To verify the status of meetings call (recording)—(301) 415–1292. Contact person for more information: Bill Hill (301) 415–1661.

The NRC Commission Meeting Schedule can be found on the Internet at: http://www.nrc.gov/SECY/smj/schedule.htm.

This notice is distributed by mail to several hundred subscribers; if you no longer wish to receive it, or would like to be added to it, please contact the Office of the Secretary, Attn: Operations Branch, Washington, DC 20555 (301–415–1661).

In addition, distribution of this meeting notice over the Internet system is available. If you are interested in receiving this Commission meeting schedule electronically, please send an electronic message to wmh@nrc.gov or dkw@nrc.gov.

Dated: July 25, 1997.

William M. Hill, Jr.,

Secy Tracking Officer, Office of the Secretary.

[FR Doc. 97–20073 Filed 7–25–97; 2:31 pm]

BILLING CODE 7590–01–M

SECURITIES AND EXCHANGE COMMISSION

[Rel No. IC–22758; 812–10626]

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch Government Securities, Inc.; Notice of Application

July 22, 1997.

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

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

APPLICANTS: Merrill Lynch, Pierce, Fenner & Smith Incorporated (''Merrill Lynch'') and Merrill Lynch Government Securities, Inc. (''GSI'').

RELAVANT ACT SECTIONS: Order requested under section 12(d)(1)(J) for an exemption from section 12(d)(1), under section 6(c) for an exemption from section 14(a), and under section 17(b) for an exemption from section 17(a).

SUMMARY OF APPLICATION: Applicants request an order with respect to Structured Yield Product Exchangeable for Stock Trusts and future trusts that are substantially similar and for which Merrill Lynch will serve as a principal underwriter (the ''Trusts'') that would (a) permit other registered investment companies to own a greater percentage of the total outstanding voting stock (the ''Securities'') of any Trust than that permitted by section 12(d)(1), (b) exempt the Trusts from the initial net worth requirements of section 14(a), and (c) permit the Trusts to purchase U.S. government securities from Merrill Lynch and/or GSI at the time of a Trust's initial issuance of Securities.

FILING DATES: The application was filed on April 21, 1997, and amended on July 18, 1997.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a heari8ng 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 August 15, 1997, 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, World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281–1318.

FOR FURTHER INFORMATION CONTACT: Brian T. Hourihan, Senior Counsel, at (202) 942–05267, 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. Each Trust will be a limited-life, grantor trust registered under the Act as a non-diversified, closed-end management investment company. Merrill Lynch will serve as a principal underwriter (as defined in section 2(a)(29) of the Act) of the Securities issued to the public by each Trust.

2. Each Trust will, at the time of its issuance of Securities, (a) enter into one or more forward purchase contracts (the ''Contracts'') with a counterparty to purchase a formulaically-determined number of a specified equity security or securities (the ''Shares'') of one specified issuer,[1] and (b) in some cases, purchase certain U.S. Treasury securities (''Treasuries''), which may include interest-only or principal-only securities maturing at or prior to the Trust's termination. The Trusts will purchase the Contracts from counterparties that are not affiliated with either the relevant Trust or applicants. The investment objective of each Trust will be to provide to each holder of Securities (''Holder'') (a) current cash distributions from the proceeds of any Treasuries, and (b) participation in, or limited exposure to, changes in the market value of the underlying Shares.

3. In all cases, the Shares will trade in the secondary market and the issuer of the Shares will be a reporting company under the Securities Exchange Act of 1934. The number of Shares, or the value thereof, that will be delivered to a Trust pursuant to the Contracts may be fixed (*e.g.*, one Share per Security issued) or may be determined pursuant to a formula, the product of which will vary with the price of the Shares. A formula generally will result in each Holder of Securities receiving fewer Shares as the market value of such Shares increases, and more Shares as their market value decreases.[2] At the termination of each Trust, each Holder will receive the number of Shares per Security, or the value thereof, as determined by the terms of the Contracts, that is equal to the Holder's *pro rata* interest in the Shares or amount received by the Trust under the Contracts.[3]

