

(44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is publishing the following summary of collection for public comment.

Rule 24b-1 (17 CFR 240.24b-1) requires a national securities exchange to keep and make available for public inspection a copy of its registration statement and exhibits filed with the Commission, along with any amendments thereto.

There are eight national securities exchanges that spend approximately one half hour each complying with this rule, for an aggregate total compliance burden of four hours per year. The staff estimates that the average cost per respondent is \$63 per year, calculated as one half hour of clerical time (\$7) plus copying (\$12) plus storage (\$44), resulting in a total cost of compliance for the respondents of \$504.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, N.W., Washington, DC 20549.

Dated: November 4, 1996.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-28444 Filed 11-8-96; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 22313; 812-10130]

Federated Investors, et al.; Notice of Application

November 4, 1996.

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

ACTION: Notice of application for an order under the Investment Company Act of 1940 (the "Act").

APPLICANTS: Arrow Funds; Automated Government Money Trust; Bayfunds; The Biltmore Funds; The Biltmore Municipal Funds; Blanchard Funds; Blanchard Precious Metals Fund, Inc.; Cash Trust Series, Inc.; Cash Trust Series II; DG Investor Series; Edward D. Jones & Co. Daily Passport Cash Trust; Excelsior Funds; Excelsior Funds, Inc.; Excelsior Institutional Trust; Excelsior Tax-Exempt Funds, Inc.; Federated Adjustable Rate U.S. Government Fund, Inc.; Federated American Leaders Fund, Inc.; Federated ARMs Fund; Federated Equity Funds; Federated Equity Income Fund, Inc.; Federated Fund for U.S. Government Securities, Inc.; Federated GNMA Trust; Federated Government Income Securities, Inc.; Federated Government Trust; Federated High Income Bond Fund, Inc.; Federated High Yield Trust; Federated Income Securities Trust; Federated Income Trust; Federated Index Trust; Federated Institutional Trust; Federated Insurance Series; Federated Investment Portfolios; Federated Investment Trust; Federated Master Trust; Federated Municipal Opportunities Fund, Inc.; Federated Municipal Securities Fund, Inc.; Federated Municipal Trust; Federated Short-Term Municipal Trust; Federated Short-Term U.S. Government Trust; Federated Stock and Bond Fund, Inc.; Federated Stock Trust; Federated Tax-Free Trust; Federated Total Return Series, Inc.; Federated U.S. Government Bond Fund; Federated U.S. Government Securities Fund: 1-3 Years; Federated U.S. Government Securities Fund: 2-5 Years; Federated U.S. Government Securities Fund: 5-10 Years; Federated Utility Fund, Inc.; First Priority Funds; Fixed Income Securities, Inc.; Fortress Utility Fund, Inc.; FTI Funds; Independence One Mutual Funds; Intermediate Municipal Trust; International Series, Inc.; Investment Series Funds, Inc.; Liberty U.S. Government Money Market Trust; Liquid Cash Trust; Managed Series Trust; Marketvest Funds; Marketvest Funds, Inc.; Marshall Funds, Inc.; Money Market Management, Inc.; Money Market Obligations Trust; Money Market Trust; Municipal Securities Income Trust; Newpoint Funds; 111 Corcoran Funds; Peachtree Funds; The Planters Funds; RIMCO Monument Funds; SouthTrust Vulcan Funds; Star Funds; The Starburst Funds; Tax-Free Instruments Trust; Tower Mutual Funds; Trust for Government Cash Reserves; Trust for Short-Term U.S. Government Securities; Trust for U.S. Treasury Obligations; Virtus Funds; Vision Group of Funds, Inc.; Wesmark Funds; World Investment Series, Inc.

(collectively, the foregoing are the "Funds"); Federated Investors ("Federated"); Federated Securities Corp.; Federated Administrative Services; Federated Services Company; and Edgewood Services, Inc.

RELEVANT ACT SECTIONS: Order of exemption requested pursuant to section 6(c) of the Act from sections 12(d)(1)(A) (ii) and (iii) of the Act, under sections 6(c) and 17(b) that would grant an exemption from section 17(a), and under rule 17d-1 to permit certain transactions in accordance with section 17(d) and rule 17d-1.

