Nuclear Material Safety and Safeguards; petitioner's name and telephone number; date petition was mailed; and publication date and page number of this Federal Register notice. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555, as well as the applicant's legal counsel, Robin A. Henderson, U.S. Department of Energy, 1000 Independence Avenue, SW., GC–52, Washington, DC 20585; and Simon S. Martin, U.S. Department of Energy, Idaho Operations Office, 850 Energy Drive, MS–1209, Idaho Falls, ID 83401.

Non-timely filings of petitions for leave to intervene, amended petitions, supplemental petitions, and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer, or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1) (i)–(v) and 2.714(d).

For further details with respect to this action, see the application dated October 31, 1996, which is available for public inspection at the Commission's Public Document Room, 2120 L Street, NW., Washington, DC 20555. The Commission's license and safety evaluation report, when issued, may be inspected at this location. If the Commission decides to establish a local public document room in a community near the proposed facility, an option currently under consideration, the license and safety evaluation report will also be available at this location.

Dated at Rockville, Maryland, this 6th day of January 1997.

For the U.S. Nuclear Regulatory Commission.

Charles J. Haughney,

Acting Director, Spent Fuel Project Office, Office of Nuclear Material Safety and Safeguards.

[FR Doc. 97–719 Filed 1–10–97; 8:45 am]

BILLING CODE 7590–01–P

[Docket Nos. 50–255, 50–266, 50–301, 50–313, 50–368, 72–5, 72–7, 72–13, 72–1007]

All Users of VSC–24 Dry Storage Systems; Receipt of Petition for Director's Decision Under 10 CFR 2.206

Notice is hereby given that by a Petition filed pursuant to 10 CFR 2.206, on October 18, 1996, Eleanor Roemer, Esq., for Lake Michigan Federation, and Dr. Mary P. Sinclair, for Don't Waste Michigan, requested that the U.S. Nuclear Regulatory Commission order all users of Ventilated Storage Casks (VSC–24s) to refrain from loading any casks until the certificate of compliance (COC), safety analysis report (SAR), and safety evaluation report (SER) are amended to include operating controls and limits to prevent hazardous conditions. Such conditions include the generation of explosive gases, caused by the interaction between the VSC materials and the environments, encountered during loading, storage, and unloading.

Further, Petitioners claim the VSC–24s should not be used until: (i) An independent third-party review team has examined the safety issues they raise; (ii) the potential impacts of all material aspects of the casks have been fully assessed; (iii) there is experimental verification of temperature calculations and heat transfer assessments and other design assumptions; (iv) the safety of the material coatings on components and structures has been justified; and (v) the SAR, SER, and COC are amended to include the necessary operating control and limits to direct safe use of the VSC–24.

The Petition has been referred to the Office of Nuclear Material Safety and Safeguards. As provided by 10 CFR 2.206, appropriate action will be taken within a reasonable time. A copy of the Petition is available for inspection at the Commission's Public Document Room at 2120 L Street, NW., Washington, DC 20555.

Dated at Rockville, Maryland this 10th day of December 1996.

For the Nuclear Regulatory Commission.

Carl J. Paperiello,

Director, Office of Nuclear Material Safety and Safeguards.

[FR Doc. 97–717 Filed 1–10–97; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22441; 812–10300]

The OFFITBANK Investment Fund, Inc., et al.; Notice of Application

January 6, 1997.

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

ACTION: Notice of Application for an Order under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: The OFFITBANK Investment Fund, Inc. (''OFFITBANK Fund''), on behalf of OFFITBANK Total Return Fund (''TRF''), and on behalf of OFFITBANK High Yield Fund, OFFITBANK Emerging Markets Fund, OFFITBANK Latin America Total Return Fund, OFFITBANK Investment Grade Global Debt Fund, OFFITBANK Global Convertible Fund, OFFITBANK California Municipal Fund, OFFITBANK New York Municipal Fund, and OFFITBANK National Municipal Fund, and any future series; The OFFITBANK Variable Insurance Fund, Inc. (''OFFITBANK VIF''), on behalf of OFFITBANK VIF–Total Return Fund (''VTRF'' and, together with TRF, the ''Parent Funds'') and OFFITBANK VIF–High Yield Fund, OFFITBANK VIF–Emerging Markets Fund, OFFITBANK VIF–U.S. Government Securities Fund, OFFITBANK VIF–Investment Grade Global Debt Fund, OFFITBANK VIF–High Grade Fixed-Income Fund, and OFFITBANK VIF–Global Convertible Fund, and any future series; each open-end management investment company or series thereof to be organized in the future and which is advised by OFFITBANK (each such company or series, other than TRF and VTRF, an ''Underlying Fund,'' and collectively, the ''Underlying Funds''); and OFFITBANK (''OFFITBANK'').

