to the Fund, in the absence of such approval.

3. Each of the Funds will hold a meeting of shareholders to vote on approval of the New Agreements on December 22, 1997, or within the 60 day period following the consummation of the Merger (but in no event later than March 31, 1998).

4. First Union or Mentor Advisors will bear the costs of preparing and filing the application, and First Union will bear any costs relating to the solicitation of shareholder approval necessitated by the Merger.

5. The Advisors and Sub-advisors will take all appropriate actions to ensure 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 Boards, including a majority of the Independent Board Members, to the scope and quality of services previously provided. In the event of any material change in personnel providing services pursuant to the New Agreements caused by the Merger, the Advisors will apprise and consult with the Boards to assure that the Boards, including a majority of the Independent Board Members, are satisfied that the services provided will not be diminished in scope or quality.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–32755 Filed 12–15–97; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–26792]

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

December 10, 1997.

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 January 5, 1998, to the Secretary, Securities and Exchange Commission, Washington, D.C. 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.

Northeast Utilities, et al.

(70–8875)

Northeast Utilities (''Northeast''), 174 Brush Hill Avenue, West Springfield, Massachusetts 01090–0010, a registered holding company, and its electric utility subsidiary companies, Western Massachusetts Electric Company, 174 Brush Hill Avenue, West Springfield, Massachusetts 01090–0010, The Connecticut Light and Power Company, 107 Selden Street, Berlin, Connecticut 06037, Holyoke Water Power Company, Canal Street, Holyoke, Massachusetts 01040, and Public Service Company of New Hampshire and North Atlantic Energy Corporation, both of 1000 Elm Street, Manchester, New Hampshire 03015, (collectively, ''Applicants'') have filed a post-effective amendment to their application-declaration filed under sections 6(a), 7, 9(a), 10 and 12(b) of the Act and rules 43, 45, and 54 under the Act.

By orders (''Orders'') dated February 11, 1997 and March 25, 1997 (HCAR Nos. 26665 and 26692), Applicants were authorized to, among other things, enter into an unsecured revolving credit facility (''Existing Facility'') with various lending institutions permitting borrowings aggregating up to $313.75 million. Among other Applicants, Northeast was authorized pursuant to the Orders to make short-term borrowings through December 31, 2000, evidenced by short-term notes issued to lending institutions through formal and informal lines of credit, including the Existing Facility. Under the Existing Facility, Northeast has a maximum borrowing limit of $150 million. Applicants state that Northeast is currently unable to borrow under the Existing Facility.

Northeast now proposes to issue and sell notes (''Notes'') through December 31, 2000 under a supplementary revolving credit facility (''Supplementary Revolver'') in the aggregate principal amount of up to $25 million. Under the Supplementary Revolver, the interest rate applicable to the Notes will be increased to an amount not to exceed the greater of (i) four percentage points over the London Interbank Offered Rate or (ii) three percentage points over the lender's base rate. In addition, the maximum annual fee payment for the issuance of the notes will be increased from 0.30% per annum to 1% per annum. Advances from the Supplementary Revolver will be used to meet Northeast's debt service requirements under its Employee Stock Option Plan and to support its other financial requirements until such time as Northeast begins to receive dividends from its subsidiaries again.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–32722 Filed 12–15–97; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–22934; International Series Release No. 1108/812–10646]

Toronto Dominion Holdings, Inc.; Notice of Application

December 10, 1997.

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

ACTION: Notice of application for exemption under section 6(c) of the Investment Company Act of 1940 (the ''Act'') from all provisions of the Act.

SUMMARY OF APPLICATION: Applicant Toronto Dominion Holdings (U.S.A.), Inc. (''Toronto Dominion'') requests an order that would permit it to sell certain debt securities and use the proceeds to finance the business activities of its parent company, The Toronto-Dominion Bank (''TD'') and other companies controlled by TD.

FILING DATES: The application was filed on May 9, 1997, and amended on November 12, 1997. Applicants have agreed to file an amendment to the application during the notice period, the substance of which is included in this notice.

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 5, 1998 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 reason 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, 31 West 52nd Street, New York, New York 10019.

FOR FURTHER INFORMATION CONTACT: Joseph B. McDonald, Jr., Senior Counsel, at (202) 942–0533, or Nadya B. Roytblat, Assistant Director, 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, 450 Fifth St., N.W., Washington, D.C. 20549 (tel. 202–942–8090).

Applicant's Representations

1. Toronto Dominion is a Delaware corporation incorporated in 1982. All of Toronto Dominion's outstanding voting securities are owned by TD. TD, a chartered bank governed by the Bank Act of Canada, offers a wide range of financial services to individuals, corporate and commercial enterprises, financial institutions and governments throughout Canada. In the United States, TD offers a broad range of credit and non-credit services to corporations, financial institutions and governments, as well as discount brokerage services through Waterhouse Investors Services, Inc. (''Waterhouse''). Outside North America, TD conducts treasury and wholesale corporate operations in the world's major financial centers.

