

sales charge will be incurred by shareholders of the Acquired Funds in connection with their acquisition of Acquiring Series shares. Further, applicants state that the Boards, including the non-interested members, have concluded that the reorganization is in the best interest of the shareholders of the Acquired Fund. In addition, the investment objectives, policies, and restrictions of the Acquiring Series are substantially similar to those of the Acquired Funds and that the differences reflect either the desire for uniformity among the different series of Cardinal, to reflect more current regulations, and/or for easier operation.

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

Margaret H. McFarland,
Deputy Secretary.

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[Investment Company Act Release No. 21620; 812-9798]

Voyageur Fund Managers, Inc., et al.; Notice of Application

December 22, 1995.

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

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

APPLICANTS: Voyageur fund Managers, Inc. (the "Sponsor"), Voyageur Unit Investment Trust, Voyageur Equity Trust, Voyageur Tax-Exempt Trust, and any future unit investment trusts sponsored by the Sponsor (together with the three above-named unit investment trusts, the "Trusts") and their respective series (each, a "Series").

RELEVANT ACT SECTIONS: Order requested under section 6(c) granting an exemption from sections 2(a)(32), 2(a)(35), 14(a), 19(b), 22(d), and 26(a)(2) of the Act and rules 19b-1 and 22c-1 thereunder; under section 11(a) for an exemption from section 11(c); and under sections 6(c) and 17(b) for an exemption from section 17(a).

SUMMARY OF APPLICATION: Applicants request an order: (a) Permitting the Trusts to impose sales charges on a deferred basis and to waive the deferred sales charge in certain cases; (b) permitting certain offers of exchange involving the Trusts; (c) exempting the Sponsor from having to take for its own account or place with others \$100,000 worth of units in certain Trusts; (d) permitting certain Trusts to distribute capital gains resulting from redemptions

of portfolio securities within a reasonable time after receipt; and (e) permitting a terminating Series of the Voyageur Equity trust to sell portfolio securities to a new Series of that Trust under the circumstances described below.

FILING DATE: The application was filed on October 5, 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 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 January 16, 1996, and should be accompanied by proof of service on the 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 reasons for the request, and the issues contested. Persons who wish to be notified of a hearing may request such notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, c/o Voyageur Fund Managers, Inc., 90 South Seventh Street, Suite 4400, Minneapolis, Minnesota 55402.

FOR FURTHER INFORMATION CONTACT: H.R. Hallock, Jr., Special Counsel, at (202) 942-0564 or C. David Messman, 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 from the SEC's Public Reference Branch.

Applicants' Representations

1. Each of the Trusts is or will be a unit investment trust registered under the Act and sponsored by the Sponsor. The investment objectives of the Trusts may differ. The principal underwriter for the Trusts is or will be Voyageur Fund Distributor, Inc. (the "Distributor"). The Sponsor and Distributor are each indirect wholly-owned subsidiaries of Dougherty Financial Group, Inc.

2. Each of the Trusts consists or will consist of one or more separate Series. 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 which it deposits with the trustee in exchange for certificates representing units of

fractional undivided interest in the deposited portfolio ("Units"). The Sponsor will deposit substantially more than \$100,000 of debt or equity securities, depending on the objective of the particular Series, for each Series.

3. The Units are then offered to the public through the Distributor and dealers at a public offering price which, during the initial offering period, is based upon the aggregate offering side evaluation of the underlying securities plus a front-end sales charge. The sales charge is the maximum amount applicable to a Series and is currently approximately 4.9% of the public offering price. The Sponsor may reduce the sales charge under certain circumstances, which will be disclosed in the prospectus. Any such reduction will be made in accordance with rule 22d-1.

4. The Distributor maintains a secondary market for Units of outstanding Series and continually offers to purchase these Units at prices based upon the bid side evaluation of the underlying securities. If the Distributor discontinues maintaining such a market at any time for any Trust, holders of Units ("Unitholders") of such Trust may redeem their Units through the trustee.

5. Distribution payments of tax-exempt or taxable income, depending on the investment objective of a particular Trust, will be made to Unitholders on an annual, semi-annual, quarterly or monthly basis. The Trusts generally are permitted to distribute to Unitholders any capital gains earned in connection with the sale of portfolio shares along with the Trust's regular distributions in reliance on paragraph (c) of rule 19b-1.

A. The Deferred Sales Charge

1. Applicants seek an order permitting them to impose a deferred sales charge ("DSC") and to reduce or waive the DSC under certain circumstances. Under Applicants' proposal, the Sponsor will determine the maximum amount of the sales charge per Unit. The Sponsor and Distributor will have discretion to defer the collection of all or part of such sales charge over a period (the "Collection Period") subsequent to the settlement date for the purchase of Units. The Sponsor will in no event add to the deferred amount of the sales charge any additional amount for interest or any similar or related charge to reflect or adjust for such deferral.

2. The Distributor anticipates collecting a portion of the total sales charge immediately upon purchase of Trust Units. The balance of the sales charge will be collected in installments