defined in the Act. Before a future Fund that does not presently have an effective registration statement may rely on the order, its initial shareholder will approve the multi-manager structure before that Fund's shares are offered to the public.

3. The Trust will furnish to shareholders the information about a new Sub-Adviser or material change in a sub-advisory contract that would be included in a proxy statement. The Trust will meet this condition by providing shareholders, within sixty (60) days of the hiring of a Sub-Adviser or the implementation of any material change to the terms of a sub-advisory contract, with an information statement complying with Regulation 14C and Schedule 14C under the Securities Exchange Act of 1934 (the ''Exchange Act''). This information statement also will meet the requirements of Schedule 14A under the Exchange Act.

4. Each Fund's prospectus will disclose the existence, substance, and effect of the order requested hereby.

5. No trustee or officer of the Trust or general partner or officer of the Manager owns or will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by such trustee, officer or general partner) any interest in any Sub-Adviser, except for: (a) ownership of interests in the Manager or any entity that controls, is controlled by, or is under common control with the Manager; or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Sub-Adviser or an entity that controls, is controlled by, or is under common control with a Sub-Adviser.

6. The Manager will not enter into any sub-advisory contract with any Sub-Adviser that is an affiliated person, as defined in section 2(a)(3) of the Act, of the Trust or the Manager (an ''Affiliated Sub-Adviser'') without such contract, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Fund.

7. At all times, a majority of the trustees of the Trust will be persons each of whom is not an ''interested person'' of the Trust as defined in section 2(a)(19) of the Act. (''Independent Trustees''), and the nomination of new or additional Independent Trustees will be placed within the discretion of the then existing Independent Trustees.

8. When a change in Sub-Advisers is proposed for a Fund that has an Affiliated Sub-Adviser, the trustees, including a majority of the Independent Trustees, will make a separate finding, reflected in the Trustee's board minutes, that such change is in the best interests of the Fund and its shareholders and does not involve a conflict of interest from which the Manager or the Affiliated Sub-Adviser derives an inappropriate advantage.

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

Margaret M. McFarland,

Deputy Secretary.

[FR Doc. 95–23294 Filed 9–19–95; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–21357; 812–9612]

Sierra Trust Funds, et al.; Notice of Application

September 13, 1995.

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

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: Sierra Trust Funds, The Sierra Variable Trust (collectively, the ''Existing Funds''), any registered investment companies, or series thereof, for which Sierra Investment Advisors Corporation (''Sierra Advisors'') or any entity controlling, controlled by, or under common control with Sierra Advisors, acts in the future as investment adviser or principal underwriter (''Future Funds,'' and together with the Existing Funds, the ''Funds''), and Sierra Advisors.

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act for an exemption from sections 13(a)(2), 13(a)(3), 18(a), 18(c), 18(f)(1), 22(f), 22(g), and 23(a) and rule 2a–7 thereunder, under sections 6(c) and 17(b) of the Act for an exemption from section 17(a)(1), and under section 17(d) of the Act and rule 17d–1 thereunder to permit certain joint arrangements.

SUMMARY OF APPLICATION: Applicants request an order that would permit each applicant investment company to enter into deferred compensation arrangements with its trustees who are not interested persons of the company.

FILING DATES: The application was filed on May 19, 1995 and amended on August 18, 1995 and September 8, 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 October 10, 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 a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicants, 9301 Corbin Avenue, Suite 333 Northridge, California 91324.

FOR FURTHER INFORMATION CONTACT: Marianne H. Khawly, Staff Attorney, at (202) 942–0562, 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.

Applicants' Representations

1. Each of the Existing Funds is a Massachusetts business trust registered under the Act as an open-end management investment company. The Sierra Trust Funds continuously offers its shares for sale to the general investing public and has three money market series. The Sierra Variable Trust continuously offers its shares for sale to insurance company separate accounts that fund variable annuity contracts and has one money market series. Sierra Advisors is the investment adviser to each Fund and is registered under the Investment Advisers Act of 1940.

