

## ATTACHMENT D—STATUS OF FISCAL YEAR 1999 DEFERRALS—AS OF NOVEMBER 1, 1998—Continued

[Amounts in thousands of dollars]

Agency/Bureau/Account	Deferral No.	Amounts transmitted		Date of message	Releases (—)		Congressional action	Cumulative adjustments	Amount deferred as of 11-1-98
		Original request	Subsequent change(+)		Cumulative OMB/agency	Congressionally required			
International Assistance Programs International Security Assistance Economic support fund.	D99-2	84,777		10-22-98					84,777
Total, Deferrals.		167,635	0		0			0	167,635

[FR Doc. 98-31727 Filed 11-27-98; 8:45 am]  
BILLING CODE 6325-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26943]

### Filings Under the Public Utility Holding Company Act of 1935, as amended ("Act")

November 20, 1998.

Notice is hereby giving that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) and any amendment 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 December 15, 1998, to the Secretary, Securities and Exchange Commission, Washington, DC 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 should 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 December 15, 1998, the application(s) and/or declaration(s), as

filed or as amended, may be granted and/or permitted to become effective.

### American Electric Power Company, Inc., et al. (70-9021)

American Electric Power Company, Inc. ("AEP"), a registered holding company, and AEP Resources, Inc. ("Resources"), a subsidiary of AEP (collectively "Applicants"), both located at 1 Riverside Plaza, Columbus, Ohio 43125, have filed a post-effective amendment to an application-declaration filed under sections 6(a), 7, 9(a), 13(b), 32 and 33 of the Act and rules 45 and 54 under the Act.

By order dated April 27, 1998 (HCAR No. 26864), the Commission authorized AEP to use the net proceeds of common stock sales and borrowings to acquire interests in, and to issue guarantees of, the obligations of exempt wholesale generators, as defined under section 32 of the Act ("EWGs"), and foreign utility companies, as defined under section 33 of the Act ("FUCOs" and together with EWGs, "Exempt Projects"). Under that order, the aggregate amount of such sales, borrowing and guarantees would not, when added to AEP's "aggregate investments" (as defined in section 32) in all Exempt Projects, exceed 100% of AEP's "consolidated retained earnings" (as defined in section 32).

Applicants now request authority to make investments, through December 31, 2000, in Exempt Projects, directly or indirectly through one or more subsidiaries ("Intermediate Subsidiaries"). Any direct or indirect investment in an Intermediate Subsidiary holding an interest in an Exempt Project will be treated for purposes of rule 53 under the Act as if it were an investment in the Exempt Project.

In addition, Applicants request authority to provide preliminary project development, marketing, management and administration services and related goods to nonassociates through one or more subsidiaries organized exclusively for this purpose ("Special Purpose Subsidiaries"). Resources also requests authority to provide these goods and services to nonassociates. All services and goods rendered by Special Purpose Subsidiaries and Resources to nonassociates will be priced at fair market value. Also, Applicants propose that Intermediate Subsidiaries and Special Purpose Subsidiaries provide these respective services and goods to any subsidiary of Resources that is an Exempt Project or qualifying facility at fair market prices, under an exemption from the at cost standards of section 13(b).

Further, Applicants request authority directly or indirectly to acquire, through December 31, 2000, interests in one or more financing subsidiaries ("Finance Subsidiaries"). The Finance Subsidiaries would be wholly owned by Intermediate Subsidiaries. The exclusive function and business activity of any Finance Subsidiary will be to issue securities and loan the proceeds to the Intermediate Subsidiary. Issuances of securities by the Finance Subsidiaries and borrowings by the Intermediate Subsidiary of the proceeds of those issuances will comply with rule 52 under the Act.

### CMP Group, Inc., et al (70-9367)

CMP Group, Inc. ("CMP Group"), a Maine electric public utility holding company exempt under section 3(a)(1) from all provisions of the Act, except

section 9(a)(2),<sup>1</sup> and New England Gas Development Corporation ("New England Gas"), a wholly owned nonutility subsidiary of CMP Group, both located at 83 Edison Drive, Augusta, Maine 04336, have filed an application under sections 9(a)(2) and 10 of the Act.

