

AUSA Life agreed to assume the rights, obligations and liabilities of ILI in respect of such variable insurance contracts. Upon the transfer of the variable insurance contracts and assumption of the separate account liabilities under the Contracts, ILI transferred to AUSA Endeavor Variable Annuity Account a pro rata portion of the assets within each subaccount of the Applicant with a statutory carrying value to ILI equal to the statutory reserves held by ILI in support of the separate account liabilities.

4. Applicant currently has no assets, no liabilities and no security holders.

5. Applicant is not a party to any litigation or administrative proceeding, and is not now engaged, nor does it intend to engage, in any business activities other than those necessary for winding up its affairs.

6. The expenses incurred in implementing the Assumption Reinsurance Agreement were borne by ILI and had no impact on Contractholders.

7. Within the last 18 months, Applicant has not transferred any of its assets to a separate trust.

8. ILI intends to merge with ASUA Life during 1996, and intends to file, pursuant to state law, such merger agreements or other documents as may be required by the law of the State of New York.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-28458 Filed 11-5-96; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 22307; 812-10380]

International Series Release No. 1025, Osmanli Bankasi A.S., Turkiye Garanti Bankasi A.S.; Notice of Application

October 31, 1996.

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

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the "Act").

APPLICANTS: Osmanli Bankasi A.S. ("Ottoman Bank") and Turkiye Garanti Bankasi A.S. ("Garanti Bank").

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act that would exempt applicants from section 17(f) of the Act.

SUMMARY OF APPLICATION: Applicants request an order permitting Ottoman Bank to act as custodian in the Republic

of Turkey for registered investment companies.

FILING DATE: The application was filed on October 3, 1996 and amended on October 24, 1996.

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 November 25, 1996, 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 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. Applicants, Ottoman Bank, Bankalar Caddesi No. 35-37, 8000 Karakoy, Istanbul, Turkey, Garanti Bank, 63 Buyukdere Caddesi, Maslak 80670, Istanbul, Turkey; c/o Thomas W. Christopher, White & Case, 1155 Avenue of the Americas, New York, NY 10036-2787.

FOR FURTHER INFORMATION CONTACT: Kathleen L. Knisely, Law Clerk, at (202) 942-0517, or Mary Kay Frech, Branch Chief, 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 from the SEC's Public Reference Branch.

Applicants' Representations

1. Garanti Bank is a Turkish banking institution, which is supervised and regulated by banking authorities in Turkey and other countries in which it maintains offices. In Turkey, Garanti Bank is subject to comprehensive supervision by Turkish banking regulators, including the Ministry of State in Charge of the Treasury, the Undersecretariat of the Treasury, the Capital Markets Board, the Istanbul Stock Exchange, and the Ministry of Finance, all of which are agencies of the government of Turkey. Garanti Bank has approximately 160 branches in Turkey and seven foreign offices and branches. As of June 30, 1996, Garanti Bank had total assets of approximately \$3.08 billion, and shareholders' equity of approximately \$395.4 million (excluding minority interests).

2. Ottoman Bank is a Turkish banking organization. It is regulated by the Ministry of State in Charge of the Treasury, the Undersecretariat of the Treasury, the Capital Markets Board, the Istanbul Stock Exchange, and the Ministry of Finance.¹ As of June 30, 1996, Ottoman Bank had total assets of approximately \$450 million and shareholders' equity of approximately \$97 million.

3. Ottoman Bank is an indirect subsidiary of Garanti Bank. Garanti Bank indirectly acquired Ottoman Bank in a transaction that closed on June 25, 1996 (the "Transaction"). The Transaction resulted in an indirect subsidiary of Garanti Bank, Clover Investments Co. Ltd., incorporated in Malta, owning 100% of the equity securities of Compagnie Ottomane d'Investissements BV, a Dutch company, which owns 99.9% of the equity securities of Ottoman Bank.²

4. Applicants request an order to permit Ottoman Bank to act as custodian of securities and other assets ("Securities") of investment companies registered under the Act, other than those registered under section 7(d) of the Act ("Investment Companies"), or as subcustodian of such Securities as to which any other entity is acting as custodian, to accept deposits, or to cause or permit the acceptance of deposits, of such Securities in the Republic of Turkey. As used herein, the term "Securities" does not include securities issued by the United States Government, any state or political subdivision thereof, or by any agency thereof, or any securities issued by any entity organized under the laws of the United States or any state thereof (other than certificates of deposit, evidence of indebtedness, and other securities, issued or guaranteed by such entity that have been issued and sold outside the United States).

5. Ottoman Bank would accept deposits from Investment Companies

¹ Under a prior SEC order, Ottoman Bank has been acting as a subcustodian of investment company assets for which Bankers Trust Company, N.A. act as custodian. See *Bankers Trust Company, N.A.*, Investment Company Act Release Nos. 18046 (Mar. 14, 1991) (notice) and 18085 (Apr. 9, 1991) (order).

