end management investment company. In addition, the board of trustees made the findings required by rule 17a–8 under the Act.[1]

3. On July 27, 1994, applicant mailed proxy materials to its shareholders. On November 11, 1994, applicant's shareholders approved the reorganization at a special meeting of shareholders.

4. Pursuant to the Plan, on November 18, 1994, applicant transferred all of its assets to the Acquiring Fund in exchange for shares of the Acquiring Fund and the assumption by the Acquiring Fund of certain liabilities of applicant. Immediately thereafter, applicant liquidated and distributed *pro rata* to its shareholders the shares it received from the Acquiring Fund in the reorganization. On November 18, 1994, applicant had 14,865,420,439 shares outstanding, having an aggregate net asset value of $14,862,405,321 and a per share net asset value of $1.00.[2]

5. Expenses incurred in connection with the reorganization, consisting of accounting, printing, administrative, and legal expenses, totaled $3,351,547. One half of the expenses were borne by the Fund's sponsor, Smith Barney Inc., and the remainder were divided between applicant and the Acquiring Fund based on relative net assets.

6. There are no securityholders to whom distributions in complete liquidation of their interests have not been made. Applicant has no debts or other liabilities that remain outstanding. Applicant is not a party to any litigation or administration proceeding.

7. Applicant intends to file the appropriate notice of termination with Maryland authorities.

8. Applicant is not now engaged, nor does it propose to engage, in any business activities other than those necessary for the winding up of its affairs.

[1] Section 17(a) of the Act generally prohibits sales or purchases of securities between registered investment companies and any affiliated person of that company. Rule 17a–8 provides an exemption from section 17(a) for certain reorganizations among registered investment companies that may be affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers. Applicant and the Acquiring Fund were ''affiliated persons'' as defined in the Act solely by reason of having a common investment adviser.

[2] Dividing the number of outstanding shares by the total net assets does not yield a precise figure of $1.00 per share. This results from both the effect on the total net assets of realized gains and losses resulting from the sale of portfolio securities prior to their stated maturity and the effect of penny rounding.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–10047 Filed 4–21–95; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–2105; 811–7133]

SSL 1993–1 Trust; Notice of Application

April 17, 1955.

AGENCY: Securities and Exchange Commission (''SEC'' or ''Commission'').

ACTION: Notice of application for deregistration under the Investment Company Act of 1940 (the ''Act'').

APPLICANT: SSL 1993–1 Trust.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applcant seeks an order declaring that it has ceased to be an investment company.

FILING DATE: The application was filed on April 7, 1995.

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 applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on May 15, 1995, and should be accompanied by proof of service on applicant, 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 who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicant, 200 Park Avenue, New York, New York 10166.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Staff Attorney, at (202) 942–0572, or C. David Messman, 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 at the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is an open-end, non-diversified management investment company that was organized as a business trust under the laws of Massachusetts. Applicant originally registered under the Act and filed a registration statement under the Securities Act of 1933 on December 23, 1993. Applicant's registration statement under the Securities Act of 1933 was declared effective on April 13, 1994. Applicant has not commenced a public offering of its shares.

2. Applicant has not sold any securities of which it is the issuer other than the shares sold to its sponsor, Major Trading Corporation, to meet the net worth requirements of section 14(a) of the Act. On December 7, 1994, applicant's board of trustees determined that is was advisable and in the best interests of applicant that applicant terminate its existence as a Massachusetts business trust and liquidate its assets and that the proceeds be returned to applicant's sponsor.

3. There are no security holders to whom distributions in complete liquidation of their interests have not been made. Applicant has no debts or other liabilities that remain outstanding. Applicant is not a party to any litigation or administrative proceeding.

4. Applicant is not now engaged, nor does it proposes to engage, in any business activities other than those necessary for the winding up of its affairs.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–9985 Filed 4–21–95; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Release No. 21014; 812–9478]

Van Kampen American Capital Distributors Inc., et al.; Notice of Application

April 17, 1995.

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

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: Van Kampen American Capital Distributors Inc. (the ''Sponsor''); Insured Municipals Income Trust, California Insured Municipals Income Trust, New York Insured Municipals Income Trust, Pennsylvania Insured Municipals Income Trust, Insured Municipals Income Trust, Insured Multi-Series, Insured Tax Free Bond Trust, Investors' Quality Tax-Exempt Trust, Insured Municipals Income Trust and Investors' Quality Tax

Exempt Trust, Multi-Series Investors' Governmental Securities—Income Trust, Van Kampen American Capital Insured Income Trust, Van Kampen Merritt Utility Income Trust, Van Kampen Merritt Emerging Markets Income Trust, Van Kampen Merritt Equity Opportunity Trust, California Investors' Quality Tax-Exempt Trust, and Pennsylvania Investors' Quality Tax-Exempt Trust (each an ''Existing Trust''); and any other future unit investment trust sponsored by the Sponsor (collectively, with the Existing Trusts, the ''Trusts'').

