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United Way of America

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United Service Organizations

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Women's Charities of America

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BILLING CODE 6325-01-M

OFFICE OF PERSONNEL MANAGEMENT

The National Partnership Council

AGENCY: Office of Personnel Management.

ACTION: Notice of meeting.

Time and Date: 2:00 p.m., November 12, 1997.

Place: OPM Conference Center, Room 1350, Theodore Roosevelt Building, 1900 E Street, NW., Washington, DC 20415-0001. The conference center is located on the first floor.

Status: This meeting will be open to the public. Seating will be available on a first-come, first-served basis. Individuals with special access needs wishing to attend should contact OPM at the number shown below to obtain appropriate accommodations.

Matters to be Considered: There will be a discussion of the National Partnership Council's strategic action plan for calendar year 1998.

CONTACT PERSON FOR MORE INFORMATION: Michael Cushing, Director, Center for Partnership and Labor-Management Relations, Office of Personnel Management, Theodore Roosevelt Building, 1900 E Street, NW., Room 7H28, Washington, DC 20415-0001, (202) 606-2930.

SUPPLEMENTARY INFORMATION: We invite interested persons and organizations to submit written comments. Mail or deliver your comments to Michael Cushing at the address shown above.

Office of Personnel Management.

Janice R. Lachance,
Acting Director.

[FR Doc. 97-29772 Filed 11-6-97; 2:19 pm]

BILLING CODE 6325-01-P

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-22875; 812-10718]

Evergreen Trust, et al.; Notice of Application

November 4, 1997.

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

ACTION: Notice of application for exemption under sections 6(c) and 17(b) of the Investment Company Act of 1940 (the "Act") from section 17(a) of the Act.

SUMMARY OF APPLICATION: Applicants seek an order to permit the reorganization and consolidation of certain registered open-end investment companies, and the conversion of certain common trust funds and collective investment funds into registered open-end investment companies.

APPLICANTS: Evergreen Trust, Evergreen Growth and Income Fund, Evergreen Foundation Trust, The Evergreen Municipal Trust, The Evergreen American Retirement Trust, Evergreen Equity Trust, Evergreen Investment Trust, The Evergreen Lexicon Fund, Evergreen Money Market Trust, Evergreen Tax Free Trust, Keystone Institutional Trust (each a "Fund" and collectively, the "Funds"); Evergreen Select Fixed Income Trust, Evergreen Select Equity Trust, Evergreen Select Money Market Trust, Evergreen Municipal Trust, Evergreen Equity Trust, Evergreen Fixed Income Trust, Evergreen International Trust, Evergreen Money Market Trust (collectively, the "Delaware Trusts"); First Union National Bank (North Carolina), and First Union National Bank (Pennsylvania) (collectively, the "Bank").

FILING DATES: The application was filed on September 19, 1997. Applicants have agreed to file an amendment to the application during the notice period, the substance of which is included in this notice.

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 November 21, 1997, 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 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. Applicants, Marion A. Cowell, Jr., Esq., General Counsel, First Union Corporation, One First Union Center, Charlotte, North Carolina 28288.

FOR FURTHER INFORMATION CONTACT: Joseph B. McDonald, Jr., Senior Counsel, at (202) 942-0533, or Mary Kay Frech, 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 SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549 (tel. 202-942-8090).

Applicants' Representations

1. Each Fund is registered under the Act as an open-end management investment company. The Funds are organized as either Massachusetts business trusts or Maryland corporations. The Delaware Trusts have been organized as Delaware business trusts to succeed to the Funds' registration statements and operations. The Delaware Trusts either have been or will be registered under the Act as open-end management investment companies.

2. First Union National Bank is a North Carolina corporation and a banking subsidiary of First Union Corporation, a publicly held bank holding company. The Capital Management Group, a division of the Bank, and two of its subsidiaries, Evergreen Asset Management Corp. and Keystone Investment Management Company, act as investment advisers to the Funds and the Delaware Trusts. Evergreen Asset Management Corp. and Keystone Investment Management Company are each registered as investment advisers under the Investment Advisers Act of 1940.

