

Merrill Lynch Global Convertible Fund, Inc.

[File No. 811-5395]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On May 11, 1998, applicant transferred all of its assets and liabilities to Merrill Lynch Convertible Fund, Inc. ("Convertible") in exchange for shares of Convertible, based on relative net asset values. Convertible paid approximately \$200,000 in expenses related to the reorganization.

Filing Date: The application was filed on September 11, 1998.

Applicant's Address: 800 Scudders Mill Road, Plainsboro, New Jersey 08536.

Templeton Government Securities Trust

[File No. 811-6494]

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

Filing Date: The application was filed on September 18, 1998.

Applicant's Address: 500 East Broward Boulevard, Ft. Lauderdale, Florida 33394.

PRAGMA Investment Trust

[File No. 811-7485]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. By March 1, 1998, applicant distributed all of its assets to its securityholders at the net asset value per share. Expenses incurred in connection with the liquidation totaled approximately \$400, and were paid by PRAGMA, Inc., applicant's investment adviser.

Filing Dates: The application was filed on July 28, 1998, and amended on September 21, 1998.

Applicant's Address: 7150 Greenville Avenue, Suite 101, Dallas, Texas 75231.

Navigator Tax-Free Money Market Fund, Inc. and Navigator Money Market Fund, Inc.

[File No. 811-4580 and File No. 811-4306]

Summary: Each applicant seeks an order declaring that it has ceased to be an investment company. By July 10, 1998, all shareholders of Navigator Tax-Free Money Market Fund, Inc. had redeemed their shares at the net asset value per share. By July 31, 1998, all shareholders of Navigator Money Market Fund, Inc. has redeemed their shares at the net asset value per share. Expenses incurred in connection with

the liquidations were approximately \$2,006 and \$8,248, respectively, and were paid by Fairfield Group Inc., investment adviser for each applicant.

Filing Date: Each application was filed on September 8, 1998.

Applicant's Address: 721 Dresher Road, Suite 2400, Horsham, Pennsylvania 19044.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 98-26278 Filed 9-30-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23465; 812-11034]

Williamsburg Investment Trust, et al.; Notice of Application

September 25, 1998.

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

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

SUMMARY OF APPLICATION: Applicants request an order to permit portfolios of Williamsburg Investment Trust (the "Trust") not advised by Davenport & Company LLC ("Davenport"), to engage in principal transactions with Davenport, which is adviser to another portfolio of the trust.

Applicants: The Trust, Davenport, and Lowe, Brockenbrough & Tattersall, Inc. ("LB&T"), Flippin, Bruce & Porter, Inc. ("FBP"), T. Leavell & Associates, Inc. ("T. Leavell") and Tattersall Advisory Group, Inc. ("Tattersall") (the "Unaffiliated Advisers" and together with Davenport, the "Advisers").

Filing Dates: The application was filed on February 27, 1998, and amended on July 22, 1998. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

Hearing or Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on October 20, 1998, 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 a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 Fifth Street, N.W., Washington, DC 20549. Applicants, 312 Walnut Street, 21st Floor, Cincinnati, Ohio 45202.

FOR FURTHER INFORMATION CONTACT: Lawrence W. Pisto, Senior Counsel, at (202) 942-0527, or George J. Zornada, Branch Chief at (202) 942-0564, Office of Investment Company Regulation, Division of Investment Management.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Branch, 450 Fifth Street, N.W., Washington, DC 20549 (tel. (202) 942-8090).

Applicant's Representations

1. The Trust is registered under the Act as an open-end management investment company and organized as a Massachusetts business trust. The Trust operates as a series company and currently offers twelve series (each, a "Portfolio," and collectively, the "Portfolios"). The Advisers are investment advisers registered under the Investment Advisers Act of 1940 ("Advisers Act"). Davenport is also registered under the Securities Exchange Act of 1934 as a broker-dealer.

2. Each of the Advisors manages one or more of the Portfolios.¹ The Advisers' agreements with the Trust neither require nor authorize collaboration between the Advisers and each Adviser negotiates the terms of its advisory contract individually. Each Adviser is responsible for making independent investment and brokerage decisions for each Portfolio that the Adviser manages and each Adviser acts, for all practical purposes, as though it manages a separate investment company. Each Adviser is compensated separately for its advisory services to a Portfolio and the compensation is based on a

¹ The Portfolios and the investment adviser to each are as follows: The Davenport Equity Fund, Davenport & Co. LLC; The Jamestown Balanced Fund, LB&T; the Jamestown Equity Fund, LB&T; The Jamestown Bond Fund, Tattersall; The Jamestown Short Term Bond Fund, Tattersall; The Jamestown Tax Exempt Virginia Fund, LB&T; The Jamestown International Equity Fund, LB&T; FBP Contarian Balanced Fund, FBP; FBP Contatrian Equity Fund, FBP; The Alabama Tax Free Bond Fund, T. Leavell; The Government Street Bond Fund, T. Leavell; and The Government Street Equity Fund, T. Leavell.

percentage of assets held in that Portfolio.

