

diluted as a result of the proposed reorganization.

3. In approving the Plan, the directors identified certain benefits which were likely to result from the reorganization. It was anticipated that the applicant's shareholders would remain invested in a closed-end fund with investment objectives and policies virtually identical to those of applicant, and applicant's shareholders would also benefit from a reduced overall operating expense ratio based on the combined assets of the surviving fund and from greater efficiency and flexibility in portfolio management.

4. On December 29, 1995, applicant filed a proxy statement with the SEC that was declared effective on February 5, 1996 and distributed to shareholders on or about February 5, 1996. In addition to solicitation by mail, certain agents of applicant solicited shareholder proxies by telephone. Applicant's shareholders approved the Plan at a special meeting held on March 14, 1996.

5. Pursuant to the Plan, on April 15, 1996, applicant transferred all of its assets and liabilities to SHIP I. Upon transfer, each share of applicant's common stock converted into the right to receive an equivalent dollar amount (to the nearest one ten-thousandth of one cent) of full shares of SHIP I common stock plus cash in lieu of any fractional shares, computed based on the net asset value per share of each of applicant and SHIP I.

6. Expenses incurred in connection with the reorganization included proxy solicitation expenses, filing fees, legal and audit fees and printing and stock exchange fees. All expenses applicant incurred in connection with the reorganization were paid by SHIP I after the reorganization.

7. As of the date of the application, applicant had no shareholders and no securities outstanding, and 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 on its affairs.

9. Applicant filed articles of merger with the State of Maryland on April 12, 1996, which became effective on April 15, 1996.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-243 Filed 1-6-97; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 22422; 811-7131]

Senior Strategic Income Fund, Inc.; Notice of Application

December 30, 1996.

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

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

APPLICANT: Senior Strategic Income Fund, Inc.

RELEVANT ACT SECTION: Order requested under section 8(f) of the Act.

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

FILING DATE: The application was filed on October 8, 1996 and amended on December 13, 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 27, 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 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, 800 Scudders Mill Road, Plainsboro, New Jersey 08536.

FOR FURTHER INFORMATION CONTACT: Kathleen L. Knisely, Staff Attorney, at (202) 942-0517, or Alison E. Baur, 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 a closed-end, non-diversified management investment company organized as a Maryland corporation. On July 19, 1993, applicant filed a Notification of Registration on Form N-8A pursuant to section 8(a) of the Act and a registration statement on Form N-2 under the Act and the

Securities Act of 1933. The registration statement became effective on September 17, 1993, and applicant commenced the initial public offering the same day.

2. On December 6, 1995, applicant's board of directors approved an Agreement and Plan of Merger (the "Plan") whereby applicant would transfer its assets to Senior High Income Portfolio, Inc. ("SHIP I"), a registered closed-end management investment company, in exchange for shares of SHIP I. Pursuant to rule 17a-8 under the Act,¹ applicant's 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.

3. In approving the Plan, the directors identified certain benefits which were likely to result from the reorganization. It was anticipated that the applicant's shareholders would remain invested in a closed-end fund with investment objectives and policies virtually identical to those of applicant, and applicant's shareholders would also benefit from a reduced overall operating expense ratio based on the combined assets of the surviving fund and from greater efficiency and flexibility in portfolio management.

4. On December 29, 1995, applicant filed a proxy statement with the SEC that was declared effective on February 5, 1996 and distributed to shareholders on or about February 5, 1996. In addition to solicitation by mail, certain agents of applicant solicited shareholder proxies by telephone. Applicant's shareholders approved the Plan at a special meeting held on March 14, 1996.

5. Pursuant to the Plan, on April 15, 1996, applicant transferred all of its assets and liabilities to SHIP I. Upon transfer, each share of applicant's common stock converted into the right to receive an equivalent dollar amount (to the nearest one ten-thousandth of one cent) of full shares of SHIP I common stock plus cash in lieu of any fractional shares, computed based on the net asset value per share of each of applicant and SHIP I.

6. Expenses incurred in connection with the reorganization included proxy solicitation expenses, filing fees, legal and audit fees and printing and stock exchange fees. All expenses applicant

¹ Rule 17a-8 provides an exemption from section 17(a) of the Act for certain reorganizations among registered investment companies that may be affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers.

incurred in connection with the reorganization were paid by SHIP I after the reorganization.

