

that it is able to meet its financial obligations for the development of its extended stay facilities and to facilitate its planned rapid growth. Applicant states that pending the use of that money to finance capital expenditures and current operations, the money has been invested in high quality short-term investments.

b. *Public Representations of Policy.* Applicant asserts that it has not made any public representations that would suggest that it is engaged in any business other than its extended stay lodging business. Applicant states that its prospectuses, reports to shareholders, and other filings with the SEC have exclusively focused on its lodging business. Applicant also states that all of its marketing and advertising has focused entirely on its extended stay lodging business.

c. *Activities of Officers and Directors.* Applicant represents that its directors and executive officers dedicate virtually all of their efforts toward furthering applicant's efforts in developing, owning, and managing extended stay lodging facilities. Applicant has approximately 2,900 employees. Applicant states that its short-term investments are managed by an assistant to its Chief Financial Officer. Applicant represents that the assistant devotes less than 25% of his working time to these activities, and the Chief Financial Officer spends less than 2% of his time supervising that activity. Applicant states that no other employee is involved in the management of the short-term investments.

d. *Nature of Assets.* Applicant indicates that its short-term investments, which are limited to bank deposits, U.S. Government securities, and short-term, high quality fixed income corporate/Government obligations maturing in less than 90 days from the date of investment, constituted approximately 0.1% of applicant's total assets as of December 31, 1997. Applicant also represents that if the proceeds of its March 1998 financings had been included in applicant's assets at December 31, 1997, applicant would have had short-term investments of approximately 29% of its total assets. Furthermore, applicant asserts that, depending upon market conditions, it may raise additional capital and/or conduct additional financings that would increase substantially the ratio of its short-term investments to total assets. Applicant states that its short-term investments and total assets are valued at fair value in accordance with the requirements of section 2(a)(41) of the Act.

e. *Sources of Income.* Applicant indicates that, as of December 31, 1997, it derived approximately 0.8% of its total revenues from investment income. Applicant states that it may significantly increase its short-term investments, as well as the ratio of income from these investments to total revenues, if it conducts additional capital raising transactions or financings.

6. Applicant thus believes that it meets the factors that the SEC considers in determining whether an issuer is primarily engaged in a business other than that of investing, reinvesting, owning, holding, or trading in securities.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 98-12148 Filed 5-6-98; 8:45 am]
BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-23166]

Notice of Applications for Deregistration Under Section 8(f) of the Investment Company Act of 1940

April 30, 1998.

The following is a notice of applicants for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of April, 1998. A copy of each application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth St., N.W., Washington, DC 20549 (tel. 202-942-8090). An order granting each application will be issued unless the SEC orders a hearing. Interested persons may request a hearing on any application by writing to the SEC's Secretary at the address below and serving the relevant applicant 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 26, 1998, and should be accompanied by proof of service on the applicant, 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 Secretary, SEC, 450 Fifth Street, N.W., Washington, DC 20549. For Further Information Contact: Diane L. Titus, at (202) 942-0564, SEC, Division of Investment Management, Office of Investment Company

Regulation, Mail Stop 5-6, 450 Fifth Street, N.W., Washington, DC 20549.

InterCapital Managed Municipal Trust [File No. 811-7187], TCW/DW Term Trust 2001 [File No. 811-8222], TCW/DW Emerging Markets Government Income Trust [File No. 811-8310]

Summary: Each applicant seeks an order declaring that it has ceased to be an investment company. Each applicant has never made a public offering of its shares and does not propose to make a public offering or engage in business of any kind.

Filing Dates: Each application was filed on March 24, 1998.

Applicants' Address: Two World Trade Center, New York, New York 10048.

Putnam Capital Growth and Income Fund [File No. 811-7063]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On February 6, 1995, applicant made a liquidating distribution to its sole shareholder of record at net asset value. All other shareholders redeemed or exchanged their shares of applicant at net asset value prior to February 6, 1995. Applicant did not incur any expenses in connection with the liquidation, and unamortized organizational expenses were paid by applicant's investment adviser.

