

the Securities Exchange Act of 1934 any financial information concerning that Family Investment Vehicle for the purpose of knowingly enabling that broker or dealer to initiate any regular trading market in any interest in that Family Investment Vehicle.

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

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-31617 Filed 12-12-96; 8:45 am]

BILLING CODE 8010-01-M

**[Investment Company Act Release No. 22376; 811-7161]**

**Dreyfus International Recovery Fund, Inc.; Notice of Application**

December 6, 1996.

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

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

**APPLICANT:** Dreyfus International Recovery Fund, Inc.

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

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

**FILING DATES:** The application was filed on June 24, 1996 and amended on September 20, 1996, and on November 26, 1996.

**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 December 31, 1996, 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 5th Street, NW., Washington, DC 20549. Applicant, 200 Park Avenue, New York, NY 10166.

**FOR FURTHER INFORMATION CONTACT:** Harry Eisenstein, Staff Attorney, at (202) 942-0552, or Alison E. Baur, Branch Chief, (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 a fee at the SEC's Public Reference Branch.

**Applicant's Representations**

1. Applicant, a registered open-end investment company, was organized as a Maryland corporation. On April 4, 1994, the applicant registered under section 8(a) of the Act and filed a registration statement on Form N-1A pursuant to section 8(b) of the Act and the Securities Act of 1933. The registration statement was declared effective on June 22, 1994 and applicant commenced its public offering of shares on June 29, 1994.

2. At a meeting held on March 11, 1996, applicant's Board of Director's determined that it was advisable and in the best interests of the applicant and the applicant's securityholders to liquidate the applicant and distribute its assets to the securityholders. The board based this determination on the fact that the applicant was unable to attract sufficient assets to operate efficiently.

3. On April 30, 1996, applicant's only shareholders were its investment adviser, Dreyfus Corporation ("Adviser"), and its sub-adviser, M&G Corporation ("Manager"). Prior to the time of valuation on such date, \$21,858.04 was distributed to the Manager as share redemption proceeds at a net asset value of \$11.49 per share. Applicant states that the distribution of share redemption proceeds to the Manager prior to the distribution to the Adviser is part of the Adviser's procedures designed to ensure that the Manager is made whole upon the liquidation of a fund.

4. At the time of valuation on April 30, 1996, 251,485.519 shares of common stock of the Fund were outstanding with aggregate and per share net asset value of \$2,889,568.61 and \$11.49, respectively. In total, applicant liquidated its securities and distributed \$2,911.426.65 on April 30, 1996 at net asset value in cash to its security holders.

5. Applicant has no assets, liabilities, outstanding debts or shareholders as of the time of filing the application, and is not a party to any litigation or administrative proceeding. Applicant is not engaged, nor does it propose to engage, in any business activities other than those necessary for the winding-up of its affairs. Applicant will file appropriate certificates of dissolution or similar documents with the state of Maryland.

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

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-31616 Filed 12-12-96; 8:45 am]

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**[Investment Company Act Release No. 22381; 811-5668]**

**The Hanover Funds, Inc.; Notice of Application**

December 9, 1996.

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

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

**APPLICANT:** The Hanover Funds, Inc.

**RELEVANT ACT SECTION:** Order requested under Section 8(f).

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

**FILING DATE:** The application was filed on September 12, 1996 and amended on November 25, 1996.

**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 January 6, 1997, and should be accompanied by proof of service on the 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 reasons 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, 237 Park Avenue, New York, N.Y. 10017.

**FOR FURTHER INFORMATION CONTACT:** Kathleen L. Knisely, Law Clerk, at (202) 942-0517, or Mary Kay Frech, 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.

**Applicant's Representations**

1. Applicant is an open-end management investment company

organized as a Maryland corporation and consisting of six portfolios: The 100% U.S. Treasury Securities Money Market Fund, The U.S. Treasury Money Market Fund, The Cash Management Fund, The Tax Free Money Market Fund, The New York Tax Free Money Market Fund, and The Government Money Market Fund. All of the portfolios are diversified except for The New York Tax Free Money Market Fund, which is non-diversified.

2. On October 6, 1988, applicant filed a Notification of Registration on Form N-8A pursuant to section 8(a) under the Act and a registration statement on Form N-1A under the Securities Act of 1933. The registration statement became effective on December 12, 1988.

3. On December 13, 1995, applicant's board of directors approved an Agreement and Plan of Reorganization and Liquidation (the "Plan") whereby applicant would exchange its net assets for shares of Mutual Fund Trust ("MFT"), a Massachusetts business trust registered under the Act as an open-end management investment company, in exchange for shares of MFT.

