**[Release No. 34–36701; File No. SR–NYSE–95–44]**

## Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Inc., Relating to the Specialist System Charge

January 11, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on December 21, 1995, the New York Stock Exchange, Inc. (''NYSE'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. On January 4, 1996, the Exchange submitted to the Commission Amendment No. 1 to the proposed rule change.[2] 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

Beginning January 1, 1996, the Exchange plans to institute changes affecting the Specialist System Charge. This charge will be reduced, and the method of payment calculation will be changed. The current Specialist System Charge will be changed from $0.65 per eligible order with an annual aggregate maximum fee of $9 million to a fixed aggregate fee of $7 million to be allocated evenly over twelve months with each specialist unit contributing monthly according to its percentage of eligible system orders. The text of the proposed rule change is as follows [new text is italicized; deleted text is bracketed]:

Specialist System Charge [- per Order]

[Charge per eligible order placed through CMS (1) $0.65]

*$7 million per annum is aggregate to be allocated evenly over 12 months with each specialist unit contributing monthly according to its percentage of eligible system orders. (1)*

(1) Individual or agency market orders from 100–2099 shares *placed through CMS* [excluding competing market maker orders].

[1] 15 U.S.C. 78s(b)(1).

[2] Amendment No. 1 clarified that competing market maker orders are considered ''eligible system orders'' for purposes of the Specialist System Charge. *See* Letter dated January 3, 1996, from James E. Buck, Senior Vice President and Secretary, NYSE, to Glen Barrentine, Team Leader, SEC.

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.

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

1. Purpose

The purpose of the change is to provide a more equitable distribution of the Exchange's overall charges among its constituents and to respond to overall competitive market conditions.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act[3] in general and furthers the objectives of Section 6(b) (4)[4] in particular in that it provides for the equitable allocation of reasonable dues, fees, and other charges among the Exchange's members and other persons using its facilities.

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

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

*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 written comments on the proposed rule change.

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

The foregoing rule change constitutes or changes a due, fee, or other charge imposed by the Exchange, and, therefore, has become effective pursuant to Section 19(b)(3)(A) of the Act[5] and subparagraph (e) of Rule 19b–4 thereunder.[6]

[3] 15 U.S.C. 78f(b).

[4] 15 U.S.C. 78f(b)(4).

[5] 15 U.S.C. 78s(b)(3)(A).

[6] 17 CFR 240.19b–4.

At any time within sixty days of the filing of such 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.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street NW., Washington, D.C. 20549.[7] Copies of such filing also will be available for inspection and copying at the principal office of the NYSE. All submissions should refer to File No. SR–NYSE–95–44 and should be submitted by February 9, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96–542 Filed 1–18–96; 8:45 am]

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[7] 17 CFR 200.30–3(a)(12).

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**[Rel. No. IC–21662; 812–9636]**

## Brinson Relationship Funds and Brinson Partners, Inc.; Notice of Application

January 5, 1996.

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

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

**APPLICANTS:** Brinson Relationship Funds (the ''Trust'') and Brinson Partners, Inc. (the ''Adviser'').

**RELEVANT ACT SECTIONS:** Order requested under sections 6(c) and 17(b) granting an exemption from section 17(a).

**SUMMARY OF APPLICATION:** Applicants request relief from section 17(a) to permit series of the Trust to invest in other series of the Trust.

**FILING DATES:** The application was filed on June 20, 1995, and was amended on September 5, 1995 and December 1, 1995.

**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 January 30, 1996, and should be accompanied by proof of service on the applicants, in the form of an affidavit or, for lawyers, a certificate or 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. Applicants, 209 South LaSalle Street, Chicago, Illinois 60604–1295.

**FOR FURTHER INFORMATION CONTACT:** Sarah A. Wagman, Staff Attorney, at (202) 942–0654, or Alison E. Baur, 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.

Applicants' Representations

1. The Trust is a Delaware business trust registered under the Act as an open-end management investment company. The Trust is comprised of six series (the ''Series''): Brinson Global Securities Fund, Brinson Short-Term Fund, Brinson Post-Venture Fund, Brinson High Yield Fund, Brinson Emerging Markets Equity Fund, and Brinson Emerging Markets Debt Fund. Applicants request that any relief granted pursuant to this application also apply to any subsequently created Series of the Trust for which the Adviser, any entity resulting from the Adviser changing its jurisdiction or form of organization, or any entity controlling, controlled by, or under common control with the Adviser serves as investment adviser.

