

distributing the Funds. Bankers Trust Company and its affiliates previously received an exemption under section 9(c) as the result of conduct that triggered section 9(a), as described in greater detail in the application.

Applicants' Condition

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

Any temporary exemption granted pursuant to the application shall be without prejudice to, and shall not limit the Commission's rights in any manner with respect to, any Commission investigation of, or administrative proceedings involving or against, Applicants, including without limitation, the consideration by the Commission of a permanent exemption from section 9(a) of the Act requested pursuant to the application or the revocation or removal of any temporary exemptions granted under the Act in connection with the application.

Temporary Order

The Commission has considered the matter and finds that Applicants have made the necessary showing to justify granting a temporary exemption.

Accordingly,

It is hereby ordered, pursuant to section 9(c) of the Act, that the Applicants are granted a temporary exemption from the provisions of section 9(a), effective forthwith, solely with respect to the Injunctions, subject to the condition in the application, until the date the Commission takes final action on their application for a permanent order or, if earlier, September 24, 2006.

By the Commission.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 04-21880 Filed 9-29-04; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-26619]

Notice of Applications for Deregistration Under Section 8(f) of the Investment Company Act of 1940

September 24, 2004.

The following is a notice of applications for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of September, 2004. A copy of each application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth St., NW., Washington, DC 20549-0102 (tel. 202-942-8090). An order granting each application will be issued unless the SEC orders a hearing. Interested persons

may request a hearing on any application by writing to the SEC's Secretary at the address below and serving the relevant 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 October 19, 2004, 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 who wish to be notified of a hearing may request notification by writing to the Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549-0609.

For Further Information Contact:
Diane L. Titus at (202) 942-0564, SEC, Division of Investment Management, Office of Investment Company Regulation, 450 Fifth Street, NW., Washington, DC 20549-0504.

AXP Progressive Series, Inc.

[File No. 811-1714]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On June 25, 2004, applicant transferred its assets to a corresponding series of AXP Partners Series, Inc., based on net asset value. Expenses of \$38,308 incurred in connection with the reorganization were paid by American Express Financial Corporation, applicant's investment adviser.

Filing Date: The application was filed on September 2, 2004.

Applicant's Address: 901 Marquette Ave. S, Suite 2810, Minneapolis, MN 55402-3268.

Merrill Lynch International Equity Fund

[File No. 811-6521]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On August 23, 2004, applicant transferred its assets to Merrill Lynch International Value Fund, a series of Mercury Funds II, based on net asset value. Expenses of \$214,168 incurred in connection with the reorganization were paid by the acquiring fund.

Filing Date: The application was filed on September 10, 2004.

Applicant's Address: Merrill Lynch Investment Managers, L.P., 800 Scudders Mill Rd., Plainsboro, NJ 08536.

Merrill Lynch Dragon Fund, Inc.

[File No. 811-6581]

Summary: Applicant seeks an order declaring that it has ceased to be an

investment company. On June 21, 2004, applicant transferred its assets to Merrill Lynch Developing Capital Markets Fund, Inc., based on net asset value. Expenses of \$208,317 incurred in connection with the reorganization were paid by the acquiring fund.

Filing Dates: The application was filed on August 2, 2004, and amended on September 10, 2004.

Applicant's Address: Merrill Lynch Investment Managers, L.P., 800 Scudders Mill Rd., Plainsboro, NJ 08536.

Eaton Vance Municipal Income Trust II (Formerly Eaton Vance Municipal Income Fund)

[File No. 811-21234]

Summary: Applicant, a closed-end investment company, seeks an order declaring that it has ceased to be an investment company. Applicant has never made a public offering of its securities and does not propose to make a public offering or engage in business of any kind.

Filing Dates: The application was filed on August 10, 2004, and amended on September 8, 2004.

Applicant's Address: The Eaton Vance Building, 255 State St., Boston, MA 02109.

Investors First Fund, Inc.

[File No. 811-4981]

Progressive Return Fund, Inc.

[File No. 811-5891]

Summary: Each applicant, a closed-end investment company, seeks an order declaring that it has ceased to be an investment company. On June 25, 2004, each applicant transferred its assets to Cornerstone Strategic Value Fund, Inc., based on net asset value. Expenses of \$297,037 and \$158,896, respectively, incurred in connection with the reorganizations were paid by each applicant and the acquiring fund.