SUMMARY OF APPLICATION: The requested order would permit the Funds to purchase shares of affiliated Funds that are money market funds for cash management purposes.

FILING DATES: The application was filed on April 16, 1996, and amended on August 1, 1996. Applicants have agreed to file an amendment, the substance of which is incorporated herein, during the notice period.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested person 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 29, 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, Federated Investors Tower, Pittsburgh, Pennsylvania 15222-3779.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Staff Attorney, at (202) 942-0572, or Alison E. Baur, 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. Each Fund is a registered open-end management investment company. Some Funds consist of multiple series. Certain of the Funds are money market funds (the "Money Market Funds") that seek to maintain a net asset value of

\$1.00 per share in reliance on rule 2a-7 under the Act. Funds other than the Money Market Funds are "Fluctuating Funds." Applicants request that relief be extended to the Funds and all future registered investment companies for which any person controlling, controlled by, or under common control (as defined by section 2(a)(9) of the Act) (the "Federated Control Group") with Federated serves as investment adviser (the "Federated Funds") and all future registered investment companies that have the same investment adviser or investment advisers that are under common control for which any member of the Federated Control Group serves as principal underwriter or distributor and/or administrator (the "Proprietary Funds")¹ (the Federated and Proprietary Funds are also the "Funds").

2. Each Fund has, or may be expected to have, uninvested cash by the end of the trading day. Such cash may result from a variety of sources, including dividends or interest received from portfolio securities, securities transactions, liquidation of investment securities to meet anticipated redemptions and dividend payments, and new monies received from investors.

3. Applicants propose that the Funds, including the Money Market Funds, (the "Investing Funds") be able to invest their uninvested cash in Federated and/or Proprietary Money Market Funds (the "Underlying Money Market Funds"), as appropriate. Specifically, (a) each Federated Fluctuating and Money Market Fund could purchase and sell shares of Federated Underlying Money Market Funds; (b) each Proprietary Fluctuating and Money Market Fund could purchase and sell shares of Federated Underlying Money Market Funds; (c) each Proprietary Fluctuating and Money Market Fund could purchase and sell shares of an Underlying Proprietary Money Market Fund within the same Proprietary Fund family or complex; and (d) each Federated and proprietary Underlying Money Market Fund could sell their shares to, and purchase their shares from, the Federated and Proprietary Funds.

4. Federated is a Delaware business trust. The subsidiaries of affiliates of Federated which presently serve as an investment adviser or subadviser to one or more of the Federated Funds or

Proprietary Funds are: Federated Administrative Services, Federated Advisers, Federated Global Research Corp., Federated Investment Counseling, Federated Management, Federated Research, Federated Research Corp., and Passport Research Ltd. In addition, certain Proprietary Funds may have other investment advisers. (Collectively, the investment advisers to the Funds and any future investment adviser or subadviser to any of the funds seeking to rely on the requested order are the "Advisers".) Federated Securities Corp. ("FSC") and Edgewood Services, Inc. presently serve as the principal underwriters and distributors for all of the Funds, except for Edward D. Jones & Co. Daily Passport Cash Trust, for which Edward D. Jones & Co., L.P., serves as the principal distributor, and FSC serves as the distributor.

5. In calculating its advisory fees, each Investing Fund will exclude any assets invested in an Underlying Money Market Fund. Thus, the shareholders of the Investing Funds would not be subject to the imposition of duplicative advisory fees. No sales charge, contingent deferred sales charge, 12b-1 fee, or any other underwriting or distribution fee will be charged by the Money Market Funds or by any underwriter, with respect to purchases of shares of such Underlying Money Market Funds made with Uninvested Cash, or upon the redemption of shares of such Underlying Money Market Funds. To the extent that both the Investing Fund and the Underlying Money Market Fund may charge a service fee (as defined by conduct rule 2830(b)(9) of the National Association of Securities Dealers ("NASD") rules), the assets relating to an Investing Fund's investment in an Underlying Money Market Fund will not be subject to duplicative service fees (*i.e.*, service fees will not be charged on both levels).