RELEVANT ACT SECTIONS: Order requested under section 12(d)(1)(J) of the Act exempting applicants from section 12(d)(1) of the Act, and under sections 6(c) and 17(b) of the Act exempting applicants from section 17(a) of the Act.

SUMMARY OF APPLICATION: The requested order would permit each Parent Fund to invest all or a portion of its assets in the Underlying Funds in excess of the percentage limitations of section 12(d)(1).

FILING DATES: The application was filed on August 16, 1996, and amended on December 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 January 31, 1997, 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 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. Applicants: OFFITBANK Fund and OFFITBANK VIF, 125 W. 55th Street,

New York, N.Y. 10019; OFFITBANK, 520 Madison Avenue, New York, N.Y. 10022.

FOR FURTHER INFORMATION CONTACT: Christine Y. Greenlees, Senior Counsel, at (202) 942–0581, 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.

Applicants' Representations

1. OFFITBANK Fund and OFFITBANK VIF are each Maryland corporations that are registered under the Act as open-end management investment companies. OFFITBANK Fund intends to establish TRF as a new series. VTRF is an existing series of OFFITBANK–VIF which has not yet commenced investment operations. OFFITBANK Fund is available to institutional and retail investors, while OFFITBANK–VIF is designed to serve as a funding vehicle for variable annuity contracts and variable life insurance policies offered by certain participating insurance companies.

2. OFFITBANK is a New York State chartered trust company that currently provides investment advisory services to the Underlying Funds, and will serve as investment adviser to the Parent Funds.[1] OFFITBANK's principal business is rendering discretionary investment management services to high net worth individuals and family groups, foundations, endowments, and corporations.

3. The Parent Funds are designed to provide investors with one or more diversified investment programs to meet particular investment goals and risk tolerances. The Parent Funds are intended for persons who are able to identify their long-term goals and risk tolerances, but prefer to allow OFFITBANK to decide which specific funds to choose at any particular time to seek to achieve these goals.

4. Each Parent Fund proposes to invest all or a portion of its assets in shares of the Underlying Funds, and, therefore, to operate as a fund of funds. Any assets that are not invested in the Underlying Funds will be invested directly in stocks, bonds, and other instruments, including money market instruments.[2] Allocations of a Parent Fund's assets among Underlying Funds will be made consistent with its investment objective as described in the applicable prospectus. The Underlying Funds in which a Parent Fund may invest also will be described in the Parent Fund's prospectus. To the extent the identity of the Underlying Funds in which a Parent Fund may invest changes over time (such as through the inclusion of new Underlying Funds), shareholders and investors will receive disclosure of such changes.

5. OFFITBANK anticipates charging an advisory fee to each Parent Fund with respect to that portion of the Parent Fund's assets invested directly in stocks, bonds, and other instruments. With respect to the portion of a Parent Fund's assets invested in the Underlying Funds, OFFITBANK will not charge any advisory fee to the Parent Fund unless such fee is found to be based upon services under an investment advisory contract that are additional to, rather than duplicative of, services provided pursuant to any Underlying Fund's advisory contract. Shareholder servicing costs, which include transfer agency functions, and mailing and printing of prospectuses, shareholder reports and proxies to existing shareholders, also will be borne by investors at the Parent Fund level.

6. The Underlying Funds currently are sold without front-end or contingent deferred sales charges. Certain of the Underlying Funds are subject to rule 12b–1 fees and shareholder servicing fees. While it is currently anticipated that the Parent Funds will be sold without any front-end or contingent deferred sales charges, and will not be subject to any rule 12b–1 or shareholder servicing fees, applicants serve the right to impose sales charges and service fees in the future with respect to any entities subject to the requested order, as permitted in condition 4 below, and any other provisions or limitations of applicable law.

