

Administrative Services Division, (202) 606-0623.

Office of Personnel Management.

Janice R. Lachance,

Director.

[FR Doc. 98-4199 Filed 2-17-98; 8:45 am]

BILLING CODE 6325-01-P

SECURITIES AND EXCHANGE COMMISSION

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (London Insurance Group, Inc., 6⁷/₈% Notes Due September 15, 2005, Issued Pursuant to the Indenture Dated September 25, 1995) File No. 1-13938

February 10, 1998.

London Insurance Group, Inc. ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified security ("Security") from listing and registration on the New York Stock Exchange Inc. ("NYSE" or "Exchange").

The reasons cited in the application for withdrawing the Security from listing and registration include the following:

On December 12, 1997, the Company completed a tender offer for the issued and outstanding Security. Through the tender offer, the Company purchased \$142,543,000 of the \$150,000,000 aggregate principal amount of the Security then outstanding.

The Company believes that its application to withdraw the Security from listing and registration on the NYSE should be granted for the following reasons:

(1) The aggregate principal amount of the Security that remains issued and outstanding is small. Of the original issuance of \$150,000,000, only \$7,457,000 of that aggregate principal amount of the Security remains issued and outstanding.

(2) The Security is held by a small number of holders. As of January 14, 1998, the Depository Trust Company ("DTC") was the only holder of record. Through DTC, there are approximately 6 beneficial holders of the Security. \$7,000,000 of the remaining principal amount of the Security is beneficially held by one institution.

(3) The Security is the Company's only listed security in the United States.

(4) The costs of satisfying the Company's reporting obligations under

the Act do not justify the continued listing of the Security. The Company is not subject to the reporting requirements of the Act for any of its equity securities and is not obligated under the terms of the Indenture to file any reports with the Commission. As a consequence of the continued listing of the Security, the Company will be required to incur the costs of preparing annual and periodic reports to comply with the reporting requirements of the Act for the benefit of a limited number of Security holders. In addition, the Company is not obligated under the Indenture or any other document to maintain the listing or registration of the Security on the NYSE or any other national securities exchange.

On January 8, 1998, an authorized representative of the NYSE advised the Company that the Exchange would not object to the voluntary removal of the Security from listing and registration on the Exchange.

Any interested person may, on or before March 4, 1998, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the Exchange and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 98-3934 Filed 2-17-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23024; 812-10928]

Nationwide Investing Foundation III, et al.; Notice of Application

February 10, 1998.

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

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

SUMMARY OF APPLICATION: Order requested to allow certain series of a registered open-end management

investment company to acquire all of the assets of certain series of three registered open-end management investment companies. Because of certain affiliations, applicants may not rely on Rule 17a-8 under the Act.

APPLICANTS: Nationwide Investing Foundation III ("NIF III"), Nationwide Investing Foundation ("NIF"), Nationwide Investing Foundation II ("NIF II"), Financial Horizons Investment Trust ("FHIT"), and Nationwide Advisory Services, Inc. ("NAS").

FILING DATES: The application was filed on December 24, 1997, and amended on February 6, 1998.

HEARING OR NOTIFICATION OF HEARING: An order granting the application persons 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 March 5, 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street NW., Washington, DC 20549. Applicants, Three Nationwide Plaza, Columbus, OH 43215.

FOR FURTHER INFORMATION CONTACT: Lisa McCrea, Attorney Adviser, at (202) 942-0562, or Nadya B. Roytblat, Assistant Director, 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 SEC's Public Reference Branch, 450 5th Street NW., Washington, DC 20549 (tel. 202-942-8090).

Applicants' Representations

1. NIF III, an Ohio business trust, is an open-end management investment company registered under the Act. NIF III consists of nine series: Nationwide Growth Fund, Nationwide Fund, Nationwide Bond Fund, Nationwide Money Market Fund, Nationwide Intermediate U.S. Government Bond Fund, Nationwide Mid Cap Growth Fund, (the "NIF III Acquiring Series"), Nationwide Tax-Free Income Fund, Nationwide Long-Term U.S.

Government Bond Fund, and Nationwide S&P 500 Index Fund.¹ NIF III plans to offer initially one class of shares, class D that carries a front-end sales charge, for each of its series, other than the Nationwide Money Market Fund, which will issue shares without class designation or sales charge.

2. NIF, a Michigan business trust, is an open-end management investment company registered under the Act. NIF currently offers four series: Nationwide Growth Fund, Nationwide Fund, Nationwide Bond Fund, and Nationwide Money Market Fund (the "NIF Acquired Series"). Shares of Nationwide Growth Fund, Nationwide Fund, and Nationwide Bond Fund are subject to a front-end sales charge. NIF II, a Massachusetts business trust, is an open-end management investment company registered under the Act, and currently offers two series, Nationwide U.S. Government Income Fund (the "NIF II Acquired Series"), and Nationwide Tax-Free Income Fund.² Shares of the Nationwide U.S. Government Income Fund are subject to a contingent deferred sales charge. FHIT, a Massachusetts business trust, is an open-end management investment company registered under the Act. FHIT currently offers four series: Growth Fund, Cash Reserve Fund (the "FHIT Acquired Series"), Municipal Bond Fund, and Government Bond Fund.³ Shares of the Growth Fund are subject to a contingent deferred sales charge. The NIF Acquired Series, NIF II Acquired Series, and FHIT Acquired Series together are the "Acquired Series".