Filing Dates: The applications were filed on July 27, 2004, and amended on September 10, 2004.

Applicants' Address: 383 Madison Ave., New York, NY 10179.

Mutual Fund Variable Annuity Trust

[File No. 811-8630]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On December 5, 2003, each portfolio of the Applicant transferred its assets to the corresponding portfolio of SunAmerica Series Trust, based on net asset value. Aggregate expenses of approximately \$356,608 incurred in connection with the reorganization and merger will be

paid by AIG SunAmerica Life Assurance Company, First SunAmerica Life Insurance Company, and JPMorgan Chase & Company.

Filing Dates: The application was filed on December 29, 2003, and amended on September 16, 2004.

Applicant's Address: 522 Fifth Avenue, New York, New York 10036.

Merrill Lynch Variable Annuity Account

[File No. 811-3079]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. All contract owners that owned variable annuity contracts issued through the Applicant have either elected to surrender their contracts at their own initiative or are no longer living. All amounts owed under such contracts were previously distributed. The Applicant incurred no expenses in connection with the liquidation.

Filing Date: The application was filed on August 2, 2004.

Applicant's Address: Merrill Lynch Insurance Group, 1300 Merrill Lynch Drive, 2nd Floor, Pennington, New Jersey, 08534.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 04-21881 Filed 9-29-04; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-50436; File No. SR-BSE-2004-39]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto Relating to the Exchange's Transaction Fees Schedule

September 23, 2004.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 31, 2004, the Boston Stock Exchange ("BSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared

by the Exchange. On September 22, 2004, the Exchange filed Amendment No. 1 to the proposed rule change.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The BSE proposes to amend its Transaction Fees schedule with respect to its new Instant Liquidity Access ("ILA") service.⁴ The text of the proposed rule change is available at the BSE 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 BSE 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 BSE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change⁵

1. Purpose

The BSE proposes to amend its Transaction Fees schedule to establish a transaction charge for its new ILA product. The Exchange would apply these fees effective September 1, 2004, as this is when the product was fully implemented.

Under the proposed fees, firms that access liquidity on the BSE through ILA will be charged \$.002 per share when an order removes liquidity (order immediately executes against displayed liquidity on the BSE) and will be credited \$.001 per share when an order provides liquidity (order is trading away

from the market, is placed on the BSE limit order book and is ultimately executed).⁶ A firm can receive total credits up to the amount of total fees charged to the firm for ILA activity on a monthly basis. Therefore, no firm will be credited in an amount greater than the amount of fees it was charged for a given month.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Section 6(b)(4) of the Act,⁸ in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among its members.

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

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

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act⁹ and subparagraph (f)(2) of Rule 19b-4 thereunder,¹⁰ because it establishes or changes a due, fee, or other charge imposed by the BSE. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.¹¹

³ See letter from John Boese, Vice President and Chief Regulatory Officer, BSE to Nancy Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, dated September 15, 2004 ("Amendment No. 1"), in which the BSE made a minor revision of the proposed rule change.

⁴ See Securities Exchange Act Release No. 34-48596 (October 7, 2003), 68 FR 59435 (October 15, 2003) (SR-BSE-2003-08).

⁵ The BSE requested that the staff of the Division make minor modifications to language in the purpose and statutory basis sections. Telephone discussion between Kathy Marshall, Vice President of Finance, BSE, and Mia Zur, Attorney, and Natasha Cowen, Attorney, Division, Commission (September 14, 2004).

⁶ Order trading away from the market and submitted through ILA without being designated as ILA orders are placed on the BSE limit order book and receive the credit. Telephone discussion between Kathy Marshall, Vice President of Finance, BSE, and Ira Brandriss, Assistant Director, and Natasha Cowen, Attorney, Division, Commission (September 23, 2004).

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(4).

⁹ 15 U.S.C. 78f(b)(3)(a)(ii).

¹⁰ 17 CFR 240.19b-4(f)(2).

¹¹ For purposes of calculating the 60-day abrogation period, the Commission considers the proposal to have been filed on September 22, 2004, the date the BSE filed Amendment No. 1.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.