Applicants' Legal Analysis

A. Sections 6(c) and 12(d)(1)

1. Sections 12(d)(1)(A) (ii) and (iii) of the Act prohibit any registered investment company (the "acquiring company") or any company or companies controlled by such acquiring company to purchase any security issued by any other investment company (the "acquired company") if such purchase will result in the acquiring company or companies it controls owning in the aggregate (a) securities issued by the acquired company with an aggregate value in excess of 5% of the acquiring company's total assets or (b) securities issued by the acquired company and all other

investment companies with an aggregate value in excess of 10% of the value of the acquiring company's total assets.

2. Under the proposed transactions, the number or value of the shares of the Underlying Money Market Funds held by an Investing Fund may exceed the percentage restrictions set forth in sections 12(d)(1)(A) (ii) and (iii) within the following limitations: (a) each Investing Fund will be permitted to invest uninvested cash in, and hold shares of, an Underlying Money Market Fund only to the extent that such Investing Fund's aggregate investment in such Underlying Money Market Fund does not exceed the greater of 5% of such Investing Fund's total assets, or \$2.5 million or (b) under certain circumstances, described below, an Investing Fund may invest and hold up to 25% of its total net assets in such Underlying Money Market Fund(s).² Accordingly, applicants seek an exemption from the provisions of section 12(d)(1) to the extent necessary to implement the proposed transactions.

3. Section 6(c) permits the SEC to exempt any person or transaction from any provision of the Act, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies of the Act. For the reasons provided below, applicants argue that the requested order meets the section 6(c) standards.

4. Applicants state that by investing in high quality, short-term instruments in compliance with rule 2a-7 under the Act, the Underlying Money Market Funds provide highly liquid and safe investments for the Investing Funds. Further, the Investing Funds will be able to further diversify their holdings and will be afforded increased investment opportunities. Applicants state that shareholders of the Underlying Money Market Funds would benefit by the absence of variable costs associated with shares purchased by the Investing Funds since the additional cash received by the Uninvested Money Market Funds will generally result in the Underlying Money Market Funds purchasing larger denominated instruments, rather than separate money market instruments. Furthermore, applicants state that without the requested relief, applicants would be disadvantaged by increased administrative burdens resulting from the fragmentation of assets for cash

¹ In the Proprietary Funds, a third party not otherwise affiliated with Federated (such as a bank) typically serves as investment adviser while a member of the Federated Control Group serves as principal underwriter/distributor and administrator.

² Applicants state that they recognize that rule 2a-7 imposes special diversification requirements on money market funds but are not requesting relief from this rule.

investments and the resulting potential for error.

5. Applicants believe that there are situations in which the Funds might have as much as 25% of assets in uninvested cash. For example, new Funds may have large amounts of uninvested cash until an asset base has been established. Applicants state that the convenience of investing assets in a single Underlying Money Market Fund would save the Investing Fund the administrative burden and expense of selecting multiple Underlying Money Market Funds during periods when Uninvested Cash would exceed the limitation of the greater of \$2.5 million or 5% of total net assets.

6. In addition, certain of the Money Market Funds seek to provide their shareholders with income exempt from regular federal income tax and state taxes ("State Funds"). In the case of the State Funds, the supply of potential acceptable investments can vary greatly depending on various market conditions. Seasonal fluctuations in the demand for and supply of municipal securities in particular states can, at times, create difficulties for the State Funds seeking to be fully invested in the municipal securities of particular states. As a result, the State Funds may be forced to hold large amounts of uninvested cash in unaffiliated State Funds. Applicants state that allowing the State Funds to invest uninvested cash in affiliated State Funds would provide yield or fee advantages over making such investments in unaffiliated funds.

7. Applicants state that section 12(d)(1) is intended to protect an investment company's shareholders against (a) undue influence over portfolio management through the threat of large-scale redemptions, loss of advisory fees to the adviser, and the disruption of orderly management of the investment company through the maintenance of large cash balances to meet potential redemptions, (b) the acquisition of voting control of the company, and (c) the layering of sales charges, advisory fees, and administrative costs. Applicants state that each of the Underlying Money Market Funds will be managed specifically to maintain a highly liquid portfolio and that, accordingly, there will be no need to maintain any special reserves or balances to meet redemptions by Investing Funds. Further, since the proposed transactions will be in compliance with sections 12(d)(1)(A)(i) and 12(d)(1)(B) of the Act (which will serve to limit any single Investing Fund's ownership of shares in a specific Underlying Money Market

