

in writing within 60 days of this publication.

Please direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, N.W., Washington, DC 20549.

Dated: January 29, 1998.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-3369 Filed 2-10-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Rel. No. 23020; 812-10910]

CypressTree Asset Management Corporation, Inc., CypressTree Senior Floating Rate Fund, Inc., CypressTree Investment Management Company, and CypressTree Fund Distributors, Inc.; Notice of Application

February 4, 1998.

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

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

SUMMARY OF APPLICATION: Applicants request an order under sections 6(c) and 23(c) of the Act for an exemption from certain provisions of rule 23c-3 to permit a registered closed-end investment company to make repurchase offers on a monthly basis.

FILING DATES: The application was filed on December 23, 1997. Applicants have agreed to file an amendment, the substance of which is incorporated 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 March 2, 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 of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549.

Applicants: 125 High Street, Boston, MA 02110.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Staff Attorney, at (202) 942-0574, or Nadya B. Roytblat, Assistant Director, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee at the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549 (tel. 202-942-8090).

APPLICANTS: CypressTree Asset Management Corporation, Inc. ("CAM"), CypressTree Senior Floating Rate Fund, Inc. (the "Fund"), CypressTree investment Management Company ("CypressTree"), and CypressTree Funds Distributors, Inc. ("Distributors").

Applicants' Representations

1. The Fund is a closed-end management investment company registered under the Act and organized as a Maryland corporation. CAM, an investment adviser registered under the Investment Advisers Act of 1940 ("Advisers Act"), will serve as investment adviser to the Fund. CAM will enter into a subadvisory agreement with CypressTree, an investment adviser registered under the Advisers Act, pursuant to which CypressTree will select the investments made by the Fund. Distributors, a broker-dealer registered under the Securities Exchange Act of 1934, will distribute the Fund's shares. Applicants request that the order apply to any registered closed-end management investment company for which CAM or CypressTree or any entity controlling, controlled by, or under common control with CAM or CypressTree acts as principal underwriter or investment adviser ("Future Fund").

2. The Fund's investment objective will be to provide as high a level of current income as is consistent with the preservation of capital. The Fund will invest primarily in senior secured floating rate loans made by commercial banks, investment banks, and finance companies to commercial and industrial borrowers ("Loans"). Under normal market conditions the Fund will invest at least 80% of its total assets in Loans. Up to 20 percent of the Fund's total assets may be held in cash, invested in investment grade short-term and medium-term debt obligations, or invested in unsecured senior floating rate loans determined by CypressTree to

have a credit quality at least equal to the Loans.

3. Applicants propose to organize the Fund as an "interval fund" as provided in rule 23c-3 under the Act. The Fund will continuously offer its shares to the public at net asset value ("NAV") and will provide liquidity to its shareholders by offering to repurchase a portion of its shares on a periodic basis. The Fund will make offers to repurchase a portion of its common stock at one-month intervals, rather than the three, six, or twelve month intervals specified by rule 23c-3. The Fund's shares will be offered without any initial or deferred sales charges or asset-based distribution fees. Applicants may sponsor Future Funds with differing sales charge structures. The Fund's shares will not be offered or traded in the secondary market and will not be quoted or listed on any exchange.

4. The Fund will disclose in its prospectus its fundamental policy to make monthly offers to repurchase a portion of its securities at NAV. The policy will be changeable only by a majority vote of the holders of the Fund's outstanding voting securities. Under the fundamental policy, the repurchase offer amount will be determined by the Fund's board of directors (the "Board") prior to each repurchase offer. A majority of the Board will consist of disinterested members. Applicants agree that, as a condition to the relief requested in the application, in any one-month period, the repurchase offer amount will not exceed 10% of the Fund's outstanding shares at the time of the repurchase request deadline.

