

By Authority of the Board.

**Beatrice Ezerski,**

*Secretary to the Board.*

[FR Doc. 00-31675 Filed 12-12-00; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

[SEC File No. 270-265; OMB Control No. 3235-0273]

### Submission for OMB Review; Comment Request

*Upon Written Request Copies Available From:* Securities and Exchange Commission, Office of Filing and Information Services, Washington, DC 20549.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

- Rule 17Ad-10 Prompt Posting of Certificate Detail to Master Securityholder Files; Maintenance of Accurate Securityholder Files and Control Book; and Retention of Certificate Detail

Rule 17Ad-10, 17 CFR 240.17Ad-10, under the Securities Exchange Act of 1934, requires a registered transfer agent to create and maintain minimum information on securityholder's ownership of an issue of securities for which it performs transfer agent functions, including the purchase, transfer and redemptions of securities. In addition, the rule also requires transfer agents that maintain securityholder records to keep certificate detail that has been cancelled from those records for a minimum of six years and to maintain and keep current an accurate record of the number of shares or principle dollar amount of debt securities that the issuer has authorized to be outstanding (a "control book"). These recordkeeping requirements assist in the creation and maintenance of accurate securityholder records, the ability to research errors, and ensure the transfer agent is aware of the number of securities that are properly authorized by the issuer, thereby avoiding over issuance.

Given that there are 1,093 transfer agents currently registered, the staff estimates that the average number of hours necessary for each transfer agent

to comply with Rule 17Ad-10 is approximately 20 hours per year, totaling 21,860 hours industry-wide. The average cost is approximately \$20 per hour, with the industry-wide cost estimated at approximately \$437,200. However, the information required by Rule 17Ad-10 generally is already maintained by registered transfer agents. The amount of time devoted to compliance with Rule 17Ad-10 varies according to differences in business activity.

The retention period for the recordkeeping requirements under Rule 17Ad-10 is six years for certificate detail that has been cancelled and to maintain and keep current an accurate record of the number of shares or principle amount of debt securities that the issuer has authorized to be outstanding. The recordkeeping requirement under Rule 17Ad-10 is mandatory to ensure accurate securityholder records and to assist the Commission and other regulatory agencies with monitoring transfer agents and ensuring compliance with the rule. This rule does not involve the collection of confidential information. Persons should note that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, DC 20503; and (ii) Michael E. Bartell, Associate Executive Directive, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: December 5, 2000.

**Margaret H. McFarland,**

*Secretary.*

[FR Doc. 00-31678 Filed 12-12-00; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 24786; International Series Release No. 1239/812-12334]

### Telco Finance N.V.

December 7, 2000.

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

**ACTION:** Notice of application for exemption under section 6(c) of the Investment Company Act of 1940 (the "Act") from all provisions of the Act.

**SUMMARY:** Applicant requests an order under section 6(c) of the Act exempting applicant from all provisions of the Act. The order would permit applicant to sell certain debt securities and use the proceeds to finance the business activities of Telsim Mobile Telekomunikayson Hizmetleri A.S. ("Telsim").

*Filing Date:* The application was filed on November 29, 2000.

*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, 2001, 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 who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicant, c/o Intertrust Management (Antilles) N.V., Attn: Robert R. Stroeve, Curaçao, Netherlands Antilles.

**FOR FURTHER INFORMATION CONTACT:** Bruce R. MacNeil, Senior Counsel, at (202) 942-0634, or Nadya B. Roytblat, Assistant Director, at (202) 942-5064 (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, 450 Fifth Street, NW., Washington, DC 20549 (tel. 202-942-8090).

### Applicant's Representations

1. Applicant is a Netherlands Antilles limited liability corporation. Applicant was organized specifically to raise funds for the operations of Telsim by issuing debt securities ("Notes") and lending the proceeds to Telsim. Telsim is a joint stock company organized under the laws of the Republic of Turkey and is a cellular telecommunications company in Turkey.

2. Telsim has determined to raise capital through applicant because the

direct issuance of the Notes by Telsim would not be feasible under Turkish tax and corporate law. In addition, under Turkish law, significant tax disadvantages may be borne by Telsim were it to own or control applicant and/or directly guarantee the Notes. For these reasons, all of applicant's common shares will be held by a Netherlands Antilles stichting (the "Foundation") for the benefit of an existing charity named in the Foundation's articles of organization ("Charity"). The Foundation will be prohibited by its articles of organization from transferring the shares of applicant to any other party. The Foundation will have no answers or shareholders, but will be managed by a Netherlands Antilles trust company. The Charity will have no ownership or other rights with regard to the Foundation. Neither the Foundation nor the Charity will pay any consideration in connection with its involvement in the activities described in the application.

