

Section 17(a) of the Act

1. Section 17(a) of the Act generally prohibits an affiliated person of a registered investment company, or an affiliated person of such person, from selling any security to or purchasing any security from the company. Because purchases and redemptions of Creation Units will be "in-kind" rather than cash transactions, section 17(a) may prohibit affiliated persons of the Trust from purchasing or redeeming Creation Units. Because the definition of "affiliated person" of another person in section 2(a)(3) of the Act includes any person owning five percent or more of an issuer's outstanding voting securities, every purchaser of a Creation Unit will be affiliated with the Trust so long as fewer than twenty Creation Units are extant. Applicants request an exemption from section 17(a) under sections 6(c) and 17(b), to permit affiliated persons of the Trust to purchase and redeem Creation Units.

2. Section 17(b) authorizes the Commission to exempt a proposed transaction from section 17(a) if evidence establishes that the terms of the transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching, and the proposed transaction is consistent with the policies of the registered investment company and the general provisions of the Act. Applicants contend that no useful purpose would be served by prohibiting affiliated persons of the Trust from purchasing or redeeming Creation Units. The composition of a Portfolio Deposit made by a purchaser or given to a redeeming unitholder will be the same regardless of the investor's identity, and will be valued under the same objective standards applied to valuing the Trust's portfolio securities. Therefore, applicants state that "in kind" purchases and redemptions will afford no opportunity for an affiliated person of the Trust to effect a transaction detrimental to the other holders of DJIA Trust Receipts. Applicants also believe that "in kind" purchases and redemptions will not result in abusive self-dealing or overreaching by affiliated persons of the Trust.

Rule 17d-1

1. Applicants request an order under rule 17d-1 that would permit the Trust to reimburse the Sponsor and/or the AMEX for the payment by either party to Dow Jones of the annual fee required under a license agreement. The license agreement allows applicants to use the DJIA as a basis for DJIA Trust Receipts

and to use certain of Dow Jones' trademark rights. Applicants believe that relief is necessary because the Trust's undertaking to reimburse the Sponsor and/or the AMEX (each an affiliated person of the Trust) might be deemed a joint enterprise or joint arrangement in which the Trust is a participant, in contravention of section 17(d) of the Act and rule 17d-1.

2. Applicants assert that the terms and provisions of the license agreement were negotiated at arm's length and that the annual license fee is for fair value, bargained for in good faith, and, to the best of their knowledge, is an amount comparable to that charged for similar arrangements. Applicants submit that the proposed transaction will result in an arrangement in which the participants deal with each other in a manner similar to, and no less advantageous than, others who might be similarly situated.

Applicants' Conditions

Applicants agree that the order granting the requested relief will be subject to the following conditions:

1. Applicants will not register a new series of the Trust, whether identical or similar to the DJIA Trust Receipts Series, by means of filing a post-effective amendment to the Trust's registration statement or by any other means, unless applicants have requested and received with respect to such new series, either exemptive relief from the Commission or a no-action position from the Division of Investment Management of the Commission.

2. The Trust's prospectus and the Product Description will clearly disclose that, for purposes of the Act, DJIA Trust Receipts are issued by the Trust and that the acquisition of DJIA Trust Receipts by investment companies is subject to the restrictions of section 12(d)(1) of the Act.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 97-32487 Filed 12-11-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22928; 811-5280]

Partner Wealth Fund I, L.P.; Notice of Application

December 5, 1997.

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

ACTION: Notice of application for order under section 8(f) of the Investment Company Act of 1940 (the "Act") declaring that applicant has ceased to be an investment company.

SUMMARY OF APPLICATION: Applicant, Partner Wealth Fund I, L.P., is an employees' securities company under section 2(a)(13) of the Act. Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATES: The application was filed on November 19, 1997. Applicant has 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 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 December 30, 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, 333 Clay Street, Suite 2300, Houston, TX 77002.

FOR FURTHER INFORMATION CONTACT: Kathleen L. Knisely, Staff Attorney, at (202) 942-0517 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: This is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549 (tel. 202-942-8090).

Applicant's Representations

1. Applicant is a Delaware limited partnership and an employees' securities company under section 2(a)(13) of the Act. On July 21, 1987, applicant received an order from the SEC exempting applicant from various provisions of the Act.¹ On August 13, 1987, applicant filed a notification of registration on Form N-8A.

