

Payment on the Series B Notes will be applied to pay the maturing principal and redemption price of and interest and other costs on the Series B Bonds as such amounts become due. Each Declarant also proposes to pay any trustees' fee or other expenses incurred by the Authority.

Yankee Atomic Electric Company (70-9135)

Yankee Atomic Electric Company ("Yankee Atomic"), 580 Main Street, Bolton, Massachusetts 01740, an indirect electric utility subsidiary of New England Electric System and Northeast Utilities, both registered holding companies, has filed a declaration under Sections 6(a) and 7 of the Act and rule 54 under the Act.

By order dated December 28, 1995 (HCAR No. 26441), the Commission authorized Yankee Atomic to incur short-term borrowings through December 31, 1997 from banks up to an aggregate principal amount of \$10 million at any one time. Yankee Atomic now requests an extension of this authority through December 31, 2002.

Yankee Atomic will evidence its borrowings through the issuance of notes that will be payable in less than one year from the date of issuance. The interest rate will not exceed the lending bank's base or prime lending rate, or the high federal funds rate, plus 1% in either case. Yankee Atomic pays fees to the banks in lieu of compensating balance arrangements. Yankee Atomic will use the proceeds to meet its working needs.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22895; 812-10624]

UAM Funds, Inc., et al.; Notice of Application

November 19, 1997.

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

ACTION: Notice of application for an order under section 12(d)(1)(I) of the Investment Company Act of 1940 (the "Act") for an exemption from section 12(d)(1)(G)(i)(II), and under sections 6(c) and 17(b) for an exemption from section 17(a).

SUMMARY OF THE APPLICATION:

Applicants seek an order that would permit a fund of funds relying on section 12(d)(1)(G) to make direct investments in equity and fixed income securities. The order also would permit applicants to redeem shares in-kind under certain circumstances.

APPLICANTS: UAM Funds, Inc. (the "Fund"), on behalf of the TS & W Balanced Portfolio (the "Balanced Portfolio") and the TS & W International Equity Portfolio (the "International Equity Portfolio") (collective, the "Portfolios"), and Thompson, Siegel & Walmsley, Inc. (the "Adviser").

FILING DATES: The application was filed on April 18, 1997, and amended on August 4, 1997. Applicants have agreed to file an additional amendment, the substance of which is incorporated in this notice, during the notice period.

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 December 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, One International Place, 44th Floor, Boston, MA 02110.

FOR FURTHER INFORMATION CONTACT:

Kathleen L. Knisely, Staff Attorney, at (202) 942-0517, or Christine Y. Greenless, 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, 450 Fifth Street, N.W., Washington, D.C. 20549 (tel. 202-942-8090).

Applicants' Representations

1. The Fund, a Maryland corporation, is registered under the Act as an open-end management investment company and is comprised of multiple series,

including the Portfolios.¹ The Balanced Portfolio invests in a diversified portfolio of common stocks of established companies and investment grade fixed income securities. The Balanced Portfolio may invest in equity securities issued by foreign companies as provided in its investment policies.

2. The International Equity Portfolio generally invests in equity securities of established companies listed on U.S. or foreign securities exchanges. The International Equity Portfolio also may invest in convertible bonds, convertible preferred stocks, non-convertible preferred stocks, fixed income securities of governments, government agencies, supranational agencies and companies, and cash equivalents (including foreign money market instruments). The International Equity Portfolio may purchase and sell options on any of the above-mentioned securities and also may invest in closed-end investment companies holding foreign securities.

3. The Adviser, registered under the Investment Advisers Act of 1940, serves as investment adviser to the Portfolios. The Adviser is a wholly-owned subsidiary of United Asset Management Corporation ("UAM"), which is a Delaware holding company incorporated for the purpose of acquiring and owning firms engaged primarily in institutional investment management.

4. The Adviser receives an advisory fee based on a percentage of net assets of the particular Portfolio. The Adviser currently intends to waive its advisory fee with respect to the portion of the Balanced Portfolio's assets that are invested in the shares of the International Equity Portfolio by excluding these assets from the net assets of the Balanced Portfolio for purposes of calculation of the advisory fee. Currently, no sales loads or other distribution charges will be incurred by the Balanced Portfolio in purchasing shares of the International Equity Portfolio. Other expenses incurred by the International Equity Portfolio will be borne by it, and thus indirectly by the Balanced Portfolio.

5. Applicants propose to use the International Equity Portfolio as a means to invest a portion of the Balanced Portfolio's assets in foreign equity securities. Applicants believe that the use of a single investment vehicle to invest in a broadly diversified portfolio of foreign equity securities will provide the Balanced Portfolio with the most effective exposure to the

¹ Until October 31, 1995, the Fund was named The Regis Fund, Inc. All parties that currently intend to rely on the order are named as applicants.

performance of foreign markets while at the same time minimizing costs. The Balanced Portfolio also may have some additional direct investments in foreign stocks. This could occur both (a) because the Balanced Portfolio, between its periodic purchase or sale transactions in shares of the International Equity Portfolio, may accumulate cash that it wishes to invest in foreign securities, and (b) because the Balanced Portfolio may use foreign securities to meet some of its remaining strategic diversification targets. Applicants state that the Balanced Portfolio needs the flexibility to invest directly in foreign securities because, on occasion, a particular foreign security may be determined to be the most suitable investment to satisfy a specific investment strategy being pursued by the Balanced Portfolio. Direct investments also may result because the Balanced Portfolio determines that a specific weighting in a particular foreign security, which is not satisfied by ownership of the International Equity Portfolio, would be beneficial to the Portfolio.

