

was derived by comparing (i) ICG's consolidated revenues, ICG's proportionate share of the revenues of its Controlled Companies, and ICG's income derived from interests in Controlled Companies to (ii) ICG's total revenues comprised of the items in (i) as well as income derived from sales of interests in non-controlled companies and interest income. ICG represents that it does not intend to derive a significant percentage of its revenues from income derived from sales of interest in non-controlled companies.

6. ICG thus asserts that it satisfies the standards for an order under section 3(b)(2) of the Act.

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

[Investment Company Act Release No. 23927; 812-11654]

Nations Fund Trust, et al.; Notice of Application

July 30, 1999.

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

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

SUMMARY OF THE APPLICATION:

Applicants request an order to permit certain series of Nations Institutional Reserves ("NIR") to acquire all of the assets and liabilities of certain series of Nations Fund Trust ("NFT"), Nations Fund, Inc. ("NFI"), and Nations Fund Portfolios, Inc. ("NFP") (the "Reorganization"). Because of certain affiliations, applicants may not rely on rule 17a-8 under the Act.

Applicants: NIR, NFT, NFI, NFP, and NationsBanc Advisors, Inc. ("NBAI").

Filing Dates: The application was filed on June 9, 1999. Applicants have

Controlled Companies were attributed to ICG in proportion to ICG's interests in the Controlled Companies. ICG uses the equity method of accounting for these Controlled Companies, which under Generally Accepted Accounting Principles means that the Companies' income or losses, but not revenues, are attributed to ICG based on its ownership interests in the Companies. ICG notes that ICG's revenues attributable to its Controlled Companies would represent approximately 66% of ICG's total revenues if the revenues of ICG's consolidated majority-owned subsidiaries were attributed to ICG in proportion to ICG's interests in the majority-owned subsidiaries.

agreed to file an amendment to the application, the substance of which is reflected in this notice, during the notice period.

Hearing of 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 August 19, 1999 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 may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. Applicants, One Bank of America Plaza, 101 South Tryon Street, Charlotte, NC 28255.

FOR FURTHER INFORMATION CONTACT:

Bruce R. MacNeil, Staff Attorney, (202) 942-0634, or Michael W. Mundt, Branch Chief, (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 from the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549-0102 (telephone (202) 942-8090).

Applicants' Representations

1. NFT, a Massachusetts business trust, NFI, a Maryland corporation, and NFP, a Maryland corporation, are open-end management investment companies registered under the Act. NFT currently offers 28 series, 2 of which will participate in the Reorganization. NFI offers 9 series, 2 of which will participate in the Reorganization. NFP currently offers one series, which will participate in the Reorganization. The participating series of NFT, NFI, and NFP are collectively referred to as the "Acquired Funds."

2. NIR, a Massachusetts business trust, is an open-end management investment company registered under the Act. NIR is organizing five new series, (the "Acquiring Funds," and together with the Acquired Funds, the "Funds").¹ Three of the Acquiring Funds are feeder funds ("Feeder Funds") which will invest all of their

assets in a corresponding master portfolio of Nations Master Investment Trust ("NMIT"), an open-end management investment company registered under the Act.

3. NBAI is registered under the Investment Advisers Act of 1940 ("Advisers Act") and is the investment adviser for the Funds and NMIT. NBAI is a wholly-owned subsidiary of Bank of America Corporation. Bank of America Corporation, NationsBank, N.A., and/or certain of their affiliates that are under common control with NBAI (the "BankAmerica Group"), hold of record, in their name and in the names of their nominees, more than 5% (and with respect to certain of the Acquired Funds more than 25%) of the outstanding voting securities of each of the Acquired Funds. All of these securities are held for the benefit of others in a trust, agency, custodial, or other fiduciary or representative capacity.

4. On March 31, 1999, and May 26, 1999, respectively, the board of trustees of NIR (the "Acquiring Funds' Board") and the boards of directors or trustees of NFT, NFI and NFP (the "Acquired Funds' Boards," together with the Acquiring Funds' Board, the "Boards") including a majority of the directors or trustees who are not "interested persons," as defined in section 2(a)(19) of the Act ("Disinterested Members"), approved Agreements and Plans of Reorganization (each a "Plan" and collectively, the "Plans") between each of the Acquiring and Acquired Funds. Pursuant to the Plans, each Acquiring Fund will acquire all of the assets and liabilities of the corresponding Acquired Fund in exchange for shares of the Acquiring Fund.²

5. Each of the Funds has five classes of shares: Primary A, Primary B, Investor A, Investor B, and Investor C. The number of Acquiring Fund shares to be issued to shareholders of the Acquired Fund will be determined by dividing the aggregate net assets of each Acquired Fund class by the net asset value per share of the corresponding Acquiring Fund class, each computed as of the close of business on the closing date ("Closing Date"). The Plans provide that these Acquiring Fund shares will be distributed pro rata to the

² The Acquired Funds and the corresponding Acquiring Funds are: (i) NFT Nations Marsico Focused Equities Fund and NIR Nations Marsico Focused Equities Fund; (ii) NFT Nations Marsico Growth and Income Fund and NIR Nations Marsico Growth and Income Fund (iii) NFI Nations International Equity Fund and NIR Nations International Equity Fund; (iv) NFI Nations International Value Fund and NIR Nations International Value Fund; (v) NFP Nations Emerging Markets Fund and NIR Nations Emerging Markets Fund.