5. The Fund's prospectus will specify the monthly repurchase request deadline, which will be the last business day of every month. The prospectus will also specify the maximum number of days between each repurchase request deadline and the repurchase pricing date. The Fund's repurchase pricing date will normally be the same date as the repurchase request deadline and pricing will be determined after close of business on that date.

6. The Fund will make payment for the repurchased shares in cash on or before the repurchase payment deadline, which will be no later than five business days or seven calendar days (whichever period is shorter) after the repurchase pricing date. The Fund expects to make payment on the first business day following the repurchase pricing date. The Fund will make payment for shares repurchased in the previous month's repurchase offer at least five business days before sending notification of the next repurchase offer.

The Fund does not expect to deduct any fees from repurchase proceeds.

7. The Fund will provide shareholders with notification of each repurchase offer no less than seven days and no more than fourteen days prior to the repurchase request deadline. The notification will include all information required by rule 23c-3(b)(4). The Fund will file the notification and the Form N-23c-3 with the SEC within 3 business days after sending the notification to the Fund's shareholders.

8. The Fund will not suspend or postpone a repurchase offer except pursuant to the vote of a majority of its disinterested directors, and only under limited circumstances, as provided in rule 23c-3(b)(i). The Fund will not condition a repurchase offer upon tender of any minimum amount of shares. In addition, the Fund will comply with the pro rata and other allocation requirements of rule 23c-3(b)(5) if shareholders tender more than the repurchase offer amount. Further, the Fund will permit tenders to be withdrawn or modified at any time until the repurchase request deadline but will not permit tenders to be withdrawn or modified thereafter.

9. From the time the Fund sends its notification to shareholders of the repurchase offer until the repurchase pricing date, a percentage of the Fund's assets equal to at least 100% of the repurchase offer amount will consist of: (1) Assets, which may include Loans, that can be sold or disposed of in the ordinary course of business at approximately the price at which the Fund has valued such investment within a period equal to the period between the repurchase request deadline and the repurchase payment deadline (seven days); or (2) assets, including Loans, that mature by the next repurchase payment deadline. In the event the Fund's assets fail to comply with this requirement, the Board will cause the Fund to take such action as it deems appropriate to ensure compliance.

10. In compliance with the asset coverage requirements of section 18 of the Act, any senior security issued by the Fund will either mature by the next repurchase pricing date or provide for the Fund's ability to call or repay such indebtedness by the next repurchase pricing date as necessary to permit the Fund to complete the repurchase offer in an amount determined by the Board.

11. The Fund's Board will adopt written procedures to ensure that the Fund's assets are sufficiently liquid so that the Fund can comply with its fundamental policy on repurchases and the liquidity requirements of rule 23c-

3(b)(10)(i). The Board will review the overall composition of the portfolio and make and approve such changes to the procedures as it deems necessary.

Applicants' Legal Analysis

1. Section 6(c) of the Act provides that the SEC may exempt any person, security, or transaction from any provision of the Act, 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.

2. Section 23(c) of the Act provides in relevant part that no registered closed-end investment company shall purchase any securities of any class of which it is the issuer except: (a) on a securities exchange or other open market; (b) pursuant to tenders, after reasonable opportunity to submit tenders given to all holders of securities of the class to be purchased; or (c) under other circumstances as the SEC may permit by rules and regulations or orders for the protection of investors.

3. Rule 23c-3 under the Act permits a registered closed-end investment company to make repurchase offers of its outstanding shares at NAV to shareholders at periodic intervals pursuant to a fundamental policy of the investment company. "Periodic interval" is defined in rule 23c-3(a)(1) as an interval of three, six, or twelve months. An interval fund may not suspend or postpone a repurchase offer except by vote of the fund's directors/trustees, and then only under limited circumstances. Rules 23-3(b)(4) requires that notification of each repurchase offer be sent to shareholders no less than 21 days and no more than 42 days before the repurchase request deadline. Rule 23c-3(a)(3) provides that a repurchase offer amount may be between five and twenty-five percent of the amount of common stock outstanding on the repurchase request deadline.

