

addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois, 60611-2092 and the OMB reviewer, Joe Lackey (202-395-7316), Office of Management and Budget, Room 10230, New Executive Office Building, Washington, DC 20503.

Chuck Mierzwa,

Clearance Officer.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 24648; 812-11964]

Eaton Vance Management, *et al.*, Notice of Application

September 19, 2000.

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

ACTION: Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 ("Act") for an exemption from sections 18(c) and 18(i) of the Act, and pursuant to section 17(d) of the Act and rule 17d-1 under the Act.

Summary of Application:

Applicants request an order to permit certain registered closed-end management investment companies to issue multiple classes of shares and to amend a prior order that permits the imposition of asset-based distribution fees.

Applicants: Eaton Vance Management ("EVM"), Eaton Vance Distributors, Inc. ("Distributor") (collectively, "Eaton Vance"), Boston Management and Research ("BMR"), Senior Debt Portfolio (the "Portfolio"), Eaton Vance Prime Rate Reserves ("Prime Rate"), EV Classic Senior Floating-Rate Fund ("EV Classic," and together with Prime Rate, the "Fund"), Eaton Vance Advisers Senior Floating-Rate Fund ("EV Advisers"), and Eaton Vance Institution Senior Floating-Rate Fund ("EV Institutional," and together with EV Advisers and the Funds, the "Feeder Funds").

Filing Dates: The application was filed on February 2, 2000 and amended on August 4, 2000. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

Hearing or Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving

applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on October 13, 2000, and should be accompanied by proof of service on 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 reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 Fifth Street, NW., Washington, DC 20549-0609; Applicants, c/o Eric G. Woodbury, Esq., Eaton Vance Management, The Eaton Vance Building, 225 State Street, Boston, MA 02109.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Senior Counsel, at (202) 942-0574, or Christine Y. Greenless, 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 Commission's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (telephone (202) 942-8090).

Applicants' Representations

1. The Feeder Funds and the Portfolio are business trusts organized under Massachusetts and New York law, respectively, and are registered under the Act as closed-end management investment companies. The Feeder Funds invest their assets in the Portfolio pursuant to a master-feeder structure. Eaton Vance serves as principal underwriter and administrator for the Feeder Funds. BMR, a wholly-owned subsidiary of EVM, serves as investment adviser to the Portfolio and is registered under the Investment Advisers Act of 1940. Applicants request that the order also apply to any other registered closed-end investment company existing now or in the future for which BMR or the Distributor or any entity controlling, controlled by, or under common control with BMR or the Distributor acts as investment advisers or principal underwriter. Any such investment company relying on the requested relief will do so in a manner consistent with the terms and conditions of the application. Each investment company presently intending to rely on the requested relief is named as an applicant.

2. The Feeder Funds continuously offer their shares to the public at net asset value ("NAV"). The Feeder Funds do not redeem shares daily and there presently is no secondary market for their shares. Shareholders who wish to sell their shares depend on quarterly repurchase offers in which the Feeder Funds offer to repurchase shares at NAV (less any applicable early withdrawal charges ("EWCs")). These repurchase offers are made pursuant to rule 23c-3 under the Act and an exemptive order.¹

3. Each Fund, pursuant to an exemptive order, imposes an annual asset-based distribution fees.² Applicants represent that each Fund's distribution fees will comply with the requirement of Conduct Rule 2830(d) of the National Association of Securities Dealers, Inc. ("NASD").

4. Currently, each of prime Rate and EV Classic offers a single class of shares ("Original Class"). Prime Rate may offer two additional classes of shares, Class A and Class B, and EV Classic may offer one additional class of shares, Class C. The Original Class of shares of the Funds would be closed to new investors and would only be available to current shareholders of the Funds. Class A shares initially would be made available only upon the conversion of Class B shares or by exchange of Class A shares of other Eaton Vance funds. Class B shares would be offered without a front-end sales charge but would be subject to an EWC in amounts declining over time. Class B shares would automatically convert to Class A shares after a certain period of time from which they were originally purchased. Shareholders would not incur any sales charge on the conversion of Class B shares to Class A shares. Class C shares would be offered with no front-end sales charge but Class C shares repurchased by EV Classic within a certain time period would be subject to an EWC. The Class B and Class C EWCs may be waived in certain circumstances. Class A, Class B, and Class C shares may be subject to an annual shareholder servicing fee.

5. All expenses incurred by a Feeder Fund will be allocated among the various classes of shares based on the net assets of a Feeder fund attributable

¹ See Eaton Vance Management, *et al.*, Investment Company Act Release Nos. 22670 (May 19, 1997) (Notice) and 22709 (June 16, 1994) (Order).