2. Shares of the Trust may only be purchased by ''accredited investors'' within the meaning of Regulation D under the Securities Act of 1933. The Trust does not impose any sales charge, redemption fee, advisory fee, or distribution fee under a plan adopted in accordance with rule 12b–1 under the Act (a ''12b–1 Fee'').

3. The Adviser is registered as an investment adviser under the Investment Advisers Act of 1940. The Adviser provides investment advisory services to each Series of the Trust, but it does not receive any compensation for these services under its investment advisory agreement with the Trust.

4. Fund/Plan Services, Inc. (the ''Administrator'') provides general administrative, accounting, pricing, and transfer agency services to each Series of the Trust pursuant to a multiple services agreement. Bankers Trust Company (the ''Custodian'') serves as the custodian for the securities and cash of each Series pursuant to a custodial agreement.

5. Applicants propose that, subject to certain limitations, each Series of the Trust be permitted to purchase and redeem shares of each of the other Series of the Trust (''Investing Series''), and that each Series be permitted to sell shares to, and redeem shares from, each of the other Series (''Target Series''). Each Investing Series would be permitted to invest a portion of its assets in Target Series that primarily invest in certain securities.

6. For example, in seeking to achieve its objective, a portion of Brinson Global Securities Fund's assets may be invested in the debt and equity securities of emerging market issuers. Brinson Emerging Markets Equity Fund invests in the equity securities of issuers in emerging markets, and Brinson Emerging Markets Debt Fund invests in the debt securities of issuers in emerging markets. Applicants propose that if the requested order is granted, Brinson Global Securities Fund could invest that portion of its assets designated for investment in the equity securities and debt securities of issuers in emerging markets in Brinson Emerging Markets Equity Fund and Brinson Emerging Markets Debt Fund, respectively. These investments would be made in accordance with the Investing Series' investment objectives and policies, and would be within the limitations of section 12(d)(1) of the Act.

7. The Investing Series will retain the ability to invest their assets directly in securities as authorized by their respective investment objectives and policies. Thus, if the Adviser believes that it could more economically invest a Series' assets directly in a particular type of security, then such direct investment would be made. In addition, each Target Series reserves the right to discontinue selling shares to any Investing Series if the Trust's board of trustees determines that sales of Target Series shares to the Investing Series would adversely affect the Target Series' portfolio management and operations.

Applicants' Legal Analysis

1. Section 17(a), in pertinent part, prohibits an affiliated person of a registered investment company, or any affiliated person of such a person, acting as principal, from selling to or purchasing from such registered company, or any company controlled by such registered company, any security or other property. The Series may be deemed to be affiliated persons within the meaning of section 2(a)(3) of the Act because they are each advised by the Adviser, and could thus be considered under common control.

2. Section 17(b) provides that the SEC may exempt a transaction from the provisions of section 17(a) if evidence establishes that the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transaction is consistent with the policy of the registered investment company concerned and with the general purposes of the Act. Section 6(c) provides that the SEC may exempt persons or transactions if, and 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.

3. Applicants request an exemption under sections 6(c) and 17(b) granting relief from section 17(a) to permit the proposed transactions. Applicants state that the terms of the proposed transactions are fair and reasonable, and do not involve overreaching. The consideration paid and received for the sale and redemption of shares of a Target Series will be based on the net asset value of the Target Series' shares. In addition, shares of the Series are not subject to any sales loads, redemption fees, 12b–1 Fees, or advisory fees. Under the conditions to the requested order, there will be no duplication of administrative or custodial fees, since the Administrator, Custodian, and their respective affiliates will remit to an Investing Series, or waive, an amount equal to all fees received by them or their affiliates to the extent such fees are based upon assets of the Investing Series invested in a Target Series. Any of these fees remitted or waived will not be subject to recoupment by the

Administrator, Custodian, nor their affiliates.

4. Applicants assert that the proposed transactions are consistent with the policies of each Series, as an Investing Series' investment in shares of a Target Series will be effected in accordance with each Investing Series' investment restrictions. Applicants also assert that permitting an Investing Series to invest that portion of its assets allocated to a particular type of security in the corresponding Target Series of the Trust would produce greater diversification, lower costs, and administrative efficiency for the Investing Series.