Applicant's Legal Analysis

A. Section 12(d)(1)

1. Section 12(d)(1)(A) of the Act would prevent, in substance, each Parent Fund from purchasing or acquiring shares of any Underlying Fund if immediately after such purchase or acquisition it would own in the aggregate: (a) more than 3% of the total outstanding voting stock of the acquired company; (b) securities issued by the acquired company having an aggregate value in excess of 5% of the value of the total assets of the acquiring company; or (c) securities issued by the acquired company and all other investment companies having an aggregate value in excess of 10% of the value of the total assets of the acquiring company. Section 12(d)(1)(B) of the Act would prevent, in substance, each Underlying Fund from selling its shares to its respective Parent Fund if, immediately after such sale, more than 3% of the total outstanding voting stock of the Underlying Fund is owned by the Parent Fund, or more than 10% of the total outstanding voting stock of the Underlying Fund is owned by the Parent Fund and other investment companies.

2. In October 1996, the National Securities Markets Improvement Act of 1996 (the ''1996 Act'') was adopted.[3] Among other things, the 1996 Act amended the Act by adding section 12(d)(1)(G), which exempts from the limitations of section 12(d)(1) certain ''fund of funds'' structures that comply with the conditions prescribed in section 12(d)(1)(G). Applicants state that, but for the fact that applicants propose that the Parent Funds have the flexibility to invest directly in stocks, bonds, and other instruments, in addition to investing in the Underlying Funds, applicants would be able to rely on the exemption now provided in the Act.[4]

3. The 1996 Act also added section 12(d)(1)(J), which provides, in relevant part, that the SEC may by order conditionally or unconditionally exempt any person, security, or transaction from the limitations of section 12(d)(1) if, and to the extent that, such exemption is consistent with the public interest and the protection of investors. Applicants request an order under section 12(d)(1)(J) exempting them from section 12(d)(1) to permit each Parent Fund to invest in any Underlying Fund in excess of the percentage limitations of that section.

4. Applicants state that section 12(d)(1) is intended to prevent unregulated pyramiding of investment companies, and the abuses which are perceived to arise from such pyramiding. Applicants note that, prior to the enactment of section 12(d)(1), there was concern that unregulated pyramiding of investment companies would provide, for those in control at the top of the pyramid, an element of power and domination over funds

[1] Applicants state that OFFITBANK is a ''bank,'' as defined in section 202(a)(2) of the Investment Advisers Act of 1940, and therefore is not required to be, and is not, registered as an investment adviser.

[2] Each Parent Fund that will make investments in reliance on the proposed order will invest in other investment companies only to the extent contemplated by the requested relief.

[3] Pub. L. No. 104–290 (1996).

[4] Section 12(d)(1)(G) limits direct investing outside of affiliated funds to certain government securities and short-term instruments.

further down in the pyramid. For example, applicants note that a Parent Fund might be able to influence, without proper authority, the activities of the persons operating an Underlying Fund or the activities of the Fund itself. Applicants state that, arguably, this control could arise via a threat of large-scale redemptions or the fact that an acquired fund, faced with substantial investment in its shares by an acquiring fund, might feel constrained to manage its assets in a manner different from the fund's normal practice in order to be able to satisfy unexpected, disruptive, large redemption requests.

5. Applicants believe that none of the dangers that were of concern to Congress in drafting section 12(d)(1) are present in the proposed Parent Fund arrangement. Unlike the fund of funds operations that prompted enactment of section 12(d)(1), the Parent Funds and the Underlying Funds will all be part of the same group of investment companies. Further, applicants state that OFFITBANK, which will be the adviser to the Underlying Funds as well as to the Parent Funds, is governed by its obligations to the Parent Funds and the Underlying Funds and their shareholders and any allocation or reallocation by OFFITBANK of a Parent Fund's assets among Underlying Funds would be required to be made in accordance with those obligations. Applicants also believe that OFFIBANK's own self-interest will prompt it to maximize benefits to all shareholders, and not disrupt the operations of any of the Parent Funds or the Underlying Funds. Finally, applicants reiterate that, but for the fact that the Parent Funds may invest directly in stocks, bonds, and other instruments, applicants' proposal is consistent with fund of funds structures now explicitly permitted under section 12(d)(1)(G) of the Act.

