January 1, 1998. (The rules governing the applicable percentages for ''partial'' RPU plans are described in § 4006.5(g) of the premium rates regulation.)

For plans for which the applicable percentage is 85 percent, the assumed interest rate to be used in determining variable-rate premiums for premium payment years beginning in December 1997 is 5.19 percent (*i.e.*, 85 percent of the 6.11 percent yield figure for November 1997).

The following table lists the assumed interest rates to be used in determining variable-rate premiums for premium payment years beginning between January 1997 and December 1997. The rates for July through December 1997 in the table reflect an applicable percentage of 85 percent and thus apply only to non-RPU plans. However, the rates for months before July 1997, which reflect an applicable percentage of 80 percent, apply to RPU (and ''partial'' RPU) plans as well as to non-RPU plans.

For premium payment years beginning in	The assumed interest rate is
January 1997	5.24
February 1997	5.46
March 1997	5.35
April 1997	5.54
May 1997	5.67
June 1997	5.55
July 1997	5.75
August 1997	5.53
September 1997	5.59
October 1997	5.53
November 1997	5.38
December 1997	5.19

For premium payment years beginning in December 1997, the assumed interest rate to be used in determining variable-rate premiums for RPU plans (determined using an applicable percentage of 80 percent) is 4.89 percent. For ''partial'' RPU plans, the assumed interest rates to be used in determining variable-rate premiums can be computed by applying the rules in § 4006.5(g) of the premium rates regulation. The PBGC's premium payment instruction booklet also describes these rules and provides a worksheet for computing the assumed rate.

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 January 1998 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 10th day of December 1997.

David M. Strauss,

Executive Director, Pension Benefit Guaranty Corporation.

[FR Doc. 97–32733 Filed 12–12–97; 8:45 am]

BILLING CODE 7708–01–P

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IA–1685/803–112]

Interactive Data Corporation; Notice of Application

December 9, 1997.

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

ACTION: Notice of application for exemption under the Investment Advisers Act of 1940 (''Advisers Act'').

APPLICANT: Interactive Data Corporation (''Interactive Data'').

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 register with the SEC as an investment adviser.

Filing Dates: The application was filed on May 20, 1997, and amended on September 22, 1997 and October 7, 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 January 5, 1998, 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, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549. Applicant, Interactive Data Corporation, 22 Crosby Drive, Bedford, Massachusetts 01730.

FOR FURTHER INFORMATION CONTACT: Lori Price, Senior Counsel, at (202) 942–0531, or Jennifer S. Choi, Special Counsel, at (202) 942–0716 (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 Delaware corporation and a wholly-owned subsidiary of Pearson Longman Inc., a Delaware corporation, the sole shareholder of which is Pearson Inc., a Delaware corporation. The shareholders of Pearson Inc. are Pearson Overseas Holdings Limited, a United Kingdom company, and Pearson Capital Company LLC, a Delaware limited liability company. The ultimate parent of Pearson Overseas Holding Limited and Pearson Capital Company LLC is Pearson plc, a publicly-traded United Kingdom company.

2. Applicant maintains its principal office and place of business in Massachusetts where applicant's corporate headquarters and its president and financial and legal officers are located. Applicant, however, only conducts its domestic securities pricing business in New York. Applicant is currently registered as an investment adviser in New York. Applicant was registered with the SEC as an investment adviser until July 8, 1997.

3. Applicant provides global securities pricing and related financial data in computer-readable form. Applicant's data covers over 3.1 million individual issues of debt and equity securities and includes (i) daily closing prices (including end-of-day quotes and evaluations), market data, money market and foreign exchange rates, index values and related data, available after the markets close around the world; (ii) most recent descriptive data and terms and conditions data; (iii) most recent announcements (including capitalization changes, dividends, reorganization information, and called bonds); and (iv) historical price, announcement, descriptive, fundamental, earnings estimates, and economic and related data.

4. With regard to certain fixed income issues for which no continuous trading market exists, applicant creates prices using sophisticated proprietary models and methodologies, descriptive terms and conditions databases, broker quotes and quality control programs to generate evaluations that are independent (''Fixed Income Pricing Service''). These prices are provided in computer-

readable form to applicant's clients throughout the country.

5. The clients for applicant's Fixed Income Pricing Service include over 3,300 separate organizations, located throughout the country and abroad, including major banks, mutual funds, fund custodians, unit investment trusts, brokerage firms and investment management firms. In North America, applicant's clients include forty-seven of the largest fifty banks, forty-three of the largest fifty brokerage firms, forty of the largest fifty mutual fund sponsors, thirty-four of the largest fifty insurance companies and forty-nine of the largest fifty money management firms. Applicant has a small number of natural person clients who receive its prices. Applicant believes these clients account for less than 10% of applicant's total number of clients receiving the Fixed Income Pricing Service, and only .0559% of applicant's revenue for the Fixed Income Pricing Service is attributable to fees paid by clients who are natural persons.

