

Cross-examination will be limited to testimony adverse to the participant conducting the cross-examination.

Library references may be submitted when documentation or materials are too voluminous reasonably to be distributed. Each party should sequentially number items submitted as library references and provide each item with an informative title. Parties are to file and serve a separate Notice of Filing of Library Reference(s). Library material is not evidence unless and until it is designated and sponsored by a witness.

[FR Doc. 96-15777 Filed 6-20-96; 8:45 am]

BILLING CODE 7710-FW-P

## UNITED STATES POSTAL SERVICE BOARD OF GOVERNORS

### Notice of a Sunshine Act Meeting

The Board of Governors of the United States Postal Service, pursuant to its Bylaws (39 CFR Section 7.5) and the Government in the Sunshine Act (5 U.S.C. Section 552b), hereby gives notice that it intends to hold a meeting at 8:30 a.m. on Tuesday, July 2, 1996, in Washington, D.C. The meeting is open to the public and will be held at U.S. Postal Service headquarters, 475 L'Enfant Plaza, S.W., in the Benjamin Franklin Room. The Board expects to discuss the matters stated in the agenda which is set forth below. Requests for information about the meeting should be addressed to the Secretary of the Board, Thomas J. Koerber, at (202) 268-4800.

There will also be a session of the Board on Monday, July 1, 1996, but it will consist entirely of briefings and is not open to the public.

#### Agenda

#### Tuesday Session

#### July 2—8:30 a.m. (Open)

1. Minutes of the Previous Meeting, June 3-4, 1996.
2. Remarks of the Postmaster General and CEO. (Marvin Runyon)
3. Environmental Update. (Charles E. Bravo, Manager, Environmental Policy)
4. Deliver America Kiosk. (Robert A. F. Reisner, Vice President, Technology Applications)
5. Capital Investment.
  - a. Quad Cities Processing and Distribution Facility. (William J. Brown, Vice President, Mid-West Area Operations)
6. Tentative Agenda for the August 5-6, 1996, meeting in Detroit, Michigan.

Thomas J. Koerber,  
Secretary.

[FR Doc. 96-16027 Filed 6-19-96; 3:09 pm]

BILLING CODE 7710-12-M

## SECURITIES AND EXCHANGE COMMISSION

[Rel No. IC-22018; International Series  
Release No. 994; File No. 812-10142]

### ABN AMRO Bank N.V., and ABN AMRO Global Custody N.V.; Notice of Application

June 14, 1996.

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

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

**Applicants:** ABN AMRO Bank N.V. ("ABN AMRO") and ABN AMRO Global Custody N.V. (AAGC").

**RELEVANT ACT SECTIONS:** Order requested under section 6(c) of the Act that would grant an exemption from section 17(f) of the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to permit any U.S. investment company registered under the Act (other than any investment company registered under section 7(d) of the Act) (a "U.S. Investment Company") and any custodian for a U.S. Investment Company to maintain securities and other assets in the custody of ABN AMRO (Moscow) Ltd. ("ABN AMRO (Moscow)"), a direct subsidiary of ABN AMRO in Russia.

**FILING DATE:** The application was filed on May 9, 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 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 July 9, 1996 and should be accompanied by proof of service on the 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 may request notification of a hearing by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicants: ABN AMRO Bank N.V. and ABN AMRO Global Custody N.V., Foppingadreef 22, 1102 BS Amsterdam, The Netherlands.

**FOR FURTHER INFORMATION CONTACT:** Mary T. Geffroy, Staff Attorney, at (202) 942-0553, or Robert A. Robertson, 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. ABN AMRO is a Netherlands banking organization. ABN AMRO Holding N.V. ("Holding") is the parent company of ABN AMRO. Holding and ABN AMRO are regulated in The Netherlands by De Nederlandsche Bank N.V., the Dutch Central Bank ("DNB"), on behalf of The Netherlands Minister of Finance. As of December 31, 1995, Holding held approximately 100% of the share capital of ABN AMRO, and ABN AMRO accounted for approximately 100% of the total assets of Holding. ABN AMRO provides a variety of commercial banking and securities services on an international basis. At December 31, 1995, Holding had consolidated total assets of approximately U.S. \$341 billion and shareholders' equity of approximately U.S. \$12.6 billion.

