

be paid by the Adviser. Certain deferred organizational expenses as well as all debts not paid by applicant prior to the Liquidation Date were assumed and paid by the Adviser.

7. As of the date of the application, applicant had no assets, debts, or unitholders. Applicant is not a party to any litigation or administrative proceeding. Applicant is neither engaged nor proposes to engage in any business activities other than those necessary for the winding-up of its affairs.

8. On September 5, 1995, applicant filed a resolution with the Secretary of State of Indiana declaring its intention to withdraw and surrender its authority to transact business as an Indiana business trust.

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

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 95-25820 Filed 10-17-95; 8:45 am]

BILLING CODE 8010-01-M

**[File No. 500-1]**

**Garcis U.S.A., Inc.; Order of Suspension of Trading**

October 13, 1995.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Garcis U.S.A., Inc. ("Garcis") because of questions regarding the accuracy of assertions by Garcis, and by others, in documents sent to and statements made to market-makers of the stock of Garcis, other broker-dealers, and to investors concerning, among other things: (1) The identity of the persons in control of the operations and management of the company; (2) the amount of sales and customer orders received by Garcis; and (3) contracts entered into by Garcis.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above listed company is suspended for the period from 9:30 a.m. EST, October 13, 1995 through 11:59 p.m. EST, on October 26, 1995.

By the Commission.

Jonathan G. Katz,  
*Secretary.*

[FR Doc. 95-25824 Filed 10-13-95; 1:13 pm]

BILLING CODE 8010-01-M

**[Investment Company Act Release No. 21419; International Series Release No. 867; 812-8852]**

**Investor AB; Notice of Application**

October 12, 1995.

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

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

**APPLICANT:** Investor AB ("Investor").

**RELEVANT ACT SECTION:** Order requested under section 3(b)(2) of the Act.

**SUMMARY OF APPLICATION:** Applicant requests an order declaring that it is primarily engaged in a business other than that of investing, reinvesting, owning, holding, or trading in securities. Applicant is a Swedish diversified industrial holding company.

**FILING DATES:** The application was filed on February 18, 1994, and was amended on February 6, 1995, June 6, 1995, and October 4, 1995.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless 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 November 6, 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 issue contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, S-10332, Stockholm, Sweden; or c/o Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017, Attn: Pierre de Saint Phalle, Esq.

**FOR FURTHER INFORMATION CONTACT:** Sarah A. Wagman, Staff Attorney, at (202) 942-0654, or C. David Messman, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

**SUMMARY INFORMATION:** The following is a summary of the application. The complete application is available for a fee from the SEC's Public Reference Branch.

**APPLICANT'S REPRESENTATIONS**

1. Investor is a diversified industrial holding company incorporated in

Sweden in 1916. Investor's founders and principal shareholders are the Wallenberg family and foundations, which together control approximately 40% of the outstanding voting securities of Investor. Investor was established to hold the equity interests of a predecessor of Skandinaviska Enskilda Banken ("SEB") in response to proposed Swedish legislation to prohibit Swedish banks from having equity holdings. In 1946, Investor's sister company Förvaltnings AB Providentia ("Providentia") was formed to hold equity interests that SEB had acquired subsequent to 1916. From their inception, the goal of both Investor and Providentia has been to maintain, acting together, a controlling equity interest in a core group of companies. Historically, Investor and Providentia have tended to consolidate their interest in fewer corporations in order to maintain or increase their equity interest in their core holdings. The core holdings of Investor and Providentia tended to be substantially similar and the companies were characterized by interlocking boards of directors and common officers. In 1991, Investor and Providentia acquired all of the outstanding securities of Saab-Scania, an engineering, manufacturing, and technology company, further defining Investor as an industrial holding company. As a result of this restructuring, Investor acquired all of the outstanding securities of Providentia.

2. Investor's holdings include companies in the industrial, engineering, banking and finance, pharmaceutical, and forestry sectors. Investor owns a controlling interest in, among other companies, six industrial companies (Incentive, Electrolux, SKF, Astra, STORA, and Atlas Copco) which represent its core holdings. Investor has maintained a long association and involvement in each of these six companies. In addition, Investor holds all of the outstanding equity securities of Saab AB ("Saab") and AB ("Scania"), companies which were created from the split of Saab-Scania AB on May 16, 1995.

3. Four of the six industrial companies Investor controls, Incentive, Atlas Copco, SKF, and Electrolux, are classified in Sweden as "engineering companies" because they manufacture engineering products (the "Engineering Companies"). Of the two other controlled industrial companies, Astra is a pharmaceutical company, and STORA is a forestry company. As of June 30, 1995, Investor directly owned 36% of the outstanding voting securities of Incentive, 30% of the outstanding

voting securities of SKF, and 45% of the outstanding voting securities of Electrolux, thus exercising control over these companies within the meaning of section 2(a)(9) of the Act. As well, the SEC has determined that Investor also controls Atlas Copco, notwithstanding the fact that Investor owns less than 25% of the outstanding voting shares of Atlas Copco.<sup>1</sup>

4. Incentive's businesses involve manufacturing in the transportation, environment, materials handling, medical technology, development, and power industries. Incentive is currently carrying out a comprehensive restructuring program to become strictly an engineering-oriented manufacturing company. Incentive currently owns 24.5% of the capital stock and 32.8% of the voting power of ASEA, a global electrical engineering group. Three members of Investor's board of governors serve on Incentive's board of directors, including Investor's Vice Chairman, who serves as Incentive's Chairman.

