services is priced reasonably in relation to the services and costs that the investor could obtain elsewhere. Moreover, applicants believe that the Aggregate Fee Disclosure will provide investors of each Portfolio with sufficient and clear information to determine whether they are receiving good value from FRIMCo and the Money Managers of that Portfolio and whether to redeem their shares if dissatisfied.

11. Section 6(c) authorizes the Commission to exempt persons or transactions from the provisions of the Act to the extent that such exemptions are appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act. Applicants assert that the section 6(c) standards for exemption are met.

Applicants' Conditions

Applicants agree that the following conditions may be imposed in any order of the Commission granting the requested relief:

1. Each Fund will disclose in its registration statement the Aggregate Fee Disclosure.

2. FRIMCo will not enter into a Portfolio Management Agreement with any Affiliated Money Manager without such agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Portfolio.

3. At all times, a majority of the Funds' directors or trustees will be persons each of whom is not an "interested person" of the Funds as defined in section 2(a)(19) of the Act ("Independent Directors"), and the nomination of new or additional Independent Directors will be placed with the discretion of the then existing Independent Directors.

4. When a Money Manager change is proposed for a Portfolio with an Affiliated Money Manager, the Funds' directors or trustees, including a majority of the Independent Directors, will make a separate finding, reflected in each applicable Fund's board minutes, that such change is in the best interests of the Portfolio and its shareholders and does not involve a conflict of interest from which FRIMCo or the Affiliated Money Manager derives an inappropriate advantage.

5. Independent counsel knowledgeable about the Act and the duties of Independent Directors will be engaged to represent the Independent Directors of the Funds. The selection of such counsel will be placed within the discretion of the then existing Independent Directors. 6. FRIMCo will provide the Funds' directors, no less frequently than quarterly, information about FRIMCo's profitability on a per-Portfolio basis. Such information will reflect the impact on profitability of the hiring or termination of any Money Manager during the applicable quarter.

7. Whenever a Money Manager is hired or terminated, FRIMCo will provide the Funds' directors information showing the expected impact on FRIMCo's profitability.

8. FRIMCo will provide general management and administrative services to the Funds, and, subject to review and approval by their directors will: (a) set the Funds' overall investment strategies; (b) select Money Managers; (c) allocate and, when appropriate, reallocate the Portfolios' assets among Money Managers; (d) monitor and evaluate the performance of Money Managers; and (e) ensure that the Money Managers comply with the Funds' investment objectives, policies, and restrictions.

9. Each RIF Fund will obtain the consent of its sole shareholders before relying upon the order with respect to shareholder approval of Money Manager changes. Existing Portfolios of the FRIC Funds will proceed promptly (within one year) to obtain shareholder approval to operate the Portfolios in accordance with the order, but, prior to the holding of the shareholder meeting, will continue to operate in accordance with the 1981 order. Portfolios of the Funds created after the issuance of the order will disclose their reliance on the order in their prospectuses and will have such reliance approved by consent of their sole shareholder.

10. Within 60 days of the hiring of any new Money Manager or the implementation of any proposed material change in a Portfolio Management Agreement, FRIMCo will furnish shareholders all information about a new Money Manager or Portfolio Management Agreement that would be included in a proxy statement, except as modified by the order with respect to the disclosure of fees paid to the Money Managers. Such information will include Aggregate Fee Disclosure and any change in such disclosure caused by the addition of a new Money Manager or any proposed material change in a Portfolios's Management Agreement. FRIMCo will meet this condition by providing shareholders, within 60 days of the hiring of a Money Manager or the implementation of any material change to the terms of a Portfolio Management Agreement, with an information statement meeting the requirements of Regulation 14C and

Schedule 14C under the Exchange Act. The information statement also will meet the requirements of Schedule 14A, except as modified by the order with respect to the disclosure of fees paid to the Money Managers.

11. No director, trustee, or officer of the Funds or FRIMCo will own directly or indirectly (other than through a polled investment vehicle that is not controlled by any such director, trustee, or officer) any interest in a Money Manager except for (a) ownership of interests in FRIMCo or any entity that controls, in controlled by, or is under common control with FRIMCo; or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Money Manager or an entity that controls, is controlled by, or is under common control with a Money Manager.

12. The Funds will disclose in their prospectuses the existence, substance, and effect of any order granted pursuant to the application.

By the Commission.

Johathan G. Katz,

Secretary.

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[Release No. 34–35787; File No. 600–23]

Self-Regulatory Organizations; Government Securities Clearing Corporation; Order Approving Application for Extension of Temporary Registration as a Clearing Agency

May 31, 1995.

On February 3, 1995, Government Securities Clearing Corporation ("GSCC") filed with the Securities and Exchange Commission ("Commission") a request pursuant to Section 19(a) ¹ of the Securities Exchange Act of 1934 ("Act") that the Commission grant GSCC full registration as a clearing agency under Section 17A of the Act ² or in the alternative extend GSCC's temporary registration as a clearing agency until such time as the Commission is able to grant GSCC permanent registration.³ On March 13,

³Letter from Charles A. Moran, President, GSCC, to Brandon Becker, Director, Division of Market Regulation, Commission (February 3, 1995) ("Registration Letter"). On May 24, 1988, the Commission granted GSCC's initial application for registration as a clearing agency pursuant to Sections 17A and 19(a) of the Act and Rule 17Ab2– 1 (17 CFR 240.17Ab2–1 (1994)) thereunder for a period of three years. Securities Exchange Act Release No. 25740 (May 24, 1988), 53 FR 19639.

¹15 U.S.C. 78s(a)(1) (1988).

²15 U.S.C. 78q-1 (1988).