notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street NW., Washington, D.C. 20549. Applicants, 32 Old Slip, New York, New York 10292.

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SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the SEC's Public Reference Branch.

## Applicant's Representations

1. Each of the Trusts is a unit investment trust sponsored by the Sponsor. The Trusts are made up of one or more separate series ("Series"). Over four hundred Series of the Trusts are

currently outstanding.

- 2. Each Series is created by a trust indenture among the Sponsor, a banking institution or trust company as trustee, and an evaluator. The Sponsor acquires a portfolio of securities and deposits them with a trustee in exchange for certificates representing fractional undivided interests in the portfolio of securities ("Units"). Units currently are offered to the public through the Sponsor and other underwriters and dealers at a price based upon the aggregate offering side evaluation of the underlying securities plus an up-front sales charge. The sales charge currently ranges from 2.00% to 5.50% of the public offering price. The Sponsor may offer a discounted sales charge to unitholders within a Series based on the quantity of Units purchased. The sales charge may also vary among Series depending on the terms of the underlying securities.
- Applicants seek an order under section 6(c) exempting them from sections 2(a)(32), 2(a)(35), 22(c), 22(d), and 26(a)(2)(C) and rule 22c-1 thereunder to let them impose sales charges on Units on a deferred basis and waive the deferred sales charge in certain cases. Under applicants' proposal, the Sponsor will continue to determine the amount of sales charge per Unit at the time portfolio securities are deposited in a Series. The Sponsor will have the discretion to defer collection of all or part of this sales charge over a period ("Collection Period'') following the settlement date for the purchase of Units. The Sponsor will in no event add to the deferred amount initially determined any additional amount for interest or any

similar or related charge to reflect or adjust for such deferral.

- 4. The deferred sales charge ("DSC") may be (a) deducted from the proceeds of a sale, exchange, or redemption of units or termination of the Series; or (b) deducted from (i) amounts received on the sale of portfolio securities, (ii) amounts received on the maturity of portfolio securities, (iii) income distributions on the Units, or (iv) a combination thereof ("Distribution Deductions"). Alternatively, the trustee may advance the DSC on behalf of the Series on a periodic basis, in which case the trustee will be reimbursed from the income or principal account of the Series upon the receipt of proceeds from the maturity or sale of portfolio securities, until the total amount per unit is collected. The total of all these amounts will not exceed the aggregate DSC per unit.
- 5. For purposes of calculating the amount of the deferred sales charge due upon redemption or sale of Units, it will be assumed that Units on which the balance of the sales charge has been collected from installment payments are liquidated first. Any Units disposed of over such amounts will be redeemed in the order of their purchase, so that Units held for the longest time are redeemed
- 6. The Sponsor may adopt a procedure of waiving the DSC payable out of net sales, exchange, or redemption proceeds, if necessary, so as not to jeopardize the tax-exempt nature of various investors such as Individual Retirement Accounts and employee benefits plans, if otherwise required for tax purposes, or for such other reasons as disclosed in the prospectus.
- 7. The date and amount of each DSC accrual or payment will be disclosed in the prospectus. The prospectus for a Series will disclose that portfolio securities may be sold to pay the DSC if amounts in the income account are insufficient to pay the DSC or proceeds from portfolio securities are intended to pay the DSC. The confirmation received by a holder on the purchase, sale, exchange, or redemption of a Unit will indicate the DSC to the extent required by National Association of Securities Dealers, Inc. rules. The account statement of a holder will reflect a value for a Unit. The account statement, however, will not reflect the amount a holder paid for the up-front sales charge. At the end of every year, the Series' annual report will reflect the aggregate amount of any Distribution Deductions taken, both on a Series and per Unit basis.
- 8. Units received in an exchange are subject to a fixed dollar sales charge of

\$15, \$20, or \$25 per \$1000 of Units for (a) Units trading in the secondary market, (b) Units trading in the secondary market received upon the exchange of units of a trust not solely sponsored by the Sponsor, and (c) Units received during such Series' initial offering period, respectively. When Units held for less than five months are exchanged for Units with a higher regular sales charge, the sales charge will be the greater of (a) the reduced sales charge or (b) the difference between the sales charge paid in acquiring the Units being exchanged and the regular sales charge for the quantity of Units being acquired, determined as of the date of the exchange

9. Applicants seek to amend the Prior Order to permit offers of exchange of Units subject to a DSC. If a Unit subject to a DSC is being exchanged, the proceeds due to the exchanging investor will be net of the DSC due upon the sale of a Unit at such time. Units acquired in the exchange will be subject to the greater of a sales load of a fixed dollar amount (currently ranging from \$15 to \$25 depending on whether the Series being acquired is in the initial offering period or the secondary market) or the amount of the DSC remaining on the

Units being acquired.

10. The Sponsor may offer certain Series that have intermediate or shortterm stated maturities. Upon termination of such Series, the Sponsor may create a new Series with the same investment objective, the same type of portfolio securities as the terminating Series, and in certain instances some of the same portfolio securities. Applicants wish to make Units of the new Series available to the unitholders of the terminating Series at the net asset value of the new Units plus a reduced sales charge on an up-front and/or deferred basis (the "Rollover Option"). Although applicants believe that the Prior Order already permits the Rollover Option, they request that the Prior Order be amended to cover the Rollover Option explicitly.

## Applicants' Legal Analysis

- 1. Under section 6(c), the SEC may exempt any person or transaction from any provision of the Act or any rule thereunder 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 2(a)(32) defines a "redeemable security" as a security that, upon its presentation to the issuer, entitles the holder to receive