

Exempt Trust, Multi-Series Investors' Governmental Securities—Income Trust, Van Kampen American Capital Insured Income Trust, Van Kampen Merritt Utility Income Trust, Van Kampen Merritt Emerging Markets Income Trust, Van Kampen Merritt Equity Opportunity Trust, California Investors' Quality Tax-Exempt Trust, and Pennsylvania Investors' Quality Tax-Exempt Trust (each an "Existing Trust"); and any other future unit investment trust sponsored by the Sponsor (collectively, with the Existing Trusts, the "Trusts").

RELEVANT ACT SECTIONS: Order requested pursuant to section 6(c) for exemptions from sections 2(a)(32), 2(a)(35), 22(d), and 26(a)(2) of the Act, and rule 22c-1 thereunder, and pursuant to section 11(a) to amend a prior order (the "Prior Order") granting relief from section 11(c).¹

SUMMARY OF APPLICATION: Applicants seek to impose sales charges on a deferred basis and waive the deferred sales charge in certain cases, exchange Trust units having deferred sales charges, and exchange units of a terminating series of a Trust for units of the next available series of that Trust.

FILING DATES: The application was filed on February 7, 1995, and amended on March 31, 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 May 15, 1995, 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 the date of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street N.W., Washington, D.C. 20549. Applicants, c/o Mark J. Kneedy, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603-4080.

FOR FURTHER INFORMATION CONTACT: James J. Dwyer, Staff Attorney, at (202) 942-0581, 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 is available 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 sponsored by the Sponsor and is or will be registered under the Act. The Trusts are made up of one or more separate series ("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 and deposits them with the trustee of the Series in exchange for certificates representing fractional undivided interests ("Units") in the deposited portfolio. The Units will be registered under the Securities Act of 1933 and offered to the public through the Sponsor, underwriters, and dealers at a price based upon the aggregate offering side evaluation of the underlying securities plus an up-front sales charge. The maximum sales charge currently ranges from 5.5% to 1.9% of the public offering price, and is subject to reduction as permitted by rule 22d-1. In addition, although not legally obligated to do so, the Sponsor maintains a secondary market for Units of outstanding Series and continually offers to purchase such Units. The sales charge imposed for sales in the secondary market typically is 1% higher than it is during the initial offering period, and decreases over time.

2. Applicants seek an order under section 6(c) exempting the Trusts from sections 2(a)(32), 2(a)(35), 22(d), and 26(a)(2), and rule 22c-1, to let the Trusts impose sales charges on Units on a deferred basis and waive the deferred sales charge in certain cases. Under applicants' proposal, the Sponsor will determine the amount of sales charge per Unit at the time portfolio securities are deposited in a Series. The Sponsor also may defer collection of all or part of this sales charge over a period following the purchase of Units. In no event, however, will the Sponsor add to the deferred amount initially determined any additional amount for interest or any similar or related charge to reflect or adjust for such deferral.

3. Deferred sales charges, if any, generally will be paid in regular installments over a period of time. To the extent a particular Series provides distribution income, the trustee of the Series will withdraw the appropriate

amount of the deferred sales charge from such distribution income. If the distribution income is insufficient to pay the deferred sales charge, the trustee may sell portfolio securities in an amount necessary to provide the requisite payments.

4. Although the Sponsor does not presently intend to do so, a sales charge may be deducted from the proceeds of any redemption of Units or of any sale of Units to the Sponsor. For purposes of calculating the amount of the deferred sales charge due upon redemption or sale of Units, it will be assumed that Units on which no sales charge is due are liquidated first. Any Units disposed of over such amounts will be redeemed in the order of their purchase, so that Units held for the longest time are redeemed first. If any deferred sales charge is collected upon sale or redemption of Units, the Sponsor may, and intends to, waive payment of the balance of the deferred sales charge on such redemptions or sales in certain cases. Any such waiver will be disclosed in the prospectus and will satisfy the other conditions of rule 22d-1.

5. The Sponsor believes that the operation and implementation of the deferred sales charge program will be disclosed adequately to potential investors and unitholders. The prospectus for each Trust will describe the operation of the deferred sales charge, including the amount and date of each installment payment. The prospectus also will describe the trustee's ability to sell portfolio securities if the income generated by a Series' portfolio is insufficient to pay an installment. The securities confirmation statement sent to each purchaser will state the amount of any initial sales charge, and the amount of the deferred sales charge to be deducted in regular installments. The annual report of each Series will state the amount of annual installment payments deducted during the previous fiscal year on both a Series and per Unit basis.

6. Applicants seek an order under section 11(a) to approve certain exchange transactions subject to section 11(c). The Prior Order permits applicants covered thereunder to allow unitholders to exchange Units of one Series for Units of another Series generally subject to a flat fee of \$25 per Unit. The requested order would amend the Prior Order to create an expanded exchange option that would apply to all exchanges of Units sold with a sales charge imposed either at the time of purchase or on a deferred basis, and to include all Series. The sales charge imposed on the exchange of Units is

¹Investment Company Act Release Nos. 11514 (Dec. 24, 1980) (notice) and 11589 (Jan. 28, 1981) (order).