3. Applicants propose to transfer \$7 billion of assets in the Bank's various common trust funds and collective investment funds (collectively, "CTFs"): (i) to certain newly established series of Delaware Trusts; and (ii) to certain Funds prior to the Funds' reorganizing into Delaware Trusts ("CTF Conversions"). Applicants state that the CTF Conversions will be accomplished by transferring CTF assets to the Delaware Trusts or to the Funds having

comparable investment objectives in exchange for shares of the series of the Delaware Trusts or Funds at the then-current market value of the CTF's assets. At the same time, the CTFs will distribute the shares of the respective Delaware Trusts or the funds on a *pro rata* basis to all participants in the CTFs.

4. The Bank's employee pension plan ("Affiliated Plan") has more than 5% participation in the Equity Growth Fund and, therefore, the Bank may be deemed to have a significant financial interest in this CTF Conversion. In addition, certain of the CTF Conversions will involve converting CTF assets into certain of the Funds where the Bank, as a fiduciary for its customers, may own of record, or hold or control with power to vote 5% or more of the outstanding voting securities of these Funds. This includes 15 Funds in which the Bank, as a fiduciary for its customers, owns of record, or holds or controls with power to vote, 25% or more of the outstanding securities of these Funds.

5. Many of the participants in the CTFs, other than the Affiliated Plan, have an independent or "second" fiduciary that supervises and will supervise the investment of CTF's assets ("Second Fiduciary"). In the case of the Affiliated Plan, the Bank's employee benefit review committee (the "Committee") serves as a fiduciary. In other situations, the Bank as sole trustee will exercise its fiduciary responsibility to authorize the CTF Conversions.

6. Completion of the CTF Conversions is subject to a number of conditions precedent, including requirements that: (1) The proposed transfers will comply with the provisions of rule 17a-7 (b) through (f) under the Act; and (ii) the CTF Conversions will not occur unless and until (a) the boards of the Delaware Trusts and of the Funds (the "Boards") (including a majority of their disinterested directors/trustees ("Disinterested Directors")) and the Committee, the Second Fiduciary, or the Bank, as the case may be, find that the CTF Conversions are in the best interests of the Funds, the Delaware Trusts, and participants in the CTF, respectively, and (b) the Boards and the Disinterested Directors find that the interests of the existing shareholders will not be diluted as a result of the proposed CTF Conversions. These determinations and the basis upon which they are made will be recorded fully in the records of the Delaware Trusts and The Funds.

7. Where the Bank acts as the sole trustee for a CTF, the Bank will determine in accordance with its fiduciary duties that the proposed CTF Conversion is in the best interests of

participants in the CTF. In making this determination, the Bank will consider the anticipated benefits to the CTF participants. These benefits may include increased liquidity, the availability of daily pricing, the accessibility of performance and other information concerning the CTF, the similarity of the investment objectives and policies of the Fund or Delaware Trust and the CTF, the anticipated tax treatment of the proposed transaction and the aggregate fee levels experienced and expected to be experienced by CTF participants before and after the proposed transaction.

8. Applicants also request relief to permit future transactions in which a CTF for which the Bank acts as trustee and in which an employee benefit plan sponsored by the Bank is a participant, proposes to transfer all of its assets to a registered open-end investment company or a series thereof (a) that is advised by the Bank or by any entity controlling, controlled by, or under common control with the Bank, and (b) in which the Bank, as fiduciary for its customers, owns of record or controls or holds with power to vote 5% or more of the outstanding voting securities, provided that the Bank has no beneficial ownership interest in any security of either party to the transaction ("Future Transactions"). Applicants state that they will rely on the requested relief for Future Transactions only in accordance with the terms and conditions contained in the application.