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

8. Applicant filed articles of merger with the State of Maryland on April 12, 1996, which became effective on April 15, 1996.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-242 Filed 1-6-97; 8:45 am]

BILLING CODE 8010-01-M

Sunshine Act Meeting

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 meeting during the week of January 6, 1997.

A closed meeting will be held on Wednesday, January 8, 1997, at 10:00 a.m.

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

The subject matter of the closed meeting scheduled for Wednesday, January 8, 1997, at 10:00 a.m., will be:

Injunction and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

Formal order of investigation.

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: January 3, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-441 Filed 1-3-97; 3:53 pm]

BILLING CODE 8010-01-M

[Release No. 34-38098; File No. SR-CHX-96-26]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Order Approving and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 2 to Proposed Rule Change Relating to Enhanced SuperMAX and Timed Enhanced SuperMAX

December 30, 1996.

I. Information

On October 9, 1996, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposal relating to its SuperMAX system, seeking permanent approval of the existing pilot program. The proposed rule change was published for comment in the Federal Register on November 20, 1996.³ The CHX filed an amendment ("Amendment No. 2") to the proposal on December 30, 1996.⁴ No comments were received on the proposed rule change. This order approves the Exchange's proposal as amended.

II. Description of the Proposal

On May 22, 1995, the Commission approved a proposed rule change of the CHX that allows specialists on the Exchange, through the Exchange's MAX system, to provide order execution guarantees that are more favorable than those required under CHX Rule 37(a),

¹ 15 U.S.C. § 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 37947 (November 13, 1996), 61 FR 59124. In Amendment No. 1 to the proposed rule change, submitted on November 8, 1996, the Exchange replaced the text of the proposed rule change originally filed with rule text changed to reflect previously inadvertently omitted language. See Securities Exchange Act Release No. 37947 at note 2.

⁴ Letter from David T. Rusoff, Esq., Foley & Lardner, to Janet W. Russell-Hunter, Special Counsel, Office of Market Supervision, Division of Market Regulation, SEC, dated December 23, 1996. In Amendment No. 2, the CHX amended the proposed rule change to request an extension of the pilot through March 1, 1997, rather than a request for permanent approval of the program, and agreed to submit additional data regarding the pilot by January 31, 1997.

Article XX.⁵ That approval order contemplated that the CHX would file with the Commission specific modifications to the parameters of MAX that are required to implement various options available under this new rule.

On July 27, 1995, the Commission approved a proposed rule change of the CHX that implemented two options available under this new rule.⁶ These two new options, Enhanced SuperMAX and Timed Enhanced SuperMAX, were approved on a pilot basis until July 31, 1996. The Commission extended the pilot program until December 31, 1996 and requested that the CHX provide a report to the Commission, by August 31, 1996,⁷ describing its experience with the pilot program. On August 30, 1996, the CHX submitted a report.

The Exchange, based on its amended proposal, has requested a further extension for its Enhanced SuperMAX and Timed Enhanced SuperMAX pilot program⁸ through March 1, 1997. As stated above, the two options available in the pilot program are Enhanced SuperMAX and Timed Enhanced SuperMAX. Enhanced SuperMAX is merely a reactivation of the Exchange's Enhanced SuperMAX program, a program originally approved by the Commission on a pilot basis in 1991.⁹ The proposed Enhanced SuperMAX program differs from the original pilot program approved in 1991 in that it is available starting at 8:45 a.m. instead of 9:00 a.m. This program also differs from the Exchange's SuperMAX program in that under this program, certain orders are "stopped" at the consolidated best bid or offer and are executed with reference to the *next* primary market sale instead of the previous primary market sale. Timed Enhanced SuperMAX is a slight variation on the Enhanced SuperMAX program. It executes orders in the same manner as the Enhanced SuperMAX program except that if there are no executions in the primary market after the order has been stopped for a designated time period, the order is executed at the stopped price at the end of such period. Such period, known as a time out period, is pre-selected by a specialist on a stock-by-stock basis based on the size of the order, may be changed by a specialist no more frequently than once

⁵ See Securities Exchange Act Release No. 35753 (May 22, 1995), 60 FR 28007.

⁶ See Securities Exchange Act Release No. 36027 (July 27, 1995), 60 FR 39465.

⁷ See Securities Exchange Act Release No. 37491 (July 29, 1996), 61 FR 40690.

⁸ CHX Rule 37 (e)-(f).

⁹ See Securities Exchange Act Release No. 30058 (December 10, 1991), 56 FR 65765.