

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 20, 1995, and should be accompanied by proof of service on the 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 Fifth Street, N.W., Washington, D.C. 20549. Applicant, 200 Park Avenue, New York, New York 10166.

**FOR FURTHER INFORMATION CONTACT:** Diane L. Titus, Paralegal Specialist, at (202) 942-0584, 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 from the SEC's Public Reference Branch.

#### Applicant's Representations

1. Applicant is an open-end diversified management investment company organized as a Maryland corporation. On August 17, 1994, applicant filed a notification of registration pursuant to section 8(a) of the Act on Form N-8A and a registration statement under the Act and the Securities Act of 1933. Applicant's registration statement has not been declared effective and applicant has not made a public offering of its shares.

2. Applicant has not issued or sold any securities, except to its sole shareholder and sponsor, The Dreyfus Corporation. As of the date of the filing of the application, applicant has no shareholders, liabilities or assets. Applicant is not a party to any litigation or administrative proceeding.

3. Pursuant to a meeting held on September 14, 1995, the applicant's Board of Directors determined that it was advisable and in the best interests of the applicant to withdraw its registration statement with the SEC, cease to be registered as an investment company, and to liquidate its assets and distribute the proceeds to The Dreyfus Corporation.

4. 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.

For the SEC, by the Division of Investment Management, under delegated authority. Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 95-27125 Filed 10-31-95; 8:45 am]

**BILLING CODE 8010-01-M**

#### [Investment Company Act Release No. 21450; 811-7229]

#### Premier Opportunity Fund, Inc.; Notice of Application

October 25, 1995.

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

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

**APPLICANT:** Premier Opportunity 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 October 4, 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 20, 1995, and should be accompanied by proof of service on the 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 Fifth Street, N.W., Washington, D.C. 20549. Applicant, 200 Park Avenue, New York, New York 10166.

**FOR FURTHER INFORMATION CONTACT:** Diane L. Titus, Paralegal Specialist, at (202) 942-0584, 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 from the SEC's Public Reference Branch.

#### Applicant's Representations

1. Applicant is an open-end diversified management investment

company organized as a Maryland corporation. On October 25, 1994, applicant filed a notification of registration pursuant to section 8(a) of the Act on Form N-8A and a registration statement under the Act and the Securities Act of 1933. Applicant's registration statement has not been declared effective and applicant has not made a public offering of its shares.

2. Applicant has not issued or sold any securities, except to its sole shareholder and sponsor, The Dreyfus Corporation. As of the date of the filing of the application, applicant has no shareholders, liabilities or assets. Applicant is not a party to any litigation or administrative proceeding.

3. Pursuant to written consent, the applicant's sole Director determined that it was advisable and in the best interests of the applicant to withdraw its registration statement with the SEC and cease to be registered as an investment company.

4. 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.

For the SEC, by the Division of Investment Management, under delegated authority. Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 95-27122 Filed 10-31-95; 8:45 am]

**BILLING CODE 8010-01-M**

#### [Release No. IC-21451; 813-140]

#### Sixty Wall Street Fund 1995, L.P., et al.; Notice of Application

October 25, 1995.

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

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

**APPLICANTS:** Sixty Wall Street Fund 1995, L.P. (the "1995 Partnership"), Sixty Wall Street SBIC Fund, L.P. (the "SBIC Partnership," and together with the 1995 Partnership, the "Initial Partnerships"), and J.P. Morgan & Co. Incorporated ("JP Morgan").

**RELEVANT ACT SECTIONS:** Applicants request an order under sections 6(b) and 6(e) granting an exemption from all provisions of the Act except section 9, certain provisions of sections 17 and 30, sections 36 through 53, and the rules and regulations thereunder.

**SUMMARY OF APPLICATION:** Applicants request an order, on behalf of the Initial Partnerships and certain other partnerships or other investment vehicles organized by JP Morgan that

may be offered to the same class of investors (the "Subsequent Partnerships," and together with the Initial Partnerships, the "Partnerships"), that would grant an exemption from most provisions of the Act, and would permit certain affiliated and joint transactions. Each Partnership will be an employees' securities company within the meaning of section 2(a)(13) of the Act. Partnership interests will be offered to eligible employees, officers, directors, and persons on retainer of JP Morgan and its affiliates.

**FILING DATES:** The application was filed on March 17, 1995 and amended on August 4, 1995. By letter dated October 20, 1995, applicants' counsel stated that an additional amendment, the substance of which is incorporated herein, will be filed during the notice period.

**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 November 20, 1995, and should be accompanied by proof of service on the 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 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, 60 Wall Street, New York, New York 10260.

**FOR FURTHER INFORMATION CONTACT:** Mary Kay Frech, Senior Attorney, at (202) 942-0579, 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.