4. In approving the Plan, the directors identified certain potential benefits likely to result from the reorganization, including, (a) that shareholders of the U.S. Treasury Money Market Fund, the Tax Free Money Market Fund, and the New York Tax Free Money Market Fund would be able to pursue substantially the same investment goals in respective larger funds, which would enhance the ability of portfolio managers to effect their portfolio transactions on more favorable terms and give portfolio managers greater investment flexibility and the ability to select a larger number of portfolio securities, with the attendant benefits of increased diversification, (b) that shareholders of each of applicant's portfolios would receive the combined investment advisory services of The Chase Manhattan Bank, N.A. (including Chemical Bank as its successor, renamed The Chase Manhattan Bank) and Chase Asset Management or Texas Commerce Bank National Association, as the case may be, which the directors found to be experienced and qualified investment managers, (c) that shareholders of applicant's portfolios would become shareholders in a larger combined fund family consisting of a wide range of stock, bond, and money market funds, including both domestic and international portfolios, and (d) that shareholders of applicant's portfolios

would benefit from a more focused marketing and distribution effort, thereby reducing potential investor confusion and promoting asset growth in such portfolios.

5. The investment advisers of applicant and MFT came under the common control of Chemical Banking Corporation (renamed The Chase Manhattan Corporation) as a result of the merger of The Chase Manhattan Corporation into Chemical Banking Corporation. Consequently, applicant and MFT may be deemed to be affiliated persons by reason of being under the control of investment advisers that are themselves under common control. Applicant therefore relied on the exemption provided by rule 17a-8 to effect the transaction.<sup>1</sup> Pursuant to rule 17a-8 under the Act, applicant board of directors determined that the proposed reorganization was in the best interest of applicant and that the interests of the existing shareholders would not be diluted as a result of the proposed reorganization.

6. On December 29, 1995, applicant filed a proxy statement with the SEC that was declared effective on February 8, 1996. On February 15, 1996, proxy materials were distributed to applicant's shareholders. Applicant's shareholders approved the Plan at special meetings held on April 2, 1996 and April 16, 1996.

7. On May 3, 1996 (the "Closing Date"), the capitalization of applicant was as follows: The 100% U.S. Treasury Securities Money Market Fund had 1,779,110,820.74 shares outstanding, with aggregate net assets of \$1,779,033,262 and a net asset value per share outstanding of \$1.00; The U.S. Treasury Money Market Fund had 1,658,435,519.07 shares outstanding, with aggregate net assets of \$1,658,335,329 and a net asset value per share outstanding of \$1.00; The Cash Management Fund had 1,521,305,012.28 shares outstanding, with aggregate net assets of \$1,521,280,125 and a net asset value per share outstanding of \$1.00;

<sup>1</sup> Rule 17a-8 provides relief from the affiliated transaction prohibition of section 17(a) of the Act for a merger of investment companies that may be affiliated persons of each other solely by reason of having a common investment adviser, common directors, and/or common officers. The staff of the Division of Investment Management has stated that it would not recommend that the Commission take enforcement action under section 17(a) of the Act if investment companies that are affiliated persons solely by reason of having investment advisers that are under common control rely on rule 17a-8. See, e.g., Capitol Mutual Funds and Nations Fund Trust (pub. avail. Feb. 24, 1994).

The Tax Free Money Market Fund had 351,365,963.70 shares outstanding, with aggregate net assets of \$350,999,109 and a net asset value per share outstanding of \$1.00; The New York Tax Free Money Market Fund had 321,245,415.71 shares outstanding, with aggregate net assets of \$321,162,382 and a net asset value per share outstanding of \$1.00; and The Government Money Market Fund had 1,551,339,231.25 shares outstanding, with aggregate net assets of \$1,551,222,906 and a net asset value per share outstanding of \$1.00.

8. Pursuant to the Plan, on the Closing Date, applicant transferred all of the assets and liabilities of each of its six portfolios in exchange for shares of a corresponding portfolio of MFT. The number of shares issued to applicant was determined by dividing the net asset value per share of applicant's portfolio shares by the net asset value of a share of MFT portfolio shares of the corresponding MFT portfolio. Following this exchange, applicant distributed the shares of the corresponding MFT portfolio received in connection with the reorganization to its shareholders on a *pro rata* basis.

9. Expenses incurred in connection with the reorganization are estimated to be approximately \$4,390,128, which includes legal fees, printing fees, audit fees and expenses, and proxy solicitation expenses. The expenses resulting from the reorganization were borne by The Chase Manhattan Corporation (including its affiliates). The Chase Manhattan Corporation is the ultimate parent of the investment advisers to MFT and applicant.

10. As of the date of the application, applicant had no shareholders and no securities outstanding. Applicant has no debts or other liabilities outstanding. Applicant is not a party to any litigation or administrative proceeding. Applicant is neither engaged nor proposes to engage in any business activities other than those necessary for the winding up of its affairs.

11. Applicant filed Articles of Transfer with the State of Maryland on May 6, 1996, and intends to file Articles of Dissolution with the State of Maryland.

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

Margaret H. McFarland,

*Deputy Secretary.*

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