9. On September 16 and 17, 1997, the Board of each Fund, including a majority of the Disinterested Directors, authorized the reorganization of the Funds into the various Delaware Trusts ("Fund Reorganizations"). The purpose of the Fund Reorganizations is to change the domicile of the Funds from Massachusetts or Maryland to Delaware. In conjunction with this proposal, applicants propose that certain of the Funds will be consolidated with other Funds into a single series of a Delaware Trust ("Consolidations").

10. The Boards of the Funds approved agreements and plans of reorganization under which the Funds being acquired ("Acquired Funds") have agreed to sell all of their assets and liabilities to a corresponding series of the Delaware Trusts ("Acquiring Series") ("Agreements"). The exchange of shares will be equal to the net asset value at the close of business on the day before the exchange date specified in the Agreement. The shares will be distributed *pro rata* to the respective Acquired Funds' shareholders in proportion to the number and class of shares of the Acquiring Series owned on

the exchange date upon the liquidation and dissolution of the Acquired Funds. At the time of the Fund Reorganizations, the Acquired Funds will have either three or four classes of shares. In all cases, the Acquired Fund shareholders will receive the class of shares which has the same rights and obligations as the class they presently hold.

11. The Agreements are subject to a number of conditions precedent, including requirements that: (i) The Agreements have been approved by the Boards of the Delaware Trusts and the Acquired Funds; (ii) the Acquired Funds and the Delaware Trusts have received opinions of counsel stating, among other things, that the Fund Reorganizations will constitute a "reorganization" under section 368 of the Internal Revenue Code of 1986, as amended and, as a consequence, the Fund Reorganizations will not result in Federal income taxes for the Funds or their shareholders; and (iii) the Acquired Funds and the Delaware Trusts have received from the SEC, if necessary, an order exempting the Fund Reorganizations and Consolidations from the provisions of section 17(a) of the Act. Applicants agree not to make any material changes to the Agreements that affect representations in the application without the prior approval of the SEC staff.

12. Proxy solicitation materials describing each Delaware Trust, the Fund Reorganizations, Consolidations, and the terms of the Agreements will be filed with the SEC and mailed to the Funds' shareholders for their approval. A joint special meeting of shareholders of the Funds to consider the Agreements will be held on or about December 15, 1997, and, subject to shareholder approval of the Agreements and the issuance by the SEC of the requested order, the Fund Reorganizations and Consolidations will be completed on or about December 19, 1997.

13. Each Acquired Fund and each Delaware Trust will be responsible for its respective fees and expenses of the Fund Reorganizations and Consolidations. Each Fund will be responsible for its proxy solicitation and other costs associated with its special meeting of shareholders held to consider the Fund Reorganizations and Consolidations. The expenses with respect to the Agreements using Form N-14 will be paid by the Bank.

Applicants' Legal Analysis

1. Section 17(a) of the Act provides that it is unlawful for any affiliated person of a registered investment company, or any affiliated person of such person, knowingly (a) to sell any

security or other property to such registered company, or (b) to purchase from such registered company any security or other property. Section 2(a)(3) of the Act defines the term "affiliated person" of another person to include: (a) Any person owning, controlling or holding with power to vote, 5% or more of the outstanding voting securities of such other person; (b) any person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other person; (c) any person controlling, controlled by, or under common control with, such other person; and (d) if such other person is an investment company, any investment adviser thereof.

2. Section 17(b) of the Act provides that the SEC may exempt a transaction from section 17(a) of the Act if evidence establishes that (a) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair and do not involve overreaching on the part of any person concerned; (b) the proposed transaction is consistent with the policy of each registered investment company concerned; and (c) the proposed transaction is consistent with the general purposes of the Act.

3. Section 6(c) provides that the SEC may exempt any person or transaction from any provision of the Act or any rule under the Act 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.

