

SUPPLEMENTARY INFORMATION: Following is a summary of the application. The complete application may be obtained for a fee from the Public Reference Branch of the SEC.

Applicant's Representations

1. Applicant is an open-end, diversified management investment company organized as a corporation under Maryland law. On July 27, 1983, Applicant filed a notification of registration as an investment company on Form N-8A and a registration statement on Form N-1 under the 1940 Act and the Securities Act of 1933. The registration statement became effective and the initial public offering of Applicant's shares commenced on June 26, 1984.

2. On September 27, 1996, Applicant's board of directors (the "Board") approved the following agreement and plan of reorganization: (i) The transfer of all assets and liabilities of each of the Applicant's portfolios to a corresponding portfolio of NASL Series Trust ("NASL"), a Massachusetts business trust, in exchange for shares of the corresponding NASL portfolio and the assumption by that NASL portfolio of the liabilities of Applicant's portfolio and (ii) the distribution of the shares received from each NASL portfolio to the shareholders of the corresponding portfolio of Applicant in liquidation of Applicant and each of its portfolios.

3. On or about November 15, 1996, proxy materials relating to the special meeting at which the agreement and plan of reorganization was considered were mailed to contract owners entitled to instruct as to the voting of Applicant's shares. At the special meeting held on December 20, 1996, the agreement and plan of reorganization was approved by the necessary vote of shareholders of each of Applicant's portfolios.

4. On December 19, 1996, Applicant, NASL and other related parties obtained an order pursuant to Section 17(b) of the Act and Rule 17d-1 thereunder to permit certain transactions contemplated by the reorganization.

5. On December 31, 1996, Applicant transferred assets and liabilities of each of its portfolios to a corresponding portfolio of NASL in exchange for shares of the corresponding NASL portfolio and distributed the NASL shares held by each portfolio pro rata to the shareholders of such portfolio in complete liquidation of the portfolio and of Applicant. The aggregate net asset value of the NASL shares received by each of Applicant's portfolios was equal to the aggregate net asset values of such portfolio.

6. The expenses of the reorganization, other than fees payable for the registration of shares of the NASL portfolios in connection with the reorganization, were borne by the Applicant's and NASL's affiliates, other than Applicant and NASL. No brokerage commissions were paid in connection with the reorganization.

7. Within the last 18 months, Applicant has not transferred any of its assets to a separate trust, the beneficiaries of which were or are security holders of Applicant.

8. At the time the application was filed, Applicant had no assets, no liabilities and no security holders. Applicant is not a party to any litigation or administrative proceeding, and is not now engaged, nor does it propose to engage, in any business activities other than those necessary for winding up its affairs.

9. On December 31, 1996, Applicant filed Articles of Transfer with Maryland's Department of Assessments and Taxation. Applicant intends to file Articles of Dissolution with that office upon receipt of the order requested in the application.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

Discovery Zone, Inc., Order of Suspension of Trading

August 1, 1997.

It appears to the Securities and Exchange Commission that there is a lack of adequate information concerning the cancelled common stock of Discovery Zone, Inc. ("Discovery"), which emerged from Chapter 11 bankruptcy protection on July 29, 1997. On July 18, 1997, the Third Amended Joint Plan of Reorganization ("the Plan") was confirmed by the United States Bankruptcy Court for the District of Delaware. On July 29, 1997, the Plan became effective. Pursuant to the Plan, all of the common stock, common stock options and partnership interests existing as of the date of the bankruptcy petition, March 25, 1996, shall be cancelled, annulled and extinguished as of the effective date of the Plan, July 29, 1997. Accordingly, the common stock, common stock options and partnership

interests cancelled on July 29, 1997 no longer represent an economic or beneficial interest in Discovery.

Despite press releases and notification by the company that Discovery's common stock was cancelled and no longer represented any economic or beneficial value, the daily trading volume of Discovery's common stock was approximately six million shares and four million shares for July 30, 1997 and July 31, 1997, respectively, the two days following the cancellation of the common stock. Trading in Discovery's common stock was continuing today, August 1, 1997.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in Discovery's common stock, common stock options and partnership interests that were cancelled pursuant to the Plan. This order of suspension of trading does not affect any securities issued by Discovery pursuant to the Plan.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above company is suspended for the period from 3:30 p.m. (EDT), August 1, 1997, through 3:29 p.m. (EDT), on August 15, 1997.

By the Commission.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-20831 Filed 8-4-97; 12:50 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38889; File No. SR-NSCC-96-21]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of a Proposed Rule Change to Establish the Annuities Processing Service

July 30, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 26, 1996, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") and on February 27, 1997, and May 12, 1997, amended the proposed rule change (File No. SR-NSCC-96-21) as described in Items I, II, and III below, which items have been prepared primarily by NSCC. The Commission is publishing this notice to solicit

¹ 15 U.S.C. 78s(b)(1).