CMP Group requests authority to acquire, through New England Gas, up to 50% of the membership interests in CMP Natural Gas, L.L.C. ("Maine GasCo"), a Maine limited liability company.<sup>2</sup> New England Gas requests an order under section 3(a)(1) exempting it from all provisions of the Act, except section 9(a)(2), following the proposed acquisition. In addition, CMP Group requests an order under section 3(a)(1) granting it an exemption from all provisions of the Act, except section 9(a)(2), following the proposed acquisition.

CMP Group's principal utility subsidiary, Central Maine Power Company ("CMP"), is an investor-owned public utility company primarily engaged in the business of generating, purchasing, transmitting, distributing and selling electricity to wholesale customers and retail customers in Maine. CMP is the largest electric utility in Maine and serves approximately 528,000 customers in its 11,000 square-mile service area in southern and central Maine. CMP had approximately \$954 million in consolidated electric operating revenues in 1997. CMP is subject to the regulatory authority of the Maine Public Utilities Commission ("MPUC").

CMP is also a Maine electric public utility holding company exempt under section 3(a)(1) from all provisions of the Act, except section 9(a)(2). CMP currently has three utility subsidiaries, each of which is organized and operates almost exclusively in Maine: Maine Electric Power Company, Inc. ("MEPCo"), Aroostook Valley Electric Company ("AVEC"), and NORVARCO. MEPCo owns and operates a 345-kV transmission interconnection between the Maine-New Brunswick, Canada international border at Orient, Maine.

AVEC owns and operates a 31-MW wood-fired generating plant in Fort Fairfield, Maine, the output of which is sold to CMP.<sup>3</sup> NORVARCO is one of two general partners in Chester SVC Partnership, a general partnership which owns certain transmission assets in Chester, Maine, adjacent to MEPCo's transmission interconnection described above.<sup>4</sup>

CMP Group owns, directly or indirectly, the following nonutility subsidiaries: CNEX (formerly CMP International Consultants), MaineCom Services, Inc., MainePower, TeleSmart, The Union Water-Power Company ("Union Water"),<sup>5</sup> Central Securities Corporation, Cumberland Securities Corporation, Kennebec Hydro Resources, Inc. ("Kennebec Hydro"),<sup>6</sup> Water Power Company ("Kennebec Water") and The Gulf Island Pond Oxygenation Project ("GIPOP").<sup>7</sup> These subsidiaries are engaged in utility support services (such as training, research, project management and technical consulting), telecommunications, river facilities management, administrative services, and real estate activities. MainPower is currently preparing to operate as a competitive energy marketer once electric competition commences in Maine.

The MPUC has authorized Maine GasCo to furnish natural gas service, on a non-exclusive basis, in certain areas of Maine not currently receiving natural

gas service. Maine GasCo plans to construct, own and operate a local natural gas distribution system in Maine consistent with the MPUC authorization. When fully developed, Maine GasCo expects to derive at least 50% of its supply of natural gas from the Western Canadian Sedimentation Basin via the TransCanada Pipeline and the proposed Portland Natural Gas Transmission System Pipeline. As a public utility under Maine law, Maine GasCo will be subject to regulation by the MPUC as to rates and other matters.

New England Gas and Energy East Enterprises, Inc. ("EEC Enterprises"), the other proposed member of Maine GasCo, are parties to a Joint Venture Agreement dated as of November 13, 1997, as amended ("Joint Venture Agreement"), which provides for, among other things, the formation of Maine GasCo. Each member's ownership interest is subject to adjustment under the terms of the Joint Venture Agreement. The Joint Venture Agreement establishes a management committee consisting of three New England Gas appointees and three EEC Enterprises appointees and generally vests a designated manager, who will be located in Maine, with exclusive authority to manage the business of Maine GasCo within the limitations contained in the Joint Venture Agreement. The Joint Venture Agreement authorizes the manager to perform any and all acts customary or incident to the business of Maine GasCo. The Joint Venture Agreement also authorizes the manager to delegate authority and to hire or contract for appropriate and necessary services. Certain actions may be taken by the manager only upon the affirmative vote of a majority of the members of the management committee. The Joint Venture Agreement provides for the resolution of stalemates or impasses among the management committee by appeal to the chief executive officers of the Maine GasCo members, and by arbitration in the event that the chief executive officers of the members of Maine GasCo are unable to resolve the impasse.