2. AAGC is a legal entity incorporated by ABN AMRO pursuant to a system for the administration and safekeeping of bearer securities held outside the Netherlands and registered securities held inside and outside The Netherlands. AAGC does not engage in any activity other than the safekeeping of securities for the benefit of ABN AMRO's clients and for ABN AMRO itself, effectively serving only as a "vault" for the safekeeping of such securities. ABN AMRO provides its clients with all custody-related services with respect to these securities.

3. ABN AMRO (Moscow) is a direct subsidiary of ABN AMRO. ABN AMRO (Moscow) was incorporated in Russia in October 1993, and operates under General License No. 2549 of the Central Bank of the Russian Federation. ABN AMRO (Moscow) is authorized to engage in the business of commercial banking, and is supervised by the Central Bank of the Russian Federation under the Law on Banks and Banking Activity of 1991, as amended in 1991, 1992, and 1996. ABN AMRO (Moscow) offers customers a wide range of retail and wholesale banking services, including traditional corporate services and trade finance products. It also operates a custody department to support local and foreign investors (and their custodians).

4. Applicants were granted an order on April 23, 1996 (the "Order") which permitted U.S. investment companies and their custodians or subcustodians to maintain securities and other assets in the custody of ABN AMRO

Effectenbewaarbedrijf N.V. and AAGC, through ABN AMRO Bank N.V., and MeesPierson N.V., MeesPierson Effectenbewaarbedrijf N.V. and MeesPierson Global Custody Services N.V., through MeesPierson N.V., in the Netherlands.

5. Applicants request an order exempting: (a) themselves, (b) any U.S. Investment Company, and (c) any custodian or subcustodian for a U.S. Investment Company, from the provisions of section 17(f) of the Act to the extent necessary to permit such entities to maintain securities and other assets ("Securities") in the custody of ABN AMRO (Moscow).<sup>1</sup>

#### Applicants' Legal Analysis

1. Section 17(f) provides that a registered investment company may maintain securities and similar assets in the custody of a bank meeting the requirements of section 26(a) of the Act, a member firm of a national securities exchange, the investment company itself, or a system for the central handling of securities established by a national securities exchange. Section 2(a)(5) of the Act defines "bank" to include banking institutions organized under the laws of the United States, member banks of the Federal Reserve System, and certain banking institutions or trust companies doing business under the laws of any state or of the United States.

2. Rule 17f-5 under the Act permits certain entities located outside the U.S. to serve as custodians for investment company assets. Rule 17f-5 defines the term "Eligible Foreign Custodian" to include a banking institution or trust company, incorporated or organized under the laws of a country other than the United States, that is regulated as such by that country's government or an agency thereof, and that has shareholders' equity in excess of U.S. \$200 million.

3. ABN AMRO is a banking institution organized under the laws of The Netherlands and is regulated as such by DNB, the Dutch Central Bank, on behalf of the Netherlands Minister of Finance. At December 31, 1995, ABN AMRO had shareholders' equity in excess of the \$200,000,000 minimum required by rule 17f-5. Accordingly, ABN AMRO qualifies as an "Eligible Foreign

Custodian." ABN AMRO (Moscow), however, does not qualify as an "Eligible Foreign Custodian" because, although it is a banking institution organized under the laws of Russia and is regulated as such by the Central Bank of Russia, it does not have shareholders' equity in excess of \$200 million. Thus, absent exemptive relief, ABN AMRO (Moscow) may not serve as custodian for the Securities of U.S. Investment Companies.

4. Applicants believe that the requested order is necessary and appropriate in the public interest because it would permit U.S. Investment Companies and their custodians and subcustodians to have access to the custody services of ABN AMRO in (Moscow). Applicants represent that the protection afforded the Securities of U.S. Investment Companies held by ABN AMRO (Moscow) would not be diminished from the protection afforded by rule 17f-5 since ABN AMRO will remain liable for the performance of the custody services by ABN AMRO (Moscow).

#### Applicants' Conditions

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

1. The foreign custody arrangements involving ABN AMRO (Moscow) will satisfy the requirements of rule 17f-5 in all respects other than ABN AMRO (Moscow)'s level of shareholders' equity.

