

share. Expenses of approximately \$33,815 incurred in connection with the liquidation were paid by Robert Lamb III, applicant's President and Trustee, and co-founder of Highland Investment Group, L.P., applicant's investment adviser.

**Filing Dates:** The application was filed on November 5, 1998 and amended on May 11, 1999.

**Applicant's Address:** 1248 Post Road, Fairfield, Connecticut 06430.

#### **Marquis Funds [File No. 811-7830]**

**Summary:** Applicant seeks an order declaring that it has ceased to be an investment company. On August 10, 1998, applicant transferred all of its assets and liabilities to corresponding series of The One Group® in exchange for shares of the corresponding series of The One Group® based on net asset value. Expense of approximately \$270,000 were incurred in connection with the reorganization and were paid by Banc One Investment Advisors, investment adviser to the The One Group®.

**Filing Dates:** The application was filed on March 26, 1999, and amended on May 26, 1999.

**Applicant's Address:** 2 Oliver Street, Boston, Massachusetts 02109.

#### **Oppenheimer Mortgage Income Fund [File No. 811-4712]**

**Summary:** Applicant seeks an order declaring that it has ceased to be an investment company. On June 28, 1995, applicant transferred all of its assets to Oppenheimer U.S. Government Trust ("U.S. Government Trust"), in exchange for shares of U.S. Government Trust, based on the relative net asset values per share. Applicant and U.S. Government Trust paid \$37,107 and \$23,207, respectively, in expenses related to the reorganization.

**Filing Dates:** The application was filed on March 3, 1999, and amended on May 12, 1999.

**Applicant's Address:** Two World Trade Center, New York, New York 10048-0203.

#### **Principal Tax-Exempt Cash Management Fund, Inc. [File No. 811-5548]**

**Summary:** Applicant seeks an order declaring that it has ceased to be an investment company. On April 8, 1999, applicant transferred its assets and liabilities to Principal Cash Management Fund, Inc. in exchange for shares of that fund based on the net asset value per share. Expenses of approximately \$70,000 were incurred in connection with the reorganization, and were paid

by Principal Management Corporation, applicant's investment adviser.

**Filing Dates:** The application was filed on April 28, 1999, and amended on May 20, 1999.

**Applicant's Address:** The Principal Financial Group, Des Moines, Iowa 50392.

#### **Stonebridge Growth Fund, Inc. [File No. 811-916]**

**Summary:** Applicant seeks an order declaring that it has ceased to be an investment company. On November 2, 1998, applicant transferred all of its assets to the Stonebridge Growth Fund, a series of the Stonebridge Funds Trust, at net asset value. Expenses of approximately \$41,000 incurred in connection with the reorganization were borne by applicant.

**Filing Dates:** The application was filed on January 8, 1999, and amended on April 15, 1999 and May 26, 1999.

**Applicant's Address:** 370 17th Street, Suite 3100, Denver, Colorado 80202-5631.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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### **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-41466; File No. SR-DTC-99-12]

#### **Self-Regulatory Organizations; The Depository Trust Company; Filing and Order Granting Accelerated, Temporary Approval of a Proposed Rule Change Relating to the Admission of Non-U.S. Entities as Direct Depository Participants**

May 28, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on May 19, 1999, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared primarily by DTC. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated, temporary approval of the proposed rule change through May 31, 2000.

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

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

The purpose of the proposed rule change is to extend the Commission's temporary approval of DTC's admission criteria for entities that are organized in a country other than the United States ("non-U.S. entities").

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

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

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

The purpose of the proposed rule change is to extend the Commission's temporary approval of DTC's admission criteria for non-U.S. entities as direct DTC participants. The Commission originally granted temporary approval on May 9, 1997.<sup>3</sup> The admission criteria permit well-qualified, non-U.S. entities to obtain direct access to DTC's services without requiring the non-U.S. entities to obtain financial guarantees from another DTC participant. According to DTC, DTC established the program for admission of non-U.S. entities in response to requests it received from certain participants. These participants requested that DTC consider changes in its admissions policy that would allow non-U.S. affiliates to become direct participants without having to obtain financial guarantees from a DTC participant that was a U.S. entity.