4. Securities issued by the Trusts will be listed on a national securities exchange or trade on the National Association of Securities Dealers Automated Quotation System. Thus, the Securities will be ''national market system'' securities subject to public price quotation and trade reporting requirements. After the Securities are issued, the trading price of the Securities is expected to vary from time to time based primarily upon the price of the underlying Shares, interest rates, and other factors affecting conditions and prices in the debt and equity markets. Mrerrill Lynch currently

[1] No Trust will hold Contracts relating to the Shares of more than one issuer. (p.5, n.3)

[2] A formula is likely to limit the Holder's participation in any appreciation of the underlying Shares, and it may, in some cases, limit the Holder's exposure to any depreciation in the underlying Shares. It is anticipated that the Holders will receive a yield greater than the ordinary dividend yield on the Shares at the time of the issuance of the Securities, which is intended to compensate Holders for the limit on the Holders' participation in any appreciation of the underlying Shares. In some cases, there may be an upper limit on the value of the Shares that a Holder will ultimately receive. (p.6)

[3] The contracts may provide for an option on the part of a counterparty to deliver Shares, cash, or a combination of Shares and cash to the Trust at the terminaiton of each Trust. (p.7, n.5)

intends, but will not be obligated, to make a market in the Securities of each Trust.

5. Each Trust will be internally managed by three trustees and will not have any separate investment adviser. The trustees will have no power to vary the investments held by each Trust. A bank qualified to serve as a trustee under the Trust Indenture Act of 1939, as amended, will act as custodian for each Trust's assets and a paying agent, registrar, and transfer agent with respect to the Securities of each Trust. Such bank will have no other affiliation with, and will not be engaged in any other transaction with, any Trust. The day-to-day administration of each Trust will be carried out by Merrill Lynch or such bank.

6. The Trusts will be structured so that the trustees are not authorized to sell the Contracts or Treasuries under any circumstances. The Trusts will hold such Contracts until maturity, at which time they will be settled according to their terms. However, in the event of the bankruptcy or insolvency of any counterparty to a Contract with a Trust, the obligations of such counterparty under the Contract will be accelerated and the available proceeds thereof will be distributed to the Security Holders.

7. The trustees of each Trust will be selected initially by Merrill Lynch, together with any other initial Holders, or by the grantors of such Trust. The Holders of each Trust will have the right, upon the declaration in writing or vote of more than two-thirds of the outstanding Securities of the Trust, to remove a trustee. Holders will be entitled to a full vote for each Security held on all matters to be voted on by Holders and will not be able to cumulate their votes in the election of trustees. The investment objectives and policies of each Trust may be changed only with the approval of a ''majority of the Trust's outstanding Securities'' [4] or any greater number required by the Trust's constituent documents. Unless Holders so request, it is not expected that the Trusts will hold any meetings of Holders, or that Holders will ever vote.

8. The Trusts will not be entitled to any rights with respect to the Shares until any Contracts requiring delivery of the Shares to the Trust are settled, at which the Shares will be promptly distributed to Holders. The Holders, therefore, will not be entitled to any rights with respect to the Shares (including voting rights or the right to receive any dividends or other distributions in respect thereof) until receipt by them of the Shares at the time the Trust is liquidated.

9. Each Trust will be structed so that its organizational and ongoing expenses will not be borne by the Holders, but rather, directly or indirectly, by Merrill Lynch, the counterparties, or another third party, as will be described in the prospectus for the relevant Trust. At the time of the original issuance of the Securities of any Trust, there will be paid to each of the administrator, the custodian, and the paying agent, and to each trustee, a one-time amount in respect of such agent's fee over its term. Any expenses of the Trust in excess of this anticipated amount will be paid as incurred by a party other than the Trust itself (which party may be Merrill Lynch).

Applicants' Legal Analysis

A. Section 12(d)(1)

1. Section 12(d)(1)(A)(i) of the Act prohibits any registered investment company from owning more than 3% of the total outstanding voting stock of any other investment company. Section 12(d)(1)(C) of the Act similarly prohibits any investment company, other investment companies having the same investment adviser, and companies controlled by such investment companies from owning more than 10% of the total outstanding voting stock of any closed-end investment company.