3. NAS is registered as an investment adviser under the Investment Advisers Act of 1940. NAS serves as investment adviser for NIF III and the Acquiring Series, and for NIF, NIF II, FHIT, and the Acquired Series. NAS is a wholly-owned subsidiary of Nationwide Life Insurance Company, which, in turn, is wholly-owned by Nationwide Financial Services, Inc. ("NFS"). NFS is controlled by the Nationwide Corporation, which is controlled by Nationwide Mutual Insurance Company.

4. As of December 18, 1997, Nationwide Life Insurance Company, directly or indirectly owned, controlled or held the power to vote 31% of the

outstanding shares of NIF's Nationwide Growth Fund, 24.1% of NIF's Nationwide Fund, 16.8% of NIF's Nationwide Bond Fund, 54.4% of NIF's Nationwide Money Market Fund, 15.8% of NIF II's Nationwide U.S. Government Income Fund, and 5.3% of FHIT's Growth Fund, and 73.5% of FHIT's Cash Reserve Fund. These shares of NIF, NIF II, and FHIT are owned by separate accounts of Nationwide Life Insurance Company, which vote these shares in accordance with instructions received from the underlying variable annuity contract owners. If no instructions are received from the underlying variable annuity contract owners, the separate accounts vote the shares in the same proportion as the votes cast on behalf of variable annuity contract owners who submit timely instructions.

5. On November 7, 1997, the boards of trustees of NIF III, NIF, NIF II and FHIT (the "Boards"), including the disinterested trustees, considered and unanimously approved Agreements and Plans of Reorganization between NIF III, NIF, NIF II and FHIT (the "Reorganization"). In the Reorganization, each of NIF, NIF II, and FHIT has agreed to sell all of its assets to the Acquiring Series, in exchange for assumption of the Acquired Series' liabilities and the issuance and delivery of class D shares of the corresponding Acquiring Series of NIF III (the NIF III Money Market Fund will issue and deliver shares without any class designation) equal in net asset value at the close of business at the Valuation Time (defined below) to the value of the shares of the corresponding Acquired Series. The Valuation Time is intended to be 4:00 p.m., Eastern Standard Time, on the day before the assets and liabilities of the Acquired Series are transferred to the corresponding Acquired Series.

6. No sales charge will be incurred by shareholders of the Acquired Series in connection with their acquisition of corresponding Acquiring Series shares. Applicants state that the investment objectives, policies and restrictions of the Acquiring Series are substantially similar to those of the corresponding Acquired Series.

7. The Boards determined that the Reorganization is in the best interests of NIF III, NIF, NIF II, and FHIT, and of the shareholders of the Acquired Series and the corresponding Acquiring Series, and that the interests of shareholders would not be diluted as a result of the Reorganization. In assessing the Reorganization, the factors considered by the Boards included: (a) The business objectives and purposes of the Reorganization, namely, becoming three

separate business entities of NIF, NIF II, and FHIT into one business entity, NIF III; (b) the compatibility of the investment objectives, policies and restrictions between the respective Acquired Series and the corresponding Acquiring Series; (c) the terms and conditions, including the allocation of expenses of the Reorganization; (d) the tax-free nature of the Reorganization; and (e) the expense ratios of the Acquiring Series and the corresponding Acquired Series.

8. NAS has agreed to pay for 50% of the Reorganization fees and expenses of NIF III, NIF, NIF II, and FHIT. NAS also has agreed to pay for 50% of proxy solicitation and other costs associated with the special meeting of shareholders of NIF, NIF II, and FHIT. NIF III bears its own organizational costs.

9. On November 26, 1997, NIF III filed with the SEC its registration statement on Form N-14, containing a preliminary combined prospectus/proxy statement, which became effective on January 8, 1998. Applicants sent the prospectus/proxy statement to Acquired Series shareholders on or about January 12, 1998, for their approval at a special shareholder meeting to be held on February 16, 1998.

10. The Reorganization is subject to the following conditions precedent: (a) That the shareholders of the Acquired Series approve the Agreement; (b) that the Acquired Series and the Acquiring Series receive opinions of counsel to the effect that the Reorganization will be tax-free for the Acquiring Series, the Acquired Series, and their shareholders; and (c) that applicants will receive from the SEC and exemption from section 17(a) of the Act for the Reorganization. Applicants agree not to make any material changes to the Agreement without prior SEC approval.

Applicants' Legal Analysis

1. Section 17(a) of the Act, in relevant part, prohibits an affiliated person of a registered investment company, or any affiliated person of such a person, acting as principal, from knowingly selling any security or other property to the company, or purchasing from the company and security or other property.

2. Section 2(a)(3) of the Act defines the term "affiliated person of another person" to include, in pertinent part, any person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other person, and any person directly or indirectly controlling, controlled by, or under common control with such other person, and if such other person is an

¹ NIF III's Nationwide Tax-Free Income Fund, Nationwide Long-Term U.S. Government Bond Fund, and Nationwide S&P 500 Index Fund are not applicants for the relief requested.

