

underwriters aside from placing its own bid for the Contracts.

7. The Trustees of each Trust, including a majority of noninterested Trustees, have or will have approved the Trust's participation in transactions conducted pursuant to the exemption and have or will have determined that such participation by the Trust is in the best interests of the Trust and its unitholders. The minutes of the meeting of the Board of Trustees at which this approval was or will be given reflect or will reflect in detail the reasons for the Trustee's determination.

By the Commission.

**Margaret H. McFarland,**

*Deputy Secretary.*

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[Rel. No. IC-21224; 811-7806]

### **MYA Tombstone Fund, Inc.; Notice of Application for Deregistration**

July 21, 1995.

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

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

**APPLICANT:** MYA Tombstone Fund, Inc. (formerly MuniYield Arizona Fund, Inc.).

**RELEVANT ACT SECTION:** Section 8(f).

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

**FILING DATES:** The application was filed on June 1, 1995 and amended on July 14, 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 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 August 15, 1995, 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 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. Applicant, 800 Scudders Mill Road, Plainsboro, New Jersey 08536.

**FOR FURTHER INFORMATION CONTACT:**

Marc Duffy, Senior Attorney, (202) 942-0565, or C. David Messman, Branch Chief, (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 References Branch.

### **Applicant's Representations**

1. Applicant is a closed-end non-diversified management investment company organized as a Maryland corporation. On June 15, 1993, applicant registered under section 8(a) of the Act. On this same date, applicant filed a registration statement under section 8(b) of the Act and the Securities Act of 1933, whereby it registered 2,472,000 shares of its common stock. On July 23, 1993, applicant filed a pre-effective amendment to its registration statement registering an additional 58,000 shares of common stock. The registration statement was declared effective on July 23, 1993, and applicant commenced its initial public offering on that date.

2. On and after August 5, 1993, applicant filed a registration statement and pre-effective amendments thereto (the "AMPS Registration Statement") whereby it registered 347 shares of its auction market preferred stock ("AMPS") with a liquidation preference of \$50,000 per share and an aggregate liquidation preference of \$17,350,000.<sup>1</sup> The AMPS Registration Statement, as amended, was declared effective on August 25, 1993, and applicant commenced its initial public offering on that date.

3. On June 17, 1994, applicant's Board of Directors approved a plan of reorganization whereby MuniYield Arizona Fund II, Inc. ("Arizona II") would acquire substantially all of applicant's assets and assume substantially all of applicant's liabilities in exchange for shares of Arizona II common stock and shares of Arizona II Auction Market Preferred Stock, Series B ("Arizona II AMPS"). Applicant's Board of Directors determined that the reorganization could benefit applicant's shareholders by achieving lower expenses per share of common stock, greater efficiency and flexibility in

portfolio management, and a more liquid trading market.

4. In accordance with rule 17a-8 of the Act, applicant's Board of Directors determined that the sale of applicant's assets to Arizona II was in the best interest of applicant's shareholders, and that the interests of the existing shareholders would not be diluted as a result.<sup>2</sup>

5. On October 6, 1994, Arizona II filed a registration statement on Form N-14, which contained proxy materials soliciting the approval of the reorganization by applicant's shareholders. The registration statement was declared effective on January 4, 1995. On or about January 24, 1995, proxy materials were distributed to each of applicant's shareholders of record as of December 14, 1994. At a special meeting held on March 10, 1995, shareholders of applicant approved the reorganization, in accordance with Maryland law.

6. As of the close of business on March 24, 1995, applicant had outstanding 2,519,982 shares of common stock and 694 shares of AMPS. On that date, the net asset value of applicant's common stock was \$12.72 per share and applicant's aggregate net asset value attributable to the common stock was \$32,044,460. Also on that date, the liquidation preference per share of AMPS was \$25,000, and the aggregate liquidation preference of the AMPS was \$17,350,000.

7. Pursuant to the reorganization, on March 27, 1995, applicant transferred securities and cash valued at \$49,394,460 to Arizona II and received in exchange 2,562,282 shares of Arizona II common stock and 694 shares of Arizona II AMPS. Each holder of applicant's common stock received the number of shares of Arizona II common stock received by applicant with a net asset value equal to the net asset value of applicant's common stock owned by such shareholder. Each holder of applicant's AMPS received the number of shares of Arizona II AMPS received by applicant with an aggregate liquidation preference equal to the aggregate liquidation preference of applicant's AMPS owned by such shareholder.

<sup>1</sup> The AMPS are shares of preferred stock sold principally at auction that entitle the holders thereof to receive dividends at a rate that may vary for successive dividend periods. On December 1, 1994, a 2-for-1 stock split of the AMPS was effected thereby increasing to 694 the number of shares of AMPS outstanding. Pursuant to the terms of the stock split, each of the 694 shares of AMPS has a liquidation preference of \$25,000. The aggregate liquidation preference of the AMPS was unchanged by the stock split.

<sup>2</sup> Applicant and Arizona II may be deemed to be affiliated persons of each other by reason of having a common investment adviser, common directors, and common officers. Although purchases and sales between affiliated persons generally are prohibited by section 17(a) of the Act, rule 17a-8 provides an exemption for certain purchases and sales among investment companies that are affiliated persons of one another solely by reason of having a common investment adviser, common directors, and/or common officers.