Filing Dates: The application was filed on October 3, 1995 and amended on April 2, 1996, September 17, 1996 and March 17, 1998.

Applicant's Address: One Post Office Square, Boston, MA 02109.

Fortis Benefits Separate Account A [File No. 811-2445]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. Applicant is a separate account organized as a unit investment trust. No assets are currently retained in Applicant; all assets were redeemed at net asset value. No expenses were incurred by Applicant in connection with the redemption of its assets.

Filing Date: The application was filed on March 23, 1998.

Applicant's Address: 500 Bielenberg Drive, Woodbury, MN 55125.

Fortis Benefits Separate Account B [File No. 811-2446]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. Applicant is a separate account organized as a unit investment trust. No assets are currently retained in Applicant; all assets were

redeemed at net asset value. No expenses were incurred by Applicant in connection with the redemption of its assets.

Filing Date: The application was filed on March 23, 1998.

Applicant's Address: 500 Bielenberg Drive, Woodbury, MN 55125.

Management of Managers Municipal Bond Fund [File No. 811-3755]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On December 31, 1987, applicant transferred all of its assets and liabilities to the Municipal Bond Fund, a series of Management of Managers Group of Funds, based on the relative net asset values. The expenses of the reorganization were borne by applicant.

Filing Dates: The application was filed on November 12, 1997 and amended on April 22, 1998.

Applicant's Address: 25 Sylvan Road, Westport, CT 06880

Burridge Funds [File No. 811-7801]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On December 30, 1997, applicant made a liquidating distribution to its shareholder at the net asset value per share. Applicant's investment adviser, The Burridge Group LLC, has agreed to pay all expenses incurred in connection with the liquidation, which are expected to be between \$20,000 and \$25,000.

Filing Dates: The application was filed on February 13, 1998, and amended on April 23, 1998.

Applicant's Address: 115 South LaSalle Street, Chicago, Illinois 60603.

The Garzarelli Funds [File No. 811-7877]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. By December 10, 1997, applicant distributed its assets to its securityholders at the net asset value per share. Expenses of \$127,194 incurred in connection with the liquidation will be borne by applicant's investment adviser.

Filing Date: The application was filed on December 30, 1997.

Applicant's Address: 100 South Wacker Drive, Suite 2100, Chicago, Illinois 60606-4002.

AAHSA Trust [811-8680]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. Applicant consists of two separate series, the Money Market Fund and the Short-Term Bond Fund. On November 27, 1996 all

shares of the Money Market Fund were redeemed at net asset value and seed money was returned to the sponsor. A public offering of shares of the Short-Term Bond fund was not made and applicant does not propose to make a public offering of shares of this Fund. No expenses were incurred in the liquidation of applicant.

Filing Date: The application was filed on December 19, 1997 and applicant has agreed to file an amendment during the notice period.

Applicant's Address: 901 E Street, N.W., Washington, D.C. 20004.

The Pilot Funds [811-3517]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On May 16, 1997, pursuant to the applicable Reorganizing Agreements, applicant's eleven series, Pilot Equity Income Fund, Pilot Short-Term U.S. Treasury Fund, Pilot Short-Term Diversified Assets Fund, Pilot Diversified Bond Income Fund, Pilot Growth Fund, Pilot Growth And Income Fund, Pilot Intermediate Municipal Bond Fund, Pilot Intermediate U.S. Government Securities Fund, Pilot Missouri Short-Term Exempt Fund, Pilot Municipal Bond Fund, and Pilot Short-Term Tax-Exempt Diversified Fund, transferred their assets and stated liabilities into corresponding Acquiring Funds of Nations Fund, Inc. and Nations Fund Trust based on the net asset value per share. On May 23, 1997, pursuant to applicable Reorganizing Agreements, applicant's three series, Pilot International Equity Fund, Pilot Small Capitalizing Equity Fund and Pilot U.S. Government Securities Fund, transferred all of their assets and stated liabilities to corresponding Acquiring Funds of Nations Fund, Inc. and Nations Fund Trust based on the net asset value per share. Each Reorganizing Fund distributed Acquiring Fund Share to its shareholders in liquidation of the Reorganizing Fund. NationsBanc Advisors, Inc. and its affiliates bore approximately \$1,348,000, and the remaining Acquiring Funds bore \$141,000, in expenses in connection with the transaction.