4. Applicants request an order pursuant to sections 6(c) and 23(c) of the Act exempting them from rule 23c-3(a)(1) to permit the Fund to make monthly repurchase offers. Applicants also request an exemption from the notice provisions of rule 23c-3(b)(4) to permit the Fund to send notification of an exemption of an upcoming repurchase offer to shareholders at least seven days but no more than fourteen days in advance of the repurchase request deadline. Finally, applicants request an exemption from rule 23c-3(a)(3)'s definition of "repurchase offer amount" that limits repurchase offers to an aggregate of 25% of the common

stock outstanding in any three-month period.

5. Applicants contend that monthly repurchase offers are in the shareholders' best interests and consistent with the policies underlying rule 23c-3. Applicants assert that monthly repurchase offers will offer investors a distinct new asset allocation alternative with a unique and beneficial risk/return profile. Applicants assert that shareholders will be better able to manage their investments and plan transactions, because if an investors decides to forego a repurchase offer, he or she will only need to wait one month for the next offer. Applicants also contend that the Fund's management will be able to better manage the Fund's Loan portfolio, because repurchase offers will become part of a routine that is expected to provide management with predictable liquidity requirements.

6. Applicants state that their proposal to make monthly repurchase offers will not be confusing to investors. Applicants propose to send notification of shareholders at least seven days, but no more than fourteen days, in advance of a repurchase request deadline. Applicants assert that, because the Fund intends to price on the repurchase request deadline and pay on the next business day, the entire procedure can be completed before the next notification is sent out to shareholders; thus avoiding any overlap. Applicants believe that these procedures will eliminate any possibility of investor confusion. Applicants also state that monthly repurchase offers will be accepted as a fundamental feature of the Fund, and the Fund's prospectus will provide a clear explanation of the repurchase program.

7. Applicants assert that maturation of the Loan markets has brought depth and enhanced liquidity to these markets. Applicants believe that both the primary and secondary markets for Loans have experienced sufficient growth in recent years that the Fund will have adequate liquidity to support monthly repurchases. Applicants state that the volume of trading in the secondary market for Loans has increased to \$41 billion in 1996 from \$15 billion in 1993. Applicants also state that there are 44 non-bank institutions that are active in the secondary market as compared to only three in 1989. Applicants assert that liquidity is also evidenced by the presence of approximately 14 dealers offering daily bid/ask quotes. Applicants contend that the depth and efficiency of these markets, together with the portfolio manager's experience and judgment, will enable the Fund to maintain fully liquid assets at levels that

will meet or exceed the requirements of rule 23c-3.

8. Applicants submit that for the reasons given above the requested relief is necessary and appropriate in the public interest and is consistent with the protection of investors and the purpose fairly intended by the policy and provisions of the Act.

Applicants' Conditions

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

1. The Fund will not make a repurchase offer pursuant to rule 23c-3(b) for a repurchase offer amount of more than 10% of its outstanding shares of common stock in any one-month period. The Fund may repurchase additional tendered shares pursuant to rule 23c-3(b)(5) only to the extent the aggregate of the percentages of additional shares so repurchased does not exceed 2% in any given three-month period.

2. Payment for repurchased shares will occur at least five business days before notification of the next repurchase offer is sent to shareholders of the Fund.

3. The Fund will maintain an investment policy that requires, under normal conditions, that at least 65 percent of the value of its total assets will be invested in Loans.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-3366 Filed 2-10-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26823]

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

February 5, 1998.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the

application(s) and/or declaration(s) should submit their views in writing by March 2, 1998, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Ohio Valley Electric Corporation [70-8527]

Ohio Valley Electric Corporation ("Ohio Valley"), P.O. Box 468, Piketon, Ohio 45661, an electric public utility subsidiary company of American Electric Power Company, Inc., a registered holding company, has filed a post-effective amendment to its declaration filed under sections 6(a) and 7 of the Act and rule 54 under the Act.