2. Each Existing Fund has a board of trustees (collectively, the ''Boards''), a majority of the members of which are not ''interested persons'' (the ''Independent Trustees'') of such Existing Fund within the meaning of section 2(a)(19) of the Act. Each Independent Trustee or one or more of the Funds receives fees each year which collectively are, and are expected to continue to be, insignificant in comparison to the total net assets of the Funds. Applicants request an order to permit the Independent Trustees to elect to defer receipt of 50% or more of their trustees' fees pursuant to a deferred compensation plan (the ''Plan'') and related election agreement entered into between each Independent Trustee and the appropriate Fund. Under the Plan, the Independent Trustees could defer payment of trustees' fees (the ''Deferred Compensation'') in order to defer payment of income taxes, or for other

reasons. Participation in the Plan will be limited to the Independent Trustees.

3. Under the Plan, the deferred fees payable by a Fund to a participating Independent Trustee (a ''Participant'') will be credited to a book reserve account established by the Fund (an ''Account''), as of the first business day following the date such fees would have been paid to the Independent Trustee. The value of an Account will be determined by reference to a hypothetical investment in shares of one or more of the Funds, as selected by each Participant or the Boards from a list as designated from time to time by the committee established to administer the Plan, in its sole discretion, as eligible for hypothetical investment under the Plan (the ''Investment Funds''). Each Participant may elect to have his or her Deferred Compensation treated as if it had been invested and reinvested in shares of one or more of the Investment Funds (the ''Underlying Securities'').

4. With respect to open-end Funds, the initial value of Deferred Compensation credited to an Account will be effected at the respective current net asset value of each such open-end Fund. With respect to closed-end Funds, the initial value of Deferred Compensation credited to an Account will be effected at the respective current market price, less any brokerage fees which would be payable upon the acquisition of shares of such closed-end Fund in the open market. Thereafter, the value of such Account will fluctuate as the net asset value of the shares of each open-end Fund fluctuates or as the market value of the shares of each closed-end Fund fluctuates, as the case may be, and will also reflect the value of assumed reinvestment of dividends and capital gains distributions from each open-end and closed-end Fund in additional shares of such Fund.

5. The Funds' respective obligations to make payments of amounts accrued under the Plan will be general unsecured obligations, payable solely from their respective general assets and property. The Plan provides that the Funds will be under no obligation to purchase, hold or dispose of any investments under the Plan, but, if one or more of the Funds choose to purchase investments to cover their obligations under the Plan, then any and all such investments will continue to be a part of the respective general assets and property of such Funds.

6. As a matter of prudent risk management, to the extent a Participant selects an Investment Fund other than the Fund for which the Participant is deferring his or her trustee's fees, each Fund intends to and, with respect to any money market Fund that values its assets by the amortized cost method, will, purchase and hold shares of the Underlying Securities in amounts equal in value to the deemed investments of the Accounts of its Participants. Thus, in cases where the Funds purchase shares of the Underlying Securities, liabilities created by the credits to the Accounts under the Plan are expected to be matched by an equal amount of assets (i.e., a direct investment in Underlying Securities), which assets would not be held by the Fund if trustee's fees were paid on a current basis.

7. Payments under the Plan will be made in one lump sum or in generally equal annual installments over a five year period beginning as soon as administratively feasible after the Participant's termination of service. In the event of Participant's death, amounts payable under the Plan will thereafter be payable to the Participant's designated beneficiaries. In all other events, a Participant's right to receive payments will be nontransferable. In the event of the liquidation dissolution, or winding up of a Fund or the distribution of all or substantially all of a Fund's assets and property to its shareholders (unless the Fund's obligation under the Plan have been assumed by a financially responsible party purchasing such assets) or in the event of a merger or reorganization of a Fund (unless prior to such merger or reorganization, the Fund' Board determines that the Plan shall survive the merger or reorganization), all unpaid amounts in the Accounts maintained by such Fund shall be paid in a lump sum to the Participants on the effective date thereof.[1] The Plan will not obligate any participating Fund to retain a trustee in such a capacity, nor will it obligate any Fund to pay any (or any particular level of) trustee's fees to any trustee.