#### Applicants' Representations

1. JP Morgan and its affiliates, as defined in rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act"), (the "JP Morgan Group") constitute a global financial services firm. J.P. Morgan Securities Inc. ("JP Morgan Securities"), a wholly-owned subsidiary of JP Morgan, is the principal broker-dealer affiliate of the JP

Morgan Group and is registered as a broker-dealer under the Exchange Act.

2. The Initial Partnerships are Delaware limited partnerships that represent the first of several anticipated annual investment programs (each, an "Annual Investment Program") that are to be formed to enable certain employees, officers, directors, and persons on retainer of the JP Morgan Group to pool their investment resources and to participate in various types of investment opportunities. The pooling of resources permits diversification and participation in investments that usually would not be offered to individual investors. The goal of the Partnerships is to reward and retain personnel by enabling them to participate in investment opportunities that otherwise would not be available to them and to attract other individuals to the JP Morgan Group.

3. The Partnerships will operate as closed-end management investment companies. The Partnerships will seek to achieve a high rate of return through long-term capital appreciation in risk capital opportunities. The Initial Partnerships will co-invest alongside J.P. Morgan Capital Corporation, a Delaware corporation and wholly-owned subsidiary of JP Morgan ("JPMCC") and its subsidiaries (collectively with JPMCC, "JP Morgan Capital"), in investments made by JP Morgan Capital during the 1995 calendar year. Similarly, with respect to a subsequent Annual Investment Program, it is anticipated that a Subsequent Partnership and the SBIC Partnership will co-invest alongside JP Morgan Capital pursuant to such Annual Investment Program in investments made by JP Morgan Capital.

4. The general partner or other investment manager of each Partnership (the "General Partner") will be an affiliate of JP Morgan and will be registered as an investment advisor under the Investment Advisers Act of 1940 (the "Advisers Act"), or will be excluded from the definition of investment adviser under the Advisers Act because it is a bank or a bank holding company.

5. Interests in each Partnership will be offered without registration under a claim of exemption pursuant to section 4(2) of the Securities Act of 1933 (the "Securities Act").<sup>1</sup> Interests will be offered and sold only to (a) "Eligible Employees" of the JP Morgan Group, (b) immediate family members of an Eligible Employee (at the discretion of

<sup>1</sup> Section 4(2) exempts transactions by an issuer not involving any public offering from the Securities Act's registration requirement.

JP Morgan and at the request of an Eligible Employee) ("Qualified Family Members"), or (c) trusts or other investment vehicles for the benefit of such Eligible Employees and/or the benefit of their immediate families ("Qualified Investment Vehicles" and, collectively with Qualified Family Members, "Qualified Participants"). To be an Eligible Employee, an individual must be a current or former employee, officer, director, or person on retainer of an entity within the JP Morgan Group and, except for certain individuals described in paragraph 6 below, an "accredited investor" meeting the income requirements set forth in rule 501(a)(6) of Regulation D under the Securities Act. To be a Qualified Family Member, the immediate family member also must be an "accredited investor" meeting the income requirements set forth in rule 501(a)(6) of Regulation D. The limitations on the class of persons who may acquire interests ("Limited Partners"), in conjunction with other characteristics of the Partnership, will qualify the Partnership as an "employees' securities company" under section 2(a)(13) of the Act.

6. Eligible Employees who are not accredited investors but who manage the day-to-day affairs of a Partnership may be permitted to invest their own funds through the General Partner of the Partnership if such individuals had reportable income from all sources in the calendar year immediately preceding such person's participation in excess of \$120,000, and have a reasonable expectation of reportable income in the years in which such person will be required to invest his or her own funds of at least \$150,000. These individuals will have primary responsibility for operating the partnership. Such responsibility will include, among other things, evaluating and monitoring investments for the Partnership, communicating with the Limited Partners, and maintaining the books and records of the Partnership. Accordingly, all such individuals will be closely involved with, and knowledgeable with respect to, the Partnership's affairs and the status of Partnership investments.

7. Only a small portion of the JP Morgan Group's personnel qualify as Eligible Employees. The Eligible Employees are experienced professionals in the banking or financial services business, or in the administrative, financial, accounting, or operational activities related thereto. No Eligible Employee will be required to invest in any Partnership.

8. The management and control of each Partnership, including all

investment decisions, will be vested in the General Partner. The General Partner of each Partnership will be an entity (the "JPM Subsidiary Corporation") that is directly or indirectly controlled by JP Morgan. Thus, the investment discretion over a Partnership's investment portfolio will be exercised by or, directly or indirectly, under the direction of the board of directors or other committee serving similar functions (the "Board") of the JPM Subsidiary Corporation. Each Board, among other things, will act as the investment committee of the Partnership responsible for approving all investment and valuation decisions. The day-to-day affairs of each Partnership will be managed by individuals who are officers or employees of an entity within the JP Morgan Group.