3. Applicant intends to issue the Notes in reliance on rule 144A under the Securities Act of 1933 ("1933 Act") and shortly thereafter file a registration statement under the 1933 Act. Applicant will loan the proceeds of the Notes to Telsim and assign applicant's right to receive interest and principal payments on the loan to an indenture trustee for the noteholders (the "Trustee"). The Trustee, which will be a major U.S. commercial bank, will have the right to proceed directly against Telsim in the event of default on the loan payments. The loan agreement will provide that a default under the Notes and the trust indenture agreement constitutes a default under the loan agreement. In the event of a default under the Notes, the Trustee may declare the outstanding amount of the loan and any accrued but unpaid interest with respect to the loan to be immediately due and payable. Under the trust indenture agreement, if the Trustee does not exercise its rights following a default, holders of at least 25% in aggregate principal amount of the Notes outstanding may direct the Trustee to exercise the rights, or may themselves accelerate the Notes.

4. Telsim and applicant, in connection with the offering of the Notes, will submit to the jurisdiction of any state or federal court in the Borough of Manhattan in the City of New York, and will appoint an agent to accept any process which may be served, in any suit, action, or proceedings brought against Telsim or applicant based upon their obligation to the Trustee as described in the application. The consent to jurisdiction and appointment

of an authorized agent to accept service of process will be irrevocable until all amounts due and to become due with respect to all outstanding obligations of Telsim to the Trustee as described in the application have been paid.

5. Applicant will loan at least 85% of any cash or cash equivalents raised by applicant to Telsim as soon as practicable, but in no event later than six months after applicant's receipt of the cash or cash equivalents. In the event that applicant borrows amounts in excess of the amounts to be loaned to Telsim at any given time, applicant will invest the excess in temporary investments pending lending the money to Telsim. All investments by Telsim, including all temporary investments, will be made in government securities, securities of Telsim or a company controlled by Telsim, or debt securities which are exempted from the provisions of the 1933 Act by section 3(a)(3) of that Act. Applicant's articles of incorporation and the trust indenture relating to the Notes will limit applicant's activities to issuing the Notes or other debt securities, loaning the proceeds to Telsim and assigning all of applicant's rights to repayment from Telsim to the Trustee.

#### Applicant's Legal Analysis

1. Applicant states that it may be viewed as falling technically within the definition of an investment company under section 3(a)(1) of the Act. Applicant requests an exemption under section 6(c) of the Act from all provisions of the Act. Section 6(c) of the Act permits the SEC to grant an exemption from the provisions of the Act if, and to the extent that, such exemption is necessary and appropriate in the public interest, consistent with the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

2. Applicant states that rule 3a-5 under the Act provides an exemption from the definition of investment company for certain companies organized primarily to finance the business operations of their parent companies or companies controlled by their parent companies. Applicant states that it meets all of the requirements of rule 3a-5 except for two, which it cannot meet for Turkish tax reasons.

3. Rule 3a-5(b)(1)(i) under the Act requires that all of applicant's common stock be owned by Telsim or a company controlled by Telsim. Applicant argues that, even though for Turkish tax reasons applicant's common stock will be held by the Foundation, applicant was organized to serve solely as a

conduit for Telsim's capital raising activities. Applicant further states that its functions will be limited by its articles of incorporation and the trust indenture agreement to those of a traditional finance subsidiary.

4. Rule 3a-5(a)(1) under the Act requires that applicant's debt securities be directly guaranteed by Telsim. Applicant states that under the arrangement described in the application, the Trustee will have the right to proceed directly against Telsim. Applicant argues that this arrangement is necessitated by Turkish tax law and that the arrangement will provide the noteholders with the functional equivalent of a guarantee by Telsim. For the above stated reasons applicant argues that it is not the type of entity intended to be regulated under the Act.

#### Applicant's Condition

Applicant agrees that any order granting the requested relief will be subject to the following condition:

Applicant will comply with all provisions of rule 3a-5 under the Act except (i) with respect to rule 3a-5(b)(1)(i), applicant's common shares will be owned by the Foundation for the benefit of the Charity, and (ii) with regard to rule 3a-5(a)(1), the noteholders will have recourse to Telsim for payment of principal and interest on the Notes as described in the application. Applicant's articles of incorporation and the trust indenture agreement will: (i) limit applicant's activities to issuing Notes or other debt securities; loaning the proceeds to Telsim, and assigning all of its rights to repayment from Telsim to the Trustee; (ii) prohibit the sale of applicant's common shares held by the Foundation; and (iii) enable the Trustee in the event of a payment default to proceed directly against Telsim, as assignee of the loan agreement between applicant and Telsim.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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