

to the proposed rule change and none were received.

### III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within thirty-five days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which OCC consents, the Commission will:

- (a) By order approve such proposed rule change or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submissions, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filings will also be available for inspection and copying at the principal office of OCC. All submissions should refer to the file number SR-OCC-95-13 and should be submitted by January 3, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

Margaret H. McFarland,  
*Deputy Secretary.*

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[Rel. No. IC-21571; 811-7105]

### CUNA Mutual Funds, Inc.; Notice of Application

December 6, 1995.

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

**ACTION:** Notice of Application for Deregistration under the Investment Company Act of 1940 (the "Act").

**APPLICANT:** CUNA Mutual funds, Inc.

**RELEVANT ACT SECTION:** Section 8(f).

**SUMMARY OF APPLICATION:** Applicant seeks an order declaring that it has ceased to be an investment company.

**FILING DATE:** The application was filed on July 28, 1995 and amended on October 27, 1995, and December 1, 1995.

**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 January 2, 1996, and should be accompanied by proof of service on 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 5th Street, N.W., Washington, D.C. 20549. Applicant, 100 East Pratt Street, Baltimore, MD 21202.

**FOR FURTHER INFORMATION CONTACT:** Elaine M. Boggs, 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 at the SEC's Public Reference Branch.

#### Applicant's Representations

1. Applicant is an open-end diversified management investment company that was organized under the laws of Maryland. Applicant consists of three portfolios, CUNA Mutual U.S. Government Income Fund, CUNA Mutual Cornerstone Fund, and Mutual Tax-Free Intermediate-Term Fund. On October 8, 1993, applicant registered under the Act as an investment company, and filed a registration statement to register its shares under the Securities Act of 1933. The registration statement was declared effective on December 30, 1993 and applicant began a public offering thereafter.

2. On March 27, 1995, applicant's board of directors approved the liquidation and dissolution of applicant.

The board of directors approved the liquidation because, among other things, they did not expect assets under management to rise to a level that would allow applicant to operate productively. At all times, affiliated persons of applicant held a majority of the outstanding shares of each portfolio.

3. Between March 17 and March 30, 1995, letters were sent to all public shareholders notifying them of applicant's intent to liquidate all accounts effective May 12, 1995. On May 12, 1995, the remaining public shareholders of each portfolio received cash distributions equal to the net asset value of their accounts as of the close of business on that day. CMC-T.Rowe Price Management, LLC ("CMC"), applicant's administrator and a shareholder of applicant, made the decision to absorb all the expenses and costs of the liquidation and winding up of the business of applicant. Accordingly, applicant's affiliated persons received their distributions after the public shareholders to ensure that all costs and expenses of the liquidation (such as brokerage, taxes, etc.) would be absorbed by the affiliated parties and not the public shareholders. CMC was the sole remaining shareholder on May 26, 1995, and did in fact bear all expenses and costs of winding up the business of applicant. CMC also paid all of applicant's organizational expenses.

4. The liquidation was approved by CMC, the sole remaining shareholder of applicant's stock, on May 26, 1995. On that date, CMC redeemed its shares at net asset value and received applicant's remaining assets.

5. With one exception, all portfolio securities were sold in the usual course. A total of \$2,071.17 in brokerage commissions was incurred. The one exception involved a cross transaction with an affiliated mutual fund which followed the procedures set forth in rule 17a-7 under the Act.<sup>1</sup>

6. Applicant has no debts or other liabilities that remain outstanding. Applicant is not a party to any litigation or administrative proceeding.

7. On June 30, 1995, applicant filed articles of dissolution with Maryland authorities.

8. 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.

<sup>1</sup> Rule 17a-7 exempts purchase or sales transactions between an investment company and other affiliated investment companies provided that certain conditions are met.

<sup>5</sup> 17 CFR 200.30-3(a)(12) (1994).