¹ A registration statement for the five shell Acquiring Funds was filed with the SEC on June 4, 1999.

shareholders of record in the applicable Acquired Fund class, determined as of the close of business on the Closing Date, in complete liquidation of each Acquired Fund. Applicants anticipate that the Closing Date will be on or around August 20, 1999.

6. Applicants state that the Acquiring Funds will pursue investment objectives and follow principal investment strategies that are identical to those of the corresponding Acquired Fund. Applicants state that the distribution and shareholder servicing arrangements for the respective classes of the Acquired and Acquiring Funds are also identical. Primary A and Primary B shares of the Funds do not have a sales charge. Investor A shares of the Funds are subject to a maximum front-end sales charge of 5.75%, and certain holders of Investor A shares of the Acquired Funds may be subject to a maximum deferred sales charge of 1% or a redemption fee of 1%. Investor B shares of the Funds are subject to a maximum deferred sales charge of 5%. Investor C shares of the Funds are subject to a maximum deferred sales charge of 1%. No sales charge will be imposed in connection with the Reorganization.

7. The Boards, including a majority of their Disinterested Members, found that participation in the Reorganization is in the best interest of each Fund and that the interests of existing shareholders of the Funds will not be diluted as a result of the Reorganization. In approving the Reorganization, the Boards considered, among other things: (a) the potential effect of the Reorganization; (b) the expense ratios of the Acquiring Funds and the Acquired Funds; (c) the compatibility of the investment objectives and investment strategies of the Acquiring Funds and Acquired Funds; (d) the terms and conditions of the Plans; (e) the tax-free nature of the Reorganization; and (f) the advantages of the master-feeder structure. The Funds will bear the expenses associated with the Reorganization, as determined by the Board of each Fund.

8. The Plans may be terminated by mutual written consent of the Acquiring Fund and the respective Acquired Fund at any time prior to the Closing Date. In addition, either party may terminate a Plan if: (a) the other party materially fails to perform its obligations prior to the Closing Date; (b) the other party materially breaches its representations, warranties, or covenants; or (c) a condition precedent to the party's obligations cannot be met.

9. Definitive proxy solicitation materials have been filed with the SEC and were mailed to the Acquired Fund's

shareholders on July 7, 1999. A special meeting of the Acquired Funds' shareholders will be held on or about August 13, 1999.

10. The consummation of the Reorganization is subject to the following conditions: (a) A registration statement under the Securities Act of 1933 for the Acquiring Funds will have become effective; (b) the Acquired Fund shareholders will have approved the Plan; (c) applicants will have received exemptive relief from the SEC with respect to the issues in the application; (d) the Funds will have received an opinion of counsel concerning the tax-free nature of the Reorganization; and (e) each Acquired Fund will have declared a dividend to distribute substantially all of its investment company taxable income and net capital gain, if any, to its shareholders. Applicants agree not to make any material changes to the Plans that affect the application without prior SEC staff approval.

Applicants' Legal Analysis

1. Section 17(a) of the Act generally prohibits an affiliated person of a registered investment company, or an affiliated person of that person, acting as principal, from selling any security to, or purchasing any security from, the company. Section 2(a)(3) of the Act defines an "affiliated person" of another person to include (a) any person that directly or indirectly owns, controls, or holds with power to vote 5% or more of the outstanding voting securities of the 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 the other person; (c) any person directly or indirectly controlling, controlled by, or under common control with the other person; and (d) if the other person is an investment company, any investment adviser of that company.

2. Rule 17a-8 under the Act exempts from the prohibitions of section 17(a) mergers, consolidations, or purchases or sales of substantially all of the assets of registered investment companies that are affiliated persons solely by reason of having a common investment adviser, common directors/trustees, and/or common officers, provided that certain conditions set forth in the rule are satisfied.

3. Applicants state that the BankAmerica Group holds of record more than 5% of the outstanding voting securities of each of the Acquired Funds, and more than 25% of certain Acquired Funds. Because of this ownership, applicants state that the funds may be deemed affiliated persons

for reasons other than those set forth in rule 17a-8 and therefore unable to rely on the rule. Applicants request an order pursuant to section 17(b) of the Act exempting them from section 17(a) to the extent necessary to consummate the Reorganization.

4. Section 17(b) of the Act provides that the SEC may exempt a transaction from the provisions of section 17(a) if the evidence establishes that 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, and that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

5. Applicants submit that the terms of the Reorganization satisfy the standards set forth in section 17(b). Applicants note that the Boards, including a majority of the Disinterested Members, found that participation in the Reorganization is in the best interests of each Fund and that the interests of the existing shareholders of each Fund will not be diluted as a result of the Reorganization. Applicants also note that the Reorganization will be based on the Funds' relative net asset values.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41664; File No. SR-BSE-99-10]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Boston Stock Exchange, Inc. Relating to the Minimum Variation for Nasdaq-100 Shares and Disclaimer of Liability With Respect to the Nasdaq-100 Index

July 27, 1999.

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 July 16, 1999, the Boston Stock Exchange, Inc. ("BSE" or the "Exchange") filed with the Securities and Exchange Commission ("Commission" or the "SEC") the proposed rule change as

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.