

[Investment Company Act Release No. 22519; 811-1149]

Pennsylvania Mutual Fund; Notice of Application

February 19, 1997.

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

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

APPLICANT: Pennsylvania Mutual Fund.
RELEVANT ACT SECTIONS: Order requested under section 8(f).

FILING DATES: The application was filed on September 20, 1996, and amended on February 6, 1997.

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

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 March 14, 1997, and should be accompanied by proof of service on applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant, c/o Quest Advisory Corp., 1414 Avenue of the Americas, New York, NY 10019.

FOR FURTHER INFORMATION CONTACT: Kathleen L. Knisely, Staff Attorney, at (202) 942-0517 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant, a registered open-end management investment company, is organized as a business trust which is registered under the Delaware Business Trust Act. On or about January 31, 1962, applicant registered under the Act. On March 21, 1962, applicant filed a registration statement under the Securities Act of 1933 which became effective August 17, 1962, and

subsequently made a public offering of its shares.

2. On April 18, 1996, applicant's trustees approved an Agreement and Plan of Merger ("Plan"), under which all of the assets and debts of the applicant would be transferred to the Pennsylvania Mutual Fund series of The Royce Fund, a Delaware business trust registered under the Act as an open-end management investment company, in exchange for shares of the Pennsylvania Mutual Fund series of The Royce Fund. Pursuant to rule 17a-8 under the Act,¹ applicant's trustees found that the Plan was in the best interests of applicant and that the interests of the existing shareholders would not be diluted as a result of the proposed reorganization.

3. As of June 27, 1996, applicant had one class of shares, consisting of 56,045,686.017 shares outstanding with a net asset value of \$8.15 per share and an aggregate net asset value of \$456,772,341.03.

4. Effective June 28, 1996, applicant transferred its assets to the Pennsylvania Mutual Fund series of The Royce Fund. In total, shareholders of applicant received shares of the Pennsylvania Mutual Fund series of The Royce Fund having an aggregate net asset value equal to applicant's net asset value at the time of the reorganization.

5. Expenses incurred in connection with the Plan consisted of legal fees, postage, and registration in some states and totaled \$72,201.32. Pursuant to the Plan, expenses were shared by applicant and The Royce Fund in proportion to their respective assets. Accordingly, applicant paid \$10,744.66 for registration and filing fees, \$900.85 for postage, and \$26,973.81 in legal fees. The Royce Fund incurred the balance, with expenses being allocated among the series of The Royce Fund, not including the newly-created Pennsylvania Mutual Fund series.

6. As of the date of filing of the original application, applicant had no shareholders, assets or liabilities, and was not a party to any litigation or administrative proceeding. Applicant is not presently engaged, nor does it propose to engage, in any business activities other than those necessary for the winding-up of its affairs.

7. On June 28, 1996, applicant was a party to a Certificate of Merger filed with the State of Delaware.

¹ Rule 17a-8 provides an exemption from section 17(a) of the Act for certain reorganizations among registered investment companies that may be affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-4670 Filed 2-25-97; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-38314; File No. SR-MBSCC-96-08]

Self-Regulatory Organizations; MBS Clearing Corporation; Notice of Filing of a Proposed Rule Change Relating to Liens on Participants' Property

February 19, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on November 20, 1996, the MBS Clearing Corporation ("MBSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-MRSCC-96-08) as described in Items I, II, and III below, which items have been prepared primarily by MBSCC. On January 3, 1997, and January 14, 1997, MBSCC filed amendments to the proposed rule change.² The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change modifies MBSCC's rules to explicitly state that MBSCC has a lien on all property placed in MBSCC's possession by its participants.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, MBSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change.

The text of these statements may be examined at the places specified in Item IV below. MBSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.³

¹ 15 U.S.C. 78s(b)(1).

² Letters from Julie Beyers, Associate Counsel, MBSCC (January 3, 1997, and January 14, 1997).

³ The Commission has modified the text of the summaries prepared by MBSCC.