

Act of 1940 for the month of October, 1997. A copy of each application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth St., N.W., Washington, D.C. 20549 (tel. 202-942-8090). An order granting each application will be issued unless the SEC orders a hearing. Interested persons may request a hearing on any application by writing to the SEC's Secretary at the address below and serving the relevant 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 November 24, 1997, and should be accompanied by proof of service on the 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 who wish to be notified of a hearing may request notification by writing to the Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. For Further Information Contact: Diane L. Titus, at (202) 942-0564, SEC, Division of Investment Management, Office of Investment Company Regulation, Mail Stop 10-4, 450 Fifth Street, N.W., Washington, D.C. 20549.

**The Rodney Square Total Return Fund [File No. 811-4806]**

**The Rodney Square Growth Equity Fund [File No. 811-4807]**

*Summary:* Each applicant seeks an order declaring that it has ceased to be an investment company. Neither applicant ever made a public offering of its securities or proposes to make a public offering or engage in business of any kind.

*Filing Dates:* Both applications were filed on September 18, 1997.

*Applicant's Address:* Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890-0001.

**SAFECO Advisor Series Trust [File No. 811-8466]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On November 7, 1996, each series of applicant, except Advisor GNMA Fund, made a liquidating distribution to its shareholders at net asset value. All of the portfolio securities of Advisor GNMA Fund were redeemed in-kind by its sole remaining shareholder, SAFECO Corporation. No expenses were incurred in connection with the liquidation, and unamortized organizational expenses were paid by applicant's investment adviser.

*Filing Date:* The application was filed on June 19, 1997.

*Applicant's Address:* SAFECO Plaza, Seattle, Washington, 98185.

**Horace Mann Balanced Fund, Inc. [File No. 811-3665]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. Applicant transferred its assets and liabilities to the Balanced Fund, a series of Horace Mann Mutual Funds, on April 30, 1997, based on the relative net asset value per share. All expenses associated with the Agreement and Plan of Reorganization were borne by an affiliate of Horace Mann Life Insurance Company, and not by Applicant.

*Filing Date:* The application was filed on July 16, 1997.

*Applicant's Address:* One Horace Mann Plaza, Springfield, Illinois 62715.

**Horace Mann Short-Term Investment Fund, Inc. [File No. 811-3666]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. Applicant transferred its assets and liabilities to the Short-Term Investment Fund, a series of Horace Mann Mutual Funds, on April 30, 1997, based on the relative net asset value per share. All expenses associated with the Agreement and Plan of Reorganization were borne by an affiliate of Horace Mann Life Insurance Company, and not by Applicant.

*Filing Date:* The application was filed on July 16, 1997.

*Applicant's Address:* One Horace Mann Plaza, Springfield, Illinois 62715.

**Horace Mann Growth Fund, Inc. [File No. 811-778]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. Applicant transferred its assets and liabilities to the Growth Fund, a series of Horace Mann Mutual Funds, on April 30, 1997, based on the relative net asset value per share. All expenses associated with the Agreement and Plan of Reorganization were borne by an affiliate of Horace Mann Life Insurance Company, and not by Applicant.

*Filing Date:* The application was filed on July 16, 1997.

*Applicant's Address:* One Horace Mann Plaza, Springfield, Illinois 62715.

**Horace Mann Income Fund, Inc. [File No. 811-3664]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. Applicant transferred its assets and liabilities to the Income Fund, a series of Horace Mann Mutual Funds, on April 30, 1997, based on the relative net asset value per

share. All expenses associated with the Agreement and Plan of Reorganization were borne by an affiliate of Horace Mann Life Insurance Company, and not by Applicant.

*Filing Date:* The application was filed on July 16, 1997.

*Applicant's Address:* One Horace Mann Plaza, Springfield, Illinois 62715.

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

**Jonathan G. Katz,**  
Secretary.

[FR Doc. 97-29417 Filed 11-6-97; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39288; File No. SR-NYSE-97-30]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc. to Amend and Make Permanent the Allocation Policy and Procedures Pilot Program

October 30, 1997.

