4. Mr. Biderman previously served as a director on the board of directors of the Company (the ''Board''), including the Europe Equity Fund, but resigned effective as of the closing of the Transaction to enable the Transaction to remain subject to the safe harbor provisions of section 15(f) of the Act (described below). Applicants would like Mr. Biderman to rejoin the Board without removing the Transaction from the safe harbor.

Applicant's Legal Analysis

1. Section 15(f) of the Act is a safe habor that permits an investment adviser to a registered investment company (or an affiliated person of the investment adviser) to receive ''any amount or benefit'' in connection with a sale of securities of, or sale of any other interest in, the investment adviser that results in an ''assignment'' of the advisory contract with the investment company, if certain conditions are met. Section 15(f)(1)(A) requires that, for a period of three years after the sale, at least 75 percent of the board of directors of the investment company may not be ''interested persons'' with respect to either the predecessor or successor adviser of the investment company.

2. Section 2(a)(4) of the Act defines ''assignment'' to include: ''any direct or indirect transfer * * * of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor.'' Applicants state that the Transaction was deemed to result in an assignment of PLAM's investment advisory agreement with the Europe Equity Fund. Applicants further state that the parties to the Transaction sought to rely on the safe harbor in section 15(f) in connection with that assignment. Because Mr. Biderman may be deemed an interested person of PLAM, Mr. Biderman resigned from the Company's Board as the closing of the Transaction in order for the Company's Board to meet the requirements of section 15(f)(1)(A).

3. Section 6(c) of the Act permits the SEC to exempt any person or transaction from any provision of the Act, or any rule or regulation thereunder, if the 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.

4. Applicants request an order under section 6(c) to permit Mr. Biderman to rejoin the Board without causing the Transaction to fall outside the safe harbor of section 15(f) of the Act. Applicants state that Mr. Biderman was not affiliated with any party to the Transaction, except indirectly as a representative of Lipper Europe, a joint venturer with Prime USA in PLAM. Applicants further state that neither Mr. Biderman nor Lipper Inc. has any ownership interest in Prime USA, Prime S.p.A., Fiat or Generali and derived no economic interest from the Transaction. Applicants also state that the advisory fees received by Lipper Inc. and Prime S.p.A. through their respective ownership interests in PLAM are not a material portion of the revenues of either Lipper Inc. or Prime S.p.A.

5. Applicants further state that the disinterested directors of the company unanimously approved the filing of the application for exemptive relief as in the best interests of the Company's shareholders to permit Mr. Biderman to rejoin the Board. Mr. Biderman has served on the Board since its initial organization in 1995 and has been intimately involved in the operations of the Europe Equity Fund. Applicants assert that Mr. Biderman's inability to serve on the Board also deprives the Company's other portfolios of his services.

6. Applicants state that the Board could meet the requirements of section 15(f)(1)(A) if, in addition to Mr. Biderman, three disinterested directors were added to the Board. Applicants contend, however, that reconstituting the Board in this manner would result in a disproportionately large Board and would impose additional expenses on the Company. Applicants note that if Mr. Biderman rejoins the Board, the Board still will have a majority of directors who are not interested persons of PLAM.

7. Applicants assert that the conditions by which they would abide as long as they are relying on the requested order will assure that the safeguards embodied in section 15(f)(1)(A) are maintained. These conditions require, among other things, that during the period covered by the requested order, the fees paid by the Europe Equity Fund to PLAM will not increase and that applicants take all appropriate actions to ensure that the scope and quality of services provided by PLAM to the Europe Equity Fund will be at least equivalent to that which PLAM has provided since the Transaction.

8. For the reasons stated above, applicants submit that the requested relief is necessary and 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.

Applicant's Conditions

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

1. Applicants will take all appropriate actions to ensure that the scope and quality of investment advisory services that PLAM provides to the Europe Equity Fund will be at least equivalent to that which has been provided by PLAM since the Transaction.

2. The investment advisory fees payable by the Europe Equity Fund to PLAM under its investment advisory agreement with PLAM will not be increased.

3. If, within three years of the completion of the Transaction, it becomes necessary to replace any director of the Company, that director will be replaced by a director who is not an ''interested person'' of PLAM within the meaning of section 2(a)(19)(B) of the Act, unless at least 75% of the directors at that time are not interested persons of PLAM.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–17081 Filed 6–25–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–26888]

Filings Under the Public Utility Holding Company Act of 1935, as Amended (''Act'')

June 19, 1998.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by July 14, 1998, to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the relevant application(s) and/or declaration(s) at the address(es) specified below. Proof of service by affidavit or, in case of an attorney at

law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After July 14, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Central Maine Power Company, et al.

Central Maine Power Company (''Central Maine''), a public utility holding company exempt from regulation under the Act, in accordance with rule 2 under the Act, and HoldCo, Inc. (''Holdco''), a wholly owned subsidiary of Central Maine (together, ''Applicants''), both located at 83 Edison Drive, Augusta, Maine 04336, have filed an application under sections 3(a)(1), 9(a)(2) and 10 of the Act.