5. Atlas Copco is an international contractor and manufacturer of compressors, mining and contracting equipment, and industrial production equipment. Four members of Investor's board of directors serve on Atlas Copco's board of directors, including Investor's Chairman, Vice Chairman, and a director, who serve, respectively, as the Chairman and two Vice Chairmen of Atlas Copco. Investor's management was instrumental in implementing a comprehensive restructuring program in Atlas Copco's contracting and mining technology business, as well as in Atlas Copco's acquisitions of various companies, including Secoroc and AEG Electrowerkzeuge.

6. SKF is the world's largest manufacturer of rolling bearings, with rolling bearings and related products accounting for slightly more than 90% of sales. Three members of Investor's board of directors serve on SKF's board of directors, including two of investor's directors who serve, respectively, as Chairman and President and CEO of SKF.

7. Electrolux is one of the world's leading manufacturers of household appliances. Electrolux manufactures vacuum cleaners, absorption refrigerators for recreational vehicles and hotel rooms, institutional kitchen equipment, industrial laundry appliances, and chain saws. Two of

Investor's directors serve on the board of directors of Electrolux, including Investor's Vice Chairman, who serves as the Chairman of Electrolux.

8. The principal businesses conducted by Saab include the manufacture of trucks, buses, and engines. The principal businesses conducted by Scania include the manufacture of civil and military aircraft, aircraft components, and defense products, and the creation and production of space, industry, automotive, and traffic applications.<sup>2</sup> In addition, Saab participates in the manufacture of passenger cars through its 50% ownership interest in Saab Automobile AB.<sup>3</sup>

9. Investor expects to sell a portion of its equity ownership in Scania in the near future. The exact amount to be sold has not been determined, but Investor currently anticipates that it will retain at least 50% of the voting shares of Scania at the conclusion of any initial public offering and that, in all events, Investor would own more than 25% of the voting stock of Scania at the conclusion of any series of offerings, so that Investor would continue to control Scania for purposes of the Act. Investor intends to repay debt with the proceeds of any such offering.

10. Presently, Investor is excepted from the definition of investment company by section 3(c)(1) of the Act, since Investor currently has fewer than 100 U.S. investors.<sup>4</sup> Investor is considering the possibility of issuing securities in the United States, however, at which time section 3(c)(1) would no longer be an available exception. Although Investor believes that it is primarily engaged in the business of automobile and truck, aerospace and technological systems manufacturing, and other engineering industries through its wholly-owned subsidiaries and the Engineering Companies, applicant requests an order so that it may make its U.S. offering without the uncertainties created by the possibility that applicant might be considered an investment company.

#### Applicant's Legal Analysis

1. Applicant requests an order under section 3(b)(2) of the Act declaring that it is primarily engaged in a business other than that of investment,

reinvesting, owning, holding, or trading in securities, and therefore is not an investment company as defined in the Act.

2. Under section 3(a)(3) of the Act, an issuer is an investment company if it is engaged or proposes to engage in the business of investment, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire investment securities having a value in excess of 40% of the value of the issuer's total assets (excluding government securities and cash items) on an unconsolidated basis. Investment securities include all securities except Government securities, securities issued by employees' securities companies, and securities issued by majority-owned subsidiaries of the owner that are not investment companies.

3. Applicant states that it is primarily engaged in the business of automobile and truck, aerospace and technological systems manufacturing, and other engineering industries through active participation in its wholly-owned subsidiaries, Saab and Scania, and its controlled Engineering Companies, Atlas Copco, Electrolux, Incentive, and SKF. Applicant states that it is not in the business of investing, reinvesting, or trading in securities. Applicant, however, could be considered an investment company under section 3(a)(3) since, at June 30, 1995, 69% of Investor's assets on an unconsolidated basis were composed of investment securities.

4. Rule 3a-1 under the Act provides, in relevant part, that notwithstanding section 3(a)(3), an issuer is not considered an investment company under the Act if no more than 45% of the value of its total assets and no more than 45% of its net income is derived from securities other than government securities, securities issued by employee's securities companies, securities issued by majority-owned subsidiaries that are not investment companies, and securities issued by companies primarily controlled by the issuer that are engaged in non-investment businesses.

5. Presently, Investor could rely on rule 3a-1 to except it from the definition of investment company in section 3(a)(3).<sup>5</sup> The businesses of Investor's

<sup>5</sup> Under section 3(a)(3), the determination of the value of an issuer's investment securities excludes only government securities, securities issued by employees' securities companies, and securities issued by majority-owned subsidiaries of the owner which are not investment companies. Under rule 3a-1, securities issued by non-investment companies controlled primarily by the issuer through which the issuer engages in non-investment company business are additionally excluded. As well, for purposes of section 3(a)(3),

<sup>1</sup> Investor AB, Investment Company Act Release Nos. 18989 (Sept. 30, 1992) (notice) and 19056 (Oct. 27, 1992) (order). The order also found that Investor controlled Astra and STORA, notwithstanding the fact that Investor owned less than 25% of the outstanding voting securities of each company.

<sup>2</sup> Saab consists of five product companies: Saab Military Aircraft, Saab Dynamics, Saab Training Systems, Saab Aircraft, and Saab Combitech.

<sup>3</sup> Formally, Saab remains the owner of 50% of Saab Automobile AB. It is expected, however, that this interest will be transferred to Investor or another Investor subsidiary.

<sup>4</sup> See Touche Remnant & Co. (pub. avail. July 27, 1984).

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 "aktiefond," 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.