

RAILROAD RETIREMENT BOARD**Agency Forms Submitted for OMB Review**

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the Railroad Retirement Board has submitted the following proposal(s) for the collection of information to the Office of Management and Budget for review and approval.

Summary of Proposal(s)

- (1) *Collection title:* Financial Disclosure Statement.
- (2) *Form(s) submitted:* G-423.
- (3) *OMB Number:* 3220-0127.
- (4) *Expiration date of current OMB clearance:* June 30, 1996.
- (5) *Type of request:* Revision of a currently approved collection.
- (6) *Respondents:* Individuals or households.
- (7) *Estimated annual number of respondents:* 2,100.
- (8) *Total annual responses:* 2,100.
- (9) *Total annual reporting hours:* 2,975.
- (10) *Collection description:* Under the Railroad Retirement and the Railroad Unemployment Insurance Acts, the Railroad Retirement Board has authority to secure from an overpaid beneficiary a statement of the individual's assets and liabilities if waiver of the overpayment is requested.

ADDITIONAL INFORMATION OR COMMENTS: Copies of the form and supporting documents can be obtained from Chuck Mierzwa, the agency clearance officer (312-751-3363). Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092 and the OMB reviewer, Laura Oliven (202-395-7316), Office of Management and Budget, Room 10230, New Executive Office Building, Washington, D.C. 20503.

Chuck Mierzwa,
Clearance Officer.

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-21922; 812-9776]

The Brinson Funds, et al.; Notice of Application

April 29, 1996.

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

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

APPLICANTS: The Brinson Funds (the "Fund") on behalf of its series (the "Public Funds"); Brinson Relationship Funds (the "Trust") on behalf of its series (the "Series"), and Brinson Partners, Inc. (the "Adviser"). Applicants request that any relief granted pursuant to this application also apply to any subsequently created Public Fund or Series for which the Adviser, any entity resulting from the Adviser changing its jurisdiction or form of organization, or any entity controlling, controlled by, or under common control with the Adviser serves as investment advisers.

RELEVANT ACT SECTIONS: Order requested under section 6(c) granting an exemption from sections 12(d)(1) (A) and (B), and under sections 6(c) and 17(b) granting an exemption from section 17(a).

SUMMARY OF APPLICATION: The requested order would permit each Public Fund to invest a portion of its assets in the Series.

FILING DATES: The application was filed on September 21, 1995, and was amended on December 4, 1995, March 15, 1996, April 10, 1996, and April 18, 1996.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request 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 May 24, 1996, 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 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, 209 South LaSalle Street, Chicago, Illinois 60604-1295.

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

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application

may be obtained for fee at the SEC's Public Reference Branch.

Applicants' Representations

1. The Fund is a Delaware business trust registered under the act as an open-end management investment company. The Funds currently consists of ten Public Funds: one equity and income fund (Global Fund), three equity funds (Global Equity Fund, U.S. Equity Fund, and Non-U.S. Equity Fund), four fixed income funds (Global Bond Fund, Short-Term Global Income Fund, U.S. Bond Fund, and Non-U.S. Bond Fund), one balanced fund (U.S. Balanced Fund), and one money market fund (U.S. Cash Management Fund). Each Public Fund offers two classes of shares: the Brinson Fund class shares, which have no sales charge and are not subject to a distribution fee imposed in accordance with rule 12b-1 under the Act (a "12b-1 Fee"), and the SwissKey Fund class shares, which have not sales charge but are subject to a 12b-1 Fee. Fund/Plan Broker Services, Inc. ("FPBS") acts as distributor of the Fund. FPBS does not receive any payment from the Public Funds for its services as distributor. Rather, the Adviser pays FPBS a fixed annual fee for the distribution services it provides to the Public Funds.

2. The Trust is a Delaware business trust registered under the Act as an open-end management investment company. The Trust currently consists of six Series: Brinson Global Securities Fund, Brinson Short-Term Fund, Brinson Post-Venture Fun, Brinson High Yield Fund, Brinson Emerging Markets Equity Fund, and Brinson Emerging Markets Debt Fund. Investment in the Series is limited to "accredited investors" within the meaning of Regulation D under the Securities act of 1933. The Series impose no sales charge, advisory fee, or 12b-1 Fee. Because shares of the Series are issued solely in private placement transactions, the Trust does not have a distributor.

3. The Adviser is registered as an investment adviser under the Investment Advisers Act of 1940. The Adviser provides investment advisory services to each Public Fund and receives a fee for such services under the Adviser's investment advisory agreement with the Fund. The Adviser provides investment advisory services to each Series of the Trust, but it does not receive any compensation for these services under its investment advisory agreement with the Trust. Fund/Plan Services, Inc. ("Fund/Plan") provides administrative and transfer agency services to both the Fund and the Trust.