Pursuant to Section 19(b)(1) of the Securities Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 20, 1997, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change seeks to amend and to obtain permanent approval of the Exchange's Allocation Policy and Procedures pilot program. The text of the proposed rule change is available at the Office of the Secretary, the NYSE, and at the Commission.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

*A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

**1. Purpose**

The purpose of the proposed rule change is to amend and to make permanent the Exchange's Allocation Policy and Procedures pilot program. The Exchange's Allocation Policy and Procedures ("Policy") are intended: (1) to ensure that securities are allocated in an equitable and fair manner and that all specialist units have a fair opportunity for allocations based on established criteria and procedures; (2) to provide an incentive for ongoing enhancement of performance by specialist units; (3) to provide the best possible match between specialist unit and security; and (4) to contribute to the strength of the specialist system.

On February 28, 1997, the Exchange proposed to change the Policy with respect to listing company input. The Commission approved the filing as a seven-month pilot program, effective March 7, 1997 until October 7, 1997.<sup>3</sup> On October 6, 1997, the Commission approved an extension of the Exchange's pilot program, until November 28, 1997.<sup>4</sup>

Under the pilot, listing companies may: (1) have the Allocation Committee select their specialist unit; or (2) make the final selection of a specialist unit from among a group of three to five specialist units selected by the Allocation Committee. The listing company may submit a generic letter to the Allocation Committee which may describe desired general characteristics of a specialist unit, but may not mention particular specialist units. Under the second option, the listing company meets, either in person or by teleconference, with the specialist units selected by the Allocation Committee within two business days after their

selection. The listing company must make its decision as to a specialist unit by the next business day.

The Exchange proposes the following additional changes to its Policy based upon the staff's experience with the pilot program:

**Listing Company Input**

When the listing company selects Option (2), the Allocation Committee will select a group of three, four or five units that are the most qualified specialist units among the units that apply. It is proposed that if three units are selected, the Allocation Committee may select an alternate specialist unit to be among the group of units that a company may interview in the event a unit is eliminated. A unit could be eliminated if it or the specialist designated to trade the stock cannot meet with the listing company at the appointed time. A unit chosen as an alternate will be informed of its status as such. Currently, the policy is silent regarding this procedure.

**Company Letter**

The Exchange proposes that the letter submitted by the listing company focus on the history and background of the company and its industry; how the company historically has funded its operations; characteristics of its shareholder based and any unusual trading patterns that may result therefrom; and any public information regarding the company's plans for the future. The letter may also include the company's specific views on being traded by a specialist unit with experience in trading in its industry or country and the company's preference, if any, that its stock not be traded by specialist units which trade competitors, in which case, names of direct competitors should be included in the letter. Currently, the listing company's letter to the Allocation Committee describes characteristics that focus on the specialist rather than the listing company. The Allocation Committee has found that letters which describe the listing company are more helpful to the Allocation Committee in assessing the type of specialist unit that would be more appropriate for the company.

**Interview Scheduling and Format**

Currently, within two business days after the selection of a group of specialist units by the Allocation Committee, the listing company must meet with the specialist unit's representative. In addition, the listing company must select its specialist unit within one business day of the

interview. Experience has shown that these time frames were too compressed at time for company travel arrangements or preparation by the specialist units. Pursuant to the proposal, after the Allocation Committee selects a group of specialist units (under Option 2), the listing company must meet with the selected group of specialist units representatives by the close of business on the last Exchange business day of the week in which the selection of the group was made. As soon as practicable, following its meeting with representatives of the specialist units, the listing company must select its special unit. If a listing company meets with any of its specialist units on the last Exchange business day of the week, it must take its decision on that day.

Currently, the Policy permits telephone interviews at the request of a listing company. In-person interviews have been shown to be more effective. Therefore, telephone interviews will not be permitted for domestic listing companies, unless the Exchange approves for compelling circumstances. Telephone interviews will be permitted for non-U.S. listing companies.

**Contact Between Listing Companies and Specialist Units**

Currently, the Policy is silent regarding contact between listing companies and specialist units. However, the NYSE's Information Memo No. 97-13 states that once allocation applications are distributed, the exchange expects that specialist units will have no contact with the listing companies.

The Exchange proposes to codify into its Policy its prohibitions on contact between listing companies and specialist units from the time allocation applications are solicited until Allocation Committee meetings. From the selection of an interviewing pool to the time of interviews, units may provide material to Exchange staff no later than two hours before the scheduled interview. Exchange staff will provide the material to the listing company on the day of the interview. Such material must be limited to information pertaining to the specialist unit, and may not contain information that refers to another specialist unit or units, except overall floorwide statistics.