2. Section 12(d)(1)(J) of the Act provides that the SEC may exempt persons or transactions from any provision of section 12(d)(1), if, and to the extent that, such exemption is consistent with the public interest and protection of investors.

3. Applicants believe, in order for the Trust to be marketed most successfully, and to be traded at a price that most accurately reflects their value, that it is necessary for the Securities of each Trust to be offered to large investment companies and investment company complexes. Applicants state that large investment companies and investment company complexes seek to spread the fixed costs of analyzing specific investment opportunities by making sizable investments in those opportunities that prove attractive. Conversely, it may not be economically rational for such investors, or their advisers, to take the time to review an investment opportunity if the amount that they would ultimately be permitted to purchase is immaterial in light of the total assets of the investment company or investment company complex. Therefore, applicants argue that, in order for the Trusts to be economically attractive to large investment companies and investments company complexes, such investors must be able to acquire Securities in each Trust in excess of the limitations imposed by sections 12(d)(1)(A)(i) and 12(d)(1)(C). Applicants request that the SEC issue an order under section 12(d)(1)(J) exempting the Trusts from such limitations.

4. Applicants state that section 12(d)(1) was enacted in order to prevent one investment company from buying control of other investment companies and creating complicated pyramidal structures. Applicants also state that section 12(d)(1) was intended to address two principal categories of problems: those associated with the ''pyramiding'' of control over portfolio funds by fund-holding companies and the layering-on of costs to investors.

5. The pyramiding concerns fall into two categories. One arises from the potential for undue influence resulting from the pyramiding of voting control of the acquired investment company. Applicants believe that this concern generally does not arise in the case of the Trusts because neither the trustees nor the Holders will have the power to vary the investments held by each Trust or to acquire or dispose of the assets of the Trusts. To the extent that Holders can change the composition of the board of trustees or the fundamental policies of each Trust by vote, applicants argue that any concerns regarding undue influence will be eliminated by including a provision in the charter documents for the Trusts that will require that any investment companies owning voting stock of any trust in excess of the limits imposed by sections 12(d)(1)(A)(i) and 12(d)(1)(C) will vote their Securities in proportion to the votes of all other Holders.

6. The second concern with respect to pyramiding is that an acquiring investment company might be able to influence unduly the persons operating the acquired investment fund. This undue influence could arise through a threat to redeem assets invested in the underlying fund at a time, or in a manner, which is disadvantageous to that fund, or to threaten to vote shares in that fund in a manner inconsistent with the best interests of that fund and its shareholders. Applicants believe that this concern does not arise in the case of the Trusts because the Securities will not be redeemable and because the trustees' management control will be so limited.

[4] A ''majority of the Trust's outstanding Securities'' means the lesser of (a) 67% of the Securities represented at a meeting at which more than 50% of the outstanding Securities are represented, and (b) more than 50% of the outstanding Securities. (p. 10)

7. The second major objective of section 12(d)(1) is to avoid imposing on investors the excessive costs and fees that may result from multiple layers of investments. Excessive costs can result from investors paying double sales charges when purchasing shares of a fund which, in turn, invests in other funds, or from duplicative expenses arising from the operation of two funds in place of one. Applicants believe that neither of these concerns arises in the case of the Trusts because of the limited on-going fees and expenses incurred by the Trusts and the fact that generally such fees and expenses will be borne, directly or indirectly, by Merrill Lynch or another third party, not by the Holders. In addition, the Holders will not, as a practical matter, bear the organizational expenses (including underwriting expenses) of the Trusts. Applicants assert that such organizational expenses effectively will be borne by the counterparties in the form of a discount in the price paid to them for the Contracts, or will be borne directly by Merrill Lynch, the counterparties, or other third parties. Thus, a Holder will not pay duplicative charges to purchase its investment in any Trust. Finally, there will be no duplication of advisory fees because the Trusts will be internally managed by their trustees.

8. Applicants believe that the investment product offered by the Trusts serves a valid business purpose. The Trusts, unlike most registered investment companies, are not marketed to provide investors with either professional investment asset management or the benefits of investment in a diversified pool of assets. Rather, applicants assert that the Securities are intended to provide Holders with a security having unique payment and risk characteristics, including an anticipated higher yield than the ordinary dividend yield on the Shares at the time of the issuance of the Securities.

