

rules and regulations under those sections.

4. Applicant contends that there are legitimate business reasons for the Reorganization. Applicant also states that, following the Reorganization, applicant will function solely as a holding company for Alliance Capital Units. Alliance Capital Units will be subject to very significant transfer restrictions.² Applicant states that its activities will be limited to holding Alliance Capital Units and engaging in activities necessitated by its status as a publicly-held holding company. Accordingly, applicant asserts that its business following the Reorganization will not entail the types of risk to public investors that the Act was designed to mitigate.

Applicant's Conditions

Applicant agrees that the order granting the requested relief will be subject to the following conditions:

1. Applicant will not hold itself out as being engaged in the business of investing, reinvesting, or trading in securities.

2. Applicant will not require any investment securities, as that term is defined in section 3(a)(2) of the Act, except for: (a) Alliance Capital Units and (b) for cash management purposes, certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof, and shares of money market funds. Applicant will not acquire these short-term securities for speculative purposes but solely to obtain a reasonable return while preserving capital. Applicant may acquire other investment securities provided that (i) the acquisition is in connection with the purchase of any business, assets or property, (ii) applicant simultaneously with the purchase contributes the investment securities to Alliance Capital, (iii) applicant contributes any remaining portion of the purchased business, assets or property to Alliance Capital as soon as practicable, (iv) the value of the consideration received by applicant from Alliance Capital in connection

with its contribution to Alliance Capital equals the fair value of the business, assets or property contributed to Alliance Capital and (v) any investment securities received by applicant from Alliance Capital in connection with applicant's contribution to Alliance Capital will be either Alliance Capital Units or investment securities of the type specified in clause (b) of the first sentence of this condition.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-19719 Filed 7-30-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23922; International Series Rel. No. 1201; 812-11038]

Caisse des Depots et Consignations; Notice of Application

July 27, 1999.

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

ACTION: Notice of application under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from section 17(f) of the Act.

SUMMARY OF APPLICATION: The order would permit any registered investment company other than an investment company registered under section 7(d) of the Act ("U.S. Investment Company"), and its custodians or subcustodians to maintain foreign securities and other assets in France in the custody of applicant Caisse des Depots et Consignations ("CDC"), consistent with the requirements of rule 17f-5 under the Act.

FILING DATES: The application was filed on February 26, 1998. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

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 on August 23, 1999, 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, NW., Washington, DC 20549-0609. Applicant, c/o Leonard B. Mackey, Jr. Esq., Rogers & Wells LLP, 200 Park Avenue, New York, New York 10166.

FOR FURTHER INFORMATION CONTACT: J. Amanda Machen, Senior Counsel, at (202) 942-7120, or Nadya B. Roytblat, Assistant Director 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, 450 fifth Street, NW., Washington, DC 20549-0102 (tel. 202-942-8090).

Applicant's Representations

1. CDC is a quasi-governmental, public-sector financial institution created in 1816 under French law to safeguard deposits requiring a high degree of safety. CDC specifically is not designated as a bank, although CDC is permitted to conduct banking activities. CDC's traditional activities involve safeguarding and managing financial assets, particularly pension plan assets and assets collected by the French savings bank network. In addition, CDC is involved, directly and indirectly, in a broad range of financial activities, including life insurance, local development, banking, capital market activities, and third-party asset management. CDC is the leading securities custodian in France, with assets held in custody at 1998 year-end of approximately US\$726.2 billion.

2. CDC's total assets as of December 31, 1998 were approximately US\$171 billion, with reserves and retained earnings (the excess of CDC's assets over its liabilities) of approximately US\$13 billion. CDC's debt securities are rated AAA by Standard & Poor's Ratings Group and Aaa by Moody's Investors Service, Inc. Although CDC is not subject to any net capital or compulsory reserve regulations, CDC complies on a voluntary basis with the solvency ratio regulations that apply to banks in France. CDC's financial statements are prepared in accordance with the French generally accepted accounting principles applicable to banking and financial institutions and they are audited by two independent accounting firms using the same accounting standards applicable to French banks.

3. Under French law, only specified institutions, including banks and CDC,

²In general, the amended partnership agreement of Alliance Capital will permit Alliance Capital Units, including those which will be held by applicant, to be transferred only with the written consent of Equitable Life and ACMC. A business entity, such as applicant, may transfer a block of units representing more than 2% of the outstanding Alliance Capital Units without the consent of ACMC, provided that it has received the written consent of Equitable Life and a written opinion of counsel to the effect that Alliance Capital will not be treated as a publicly-traded partnership for tax purposes as a result of the transfer. Either Equitable Life or ACMC may withhold its consent to transfer in its sole discretion.

are permitted to provide custodial services. CDC is subject to the same laws and regulatory authorities governing its custodial activities as govern the custodial activities of banks in France. CDC's custodial services are overseen and inspected by the Financial Market Commission and the Commission des Operations de Bourse, the same agencies that oversee and inspect custodial services provided by French banks.