² Prior to this Transaction, Ottoman Bank was controlled by Banque Paribas, a French banking organization. Under a prior SEC order, Ottoman Bank has been acting as a subcustodian of investment company assets in partial reliance upon the guarantee of Banque Paribas. See *Banque Paribas and Ottoman Bank, A.S.*, Investment Company Act Release Nos. 20663 (Oct. 27, 1994) (notice) and 20722 (Nov. 21, 1994) (order). As a result of the Transaction, Banque Paribas has indicated that it intends to terminate its guarantee as of December 31, 1996. Banque Paribas' planned termination has necessitated the requested order.

only in accordance with a three-party agreement (the "Agreement"). The Agreement would be entered into by (a) an Investment Company or custodian of the Securities of an Investment Company for which Ottoman Bank acts as a subcustodian, (b) Ottoman Bank, and (c) Garanti Bank. The Agreement would provide that Ottoman Bank would act as a custodian or subcustodian, and Garanti Bank would guarantee the Securities against loss while such Securities were in the custody of Ottoman Bank, except such loss resulting from political risk (e.g., exchange control restrictions, confiscation, expropriation, nationalization, insurrection, civil strife, or armed hostilities) and other risk of loss (excluding bankruptcy or insolvency of Ottoman Bank) for which neither Garanti Bank nor Ottoman Bank would be liable (e.g., despite the exercise of reasonable care, loss due to acts of God or nuclear incident).

Applicants' Legal Analysis

1. Section 17(f) of the Act requires every registered management investment company to place and maintain its securities and similar investments in the custody of certain enumerated entities, including a bank or banks meeting the requirements of section 26(a) of the Act, a member firm of a national securities exchange, the investment company itself, or a system for the central handling of securities established by a national securities exchange. Section 2(a)(5) of the Act defines "bank" to include banking institutions organized under the laws of the United States, member banks of the Federal Reserve System, and certain banking institutions or trust companies doing business under the laws of any state or of the United States. Ottoman Bank does not fall within the definition of "bank" as defined in the Act and, under section 17(f), may not act as custodian for registered investment companies.

2. Rule 17f-5 expands the group of entities that are permitted to serve as foreign custodians. Rule 17f-5 defines the term "Eligible Foreign Custodian" to include a banking institution or trust company incorporated or organized under the laws of a country other than the United States, that is regulated as such by that country's government or an agency thereof, and that has shareholders' equity in excess of U.S. \$200 million or its equivalent.

3. Garanti Bank qualifies as an eligible foreign custodian under rule 17f-5. Ottoman Bank satisfies the requirements of rule 17f-5 insofar as it is a banking institution organized under the laws of

Turkey and is regulated by agencies of the government of Turkey. Ottoman Bank, however, does not meet the minimum shareholders' equity requirement of the rule. Accordingly, Ottoman is not an eligible foreign custodian under the rule and, absent exemptive relief, could not serve as a custodian for the Securities of United States Investment Companies.

4. Section 6(c) provides, in relevant part, that the SEC, by order, may exempt any person from any provision of the Act or from any rule thereunder, if such exemption is necessary or appropriate in the public interest, consistent with the protection of investors and consistent with purposes fairly intended by the policy and provisions of the Act. Applicants believe that their request satisfies this standard.

Applicants' Conditions

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

1. The foreign custody arrangements with Ottoman Bank will comply with provisions of rule 17f-5 in all respects, except those relating to the minimum shareholders' equity requirements of eligible foreign custodians.

2. An Investment Company or a custodian for an Investment Company will deposit Securities with Ottoman Bank only in accordance with a three-party contractual agreement that will remain in effect at all times during which Ottoman Bank fails to meet the requirement of the rule 17f-5 relating to minimum shareholders' equity. Each agreement will be a three-party agreement among (a) Garanti Bank, (b) Ottoman Bank, and (c) the Investment Company or custodian of the Securities of the Investment Company. Under the agreement, Ottoman Bank will undertake to provide specified custodial or sub-custodial services. The agreement will further provide that Garanti Bank will be liable for any loss, damage, cost, expense, liability, or claim arising out of or in connection with the performance of Ottoman Bank of its responsibilities under the agreement to the same extent as if Garanti Bank had been required to provide custody services under such agreement.

3. Garanti Bank currently satisfies and will continue to satisfy the minimum shareholders' equity requirement set forth in rule 17f-5(c)(2)(i).

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-28516 Filed 11-5-96; 8:45 am]

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Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (Pittway Corporation, Common Stock, \$1.00 Par Value; Class A Stock \$1.00 Par Value) File No. 1-4821

October 31, 1996.

Pittway Corporation ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified securities ("Securities") from listing and registration on the American Stock Exchange, Inc. ("Amex").

The reasons alleged in the application for withdrawing the Securities from listing and registration include the following:

According to the Company, it has complied with Rule 18 of the American Stock Exchange by filing with such Exchange a certified copy of preambles and resolutions adopted by the Company's Board of Directors authorizing the withdrawal of its securities from listing on the Amex and by setting forth in detail to such Exchange the reasons for such proposed withdrawal, and the facts in support thereof. In making the decision to withdraw the Securities from listing on the Amex, the Company considered the best interest of the Company.

Any interested person may, on or before November 22, 1996, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.