Applicants' Legal Analysis

1. Applicants request an order which would exempt the Funds (including each Fund's successors in interest [2]): (a) under section 6(c) of the Act from sections 13(a)(2), 13(a)(3), 18(a), 18(c), 18(f)(1), 22(f), 22(g), and 23(a) and rule 2a–7 thereunder, to the extent necessary to permit the Funds to adopt and implement the Plan; (b) under sections 6(c) and 17(b) of the Act from section 17(a)(1) to permit the funds to sell securities for which they are the issuer to participating Funds in connection with the Plan; and (c) under section 17(d) of the Act and rule 17d–1 thereunder to permit the Funds to effect certain joint transactions incident to the Plan.

2. Sections 18(a) and 18(c) restrict the ability of a registered closed-end investment company to issue senior securities.[3] Section 18(f)(1) generally prohibits a registered open-end investment company from issuing senior securities. Section 13(a)(2) requires that a registered investment company obtain shareholder authorization before issuing any senior security not contemplated by the recitals of policy in its registration statement. Applicants state that the Plan possesses none of the characteristics of senior securities that led Congress to enact these sections. The Plan would not: (a) induce speculative investments or provide opportunities for manipulative allocation of any Fund's expenses or profits; (b) affect control of any Fund; or (c) confuse investors or convey a false impression as to the safety of their investments. All liabilities created under the Plan would be offset by equal amounts of assets that would not otherwise exist if the fees were paid on a current basis.

3. Section 22(f) prohibits undisclosed restrictions on transferability or negotiability of redeemable securities issued by open-end investment companies. The Plan would set forth all such restrictions, which would be included primarily to benefit the Participants and would not adversely affect the interests of the trustees or of any shareholder.

4. Sections 22(g) and 23(a) prohibit registered open-end investment companies and closed-end investment companies, respectively, from issuing any of their securities for services or for property other than cash or securities. These provisions prevent the dilution of equity and voting power that may result when securities are issued for consideration that is not readily valued. Applicants believe that the Plan would merely provide for deferral of payment of such fees and thus should be viewed as being issued not in return for services but in return for a Fund not being required to pay such fees on a current basis.

[1] Applicants acknowledge that the requested order would not permit a party acquiring a Fund's assets to assume a Fund's obligations under the Plan if such obligations would constitute a violation of the Act by the assuming party.

[2] ''Successors in interest'' is herein limited to entities that result from a reorganization into another jurisdiction or a change in the type of business organization.

[3] Although none of the Funds currently are closed-end funds, applicants request relief from sections 18(a), 18(c), and 23(a) of the Act in the event that Future Funds may include closed-end funds.

5. Section 13d(a)(3) provides that no registered investment company shall, unless authorized by the vote of a majority of its outstanding voting securities, deviate from any investment policy that is changeable only if authorized by shareholder vote. The relief requested from section 13(a)(3) would extend only to Future Funds for which Sierra Advisors becomes investment adviser subsequent to such Future Fund's initial public offering and that have investment policies prohibiting the purchase of investment company shares without shareholder approval. Applicants believe that relief from section 13(a)(3) is appropriate to enable the affected Funds to invest in Underlying Securities without a shareholder vote. Applicants will provide notice to shareholders in the prospectus of each affected Fund of the Deferred Compensation under the Plan. The value of the Underlying Securities will be *de minimis* in relation to the total net assets of the respective Fund, and will at all times equal the value of the Fund's obligations to pay deferred fees (plus any increase in value thereof.)

6. Rule 2a–7 imposes certain restrictions on the investments of ''money market funds.'' as defined under the rule, that would prohibit a Fund that is a money market Fund from investing in the shares of any other Fund. Applicants believe that the requested exemption would permit the Funds to achieve an exact matching of Underlying Securities with the deemed investments of the Accounts, thereby ensuring that the deferred fees would not affect net asset value.

