Applicant's Representations

1. Applicant is an open-end, non-diversified management investment company organized as a Massachusetts business trust. On September 22, 1993, applicant registered under the Act and filed a registration statement under the Securities Act of 1933. Applicant's registration statement was declared effective, and an initial public offering of its shares commenced, on March 14, 1994.

2. At a meeting held on August 24, 1995, applicant's board of trustees unanimously approved a plan of liquidation and dissolution (the ''Plan''). At the meeting, the trustees considered a number of factors, including the amount of the Fund's total assets and the inefficiencies, higher costs and disadvantageous economies of scale attendant with the Fund's small asset base, and the likelihood of whether additional sales of the Fund's shares could increase the assets to a more viable level. Accordingly, the board of trustees determined that adoption of the Plan would be in the interests of the Fund and its shareholders.

3. Proxy materials were filed with the SEC on September 14, 1995 and mailed to securityholders on or about the same date. On November 21, 1995, applicant's securityholders approved the Plan. Accordingly, on December 12, 1995, securityholders were paid a final liquidation distribution at net asset value equal to their proportionate interest in the applicant's assets.

4. All expenses incurred in connection with applicant's liquidation were paid by TCW Funds Management, Inc., applicant's adviser, and Dean Witter InterCapital Inc., applicant's manager.

5. Applicant has no securityholders, liabilities or assets. Applicant is not a party to any litigation or administrative proceeding. Applicant is not now engaged, nor does it propose to engage, in any business activities other than those necessary to wind up its affairs.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–3575 Filed 2–15–96; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Release No. 21742; 811–3979]

Wood Island Growth Fund, Inc.; Notice of Application

February 12, 1996.

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

ACTION: Notice of Application for Deregistration under the Investment Company Act of 1940 (the ''Act'').

APPLICANT: Wood Island Growth Fund, Inc.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATE: The application was filed on December 7, 1995, and amended on February 8, 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 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 March 8, 1996, 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street NW., Washington, DC 20549. Applicant, Wood Island, Fourth Floor, 80 East Sir Francis Drake Boulevard, Larkspur, California 94939.

FOR FURTHER INFORMATION CONTACT: Diane L. Titus, Paralegal Specialist, at (202) 942–0584, 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.

Applicant's Representations

1. Applicant is an open-end, diversified management company organized as a California corporation. On January 17, 1984, applicant filed a Notification of Registration on Form N–8A, and on April 6, 1984, applicant filed a registration statement on Form N–1A registering an indefinite number of shares. The registration statement also related to 57,800 common shares already issued and outstanding as of April 6, 1984, as a result of a prior private placement to qualified investors pursuant to exemptions under the Act and the Securities Act of 1933. On April 17, 1984, applicant's registration statement was declared effective, and the public offering commenced soon thereafter.

2. On or about November 8, 1995, applicant mailed proxy statements to its shareholders seeking approval to wind up and dissolve its business. Applicant's board of directors solicited written consent in lieu of a special meeting of shareholders and received written consent from the majority of applicant's shareholders on or about November 20, 1995.

3. At a meeting held on October 18, 1995, applicant's board of directors determined that it was in the best interest of the shareholder to liquidate. The board's decision was based primarily on the small size of applicant and its resulting high ratio of expenses to average net assets. Additionally, the relatively small size of applicant made it difficult to achieve the diversification and investment objectives sought by applicant.

4. On December 1, 1995, all of applicant's then issued and outstanding shares were redeemed. All redemptions were made at net asset value on the date of redemption.

5. Liquidation expenses of $4,190 for transfer agency, accounting, custody, tax reporting and legal fees were borne by applicant. Liquidation expenses of $921 for proxy solicitation and mailing costs were borne by Wood Island Associates, Inc., applicant's adviser.

6. Applicant has no securityholders, debts or liabilities at the time of filing this application. Applicant is not a party to any litigation or administrative proceeding.

7. Applicant is not presently engaged, nor does it propose to engage, in any business activities other than those necessary for the winding up of its affairs.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–3576 Filed 2–15–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–36826; International Series Release No. 931; File No. SR–CBOE–95–54]

Self-Regulatory Organizations; Order Approving a Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 1 to the Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to Currency Warrants Based on the Value of the U.S. Dollar in Relation to the Brazilian Real

February 9, 1996.

On September 13, 1995, the Chicago Board Options Exchange, Inc. (''CBOE'' or ''Exchange'') submitted to the Securities and Exchange Commission (''SEC'' or ''Commission''), pursuant to Section 19(b) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] a proposed rule change to list and trade currency warrants based upon the value of the U.S. dollar in relation to the Brazilian Real (''Real warrants''). Notice of the proposal was published for comment and appeared in the Federal Register on November 16, 1995.[3] No comment letters were received on the proposal. On January 5, 1996, the Exchange filed Amendment No. 1 to the proposed rule change.[4] This order approves the CBOE's proposal, as amended.

I. Description of the Proposal

CBOE Rule 31.5(e) permits the exchange to list and trade currency warrants. The listing and trading of Real warrants will comply in all respects with CBOE Rule 31.5(E).