Filing Date: The application was filed on April 2, 1998 and applicant has agreed to file an amendment during the notice period.

Applicant's Address: 3435 Stelzer Road, Columbus, Ohio 43219.

Allied Financial Corporation II [File No. 811-6345], Allied Investment Corporation II [File No. 811-6354]

Summary: Each applicant requests an order declaring that it has ceased to be an investment company. On December

31, 1997, Allied Financial Corporation II merged into Allied Capital Financial Corporation ("Financial I"), and Allied Investment Corporation II merged into Allied Investment Corporation ("Investment I") collectively, the "Mergers"). The shares of common stock of each applicant issued and outstanding were converted into the right to receive cash, in the aggregate, in the amount of \$0.05. At the time of the Mergers, Financial I and Investment I were each registered under the Act as a closed-end management investment company. Subsequently, on January 5, 1998, Financial I and Investment I each elected to be regulated as a business development company under the Act. At the time of the Mergers, applicants, Financial I, and Investment I were wholly-owned subsidiaries of Applied Capital Corporation ("ACC"), a business development company. Expenses incurred in connection with the Mergers totaled approximately \$700 for each applicant and were borne by ACC.

Filing Dates: Each application was filed on January 14, 1998. Each applicant has agreed to file an amendment, the substance of which is incorporated in this notice, during the notice period.

Applicants' Address: 1666 K Street, N.W., 9th Floor, Washington, D.C. 20006-2803.

Allied Development Corporation [File No. 811-3553]

Summary: Applicant requests an order declaring that it has ceased to be an investment company. On December 18, 1997, applicant merged into its sole shareholder, Allied Capital Corporation ("ACC"), a business development company (the "Merger"). On that date, each share of applicant's outstanding common stock was canceled. Expenses incurred in connection with the Merger totaled approximately \$700 and were borne by ACC.

Filing Dates: The application was filed on January 14, 1998. Applicant has agreed to file an amendment, the substance of which is incorporated in this notice, during the notice period.

Applicant's Address: 1666 K Street, N.W., 9th Floor, Washington, D.C. 20006-2803.

Colonial Value Investing Portfolios—Equity Portfolio [File No. 811-5461]

Summary: Applicant requests an order declaring that it has ceased to be an investment company. On June 5, 1992, applicant's three series, Diversified Return Fund, Inflation Hedge Fund, and Growth Fund, transferred their assets and liabilities to corresponding series of Colonial Trust

III based on the relative net asset value per share. Applicant paid approximately \$60,878 in expenses related to the reorganization.

Filing Dates: The application was filed on April 23, 1997 and amended on April 16, 1998.

Applicant's Address: One Financial Center, Boston, Massachusetts 02111.

**The Brazilian Investment Fund, Inc.
[File No. 811-6248]**

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. By December 31, 1997, applicant completed a liquidating distribution to its stockholders as net asset value. Expenses incurred in connection with the liquidation totaled \$281,530 and were borne by applicant.

Filing Dates: The application was filed on January 7, 1998. Applicant has agreed to file an amendment during the notice period, the substance of which is incorporated in this notice.