5. Applicants state that, for any particular Investing Series, the percentage of the Series' assets allocated to a particular type of security at a particular time may not be large enough to make direct investments in such securities economical.

Further, where a Series only allocates a small percentage of its assets to a particular type of security, applicants argue that it is inefficient to burden portfolio managers of the Investing Series with studying and following numerous issuers. Applicants assert that, where an Investing Series invests in a Target Series rather than directly investing in shares of certain securities, the Investing Series is able to invest in, and be exposed to, a greater range of issuers. Applicants asserts that this greater diversification decreases the risk and volatility of investing in particular securities.

6. Applicants assert that the proposed transactions are consistent with protection of investors and the general purposes of the Act.

*Applicants' Conditions*

Applicants' agree that any order of the SEC granting the requested relief shall be subject to the following conditions:

1. Each Investing Series' investment in shares of any Target Series will be in accordance with the percentage limitations set forth in section 12(d)(1)(A) of the Act.

2. Shares of each Series will not be subject to a sales load, redemption fee, advisory fee, or distribution fee under a plan adopted in accordance with rule 12b–1 under the Act.

3. Investment in shares of a Target Series will be in accordance with each Investing Series' respective investment restrictions and will be consistent with its policies as recited in its registration statement.

4. Applicants will cause the Adviser, Administrator, Custodian, and their respective affiliates, in their capacities as service providers for the Target Series, to remit to the respective Investing Series, or waive, an amount equal to all fees received by them or their affiliates under their respective agreements with the Trust on behalf of the Target Series to the extent such fees are based upon the Investing Series' assets invested in the shares of a Target Series. Any of these fees remitted or waived will not be subject to recoupment by the Adviser, Administrator, Custodian, or their respective affiliates at a later date.

5. If the Adviser waives any portion of a Target Series' fees or bears any portion of the expenses of a Target Series (an ''Expense Waiver''), the adjusted fees for a Target Series (gross fees minus Expense Waiver) will be calculated without reference to the amounts waived or remitted pursuant to condition 4. Adjusted fees then will be reduced by the amount waived pursuant to condition 4. If the amount waived pursuant to condition 4 exceeds adjusted fees, the Adviser also will reimburse the Investing Series in an amount equal to such excess.

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

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96–512 Filed 1–18–96; 8:45 am]

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**[Release No. 35–26449]**

## Filings Under the Public Utility Holding Company Act of 1935, as amended (''Act'')

January 5, 1996.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing in January 29, 1996, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant application(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Consolidated Natural Gas Company, et al. (70–8703)

Consolidated Natural Gas Company (''CNG''), CNG Tower, 625 Liberty Avenue, Pittsburgh, Pennsylvania, 15222–3199, a registered holding company, CNG's nonutility subsidiaries, CNG Energy Services Corporation (''Energy Services''), and CNG Products and Services, Inc. (''CNG Products''), One Park Ridge Center, P.O. Box 15746, Pittsburgh, Pennsylvania 15244–0746, have filed an application-declaration under sections 9(a), 10, 12(b) and 12(c) of the Act and rule 43, 44, 45 and 54 thereunder.

Consolidated, Energy Services and CNG Power propose to effect a restructuring of a group of companies in the CNG System (''System''), which are in the nonutility energy business. The resulting configuration would cause this part of the System to conform more substantially with its managerial reporting structure.

By Commission order dated August 28, 1995 (HCAR No. 26363), CNG and Energy Services were authorized to form CNG Products, which then was called CNG Special Products and Services, Inc. All of the issued and outstanding common stock of CNG Products are at this time owned by Energy Services. It is now proposed that the ownership of CNG Products be transferred from Energy Services to CNG in the form of a dividend by Energy Services to CNG of all of the outstanding common stock of CNG Products.

By Commission order dated December 21, 1990 (HCAR No. 25224), CNG through CNG Power, was authorized to form CNG Technologies, Inc. (''CNGT'') and to invest up to $2 million in CNGT for it to acquire limited partnership interests in a gas industry fund created to invest in smaller companies developing new technologies to enhance the supply, transportation and utilization of natural gas. By subsequent Commission order dated August 27, 1992 (HCAR No. 25615) (''Order''), CNG was authorized to provide up to $25 million to CNG Power's Natural Gas Vehicle Division (''Division''), through December 31, 1997, to allow it to engage in natural gas vehicle activities. In order to have CNG Power's activities more