

controlled companies are highly cyclical, however. As a result, Investor is concerned that negative financial results of some of Investor's industrial holdings might make it impossible for Investor to rely on rule 3a-1 in the future. For the same reason, Investor believes that it could not rely on rule 3a-2 under the Act, which excepts certain transient investment companies for a maximum of one year, since an economic downturn affecting Investor's industrial holdings could last more than one year. For these reasons, applicant requests an order under section 3(b)(2) declaring that it is not an investment company.

6. Section 3(b)(2) provides that the SEC may find that an issuer is primarily engaged in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities either directly, through majority-owned subsidiaries, or through controlled companies conducting similar types of businesses.<sup>6</sup> In determining the primary business in which a company is engaged, the SEC considers, among other factors: (a) The issuer's historical development, (b) the issuer's public representations of policy, (c) the activities of the issuer's officers and directors, (d) the nature of the issuer's present assets, and (e) the sources of the issuer's present income.<sup>7</sup> Investor represents that directly, through its wholly-owned subsidiaries Saab and Scania, and through the Engineering Companies, it is primarily engaged in the business of automobile and truck, aerospace and technological systems manufacturing, and other engineering industries.

a. *Historical Development:* Investor has, over the decades, concentrated its ownership interest in a core group of companies in order to exercise its control and influence. This has resulted in ownership of a relatively small group of companies, because it has often been necessary for Investor to sell off less central core holdings in order to maintain or increase its equity interest in its remaining holdings.

b. *Public Representations:* Investor represents its policy as one of concentrated, long-term ownership of its core holdings, including active

wholly-owned subsidiaries are considered on an unconsolidated basis, while for purposes of rule 3a-1 they are consolidated with the issuer's directly-held assets.

<sup>6</sup> The requirement that companies be conducting similar types of businesses applies only to controlled companies, and not to majority-owned subsidiaries. *In the Matter of American Manufacturing Company, Inc.* 41 S.E.C. 415, 419 (1963).

<sup>7</sup> *Tonopah Mining Company of Nevada*, 26 S.E.C. 426 (1946).

participation on the boards of directors of these companies. Although in the past Investor has sometimes translated its status as a Swedish "investment bolag" as "investment company" in the English translation of its annual report, "investment bolag" does not have the significance under Swedish law that "investment company" does under the Act. Under Swedish law, diversified holding companies may elect to be treated as "investment bolags" in order to enjoy certain tax advantages. An "investment bolag," however, is distinct from a Swedish "aktiefund," or mutual fund, which corresponds more closely to the definition of investment company under the Act. An "aktifond" is subject to percentage limitations on its ownership of any one issuer, limitations which Investors exceeds with respect to many of its holdings. Beginning with its 1991 annual report, Investor described itself as a diversified industrial holding company. From 1994 onwards, Investor intends to describe itself as an industrial investment corporation, a term it believes will have more meaning to its Swedish shareholders.

c. *Activities of Officers and Directors:* The officers and directors of Investor have extensive experience in finance and industry. Several of Investor's officers and directors serve, or have served, as chief executive officers and directors of the Engineering Companies. Investor's officers and directors play a very active role in setting the general policies of these companies, as well as providing support to management. Investor is committed to managing these companies over the long-term. Over the years, members of Investor's board of directors and management have been actively involved in restructuring these companies in order to meet changing market conditions.

d. *Nature of Assets:* As of June 30, 1995, Saab and Scania accounted for approximately 46.6% of the value of Investor's total assets, on a consolidated basis. As of June 30, 1995, the Engineering Companies accounted for approximately 12.1% of the value of Investor's total assets, on a consolidated basis, with each company accounting for approximately the following percentages of Investor's total assets: Incentive 6.0%, Atlas Copco 2.9%, SKF 2.6%, and Electrolux 0.6%. In addition, as of June 30, 1995, Investor held land and real estate used in connection with its manufacturing businesses constituting approximately 1.8% of Investor's total assets. Thus, as of June 30, 1995, Investor's combined interests in Saab, Scania, the Engineering Companies, and its land and real estate holdings represented approximately

60.5% of the value of Investor's total assets.

e. *Sources of Income:* For the six months ending June 30, 1995, Investor obtained approximately 75.8% of its net income after taxes from Saab and Scania. For this same period, Investor obtained approximately 17.0% of its net income after taxes from the Engineering Companies, with each company accounting for approximately the following percentages of net income: Incentive 6.8%, Atlas Copco 4.0%, SKF 5.2%, and Electrolux 1.0%. After accounting for operating losses, interest paid, and a tax adjustment, for the six months ending June 30, 1995, approximately 62.9% of Investor's net income after taxes was derived from revenues from Investor's combined interests in Saab, Scania, and the Engineering Companies.