2. A U.S. Investment Company or a custodian or subcustodian for a U.S. Investment Company will deposit Securities directly with ABN AMRO (Moscow) only in accordance with a three-party contractual agreement that will remain in effect at all times during which ABN AMRO (Moscow) fails to satisfy the requirement of rule 17f-5 relating to minimum shareholders' equity. Each such agreement will be a three-party agreement among: (a) ABN AMRO, (b) ABN AMRO (Moscow), and (c) a U.S. Investment Company or custodian or subcustodian of the Securities of the U.S. Investment Company. Under the agreement, ABN AMRO (Moscow) will undertake to provide specified custodial or subcustodial services. The agreement will further provide that ABN AMRO will be liable for any loss, damage, cost, expense, liability, or claim arising out of or in connection with the performance by ABN AMRO (Moscow) of its responsibilities under the agreement to the same extent as if ABN AMRO had been required to provide custody services under such agreement.

3. ABN AMRO and AAGC, when providing custody or subcustody services to a U.S. Investment Company, will deposit Securities with ABN AMRO (Moscow) only in accordance with one of the following contractual arrangements, which arrangement will remain in effect at all times during which ABN AMRO (Moscow) fails to satisfy the requirement of the rule relating to minimum shareholders' equity:

(a) *The Four-Party Agreement Arrangement.* Under this arrangement, the agreement will be a four-party agreement among ABN AMRO, AAGC, ABN AMRO (Moscow), and a U.S. Investment Company or the custodian or subcustodian for a U.S. Investment Company pursuant to which ABN AMRO and AAGC will undertake to provide specified custody or subcustody services, and will delegate to ABN AMRO (Moscow) such of the duties and obligations of ABN AMRO and AAGC as will be necessary to permit ABN AMRO (Moscow) to hold in custody the Securities of the U.S. Investment Company. The agreement will further provide that ABN AMRO will be liable for any loss, damage, cost, expense, liability, or claim arising out of or in connection with the performance by ABN AMRO (Moscow) of its responsibilities under the agreement to the same extent as if ABN AMRO had itself been required to provide custody services under such agreement. This agreement will be governed either by the law of the State of New York or The Netherlands.

(b) *The Custody Agreement/Subcustody Agreement Arrangement.* Under this arrangement, Securities will be deposited with ABN AMRO (Moscow) in accordance with a three-party custody agreement and a three-party subcustody agreement described below:

(i) The three-party custody agreement will be among ABN AMRO, AAGC, and a U.S. Investment Company or any custodian or subcustodian for a U.S. Investment Company. In that agreement, ABN AMRO and AAGC will undertake to provide specified custody or subcustody services, and the U.S. Investment Company (or its custodian or subcustodian) will authorize ABN AMRO and AAGC to delegate to ABN AMRO (Moscow) such of ABN AMRO and AAGC's duties and obligations as will be necessary to permit ABN AMRO (Moscow) to hold in custody the Securities of the U.S. Investment Company. The agreement will further provide that ABN AMRO will be liable for any loss, damage, cost, expense, liability, or claim arising out of or in

<sup>1</sup> As used herein, the term "Securities" does not include securities issued or guaranteed by: the U.S. Government, any state or political subdivision thereof, any agency thereof, or by any entity organized under the laws of the U.S. or any state thereof (other than certificates of deposit, evidences of indebtedness and other securities, issued or guaranteed by an entity so organized which have been issued and sold outside the U.S.).

connection with the performance by ABN AMRO (Moscow) of its responsibilities under the agreement to the same extent as if ABN AMRO had itself been required to provide custody services under such agreement.

(ii) A three-party subcustody agreement will be executed by ABN AMRO, AAGC, and ABN AMRO (Moscow). Pursuant to this agreement, ABN AMRO and AAGC will delegate to ABN AMRO (Moscow) such of ABN AMRO and AAGC's duties and obligations as will be necessary to permit ABN AMRO (Moscow) to hold Securities in custody in Russia. The subcustody agreement will explicitly provide that: (x) ABN AMRO (Moscow) is acting as a foreign custodian for Securities that belong to a U.S. Investment Company pursuant to the terms of an exemptive order issued by the SEC, and (y) the U.S. Investment Company or its custodian or subcustodian that has entered into a custody agreement will be entitled to enforce the terms of the subcustody agreement and can seek relief directly against ABN AMRO (Moscow). Further, the subcustody agreement will be governed either by the law of the State of New York or The Netherlands. If the subcustody agreement is governed by the laws of The Netherlands, ABM AMRO shall obtain an opinion of counsel in The Netherlands, opining as to the enforceability of the rights of a third party beneficiary under the laws of The Netherlands.