9. Applicants believe that the purposes and policies of the section 12(d)(1) are not implicated by the Trusts and that the requested exemption from section 12(d)(1) is consistent with the public interest and the protection of investors.

B. Section 14(a)

1. Section 14(a) of the Act requires, in pertinent part, that an investment company have a net worth of at least $100,000 before making any public offering of its shares. The purpose of section 14(a) is to ensure that investment companies are adequately capitalized prior to or simultaneously with the sale of their securities to the public. Rule 14a–3 exempts from section 14(a) unit investment trusts that meet certain conditions in recognition of the fact that, once the units are sold, a unit investment trust requires much less commitment on the part of the sponsor than does a management investment company.

2. Applicants argue that, while the Trusts are classified as management companies, they have the characteristics of unit investment trusts that are relevant to the rule 14a–3 exemption. Rule 14a–3 provides that a unit investment trust investing in eligible trust securities shall be exempt from the net worth requirement, provided that the trust holds at least $100,000 of eligible trust securities at the commencement of a public offering. Investors in the Trusts, like investors in a traditional unit investment trust, will not be purchasing interests in a managed pool of securities, but rather in a fixed and disclosed portfolio that is held until maturity. Applicants believe that the make-up of each Trust's assets, therefore, will be ''locked-in'' for the life of the portfolio, and there is no need for an ongoing commitment on the part of the underwriter.

3. Applicants state that, in order to ensure that each Trust will become a going concern, the Securities of each Trust will be publicly offered in a firm commitment underwriting, registered under the Securities Act of 1933, and resulting in net proceeds to each Trust of at least $10,000,000. Prior to the issuance and delivery of the Securities of each Trust to the underwriters, the underwriters will enter into an underwriting agreement pursuant to which they will agree to purchase the Securities subject to customary conditions to closing. The underwriters will not be entitled to purchase less than all of the Securities of each Trust. Accordingly, applicants state that either the offering will not be completed at all or each Trust will have a net worth substantially in excess of $100,000 on the date of the issuance of the Securities. Applicants also do not anticipate that the net worth of the Trusts will fall below $100,000 before they are terminated.

4. Section 6(c) of the Act 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. Applicants request that the SEC issue an order under section 6(c) exempting the Trusts from any requirements of section 14(a). Applicants believe that such exemption is appropriate in the public interest and consistent with the protection of investors and the policies and provisions of the Act.

C. Section 17(a)

1. Sections 17(a)(1) and 17(a)(2) of the Act generally prohibit the principal underwriter, or any affiliated person of the principal underwriter, of any investment company from selling or purchasing any securities to or from that investment company. The result of these provisions is to preclude the Trusts from purchasing Treasuries from Merrill Lynch and/or GSI.

2. Section 17(b) of the Act provides that the SEC shall exempt a proposed transaction from section 17(a) if evidence establishes that: (a) the terms of the proposed transaction are reasonable and fair and do not involve overreaching; (b) the proposed transaction is consistent with the policies of the registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act. Applicants request an exemption from sections 17(a)(1) and 17(a)(2) to permit the Trusts to purchase Treasures from the applicants.

3. Applicants state that the policy rationale underlying section 17(a) is the concern that an affiliated person of an investment company, by virtue of such relationship, could cause an investment company to purchase securities of poor quality from the affiliated person or to overpay for any securities. Applicants argue that it is unlikely that Merrill Lynch or GSI would be able to exercise any adverse influence over the Trusts with respect to purchases of Treasuries because Treasuries do not vary in quality and are traded in one of the most liquid markets in the world. Treasuries are available through both primary and secondary dealers, making the Treasury market very competitive. In addition, market prices on Treasuries can be confirmed on a number of commercially available information screens. Applicants argue that because GSI is one of a limited number of primary dealers in Treasuries, the applicants will be able to offer the Trusts prompt execution of their Treasury purchases at very competitive prices.