Central Maine is an investor-owned public utility company primarily engaged in the business of generating, transmitting and distributing electricity to wholesale customers, principally other utilities, and to retail customers in Maine. Central Maine is the largest electric utility in Maine and serves approximately 528,000 customers in its 11,000 square mile service area. Central Maine had $954 million in consolidated electric operating revenues in 1997. Central Maine is subject to the regulatory authority of the Maine Public Utilities Commission.

Central Maine currently has three utility subsidiaries: Maine Electric Power Company, Inc. (''MEPCO''), Aroostook Valley Electric Company (''AVEC''), and NORVARCO. MEPCO owns and operates a 345-kV transmission interconnection between Wiscasset, Maine and the Maine-New Brunswick international border at Orient, Maine. AVEC owns and operates a 31 MW wood-fired generating plant in Fort Fairfield, Maine, the output of which is sold to Central Maine.[1] NORVARCO is one of two general partners in Chester SVC Partnership, a general partnership which owns certain transmission assets in Chester, Maine, adjacent to MEPCO's transmission interconnection.[2]

Central Maine's nonutility subsidiaries include: CMP International Consultants (''CMPI''), Central Securities Corporation (''Central''), Cumberland Securities Corporation (''Cumberland''), Kennebec Hydro Resources (''Hydro''), The Merimil Limited Partnership (''Merimil''), MaineCom Services, Inc. (''MainCom''), TeleSmart (''Telesmart''), The Union Water-Power Company (''Union Water''), Androscoggin Reservoir Company (''Androscoggin''), Kennebec Water Power Company (''Kennebec Water''), and the Gulf Island Pond Oxygenation Project (''GIPOP''). These subsidiaries are engaged in utility support services (such as training, research, project management and technical consulting), telecommunications, river facilities management, administrative services, and real estate activities. In 1997, they provided total revenues of $21,238,000, or approximately 2% of Central Maine's total consolidated electric operating revenues for that year.

Holdco and Central Maine seek authority for Holdco to acquire all of the outstanding common stock of Central Maine and, indirectly, of its utility subsidiaries. In addition, Holdco and Central Maine seek an order under section 3(a)(1) of the Act exempting Holdco and Central Maine from all provisions of the Act, except section 9(a)(2).

Holdco intends to form a subsidiary company, Merger Sub, for the sole purpose of consummating the acquisition of Central Maine by Holdco (''Acquisition''). In accordance with an agreement (''Merger Plan'') to be entered into by Holdco, Central Maine and Merger Sub, Merger Sub will merge with and into Central Maine. In addition each issued and outstanding share of Central Maine common stock (''CM Common Stock'') will be converted into one share of Holdco common stock (''Holdco Common Stock'').[3] The outstanding shares of Merger Sub common stock will be automatically converted into a number of shares of CM Common Stock equal to the number of shares of CM Common Stock before the Merger. The shares of Holdco Common Stock owned by Central Maine before the Merger will be canceled. All debt securities and series of Central Maine preferred stock will be unaffected by the Merger Plan and will remain securities of Central Maine.

Upon consummation of the Acquisition, each person that held shares of CM Common Stock before the Acquisition, will hold an equal number of shares of Holdco Common Stock, and Holdco will hold all of the issued and outstanding shares of CM Common Stock.

Applicants state that concurrently with the Acquisition, or shortly thereafter, Central Maine will transfer by dividend its existing equity interests in CMPI, MaineCom, Telesmart, Union Water and Androscoggin to Holdco.[4]

Applicants assert that they will each satisfy the requirements for an exemption under section 3(a)(1) upon consummation of the Merger. They state that they and their public utility subsidiaries currently are, and will continue to be, predominately intrastate in character and will continue to carry on their business substantially in Maine.

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

Margaret H. McFarland,

Deputy Secretary.

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BILLING CODE 8010–01–M

[1] Central Maine has reached an agreement with a third party, FPL Group (''FPL''), to sell its interests in AVEC, as part of a sale to FPL of all of its nonnuclear generating assets.

[2] Central Maine also owns a 38% common stock interest in Maine Yankee Atomic Power Company (''Maine Yankee''), which owns the Maine Yankee nuclear electric generating plant in Wiscasset, Maine. The Maine Yankee plant is not currently operating. On August 6, 1997, the board of directors of Maine Yankee voted to shut down permanently and begin to decommission the Maine Yankee plant.

[3] Central Maine's shareholders approved the Merger Plan at their annual meeting on May 21, 1998.

[4] Central Maine expects to sell its interests in Hydro, Merimil and GIPOP as part of the planned sale of its nonnuclear generation assets. Central Maine has offered for sale its interest in Kennebec Water. If Central Maine does not receive an acceptable bid for this interest, it will retain the interest and not transfer it to Holdco. Cumberland and Central will remain subsidiaries of Central Maine.

SECURITIES AND EXCHANGE COMMISSION

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 June 29, 1998.

A closed meeting will be held on Wednesday, July 1, 1998, at 2:30 p.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.