9. The General Partner of each Partnership will pay its normal operating expenses, including rent and salaries of its personnel and certain expenses. To the extent any expenses are not borne by the General Partner, the Partnership will be required to pay such expenses. Such expenses may include, without limitation, the fees, commissions, and expenses of an entity within the JP Morgan Group for services performed by such entity for the Partnership such as, for example, brokerage or clearing services in the Partnership's portfolio securities.

10. In the case of an Annual Investment Program (other than the 1995 Annual Investment Program), the General Partner of a Partnership may be paid an annual management fee, generally determined as a percentage of assets under management, invested capital, or aggregate commitments. The General Partner of a Partnership also may be entitled to receive a performance-based fee (or "carried interest") of a specified percentage based on the gains and losses of such Partnership's or each Limited Partner's investment portfolio.<sup>2</sup> In addition, the General Partner may be entitled to other compensation, such as acquisition fees in connection with the purchase of Partnership investments and disposition fees in connection with the disposition of Partnership investments.

11. With respect to each Annual Investment Program, the terms of each Partnership will be disclosed to the Eligible Employees at the time they are

<sup>2</sup> A "carried interest" is an allocation to the General Partner based on net gains in addition to the amount allocable to the General Partner that is in proportion to its capital contributions. Any carried interest will be structured to comply with the requirements of rule 205-3 under the Advisers Act.

offered the right to subscribe for interests in the Partnership. Each Partnership generally will be required to invest "lock-step" in investment opportunities in which JP Morgan Capital invests in the year of the Annual Investment Program. Such Partnership's co-investment generally will bear the same proportion to the aggregate amount of such investment by JP Morgan Capital and such Partnership as the aggregate capital commitments of the Partnerships (to which such Annual Investment Program relates) bear to the aggregate amount of investments made by JP Morgan Capital and such Partnerships during such year. However, (a) a Partnership will not co-invest "lock-step" with JP Morgan Capital to the extent necessary to address regulatory, tax, or other legal considerations, (b) certain types of investments made by JP Morgan Capital, such as investments in certain foreign issuers, may be excluded from a Partnership's co-investments, subject to review by the General Partner of such Partnership, and (c) the amount of any co-investment by a Partnership may be subject to certain adjustments by the General Partner of such Partnership. The manner in which investment opportunities will be allocated between a Partnership and JP Morgan Capital and any exceptions to the requirement that such Partnership co-invest "lock-step" with JP Morgan Capital will be disclosed to the Eligible Employees at the time they are offered the right to subscribe for interests in the Partnerships to which such Annual Investment Program relates.

12. It is possible that JP Morgan Capital and a Partnership may co-invest in a portfolio company alongside an investment fund or account, organized for the benefit of investors who are not affiliated with the JP Morgan Group, over which an entity within the JP Morgan Group (other than JP Morgan Capital) exercises investment discretion (a "Third Party Fund"). These unaffiliated investors include institutional investors such as public and private pension funds, foundations, endowments, and corporations, and high net worth individuals, in each case both domestic and foreign. Notwithstanding the fact that the terms applicable to the investment by the Third Party Fund may differ from the terms of the relevant investment held by the Partnership or JP Morgan Capital, and the "lock-step" disposition requirement will not apply to the Third Party Fund, the interests of the Eligible Employees participating in a Partnership will be adequately protected

because JP Morgan Capital will continue to be subject to all of the conditions described herein with respect to the making and disposition of investments pursuant to any Annual Investment Program. Moreover, applicants believe that the relationship of the Partnership to the Third Party Fund, in the context of the application, is fundamentally different from the Partnerships' relationship to the JP Morgan Group. The focus of, and the rationale for, the protections contained in the application are to protect the Partnerships from any overreaching by the JP Morgan Group in the employer/employee context, whereas the same concerns are not present with respect to the Partnerships vis-a-vis the investors of a Third Party Fund.

13. Subject to the terms of the applicable Partnership agreement and the related co-investment agreement with JP Morgan Capital, a Partnership will be permitted to enter into transactions involving (a) an entity within the JP Morgan Group (including without limitation JP Morgan Capital), (b) a portfolio company, (c) any partner or person or entity related to any partner, (d) a Third Party Fund, or (e) any partner or other investor of a Third Party Fund that is not an entity within the JP Morgan Group, or any affiliate (as defined in rule 12b-2 under the Exchange Act) of such partner or other investor (a "Third Party Investor"). Such transactions may include, without limitation, the purchase or sale by the Partnership of an investment, or an interest therein, from or to any entity within the JP Morgan Group (including without limitation JP Morgan Capital or a Third Party Fund), acting as principal. With regard to such transactions, the Board must determine prior to entering into such transaction that the terms thereof are fair to the partners and the Partnership.