4. Under any of the agreements described in conditions 2 or 3 of this Application, neither ABM AMRO (Moscow), ABM AMRO, nor AAGC would be liable for any losses that result from: (i) political risk (e.g., exchange control restrictions, confiscation, expropriation, nationalization, insurrection, civil strife or armed hostilities, and (ii) other risks of loss (excluding the bankruptcy or insolvency of ABM AMRO (Moscow)) for which ABM AMRO (Moscow) would not be liable under the rule (e.g., despite the exercise of reasonable care, loss due to acts of God, nuclear incident and the like).

5. ABM AMRO currently satisfies, and will continue to satisfy, the minimum shareholders' equity requirement set forth in subsection rule 17f-5(c)(2)(i).

6. At all times during which a custody arrangement described in condition 3 shall be in effect, AAGC shall be the subject of the Order, which permits any U.S. Investment Company and any custodian or subcustodian for a U.S. Investment Company to maintain Securities in the custody of AAGC.

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

Jonathan G. Katz,  
Secretary.

[FR Doc. 96-15806 Filed 6-20-96; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-22020/812-9248]

**FIRST FUNDS and First Tennessee Bank National Association; Notice of Application**

June 17, 1996.

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

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

**APPLICANTS:** FIRST FUNDS (the "Trust") and First Tennessee Bank National Association (the "Bank").

**RELEVANT ACT SECTIONS:** Exemption requested under sections 6(c), 10(f) and 17(b) from sections 10(f) and 17(a) of the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to permit certain portfolios of the Trust to purchase Tennessee tax-exempt securities from the Bond Division of the Bank (the "Bond Division") when such securities are underwritten solely by the Bond Division or when the Bond Division is a member of an underwriting syndicate, and from a syndicate manager when such securities are designated as group sales. The order also would permit the portfolios to purchase Tennessee tax-exempt securities from an underwriting syndicate of which the Bond Division is a member in amounts up to the greater of 10% or \$1,000,000, but in no event more than 15%, of a class of an issue, and without limiting the consideration paid by a portfolio in any one offering.

**FILING DATES:** The application was filed on September 19, 1994 and amended on April 5, 1995, July 19, 1995, March 8, 1996, and May 17, 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 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 July 12, 1996, 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

notification by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, FIRST FUNDS, 370 17th Street, Suite 2700, Denver, Colorado 80202, and First Tennessee Bank National Association, 4990 Poplar Avenue, 3rd Floor, Memphis, Tennessee 38117.

**FOR FURTHER INFORMATION CONTACT:** Deepak T. Pai, Staff Attorney, at (202) 942-0574, or Elizabeth G. Osterman, Assistant Director, at (202) 942-0654 (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 at the SEC's Public Reference Branch.

**Applicants' Representations**

1. The Trust is a Massachusetts business trust registered as an open-end, diversified, management investment company that currently offers shares in seven series, one of which is the Tennessee Tax-Free Portfolio (the "Portfolio"). The Portfolio invests in Tennessee tax-exempt securities, which are debt securities of the State of Tennessee, its political sub-divisions, authorities, agencies, instrumentalities, and corporations the interest on which is exempt from federal and Tennessee personal income tax.

2. The Bank is a national banking association wholly owned by First Tennessee National Corporation. The Trust Division of the Bank acts as an investment adviser ("Investment Adviser") to the existing portfolios of the Trust and expects to serve as investment adviser to future portfolios (together with the Portfolio, the "Portfolios") established by the Trust.

3. The Bond Division participates in a substantial number of public offerings of Tennessee tax-exempt securities and is the leading underwriter of most types of Tennessee tax-exempt securities based on both dollar volume and number of new issues. From 1991 through 1995, the Bond Division served as underwriter of approximately 29% of the total dollar amount, and approximately 30% of the total number, of new issues of Tennessee tax-exempt securities during those years. Applicants state that, over the past five years, the Bond Division has underwritten as senior manager more than 3.3 times the number of issues underwritten by its nearest competitor. Applicants contend that because the Bond Division participates in new issues of Tennessee tax-exempt