2. Under applicant's limited partners have received distributions at least

¹ Investment Company Act Release Nos. 15824 (notice) (June 24, 1987) and (July 21, 1987) (order).

equal to each partner's respective investment in applicant. On October 2, 1996, the board of directors of Touche Holdings, Inc., applicant's general partner (the "General Partner"), met and approved the sale of substantially all of applicant's assets.² On November 4, 1996, applicant's liabilities exceeded its assets and applicant sold substantially all of its assets in exchange for cash and a promissory note which applicant then transferred together with its other assets to Deloitte & Touche USA LLP ("D&T"), the parent of applicant's General Partner, in partial satisfaction of a promissory note previously issued by applicant to D&T. D&T forgave a portion of the note not satisfied by the assets received from applicant.

3. D&T is assuming all administrative and legal expenses in connection with the liquidation of applicant. Such expenses are estimated at \$15,000.

4. As of the date of the application, applicant had no outstanding security-holders to whom any distributions were due. Applicant also had no liabilities, or assets, and was not a party to any litigation or administrative proceeding. 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 Commission, by the Division of Investment Management, under delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-32488 Filed 12-11-97; 8:45 am]

BILLING CODE 8010-01-M

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 December 15, 1997.

An open meeting will be held on Wednesday, December 17, 1997, at 10:00 a.m. A closed meeting will be held on Wednesday, December 17, 1997, following the 10:00 a.m. open meeting.

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

The subject matter of the open meeting scheduled for Wednesday, December 17, 1997, at 10:00 a.m., will be:

(1) Consideration of whether to propose rules 3a12-12, 3a12-13, 3b-12, 3b-13, 3b-14, 3b-15, 3b-16, 15b9-2, 15c1-9, 15c3-4, and 17a-5A under the Securities Exchange Act of 1934 ("Exchange Act") and amendments to Exchange Act rules 8c-1, 15b1-1, 15c2-1, 15c3-1, 15c3-3, 17a-3, 17a-4, 17a-11, and Form X-17A-5 (FOCUS report). The proposed rules and rule amendments would tailor capital, margin, and other broker-dealer regulatory requirements to a class of registered dealers, called OTC derivatives dealers, active in OTC derivatives markets. Registration as an OTC derivatives dealer would be an alternative to registration as a fully regulated broker-dealer, and would be available only to entities acting primarily as counterparties in privately negotiated OTC derivatives transactions. For further information, please contact Catherine McGuire, Chief Counsel and Associate Director, Division of Market Regulation, at (202) 942-0061, or Michael Macchiaroli, Associate Director, Division of Market Regulation, at (202) 942-0132.

(2) Consideration of whether to issue a concept release seeking comment on alternatives to the current method of calculating net capital requirements pursuant to Rule 15c3-1 under the Exchange Act for broker-dealers, including whether statistical models should be used to calculate net capital requirements. As part of its study, the Commission is considering the extent to which statistical models should be used in setting the capital requirements for a broker-dealer. Accordingly, the Commission is posing a number of questions on this subject as well as soliciting views on other possible

alternatives for establishing net capital requirements. For further information, please contact Michael A. Macchiaroli, Associate Director, Division of Market Regulation, at (202) 942-0132.

(3) Consideration of whether to propose amendments to rule 15c3-1 under the Exchange Act regarding net capital requirements for broker-dealers. When calculating the value of their assets for net capital purposes, broker-dealer must reduce the market value of the securities they own by certain percentages, or haircuts. The rule amendments would alter the haircuts taken by broker-dealers for certain interest rate instruments, including: government securities; investment grade nonconvertible debt securities; certain mortgage-backed securities; money market instruments; and debt-related derivative instruments. For further information, please contact Michael A. Macchiaroli, Associate Director, Division of Market Regulation, at (202) 942-0132.

(4) Consideration of whether to propose amendments to amend Rule 15c3-1 to define the term "nationally recognized statistical rating organization" ("NRSRO"). The proposed definition sets forth a list of attributes to be considered by the Commission in designating rating organizations as NRSROs and the process for applying for NRSRO designation. For further information, please contact Michael A. Macchiaroli, Associate Director, Division of Market Regulation, at (202) 942-0132.

The subject matter of the closed meeting scheduled for Wednesday, December 17, 1997, following the 10:00 a.m. open meeting, will be:

Institution of injunctive actions.

Institution and settlement 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: December 10, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-32655 Filed 12-10-97; 12:30 pm]

BILLING CODE 8010-01-M

² Under applicant's limited partnership agreement the General Partner has sole discretion to affect the liquidation and need not obtain the consent of the limited partners.