14. In order to ensure that Eligible Employees participating in any Partnership will not be subject to overreaching on the part of JP Morgan Capital and that the interests of the Eligible Employees are adequately protected, JP Morgan Capital will be required, except as permitted under condition 3 below, to give each Partnership the opportunity to sell or otherwise dispose of its investments prior to or concurrently with, and on the same terms as, sales or other dispositions by JP Morgan Capital. By imposing this "lock-step" disposition requirement on JP Morgan Capital, the interests of the Eligible Employees participating in a Partnership are aligned with JP Morgan Capital's interests, thus creating a substantial

community of interest among the Eligible Employees and JP Morgan Capital.

15. Interests in a Partnership will be non-transferable, except with the prior written consent of the General Partner of the Partnership, which consent may be withheld in its sole discretion. In any event, no person or entity will be admitted to the Partnership as a partner unless such person or entity is: (a) an Eligible Employee, (b) a Qualified Participant, or (c) an entity within the JP Morgan Group. Upon the death of a Limited Partner, or such Limited Partner becoming incompetent, insolvent, incapacitated, or bankrupt, such Limited Partner's estate or legal representative will succeed to the Limited Partner's interest as an assignee for the purpose of settling such Limited Partner's estate or administering such Limited Partner's property, but may not become a Limited Partner.

16. Interests in a partnership may be redeemable by the Partnership upon the Limited Partner's termination of employment from the JP Morgan Group. Alternatively, an entity within JP Morgan Group may have the right to purchase a Limited Partner's interest upon such termination of employment. The terms upon which an interest may be so redeemed or purchased, including the manner in which the redemption or purchase price will be determined, will be fully disclosed to Eligible Employees at the time they are offered the right to subscribe for the interest. In any event, with respect to a redemption or purchase, the redemption or purchase price will not be less than the lower of (a) the amount invested plus interest calculated at a rate based on three-month LIBOR for the period since the investment, and (b) the fair value (as determined by the General Partner in good faith and in accordance with its customary valuation practices) of the interest at the end of the Partnership's fiscal year in which such termination occurs, less amounts, if any, forfeited by the Limited Partner for failure to make required capital contributions. Such forfeited amounts will not include any penalty amount with respect to such redemption or purchase.

17. With respect to the 1995 Annual Investment Program, except as described below, the Initial Partnerships will co-invest in all investments made by JP Morgan Capital in 1995. The 1995 Partnership will co-invest in investments made by JP Morgan Capital other than investments made by JP Morgan Investment Corporation ("JPMIC"), a small business investment company licensed under the Small

Business Investment Act and a wholly-owned subsidiary of JPMCC. The SBIC Partnership, which also will be licensed as a small business investment company under the Small Business Investment Act of 1958 (the "Small Business Investment Act"), will co-invest in investments made by JPMIC, thereby increasing the amount of funds available for investments in small business. Upon receipt of the requested order, the Limited Partners will be admitted to the 1995 Partnership. After such admission and pending the making of investments, all funds contributed to the 1995 Partnership by the Limited Partners will be loaned by the 1995 Partnership to JPMCC at a rate of interest equal to 12-month LIBOR plus 1/2%.

18. The Initial Partnerships have entered into an investment agreement with JP Morgan Capital pursuant to which the Initial Partnerships have agreed to purchase their pro rata share of each investment made by JP Morgan Capital in 1995, except for the following limited exceptions. In the case of the 1995 Partnership, the 1995 Partnership generally will not participate in certain foreign investments where the obligation to make such investment was created on or before December 31, 1994. In addition, the Limited Partners have been advised that the 1995 Partnership will not participate in one specific investment made by JP Morgan Capital in 1995. In the case of the SBIC Partnership, it is possible that the SBIC Partnership may not be able to co-invest in all investments made by JPMIC in 1995 because of regulatory considerations imposed by the Small Business Investment Act.

19. Each subsequent Annual Investment Program will be comprised of a Subsequent Partnership and the SBIC Partnership. Each year a Subsequent Partnership will be organized to co-invest alongside JP Morgan Capital (other than JPMIC) in order to participate in investments in which JP Morgan Capital (other than JPMIC) invests its own funds during such year. The SBIC Partnership will offer interests to Eligible Employees and Qualified Participants which will represent the SBIC Partnership's participation in investments made by JPMIC during such year. It is anticipated that each Subsequent Partnership and the SBIC Partnership will enter into an investment agreement at the beginning of the year pursuant to which such Partnerships will agree to co-invest with JP Morgan Capital in investments made by JP Morgan Capital during that year. Each investment agreement will be approved by the Board of the General Partner with respect to such Partnership. The terms applicable to

subsequent Annual Investment Programs may differ from the terms applicable to the 1995 Annual Investment Program, including, but not limited to, the investments in which such Subsequent Partnerships or the SBIC Partnership will participate, purchase prices paid for such investments, the interest rate paid on loans made by the Subsequent Partnerships to JPMCC, and investment limitations.