4. Some of the CTF Conversions may be deemed to be subject to the prohibitions of section 17(a) of the Act because the Bank may have legal title to the assets of the CTF and therefore may be viewed as acting as a principal in the CTF Conversions. In addition, the Affiliated Plan is a participant in the Equity Growth Fund conversion. Certain CTF Conversions also involve Funds in which the Bank, as fiduciary for its trust and employee pension plan customers, may own or record or control or hold for such customers with power to vote 5% of a particular Fund's outstanding voting securities ("Affiliated Funds"). Accordingly, applicants request an order from the SEC pursuant to sections 6(c) and 17(b) of the Act exempting the CTF Conversions from section 17(b) of the Act on the terms and subject to the conditions set forth in the application.

5. Rule 17a-8 under the Act exempts from the prohibitions of section 17(a) of the Act mergers, consolidations, or purchases or sales of substantially all of

the assets of registered investment companies that are affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers, provided that certain conditions are satisfied. The Fund Reorganizations and Consolidations may not be exempt from the prohibitions of section 17(a) by reason of rule 17a-8 because the Affiliated Funds may be an affiliated person of the Bank. The Bank or its affiliated persons are investment advisers to the Delaware Trusts. The Affiliated Funds, therefore, may each be an affiliated person of an affiliated person of the Delaware Trusts and, as such, be prohibited by section 17(a)(1) of the Act from selling any security or other property to the Delaware Trusts. As a consequence, the Fund Reorganizations may not meet the requirements of rule 17a-8. For this reason, applicants request an order from the SEC under section 17(b) of the Act exempting applicants from section 17(a) of the Act to the extent necessary to complete the Fund Reorganizations and Consolidations.

6. Applicants submit that the CTF Conversions satisfy the requirements of sections 6(c) and 17(b) of the Act and that the Reorganizations and Consolidations satisfy the requirements of section 17(b) of the Act. Applicants assert that the transactions are in the best interests of the CTFs, Funds, and Delaware Trusts. In approving or consenting to the transactions, the CTF fiduciaries and the Boards considered that the interests of shareholders will not be diluted; that the registered investment companies' investment objectives and policies are generally substantially identical in the Fund Reorganizations and Consolidations and comparable in the CTF Conversions; that the conditions and policies of rule 17a-7 and rule 17a-8 under the Act will be followed; that no overreaching by any affiliated person is occurring; and that the in-kind transfers of securities avoid the costs of selling securities by the Acquired Funds and the CTFs and purchasing the same or similar securities by the Acquiring Series of the Delaware Trusts. Applicants also submit that the CTF Conversions meet the section 6(c) standards for relief as necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act.

Applicants' Conditions

1. The proposed CTF Conversions will not occur unless and until: (a) The

boards of the Delaware Trusts and of the Funds (including a majority of their disinterested directors/trustees) and the Committee, Second Fiduciary, or the Bank, as the case may be, find that the CTF Conversions are in the best interests of the Delaware Trusts, Funds, and participants in the CTF, respectively, and (b) the boards of the Delaware Trusts and of the Funds (including a majority of their disinterested directors/trustees) find that the interests of the existing shareholders will not be diluted as a result of the proposed transfers. These determinations and the basis upon which they are made will be recorded fully in the records of the Delaware Trusts and the Funds.

2. In order to comply with the policies underlying rule 17a-8, any CTF Conversion will have to be approved by the board of the Delaware Trust or Fund and any CTF's Committee, Secondary Fiduciary, or the Bank, as appropriate, who would be required to find that the interests of beneficial owners would not be diluted.

3. The proposed transaction will comply with the terms of rule 17a-7(b) through (f).

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-29601 Filed 11-7-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22873; 812-10848]

Travelers Group Inc., et al.; Notice of Application

November 3, 1997.

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

ACTION: Notice of application for exemption under section 6(c) of the Investment Company Act of 1940 (the "Act") from section 15(a) of the Act.

SUMMARY OF APPLICATION: Applicants seek an order to permit the implementation, without shareholder approval, of new investment advisory agreements between Salomon Brothers Asset Management Inc ("SBAM"), Salomon Brothers Asset Management Limited ("SBAM Ltd"), Salomon Brothers Asset Management Asia Pacific ("SBAM AP") (collectively, the "Advisers") and various registered investment companies ("Investment