A. Currency Warrant Trading

Real warrants will be unsecured obligations of their issuers and will be cash-settled in U.S. dollars.[5] The warrants will be either exercisable throughout their life (*i.e.*, American style) or exercisable only on their expiration date (*i.e.*, European style). Upon exercise, the holder of a Real warrant structured as a ''put'' would receive payment in U.S. dollars to the extent that the value of the Brazilian Real has declined in relation to the U.S. dollar below a pre-stated base price. Conversely, holders of a Real warrant structured as a ''call'' would, upon exercise, receive payment in U.S. dollars to the extent that the value of the Brazilian Real in relation to the U.S. dollar has increased above the pre-stated base price. Warrants that are ''out-of-the-money'' at the time of expiration will expire worthless.

B. Warrant Listing Standards and Customer Safeguards

The Exchange has established revised generic listing standards for currency warrants, which are contained in CBOE Rule 31.5(E).[6] Any issue of Real warrants will conform to the listing criteria under Rule 31.5(E) which provide that: (1) The issuer shall have minimum tangible net worth in excess of $150,000,000 and otherwise substantially exceed the size and earnings requirements in Rule 31.5(A); (2) the term of the warrants shall be for a period ranging from one to five years from date of issuance; and (3) the minimum public distribution of such issues shall be 1,000,000 warrants, together with a minimum of 400 public holders, and have a minimum aggregate market value of $4,000,000. In addition, where an issuer has a minimum tangible net worth in excess of $150,000,000 but less than $250,000,000, the Exchange shall not list Real warrants of the issuer if the value of such warrants plus the aggregate value, based upon the original issuing price, of all outstanding stock index, currency index and currency warrants of the issuer (and its affiliates) that are listed for trading on a national securities exchange or traded through the facilities of the National Association of Securities Dealers Automated Quotation System (''NASDAQ'') exceeds 25% of the issuer's net worth.

Moreover, pursuant to the generic warrant listing order, Real warrants may be sold only to customers whose accounts have been approved for options trading pursuant to Exchange Rule 9.7. Moreover, the suitability standards of Exchange Rule 9.9, and the standards of Rule 9.10(a), regarding discretionary orders, will be applicable. Pursuant to CBOE Rule 30.53(d), the Exchange will require members and member organizations to report to the CBOE any positions of 100,000 or more Real warrants on the same side of the market.[7] Finally, prior to the commencement of trading of Real warrants, the Exchange will distribute a circular to its membership calling attention to certain of these compliance responsibilities when handling transactions in Real warrants.[8]

C. Margin Requirements

The new listing standards also set forth the applicable margin requirements for currency warrants. New Exchange Rule 30.53 requires minimum margin on any currency warrant carried ''short'' in a customer's account to be 100% of the current market value of each such warrant plus an ''add-on'' percentage of the product of the units of underlying currency per warrant and the spot price for such currency. The Exchange has calculated frequency distributions reflecting percentage price returns for all one (1) and five (5) day periods for the Brazilian Real for the period of September 1, 1992 through August 30, 1995. These distributions demonstrate that more than 97.5% of all five (5) day returns for the three (3) year period would have been covered by 10.0% of the underlying Real value.

Based upon these results, the Exchange is proposing to set the margin ''add-on'' percentage for Brazilian Real warrants at 10% for both initial and maintenance margin, with a minimum add-on for out-of-the money warrants of 7%.[9] Additionally, the Exchange will conduct periodic reviews of the volatility in the Brazilian Real. Pursuant to Rule 30.53(a), if the Exchange determines that a higher customer

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

[2] 17 CFR 240.19b–4.

[3] See Securities Exchange Act Release No. 36464 (November 8, 1995), 60 FR 57607 (November 16, 1995).

[4] In Amendment No. 1, the Exchange proposes to increase the minimum add-on margin for out-of-the-money Real warrants from 2% to 7%. Additionally, the Exchange clarifies that for purposes of determining the settlement value of the Real warrants, the Exchange will require the issuer or issuer's designee to use the Federal Reserve Board noon buying rate (''Fed noon buying rate'') which is published by the Federal Reserve Bank of New York. Alternatively, in the event the Federal Reserve Bank were to discontinue publishing this figure, the Exchange would require the issuer to use the exchange rate published by the Central Bank of Brazil. See Letter from Timothy Thompson, Senior Attorney, CBOE, to James McHale, Attorney, Office of Market Supervision, Division of Market Regulation, Commission, dated January 4, 1996 (''Amendment No. 1'').

[5] As stated in note 4 *supra*, the CBOE will require the issuer or issuer's designee to use the Fed noon buying rate for determining settlement value, but if the Fed noon buying rate is unavailable, the Exchange will require the use of the exchange rate published by the Central Bank of Brazil (''Brazil rate''). The Brazil rate is disseminated daily by the Central Bank of Brazil through the SISBACEN, which is a large foreign-currency-exchange computer network linking the Central Bank to the interbank market. See Memorandum from the Division of Economic Analysis, Commodity Futures Trading Commission (''CFTC''), to Commissioners, CFTC, dated October 10, 1995 (regarding the application of the Chicago Mercantile Exchange for designation as a contract market in Brazilian Real futures and futures options).