4. Applicants propose that, subject to the conditions to the requested order, the Public Funds be permitted to purchase and redeem shares of the Series, and that each Series be permitted to sell shares to, and redeem shares from, each of the Public Funds. The Public Funds would invest a portion of their assets in Series that primarily invest in certain securities (each Series in which a Public Fund invests in reliance on the requested order is referred to herein as a "Target Series").¹

5. Each Public Fund may invest directly in debt and equity securities of emerging market issuers ("Emerging Market Securities"), equity securities of small capitalization issuers ("Small Cap Securities"), and/or high yield securities, as consistent with the Public Fund's investment objectives and policies. Applicants believe that investors in the Public Funds may obtain substantial benefits if the Public Funds invest that portion of their assets they currently invest directly in Emerging Market Securities, Small Cap Securities, and high yield securities in the Series that primarily invest in such securities.²

6. Solely in instances where a Public Fund holds portfolio securities that would be appropriate investments for a Series, the Public Fund may invest in the Series by transferring securities and cash in the Public Fund's portfolio to the corresponding Series in exchange for shares of the Series. In addition, the Series may pay redeeming shareholders, including the Public Funds, in-kind with a *pro rata* distribution of the Series' portfolio securities rather than cash. These in-kind purchases or redemptions will comply with the provisions of rule 17a-7 (a) through (f) under the Act, except for the requirement under subparagraph (a) that the transaction be for no consideration other than cash payment.

7. The Public Funds will retain the ability to invest their assets directly in securities as authorized by their respective investment objectives and policies. Thus, if the Adviser believes that it can more economically invest a Public Fund's assets directly in a particular type of security, then such direct investment will be made. In addition, each Series reserves the right

to discontinue selling shares to any Public Fund if the Trust's board of trustees determines that sales of Series shares to the Public Funds would adversely affect the Series' portfolio management and operations.

Applicants' Legal Analysis

A. Section 12(d)(1)

1. Section 12(d)(1)(A) provides that no registered investment company may acquire securities of another investment company if such securities represent more than 3% of the acquired company's outstanding voting stock, more than 5% of the acquiring company's total assets, or if such securities, together with the securities of any other acquired investment companies, represent more than 10% of the acquiring company's total assets. Section 12(d)(1)(B) provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company's voting stock, or if the sale will cause more than 10% of the acquired company's voting stock to be owned by investment companies.

2. Section 6(c) provides that the SEC may exempt persons or transaction if, and to the extent that, such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants request an order under section 6(c) exempting them from section 12(d)(1) (A) and (B) to permit the Public Funds to invest in shares of the Series.

3. Section 12(d)(1) was intended to mitigate or eliminate actual or potential abuses which might arise when one investment company acquires shares of another investment company. These abuses include the unnecessary duplication of costs (such as sales charges, distribution fees, advisory fees, and administrative costs), undue influence by the fund holding company over its underlying funds, and the threat of large scale redemptions of the securities of the underlying investment companies.

4. Applicants believe that none of these potential or actual abuses are present in the proposed arrangement. Applicants assert that the Public Funds' investment in the Series will not result in duplicative distribution, portfolio management, fund administration, or operating costs. Investors in the Public Funds will not pay duplicative advisory fees because the Adviser does not receive any compensation for the

investment advisory services it provides to the Series. The administration and accounting fees (both of which are asset-based) paid by the Public Funds to Fund/Plan will be reduced by an amount equal to the administration and accounting fees attributable to the Public Funds' investments in the Series. While one of the Series (Brinson Emerging Markets Equity Fund) assesses a redemption fee, applicants agree that any investment by the Public Funds in that Series will not be subject to the redemption fee. Because Fund/Plan receives a fixed annual fee from each Series for providing transfer agency services, Fund/Plan will not receive increased transfer agency fees as a result of the proposed transaction.

5. Applicants assert that the proposed arrangement will not result in disruptive or manipulative redemptions by the Public Funds of shares of the Series, since the Public Funds and the Series are part of the same "group of investment companies" as defined in rule 11a-3 under the Act. Applicants also assert that there is no risk that the Public Funds will exercise inappropriate control or undue influence over the management of the Trust. For these reasons, applicants submit that the requested order exempting applicants from section 12(d)(1) meets the standards of section 6(c).

B. Section 17(a)

1. Section 17(a) makes it unlawful for an affiliated person of a registered investment company, or an affiliated person of such person, to sell securities to, or purchase securities from, the company. Each Public Fund and Series may be considered an affiliated person of the other, within the meaning of section 2(a)(3) of the Act, because each is advised by the Adviser, and thus could be considered under common control. Accordingly, a Series' sale of its shares to a Public Fund, and the redemption of such shares, may be considered a purchase and sale prohibited by section 17(a).

2. Section 17(b) provides that the SEC shall exempt a proposed transaction from section 17(a) if evidence establishes that: (a) The terms of the proposed transaction are reasonable and fair and do not involve overreaching; (b) the proposed transaction is consistent with the policies of each registered investment company involved; and (c) the proposed transaction is consistent with the general provision of the Act. Applicants request an exemption under sections 6(c) and 17(b) to permit the Series to sell their shares to the Public

¹ It is presently anticipated that the Public Funds will invest in the following Series: the Brinson Emerging Markets Equity Fund, the Brinson Emerging Markets Debt Fund, the Brinson Post-Venture Fund, and the Brinson High Yield Fund.