Fund to 3% of such Underlying Money Market Fund's total outstanding voting stock), no Investing Fund will be a position to exercise voting control over any of the Underlying Money Market Funds. Finally, there will be no sales charges, rule 12b-1 fees, or other distribution fees charged in connection with the purchase and sale of shares of the Underlying Money Market Funds. In addition, applicants state that there will be no duplicative service or advisory fees. For these reasons, applicants believe none of the perceived abuses meant to be addressed by section 12(d)(1) is created by the proposed transactions.

B. Sections 17(a) and 17(b)

1. Section 2(a)(3) of the Act defines an affiliated person of an investment company to include any investment adviser of the investment company and any person directly or indirectly controlling, or under common control with, such investment company. Under section 2(a)(3), the Advisers, as investment adviser of each of the Funds, is an affiliated person of each Fund. Further, because the Federated Funds share a common investment adviser and board of directors, the Federated Funds may be deemed to be an affiliated person of each other Federated Fund. In addition, Proprietary Funds within the same investment complex (where the Funds have the same or affiliated investment advisers and identical board of directors/trustees) may be deemed to be affiliated persons of each other. Furthermore, certain of the Proprietary Funds have boards of directors/trustees and officers that are composed of the same individuals (or very nearly so) that comprise the boards of directors/trustees of and serve as officers to the Federated Funds. As such, these Proprietary Funds may be deemed to be affiliated persons of the Federated Funds.

2. Section 17(a) of the Act generally prohibits sales or purchases of securities between a registered investment company and any affiliated person of that company. The sale by the Underlying Money Market Funds of their shares to the Investing Funds could be deemed to be a principal transaction between affiliated persons that is prohibited under section 17(a). Therefore, applicants request an order to permit the Underlying Money Market Funds to sell their shares to the Investing Funds.

3. Section 17(b) permits the SEC to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that the terms of the proposed transaction are fair and reasonable and

do not involve overreaching on the part of any person concerned. Section 17(b) could be interpreted to exempt only a single transaction. However, the Commission, under section 6(c) of the Act, may exempt a series of transactions that otherwise would be prohibited by section 17(a). For the reasons stated below, applicants believe that the terms of the proposed transactions meet the standards of section 6(c) and 17(b).

4. Applicants state that the terms of the proposed transactions are fair because the consideration paid and received for the sale and redemption of shares of the Underlying Money Market will be based on the net asset value per share of such Funds. In addition, the purchase of shares of the Underlying Money Market Funds by the Investing Funds will be effected in accordance with each Investing Fund's investment restrictions and policies as set forth in its registration statement.

C. Section 17(d) and Rule 17d-1

1. Section 17(d) of the Act and rule 17d-1 thereunder prohibit an affiliated person of an investment company, acting as principal, from participating in or effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates. Applicants contend that because each Investing Fund may be purchasing shares of the Underlying Money Market Funds, each Adviser may manage the assets of both an Investing Fund and an underlying Money Market Fund, and/or each Underlying Money Market Fund may be selling its shares to another Fund, the proposed transactions may be deemed a joint enterprise for the purposes of section 17(d) and rule 17d-1.

2. Rule 17d-1 permits the SEC to approve a proposed joint transaction. In determining whether to approve a transaction, the SEC is to consider whether the proposed transaction is consistent with the provisions, policies, and purposes of the Act, and the extent to which the participation of the investment companies is on a basis different from or less advantageous than that of the other participants. For the reasons stated below, applicants believe that the requested relief meets these standards.

3. Applicants believe that the proposed transactions would be beneficial to each participant and that there is no basis on which to believe that any participant would benefit to a greater extent than any other. Moreover, applicants state that the Advisers will not receive any increased advisory fees under the proposed transactions and

instead will receive less advisory fees than they would otherwise have earned if the uninvested cash of the Investing Funds were invested directly in money market instruments rather than in the Underlying Money Market Funds. Further, applicants submit that each Investing Fund will participate on a basis that is not different from nor less advantageous than any other Investing Fund.

