

permit affiliated persons of the Trust to purchase and redeem Creation Units.

14. Applicants contend that no useful purpose would be served by prohibiting affiliated persons from making "in kind" purchases or "in kind" redemptions of Creation Units. The composition of the Portfolio Deposit deposited by a purchaser or given to a redeemer will be the same regardless of the investor's identity, and will be valued pursuant to the same objective standards applied to valuing the Trust's portfolio securities. Thus, "in kind" purchases and redemptions will afford no opportunity for affiliated persons to effect a transaction detrimental to the other holders of MID CAP SPDRs. Applicants believe that "in kind" purchases and redemptions will not result in abusive self-dealing or overreaching by affiliated persons of the Trust.

15. Applicants request an order pursuant to rule 17d-1 that would permit the Trust to reimburse the Sponsor or the AMEX for the payment by either such party to Standard & Poor's of the annual fee required under a license agreement. The license agreement allows applicants to use the S&P MidCap 400 Index as a basis for MID CAP SPDRs and to use certain of Standard & Poor's trademark rights. Applicants believe that relief is necessary because the Trust's undertaking to reimburse the Sponsor (an affiliated person of the Trust) and/or the AMEX (an affiliated person of the Sponsor) may constitute a joint enterprise or joint arrangement in which the Trust is a participant, in contravention of section 17(d) and rule 17d-1.

16. Applicants request a temporary exemption from the requirement imposed by section 22(e) of the Act to provide payment or satisfaction of redemptions within seven days following tender of a Creation Unit for redemption. Applicant represents that the Trust's clearing agent, NSCC, currently clears all trades through its system in five business days and short settlement of trades will not be available in connection with the MID CAP SPDR clearing process. NSCC is closed for business on certain holidays. Under the present system, if a Beneficial Owner were to tender a Creation Unit for redemption during a seven day period preceding such a holiday, NSCC's five business day settlement system would result in a redemption on the eighth calendar day following tender, resulting in a technical violation of section 22(e). Applicants request relief to permit redemption in five business days following a redemption request until the

effective date of rule 15c6-1 adopted under the Securities Exchange Act, which will shorten the settlement period to three business days. The rule provides for a transition period during which securities may settle in four business days. After the effective date of the rule, the NSCC will settle in accordance with the rule and relief from 22(e) will no longer be necessary.

17. Applicants assert that the NSCC is the appropriate institution to provide securities clearing services for the Trust. It is the nation's largest clearing agency, clearing 95% of all domestic equity trades, and has a well-established reputation in the financial community. In addition, the clearance and settlement of four hundred separate securities essentially as a single transaction requires sophisticated clearing services. Applicants have found that NSCC is able to provide these services and has enhanced its existing clearing processes to handle purchases and redemptions of Creation Units. The use of NSCC will provide beneficial owners of MID CAP SPDRs with state-of-the-art securities handling, clearance, and transfer systems services, which, given the complexity of mirroring the component shares of the S&P MidCap 400 Index, is extremely important to all such owners. Applicants also note that the Sponsor has found the clearing process efficient and reliable when clearing SPDRs for the SPDR Trust.

Applicants' Conditions

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

1. Applicants will not register a new series of the Trust, whether identical or similar to Series 1, by means of filing a post-effective amendment to the Trust's registration statement or by any other means, unless Applicants have requested and received with respect to such new series, either exemptive relief from the SEC or a no-action position from the Division of Investment Management of the Commission.

2. The Trust's prospectus and the Product Description will clearly disclose that, for purposes of the Act, MID CAP SPDRs are issued by the Trust and that the acquisition of MID CAP SPDRs by investment companies is subject to the restrictions of section 12(d)(1) of the Act.

By the Commission.

Margaret H. McFarland,
Deputy Secretary.

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Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (Pratt & Lambert United, Inc., Common Stock, \$.01 Par Value) File No. 1-994

December 27, 1994.

Pratt & Lambert United, Inc. ("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 security ("Security") from listing and registration on the American Stock Exchange, Inc. ("Amex").

The reasons alleged in the application for withdrawing the Security from listing and registration include the following:

According to the Company, in addition to being listed on the Amex, the Security from listing and registration include the following:

According to the Company, in addition to being listed on the Amex, the Security is listed on the New York Stock Exchange, Inc. ("NYSE"). The Security commenced trading on the NYSE at the opening of business on December 7, 1994 and concurrently therewith the Security was suspended from trading on the Amex.

In making the decision to withdraw the Security from listing on the Amex, the Company considered the direct and indirect costs and expenses attendant on maintaining the dual listing of its securities on the NYSE and on the Amex. The Company does not see any particular advantage in the dual trading of the Security and believes that dual listing would fragment the market for the Security.

Any interested person may, on or before January 18, 1995 submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchange and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

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

Jonathan G. Katz,
Secretary.

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