companies, such as applicant, which do not continuously distribute shares. Any rights offering, moreover, that applicant makes in the future will be non-transferable and will be offered only by means of the statutory prospectus, without solicitation by brokers and without payment of any commission or other underwriting fees and accordingly would provide no opportunity for selling the dividend.

6. Applicant states that another concern leading to the adoption of section 19(b) and rule 19b–1, increase in administrative costs, is not present because applicant will continue to make quarterly distributions regardless of what portion thereof is composed of capital gains.

7. For the reasons stated above, applicant believes that the requested exemption from section 19(b) of the Act and rule 19b–1 thereunder would be consistent with the standards set forth in section 6(c) of the Act, and would be in the best interests of applicant and its shareholders.

Applicant's Condition

Applicant agrees that any SEC order granting the requested relief shall terminate upon the effective date of a registration statement under the Securities Act of 1933 for any future public offering by applicant of shares of applicant other than:

(i) A non-transferable rights offering to shareholders of applicant, provided that such offering does not include solicitation by brokers or the payment of any commissions or underwriting fee; and

(ii) An offering in connection with a merger, consolidation, acquisition or reorganization.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 95–25507 Filed 10–13–95; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Rel. No. 21404; 812–9782]

Prairie Funds, et al.; Notice of Application

October 6, 1995.

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

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

APPLICANTS: Prairie Funds, Prairie Institutional Funds, Prairie Intermediate Bond Fund, and Prairie Municipal Bond Fund, Inc., (collectively, the ''Funds''); First Chicago Investment Management Company (''FCIMCO'') and ANB Investment Management and Trust Company (''ANB–IMC'').

RELEVANT ACT SECTIONS: Order requested under section 6 (c) for an exemption from section 15(a).

SUMMARY OF APPLICATION: First Chicago Corporation, the ultimate parent of FCIMCO, will merge with and into NBD Bancorp, Inc. (''NBD''). The merger will result in the assignment, and thus the termination, of existing investment advisory and sub-advisory contracts of the Funds. The order would permit the implementation, without shareholder approval, of new advisory and sub-advisory contracts for a period of up to 120 days following November 30, 1995 (''Interim Period''). The order also would permit FCIMCO and ANB–IMC to receive from the Funds fees earned under the new investment advisory and sub-advisory contracts during the Interim Period following approval by the Funds' shareholders.

FILING DATES: The application was filed on September 26, 1995 and amended on October 6, 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 October 31, 1995, 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 such notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, c/o First Chicago Investment Management Company, Three First National Plaza, Chicago, Illinois 60670, Attention: Secretary.

FOR FURTHER INFORMATION CONTACT: Sarah A. Buescher, Staff Attorney, at (202) 942–0573, 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.

Applicants' Representations

1. Each Fund is registered under the Act as an open-end management investment company. Each Fund has entered into an investment advisory agreement (the''Existing Advisory Agreement'') with FCIMCO, an investment adviser registered under the Investment Advisers Act of 1940, under which FCIMCO provides investment advisory services to each Fund. FCIMCO has engaged ANB–IMC, a registered investment adviser, to provide the day-to-day management of the International Equity Fund series of the Prairie Fund pursuant to a sub-investment advisory agreement (the ''Existing Sub-Investment Advisory Agreement,'' and together with the Existing Advisory Agreements, the ''Existing Agreements'').

2. FCIMCO is a wholly-owned subsidiary of The First National Bank of Chicago, which in turn is a wholly-owned subsidiary of First Chicago Corporation. ANB–IMC is a wholly-owned subsidiary of American National Bank and Trust Company, which in turn is a wholly-owned subsidiary of First Chicago Corporation.

3. Under an Agreement and Plan of Merger (the ''Merger Agreement'') dated July 11, 1995 between First Chicago Corporation and NBD, First Chicago Corporation agreed to merge with and into NBD, with NBD as the surviving corporation in the Merger and continuing under the name ''First Chicago NBD Corporation.''

4. On September 19, 1995, the respective boards of the Funds met to discuss the Merger. During those meetings, the boards, which are comprised entirely of members who are not ''interested persons'' (as that term is defined in the Act) of the respective Funds, considered the new investment advisory agreements between FCIMCO and each Fund (the ''New Advisory Agreements'') and the new sub-investment advisory agreement between FCIMCO and ANB–IMC with respect to the International Equity Fund (the ''New Sub-Investment Advisory Agreement'' and, together with the New Advisory Agreements, the ''New Agreements'') to be entered into upon consummation of the Merger. The boards evaluated the New Agreements after receiving such information as they requested as being reasonably necessary to evaluate whether the terms of the New Agreements were in the best interests of the Funds and their shareholders. Each New Agreement is identical to the relevant Existing Agreement, except for its effective date. In accordance with

section 15(c) of the Act, the boards approved the New Agreements.[1]

5. Originally, it was anticipated that the Merger would occur during the first quarter of 1996. Accordingly, the Funds tentatively had scheduled their shareholders' meetings for late December 1995 with the expectation of being able to adjourn into January 1996 or later, if necessary, to obtain the requisite vote. First Chicago Corporation recently was advised that the necessary bank regulatory approval for the Merger could occur more rapidly and that the Merger date could be advanced to November 30, 1995. Although the Funds have prepared the required proxy materials and have scheduled shareholder meetings for November 28, 1995, there may not be an adequate solicitation period.

