

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.

[FR Doc. 97-30862 Filed 11-24-97; 8:45 am]

BILLING CODE 8010-01-M

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.

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

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Amex has revised its schedule of fees imposed on trades in Standard & Poor's Depositary Receipts® ("SPDRs®") and Standard & Poor's MidCap Depositary Receipts® ("MidCap SPDRs®"). The text of the fee change is available at the Office of the Secretary, the Amex and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the fee change and discussed any comments it received on the fee change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange currently imposes a transaction charge and a regulatory fee on trades in equity securities executed on the Exchange. The Exchange's equity transaction charge is a two-part fee consisting of a share charge and a value charge, based on the total number of shares traded and the value of such shares, respectively. All equity trades executed through the Exchange's Post Execution Reporting ("PER") order routing system up to 1,099 shares are exempt from Exchange equity transaction charges (excluding only those for the account of non-member competing dealers). The Exchange also imposes a separate regulatory fee on all equity trades calculated at .00005 times the total value of shares traded.

The Exchange is now making revisions to its schedule of fees relative to trades on the Exchange in SPDRs and MidCap SPDRs. The Exchange will charge a different and separate fee which will vary depending on for whom the trade was executed. Specialists will be charged a transaction fee of \$.006 per share (\$.60 per 100 shares), capped at \$300 per trade. Registered Traders will be charged a transaction fee of \$.007 per share (\$.70 per 100 shares), capped at \$350 per trade. Off-floor orders (both customer and broker-dealer) will be charged a transaction fee of \$.006 per

share (\$.60 per 100 shares), capped at \$100 per trade.

In addition to the foregoing, orders up to 5,099 shares in SPDRs and MidCap SPDRs routed to the Exchange Floor electronically through the Exchange's PER System will not be assessed a transaction fee.¹ However, the new fee schedule will operate on a principle consistent with that applied in the context of the Exchange's current fee waiver in equities generally for PER orders up to 1,099 shares, in that the various fee waivers in SPDRs and MidCap SPDRs will not be available to PER orders for the account of a non-member competing marketmaker.

These changes are calculated to lower costs to users of the products while making the cost of trading on the Exchange comparable to the economics of trading this and functionally similar products in other markets. The revised equity fee schedule was implemented by the Exchange on October 29, 1997. The Exchange will notify member firms as to the date of effectiveness and as to any necessary modifications to provide for proper identification of orders entitled to the fee exemption.

2. Statutory Basis

The fee change is consistent with Section 6(b) of the Act in general and furthers the objectives of Section 6(b)(4)² in particular in that it is intended to assure the equitable allocation of reasonable dues, fees, and other charges among members, issuers, and other persons using the Exchange's facilities.

B. Self-Regulatory Organization's Statement on Burden on Competition

The fee change will impose no burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

No written comments were solicited or received with respect to the fee change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change establishes or changes a due, fee or other imposed by the Exchange and, therefore, has

¹ Very recently (see SR-AMEX-97-34) the Exchange had extended a PER fee waiver to customer orders up to 5,099 shares in all exchange-traded fund products ("EXTRA Funds"). This fee schedule change was not implemented and is being replaced by the fee schedule revisions being made herein.

² 15 U.S.C. 78f(b)(4).

become effective pursuant to Section 19(b)(3)(A) of the Act³ and subparagraph (e)(2) of the Rule 19b-4 thereunder.⁴ At any time within 60 days of the filing of such fee change, the Commission may summarily abrogate such fee change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the fee change that are filed with the Commission, and all written communications relating to the fee 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 in the Commission's Public Reference Room in Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-AMEX-97-36 and should be submitted by December 16, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-30864 Filed 11-24-97; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF STATE

[Public Notice No. 2654]

Shipping Coordinating Committee International Maritime Organization (IMO) Legal Committee; Notice of Meeting

The U.S. Shipping Coordinating Committee (SHC) will conduct an open meeting at 10:00 a.m., on Thursday, December 4, 1997, in Room 2415 at U.S. Coast Guard Headquarters, 2100 Second Street, S.W., Washington, D.C. The purpose of this meeting is to report on

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 19b-4(e).

⁵ 17 CFR 200.30-3(a)(12).