4. Applicants state that they are only seeking relief from section 17(a) with respect to the initial purchase of the Treasuries and not with respect to an on-going course of business. Consequently, investors will know before they purchase a Trust's Securities the Treasuries that will be owned by the

Trust and the amount of the case payments that will be provided periodically by the Treasuries to the Trust and distributed to Holders. Applicants also assert that whatever risk there is of overpricing the Treasuries will be borne by the counterparts and not by the Holders because the costs of the Treasuries will be calculated into the amount paid on the Contracts. Applicants argue that, for this reason, the counterparties will have a strong incentive to monitor the price paid for the Treasuries, because any overpayment could result in a reduction in the amount that they would be paid on the Contracts.

5. Applicants believe that the terms of the proposed transaction are reasonable and fair and do not involve overreaching on the part of any person, that the proposed transaction is consistent with the policy of each of the Trusts, and that the requested exemption is appropriate in the public interest and consistent with the protection of investors and purposes fairly intended by the policies and provisions of the Act.

Applicants' Conditions

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

1. Any investment company owning voting stock of any Trust in excess of the limits imposed by section 12(d)(1) of the Act will be required by the Trust's charter documents to vote its Trust shares in proportion to the vote of all other Holders.

2. The trustees of each Trust, including a majority of the trustees who are not interested persons of the Trust, (a) Will adopt procedures that are reasonably designed to provide that the conditions set forth below have been complied with; (b) will make and approve such changes as deemed necessary; and (c) will determine that the transactions made pursuant to the order were effected in compliance with such procedures.

3. The Trusts (a) Will maintain and preserve in an easily accessible place a written copy of the procedures (and any modifications thereto), and (b) will maintain and preserve for the longer of (i) the life of the Trusts and (ii) six years following the purchase of any Treasuries, the first two years in an easily accessible place, a written record of all Treasuries purchased, whether or not from Merrill Lynch or GSI, setting forth a description of the Treasuries purchased, the identity of the seller, the terms of the purchase, and the information or materials upon which the determinations described below were made.

4. The Treasuries to be purchased by each Trust will be sufficient to provide payments to Holders of Securities that are consistent with the investment objectives and policies of the Trust as recited in the Trust's registration statement and will be consistent with the interests of the Trust and the Holders of its Securities.

5. The terms of the transactions will be reasonable and fair to the Holders of the Securities issued by each Trust and will not involve overreaching of the Trust or the Holders of Securities thereof on the part of any person concerned.

6. The fee, spread, or other remuneration to be received by Merrill Lynch and/or GSI will be reasonable and fair compared to the fee, spread, or other remuneration received by dealers in connection with comparable transactions at such time, and will comply with section 17(e)(2)(C) of the Act.

7. Before any Treasuries are purchased by the Trust, the Trust must obtain such available market information as it deems necessary to determine that the price to be paid for, and the terms of the transaction is at least as favorable as that available from other sources. This shall include the Trust obtaining and documenting the competitive indications with respect to the specific proposed transaction from two other independent government securities dealers. Competitive quotation information must include price and settlement terms. These dealers must be those who, in the experience of the Trust's trustees, have demonstrated the consistent ability to provide professional execution of Treasury transactions at competitive market prices. They also must be those who are in a position to quote favorable prices.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 97–19836 Filed 7–28–97; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–22759; 811–8742]

Pacifica Variable Trust; Notice of Application

July 23, 1997.

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

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

APPLICANT: Pacifica Variable Trust.

RELEVANT ACT SECTION: Section 8(f)

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

FILING DATES: The application was filed on January 31, 1997, and amendments thereto were filed on May 6, 1997, and June 19, 1997.

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 August 18, 1997, and should be accompanied by proof of service on 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 5th Street, NW., Washington, DC 20549. Applicant, 237 Park Avenue, Suite 910, New York, NY 10017.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Staff Attorney, at (202) 942–0574, or H.R. Hallock, Jr., Special Counsel, 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 at the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is an open-end management investment company that is organized as a Delaware business trust. On August 30, 1994, applicant registered under the Act and filed a registration statement pursuant to section 8(b) of the Act on Form N–1A to register an indefinite number of