As of May 10, 1999, one non-U.S. entity has been approved for DTC membership under the standards for admission of non-U.S. entities. DTC is currently reviewing an application from another non-U.S. entity and has received numerous inquiries from other non-U.S. entities. In 1999, DTC expects

<sup>2</sup> The Commission has modified the text of the summaries prepared by DTC.

<sup>3</sup> For a complete discussion of the admission criteria, refer to Securities Exchange Act Release No. 38600, International Release No. 1078 (May 9, 1997), 62 FR 27086-01 [File No. SR-DTC-96-13] (order temporarily approving a proposed rule change relating to the admission of non-U.S. entities as direct depository participants).

to admit, several non-U.S. entities. DTC is seeking an extension of the temporary approval so it can complete the admission of these non-U.S. entities and gain further experience with the admission standards of non-U.S. entities and the unique risks posed by the activities of non-U.S. entities as direct DTC participants.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act and the rules and regulations promulgated because the admission criteria takes into account the unique risks to DTC raised by the admission of non-U.S. entities while not unfairly discriminating against non-U.S. entities seeking admission as participants.

*(b) Self-Regulatory Organization's Statement on Burden on Competition*

While DTC acknowledges that the proposed additional admissions criteria applicable to non-U.S. entities may impose some additional burden, for the reasons stated above, we believe that any such burden is necessary and 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*

DTC has not sought or received comments on the proposed rule change.

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

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.<sup>4</sup> The Commission finds that the rule change is consistent with this obligation because DTC's admission criteria has been designed in a manner which takes into account jurisdiction differences in regulatory structure and in business operations of non-U.S. entities with respect to risk control and management. Furthermore, DTC admission criteria should bind non-U.S. entities to DTC's rules and procedures in a manner similar to domestic participants and should lesson or eliminate the negative effects that jurisdictional issues could have on DTC's exercise of its rights against non-U.S. entities. Therefore, the Commission finds that the admissions criteria will assist DTC in assuring the safeguarding of securities and funds which are in its

custody, control, or for which it is responsible.

DTC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after publication of the notice of the filing. The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after publication of the notice of the filing because accelerated approval will permit DTC to continue to use and study the effectiveness of its admission criteria without interruption.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submissions, 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 in the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filings will also be available for inspection and copying at the principal office of DTC. All submissions should refer to the file number SR-DTC-99-12 and should be submitted by June 25, 1999.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-DTC-99-12), be, and hereby is, temporarily approved on an accelerated basis through May 31, 2000.

For the Commission by the Division of Market Regulation pursuant to delegated authority.<sup>5</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-41457; File No. SR-MSRB-99-03]

**Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Reports of Sales and Purchases, Pursuant to Rule G-14**

May 26, 1999.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 28, 1999, the Municipal Securities Rulemaking Board ("Board" or "MSRB") filed with the Securities and Exchange Commission ("Commission" or "SEC") a proposed rule change (File No. SR-MSRB-99-03). The proposed rule change is described in Items I, II, and III below, which Items have been prepared by the Board. The MSRB has designated this proposal as one constituting a stated policy, practice or interpretation with respect to the enforcement of an existing rule under Section 19(b)(3)(A)<sup>3</sup> of the Act which renders the proposal effective upon receipt of the filing by the Commission. 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 Board is filing a proposed rule change concerning the Board's Transaction Reporting Program. The proposed rule change states the Board's intention to publish for comments a sample Daily Transaction Report which covers a five day period and contains information on individual transactions in frequently-traded municipal securities, as reported by dealers under Rule G-14.

The proposed rule change is as follows in *italics*:

*Notice—Sample Transparency Reports With Data on Individual Transactions in Frequently-Traded Securities Available for Review*

*A long standing goal of the Municipal Securities Rulemaking Board is providing market participants with more information about the value of securities.<sup>4</sup> Toward this end, the Board*

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

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

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> See "From the Chairman," MSRB Reports, Vol. 8, No. 5 (December 1988) at 2.

<sup>4</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>5</sup> 17 CFR 200.30-3(a)(12).