Applicants' Conditions

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

1. The shares of the Underlying Money Market Funds sold to and redeemed from the Investing Funds will not be subject to a sales load, redemption fee, or a distribution fee under a plan adopted in accordance with rule 12b-1. To the extent that both the Investing Fund and the Underlying Money Market Fund may charge a service fee (as defined by conduct rule 2830(b)(9) of the NASD rules), the assets relating to the Investing Fund's investment will not be subject to duplicative service fees.

2. In calculating its advisory fees, an Investing Fund will exclude any assets invested in an Underlying Money Market Fund.

3. The Underlying Money Market Funds shall not acquire securities of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

4. Investment in shares of the Underlying Money Market Fund will be in accordance with each Investing Fund's respective investment restrictions and will be consistent with each Investing Fund's policies as set forth in its prospectuses and statements of additional information.

5. Unless an Investing Fund complies with conditions 6 and 7, each Investing Fund will be permitted to invest Uninvested Cash in, and hold shares of, a single Underlying Money Market Fund so long as such Investing Fund's aggregated investment in such Underlying Money Market Fund does not exceed the greater of 5% of such Investing Fund's total net assets or \$2.5 million.

6. An Investing Fund may exceed the limitation described in condition 5 and be subject to the limitation described in condition 8 only if a majority of the directors or trustees of the Investing Fund are not "interested persons," as defined in section 2(a)(19) of the Act.

7. An Investing Fund may exceed the limitation described in condition 5 and be subject to the limitation described in condition 8 only if the Investing Fund,

the Underlying Money Market Funds, and any future fund that may rely on the order are advised by the same Adviser, or a person controlling, controlled by, or under common control with the Investing Fund's Adviser.

8. To the extent that an Investing Fund meets all conditions, including conditions 6 and 7, an Investing Fund will be permitted to invest uninvested cash in, and hold shares of, the Underlying Money Market Funds so long as the Investing Fund's aggregate investment in the Underlying Money Market Funds does not exceed 25% of the Investing Fund's total net assets.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-28843 Filed 11-8-96; 8:45 am]

BILLING CODE 8010-01-M

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 November 11, 1996.

A closed meeting will be held on Thursday, November 14, 1996, at 10:00 a.m.

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

The subject matter of the closed meeting scheduled for Thursday, November 14, 1996, at 10:00 a.m., will be:

Institution and settlement of injunctive actions.
Institution of administrative proceedings of an enforcement nature.
Opinions.

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: November 6, 1996.

Jonathan G. Katz,
Secretary.

[FR Doc. 96-29045 Filed 11-7-96; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Privacy Act of 1974; Computer Matching Program (SSA/Department of the Treasury (Treasury) Cash Transactions Files)—Match Number 1060

AGENCY: Social Security Administration.

ACTION: Notice of computer matching program.

SUMMARY: In accordance with the provisions of the Privacy Act, as amended, this notice announces a computer matching program that SSA plans to conduct.

DATES: SSA will file a report of the subject matching program with the Committee on Governmental Affairs of the Senate, the Committee on Government Reform and Oversight of the House of Representatives and the Office of Information and Regulatory Affairs, Office of Management and Budget (OMB). The matching program will be effective as indicated below.

ADDRESSES: Interested parties may comment on this notice by either telefax to (410) 966-5138, or writing to the Associate Commissioner for Program and Integrity Reviews, 860 Altmeyer Building, 6401 Security Boulevard, Baltimore, MD 21235. All comments received will be available for public inspection at this address.

FOR FURTHER INFORMATION CONTACT: The Associate Commissioner for Program and Integrity Reviews as shown above.

SUPPLEMENTARY INFORMATION:

A. General

The Computer Matching and Privacy Protection Act of 1988 (Public Law (Pub. L.) 100-503) amended the Privacy Act (5 U.S.C. 552a) by establishing the conditions under which computer matching involving the Federal Government could be performed and adding certain protections for individuals applying for and receiving Federal benefits. Section 7201 of the Omnibus Budget Reconciliation Act of 1990 (P. L. 101-508) further amended the Privacy Act regarding protections for such individuals. The Privacy Act, as amended, regulates the use of computer matching by Federal agencies when records in a system of records are