² See Eaton Vance Management, *et al.*, Investment Company Act Release Nos. 23770 (April 6, 1999) (Notice) and 23818 (April 30, 1999) (Order) ("1999 Order"). Applicants request to amend the 1999 Order to extend the relief granted in the 1999 Order to any other registered closed-end investment company for which BMR or the Distributor or any entity controlled by, or under common control with BMR or the Distributor acts as investment adviser or principal underwriter.

to each class, except that the NAV and expenses of each class will reflect distribution fees, service fees (including transfer agency fees), and any other incremental expenses of that class. Expenses of a Feeder Fund allocated to a particular class of shares will be borne on a pro rata basis by each outstanding share of that class. Each Feeder Fund may create additional classes of shares in the future that may have different terms from the Original Class, Class A, Class B, and Class C shares. Applicants state that each Feeder Fund will comply with the provisions of rule 18f-3 under the Act as if it were an open-end investment company.

Applicants' Legal Analysis

1. Section 18(c) of the Act provides, in relevant part, that a closed-end investment company may not issue or sell any senior security if, immediately thereafter, the company has outstanding more than one class of senior security. Applicants state that the creation of multiple classes of shares of a Feeder Fund may be prohibited by section 18(c).

2. Section 18(i) of the Act provides that each share of stock issued by a registered management investment company will be a voting stock and have equal voting rights with every other outstanding voting stock. Applicants request an exemptive order to the extent that the proposed issuance and sale of multiple classes of shares of the Feeder Funds might be deemed (a) to result in the issuance of a "senior security;" within the meaning of section 18(g) of the Act and thus be prohibited by section 18(c) of the Act; and (b) to violate the equal voting provisions of section 18(i) of the Act.

3. Section 6(c) of the Act provides that the Commission may exempt any person, security or transaction from any provision of the Act, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants request an exemption under section 6(c) of the Act from sections 18(c) and 18(i) of the Act to permit the Feeder Funds to issue multiple classes of shares.

4. Applicants submit that the proposed allocation of expenses and voting rights among multiple classes is equitable and will not discriminate against any group or class of shareholders. Applicants submit that the proposed arrangements would permit a Feeder Fund to facilitate the distribution of its securities and provide investors with a broader choice of shareholder services. Applicants assert

that their proposal does not raise the concerns underlying section 18 of the Act to any greater degree than open-end investment companies' multiple class structures that are permitted by rule 18f-3 under the Act. Applicants state that each Feeder fund will comply with the provisions of rule 18f-3 as if it were an open-end investment company.

Applicants' Condition

Applicants agree that any order granting the requested relief will be subject to the following condition:

Applicants will comply with the provisions of rules 12b-1, 17d-3, 18f-3, and 22d-1 under the Act, as amended from time to time, as if those rules applied to closed-end investment companies, and will comply with NASD Conduct rule 2830(d), as amended from time to time.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43304; File No. SR-CHX-00-26]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Stock Exchange, Incorporated to Make Its After-Hours Trading "E-Session" a Permanent Part of its Operations

September 19, 2000

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 12, 2000, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal pursuant to Section 19(b)(3)(A) of the Act,³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal effective upon filing with the Commission.⁵ The Commission is

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ The Exchange provided the Commission with written notice of its intent to file the proposal on September 6, 2000, pursuant to Rule 19b-4(f)(6). 17 CFR 240.19b-4(f)(6).

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 Proposal

On October 13, 1999, the Securities and Exchange Commission approved, on a pilot basis through March 1, 2000, a new Article XXA and amendments to existing rules that allowed the Exchange to implement a new extended trading hours session (the "E-Session").⁶ On February 28, 2000, the CHX extended the operation of the E-Session through October 1, 2000.⁷ The CHX now proposes to make the operation of the E-Session permanent.

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 CHX included statements concerning the purpose of and basis for its proposal and discussed any comments it received regarding the proposal. The text of these statements may be examined at the places specified in Item IV below. The CHX 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

In September 1999, the Exchange proposed new Article XXA and several related rule changes to implement the E-Session. The E-Session was designed to meet the needs of market participants and CHX members who had demanded that the Exchange begin trading in hours that extend beyond the then-current trading day. The Exchange continues to believe that investors are best served if registered securities exchanges are participants in the burgeoning after-hours trading market and submits this proposal to make the operation of the E-Session permanent. The Exchange does not propose to make any additional changes to the E-Session at this time; this proposal seeks only to make the E-

⁶ See Securities Exchange Act Release No. 42004 (October 13, 1999), 64 FR 56548 (October 20, 1999) (SR-CHX-99-16).

⁷ See Securities Exchange Act Release No. 42463 (February 28, 2000), 65 FR 11817 (March 6, 2000) (SR-CHX-00-02).