6. Applicants state that the International Equity Portfolio is more diversified in foreign markets than the Balanced Portfolio could be investing on its own. As a result, events affecting the price of a single foreign issuer or country can be expected to have less impact on the International Equity Portfolio than they would have on the foreign securities holdings of the Balanced Portfolio. Applicants represent that this diversification can be expected to benefit both Portfolios by providing greater price stability and lower volatility, while at the same time capturing the performance benefits of exposure to foreign markets.

7. Applicants also expect that use of the International Equity Portfolio as a vehicle for international investing by the Balanced Portfolio will increase the efficiency of portfolio management of the Balanced Portfolio. Tracking the performance of various country markets and issuers in foreign markets is a time-consuming process and substantially different from tracking the domestic market and domestic issuers, which would normally be attendant with the Balanced Portfolio's portfolio management. By obtaining most of its exposure to foreign markets through the International Equity Portfolio, the Balanced Portfolio and its shareholders would gain the benefit of exposure to this sector without incurring the penalty attendant upon its portfolio manager spending a disproportionate amount of his or her time following these relatively small positions.

8. Applicants anticipate that the efficiencies resulting from the use of the International Equity Portfolio will result in cost savings to the Balanced Portfolio in three areas: administrative costs, out-of-pocket costs, and trading costs. Savings of administrative costs will be attributable to a great reduction in administrative procedures. Savings of out-of-pocket costs such as audit fees and custodial fees will be offset by increases in other out-of-pocket costs such as legal and transfer agency fees. Applicants expect that the major cost savings will occur because the International Equity Portfolio will experience trading costs that will be substantially less than the trading costs that would be incurred if the foreign stocks were purchased separately for the Balanced Portfolio. Applicants believe that this cost savings will increase in direct proportion to the number of foreign stocks over which the investment in the foreign securities is diversified.

9. Although the majority of the Balanced Portfolio's investments in foreign securities will be through the International Equity Portfolio, the Balanced Portfolio may have some additional direct investments in foreign stocks. Applicants state that the Adviser has adopted the following procedures to avoid the unnecessary expense that could occur if the International Equity Portfolio were to sell a particular stock at the same time that the Balanced Portfolio were to purchase it, or vice versa. The International Equity Portfolio will generate a list of stocks that it intends to purchase or sell, which it will forward to the portfolio manager of the Balanced Portfolio. If the Balanced Portfolio's portfolio manager wishes to sell or buy a stock on the list, the International Equity Portfolio will effect the transaction directly with the Balanced Portfolio pursuant to the provisions of rule 17a-7 (a) through (f), except as described below. The value of the stock will be the current market price, determined in accordance with the provisions of rule 17a-7. Payment will be made by simultaneous transfer of cash or by simultaneous redemption or issuance of shares of the International Equity Portfolio with an equal value, depending on whether the Balanced Portfolio wishes to alter its investment in the International Equity Portfolio. In cases where the payment for the subject stock is International Equity Portfolio shares rather than cash, the transactions will comply with the provision of rule 17a-7 (a) through (f) in all respects other than the requirement that purchases and

sales be made only for cash consideration.

10. To minimize the need for the International Equity Fund to maintain excessive cash balances, the Adviser will coordinate the Balanced Portfolio's purchases and sales of shares of the International Equity Portfolio to minimize the cash flow into or out of the International Equity Portfolio, and attempt to anticipate the Balanced Portfolio's cash needs and to coordinate net cash investment or redemptions to permit the orderly acquisition or disposition of foreign securities within the International Equity Portfolio. The purchase or sale of shares of the International Equity Portfolio by the Balanced Portfolio will also be coordinated with purchase and sale or "rebalancing" transactions calculated to bring the holdings of the International Equity Portfolio back in line with its targets. The Adviser will monitor the process over time to ensure that the best interests of the Balanced Portfolio and the International Equity Portfolio are met.

11. The Adviser anticipates that in virtually all instances it will be able to follow the foregoing procedures. It is conceivable, however, that there will be occasions where these procedures cannot be followed because the Balanced Portfolio makes an unusually large purchase or redemption of International Equity Portfolio shares. Under these circumstances, the Adviser in its sole discretion may cause the transaction to be executed in-kind. In the case of a purchase, the Balanced Portfolio would acquire foreign stocks directly, then contribute them to the International Equity Portfolio in exchange for its shares. In the case of a redemption, the International Equity Portfolio would deliver redemption proceeds to the Balanced Portfolio in the form of a *pro rata* distribution of foreign stocks, which the Balanced Portfolio could then sell. These in-kind transactions will comply with the provisions of rule 17a-7(a) and (f), except that the consideration for the foreign stocks will be International Equity Portfolio shares rather than cash.