² NIF II's Nationwide Tax-Free Income Fund is not an applicant for the relief requested.

³ FHIT's Municipal Bond Fund and Government Bond Fund are not applicants for the relief requested.

investment company, any investment adviser thereof.

3. 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 are satisfied.

4. Applicants believe that they may not rely on rule 17a-8 in connection with the Reorganization, because an affiliate of NAS, Nationwide Life Insurance Company, directly or through its separate accounts, owns, controls or holds the power to vote 5% or more of the outstanding voting securities of each of NIF's Nationwide Growth Fund, Nationwide Fund, Nationwide Bond Fund, Nationwide Money Market Fund, and NIF II's Nationwide U.S. Government Income Fund, and FHIT's Growth fund and Cash Reserve Fund. Applicants assert that NIF, NIF II, FHIT and each of the respective Acquired Series may be an affiliated person of Nationwide Life Insurance Company under section 2(a)(3)(B) of the Act.

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

6. Applicants submit that the Reorganization satisfies the standards of section 17(b). Applicants believe the terms of the Reorganization are fair and reasonable and do not involve overreaching. Applicants state that the exchange is based on the relative net asset values of the relevant Funds' shares, and no sales charge will be incurred by shareholders of the Acquired Series in connection with their acquisition of corresponding Acquiring Series Shares. Applicants assert that the Reorganization is consistent with the investment objectives of the Acquired Series and the corresponding Acquiring Series.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-3929 Filed 2-17-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-23014A; 812-10908]

The Sessions Group, et al., Notice of Application

January 30, 1998.

Correction

In FR Document No. 98-2883 beginning on page 5976 for Thursday, February 5, 1998, the date of the release was incorrectly stated. The correct date should be as set forth above.

Dated: February 11, 1998.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-3933 Filed 2-17-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39631; File No. SR-AMEX-97-37]

Self-Regulatory Organizations; American Stock Exchange, Inc.; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 1 to the Proposed Rule Change Relating to Expansion of Designated Options Areas

February 9, 1998.

I. Introduction

On October 14, 1997, the American Stock Exchange, Inc. ("Amex" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to expand the locations where options on Amex-listed stocks may trade at the Exchange. The proposed rule change was published for comment in the **Federal Register**.³ No comments were received on the proposal. On January 14, 1998, the Amex filed an amendment to the proposed rule change ("Amendment No. 1"),⁴ The Commission hereby approves the proposal. In addition, the Commission is publishing this notice to solicit comments from interested persons on

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 39306 (November 6, 1997), 62 FR 61154 (November 14, 1997).

⁴ Letter from Scott G. VanHatten, Legal Counsel, Derivative Securities, Amex, to Michael Walinskas, Senior Special Counsel, Division of Market Regulation, Commission, dated January 13, 1998.

Amendment No. 1 to the proposal and hereby approves that amendment on an accelerated basis.

II. Description of the Proposal

In 1988, the Commission approved an Amex proposal to permit options trading on Amex-listed stocks ("1988 Approval Order").⁵ In that order, the Commission noted that: "[W]ith the expansion of its trading facility, specifically the addition of a separate trading room, the Amex is in a position to trade stocks and options thereon in physically separated locations. The proposed rule change specifies that such trading shall take place at different trading locations and provides the safeguards necessary to prevent abuses which could result from the trading of stocks and related options in physical proximity to each other."⁶

More recently, in 1994, the Commission approved an Amex proposal to provide greater flexibility in the design and development of new stock index option products which can be listed and traded on Amex.⁷ In that approval order, the Commission based its approval in part on the fact that Amex imposed a number of restrictions on trading in options on indexes. For instance, where Amex-listed stocks comprise more than 10% of the value of a particular index, options on that index must be traded in a *room physically separated from the Equity Floor*.⁸

Now, Amex, as a result of increases in trading volume in options on the Exchange,⁹ has proposed to relax the requirement that Amex-listed stocks and options on Amex-listed stocks be traded in a room physically separated from the Main Trading Floor

Background

Amex currently has three trading locations: (1) the Main Trading Floor; (2) the mezzanine trading level, which is located above the Exchange's main trading floor ("Mezzanine"),¹⁰ and (3) a separate room connected by a hallway to the Main Trading Floor (the "Red Room" or "Designated Options Area").

⁵ Securities Exchange Act Release No. 26147 (October 3, 1988), 53 FR 39556 (October 7, 1988) (File No. SR-AMEX-88-16).

⁶ *Id.*

⁷ Securities Exchange Act Release No. 34359 (July 12, 1994), 59 FR 36799 (July 19, 1994).

⁸ *Id.* (emphasis added).

⁹ The Amex noted in its filing that the number of options on Amex-listed stocks has increased slowly, to 45 classes since 1988, while the overall number of options classes traded on the Exchange has increased over 350% since that time.

¹⁰ The Mezzanine abuts and overlooks the Exchange's equity trading floor. See Release No. 34-34359 at n. 8.