8. Applicant and Arizona II incurred approximately \$219,139 in expenses in connection with the reorganization. These expenses included filing, legal, and audit fees, printing expenses, and portfolio transfer taxes (if any). All expenses of the applicant incurred in connection with the reorganization were borne by Arizona II. In addition, expenses incurred in connection with the deregistration, dissolution, and liquidation of applicant will be borne by Arizona II.

9. At the time of filing the application, applicant had no shareholders, assets, or liabilities. Applicant is not a party to any litigation or administrative proceeding. Applicant is not engaged in, and does not propose to engage in, any business activities other than those necessary for the winding up of its affairs.

10. On March 23, 1995, applicant filed Articles of Transfer with the Department of Assessments and Taxation of the State of Maryland. Applicant intends to file Articles of Dissolution with such office as soon as practical following its deregistration.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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[Release No. 34-36002; File No. SR-Philadep-95-01]

**Self-Regulatory Organizations; The Philadelphia Depository Trust Company; Notice of Filing and Order Granting Temporary Accelerated Approval of Proposed Rule Change Relating to the Modification of Procedures To Implement Rule 17Ad-16**

July 20, 1995.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on January 17, 1995, the Philadelphia Depository Trust Company ("Philadep") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which items have been prepared primarily by Philadep. Philadep filed amendments to the proposed rule change on March 7, 1995, and on April 11, 1995.<sup>2</sup> The Commission is

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

<sup>2</sup> Letters from Sharon S. Metzker, Staff Counsel, Philadep, to Ester Saverson, Special Counsel, Division of Market Regulation, Commission (March 7, 1995, and April 11, 1995).

publishing this notice and order to solicit comments from interested persons and to grant accelerated approval to the proposed rule change through February 6, 1996.

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

Philadep proposes to modify its procedures to implement the requirements of Commission Rule 17Ad-16.

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

In its filing with the Commission, Philadep 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. Philadep has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>3</sup>

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

On December 1, 1994, the Commission adopted Rule 17Ad-16<sup>4</sup> which requires a registered transfer agent to provide written notice to the "appropriate qualified registered securities depository."<sup>5</sup> when terminating or assuming transfer agent services on behalf of an issuer or when changing its name or address.<sup>6</sup> The rule also requires the appropriate qualified registered securities depository that receives such a notice from a transfer

<sup>3</sup> The Commission has modified the texts of the statement submitted by Philadep.

<sup>4</sup> 17 CFR 240.17Ad-16. Rule 17Ad-16 took effect on February 6, 1995.

<sup>5</sup> Rule 17Ad-16 defines "appropriate qualified registered securities depository" to mean the qualified registered securities depository that the Commission so designates by order or in the absence of such designation the qualified securities depository that is the largest holder of record of all qualified registered securities depositories as of the most recent record date. Rule 17Ad-16 defines "qualified registered securities depository" to mean a clearing agency registered under Section 17A of the Act that performs clearing agency functions and that has rules and procedures concerning its responsibility for maintaining, updating, and providing appropriate access to the information it receives pursuant to Rule 17Ad-16. Philadep, The Depository Trust Company ("DTC"), and the Midwest Securities Trust Company ("MSTC") and the three qualified registered securities depositories.

<sup>6</sup> Securities Exchange Act Release No. 35039 (December 1, 1994), 59 FR 63656 (December 8, 1994) (order adopting Rule 17Ad-16).

agent to deliver within twenty-four hours a copy of such notice to all "qualified registered securities depositories" and each qualified registered securities depository that receives such a notice to notify its participants of such transfer agent change within twenty-four hours.

To foster a timely and efficient means of disseminating such notices, Philadep has requested that the Commission designate DTC as the appropriate qualified registered securities depository to receive such transfer agent notices on behalf of Philadep.<sup>7</sup> Philadep and DTC have agreed that such transfer agent notices will be forwarded by DTC to Philadep using facsimile transmissions on a daily basis. To assure complete and accurate records of such transmissions, Philadep upon receipt of the notice by DTC will verify a common control number used for record-keeping purposes. Philadep will forward notice of such transfer agent changes to its participants by hand delivery, facsimile transmission, electronic means, or as Philadep and its participants may mutually agree.

Philadep's computer system currently is not able to process information, including notices of transfer agent changes, concerning issues which are not eligible for deposit at Philadep. Therefore, in order to comply with Rule 17Ad-16 during the temporary approval period, Philadep participants which are members only of Philadep and not of any other securities depository<sup>8</sup> will be contacted by Philadep in order that they may elect to either accept or to waive receiving such transfer agent notices.<sup>9</sup> As Philadep performs its daily updating of its security masterfile to reflect transfer agent changes for issues that are depository eligible at Philadep, it will make transfer agent information for issues that are not depository eligible at Philadep available to participants that have elected to receive transfer agent notices from Philadep.

<sup>7</sup> Securities Exchange Act Release No. 35378 (February 15, 1995), 60 FR 9875.

<sup>8</sup> A majority of Philadep participants are also members of DTC and/or MSTC and will receive notices of transfer agent changes from DTC and/or MSTC. Approximately twenty of Philadep's participants are members only of Philadep. Letter from Sharon Metzker, Esq., Philadep, to Ester Saverson, Special Counsel, Division of Market Regulation, Commission (March 7, 1995).

<sup>9</sup> Philadep has informed the Commission that all of its participants that are not members of any other securities depository have been contacted in writing and have made their election of whether to receive or to waive receipt of notices of transfer agent changes. Letter from Sharon Metzker, Staff Counsel, Philadep, to Ester Saverson, Special Counsel, Division of Market Regulation, Commission (April 11, 1995).