SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–26853]

Filings Under the Public Utility Holding Company Act of 1935, as Amended (''Act'')

March 31, 1988.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by April 22, 1998, to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Allegheny Energy, Inc. (70–9187)

Notice of Proposal to Issue and Sell Common Stock; Order Authorizing Solicitation of Proxies

Allegheny Energy, Inc. (''AE''), 10435 Downsville Pike, Hagerstown, Maryland, a registered holding company, has filed a declaration under section 6(a), 7 and 12(e) of the Act and rules 54, 62 and 65.

The AE Board of Directors has adopted the Allegheny Energy, Inc. 1998 Long-Term Incentive Plan (''Plan''), subject to shareholder approval. AE proposes to issue and sell, through December 31, 2010, up to 10 million shares of this common stock, par value $1.25 per share (''Common Stock''), under the Plan. In addition, AE proposes to solicit proxies from its shareholders to approve the proposed Plan and to pay expenses related to the solicitation of proxies.

The purpose of the Plan is to maximize the long-term success at AE, to ensure a balanced emphasis on both current and long-term performance, to enhance Plan participants' identification with shareholders' interests, and to attract and retain competent key individuals. The Management Review and Director Affairs Committee of AE's board of directors (''Committee'') will administer the Plan. The Committee will consist of not less than two directors who are not employees of AE or its subsidiaries. The Committee will have exclusive authority to interpret the Plan and to designate the recipients of the Common Stock awarded under the Plan (''Awards'').

The Plan has no fixed expiration date. However, for the purpose of awarding incentive stock options under section 422 of the Internal Revenue Code, the Plan will expire ten years from its effective date. Certain provisions of the Plan relating to performance-based Awards under section 162(m) of the Internal Revenue Code will expire on the fifth anniversary of the Plan's effective date. AE's board of directors may terminate or amend the Plan at any time, but may not, without stockholder approval, increase the total number of shares of Common Stock available for grants.

Awards granted under the Plan include: (1) nonqualified stock options, which entitle the grantee to purchase, not more than ten years after the grant, up to the number of shares of Common Stock specified in the grant at a price set by the Committee at the time the grant is made; (2) incentive stock options, as designated by the Committee and defined in section 422 of the Internal Revenue Code; (3) performance awards, which are grants of rights to receive a payment of cash and/or shares of Common Stock contingent upon the extent to which certain predetermined performance targets have been met; and (4) restricted stock awards, which are grants of shares of Common Stock held by AE for the benefit of the grantee without payment of consideration by the grantee, subject to certain limitations on transferability and other restrictions.

Common Stock used for Awards under the Plan may be authorized but unissued Common Stock or Common Stock purchased on the open market, in private transactions or otherwise. The number of shares available for issuance under the Plan are subject to anti-dilution adjustments upon the occurrence of significant corporate events.

As mentioned above, AE proposes to solicit proxies from its shareholders to approve the proposed plan at AE's Annual Meeting scheduled to be held on May 14, 1998. AE requests that an order authorizing the solicitation of proxies be issued as soon as practicable under rule 62(d).

It appears to the Commission that the declaration, to the extent that it relates to the proposed solicitation of proxies, should be permitted to become effective immediately under rule 62(d).

It is ordered, that the declaration, to the extent that it relates to the proposed solicitation of proxies, be permitted to become effective immediately, under rule 62 and subject to the terms and conditions prescribed in rule 24 under the Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–8928 Filed 4–3–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23094; 812–10660]

SunAmerica Asset Management Corp., et al.; Notice of Application

March 31, 1998.

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

ACTION: Notice of application for an order under the Investment Company Act of 1940 (the ''Act'') granting an exemption under section 6(c) of the Act from section 17(e) of the Act and rule 17e-1 under the Act, under sections 6(c) and 17(b) of the Act from section 17(a) of the Act, and under section 10(f) of the Act from section 10(f) of the Act and rule 10f-3 under the Act.

Summary of Application: The order would permit certain registered open-end management investment companies advised by several investment advisers to engage in principal and brokerage transactions with a broker-dealer affiliated with one of the investment advisers. The transactions would be between the broker-dealer and a portion of the investment company's portfolio not advised by the adviser affiliated with that broker-dealer. The order also would permit these investment companies not to aggregate certain purchases from an underwriting syndicate in which an affiliated person of one of the investment advisers is a principal underwriter.

Applicants: SunAmerica Asset Management Corp. (''SAAMCo''), Style Select Series, Inc. (''Style Select''), and Seasons Series Trust (''Season'') (together, with Style Select, the ''Funds''), Janus Capital Corporation (''Janus''), Miller Anderson & Sherrerd, LLP (''MAS''), Lazard Asset Management (''Lazard''), Davis Selected Advisers, LP (''Davis''), Neuberger&Berman, LLC (''Neuberger''), Berger Associates, Inc. (''Berger''), Perkins Wolf, McDonnell & Company (''PWM''), Rowe Price-Fleming International, Inc. (''Rowe-Fleming''), Pilgrim Baxter & Associates, Ltd. (''Pilgrim''), Warburg Pincus Asset Management, Inc. (''Warburg''), T. Rowe Price Associates, Inc. (''T. Rowe Price''), Strong Capital Management, Inc. (''Strong''), Bankers Trust Company (''Bankers''), and Glenmede Trust Company (''Glenmede'').