RELEVANT ACT SECTIONS: Order requested pursuant to section 6(c) for exemptions from sections 2(a)(32), 2(a)(35), 22(d), and 26(a)(2) of the Act, and rule 22c–1 thereunder, and pursuant to section 11(a) to amend a prior order (the ''Prior Order'') granting relief from section 11(c).[1]

SUMMARY OF APPLICATION: Applicants seek to impose sales charges on a deferred basis and waive the deferred sales charge in certain cases, exchange Trust units having deferred sales charges, and exchange units of a terminating series of a Trust for units of the next available series of that Trust.

FILING DATES: The application was filed on February 7, 1995, and amended on March 31, 1995.

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 May 15, 1995, 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 who wish to be notified of the date of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street N.W., Washington, D.C. 20549. Applicants, c/o Mark J. Kneedy, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603–4080.

FOR FURTHER INFORMATION CONTACT: James J. Dwyer, Staff Attorney, at (202) 942–0581, or C. David Messman, 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 is available for a fee from the SEC's Public Reference Branch.

Applicants' Representations

1. Each of the Trusts is or will be a unit investment trust sponsored by the Sponsor and is or will be registered under the Act. The Trusts are made up of one or more separate series (''Series''). Each Series is created by a trust indenture among the Sponsor, a banking institution or trust company as trustee, and an evaluator. The Sponsor acquires a portfolio of securities and deposits them with the trustee of the Series in exchange for certificates representing fractional undivided interests (''Units'') in the deposited portfolio. The Units will be registered under the Securities Act of 1933 and offered to the public through the Sponsor, underwriters, and dealers at a price based upon the aggregate offering side evaluation of the underlying securities plus an up-front sales charge. The maximum sales charge currently ranges from 5.5% to 1.9% of the public offering price, and is subject to reduction as permitted by rule 22d–1. In addition, although not legally obligated to do so, the Sponsor maintains a secondary market for Units of outstanding Series and continually offers to purchase such Units. The sales charge imposed for sales in the secondary market typically is 1% higher than it is during the initial offering period, and decreases over time.

2. Applicants seek an order under section 6(c) exempting the Trusts from sections 2(a)(32), 2(a)(35), 22(d), and 26(a)(2), and rule 22c–1, to let the Trusts impose sales charges on Units on a deferred basis and waive the deferred sales charge in certain cases. Under applicants' proposal, the Sponsor will determine the amount of sales charge per Unit at the time portfolio securities are deposited in a Series. The Sponsor also may defer collection of all or part of this sales charge over a period following the purchase of Units. In no event, however, will the Sponsor add to the deferred amount initially determined any additional amount for interest or any similar or related charge to reflect or adjust for such deferral.

3. Deferred sales charges, if any, generally will be paid in regular installments over a period of time. To the extent a particular Series provides distribution income, the trustee of the Series will withdraw the appropriate amount of the deferred sales charge from such distribution income. If the distribution income is insufficient to pay the deferred sales charge, the trustee may sell portfolio securities in an amount necessary to provide the requisite payments.

4. Although the Sponsor does not presently intend to do so, a sales charge may be deducted from the proceeds of any redemption of Units or of any sale of Units to the Sponsor. For purposes of calculating the amount of the deferred sales charge due upon redemption or sale of Units, it will be assumed that Units on which no sales charge is due are liquidated first. Any Units disposed of over such amounts will be redeemed in the order of their purchase, so that Units held for the longest time are redeemed first. If any deferred sales charge is collected upon sale or redemption of Units, the Sponsor may, and intends to, waive payment of the balance of the deferred sales charge on such redemptions or sales in certain cases. Any such waiver will be disclosed in the prospectus and will satisfy the other conditions of rule 22d–1.

5. The Sponsor believes that the operation and implementation of the deferred sales charge program will be disclosed adequately to potential investors and unitholders. The prospectus for each Trust will describe the operation of the deferred sales charge, including the amount of and date of each installment payment. The prospectus also will describe the trustee's ability to sell portfolio securities if the income generated by a Series' portfolio is insufficient to pay an installment. The securities confirmation statement sent to each purchaser will state the amount of any initial sales charge, and the amount of the deferred sales charge to be deducted in regular installments. The annual report of each Series will state the amount of annual installment payments deducted during the previous fiscal year on both a Series and per Unit basis.

6. Applicants seek an order under section 11(a) to approve certain exchange transactions subject to section 11(c). The Prior Order permits applicants covered thereunder to allow unitholders to exchange Units of one Series for Units of another Series generally subject to a flat fee of $25 per Unit. The requested order would amend the Prior Order to create an expanded exchange option that would apply to all exchanges of Units sold with a sales charge imposed either at the time of purchase or on a deferred basis, and to include all Series. The sales charge imposed on the exchange of Units is

[1] Investment Company Act Release Nos. 11514 (Dec. 24, 1980) (notice) and 11589 (Jan. 28, 1981) (order).

calculated as the greater of (a) $25 per Unit, or (b) if Units of any Series are exchanged within five months of their acquisition for Units of a Series with a higher sales charge, or if Units subject to a deferred sales charge are exchanged for Units sold with an initial sales charge, an amount that, together with the sales charge already paid on the Units being exchanged, equals the normal sales charge on the acquired Units.