#### Applicant's Legal Analysis

1. Section 6(b) of the Act provides that the SEC shall exempt employees' securities companies from the provisions of the Act to the extent that such exemption is consistent with the protection of investors. Section 2(a)(13) of the Act defines an employees' security company, among other things, as any investment company all of the outstanding securities of which are beneficially owned by the employees or persons on retainer of a single employer or affiliated employers or by former employees of such employers; or by members of the immediate family of such employers, persons on retainer, or former employees.

2. Section 6(e) of the Act provides that in connection with any order exempting an investment company from any provision of section 7, certain specified provisions of the Act shall be applicable to such company, and to other persons in their transactions and relations with such company, as though such company were registered under the Act, if the SEC deems it necessary or appropriate in the public interest or for the protection of investors.

3. Applicants request an exemption under sections 6(b) and 6(e) of the Act from all provisions of the Act, and the rules and regulations thereunder, except section 9, sections 17 and 30 (except as described below), sections 36 through 53, and the rules and regulations thereunder.

4. Section 17(a) of the Act provides, in relevant part, that it is unlawful for any affiliated person of a registered investment company, or any affiliated person of such person, acting as principal, knowingly to sell any security or other property to such registered investment company or to purchase from such registered investment company any security or other property. Applicants request an exemption from section 17(a) of the Act to the extent necessary to: (a) permit an entity within the JP Morgan Group (including without limitation a Third Party Fund), acting as principal, to engage in any transaction directly or indirectly with any Partnership or any company controlled

by such Partnership; (b) permit any Partnership to invest in or engage in any transaction with any entity, acting as principal, (i) in which such Partnership, any company controlled by such Partnership, or any entity within the JP Morgan Group (including without limitation a Third Party Fund) has invested or will invest, or (ii) with which such Partnership, any company controlled by such Partnership, or any entity within the JP Morgan Group (including without limitation a Third Party Fund) is or will become otherwise affiliated; and (c) permit a Third Party Investor, acting as principal, to engage in any transaction directly or indirectly with a Partnership or any company controlled by the Partnership. The transactions to which any Partnership is a party will be effected only after a determination by the Board that the requirements of condition 1 below have been satisfied. In addition, these transactions will be effected only to the extent not prohibited by the applicable limited partnership agreement or other organizational documents of the Partnership.

5. The principal reason for the requested exemption is to ensure that each Partnership will be able to invest in companies, properties, or vehicles in which JP Morgan Capital, or its employees, officers, directors, or advisory directors may make or have already made an investment. The relief also is requested to permit each Partnership the flexibility to deal with its portfolio investments in the manner the General Partner deems most advantageous to all partners of or investors in such Partnership, or as required by JP Morgan Capital or the Partnership's other co-investors.

6. The partners of or investors in each Partnership will have been fully informed of the possible extent of such Partnership's dealings with JP Morgan Capital, and, as professionals employed in the banking and financial services business, will be able to understand and evaluate the attendant risks. Applicants believe that the community of interest among the partners of or other investors in each Partnership, on the one hand, and JP Morgan Capital, on the other hand, is the best insurance against any risk of abuse.

7. Applicants state that a Partnership will not make loans to JP Morgan Capital or any other entity within the JP Morgan Group, or to any employee, officer, director, or advisory director of any entity within the JP Morgan Group, with the exception of short-term loans and loans of funds held by the Partnership pending the making of Partnership investments, in each case,

to an entity within the JP Morgan Group, which will bear interest at a rate then paid by such entity to unaffiliated third parties for loans on comparable terms, or short-term repurchase agreements or other fully secured loans to an entity within the JP Morgan Group. In addition, a Partnership will not sell or lease any property to JP Morgan Capital or any other entity within the JP Morgan Group, except on terms at least as favorable as those obtainable from unaffiliated third parties.

