

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.

7. 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 are "affiliated persons" under section 2(a)(3)(C) of the Act by reason of being under common control. Applicants assert 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.

8. 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 persons concerned, and 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). 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.

9. 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 requested relief from rule 2a-7, any money market Fund or any money market portfolio thereof that values its assets by the amortized cost method will buy and hold Underlying Securities that determine the value of the Accounts to achieve an exact match between the liability of any such Fund's or portfolio's 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. 96-1637 Filed 1-29-96; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21700; 812-9928]

#### Van Kampen American Capital Global Managed Assets Fund, et al.; Notice of Application

January 24, 1996.

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

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

**APPLICANTS:** Van Kampen American Capital Global Managed Assets Fund, Van Kampen American Capital Life Investment Trust, Van Kampen American Capital World Portfolio Series Trust (collectively, the "Funds"), Van Kampen American Capital Asset Management, Inc. (the "Adviser"), John Govett & Co. Limited ("Govett"), and John Govett Holdings Limited ("Govett Holdings").

**RELEVANT ACT SECTIONS:** Order requested under section 6(c) of the Act for an exemption from sections 15 (a) and (c) of the Act.

**SUMMARY OF APPLICATION:** Applicants request an order that would permit the implementation, without shareholder approval, of new sub-advisory agreements (each a "New Sub-Advisory

Agreement") for a period of up to 120 days following the termination of the former sub-advisory contracts on December 29, 1995 (each a "Former Sub-Advisory Contract") (the "Interim Period"). The order also would permit the sub-adviser to receive from the Funds fees earned during the Interim Period after shareholders have approved the New Sub-Advisory Agreements. The order further would allow the implementation, without board of trustee approval, of the New Sub-Advisory Agreements, for a limited period of time.

**FILING DATES:** The application was filed on December 28, 1995, and amended on January 23, 1996.

**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 February 19, 1996, 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, Transco Tower, 2800 Post Oak Boulevard, Houston, TX 77056.

**FOR FURTHER INFORMATION CONTACT:** Elaine M. Boggs, Staff Attorney, at (202) 942-0572, or Alison E. Baur, 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. Each Fund is an open-end management investment company registered under the Act. The Adviser serves as investment adviser to each Fund and has engaged Govett to serve as subadviser in connection with non-U.S. securities held by the Funds pursuant to the Former Sub-Advisory Contracts. Govett is a United Kingdom corporation that is registered under the Investment Advisers Act of 1940 as an investment adviser.

2. On December 7, 1995, the former ultimate parent of Govett, London

Pacific Group Limited, entered into a sale and purchase agreement (the "Sale Agreement") with Govett Holdings. Under the Sale Agreement, Govett Holdings, an indirect newly-formed majority owned subsidiary of Allied Irish Banks p.l.c., acquired all of the outstanding capital shares of Govett. Govett Holdings has represented to the Adviser and the Funds' board of trustees that it does not intend to make any significant changes in the way Govett conducts its business.

3. The Sale Agreement was consummated on December 29, 1995, immediately after which the Former Sub-Advisory Contracts terminated. It is anticipated that proxy materials soliciting shareholder votes approving the New Sub-Advisory Agreements will be mailed to shareholders on or about February 5, 1996. Shareholder meetings are scheduled to take place on or about March 14, 1996. The terms and conditions of each New Sub-Advisory Agreement are identical in all respects to those of the Former Sub-Advisory Contracts, except for the effective and termination dates and a fee escrow provision. The New Sub-Advisory Agreements do not contemplate any changes in the nature of the service provided by Govett or the compensation to be paid by the Adviser to Govett.

4. On December 19, 1995, the board of trustees of each Fund approved the New Sub-Advisory Agreements between Govett and the Adviser. However, due to weather conditions, one of the non-interested trustees was unable to be present at the meeting and could only participate by telephone. Because a sufficient number of non-interested trustees was not present at this meeting, the New Sub-Advisory Agreements remain subject to approval by the non-interested trustees at in-person meetings. These meetings have been scheduled for January 25, 1996. At these meetings, it is anticipated that the trustees will confirm their approvals of the New Sub-Advisory Agreements on the basis that they are in the best interests of the Funds' shareholders and the interests of the Funds and their shareholders will not be diminished as a result of the transactions. Thus, the New Sub-Advisory Agreements should be recommended for approval by the Funds' shareholders.