7. Section 6(c) provides, in relevant part, that the SEC may, conditionally or unconditionally, by order, exempt any person or class of persons from any provision of the Act or from any rule thereunder, if such exemption is 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. Applicants submit that the relief requested from the above provisions satisfies this standard.

8. Section 17(a)(1) generally prohibits an affiliated person of a registered investment company from selling any security to such registered investment company. Funds that are advised by the same entity may be ''affiliated persons'' under section 2(a)(3)(C) of the Act by reason of being under common control. Applicants asserts that section 17(a)(1) was designed to prevent, among other things, sponsors of investment companies from using investment company assets as capital for enterprises with which they were associated or to acquire controlling interest in such enterprises. Applicants submit that the sale of securities issued by the Funds pursuant to the Agreement does not implicate the concerns of Congress in enacting this section, but merely would facilitate the matching of each Fund's liability for deferred trustees' fees with the Underlying Securities that would determine the amount of such Fund's liability.

9. Section 17(b) authorizes the SEC to exempt a proposed transaction from section 17(a) if evidence establishes that the terms of the transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, the transaction is consistent with the policies of the registered investment company, and the general purposes of the Act. Applicants assert that the proposed transaction satisfies the criteria of section 17(b). The finding that the terms of the transaction are consistent with the policies of the registered investment company is predicated on the assumption that relief is granted from section 13(a)(3). Applicants also request relief from section 17(a)(1) under section 6(c) to the extent necessary to implement the Deferred Compensation under the Plan and Agreement on an ongoing basis.

10. Section 17(d) and rule 17d–1 generally prohibit a registered investment company's joint or joint and several participation with an affiliated person in a transaction in connection with any joint enterprise or other joint arrangement or profit-sharing plan ''on a basis different from or less advantageous than that of'' the affiliated person. Participants will not receive a benefit, directly or indirectly, that would otherwise inure to a Fund or its shareholders. Participants will receive tax deferral but the Plan otherwise will maintain the parties, viewed both separately and in their relationship to one another, in the same position as if the deferred fees were paid on a current basis. When all payments have been made to a Participant, the Participant will be no better off (apart from the effect of tax deferral) than if he or she had received trustees fees on a current basis and invested them in Underlying Securities.

Applicants' Conditions

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

1. With respect to the relief requested from rule 2a–7, any money market Fund, or series thereof, that values its assets in accordance with a method prescribed by rule 2a–7 will buy and hold Underlying Securities that determine the value of the Accounts to achieve an exact match between such Fund's or series' liability to pay deferred fees and the assets that offset that liability.

2. If a Fund purchases Underlying Securities issued by an affiliated Fund, the Fund will vote such shares in proportion to the votes of all other shareholders of such affiliated Fund.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–23295 Filed 9–19–95; 8:45 am]

BILLING CODE 8010–01–M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Air Traffic Procedures Advisory Committee

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of meeting.

SUMMARY: The FAA is issuing this notice to advise the public that a meeting of the Federal Aviation Administration Air Traffic Procedures Advisory Committee (ATPAC) will be held to review present air traffic control procedures and practices for standardization, clarification, and upgrading of terminology and procedures.

DATES: The meeting will be held from October 23 through October 26, 1995, from 9 a.m. to 5 p.m. each day.

ADDRESSES: The meeting will be held October 23 and October 26 in the MacCracken Room, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC, and on October 24 and October 25 at the National Business Aircraft Association, 1200 Eighteenth Street, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Mr. W. Frank Price, Executive Director, ATPAC, Air Traffic Rules and Procedures, 800 Independence Avenue, SW., Washington, DC 20591, telephone (202) 267–3725.

SUPPLEMENTARY INFORMATION: Pursuant to Section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463; 5 U.S.C. App. 2), notice is hereby given of a meeting of the ATPAC to be held October 23 and October 26 in the MacCracken Room, Federal Aviation Administration, 800 Independence Avenue, SW, Washington, DC, and on October 24 and October 25 at the