6. Applicants propose to enter into an escrow arrangement with an unaffiliated financial institution as escrow agent. The arrangement would provide that: (a) the fees payable to FCIMCO and ANB–IMC during the Interim Period under the New Agreements would be paid into an interest-bearing escrow account maintained by the escrow agent; (b) the amounts in the escrow account (including interest earned on such paid fees) would be paid to FCIMCO and ANB–IMC only upon approval by Fund shareholders of the New Agreements or, in the absence of such approval, to the respective Fund.

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 Agreements during the Interim Period. Applicants also request permission for FCIMCO and ANB–IMC to receive from each Fund all fees earned under the New Agreements implemented during the Interim Period if and to the extent the New Agreements are approved by the shareholders of such Fund. Applicants anticipate that the Merger could occur on November 30, 1995. Accordingly, the exemption would cover the period commencing on November 30, 1995 and continuing through the date the New Agreements are approved or disapproved by the shareholders of the respective Funds, which period shall be no longer than 120 days following the termination of the Existing Agreements (but in no event later than March 30, 1996).

2. Section 15(a) prohibits an investment adviser from providing investment advisory services to an 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 or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor.

3. Upon completion of the Merger, First Chicago Corporation, FCIMCO's and ANB–IMC's ultimate parent, will merge into First Chicago NBD Corporation. The Merger will result in an ''assignment'' of the Existing Agreements within the meaning of section 2(a)(4). Consistent with section 15(a), therefore, each Existing Agreement will terminate according to its terms upon completion of the Merger.

4. Rule 15a–4 provides, in relevant part, that if an investment adviser's investment advisory contract with an investment company is terminated by assignment, the adviser may continue to act as such for 120 days at the previous compensation rate if a new contract is approved by the board of directors of the investment company and if neither the investment adviser nor a controlling person thereof directly or indirectly receives money or other benefit in connection with the assignment. Because First Chicago Corporation will receive a benefit in connection with the assignment of the Existing Agreements, applicants may not rely on rule 15a–4.

5. Section 6(c) provides that the SEC may exempt any person, security, or transaction from any provision of the Act, 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 believe that the requested relief meets this standard.

6. Applicants believe that the requested relief is necessary, as it would permit continuity of investment management to each Fund during the period following the Merger so that services to the Funds would not be disrupted. Applicants believe that the Interim Period they request will facilitate the orderly and reasonable consideration of the New Agreements by the Funds' shareholders in a manner that is consistent with the provisions of section 15 as well as the corporate governance objectives of the Act.

7. Applicants believe that the best interests of Fund shareholders would be served if FCIMCO and ANB–IMC receive fees for services during the Interim Period. These fees are essential to maintain FCIMCO's and, to a lesser degree, ANB–IMC's ability to provide services to the Funds. In addition, the fees to be paid during the Interim Period are at the same rate as the fees currently payable by the Funds under the Existing Agreements.

Applicants' Conditions

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

1. The New Agreements will have the same terms and conditions as the Existing Agreements, except for their effective dates.

2. Fees earned by FCIMCO and ANB–IMC in respect of the New Agreements during the Interim Period will be maintained in an interest-bearing escrow account, and amounts in the account (including interest earned on such paid fees) will be paid (a) to FCIMCO and ANB–IMC in accordance with the New Agreement, after the requisite approvals are obtained, or (b) to the respective Fund, in the absence of such approvals.

3. The Funds will hold meetings of stockholders to vote on approval of the New Agreements on or before the 120th day following the termination of the Existing Agreements (but in no event later than March 30, 1996).

4. First Chicago Corporation will bear the costs of preparing and filing this application and the costs relating to the solicitation of stockholder approval of the Funds' stockholders necessitated by the Merger.

5. FCIMCO and ANB–IMC will take all appropriate steps so that the scope and quality of advisory and other services provided to the Funds during the Interim Period will be at least equivalent, in the judgment of the respective boards, including a majority of the non-interested board members, to the scope and quality of services previously provided. If personnel providing material services during the Interim Period change materially, FCIMCO will apprise and consult with the boards of the affected Funds to assure that they, including a majority of the non-interested board members, are satisfied that the services provided will not be diminished in scope or quality.

[1] Section 15(c) provides, in relevant part, that it shall be unlawful for any registered investment company to enter into an investment advisory contract unless the terms of such contract have been approved by the vote of a majority of directors, who are not parties to such contract or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 95–25508 Filed 10–13–95; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 35–26388]

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

October 6, 1995.