² While the Public Funds request relief to invest in the Series in order to obtain exposure to these three asset classes, it is likely that the Fund will create new Public Funds in the future that may seek to obtain exposure to different and additional asset classes through investment in the Series.

Funds, and to permit the Public Funds to redeem shares of the Series.³

3. Applicants state that the terms of the proposed transactions are reasonable and fair, and do not involve overreaching. The consideration paid and received for the sale and redemption of shares of the Series will be based on the net asset value of those Series' shares. In addition, the Series will not charge the Public Funds any sales charge, redemption fee, or 12b-1 Fee, and Brinson does not receive any advisory fee for serving as adviser to the Series.

4. Applicants assert that the proposed transactions will be consistent with the policies of each Public Fund, as the Public Funds will amend the Fund's investment restrictions and policies to permit the proposed transactions. Applicants also assert that the proposed transactions are consistent with the general purposes of the Act.

5. Applicants believe that investing in the Series will permit the Public Funds more efficiently to obtain exposure to a broadly diversified portfolio of securities at lower cost than investing directly. For example, transaction and custodial fees associated with Emerging Markets Securities are relatively high as compared to securities of U.S. issuers. Consequently, it is more economical to invest one portfolio of Emerging Markets Securities rather than several. The Public Funds' investment in the Series may also result in greater efficiency in the Public Funds' portfolio management. For example, because of the large number of small company issuers and the difficulty of obtaining information about these issuers, following a large number of such issuers is extremely time-consuming for portfolio managers. Where a Public Fund allocates a fairly small percentage of its assets to investment in Small Cap Securities, the Public Fund can achieve exposure to these securities by investing in the Brinson Post-Venture Fund, without the Public Fund's portfolio managers spending a disproportionate amount of time following individual Small Cap Securities.

6. Applicants also state that Public Funds, by investing in the Series, will gain exposure to a far greater range of issuers than would be possible by investing directly. Applicants anticipate that greater diversification will result in lower risk and volatility, and greater price stability of investments in these securities. For these reasons and the

reasons discussed above, applicants believe that the proposed transactions meet the standards of sections 6(c) and 17(b).

Applicants' Conditions

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

1. The Public Funds and the Series will be part of the same "group of investment companies," as defined in rule 11a-3 under the Act.

2. No Target Series shall acquire securities of any other investment company in excess of the limitations contained in section 12(d)(1)(A) of the Act.

3. A majority of the trustees of a Public Fund will not be "interested persons" of the Public Fund, as defined in section 2(a)(19) of the Act.

4. Brinson will not charge any advisory fee for serving as adviser to the Series.

5. Any sales charges or service fees charged with respect to securities of a Public Fund, when aggregated with any sales charges or service fees paid by the Public Fund with respect to shares of the Target Series, shall not exceed the limitations set forth in Article III, section 26, of the Rules of Fair Practice of the National Association of Securities Dealers, Inc.

6. The applicants agree to provide the following information, in electronic format, to the Chief Financial Analyst of the SEC's Division of Investment Management: monthly average total assets of each Public Fund and each of its Target Series; monthly purchases and redemptions (other than by exchange) for each Public Fund and each of its Target Series; monthly exchanges into and out of each Public Fund and each of its Target Series; month-end allocations of each Public Fund's assets among its Target Series; annual expense ratios for each Public Fund and each of its Target Series; and a description of any vote taken by the shareholders of any Target Series, including a statement of the percentage of votes cast for and against the proposal by the Public Fund and by the other shareholders of the Target Series. Such information will be provided as soon as reasonably practicable following each fiscal year-end of the Public Fund (unless the Chief Financial Analyst shall notify the applicants in writing that such information need no longer be submitted).

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

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 35-26510]

Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

April 26, 1996.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by May 20, 1996, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

The Southern Company, et al. (70-8733)

The Southern Company ("Southern"), 270 Peachtree Street, N.W., Atlanta, Georgia 30303, a registered holding company, and its subsidiaries, SEI Holdings, Inc. ("Holdings"), Southern Electric International, Inc. ("SEI"), Mobile Energy Services Holdings, Inc. ("Mobile Energy"), Southern Electric Wholesale Generators, Inc. ("Domestic Holdings"), SEI Europe, Inc. ("SEI Europe"), and SEI NEWCO 1, Inc. ("Foreign Holdings"), all at 900 Ashwood Parkway, Suite 500, Atlanta, Georgia 30338, have filed a post-effective amendment under sections 3(b) and 12(c) of the Act and rules 46 and

³ Applicants request relief under section 6(c) as well as under section 17(b) because they wish to engage in a series of transactions rather than a single transaction.