CMP Group states that Maine GasCo's affiliate with CMP Group is expected to result in economies of scale and efficiencies in several areas. These include: (i) Meter installation and reading operations; (ii) information systems and telecommunications; (iii) billing support; and (iv) customer call center operations. The Applicants also expect significant administrative economies and efficiencies to result from the provision by CMP Group's subsidiaries of corporate services, such

<sup>1</sup> CMP Group is exempt under section 3(a)(1) of the Act by order of the Commission dated August 7, 1998 (HCAR No. 26903).

<sup>2</sup> The remaining membership interests of Maine GasCo will be held by Energy East Enterprises, Inc., a wholly owned subsidiary of Energy East Corporation, an exempt public utility holding company and the parent holding company of New York State Electric & Gas Corporation, an electric and gas utility company. Energy East Corporation and Energy East Enterprises, Inc. have an application pending before the Commission, in File No. 70-9369, for an order authorizing, among other things, their acquisition of membership interests in Maine GasCo.

<sup>3</sup> CMP has reached an agreement with a nonassociate, FLP Group, to sell its interests in AVEC, as part of a sale of substantially all of its nonnuclear assets.

<sup>4</sup> CMP also owns a 38% common stock interest in Maine Yankee Atomic Power Company, which owns the Maine Yankee nuclear electric generating plant in Wiscasset, Maine. The Maine Yankee plant was permanently shut down on August 6, 1997. In addition, CMP owns (i) a 9.5% common stock interest in Yankee Atomic Electric Company, which has permanently shut down its plant located in Rowe, Massachusetts, (ii) a 6% common stock interest in Connecticut Yankee Atomic Power Company, which has permanently shut down its plant in Haddam, Connecticut, and (iii) a 4% common stock interest in Vermont Yankee Nuclear Power Corporation, which owns a nuclear plant in Vernon, Vermont. Under a joint ownership agreement, CMP also has a 2.5% direct ownership interest in the Millstone 3 nuclear unit in Waterford, Connecticut.

<sup>5</sup> Union Water owns 25% of the voting stock of Androscoggin Reservoir Company, which owns a storage reservoir and dam on the Androscoggin River and owns real estate and other facilities at Azischoos Dam in northwestern Maine that it leases to a qualifying facility. Union Water's interest in Androscoggin Reservoir Company will be sold to a nonassociate, FPL Group.

<sup>6</sup> Kennebec hydro owns a 50% interest in The Merimil Limited Partnership, which owns a qualifying facility.

<sup>7</sup> CMP has agreed to sell its interests in Kennebec hydro, Kennebec Water and GIPOP to a nonassociate, FPL Group.

as accounting, financial planning and analysis, financial reporting, human resources, regulatory affairs, insurance, legal, payroll, purchasing, tax, training, treasury, transportation, real estate, facilities management and engineering, construction and environmental services.

Applicants state that CMP Group will continue to qualify for exemption under section 3(a)(1) of the Act as an "intrastate" holding company, and that New England Gas will also qualify for this exemption, after acquiring Maine GasCo's voting securities. CMP Group and New England Gas state that they, and their public utility subsidiaries, will be predominantly intrastate in character and will carry on their business substantially in Maine, the state in which they are all organized.

**Energy East Corporation, et al. (70-9369)**

Energy East Corporation ("EEC"), a New York public utility holding company exempt under section 3(a)(1) from all provisions of the Act, except section 9(a)(2),<sup>8</sup> and Energy East Enterprises, Inc. ("EEC Enterprises"), a wholly owned nonutility subsidiary of EEC, both located at P.O. Box 12904, Albany, New York 12212-2904, have filed an application under sections 9(a)(2) and 10 of the Act.

EEC requests authority to acquire, through EEC Enterprises, at least 50% of the membership interests in CMP Natural Gas, L.L.C. ("Maine GasCo"), a Maine limited liability company.<sup>9</sup> EEC Enterprises requests an order under section 3(a)(1) exempting it from all provisions of the Act, except section 9(a)(2), following the proposed acquisition. In addition, EEC requests an order under section 3(a)(1) for an exemption from all provisions of the Act, except section 9(a)(2), following the proposed acquisition.