8. Section 17(d) of the Act makes it unlawful for any affiliated person of a registered investment company, acting as principal, to effect any transaction in which the company is a joint or joint and several participant with the affiliated person in contravention of such rules and regulations as the SEC may prescribe for the purpose of limiting or preventing participation by such companies. Rule 17d-1 under section 17(d) prohibits most joint transactions unless approved by order of the SEC. Applicants request an exemption from section 17(d) and rule 17d-1 thereunder to the extent necessary to permit affiliated persons of each Partnership or affiliated persons of any of these persons (including without limitation the Third Party Investors) to participate in, or effect any transaction in connection with, any joint enterprise or other joint arrangement or profit-sharing plan in which such Partnership or a company controlled by such Partnership is a participant. The exemption requested would permit, among other things, co-investments by each Partnership and individual partners or other investors or employees, officers, directors, or advisory directors of the JP Morgan Group making their own individual investment decisions apart from the JP Morgan Group.

9. Compliance with section 17(d) would prevent each Partnership from achieving its principal purpose. Because of the number and sophistication of the potential partners of or investors in a Partnership and persons affiliated with such partners or investors, strict compliance with section 17(d) would cause a Partnership to forego investment opportunities simply because a partner or investor or other affiliated person of the Partnership (or any affiliate of such a person) also had, or contemplated making, a similar investment. In addition, attractive investment opportunities of the types considered by a Partnership often require each participant in the transaction to make available funds in an amount that may be substantially greater than may be

available to the Partnership alone. As a result, the only way in which a Partnership may be able to participate in such opportunities may be to co-invest with other persons, including its affiliates. The flexibility to structure co-investments and joint investments in the manner described above will not involve abuses of the type section 17(d) and rule 17d-1 were designed to prevent. The concern that permitting co-investments by JP Morgan Capital, on the one hand, and a Partnership on the other, might lead to less advantageous treatment of the Partnership, should be mitigated by the fact that: (a) The JP Morgan Group, in addition to its stake through JP Morgan Capital and as a general partner or manager in such Partnership, will be acutely concerned with its relationship with the personnel who invest in the Partnership; and (b) senior officers and directors of entities within the JP Morgan Group will be investing in such Partnerships.

10. Section 17(f) of the Act provides that the securities and similar investments of a registered management investment company must be placed in the custody of a bank, a member of a national securities exchange, or the company itself in accordance with SEC rules. Applicants request an exemption from section 17(f) and rule 17f-1 to the extent necessary to permit an entity within the JP Morgan Group to act as custodian without a written contract. Because there is such a close association between each Partnership and the JP Morgan Group, requiring a detailed written contract would expose the Partnership to unnecessary burden and expense. Furthermore, any securities of a Partnership held by the JP Morgan Group will have the protection of fidelity bonds. An exemption is requested from the terms of rule 17f-1(b)(4), as applicants do not believe the expense of retaining an independent accountant to conduct periodic verifications is warranted given the community of interest of all the parties involved and the existing requirement for an independent annual audit.

11. Section 17(g) of the Act and rule 17g-1 generally require the bonding of officers and employees of a registered investment company who have access to securities or funds of the company. Applicants request an exemption from section 17(g) and rule 17g-1 to the extent necessary to permit each Partnership to comply with rule 17g-1 without the necessity of having a majority of the members of the related Board who are not "interested persons" take such actions and make such approvals as are set forth in rule 17g-1. Because all the members of a related

Board will be affiliated persons, without the relief requested, a Partnership could not comply with rule 17g-1. Each Partnership will, except for the requirements of such approvals by "not interested" persons, otherwise comply with rule 17g-1.

12. Section 17(j) of the Act and rule 17j-1 make it unlawful for certain enumerated persons to engage in fraudulent, deceitful, or manipulative practices in connection with the purchase or sale of a security held or to be acquired by an investment company. Rule 17j-1 also requires every registered investment company, its adviser, and its principal underwriter to adopt a written code of ethics with provisions reasonably designed to prevent fraudulent activities, and to institute procedures to prevent violations of the code. Applicants request an exemption from section 17(j) and rule 17j-1 (except rule 17j-1(a)) because the requirements contained therein are burdensome and unnecessary in the context of the Partnerships. Requiring each Partnership to adopt a written code of ethics and requiring access persons to report each of their securities transactions would be time consuming and expensive, and would serve little purpose in light of, among other things, the community of interest among the partners of or investors in such Partnership by virtue of their common association in the JP Morgan Group and the substantial and largely overlapping protections afforded by the conditions with which applicants have agreed to comply. Accordingly, the requested exemption is consistent with the purposes of the Act, because the dangers against which section 17(j) and rule 17j-1 are intended to guard are not present in the case of any Partnership.