6. As noted above, OFFITBANK anticipates charging an advisory fee to the Parent Fund to the extent that the Fund's assets are invested directly in stocks, bonds, or other instruments, rather than shares of the Underlying Funds. With respect to the portion of a Parent Fund's assets invested in the Underlying Funds, applicants represent that, before approving any advisory contract under section 15 of the Act, the directors of each Parent Fund, including a majority of the directors of each Parent Fund who are not ''interested persons,'' as defined in section 2(a)(19) of the Act (''Independent Directors''), shall find that the advisory fees, if any, charged under such contract are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to any Underlying Fund's advisory contract.

7. While investment in the Parent Funds will involve additional expenses due to the costs of establishing and maintaining the Parent Funds as separate series, applicants believe that those additional expenses will not be substantial and that such expenses will be offset by the benefits which are presumed to be generated for the Underlying Funds and inure indirectly to the Parent Funds. Applicants believe that: (a) the addition of assets from each Parent Fund to the Underlying Fund may reduce the expense ratio for each Underlying Fund; (b) to the extent that shareholders of the Parent Funds otherwise would directly open accounts with each of the Underlying Funds, the number of accounts and related expenses at the Underlying Fund level may be reduced; and (c) by investing in the Underlying Funds, the Parent Funds may more efficiently achieve a level of diversification through various asset classes than if investments were made directly in portfolio securities, and without incurrence of transaction costs associated with direct investing. Moreover, applicants will provide to the Chief Financial Analyst of the SEC's Division of Investment Management annual expense ratios for each Parent Fund and each Underlying Fund, as specified in condition 5 below. Applicants believe that this will enable the SEC to monitor the expenses relating to each Parent Fund. Based on the foregoing, applicants believe that the proposed transactions satisfy the requirements of section 12(d)(1)(J).

B. Section 17(a)

1. Section 17(a) makes it unlawful for an affiliated person of a registered investment company, or an affiliated person of such person, to sell securities to, or purchase securities from, the company. Under the proposed structure, the Parent Funds and the Underlying Funds may be deemed to be affiliates of one another. Purchases by the Parent Funds of the shares of the Underlying Funds and the sale by the Underlying Funds of their shares to the Parent funds could thus be deemed to be principal transactions between affiliated persons under section 17(a).

2. Section 17(b) provides that the SEC shall exempt a proposed transaction from section 17(a) if evidence establishes that: (a) the terms of the proposed transaction are reasonable and fair and do not involve overreaching; (b) the proposed transaction is consistent with the policies of the registered investment company involved; and (c) the proposed transaction is consistent with the general provisions of the Act.

3. Section 6(c) of the Act provides that the SEC may exempt persons or transactions if, and 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.

4. Applicants submit that the terms of the proposed transactions are fair and reasonable and do not involve overreaching. The consideration paid for the sale and redemption of shares of the Underlying Funds will be based on the net asset value of the Underlying Funds, subject to applicable sales charges. In addition, applicants assert that the proposed transactions will be consistent with the policies of each Parent Fund. The investment of assets of the Parent Funds in shares of the Underlying Funds and the issuance of shares of the Underlying Funds to the Parent Funds will be effected in accordance with the investment restrictions of each Parent Fund and will be consistent with the policies of (as set forth in the registration statement applicable to) each Parent Fund. Applicants also state that, for the reasons discussed above, the proposed transactions are consistent with the general purposes of the Act. Applicants believe that the proposed transactions meet the standards of sections 6(c) and 17(b).[5]

Applicants' Conditions

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

1. Each Parent Fund and each Underlying Fund will be part of the same ''group of investment companies,'' as defined in rule 11a–3 under the Act.