4. Applicant states that CDC is not immune from suit by its creditors, including customers of CDC's custodial services. While CDC as a public entity under French law is immune from forced execution (or attachment), CDC is not restricted in its ability to pay claims or judgments out of its assets. Applicant states that under French law, CDC must pay a money judgment rendered by any French court of law and, if CDC fails to pay the judgment within four months of being notified of the court decision, CDC must pay a penalty.

5. CDC requests an order to permit any U.S. Investment Company and any custodian or subcustodian for a U.S. Investment Company to maintain assets in the custody of CDC consistent with the requirements of rule 17f-5 under the Act discussed below.

Applicant's Legal Analysis

1. Section 17(f) of the Act requires every registered management investment company to place and maintain its securities and similar investments in the custody of certain enumerated entities, including a bank having at all times aggregate capital, surplus, and undivided profits of at least \$500,000. A "bank," as that term is defined in section 2(a)(5) of the Act, includes: (a) a banking institution organized under the laws of the United States; (b) a member bank of the Federal Reserve System; and (c) any other banking institution or trust company, whether incorporated or not, doing business under the laws of any state or of the United States, a substantial portion of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to national banks, which is supervised or examined by state or federal authority having supervision over banks, and which is not operated for the purposes of evading the Act.

2. The only entities located outside the United States that section 17(f) authorizes to serve as custodians for U.S. Investment Companies are the overseas branches of qualified U.S. banks. Rule 17f-5 under the Act, however, expands the group of entities that are permitted to serve as foreign

custodians. The rule defines the term "Eligible Foreign Custodian" to include, among others, an entity incorporated or organized under the laws of a foreign country that is a banking institution or trust company regulated as such by the foreign country's government or government agency. CDC states that it is not an Eligible Foreign Custodian under rule 17f-5 of the Act because it is a special entity under French law and is not regulated as a banking institution or trust company, nor is it a securities depository or clearing agency under rule 17f-5.

3. Section 6(c) of the Act provides that the SEC may, conditionally or unconditionally, exempt any person or class of persons from any provisions of the Act or from any rule under the Act if, and to the extent that, 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. CDC requests relief from section 17(f) to permit U.S. Investment Companies to treat CDC as an Eligible Foreign Custodian for purposes of rule 17f-5. In selecting CDC as a foreign custodian, a U.S. Investment Company would be required to comply with all of the requirements of rule 17f-5, as now in effect or as it may be amended.¹

4. CDC states that it is the largest custodian of securities in France. CDC further states that it voluntarily complies with the regulations, such as the solvency ratio regulations, risk control, and accounting rules, that are applicable to French banks. CDC also states that its custodial services are subject to the same regulatory oversight as the custodial services provided by French banks. CDC thus asserts that assets of U.S. Investment Companies in the custody of CDC will have the same or greater protection as in the custody of a French bank. CDC states that it would be consistent with the protection of investors and the policies underlying the Act to treat CDC as a bank for purposes of rule 17f-5.

Applicant's Conditions

Applicant agrees that any order granting the requested relief will be subject to the following conditions:

1. The foreign custody arrangements that involve CDC will comply with all provisions of rule 17f-5, as now in effect or as it may be amended, except paragraph (a)(1) to the extent CDC does

¹ Those requirements include, among others, procedures for selecting, contracting with, and monitoring a foreign custodian.

not meet the definition of Eligible Foreign Custodian.

2. CDC will continue to comply voluntarily with French banking regulations concerning risk controls, solvency ratios, and accounting standards.

3. CDC's custodial activities will be subject to regulation by the same agencies that regulate the custodial activities of French banks.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-19720 Filed 7-30-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (The Quaker Oats Company, Common Stock, \$5.00 Par Value, and Attached Preferred Stock Purchase Rights) File No. 1-00012

July 26, 1999.

The Quaker Oats Company ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified securities ("Securities") from listing and registration on the Pacific Exchange, Inc. ("PCX" or "Exchange").

The reasons cited in the application for withdrawing the Securities from listing and registration include the following:

The Securities are currently listed for trading in the United States on the PCX, the Chicago Stock Exchange ("CHX"), and the New York Stock Exchange ("NYSE"). The Company has considered all the direct and indirect costs arising from maintaining these multiple listings and has determined, in light of the limited volume of trades in its Common Stock on the PCX, to withdrawn the Securities from listings on the PCX, maintaining their listing on the CHX and the NYSE.

The Company has complied with the rules of the PCX by filing with the Exchange a certified copy of resolutions adopted by the Company's Board of Directors authorizing withdrawal of its Securities from listing on the PCX as well as correspondence setting forth in detail to the Exchange the reasons for such proposed withdrawal, and the facts in support thereof.