[6] See Securities Exchange Act Release No. 36169 (August 29, 1995), 60 FR 46644 (September 7, 1995) (''generic warrant listing order'').

[7] See generic warrant listing order, *supra* note 6.

[8] The circular should highlight: (1) That Real warrants may be sold only to customers with options approved accounts; (2) the applicable suitability requirements; (3) the standards regarding discretionary orders; (4) the reporting requirements for positions of 100,000 or more Real warrants on the same side of the market; and (5) the applicable customer margin requirements.

[9] See Amendment No. 1, *supra* note 4.

margin level would be appropriate, the CBOE will take immediate steps to implement the change. If, on the other hand, the Exchange determines that a lower margin percentage would be appropriate, the Exchange must file a proposal with the Commission pursuant to Section 19(b) of the Act to modify the margin add-on percentages applicable to Real warrants. Should the customer margin levels for Real warrants be changed, the Exchange will promptly notify the Exchange's membership and the public.

II. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, the requirements of Section 6(b)(5)[10] in that it will help remove impediments to a free and open securities market and facilitate transactions in securities by providing investors with a low-cost means to participate in the performance of the Brazilian economy or to hedge against the risk of investing in that economy. Specifically, the Commission believes that the trading of listed warrants on the Brazilian Real should provide investors with a hedging and risk transfer vehicle that will reflect the overall movement of the Brazilian Real in relation to the U.S. dollar. In this regard, Real warrants should provide investors with an efficient and effective means of managing risk associated with the Brazilian Real.

Moreover, Real warrants will conform to the listing standards in Rule 31.5(E), and the other provisions of the generic warrant listing order. These rules provide a regulatory framework for trading currency warrants, and should help to provide for fair and orderly markets in Real warrants. Under these rules, the Exchange will limit transactions in Real warrants to customers with options approved accounts and impose the CBOE's options suitability standards and discretionary accounts standards to transactions in Real warrants. Additionally, the requirements established by the Exchange for reporting positions of 100,000 or more Real warrants on the same side of the market should assist the CBOE in detecting and deterring attempts at manipulation.

Furthermore, the CBOE has proposed adequate customer margin requirements. The proposed add-on margin (*i.e.* 10% with a minimum add-on for out-of-the-money warrants of 7%) provides sufficient coverage to account for historical and potential volatility in the Brazilian Real in relation to the U.S. dollar. The Exchange will conduct periodic reviews of the volatility in the Brazilian Real and must take immediate steps to increase the existing customer margin levels if the Exchange determines that the existing levels are no longer adequate. As a result, the Commission believes that the proposed customer margin levels and the review and maintenance criteria for those margin levels will result in adequate coverage of contract obligations and are designed to reduce risks arising from inadequate margin levels.

Finally, the Exchange will prepare and distribute to its membership a circular describing each issue of Real warrants listed by the CBOE, calling attention to certain compliance responsibilities when handling transactions in Real warrants.[11]

The Commission finds good cause for approving Amendment No. 1 to the proposed rule change prior to the thirtieth day after the date of publication of the notice thereof in the Federal Register. Specifically, Amendment No. 1 increases the minimum add-on margin for out-of-the-money Real warrants from 2% to 7%, to protect against greater fluctuations in the value of the Real. In addition, Amendment No. 1 clarifies that the Exchange will require any issuer of Real warrants to use a reliable, widely disseminated, and unbiased source for determining settlement value of the Real warrants. The Exchange will require the issuer or issuer's designee to use the Fed noon buying rate, published by the Federal Reserve Bank of New York for settlement purposes. Alternatively, in the event the Fed noon buying rate is unavailable, the Exchange will require the issuer to use the exchange rate published by the Central Bank of Brazil.[12] Based on the above, the Commission finds good cause to accelerate approval of Amendment No. 1.

III. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment No. 1. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 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, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR–CBOE–95–54 and should be submitted by March 8, 1996.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[13] that the proposed rule change (SR–CBOE–95–54), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[14]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–3579 Filed 2–15–96; 8:45 am]

BILLING CODE 8010–01–M

[10] 15 U.S.C. 78f(b)(5).

[11] *See supra* note 8.

[12] *See* notes 4 and 5 *supra.*

[13] 15 U.S.C. 78s(b)(2).

[14] 17 CFR 200.30–3(a)(12).

[Release No. 34–36827; File No. SR–MSRB–95–17]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Reports of Sales and Purchases

February 9, 1996.

On December 13, 1995 the Municipal Securities Rulemaking Board (''Board'' or ''MSRB'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') a proposed rule change (File No. SR–MSRB–95–17), pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934 (''Act''), 15 U.S.C. 78s(b)(2). The proposed rule change is described in Items I, II, and III below, which Items have been prepared by the Board. 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

The Board is filing an amendment to Board rule G–14, concerning reports of sales or purchases, and associated transaction reporting procedures (hereafter collectively referred to as ''the proposed rule change''). The purpose of