5. The portion of the advisory fees received by the Adviser from each Fund and payable to Govett for services rendered during the Interim Period will be maintained in an interest-bearing escrow account. Amounts in the account will be paid to Govett only after approval by the non-interested trustees at the January meetings and by the

shareholders of the New Sub-Advisory Agreements and receipt of the requested exemptive relief. The escrow agent would release the monies in each account as provided above, only upon receipt of a certificate of an officer of the Fund (none of who is an affiliate of Govett) stating, in the case where the monies are to be delivered to Govett, that the New Sub-Advisory Agreements have received the requisite non-interested trustee and shareholder votes or, in the case where the monies are to be returned to the Funds, that the Interim Period has ended. Before any such certificates were sent, the board of trustees of the relevant Fund would be notified.

#### Applicants' Legal Analysis

1. Applicants seek an exemption pursuant to section 6(c) from section 15(a) of the Act to permit the implementation, without shareholder approval, of the New Sub-Advisory Agreements during the Interim Period. Applicants also request relief so that Govett may receive all fees earned under the New Sub-Advisory Agreements during the Interim Period if and to the extent they are approved by the shareholders of a Fund. Applicants also seek relief from section 15(c) of the Act to permit the implementation of the New Sub-Advisory Agreements before approval by the board of trustees, which is expected to be given on January 25, 1996.

2. Section 15(a) prohibits an investment adviser from providing investment advisory services to a registered investment company except under a written contract that has been approved by a majority of the voting securities of such investment company.

Section 15(a) further requires that such written contract provide for its automatic termination in the event of an assignment. Section 2(a)(4) defines "assignment" to include any direct or indirect transfer of a contract by the assignor. The consummation of the Sale Agreement resulted in an "assignment," within the meaning of section 2(a)(4), of the Former Sub-Advisory Contracts, thereby resulting in the termination of each Former Sub-Advisory Contract, according to its terms.

3. Section 15(c) requires that all investment advisory contracts be approved by a majority of an investment company's trustees who are not interested persons of the investment adviser at an in-person meeting called for the purpose of voting on the approval of the advisory contract.

4. 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 requested relief meets this standard.

5. Applicants believe that the requested relief is necessary, as it would permit continuity of management notwithstanding the sale of Govett and the resulting assignment of the Former Sub-Advisory Contracts. Applicants state that obtaining shareholder approval prior to the consummation of the Sale Agreement was not possible due to the short period of time between the execution of the Sale Agreement and the anticipated closing date of the transaction. In addition, applicants believe that the Funds made a good faith effort to comply with section 15(c) by holding board of trustees meetings on December 19, 1995, which did not have the required number of non-interested trustees present due to factors beyond the Funds' control, namely the weather. Further, applicants state that the scope and quality of services provided by Govett to the Funds during the Interim Period will not be diminished, and each Fund will operate under its new Sub-Advisory Agreement, which is substantially the same as its Former Sub-Advisory Contract. Applicants believe that depriving Govett of fees for the Interim Period would be a harsh result and would serve no useful purpose.

#### Applicants' Conditions

Applicants expressly consent to the following conditions in connection with the request for exemptive relief:

1. The New Sub-Advisory Agreements will have the same terms and conditions as the Former Sub-Advisory Contracts, except for their effective and termination dates and fee escrow provisions.

2. The portion of the Adviser's fee payable by the Adviser to Govett under the New Sub-Advisory Agreements will be placed into interest-bearing escrow accounts by the Adviser immediately after receipt. The escrow arrangements will be established and maintained as follows: (a) Fees payable to Govett during the Interim Period under the New Sub-Advisory Agreements would be paid into interest-bearing escrow accounts maintained by the escrow agent; and (b) the amounts in the escrow accounts (including interest earned on fees paid) would be paid to Govett on behalf of a Fund only upon approval by

the non-interested members of the boards of trustees at in-person meetings and the Funds' shareholders of the New Sub-Advisory Agreements or, in the absence of such approval, returned to such Fund.

3. The Funds will hold in-person trustees' meetings in January, 1996 to confirm their December approval of the New Sub-Advisory Agreements. In addition, shareholder meetings will be held in March, 1996 to vote on the approval of the New Sub-Advisory Agreements, and such approvals will be obtained on or before the 120th day following the termination of the Former Sub-Advisory Contracts.

