the company. The Trust and SPIF may be considered affiliated persons by virtue of being under common control of Sierra Capital Management Corporation. They also many be deemed to be affiliated persons to the extent that a SAM Portfolio may own 5% or more of SPIF's shares. Accordingly, applicants request relief to permit SPIF to sell its shares to and repurchase its shares from the SAM Portfolios.

13. Section 6(c) of the Act provides that the SEC may exempt persons or transactions from any provision of the Act if the 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.

14. Section 17(b) provides that the SEC will exempt a proposed transaction from section 17(a) if evidence establishes that (a) the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching; (b) the proposed transaction is consistent with the policies of the registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act. Applicants request an exemption under sections 6 (c) and 17 (b) and state that relief is appropriate for the reasons discussed below.

15. Applicants believe that the terms of the proposed arrangement are reasonable and fair and do not involve overreaching because the consideration paid for the sale and repurchase of shares of SPIF will be based on the NAV of SPIF. Applicants represent that VKM, an entity that is not an affiliated person of Sierra Services, will provide pricing recommendations to Sierra Advisors concerning SPIF's portfolio securities. Sierra Advisors will then provide pricing information, based on the recommendations received from VKM, to State Street Bank & Trust Company to determine the NAV of SPIF's shares, subject to procedures that SPIF's board of trustees have established and monitor on a periodic basis. Sales and repurchases from all investors will be based on the NAV so determined.

16. Applicants state that the proposed arrangement will be consistent with the policies of each Fund and SPIF. The investment of assets of the Funds in shares of SPIF and the issuance of shares of SPIF to the Funds will be effected in accordance with the investment restrictions of each Fund and SPIF and will be consistent with the policies as set forth in the registration statement of each Fund and SPIF. Applicants also believe that the proposed arrangement is consistent with the general purposes of the Act.

Applicants' Conditions

Applicants agree that the order granting the requested relief shall be subject to the following conditions, which supersede the conditions to the Prior Order:

1. A Fund may purchase shares of SPIF so long as shares of SPIF are continuously offered to the Funds at NAV, and SPIF continues to offer the Tender Privilege.

2. Neither the Underlying Funds nor SPIF (collectively, the ''New Underlying Funds'') will acquire securities of any other investment company in excess of

the limits contained in section 12(d)(1)(A) of the Act.

3. Before approving any advisory contract under section 15 of the Act, the board of trustees of a Fund, including a majority of the trustees who are not ''interested persons'' of the Fund as defined in section 2(a)(19) of the Act, will find that the advisory fees charged under the contract are based on services provided that are in addition to, rather than duplicative of, services provided under any New Underlying Fund advisory contract. This finding, and the basis upon which the finding was made, will be recorded fully in the minute books of the Fund.

4. Any sales charges or distribution or service-related fees charged with respect to shares of a Fund, when aggregated with any sales charges or distribution or service-related fees paid by the Fund with respect to the shares of any New Underlying Fund, will not exceed the limits set forth in rule 2830 of the NASD Conduct Rules.

5. Each Fund and each New Underlying Fund will be part of the same ''group of investment companies,'' as defined in section 12(d)(1)(G)(ii) of the Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–27171 Filed 10–14–97; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [To be Published].

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE PREVIOUSLY ANNOUNCED: To be Published.

CHANGE IN THE MEETING: Time Change.

The time for the closed meeting scheduled for Tuesday, October 14, 1997, at 10:30 a.m., has been changed to 11:00 a.m.

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 (202) 942–7070.

Dated: October 9, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97–27436 Filed 10–10–97; 12:17 pm]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39219; File No. SR–CBOE–97–51]

October 8, 1997.

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Gratuities

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Exchange Act'' or ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 25, 1997, the Chicago Board Options Exchange, Inc. (''CBOE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend Exchange Rule 4.4 (''Rule'') governing gratuities. The text of the proposed rule change is available at the Office of the Secretary, CBOE and at the Commission.

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 self-regulatory organization 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 text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

[1] 15 U.S.C. § 78s(b)(1).

[2] 17 CFR 240.19b–4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed change to Rule 4.4 is to increase the dollar value, from $50.00 to $100.00, of gratuities or compensation that may be given in any one year by an Exchange member to an Exchange employee without the prior consent of the Exchange. Gratuities are gifts of any kind, including, but not limited to, cash. Gratuities or compensation in an amount less than those specified in the Rule do not require any prior consent.

Currently, pursuant to Rule 4.4, the amount permitted under the Rule to be given by a CBOE member to an employee of any other member or of any non-member broker, dealer, bank or institution, without the prior consent of the employer and of the Exchange is $100, and the amount permitted to be given by a CBOE member to an Exchange employee without prior Exchange permission is $50. The CBOE proposes to increase the amount permitted to be given by a CBOE member to an Exchange employee from $50 to $100. The purpose of this change is to account for inflation that has occurred since the $50 amount was established in 1980.

Also, the rule language is being revised to clarify that Exchange consent is required if a member wants to give a gratuity of over $100 to an Exchange employee. The Exchange proposes to change the current construction of the Rule in order to clarify that the final phrase requiring consent refers to both Exchange employees, as well as employees of any other member or of any non-member broker, dealer, bank or institution.

2. Statutory Basis

The Exchange represents that the proposed rule change is consistent with Section 6(b)(5) of the Act[3] in that it promotes just and equitable principles of trade, fosters cooperation among persons engaged in facilitating securities transactions, and protects investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

[3] 15 U.S.C. § 78f(b).