2. Toronto Dominion's principal subsidiaries, all wholly-owned, are TD Securities (USA) Inc., The Toronto-Dominion Bank Trust Company, Toronto Dominion (New York), Inc., Toronto-Dominion (Texas), Inc., Toronto Dominion Investments, Inc., and Toronto Dominion Capital (U.S.A.), Inc. TD Securities (USA) Inc. is a registered broker-dealer operating under Section 20 of the Glass-Steagall Act, and is engaged in selling, trading and financing U.S. and Canadian government, corporate debt, equity and money market securities. It also acts as agent on behalf of various TD entities in the distribution and private placement of debt securities, swaps and derivatives, in arranging for loan products and in trading loans. The Toronto-Dominion Bank Trust Company is a New York trust company that provides limited corporate trust functions to its affiliates. Toronto Dominion (New York), Inc. and Toronto-Dominion (Texas), Inc. are engaged primarily in the loan servicing business and participate with unaffiliated companies in making loans. Toronto Dominion Investments, Inc. is an investment vehicle that holds debt and equity securities as well as limited partnership interests pursuant to section 4(c)(7) of the Bank Holding Company Act. Toronto Dominion Capital (U.S.A.), Inc. is organized for the sole purpose of operating as a specialized financing corporation under the Small Business Investment Act of 1958, as amended. It makes investments in small business concerns with a capacity for growth. Toronto Dominion's subsidiaries other than those described above are companies organized to hold real estate that was required in satisfaction of debt previously contracted in good faith.

3. Toronto Dominion was organized to act as a holding company and to engage in financing activities and provide funds for TD and companies controlled by TD. Toronto Dominion received a previous order under section 6(c) of the Act exempting it from all provisions of the Act on December 18, 1984.[1] However, Toronto Dominion may no longer be able to rely on the 1984 Order for its exemption from the Act because a statement made in the application for the 1984 Order (that Toronto Dominion ''and its subsidiaries do not and will not constitute more than 10% of [TD's] assets.'') is no longer true.

4. Toronto Dominion regularly issues commercial paper in the United States pursuant to the exemption contained in section 3(a)(3) of the Securities Act of 1933 (the ''1933 Act''). Subject to the grant by the SEC of the order requested in the application, Toronto Dominion intends to obtain additional funds through the offer and sale of its debt securities in the United States, Europe and other overseas markets and to lend the proceeds to or invest the proceeds in TD and other companies that, after giving effect to the exemption requested hereby, will be companies controlled by TD within the meaning of rule 3a–5(b).

5. Any issuance of debt securities by Toronto Dominion will be guaranteed unconditionally by TD as to the timely payment of principal, interest, and premium, if any (the ''Guarantee''). The Guarantee will provide each holder of debt securities issued by Toronto Dominion a direct right of action against TD to enforce TD's obligations under the Guarantee without first proceeding against Toronto Dominion. The Guarantee for a particular issuance may not be modified or amended in any manner adverse to the holders except with the consent of each holder affected.

6. Due to the nature of debt markets, Toronto Dominion may from time to time borrow amounts in excess of the amounts required by TD and companies controlled by TD at any given time. In accordance with rule 3a–5(a)(5) of the Act, at least 85% of any cash or cash equivalents raised by Toronto Dominion will be invested in or loaned to TD and subsidiaries of Toronto Dominion and TD and other companies that, after giving effect to the exemption requested in the application, will be companies controlled by TD within the meaning of rule 3a–5(b) as soon as practicable, but in no event later than six months after Toronto Dominion's receipt of such cash or cash equivalents. In the event that Toronto Dominion borrows amounts in excess of the amounts required TD and companies controlled by TD at any given time, Toronto Dominion will invest such excess in temporary investments pending investing the money in or lending the money to TD and companies controlled by TD. All investments by Toronto Dominion, including temporary investments, will be made in government securities, securities of TD or subsidiaries of Toronto Dominion or TD or other companies that, after giving effect to the exemption requested in the application, will be companies controlled by TD within the meaning of rule 3a–5(b) (or in the case of a partnership or joint ventures, the securities of the partners of participants in the joint ventures), debt securities that are exempted from the provisions of the 1933 Act by section 3(a)(3) of the 1933 Act, or equity securities of unaffiliated companies in an amount that does not exceed 4% of Toronto Dominion's assets. Applicant states that limited amounts of U.S. equities are acquired either as part of hedging activities for equity derivatives transactions or as proprietary positions. Were TD to own such securities itself, it would be subject to withholding taxes on the dividends it receives on such shares. Ownership of such securities by Toronto Dominion prevents the imposition of such taxes.

Applicant's Legal Analysis

1. Toronto Dominion requests relief under section 6(c) of the Act for an

[1] Investment Company Act Release Nos. 14245 (Nov. 21, 1984) (notice) and 14280 (Dec. 18, 1984) (order) (''1984 Order'').

exemption from all provisions of the Act. Applicant notes that in the release adopting rule 3a–5,[2] the SEC stated that it may be appropriate to grant exemptive relief to the finance subsidiary of a section 3(c) issuer, but only on a case-by-case basis so that it can have the opportunity to evaluate all of the relevant factors. According to the adopting release, the concern was that a company may be considered a non-investment company for the purposes of the Act under section 3(c) and still be engaged primarily in investment company activities.