EEC's utility subsidiaries are New York State Electric & Gas Corporation ("NYSEG") and NGE Generation, Inc. ("NGE Generation"). NYSEG is a combination electric and gas utility company engaged in the business of generating, transmitting and distributing electricity, as well as transporting and

distributing natural gas, in central, eastern and western parts of New York. NYSEG provides electricity to approximately 815,000 customers and provides natural gas to approximately 240,000 customers. In providing these services, NYSEG is subject to the regulatory authority of the New York Public Service Commission with respect to retail rates charged and to regulation by the Federal Energy Regulatory Commission with respect to wholesale rates.

NYSEG has transportation and/or storage contracts with eight major interstate pipelines, two major intrastate pipelines, the TransCanada Pipeline and four New York local distribution companies. Approximately 28.5% of NYSEG's gas supply originates from the Western Canadian Sedimentation Basin, 63.0% from the Texas and Louisiana basins, 7.2% from Appalachia and 1.3% from other sources. The natural gas NYSEG receives from the Western Canadian Sedimentation Basin is delivered through the TransCanada Pipeline.

NGE Generation was organized to engage in the generation business. NGE Generation currently owns 50% of the Homer City generating station and owns and operates the Kintigh, Milliken, Groudey, Greenidge, Hickling and Jennison generating stations and certain associated assets and liabilities ("Generation Assets").<sup>10</sup>

NYSEG has two direct nonutility subsidiaries. These are Somerset Railroad Corporation, which owns a rail line used to transport coal and other materials to one of NYSEG's generating plants, and NGE Enterprises, Inc. NGE Enterprises, Inc. owns interests in various companies engaged in power marketing, environmental and conservation engineering and consulting, energy-related financial services, energy usage information services, demand-side management services, utility-related software development, and energy management services.

The Maine Public Utility Commission ("MPUC") has authorized Maine GasCo to furnish natural gas service, on a non-exclusive basis, in certain areas of Maine not currently receiving natural gas service. Maine GasCo plans to

construct, own and operate a local natural gas distribution system in Maine consistent with the MPUC authorization. When fully developed, Maine GasCo expects to derive at least 50% of its supply of natural gas from the Western Canadian Sedimentation Basin via the TransCanada Pipeline and the proposed Portland Natural Gas Transmission System Pipeline. As a public utility under Maine law, Maine GasCo will be subject to regulation by the MPUC as to rates and other matters.

EEC Enterprises and New England Gas Development Corporation ("New England Gas"), the other proposed member of Maine GasCo, are parties to a Joint Venture Agreement dated as of November 13, 1997, as amended ("Joint Venture Agreement"), which provides for, among other things the formation of Maine GasCo. Each member's ownership interest is subject to adjustment under the terms of the Joint Venture Agreement. The Joint Venture Agreement establishes a management committee consisting of three EEC Enterprises appointees and three New England Gas appointees and generally vests a designated manager, who will be located in Maine, with exclusive authority to manage the business of Maine GasCo within the limitations contained in the Joint Venture Agreement. The Joint Venture Agreement authorizes the manager to perform any and all acts customary or incident to the business of Maine GasCo. The Joint Venture Agreement also authorizes the manager to delegate authority and to hire or contract for appropriate and necessary services. Certain actions may be taken by the manager only upon the affirmative vote of a majority of the members of the management committee. The Joint Venture Agreement provides for the resolution of stalemates or impasses among the management Committee by appeal to the chief executive officers of the Maine GasCo members, and by arbitration in the event that the chief executive officers of the Maine GasCo members are unable to resolve the impasse.

Applicants state that they believe the proposed acquisition will provide significant financial and organizational advantages to Maine GasCo. Applicants further state that NYSEG's experience in operating a local natural gas distribution system will enable Maine GasCo to construct a safe and efficient system of its own.

Applicants state that EEC will continue to qualify for exemption under section 3(a)(1) of the Act as a New York "intrastate" holding company, and EEC Enterprises will qualify for exemption

<sup>8</sup> EEC is exempt under section 3(a)(1) of the Act by order of the Commission dated March 4, 1998 (HCAR No. 26834).