3. Applicants request relief to permit Portfolios that are not advised by Davenport ("Unaffiliated Portfolios") to engage in principal securities transactions with Davenport, and any entity controlling, controlled by, or under common control with Davenport. Applicants also request relief for any future series of the Trust that is an Unaffiliated Portfolio ("Future Portfolio"). Any Future Portfolios that rely on the relief will comply with the terms and conditions of the application.

Applicants' Legal Analysis

1. Section 17(a) of the Act generally prohibits sales or purchases of securities between a registered investment company and an affiliated person, or an affiliated person of an affiliated person, of the company. Sections 2(a)(3)(C) and (E) define an "affiliated person" of another person to be any person directly or indirectly controlling, controlled by, or under common control with the person, and any investment adviser of an investment company, respectively. Because the Trust's officers and trustees oversee the management and policies of each Portfolio, the Portfolios might be deemed to be under common control and each Portfolio might be deemed to be an affiliated person of each other Portfolio. Each investment adviser of a Portfolio may be deemed to be an affiliated person of an affiliated person ("second-tier affiliate") of any of the Portfolios that it does not advise and therefore prohibited by section 17(a) from engaging in principal transactions with any of the Portfolios.

2. Applicants request an exemption from section 17(a) to permit principal securities transactions entered into in the ordinary course of business between the Unaffiliated Portfolios and Davenport and entities controlling, controlled by, or under common control with Davenport. The requested exemption would apply only where Davenport is deemed to be a second-tier affiliate of an Unaffiliated Portfolio solely because Davenport is the adviser to another Portfolio of the Trust.

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

the Act. Section 6(c) of the Act provides that the Commission may exempt any person or transaction from any provision of the Act, if the 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. Applicants believe that the proposed transactions meet the standards of sections 17(b) and 6(c) for the reasons stated below.

4. Applicants assert that section 17(a) is intended to prevent persons who have the power to influence an investment company from using that influence to their own pecuniary advantage. Applicants state that there would be no conflict of interest inherent in an Unaffiliated Adviser's decision to execute a portfolio transaction with Davenport, and there is no danger of overreaching on the part of any person concerned. Because each Unaffiliated Adviser is responsible for making its investment decisions independently, and each Unaffiliated Adviser would be dealing with Davenport as a competitor, the pecuniary interests of the Unaffiliated Adviser are aligned with those of the Unaffiliated Portfolio.

5. Applicants also state that the proposed transactions will be consistent with the policies of each Unaffiliated Portfolio, because each Unaffiliated Adviser is required to manage the Unaffiliated Portfolio in accordance with the investment objectives and related investment policies of the Unaffiliated Portfolio as described in its registration statement. Applicants also assert that permitting the transactions will be consistent with the general purposes of the Act and in the public interest because the ability to engage in the transactions will increase the likelihood of an Unaffiliated Portfolio achieving best price and execution on its principal transactions while giving rise to none of the abuses that section 17(a) was designed to prevent.

Applicants' Conditions

Applicants agree that any order of the Commission granting the requested relief will be subject to the following conditions:

1. Davenport (except by virtue of serving as Adviser) will not be an affiliated person or a second-tier affiliate of any Unaffiliated Adviser or any officer, trustee or employee of the Portfolio engaging in the transaction.

2. Davenport will not directly or indirectly consult with any Unaffiliated Adviser concerning allocation of principal or brokerage transactions.

3. Davenport will not participate in any arrangement whereby the amount of

its advisory fees will be affected by the investment performance of an Unaffiliated Portfolio.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 98-26279 Filed 9-30-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40485; File No. SR-NASD-98-26]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval to Amendment No. 5 to a Proposed Rule Change by the National Association of Securities Dealers, Inc. to Institute, on a Pilot Basis, New Primary Nasdaq Market Maker Standards for Nasdaq National Market Securities

September 25, 1998.

I. Introduction

On March 19, 1998, the National Association of Securities Dealers, Inc. ("NASD" or "Association"), through its wholly-owned subsidiary, The Nasdaq Stock Market, Inc. ("Nasdaq"), submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to: (a) implement, on a pilot basis, new Primary Nasdaq Market Maker ("PMM") standards for all Nasdaq National Market ("NNM") securities; (b) extend the NASD's Short Sale Rule pilot until November 1, 1998; and (c) extend the suspension of existing PMM standards until May 1, 1998. On March 30, 1998, the Commission issued notice of the filing and approved, on an accelerated basis, the portions of the filing extending the NASD's Short Sale Rule pilot and the suspension of existing PMM standards.³ The suspension of existing PMM standards was subsequently extended until October, 1998.⁴

On September 25, 1998, Nasdaq proposed to (1) continue to suspend the current PMM standards until March 31, 1999, and (2) extend the NASD's Short

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Exchange Act Release No. 39819 (March 30, 1998) 63 FR 16841 (April 6, 1998).

⁴ See Exchange Act Release No. 40140 (June 26, 1998) 63 FR 36464 (July 6, 1998).