2. Rule 3a–5(b)(3)(i) in relevant part defines a ''company controlled by the parent company'' to be a corporation, partnership, or joint venture that is not considered an investment company under section 3(a) or that is excepted or exempted by order from the definition of investment company by section 3(b) or by the rules and regulations under section 3(a). Certain of Toronto Dominion's subsidiaries do not fit within the technical definition of ''companies controlled by the parent company'' because they derive their non-investment company status from section 3(c) of the Act.

3. Toronto Dominion states that neither itself and its subsidiaries, nor TD and its subsidiaries, engage primarily in investment company activities. In addition, if TD were itself to issue the securities that are to be issued by Toronto Dominion and use the proceeds for its own purposes or advance them to its subsidiaries or affiliates, none of TD, Toronto Dominion nor any of their respective subsidiaries or affiliates would be subject to regulation under the Act. While TD has chosen to use Toronto Dominion as a financing vehicle, by virtue of the Guarantee, the holders of the securities issued by Toronto Dominion will have direct access to TD's credit.

4. Under rule 3a–5(a)(6), a finance subsidiary may only invest in government securities, securities of its parent company or a company controlled by its parent company or debt securities exempt under section 3(a)(3) of the 1933 Act. Toronto Dominion will hold equity securities of unaffiliated companies in an amount that does not exceed 4% of its assets. Toronto Dominion will hold such securities due to non-U.S. tax constraints applicable to TD. The primary purpose of Toronto Dominion, however, will continue to be to finance the business operations of TD and companies controlled by TD. Moreover, purchasers of Toronto Dominion's debt securities will receive disclosure documents that make clear that such purchasers should ultimately look to TD for repayment pursuant to the Guarantee. Neither Toronto Dominion's structure nor its mode of operation will resemble that of an investment company.

5. Section 6(c) of the Act, in pertinent part, provides that the SEC, by order upon application, may conditionally or unconditionally exempt any person, security or transaction, or any class or classes of persons, securities or transactions, from any provision or provisions of the Act 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. Toronto Dominion submits that its exemptive request meet the standards set out in section 6(c) and should therefore be granted.

Applicant's Condition

Toronto Dominion agrees that the order granting the requested relief will be subject to the following condition:

1. Toronto Dominion will comply with all of the provisions of rule 3a–5 under the Act, except: (1) Toronto Dominion will be permitted to invest in or make loans to, corporations, partnerships, and joint ventures that do not meet the portion of the definition of ''company controlled by the parent company'' in rule 3a–5(b)(3)(i) solely because they are excluded from the definition of investment company by section 3(c)(1), (2), (3), (4), (6) or (7), provided that any such entity that Toronto Dominion invests in or makes loans to that is excluded from the definition of investment company pursuant to section 3(c)(1) or section 3(c)(7) will be engaged solely in lending, leasing or related activities (such as entering into credit derivatives to manage the credit risk exposures of its lending and leasing activities) and will not be structured as a means of avoiding regulation under the Act, and provided, further, that any such entity excluded from the definition of investment company pursuant to section 3(c)(6) of the Act will not be engaged primarily, directly or indirectly, in one or more of the businesses described in section 3(c)(5) of the Act; and (2) Toronto Dominion will be permitted to invest in, reinvest in, own, hold or trade in equity securities of unaffiliated companies with a purchase price not in excess of 4% of Toronto Dominion's assets.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–32751 Filed 12–15–97; 8:45 am]

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[2] Rule 3a–5 provides an exemption from the definition of investment company for certain companies organized primarily to finance the business operations of their parent companies or companies controlled by their parent companies.

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39412; File No. SR–Amex–97–42]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto by the American Stock Exchange, Inc. Providing for the Waiver of Shareholder Approval as a Prerequisite to Certain Issuances of Securities and the Removal of the Term ''Backdoor Listing'' From the Exchange's Company Guide

December 8, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on November 3, 1997, the American Stock Exchange, Inc. (''Amex'' 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 by the Exchange. On December 5, 1997, the Exchange filed with the Commission Amendment No. 1 to the proposed rule change.[2] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange seeks to amend Section 710 of its *Company Guide* to provide for the waiver of shareholder approval as a prerequisite to certain issuances of securities, when obtaining such approval would seriously jeopardize the financial viability of the issuer. The Exchange also seeks to revise Sections 142, 341, 713, and 1003 of its *Company Guide* to eliminate the term ''backdoor listing.''

[1] 15 U.S.C. § 78s(b)(1).

[2] Amendment No. 1 corrected a drafting error that inadvertently omitted Section 142 of the Exchange's *Company Guide* from the proposed rule change provision that would eliminate the term ''backdoor listing.'' *See* Letter from Claudia Crowley, Special Counsel, Legal & Regulatory Policy, Exchange, to Michael L. Loftus, Attorney, Division of Market Regulation, Commission, dated December 3, 1997.