<sup>9</sup> The remaining membership interests of Maine GasCo will be held by New England Gas Development Corporation, a wholly owned subsidiary of CMP Group, Inc., an exempt public utility holding company and the parent holding company of Central Maine Power Company, an electric utility company. CMP Group, Inc., and New England Gas Development Corporation have an application pending before the Commission, in File No.

<sup>10</sup> Among its other activities, NGE Generation sells some electricity at wholesale from certain of its generating stations into the Pennsylvania-New Jersey-Maryland Interconnection ("PJM Power Pool") which sales in 1997 accounted for less than 5% of NYSEG's total operating revenues. In August 1998, NGE Generation accepted offers to sell the Generation Assets to The AES Corporation and Edison Mission Energy. After consummation of the sale of the Generation Assets, NGE Generation will no longer make these sales into the PJM Power Pool.

as a Maine "intrastate" holding company, after acquiring Maine GasCo's voting securities, because both EEC and EED Enterprises, and their respective public utility subsidiaries, will be predominantly intrastate in character and will carry on their business substantially in their respective states of organization.

#### **EUA Energy Investment Corporation (70-9385)**

EUA Energy Investment Corporation ("EEIC"), P.O. Box 2333, Boston Massachusetts 02107, a nonutility subsidiary company of Eastern Utilities Associates, a registered holding company, has filed an application-declaration under sections 9(a), 10 and 12(b) of the Act and rules 45 and 54.

By orders dated December 4, 1987 and January 11, 1988 (HCAR Nos. 24515 and 24515A, respectively) the Commission authorized EEIC, among other things, to conduct energy and energy conservation research and to invest, directly or indirectly up to \$2 million in these activities.

By order dated June 6, 1996 (HCAR No. 26529; ("June 1996 Order"), the Commission authorized EEIC to invest, through December 31, 1998, approximately \$4 million to acquire approximately 1,053,630 shares of common stock of Separation Technologies, Inc., ("STI"). STI is engaged in the research, development, design, sale, installation, construction and servicing of solid and liquid materials separation systems and facilities including, without limitation, a system for economically separating unburned carbon from coal (or fly) ash produced by utility generation plants.

The Commission, in the June 1996 Order also authorized EEIC, through December 31, 1998, to make project financing available up to an aggregate principal amount of \$15 million for the installation and construction of STI fly ash separation projects. The Commission authorized that the financing by EEIC was to be provided through joint arrangements between EEIC and STI at locations where STI equipment would be installed. EEIC's investment in these utility locations was anticipated to range between \$0.5 million and \$2.5 million per installation. EEIC's investments in these projects with STI would take the form of, without limitation, joint ventures, general partnerships, limited partnerships, teaming agreements, royalties or other revenue sharing, special purpose entities, loans and equity participations. The aggregate amount of the project investments currently outstanding totals \$2,875

million. Since the issuance of the June 1996 Order, EEIC has determined that in certain circumstances, instead of project investments, it may also be desirable to make additional direct investments in STI.

EEIC proposes, through December 31, 2002, to provide financial assistance to STI in the form of project financing up to an additional principal amount of \$15 million under the terms and conditions stated in the June 1996 Order. EEIC's direct investments may take the form of the purchase of additional securities of STI, short- or long-term loans, open account advances or capital contributions.

#### **The Southern Company (70-9393)**

The Southern Company ("Southern"), a registered holding company under the Act, has filed an application under sections 9(a) and 10 of the Act and rule 54 under the Act.

Southern proposes to purchase from Chesapeake Utilities Corporation 218,464 shares of the common stock, par value \$1.50 per share ("Shares"), of Florida Public Utilities Company, a nonaffiliate electric and gas utility company ("FPU"), at a price of \$16.50 per Share, or a total of approximately \$3.6 million. The Shares represent approximately 7.3% of the outstanding common stock of FPU. Their acquisition would cause FPU to be an affiliate of Southern.

