

approving the Reorganization and the Agreement. These expenses include professional fees and the cost of soliciting proxies for the meeting of the Acquired Fund's shareholders, consisting principally of printing and mailing expenses, together with the cost of any supplementary solicitation.

11. On January 13, 1997, the Acquiring Fund filed with the SEC its registration statement on Form N-14, containing a preliminary combined prospectus/proxy statement. Applicants sent the prospectus/proxy statement to shareholders of the Acquired Fund on or about March 5, 1997 for their approval at a special meeting of shareholders scheduled for April 7, 1997.

12. Notwithstanding approval of the Reorganization Agreement by the shareholders of the Acquired Fund, the Closing Date of the Reorganization may be postponed and the Agreement may be terminated prior to the Closing Date by either party because: (a) Its governing board determines that circumstances have developed that make proceeding with the Reorganization inadvisable; (b) a material breach by the other party of any representation, warranty, or agreement contained therein has occurred; or (c) a condition to the obligation of the terminating party cannot be met. (p. 15) Applicants agree not to make any material changes to the Agreement without prior SEC approval.

Applicants' Legal Analysis

1. Section 17(a) of the Act, in relevant part, prohibits an affiliated person of a registered investment company, or any affiliated person of such a person, acting as principal, from knowingly selling any such security or other property to such registered company, or purchasing from such registered company any security or other property.

2. Section 2(a)(3) of the Act defines the term "affiliated person of another person" to include, in pertinent part, any person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other person, and any person directly or indirectly controlling, controlled by, or under common control with such other person, and if such other person is an investment company, any investment adviser thereof.

3. Rule 17a-8 under the Act exempts from the prohibitions of section 17(a) mergers, consolidations, or purchases or sales of substantially all of the assets of registered investment companies that are affiliated persons solely by reason of having a common investment adviser, common directors/trustees, and/or

common officers, provided that certain conditions are satisfied.

4. Applicants believe that they may not rely on rule 17a-8 in connection with the Reorganization because the Acquiring Fund and the Acquired Fund may be affiliated for reasons other than those set forth in the rule. Mellon owns 100% of the outstanding voting securities of Dreyfus and approximately 99% of the outstanding Class R shares of the Acquired Fund, which constitute approximately 7% of the outstanding shares of the Acquired Fund. Because of this ownership, applicants believe that the Acquiring Fund may be deemed an affiliated person of an affiliated person of the Acquired Fund, and vice versa, for reasons not based solely on their common adviser.

5. Section 17(b) of the Act provides that the SEC may exempt a transaction from the provisions of section 17(a) if the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned; the proposed transaction is consistent with the policy of each registered investment company concerned; and the proposed transaction is consistent with the general purposes of the Act.

6. Applicants submit that the terms of the Reorganization satisfy the standards set forth in section 17(b), in that the terms are fair and reasonable and do not involve overreaching on the part of any person concerned. Applicants note that each Board, including the non-interested Trustees and Directors, reviewed the terms of the Reorganization as set forth in the Agreement, including the consideration to be paid or received, and found that participation in the Reorganization as contemplated by the Agreement is in the best interests of the Company, the Trust, and each Fund, and that the interests of existing shareholders of each Fund will not be diluted as a result of the Reorganization. Applicants also note that the exchange of the Acquired Fund's assets and liabilities for the shares of the Acquiring Fund will be based on the Funds' relative net asset values.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-8004 Filed 3-28-97; 8:45 am]

BILLING CODE 8010-01-M

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [62FR 13728, March 21, 1997]

STATUS: CLOSED MEETING.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE PREVIOUSLY ANNOUNCED: March 21, 1997.

CHANGE IN THE MEETING: Cancellation.

The closed meeting scheduled for Thursday, March 27, 1997, at 10:00 a.m., has been cancelled.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary (202) 942-7070.

Dated: March 27, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-8216 Filed 3-27-97; 2:17 pm]

BILLING CODE 8010-01-M

Sunshine Act Meetings

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of March 31, 1997.

An open meeting will be held on Thursday, April 3, 1997, at 10:00 a.m. A closed meeting will be held on Thursday, April 3, 1997, following the 10:00 a.m. open meeting.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c) (4), (8), (9)(A) and (10) and 17 CFR 200.402(a) (4), (8), 9(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Wallman, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the open meeting scheduled for Thursday, April 3, 1997, at 10:00 a.m., will be:

Consideration of whether to adopt rules under the Investment Company Act of 1940 to implement certain provisions of the National Securities Markets Improvement Act of 1996 (the "1996 Act") relating to privately offered investment companies. The