2. No Underlying Fund shall acquire securities of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

3. Before approving any advisory contract under section 15 of the Act, the directors of each Parent Fund, including a majority of the Independent Directors, shall find that the advisory fees, if any, charged under such contract are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to any Underlying Fund's advisory contract. Such finding,

[5] Section 17(b) applies to specific proposed transactions, rather than an ongoing series of future transactions. *See* Keystone Custodian Funds, 21 S.E.C. 295, 298–99 (1945). Section 6(c) frequently is used to grant relief from section 17(a) to permit an ongoing series of future transactions.

and the basis upon which the finding was made, will be recorded fully in the minute books of the Parent Fund.

4. Any sales charges or service fees charged with respect to shares of each Parent Fund, when aggregated with any sales charges or service fees paid by the Parent Fund with respect to shares of any Underlying Fund, shall not exceed the limits set forth in Rule 2830 of the Rules of Conduct of the National Association of Securities Dealers, Inc.

5. Applicants will provide the following information, in electronic format, to the Chief Financial Analyst of the SEC's Division of Investment Management: monthly average total assets for each Parent Fund and each of its Underlying Funds; monthly purchases and redemptions (other than by exchange) for each Parent Fund and each of its Underlying Funds; monthly exchanges into and out of each Parent Fund and each of its Underlying Funds; month-end allocations of each Parent Fund's assets among its Underlying Funds; annual expense ratios for each Parent Fund and each of its Underlying Funds; and a description of any vote taken by the shareholders of any Underlying Fund, including a statement of the percentage of votes cast for and against the proposal by its Parent Fund and by the other shareholders of the Underlying Funds. Such information will be provided as soon as reasonably practicable following each fiscal year-end of the Parent Funds (unless the Chief Financial Analyst shall notify the Parent Funds or OFFITBANK in writing that such information need no longer be submitted).

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–686 Filed 1–10–97; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–22442; 811–1341]

Special Portfolios, Inc.; Notice of Application

January 6, 1997.

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

ACTION: Notice of application for deregistration under the Investment Company Act of 1940 (the ''Act'').

APPLICANT: Special Portfolios, 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 DATES: The application was filed on October 31, 1996 and amended on December 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 February 10, 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, 500 Bielenberg Drive, Woodbury, Minnesota 55125.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Senior Staff Attorney, at (202) 942–0572, 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 registered open-end management investment company and is organized as a corporation under the laws of Minnesota. Applicant registered under the Act and filed a registration statement on Form S–5 on March 16, 1996. At that time, applicant's name was ''Josten Growth Fund, Inc.'' On July 19, 1966, the registration statement was declared effective and applicant commenced its initial public offering.

2. Due to the relatively small size and uneconomical nature of applicant, applicant's board of directors concurred with the recommendation of applicant's investment adviser that shareholders be invited to redeem their shares so that applicant could be liquidated. Accordingly, a letter was sent to applicant's shareholders. In response, during the period from March 1, 1996 through April 8, 1996, all remaining shareholders, including the Fortis, Inc. Profit Sharing Plan, chose to redeem their shares of applicant.[1] All redemptions were made at net asset value as of the date of redemption.

3. No expenses were incurred in connection with the redemption of shares, other than normal shareholder servicing expenses. Applicant's investment adviser has undertaken to pay the expenses of winding up applicant. In connection with the redemption of shares, applicant sold its remaining portfolio securities in normal market transactions. No sales or brokerage commissions were paid in connection with such sales.

4. There are no securityholders to whom distributions in complete liquidation of their interests have not been made. Applicant has retained no assets. Applicant has no debts or other liabilities that remain outstanding. Applicant is not a party to any litigation or administrative proceeding.

5. Applicant is not now engaged, nor does it propose to engage, in any business activities other than those necessary for the winding up of its affairs.

6. After the requested order is granted, applicant intends to file a notice of dissolution with the State of Minnesota, followed by articles of dissolution. Applicant anticipates that the filing of the notice of dissolution will be authorized by applicant's board of directors in accordance with Minnesota corporation law.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–687 Filed 1–10–97; 8:45 am]

BILLING CODE 8010–01–M

[1] The profit sharing plan owned approximately 97% of applicant's shares subsequent to March 1, 1996.

[Release No. 34–38123; File No. SR–Amex–96–45]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto by the American Stock Exchange, Inc. Relating to the Closing Time for Equity Options and Narrow-Based Index Options

January 6, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4[2] thereunder, notice is hereby given that on November 22, 1996, 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

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.