FPU provides natural and propane gas service, electric service and water service to consumers in Florida. The company has four divisions. One division provides retail natural gas services to approximately 28,000 customers in southeast Florida, and another division provides this service to approximately 8,000 customers in middle Florida. A third division provides electricity at retail to approximately 12,000 customers in the Florida panhandle, and a fourth division provides this service to approximately 12,000 customers in extreme northeast Florida.

#### **Interstate Energy Corporation (70-9395)**

Interstate Energy Corporation ("Interstate"), a registered holding company, and its nonutility subsidiary, Alliant Industries ("Alliant"), both located at 222 West Washington Avenue, Madison, Wisconsin 53703-0192, and Alliant's nonutility subsidiary, Whiting Petroleum Corporation ("Whiting Petroleum"), located at 1700 Broadway, Suite 2300, Denver, Colorado 80290, (collectively "Applicants") have filed an application-declaration under sections 6(a), 7, 9(a),

10 and 12(b) of the Act and rules 45 and 54 under the Act.

Alliant serves as the holding company for Interstate's energy-related and nonutility investments and subsidiaries. Whiting Petroleum purchases, develops, and produces crude oil and natural gas. It currently has an interest in 333 wells in Oklahoma and is operator of 29 wells.

Interstate requests authority to acquire all of the issued and outstanding common stock of Golden Gas Production Company ("Golden Gas"), an independent oil and gas producer located in Oklahoma, for an amount of Interstate common stock ("Interstate Stock") equal in value to approximately \$9.5 million ("Sale Price"), subject to adjustment. Golden Gas' assets consist primarily of interests in 240 gas and oil wells, most of which are in Oklahoma. For the year ended December 31, 1997, Golden Gas had revenues of \$4.4 million and net income of \$662,000. Golden Gas does not own or operate any facilities used for the distribution at retail of natural of manufactured gas.

In accordance with an Agreement and Plan of Reorganization among Interstate, Whiting Petroleum, Golden Gas and Alan R. Staab, sole shareholder of Golden Gas ("Shareholder"), dated September 15, 1998 (the "Agreement"), Interstate would acquire from Shareholder all of the issued and outstanding common stock shares of Golden Gas ("Golden Gas Shares") through a tax-free exchange of these shares for Interstate Stock. In order to accomplish the exchange, Interstate requests authority to issue shares of Interstate Stock up to the amount described below.

Under the Agreement, the number of shares of Interstate Stock used to purchase the Golden Gas Shares would be determined by dividing the Sale Price by \$32. In addition, if the Market Price (as defined in the Agreement) of the Interstate Stock is less than \$32 per share on the date of closing, the Shareholder will be entitled to receive an additional number of shares of Interstate Stock on the second anniversary of the date of the Agreement. This additional amount will represent the difference, if any, between \$32 per share and the greater of (i) the average of the trading prices for Interstate Stock for the 90 days immediately preceding that second anniversary ("Average Trading Price"), or (ii) the Market Price, provided that in no event would the difference exceed \$4 per share. The Shareholder will not be entitled to any additional shares of Interstate Stock if the Average Trading Price for the Interstate Stock exceeds \$32.

Interstate has reserved 246,875 unissued shares of Interstate Stock to be exchanged at closing for the Golden Gas Shares, representing, on a pro forma basis, about .32% of the issued and outstanding shares of Interstate Stock as of July 31, 1998. In addition, Interstate has reserved 35,268 shares of Interstate Stock, representing the maximum number of shares of Interstate Stock required to be delivered to Shareholder on the second anniversary date of the Agreement.

Whiting Petroleum will manage the oil and gas assets of Golden Gas. In order to facilitate this plan, Interstate proposes to contribute the Golden Gas Stock to Alliant, and Alliant proposes to contribute those shares to Whiting Petroleum.

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

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 98-31715 Filed 11-27-98; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23543; 813-188]

### Sixty Wall Street Fund, L.P. et al.; Notice of Application

November 20, 1998.

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

**ACTION:** Notice of application for an order under sections 6(b) and 6(e) of the Investment Company Act of 1940 ("Act") exempting the applicants from all provisions of the Act, except section 9, sections 17 (other than certain provisions of paragraphs (a), (d), (e), (f), (g), and (j)) and 30 (other than certain provisions of paragraphs (a), (b), (e) and (h)), sections 36 through 53, and the rules and regulations under the Act.