13. Sections 30(a), 30(b) and 30(d) of the Act, and the rules under those sections, generally require that registered investment companies prepare and file with the SEC and mail to their shareholders certain periodic reports and financial statements. The forms prescribed by the SEC for periodic reports have little relevance to a Partnership and would entail administrative and legal costs that outweigh any benefit to partners of or investors in the Partnerships. Exemptive relief is requested to the extent necessary to permit each Partnership to furnish annually to its partners or investors a copy of the report prepared by a nationally recognized firm of certified public accountants, which will include the Partnership's financial statements, within 90 days after the end of each fiscal year or as soon thereafter as practicable. An exemption also is

requested from section 30(f) to the extent necessary to exempt the General Partner, the managing general partner or manager, if any, of such General Partner, members of the related Board, and any other persons who may be deemed members of an advisory board of such Partnership from filing reports under section 16 of the Exchange Act with respect to their ownership of interests in the Partnership.

14. Applicants believe that the exemptions requested are consistent with the protection of investors in view of the substantial community of interest among all the parties and the fact that each Partnership is an "employees' securities company" as defined in section 2(a)(13). Each Annual Investment Program will be conceived and organized by persons who may be investing, directly or indirectly, or may be eligible to invest, in such Partnership, and will not be promoted by persons outside the JP Morgan Group seeking to profit from fees for investment advice or from the distribution of securities. Applicants also believe that the terms of the proposed affiliated transactions will be reasonable and fair and free from overreaching.

#### Applicants' Conditions

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

1. Each proposed transaction otherwise prohibited by section 17(a) or section 17(d) and rule 17d-1 to which a Partnership is a party (the "Section 17 Transactions") will be effected only if the Board, through the General Partner of such Partnership, determines that: (a) The terms of the transaction, including the consideration to be paid or received, are fair and reasonable to the partners of or investors in such Partnership and do not involve overreaching of such Partnership or its partners or investors on the part of any person concerned; and (b) the transaction is consistent with the interests of the partners of or investors in such Partnership, such Partnership's organizational documents and such Partnership's reports to its partners or investors. In addition, the General Partner of each Partnership will record and preserve a description of such affiliated transactions, the Board's findings, the information or materials upon which the Board's findings are based and the basis therefor. All records relating to an Annual Investment Program will be maintained until the termination of such Annual Investment Program and at least two years

thereafter, and will be subject to examination by the SEC and its staff.<sup>3</sup>

2. In connection with the Section 17 Transactions, the Board, through the General Partner of each Partnership, will adopt, and periodically review and update, procedures designed to ensure that reasonable inquiry is made, prior to the consummation of any such transaction, with respect to the possible involvement in the transaction of any affiliated person or promoter of or principal underwriter for such Partnership, or any affiliated person of such a person, promoter, or principal underwriter.

3. The General Partner of each Partnership will not invest the funds of such Partnership in any investment in which a "Co-Investor," as defined below, has acquired or proposes to acquire the same class of securities of the same issuer, where the investment involves a joint enterprise or other joint arrangement within the meaning of rule 17d-1 in which such Partnership and Co-Investor are participants, unless any such Co-Investor, prior to disposing of all or part of its investment, (a) gives such General Partner sufficient, but not less than one day's, notice of its intent to dispose of its investment; and (b) refrains from disposing of its investment unless such Partnership has the opportunity to dispose of the Partnership's investment prior to or concurrently with, and on the same terms as, and *pro rata* with the Co-Investor. The term "Co-Investor," with respect to any Partnership, means any person who is: (a) An "affiliated person" (as such term is defined in the Act) of such Partnership (other than a Third Party Fund); (b) JP Morgan Capital; (c) an officer or director of JP Morgan Capital; or (d) a company in which the General Partner of such Partnership acts as a general partner or has a similar capacity to control the sale or other disposition of the company's securities. The restrictions contained in this condition, however, shall not be deemed to limit or prevent the disposition of an investment by a Co-Investor: (a) To its direct or indirect wholly-owned subsidiary, to any company (a "parent") of which such Co-Investor is a direct or indirect wholly-owned subsidiary, or to a direct or indirect wholly-owned subsidiary of its parent; (b) to immediate family members of such Co-Investor or a trust or other investment vehicle established for any such family member; (c) when

<sup>3</sup> Each Partnership will reserve the accounts, books and other documents required to be maintained in an easily accessible place for the first two years.

the investment is comprised of securities that are listed on any exchange registered as a national securities exchange under section 6 of the Exchange Act; (d) when the investment is comprised of securities that are national market system securities under section 11A(a)(2) of the Exchange Act and rule 11Aa2-1 thereunder; or (e) when the investment is comprised of securities that are listed on or traded on any foreign securities exchange or board of trade that satisfies regulatory requirements under the law of the jurisdiction in which such foreign securities exchange or board of trade is organized similar to those that apply to a national securities exchange or a national market system for securities.