7. If Units subject to a deferred sales charge are exchanged for Units of a Series not having such a charge, the deferred sales charge will be collected at the time of the exchange. If Units subject to a deferred sales charge are exchanged for Units without such a charge, installment payments will continue to be deducted from the distributions on the acquired Units until the original balance of the sales charge owed on the initial investment has been collected. In either case, the additional sales charge will be imposed at the time of the exchange.

Applicants' Legal Analysis

1. Under section 6(c), the SEC may exempt any person or transaction from any provision of the Act or any rule thereunder to the extent that such 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.

2. Section 2(a)(32) defines a ''redeemable security'' as a security that, upon its presentation to the issuer, entitles the holder to receive approximately his or her proportionate share of the issuer's current net assets, or the cash equivalent of those assets. Because the imposition of deferred sales charge may cause a redeeming unitholder to receive an amount less than the net asset value of the redeemed Units, applicants seek an exemption from section 2(a)(32) so that Units subject to a deferred sales charge are considered redeemable securities for purposes of the Act.[2]

3. Section 2(a)(35) defines the term ''sales load'' to be the difference between the sales price and the proceeds to the issuer, less any expenses not properly chargeable to sales or promotional expenses. Because a deferred sales charge is not charged at the time of purchase, an exemption from section 2(a)(35) is necessary.

4. Rule 22c–1 requires that the price of a redeemable security issued by an investment company for purposes of sale, redemption, and repurchase be based on the investment company's current net asset value. Because the imposition of a deferred sales charge may cause a redeeming unitholder to receive an amount less than the net asset value of the redeemed Units, applicants seek an exemption from this rule.

5. Section 22(d) requires an investment company and its principal underwriter and dealer to sell securities only at a current public offering price described in the investment company's prospectus. Because sales charges traditionally have been a component of the public offering price, section 22(d) historically required that all investors be charged the same load. Rule 22d–1 was adopted to permit the sale of redeemable securities ''at prices that reflect scheduled variations in, or elimination of, the sales load.'' Because rule 22d–1 does not extend to scheduled variations in deferred sales charges, applicants seek relief from section 22(d) to let them waive or reduce their deferred sales charge in certain instances.

6. Section 26(a)(2) in relevant part prohibits a trustee or custodian of a unit investment trust from collecting from the trust as an expense any payment to a depositor or principal underwriter thereof. Because of this prohibition, applicants need an exemption to let the trustee collect the deferred sales charge installments from distribution deductions or Trust assets.

7. Applicants believe that implementation of the deferred sales charge program in the manner described above would be fair and equitable and consistent with all provisions of the Act. Thus, granting the requested order would be 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.

8. Section 11(c) prohibits any offers of exchange of the securities of a registered unit investment trust for the securities of any other investment company, unless the terms of the offer have been approved by the SEC. Applicants assert that the reduced sales charge imposed at the time of exchange is a reasonable and justifiable expense to be allocated for the professional assistance and operational expenses incurred in connection with the exchange.

Applicants' Conditions

Applicants agree that any relief granted will be subject to the following conditions:

1. Whenever the exchange option is to be terminated or its terms are to be amended materially, any holder of a security subject to that privilege will be given prominent notice of the impending termination or amendment at least 60 days prior to the date of termination or the effective date of the amendment, provided: (a) No such notice need be given if the only material effect of an amendment is to reduce or eliminate the sales charge payable at the time of an exchange, to add one or more new Series eligible for the exchange option, or to delete a Series that has terminated; and (b) no notice need be given if, under extraordinary circumstances, either (i) there is a suspension of the redemption of units of the Trust under section 22(e) and the rules and regulations promulgated thereunder, or (ii) a Trust temporarily delays or ceases the sale of its Units because it is unable to invest amounts effectively in accordance with applicable investment objectives, policies, and restrictions.

2. An investor who purchases Units under the exchange option will pay a lower aggregate sales charge than that that would be paid for the Units by a new investor.

3. The prospectus of each Trust offering exchanges and any sales literature or advertising that mentions the existence of the exchange option will disclose that the exchange option is subject to modification, termination, or suspension, without notice except in certain limited cases.

4. Each Series offering Units subject to a deferred sales charge will include in its prospectus the table required by item 2 of Form N–1A (modified as appropriate to reflect the differences between unit investment trusts and open-end management investment companies) and a schedule setting forth the number and date of each installment payment.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–9982 Filed 4–21–95; 8:45 am]

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[2] Without an exemption, a Trust selling Units subject to a deferred sales charge could not meet the definition of a unit investment trust under section 4(2) of the Act. Section 4(2) defines a unit investment trust as an investment company that issues only ''redeemable securities.''