**SUMMARY OF APPLICATION:** Applicants request an order superseding a prior order<sup>1</sup> to exempt certain limited partnerships formed for the benefit of key employees of J.P. Morgan & Co. Incorporated ("JP Morgan") and its affiliates from certain provisions of the Act. Each partnership will be an employees' securities company within the meaning of section 2(a)(13) of the Act.

**APPLICANTS:** Sixty Wall Street Fund, L.P. ("Master Partnership"), Sixty Wall Street SBIC Fund, L.P. ("SBIC

Partnership"), and JP Morgan on behalf of other partnerships or other investment vehicles that may be formed in the future (together, with the Master Partnership and the SBIC Partnership, the "Partnerships").

**FILING DATES:** The application was filed on October 30, 1997. Applicants have agreed to file an amendment to the application, the substance of which is reflected in this notice during the notice period.

**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 December 15, 1998, 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, NW, Washington, DC 20549. Applicants, c/o J. Edmund Colloton, J.P. Morgan Capital Corporation, 60 Wall Street, New York, New York 10260.

**FOR FURTHER INFORMATION CONTACT:** John K. Forst, Attorney Advisor, at (202) 942-0569, 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 at the SEC's Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549 (tel. 202-942-8090).

### Applicants' Representations

1. JP Morgan Group, as defined below, is a global financial firm. J.P. Morgan Securities Inc., a wholly-owned subsidiary of JP Morgan, is the principal broker-dealer affiliate of JP Morgan and is registered under the Securities Exchange Act of 1934 ("Exchange Act"). JP Morgan and its affiliates, as defined in rule 12b-2 of the Exchange Act, are referred to in this notice collectively as "JP Morgan Group" and individually as a "JP Morgan Group entity."

2. Applicants propose to offer various investment programs for the benefit of certain key employees of JP Morgan Group. The programs may be structured as different Partnerships or as separate

plans within the same Partnership. Each Partnership will be a limited partnership or limited liability company formed as an "employees' securities company" within the meaning of section 2(a)(13) of the Act, and will operate as a closed-end, non-diversified, management investment company. The Partnerships will be established primarily for the benefit of highly compensated employees of JP Morgan Group as part of a program designed to create capital building opportunities that are competitive with those at other investment banking firms and to facilitate the recruitment of high caliber professionals. Participation in a Partnership will be voluntary.

3. Sixty Wall Street Corporation, a Delaware corporation, will act as the general partner of the Master Partnership and Sixty Wall Street SBIC Corporation, a Delaware corporation, will act as general partner of SBIC Partnership (together with any affiliate that controls, is controlled by or is under common control with JP Morgan and that acts as a Partnership's general partner, the "General Partner"). The General Partner will manage and operate each of the Partnerships. The General Partner will be authorized to delegate management responsibility to JP Morgan Group or to a committee of JP Morgan Group employees. A JP Morgan Group entity will act as the investment adviser to a Partnership and will be registered as an investment adviser under the Investment Advisers Act of 1940.

4. Interests in the Partnerships ("Interests") will be offered without registration in reliance on section 4(2) of the Securities Act of 1933 (the "Securities Act"), or Regulation D under the Securities Act, and will be sold without a sales load only to "Eligible Employees" and "Qualified Participants," in each case as defined below, or to JP Morgan Group (collectively, "Participants"). Prior to offering Interests to an Eligible Employee, the General Partner must reasonably believe that the Eligible Employee will be a sophisticated investor capable of understanding and evaluating the risks of participating in the Partnership without the benefit of regulatory safeguards. An Eligible Employee is (i) an individual who is a current or former employee, officer, director, or "Consultant" of JP Morgan Group and, except for certain individuals who manage the day-to-day affairs of the Partnership in question ("Managing Employees"), meets the standards of an accredited investor under rule 501(a)(6) of Regulation D under the Securities Act, or (ii) an entity

<sup>1</sup> Sixty Wall Street Fund 1995, L.P., et al., Investment Company Act Release Nos. 21451 (Oct. 25, 1995) (notice) and 21536 (Nov. 21, 1995) (order).