By orders dated December 28, 1994 and December 12, 1996 (HCAR Nos. 26203 and 26624) ("Existing Authorization"), Ohio Valley was authorized to incur short-term debt through the issuance and sale of notes ("Notes") to banks in an aggregate amount not to exceed \$25 million outstanding at any one time, from time to time through December 31, 2001, provided that no Notes shall mature later than June 30, 2002.

Ohio Valley now proposes that the Existing Authorization be increased to an aggregate amount not to exceed \$50 million outstanding at any one time.

The proceeds of the short-term debt incurred by Ohio Valley will be added to its general funds and used to pay its general obligations and for other corporate purposes.

Entergy Louisiana, Inc. [70-9141]

Entergy Louisiana, Inc. ("ELI"), 639 Loyola Avenue, New Orleans, Louisiana 70113, an electric public-utility subsidiary company of Entergy Corporation, a registered holding company, has 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.

ELI proposes to issue and sell up to a combined aggregate principal amount of \$600 million of first mortgage bonds ("Bonds") and /or one or more series of ELI's debentures under one or more

debenture indentures or subordinated debenture indentures ("Debentures") through December 31, 2002 ("Authorization Period"). Each series of Bonds or Debentures will be sold either by competitive bidding, negotiated public offering or private placement. The price, interest rate and maturity date will all be determined at the time of sale, or upon execution of the agreement to sell.¹ Each series of Bonds or Debentures will mature not later than forty years (Bonds) or fifty years (Debentures) from the date of issuance. One or more series of Bonds or Debentures may include provisions for redemption or retirement prior to maturity, including restrictions on optional redemption for a given number of years. In addition, one or more series of Bonds or Debentures may include provisions for the mandatory retirement of some or all of the series prior to maturity.² Debentures issued under a

¹ The price, exclusive of accrued interest, to be paid to ELI for each series of Bonds or Debentures sold at competitive bidding will be within a range (to be specified by ELI to prospective purchasers) of 95% to 105% of the principal amount of the series.

No series of Bonds or Debentures will be issued at rates in excess of the lower of 15% per annum or those rates generally obtainable at the time of pricing for sales of mortgage bonds or debentures (as the case may be) having the same or reasonably similar maturities, issued by companies of the same or reasonably comparable credit quality and having reasonably similar terms, conditions and features.

As to series of Bonds or Debentures having an adjustable interest rate, the initial interest rate will be negotiated between ELI and the purchasers of the series and will be based on the current rate for comparable bonds or debentures. Thereafter, the interest rate will be adjusted according to a pre-established formula or method of determination ("Floating Rate Bonds") or ("Floating Rate Debentures") or will be that rate which, when set, would be sufficient to remarket the Bonds or Debentures at their principal amount ("Remarketed Bonds") or ("Remarketed Debentures").

The interest rate for Floating Rate Bonds or Floating Rate Debentures after the initial interest rate period may be set as a percentage of, or a specified spread from, a benchmark rate, such as the London Interbank Offered Rate or the yield to maturity of specified United States Treasury securities, and may be established by reference to orders received in an auction procedure, and will not exceed a specified maximum rate greater than 15% per annum. The interest rate may be adjusted at established intervals or may be adjusted simultaneously with changes in the benchmark rate.

The interest rate for Remarketed Bonds or Remarketed Debentures after the initial interest rate period will not be greater than rates generally obtained at the time of remarketing of bonds or debentures having similar maturities, issued by companies of comparable credit quality and having reasonably comparable terms, and will not exceed a specified maximum rate greater than 15% per annum.

² The terms of Remarketed Bonds or Remarketed Debentures will provide that holders have the right to tender or are required to tender their Bonds or Debentures and have them purchased at a price equal to the principal amount plus accrued and unpaid interest on specified dates. A tender agent

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