1996 Act, among other things, amended section 3(c)(1) of the Investment Company Act (the existing exclusion from Investment Company Act regulation used by privately offered investment companies) and added section 3(c)(7) to create a new exclusion from regulation under the Investment Company Act for privately offered investment companies that consist solely of "qualified purchasers" owning or investing on a discretionary basis a specified amount of "investments." The new rules would: (i) define the term "investments" for purposes of the qualified purchaser definition; (ii) define the term "beneficial owner" for purposes of the provisions that permit an existing privately offered investment company to convert into a qualified purchaser pool or to be treated as a qualified purchaser; (iii) address certain interpretative issues under section 3(c)(7); (iv) address certain interpretative issues under section 3(c)(1) resulting from changes made by the 1996 Act; (v) address investments in privately offered investment companies by "knowledgeable employees"; and (vi) address certain transfers of securities issued by privately offered investment companies.

The subject matter of the closed meeting scheduled for Thursday, April 3, 1997, following the 10:00 a.m. open meeting, will be:

Institution and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

Opinions.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: March 26, 1997.

Jonathan G. Katz,
Secretary.

[FR Doc. 97-8226 Filed 3-27-97; 3:08 pm]

BILLING CODE 8010-01-M

[Release No. 34-38431; file No. SR-CBOE-97-13]

**Self Regulatory Organizations;
Chicago Board Options Exchange,
Inc.; Notice of Filing and Order
Granting Accelerated Approval of
Proposed Rule Change Relating to
Short Sales of S&P 500 Index Bear
Market Warrants**

March 21, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

(11Act"),¹ notice is hereby given that on February 26, 1997, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by CBOE. The Commission is publishing this notice and order to solicit comments on the proposed rule change from interested persons and to grant accelerated approval of the proposed rule change.

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

CBOE is proposing to amend Rule 30.20 relating to short sales, to reflect an exemption granted by the Commission pursuant to Exchange Act Rule 10a-1² for S&P 500 Index Bear Market Warrants ("Warrants").³

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

In its filing with the Commission, CBOE 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. CBOE has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

CBOE is proposing to amend Rule 30.20 regarding short sales, to reflect an exemption granted by the Commission pursuant to Exchange Act Rule 10a-1 for S&P 500 Index Bear Market Warrants.

Description of S&P 500 Warrants

The CBOE is currently trading S&P 500 Index⁴ Bear Market Warrants with

3-month Reset, expiring November 20, 1997, issued by the International Finance Corporation ("IFC" or "Corporation").⁵ The Warrants constitute direct, unconditional, general and unsecured obligations of the Corporation. There were 1,250,000 warrants originally offered, and the trading symbol is OPT.WS. The Warrants trade on the New York Stock Exchange ("NYSE") and CBOE. The Warrants are quoted and traded like other equity securities, generally in round lots of one hundred. Odd lots (less than 100 Warrants) also may be traded.

The Warrants are exercisable immediately upon purchase, subject to postponement for certain extraordinary events and subject to maximum or minimum exercise amounts, and may be exercised at any time until 3:00 p.m., New York City time, on the fourth Index Calculation Day immediately preceding November 20, 1997 ("Expiration Date") or any earlier Delisting Date. The Warrants will expire on the Expiration Date.

No fewer than 500 Warrants may be exercised by or on behalf of a Warrant holder at any one time, except in the case of automatic exercise of the Warrants or exercise upon cancellation of the Warrants. All exercises of Warrants (other than on automatic exercise or upon cancellation) are subject, at the Corporation's option, to the limitation that on any exercise date, not more than 1,000,000 Warrants in total may be exercised and not more than 250,000 Warrants on behalf of any person or entity may be exercised.

The holder of the Warrants will be entitled to receive the product, if positive of U.S. \$50 multiplied by (i) the amount, if any, by which the Index Strike Price for the applicable Valuation Date exceeds the Index Spot Price, divided by (ii) the Index Strike price, as described in the following formula:

⁵ The International Finance Corporation is an international organization that was established in 1956 to further economic growth in its developing member countries by promoting private sector development. The Corporation, together with private investors, assists in financing the establishment, improvement and expansion of private sector enterprises by making investments where sufficient private capital is not otherwise available on reasonable terms. The Corporation's share capital is provided by its member countries. It raises most of the funds for its investment activities through the issuance of notes, bonds and other debt securities in the international capital markets.

¹ 15 U.S.C. § 78s(b)(1) (1988).

² 17 CFR 240.10a-1 (1993).

³ The text of the proposed rule change is available for review in the Office of the Secretary, at CBOE and in the Public Reference Room of the Commission.

⁴ The Index is maintained and published by Standard & Poor's, Inc. and is intended to provide a performance benchmark for the U.S. equity markets. The Index is a capitalization weighted measure of the aggregate market value of 500 common stocks. The Index includes 105 individual groups and 11 economic sectors.