6. Applicant submits that it provides security-level data to institutional clients who service customers on a national level. Applicant states that its clients use the data for purposes as varied as brokerage and trust accounting, trust operations, net asset value calculations, portfolio management and accounting, regulatory requirements, and investment analysis and research.

7. Applicant has approximately 470 employees, all of whom are involved in collecting, reviewing, evaluating, and overseeing delivery of the financial data that applicant delivers to its clients.

Applicant's Legal Analysis

1. On October 11, 1996, the National Securities Markets Improvement Act of 1996 was enacted. Title III of the Act, the Investment Advisers Supervision Coordination Act (''Coordination Act''), added new section 203A to the Advisers Act. Under section 203A(a)(1),[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 investment adviser (i) has assets under management of not less than $25 million or (ii) is an adviser to an investment company registered under the Investment Company Act of 1940 (''Investment Company Act''). Section 203A(a)(2) defines the phrase ''assets under management'' as the ''securities portfolios with respect to which an investment adviser provides continuous and regular supervisory or management services.'' [2]

2. Applicant submits that Congress determined that the states should be responsible for regulating investment advisers ''whose activities are likely to be concentrated in their home state,'' and ''[l]arger advisers, with national businesses'' should be regulated by the SEC and ''be subject to national rules.'' [3] Applicant notes that Congress chose an assets under management requirement as a rough proxy that would divide responsibilities between the SEC and the states on the theory that investment advisers managing $25 million or more in assets are likely to be national investment advisers that should be subject to the national rules of the SEC, while investment advisers managing less than $25 million in assets are likely to be smaller investment advisers that should be subject to the local rules of the various states.[4]

3. Section 203A(c) of the Advisers Act authorizes the SEC to permit an investment adviser to register with the SEC if prohibiting registration would be ''unfair, a burden on interstate commerce, or otherwise inconsistent with the purposes of [section 203A].'' [5]

4. Applicant states that Congress recognized that the assets under management requirement does not precisely differentiate national investment advisers from local investment advisers, and that some national investment advisers may not qualify for registration with the SEC under the test formulated by Congress. Applicant states that Congress noted that ''the definition of 'assets under management' . . . may, in some cases, exclude firms with a national or multistate practice from being able to register with the SEC.'' [6]

5. Applicant states that Congress directed the SEC to use its exemptive authority to remedy any unfairness, burdens or inconsistencies caused by the assets under management requirement and to address situations where investment advisers with a ''national or multistate practice'' are otherwise prohibited from registering with the SEC.[7]

6. Applicant states that it does not have $25 million or more in assets under management. Applicant submits that it does not actively manage any client securities portfolios, either on a discretionary or non-discretionary basis, or provide ''continuous and regular supervisory or management services'' with respect to client accounts. Applicants also states that it does not act as an investment adviser to an investment company registered as such under the Investment Company Act. Applicant further states that it does not qualify for exemption from the prohibition on SEC registration as provided in rule 203A–2 under the Advisers Act.

7. Applicant submits that, for the reasons discussed below, it engages in a large, national investment advisory business of the type contemplated by Congress when it directed the SEC to use its exemptive authority under section 203A(c). Applicant asserts that, because of the wide variety of overwhelmingly institutional clients to which applicant provides its Fixed Income Pricing Service, applicant believes its services are the type of activities Congress contemplated in enacting section 203A. Applicant argues that it would be inconsistent with the purposes of section 203A to prohibit applicant from registering with the SEC because more than 90% of applicant's clients are institutions whose securities transactions affect the national securities markets.

8. Applicant states that, like the investment advisers to registered investment companies, the nationally recognized statistical rating organizations (''NRSROs''), and the pension consultants exempted from the prohibition on SEC registration, applicant performs services that significantly affect the national securities markets and billions of dollars in assets under management. Applicant states that its providing of the Fixed Income Pricing Service has a direct effect on billions of dollars of assets under management at the nation's investment companies, investment advises, broker-dealers, insurance companies, banks, trust companies, and other institutional investors. For example, open end investment companies use applicant's fixed income securities prices to compute net asset value on a daily basis, broker-dealers use applicant's prices to value securities pledged in margin accounts, and private money managers use prices supplied by applicant for portfolio valuation statements.

9. Applicant states that Congress exempted investment advisers to investment companies (regardless of assets under management) from the prohibition on SEC registration because Congress recognized these entities had

[1] 15 U.S.C. 80b–3a(a)(1).

[2] 15 U.S.C. 80b–3a(a)(2).

[3] S. Rep. No. 293, 104th Cong. 2d Sess. 4 (1996) [hereinafter Senate Report].

[4] *Id.*

[5] 15 U.S.C. 80b–3a(c).