Applicants' Legal Analysis

A. Section 12(d)(1)

1. Section 12(d)(1)(A) of the Act provides that no registered investment company may acquire securities of another investment company if such securities represent more than 3% of the acquired company's outstanding voting stock, more than 5% of the acquiring company's total assets, or if such securities, together with the securities of

other investment companies, represent more than 10% of the acquiring company's total assets. Section 12(d)(1)(B) provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company's voting stock, or if the sale will cause more than 10% of the acquired company's voting stock to be owned by investment companies.

2. Section 12(d)(1)(G) of the Act provides that section 12(d)(1) will not apply to securities of an acquired company purchased by an acquiring company if: (a) The acquiring company and the acquired company are part of the same group of investment companies; (b) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, government securities, and short-term paper; (c) the aggregate sales loads and distribution-related fees of the acquiring company and the acquired company are limited; and (d) the acquired company has a policy that prohibits it from the acquiring securities of registered open-end investment companies or registered unit investment trusts in reliance on section 12(d)(1)(F) or (G).

3. Applicants state that the proposed arrangement would comply with the provisions of section 12(d)(1)(G), but for the fact that the Balanced Portfolio would like to retain the flexibility to invest directly in stocks, bonds, and other instruments, in addition to investing in the International Equity Portfolio.²

4. Section 12(d)(1)(J) provides that the SEC may exempt persons or transactions from any provision of section 12(d)(1) if and to the extent the exemption is consistent with the public interest and the protection of investors. Applicants believe that the proposed arrangement will not implicate any of the abuses that section 12(d)(1) was intended to prevent, such as duplicative costs, undue influence or control, or the potential adverse impact of large-scale redemptions.

B. Section 17(a)

5. Section 17(a) of the Act prohibits certain purchases and sales of securities between investment companies and their affiliated persons, as defined in section 2(a)(3) of the Act. The Adviser is an affiliated person of each Portfolio. To the extent that the Portfolios are

deemed under common control by reason of having the same investment adviser, each Portfolio would be an affiliated person of the other Portfolio under section 2(a)(3)(C) of the Act. Accordingly, purchases or sales of securities between the International Equity Portfolio and the Balanced Portfolio may violate section 17(a). Applicants request an exemption from section 17(a) of the Act to the extent necessary to permit them to redeem shares in-kind as described in the application.

6. Sections 6(c) and 17(b) of the Act set forth the standards for exempting a series of transactions from section 17(a). Under section 17(b), the terms of the transaction must be reasonable and fair and must not involve overreaching on the part of any person, the transaction must be consistent with the policy of each investment company concerned, and the transaction must be consistent with the general purposes of the Act. In addition, under section 6(c), the exemption must be necessary or appropriate in the public interest, consistent with the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

7. Applicants believe that the proposed transactions meet the standards for relief under sections 6(c) and 17(b). Applicants contend that the terms of the proposed transactions are reasonable and fair and do not involve overreaching. The consideration paid and received for the purchase and redemption of International Equity Portfolio shares will be based on the net asset value of the International Equity Portfolio. Currently, the Balanced Portfolio will not incur any sales load or other charge in purchasing shares of the International Equity Portfolio. Applicants believe that the proposed transactions are consistent with the policies of each Portfolio. The Balanced Portfolio's investments in the International Equity Portfolio, and the International Equity Portfolio's issuance of shares, will be effected in accordance with each Portfolio's investment restrictions and policies. Applicants also believe that the proposed transactions are consistent with the general purposes of the Act. Section 17(a) was intended to prohibit affiliated persons from furthering their own interests by, for example, selling property to an investment company at less than fair value. Applicants believe that their proposal does not present those concerns.

Applicants' Conditions

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

1. Applicants will comply with all provisions of section 12(d)(1)(G), except for section 12(d)(1)(G)(i)(II) to the extent that it restricts the Balanced Portfolio from investing in equity and fixed income securities, and other instruments as described in the application.

2. Before approving any advisory contract for the Balanced Portfolio under section 15 of the Act, the directors of the Fund, including a majority of the directors who are not "interested persons" as defined in section 2(a)(19) of the Act (the "Independent Directors"), shall find that the advisory fee, if any, charged under the contract is based on services provided that are in addition to, rather than duplicative of, services provided pursuant to the International Equity Portfolio's advisory contract. The finding, and the basis upon which the finding was made, will be recorded fully in the minute books of the Fund.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39333; File No. SR-AMEX-97-36]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Revised Equity Fee Schedule

November 17, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on October 14, 1997, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission the fee change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the fee change from interested persons.

² Section 12(d)(1)(G)(i)(II) limits a fund of funds' investments to certain government securities and short-term instruments.