The Exchange proposes that at the interview, information or material may be provided either orally or in writing. Any material provided either orally or in writing by the specialist unit must relate only to that unit. Information regarding other units may not be provided, except for floorwide statistics.

<sup>3</sup> See Securities Exchange Act Release No. 38372 (March 7, 1997) 62 FR 13421 (March 21, 1997) (notice of filing and immediate effectiveness of File No. SR-NYSE-97-04). On April 16, 1997, the Exchange filed another proposed change to its Policy not covered under the pilot program. See Securities Exchange Act Release No. 38828 (July 9, 1997) 62 FR 39043 (July 21, 1997) (order approving File No. SR-NYSE-97-12).

<sup>4</sup> See Securities Exchange Act Release No. 39206, 62 FR 53679 (October 15, 1997) (order approving File No. SR-NYSE-97-27).

Any information contained in Exchange documents may be provided by the unit orally or in writing on the unit's letterhead. Following its interview, a specialist unit may not have any contact with the listing company and any follow-up questions by the company regarding publicly available information on a unit must be sent to the Exchange. If the Exchange approves, a response will be provided. The specialist units in the group of units interviewed will be advised of such requests.

#### **Spin-offs/Related Companies**

This section of the Policy covers situations in which a listing company is a spin-off of or related to a listed company. Currently these situations are handled as new listings, with allocation open to all specialist units.

Under the proposed revisions of the Policy, a listing company that is a spin-off or related company may choose to stay with the specialist unit registered in the related listed company.

If the listing company chooses to have the Allocation Committee select its specialist, the listing company may request, and the Allocation Committee will honor, that it not be traded by the specialist unit that trades the related listed company. Alternatively, the listing company may choose Option 2 and request that the Allocation Committee include or exclude from the group of specialist units, the specialist registered in the related listed stock.

The Exchange believes that the pilot program, as amended, should be made permanent in that it has successfully established flexible procedures for the listing company to effectively participate in the selection process of specialist units that are most suitable to make quality markets in the listing company's stock.

#### **2. Statutory Basis**

The NYSE believes the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act<sup>5</sup> that an Exchange have rules that are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. The Exchange believes that the experience gained from the pilot program suggests that the amendments to the Policy are consistent with these objectives in that they enable the Exchange to further enhance the process by which stocks are allocated between specialist units to ensure

fairness and equal opportunity in the process.

#### **B. Self-Regulatory Organization's Statement on Burden on Competition**

The Exchange believes that the proposal does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

#### **C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others**

Comments were neither solicited nor received.

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

Within 35 days of the publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 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 the self-regulatory organization consents, the Commission will:

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 submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, 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 at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the NYSE. All submissions should refer to File Number SR-NYSE-97-30 and should be submitted by November 28, 1997.

Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, 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 at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the NYSE. All submissions should refer to File Number SR-NYSE-97-30 and should be submitted by November 28, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

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#### **OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

[Docket No. 301-116]

#### **Initiation of Section 302 Investigation, Proposed Determinations and Action, and Request for Public Comment: Honduran Protection of Intellectual Property Rights**

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice of initiation of investigation; proposed determination and action; request for public comment; and public hearing.

**SUMMARY:** The Trade Policy Staff Committee (TPSC) has determined that the Government of Honduras has failed to provide adequate and effective means under its laws for foreign nationals to secure, exercise and enforce exclusive rights in intellectual property and has recommended that the duty-free treatment accorded Honduras under the Generalized System of Preferences (GSP) and the Caribbean Basin Initiative (CBI) programs be partially withdrawn. In light of the foregoing, the United States Trade Representative (USTR) is initiating an investigation under section 302(b) of the Trade Act of 1974, as amended (the "Trade Act") with regard to acts, policies, and practices of the Government of Honduras with respect to the protection of intellectual property rights, and proposes to determine that these acts, policies and practices are actionable under section 301(b) and that the appropriate response is a partial suspension of tariff preference benefits

<sup>5</sup> 15 U.S.C. 78f(b)(5).

<sup>6</sup> 17 CFR 200.30-3(a)(12).