4. Each Partnership and the General Partner or investment manager of such Partnership will maintain and preserve, for the life of such Partnership and at least two years thereafter, such accounts, books, and other documents as constitute the record forming the basis for the audited financial statements that are to be provided to the partners or investors in such Partnership, and each annual report of such Partnership required to be sent to such partners or investors, and agree that all such records will be subject to examination by the SEC and its staff.<sup>4</sup>

5. The General Partner of each Partnership will send to each partner or investor in such Partnership who had an interest in any capital account of such Partnership at any time during the fiscal year then ended Partnership financial statements audited by such Partnership's independent accountants. At the end of each fiscal year, the General partner will make a valuation or have a valuation made of all of the assets of the Partnership as of such fiscal year end in a manner consistent with customary practice with respect to the valuation of assets of the kind held by the Partnership. In addition, within 90 days after the end of each fiscal year of each Partnership or as soon as practicable thereafter, the General Partner of such Partnership will send a report to each person who was a partner or investor in such Partnership at any time during the fiscal year then ended, setting forth such tax information as shall be necessary for the preparation by the partner or investor of his or its federal and state income tax returns and a report of the investment activities of such Partnership during such year.

<sup>4</sup> Each Partnership will preserve the accounts, books and other documents required to be maintained in an easily accessible place for the first two years.

6. In any case where purchases or sales are made by a Partnership from or to an entity affiliated with such Partnership by reason of a 5% or more investment in such entity by a JP Morgan Group advisory director, director, officer or employee, such individual will not participate in such Partnership's determination of whether or not to effect such purchase or sale.

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

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 95-27128 Filed 10-31-95; 8:45 am]

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## SMALL BUSINESS ADMINISTRATION

### Data Collection Available for Public Comments and Recommendations

**ACTION:** Notice and request for comments.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995, this notice announces the Small Business Administration's intentions to request approval on a new information collection.

**DATES:** Comments should be submitted on or before January 2, 1996.

**FOR FURTHER INFORMATION CONTACT:** Jacqueline White, Management Analyst, Small Business Administration, 409 3rd Street, S.W., Suite 5000, Washington, D.C. 20416. Phone Number: 202-205-6629. Copies of this collection can also be obtained.

**SUPPLEMENTARY INFORMATION:**

*Title:* Characteristics of Franchise Business Ownership Survey.

*Type of Request:* New Information Collection.

*Description of Respondents:* Women and minority franchisers.

*Burden Per Response:* 20 minutes.

*Annual Responses:* 300.

*Annual Burden:* 600.

*Comments:* Send all comments regarding this information collection to Raymond Rawlinson, Office of Advocacy, 409 3rd Street, S.W., Suite 5800, Washington, D.C. 20416. Phone Number: 202-205-6976. Send comments regarding whether this information collection is necessary for the proper performance of the function of the agency, accuracy of burden estimate, in addition to ways to

minimize this estimate, and ways to enhance the quality.

Jacqueline White,  
*Acting Chief, Administrative Information Branch.*

[FR Doc. 95-26969 Filed 10-31-95; 8:45 am]

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## Honolulu District Advisory Council Meeting

The U.S. Small Business Administration Honolulu District Advisory Council will hold a public meeting on Thursday, November 16, 1995 at 11:00 am at Bank of Hawaii, 130 Merchant Street, 6th Floor Board Room, Honolulu, HI 96813; to discuss matters as may be presented by members, staff of the U.S. Small Business Administration, or others present.

For further information, write or call Mr. Andrew K. Poepoe, District Director, U.S. Small Business Administration, 300 Ala Moana Boulevard, Room 2314, Honolulu, HI 96850 (808) 541-2965.

Dated: October 25, 1995.

Art DeCoursey,

*Director, Office of Advisory Council.*

[FR Doc. 95-27087 Filed 10-31-95; 8:45 am]

BILLING CODE 8025-01-P

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## SOCIAL SECURITY ADMINISTRATION

### Prehearings Conducted by Adjudication Officers; Testing of New Procedures

**AGENCY:** Social Security Administration.

**ACTION:** Notice of the test sites and the duration of tests involving prehearing procedures and decisions by Adjudication Officers.

**SUMMARY:** The Social Security Administration is announcing the locations and the duration of tests it will conduct under the final rules published in the Federal Register on September 13, 1995 (60 FR 47469). These final rules authorize the testing of procedures to be conducted by an adjudication officer, who, under the Plan for a New Disability Claim Process published in the Federal Register on September 19, 1994 (59 FR 47887), would be the focal point for all prehearing activities. Under the final rules, when a request for a hearing before an administrative law judge is requested, the adjudication officer will conduct prehearing procedures and, if appropriate, issue a decision wholly favorable to the claimant.

**FOR FURTHER INFORMATION CONTACT:** Richard Fussell, Appeals Team Leader,