Applicant's Address: c/o Morgan Stanley Asset Management Inc., 1221 Avenue of the Americas, New York, New York 10020.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 98-12147 Filed 5-6-98; 8:45 am]

BILLING CODE 8010-01-M

**SECURITIES AND EXCHANGE
COMMISSION**

[Release No. 34-39933; File No. SR-AMEX-98-15]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the American Stock Exchange, Inc., and Amendment No. 1 Thereto Relating to a Reduction in the Value of, and Increase in Position and Exercise Limits for, the Institutional Index

April 30, 1998.

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 April 7, 1998, the American Stock Exchange, Inc. (the "Amex" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. On April 20, 1998, the Amex filed an

amendment to the proposal.³ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval for the proposed rule.

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

The Amex proposes to split the Institutional Index (the "Index" or "XII") to one-half its current value and correspondingly amend Exchange Rule 904C to double the position and exercise limits for XII options.

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 Amex included statements concerning the purpose of and basis for the proposed rule change. No written comments were solicited or received with respect to the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Amex 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 the Statutory Basis for, the Proposed Rule Change

(1) Purpose

On August 28, 1986, the Commission granted the Exchange approval to permit the trading of options on the Institutional Index, a broad market index based on the 75 major stocks currently held in the highest dollar amounts in institutional portfolios that have a market value of more than \$100 million in investment funds.⁴ Initially, the aggregate value of the stocks contained in the Institutional Index was reduced by a divisor to establish an index benchmark value of 250. Since its creation, and as of the date of this filing, the level of the Institutional Index has increased nearly fivefold from 250 to 1218.

As a consequence of the Index's rising value, premium levels for the Institutional Index options have also

risen. These higher premium levels have been cited as a principal factor that has discouraged retail investors and some small market professionals from trading these Index options. As a result of the foregoing, the Exchange is proposing to decrease the Institutional Index to one-half of its present value. The Exchange believes that decreasing the Index value may make the Index options more attractive to retail investors and other market professionals and therefore more competitive with other products in the marketplace.

To decrease the Index's value, the Exchange will double the divisor used in calculating the Index. The Exchange suggests that the lower valued Index will result in a substantial lowering of the dollar values of options premiums for the Institutional Index contracts. The Exchange plans to adjust outstanding series similar to the manner in which equity options are adjusted for a 2-for-1 stock split.⁵ On the effective date of the split "ex-date," the number of outstanding Institutional Index option contracts will be doubled and strike prices halved. No other changes are proposed as to the components of the Index, its method of calculation (other than the change in the divisor), expiration style of the options or any other Index specification.

a. Position and Exercise Limits.

Currently, position and exercise limits for the Institutional Index equal 100,000 contracts on the same side of the market of which no more than 25,000 contracts may be used to realize any differential in price between the Institutional Index and the securities underlying the Index. Although the limitation of up to 25,000 contracts for purposes of realizing any differential in price between the Institutional Index and the securities underlying the Index will remain unchanged, the Exchange proposes to double the Index's position and exercise limits to 200,000 contracts on the same side of the market. The change in position and exercise limits will be made in conjunction with the simultaneous reduction of the Index's value and the doubling of the number of contracts. Accordingly, an investor who is currently at the 100,000 contract limit will, as a result of doubling the number of contracts, automatically hold 200,000

⁵ Consistent with customary Exchange practice, at least two weeks prior to the implementation of the proposed change to the Institutional Index value and the resulting adjustments to the outstanding Institutional Index options contracts, the Exchange will issue an information circular to its members setting forth the Index's current and new divisors, the manner in which the Index will be adjusted, the adjusted contract symbols, amounts and strike prices for outstanding XII series and the effective date of the adjustments.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Scott Van Hatten, Legal Counsel, Derivative Securities, Amex, to Michael Walinskas, Senior Special Counsel, Division of Market Regulation, Commission (April 20, 1998) ("Amendment No. 1"). Amendment No. 1 specifies that on April 16, 1998, the Exchange's Board of Governors approved the submission of the instant proposed rule change to the Commission.

⁴ Exchange Act Release No. 23573 (August 28, 1986), 51 FR 31859 (September 5, 1986).