7. For the reasons discussed above, Investor believes that the SEC should find that it is primarily engaged in a business other than that of investing, reinvesting, owning, holding, or trading in securities. Investor states that it is in the business of automobile and truck, aerospace and technological systems manufacturing, and other engineering industries through its wholly-owned subsidiaries and controlled Engineering Companies, and that it has a long-term interest in actively controlling these companies. Thus, Investor asserts that it is not the type of company which the Act was meant to regulate.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-25822 Filed 10-17-95; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21414; 811-7752]

### **PainWebber Premier Intermediate Tax-Free Income Fund, Inc.; Notice of Application**

October 11, 1995.

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

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

**APPLICANT:** PainWebber Premier Intermediate Tax-Free Income Fund, Inc.

**RELEVANT ACT SECTION:** Section 8(f).

**SUMMARY OF APPLICATION:** Applicant requests an order declaring that it has ceased to be an investment company.

**FILING DATE:** The application was filed on September 25, 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 November 6, 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 may request notification of a hearing by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicant, c/o Gregory K. Todd, Mitchell Hutchins Asset Management Inc., 1285 Avenue of the Americas, 14th Floor, New York, New York, 10019.

**FOR FURTHER INFORMATION CONTACT:** Barbara J. Klapp, Paralegal Specialist, at (202) 942-0575, or Robert A. Robertson, 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 a closed-end management investment company organized as a Maryland corporation. On May 25, 1993, applicant registered under section 8(a) of the Act and filed a Form N-2 under the Securities Act of 1933 to register 4,600,000 shares of common stock. The registration statement became effective on August 19, 1993 and the initial public offering of common stock commenced thereafter.

2. On September 9, 1993, applicant filed a Form N-2 under the Securities Act of 1933, covering 600 auction preferred shares. On October 12, 1993, the registration statement became effective and the initial public offering of auction preferred shares commenced thereafter.

3. On July 12, 1994, applicant's board of directors (the "Board") approved an agreement and plan of reorganization and liquidation whereby PainWebber Premier Insured Municipal Income Fund ("Insured Fund") would acquire all of the applicant's assets and assume all of the applicant's liabilities in exchange for shares of common stock and a new series (Series D) of auction

preferred shares of Insured Fund. On November 11, 1994, the Board adopted resolutions to effect the payment of certain dividends and distributions in connection with the reorganization, to take action to delist applicant's shares on the American Stock Exchange and to take such other actions to effect the reorganization.

4. Prospectus/proxy materials were filed with the SEC and were distributed, on or about October 7, 1994, to applicant's securityholders. The reorganization was approved by applicant's shareholders on November 10, 1994.

5. As of November 28, 1994 (the "Closing Date"), applicant had outstanding 4,496,667 shares of common stock, having an aggregate net asset value of \$82,811,775 and a per share net asset value of \$11.74, and 600 auction preferred shares, having an aggregate net asset value of \$30,000,000 and a per share net asset value of \$50,000. There were no other classes of securities of applicant outstanding.

6. On November 28, 1994, applicant declared and paid to its shareholders of common stock a cash distribution, in order to distribute substantially all of its investment company taxable income and realized net capital gain for the 1994 taxable year through the Closing Date. On the Closing Date, Insured Fund acquired all the assets of applicant in exchange solely for shares of Insured Fund common stock and Insured Fund auction preferred shares. The number of shares of Insured Fund common stock issued to applicant had an aggregate net asset value equal to the aggregate value of applicant's assets transferred to Insured Fund as of the Closing Date. The Insured Fund auction preferred shares (Series D) were issued to applicant on the basis of one Insured Fund auction preferred share for each of applicant's auction preferred share outstanding as of the Closing Date. On the same date, applicant liquidated and distributed *pro rata* to its shareholders of record the shares of Insured Fund received by applicant in the reorganization.

7. The expenses incurred in connection with the reorganization consisted primarily of legal expenses, printing and mailing expenses, registration fees, and miscellaneous accounting and administrative expenses. These expenses totalled approximately \$286,400 and were borne by applicant and Insured Fund in proportion to their respective net assets.

8. As of the date of the application, applicant had no assets, liabilities or shareholders. Applicant is not a party to any litigation or administrative

proceeding. Applicant is neither engaged in, nor does it propose to engage in, any business activities other than those necessary for the winding up of its affairs.

9. On April 5, 1995, applicant and Insured Fund filed Articles of Transfer with the Department of Assessments and Taxation of Maryland. Applicant intends to file Articles of Dissolution with such office as soon as practicable following its deregistration.

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

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 95-25818 Filed 10-17-95; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21416; 812-9766]

#### **United Financial Group, Inc.; Notice of Application**

October 12, 1995.

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

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

**APPLICANT:** United Financial Group, Inc. (the "Company").

**RELEVANT ACT SECTIONS:** Order requested under sections 6(c) and 6(e) of the Act granting an exemption from all provisions of the Act.

**SUMMARY OF APPLICATION:** Applicant requests an order that would exempt it from all provisions of the Act until December 30, 1996. The requested relief would extend an exemption originally granted until December 30, 1990, and extended by subsequent orders until December 30, 1991, December 30, 1992, December 30, 1993, December 30, 1994, and December 30, 1995.

**FILING DATES:** The application was filed on September 15, 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 November 6, 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