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 October 30, 1995, to the Secretary, Securities and Exchange Commission, Washington, DC 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.

Central and South West Corporation, et al. (70–7758)

Central and South West Corporation (''CSW''), a registered holding company, and its nonutility subsidiary company CSW Energy, Inc. (''CSW Energy''), both of 1616 Woodall Rodgers Freeway, P.O. Box 660164, Dallas, Texas 75202, have filed a post-effective amendment to their application-declaration filed under sections 6(a), 7, 9(a), 10, 12(b) and 13(b) of the Act and rules 43, 45, 86, 87, 90 and 91 thereunder.

By order dated September 28, 1990 (HCAR No. 25162) (''1990 Order''), CSW and CSW Energy were authorized, through December 31, 1995: (i) to spend $75 million (''Aggregate General Authority'') to conduct preliminary studies of, investigate, research, develop, agree to construct (such construction subject to further Commission authorization) and, except with respect to independent power projects (''IPP's''), to consult with respect to qualifying cogeneration facilities and qualifying small power production facilities (collectively ''QF's'') and IPP's; (ii) to finance such activities through capital contributions, open account advances and loans up to $75 million; (iii) for CSW Energy to form Energy Sub for the purpose of engaging in a joint venture (''ARK Joint Venture'') with ARK Energy, Inc. (''ARK''), a nonassociate corporation; and (iv) for CSW Energy to use $25 million of the $75 million Aggregate General Authority to finance the ARK Joint Venture through capital contributions and loans (''ARK Joint Venture Authority''). The 1990 Order also authorized CSW to fund the activities of CSW Energy through capital contributions, open account advances and loans in the aggregate amount of $75 million through December 31, 1995. In addition, the 1990 Order authorized investments in the ARK Joint Venture in the form of capital contributions and loans.

By order dated November 22, 1991 (HCAR No. 25414) (''1991 Order''), CSW Energy was authorized to provide consulting services with respect to IPP's.

By order dated December 31, 1992 (HCAR No. 25728) (''1992 Order''), CSW, CSW Energy, Energy Sub and the ARK Joint Venture were authorized, through December 31, 1995, to increase: (i) the Aggregate General authority (granted in the 1990 Order) from $75 million to $150 million; and (ii) the financing authority for the ARK Joint Venture from $25 million to $50 million. In all other respects, the terms and conditions under the 1992 Order remained the same as the 1990 Order.

CSW and CSW Energy now propose that: (i) the Aggregate General Authority be increased from $150 million to $250 million, and (ii) the outstanding authorization from the 1990 Order, 1991 Order and 1992 Order be extended until December 31, 2005.

Central and South West Corporation, et al. (70–8205)

Central and South West Corporation (''CSW''), a registered holding company, and its nonutility subsidiary company CSW Energy, Inc. (''CSW Energy''), both of 1616 Woodall Rodgers Freeway, P.O. Box 660164, Dallas, Texas 75202, have filed a post-effective amendment to their application-declaration filed under sections 6(a), 7 and 12(b) of the Act and rules 45, 53 and 54 thereunder.

By order dated August 6, 1993 (HCAR No. 25866) (''1993 Order''), CSW and CSW Energy were authorized, through December 31, 1995, to issue letters of credit, bid bonds or guarantees (collectively, ''Guarantees'') in connection with the development of qualifying cogeneration facilities, qualifying small power production facilities and independent power facilities, including exempt wholesale generators as defined in section 32 of the Act, in an aggregate amount not to exceed $50 million.

CSW and CSW Energy now propose to: (i) increase the aggregate amount of Guarantees that may be issued from $50 million to $75 million; and (ii) extend the authorization granted by the 1993 Order until December 31, 2005.

Eastern Utilities Associates, et al. (70–8701)

Eastern Utilities Associates (''EUA''), a registered holding company, and EUA Service Corporation (''ESC''), a wholly-owned subsidiary of EUA, both at P.O. Box 2333, Boston, Massachusetts 02107 have filed an application pursuant to section 13(b) of the Act and rules 80 through 94 promulgated thereunder.

ESC provides services to EUA's four electric utility companies—Blackstone Valley Electric Company (''Blackstone''), Montaup Electric Company (''Montaup''), Eastern Edison Company (''Eastern Edison'') and Newport Electric Corporation (''Newport'') (Blackstone, Montaup, Eastern Edison and Newport, hereinafter collectively, the ''Operating Companies''), as well as to EUA's other direct and indirect subsidiaries (collectively with the Operating Companies, the ''System Companies'').

EUA and ESC request Commission approval with respect to the reorganization and centralization of certain service and management functions (the ''Reorganization''). The Reorganization is designed to consolidate and restructure operations in order to allow more flexibility in the allocation of management and supervisory resources throughout the System Companies.

EUA expects to realize a number of benefits from the Reorganization, such as increased efficiencies and synergies through the elimination of previously duplicated functions. It expects these efficiencies to translate into a reduction in the rate of growth in operating and maintenance costs of the Operating Companies.