[6] Senate Report, *supra* note 3, at 5.

[7] *Id.*

significant effects on the national securities markets.

10. Applicant submits that the SEC also has exempted NRSROs because the SEC determined that their activities have a significant effect on the national securities markets and the operations of the federal securities laws.[8] Applicant also notes that certain pension consultants are exempt from the prohibition on SEC registration because the SEC determined that their activities have a direct effect on the management of billions of dollars of pension plan assets and thereby substantially affect national securities markets.[9] Applicant states that the SEC determined to exempt these advisers because of its belief that it would be inconsistent with the purposes of the Coordination Act for these advisers to be regulated by the states rather than by the SEC.

11. Applicant believes that New York should have little or no interest in regulating applicant because the majority of its clients for the Fixed Income Pricing Service are institutional clients. Applicant asserts that its client base for the Fixed Income Pricing Service is overwhelmingly institutional; less than 10% of applicant's total number of clients for the Fixed Income Pricing Service are natural persons. Applicant states that it would be inconsistent with the purposes of section 203A for a state to regulate investment advisers whose activities involve little or no traditional state interest. Applicant submit that there is no strong state interest in regulating investment advises with a predominately national, institutional client base.

12. Applicant states that, although the Coordination Act generally preempted state law with respect to SEC-registered advisers, Congress preserved state law with respect to certain of their supervised persons referred to as ''investment adviser representatives.'' Applicant notes that under the SEC definition, only investment adviser representatives who work principally with natural person clients rather than institutional clients are subject to state regulation. Applicant states that this definition recognizes that, consistent with the Coordination Act, the primary interest of the states is not in institutional clients but in maintaining oversight of representatives with a retail clientele.

13. Applicant states that if it were to be regulated by New York, rather than by the SEC, it would mean that a single state would be charged with protecting the interests of applicants's clients and of the clients' customers located in all fifty states. Applicant further maintains that regulation by New York could result in regulation with an eye primarily to the interests of the state rather than the interests of applicant's clients and such clients' customers throughout the country. Applicant asserts that the nature of its activities in valuing securities lends itself to supervision and examination by one regulatory body whose focus is national rather than local.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–32652 Filed 12–12–97; 8:45 am]

BILLING CODE 8010–01–M

[8] Rules Implementing Amendments to the Investment Advisers Act of 1940, Investment Advisers Act Release No. 1601 (Dec. 20, 1996), 61 FR 68480 at Section II.D.1 (release proposing rules to implement amendments to the Advisers Act).

[9] The exempted pension consultants are those that provide investment advice to employee benefit plans with respect to assets having an aggregate value of at least $50 million during the pension consultant's last fiscal year. *See id*. at Section II.D.2.

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–22930/812–10836]

MLX Corporation; Notice of Application

December 9, 1997.

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

ACTION: Notice of application for an order under sections 6(c) and 6(e) of the Investment Company Act of 1940 (the ''Act'').

SUMMARY OF APPLICATION: Applicant requests an order under sections 6(c) and 6(e) of the Act that would exempt it from all of the provisions of the Act except sections 9, 17(a) (modified as discussed in the application), 17(d) (modified as discussed in the application), 17(e), 17(f) (modified as discussed in the application), and 36 through 53 and the rules and regulations under the Act until the earlier of the date of the pending merger of applicant with Morton Metalcraft Holding Co., or June 30, 1998.

FILING DATE: The application was filed on October 27, 1997 and amended on December 3, 1997. Applicant has agreed to file an additional 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 29, 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 who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. MLX Corporation, 1000 Center Place, Norcross, Georgia 30093.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Staff Attorney, at (202) 942–0574, or Nadya B. Roytblat, Assistant Director, 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, 450 Fifth Street, NW., Washington, DC 20549 (tel. 202–942–8090).

Applicant's Representation

1. MLX Corporation (''MLX'') was formed in 1984 as part of the reorganization of McLouth Steel Company (''McLouth''), a maker of steel products that filed for bankruptcy in 1982. Under the terms of the organization, McLouth was renamed ''MLX Corporation'' and McLouth shares were exchanged for new MLX shares. As part of the reorganization, McLouth's operating business was sold to a separate entity. MLX's sole remaining asset is the net operating losses generated by McLouth's unprofitable operations. These net operating losses are still available to offset future taxable income from operations and are one of MLX's most important assets. MLX has approximately 8,500 shareholders.

2. In 1985, MLX acquired S.K. Wellman Limited, Inc. (''Wellman''), a company engaged in the design and manufacture of high energy friction materials used primarily in aircraft brakes and heavy equipment brakes, transmissions, and clutches (the ''Wellman Business''). From 1985 through 1987, MLX consummated various other acquisitions that complemented the Wellman Business (the ''Wellman Acquisitions''). In addition to the Wellman Acquisitions, in 1986, 1987, and 1988, MLX acquired