4. Govett Holdings will bear the costs of preparing and filing this request for exemptive relief and the costs related to the solicitation of shareholder approval of the Funds' shareholders necessitated by consummation of the Sales Agreement.

5. The Adviser will take all appropriate steps to ensure that the scope and quality of sub-advisory services provided to the Funds by Govett during the Interim Period will be at least equivalent, in the judgment of the respective boards of trustees, to the scope and quality of services previously provided by Govett. If there is a material change in the personnel providing material services to the Funds during the Interim Period, Govett and the Adviser will notify the respective Boards of Trustees of the affected Funds to ensure that they, including a majority of the non-interested trustees, are satisfied that the services provided will not be materially diminished in scope and quality.

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

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-1673 Filed 1-29-96; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21698; 812-9912]

### Walnut Properties Limited Partnership, et al.; Notice of Application

January 23, 1996.

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

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

APPLICANTS: Walnut Properties Limited Partnership (the "Partnership"), and John J. Hansman ("Hansman") and Summit Investment Services, Inc.

("Summit") (collectively, the "General Partners").

RELEVANT ACT SECTIONS: Order requested under section 6(c) for an exemption from all provisions of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit the Partnership to invest in limited partnerships that engage in the ownership and operation of apartment complexes for low and moderate income persons.

FILING DATE: The application was filed on December 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 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 February 20, 1996, 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street NW., Washington, D.C. 20549. Applicants, 600 Stewart Street, Suite 1704, Seattle, Washington 98101.

FOR FURTHER INFORMATION CONTACT: Marianne H. Khawly, Staff Attorney, at (202) 942-0654, 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. The Partnership was formed as a Washington limited partnership on August 11, 1995. The Partnership will operate as a "two-tier" partnership, *i.e.*, the Partnership, as a limited partner, will invest in other limited partnerships (the "Property Partnerships"). The Property Partnerships will be managed by general partners (the "Developer General Partners") that are not affiliated with the Partnership or the General Partners. The Property Partnerships, in turn, will engage in the ownership and operation of apartment complexes ("Properties") expected to qualify for low income housing tax credits

("Credits") under the Internal Revenue Code of 1986 (the "Code").

2. The objectives of the Partnership are to: (a) provide tax benefits, including Credits and passive activity losses, which investors may use to offset their Federal income tax liabilities; (b) distribute proceeds from liquidation, sale, or refinancing transactions; and (c) to the extent permitted by the terms of applicable local, state, and/or federal government assistance, distribute cash from operating the Properties.

3. Units of limited partnership interest in the Partnership (the "Units") will be offered and sold without registration under the Securities Act of 1933 (the "Securities Act") in reliance on section 4(2) of the Securities Act and Regulation D thereunder. No Units will be sold unless subscriptions to purchase at least six Units (the "Minimum Offering") are received and accepted by the General Partners prior to September 30, 1996. If the Minimum Offering has not been sold by such date, no Units will be sold and all funds received from subscribers will be refunded with interest.

4. Until the Minimum Offering has been sold, offering proceeds will be deposited and held in trust for the benefit of purchasers in an escrow account with Seattle-First National Bank in Seattle, Washington, to be used only for the specific purposes set forth in the Confidential Private Placement Memorandum dated November 21, 1995 (the "Memorandum"). The Partnership intends to apply offering proceeds to the acquisition of limited partnership interests in the Property Partnerships as promptly as possible (although such proceeds may be invested temporarily in bank time deposits, certificates of deposit, money market accounts, and government certificates). The Partnership will not trade or speculate in temporary investment.

5. The Partnership will require that each purchaser of Units represent in writing that such purchase meets the applicable suitability standards. Each individual subscriber must represent that he or she has: (a) a net worth (exclusive of home, home furnishings, and automobiles) of at least \$200,000 per Unit; or (b) a net worth (exclusive of home, home furnishings and automobiles) of not less than \$125,000 per Unit and annual income of at least \$100,000 (\$75,000 in the case of a purchase of one-half of a Unit). Units will be sold in certain states only to persons who meet different standards, as set forth in the Memorandum. The Partnership will also allow certain corporate subscribers to purchase Units.