Filing Dates: The application was filed on May 13, 1997. Applicants have agreed to file an amendment, the substance of which is incorporated in this notice, during the notice period.

Hearing or 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 April 27, 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants: SAAMCo and the Funds, SunAmerica Center, 733 Third Avenue, New York, New York 10017–3204; Janus, 100 Fillmore Street, Denver, Colorado 80206; MAS, One Tower Bridge, West Conshohocken, Pennsylvania 19428; Lazard, 30 Rockefeller Plaza, New York, New York 10020; Davis, 124 East March Street, Santa Fe, New Mexico 87502; Neuberger, 605 Third Avenue, New York, New York 10158; Berger, 210 University Blvd., Suite 900, Denver, Colorado 80206; PWM, 53 West Jackson Blvd., Suite 818, Chicago, Illinois 60604; and Rowe-Fleming and T. Rowe-Price, 100 East Pratt Street, Baltimore, Maryland 21202; Pilgram, 825 DuPortail Road, Wayne, Pennsylvania 18087; Warburg, 466 Lexington Ave., New York, NY 10017; Strong, P.O. Box 2936, Milwaukee, Wisconsin 53201; Bankers, 130 Liberty Street, New York, New York 10006; and Glenmede, One Liberty Place, 1650 Market Street, Suite 1200, Philadelphia, Pennsylvania 19103.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Senior Counsel, at (202) 942–0572, or Christine Y. Greenlees, Branch Chief, at (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 5th Street, N.W., Washington, D.C. 20549 (telephone (202) 942–8090).

Applicants' Representations

1. The Funds are open-end management investment companies registered under the Act. Style Select consists of eight separate Portfolios, each of which is advised by SAAMCo and several investment subadvisers (the ''Style Select Portfolios''). Each Style Select Portfolio is designed to provide investors with access to several different professional investment advisers, each seeking the same investment objective and utilizing a similar style with respect to a separate portion of the respective Portfolio's assets. Seasons was established to serve as a funding medium for variable annuity contracts offered by Anchor National Life Insurance Company, an affiliated person of SAAMCo. Seasons consists of six separate Portfolios, four of which are advised by SAAMCo and several investment subadvisers (the ''Seasons Portfolios''). Each of the Seasons Portfolios represents a different asset allocation strategy, with the assets of each Portfolio being allocated among the same three subadvisers in differing proportions. Each subadviser manages its discrete portion or portions of the Seasons Portfolios according to a distinct investment strategy, which is different from that employed by the other subadvisers to the same Portfolio.

2. SAAMCo is an investment adviser registered under the Investment Advisers Act of 1940 (the ''Advisers Act''). SAAMCo selects the subadvisers for the Style Select and Seasons Portfolios (the ''Subadvisers''), provides various administrative services, and supervises the Portfolios' daily business affairs, subject to general review by the board of directors or trustees of each Fund. SAAMCo also directly advises discrete portions of two Style Select Portfolios and each Seasons Portfolio. The Subadvisers for the Style Select and Seasons Portfolios are: Janus; Berger; Lazard; Warburg; MAS; Pilgrim; T. Rowe Price; Davis; Neuberger; Strong; Rowe-Fleming; Wellington Management Company, LLP; L. Roy Papp & Associates; Montag & Caldwell, Inc.; David L. Babson & Co., Inc.; Bankers; and Glenmede.[1] Each Subadviser is registered under the Advisers Act. The Subadvisers that are affiliated with broker-dealers within the meaning of section 2(a)(3)(C) of the Act are: Janus, MAS, Lazard, Davis, Neuberger, Berger, PWM, Bankers, and Rowe-Fleming.

3. The requested relief would permit a portion of a Style Select or Seasons Portfolio (''Unaffiliated Portion'') to engage in principal transactions with a broker-dealer that is, or is an affiliated person of, a Subadviser to another portion of the Portfolio (''Affiliated Broker-Dealer''). The requested relief also would permit an Affiliated Broker-Dealer to provide brokerage services to an Unaffiliated Portion without complying with the requirements of rule 17e–1(b) and (c) under the Act. Finally, the requested relief would permit an Unaffiliated Portion to purchase securities in an underwriting syndicate in which an Affiliated Broker is a participant, and would permit a purchase by a portion of a Style Select or Seasons Portfolio advised by the Subadviser affiliated with the Affiliated Broker-Dealer (''Affiliated Subadviser'') not to be aggregated with the purchase by the Unaffiliated Portion for purposes of determining compliance with rule 10f–3(b)(7) under the Act. The requested relief would apply only if the Affiliated Broker-Dealer is not an affiliated person or an affiliated person of an affiliated person of SAAMCo, the Subadviser making the investment decision with respect to the Unaffiliated Portion (''Unaffiliated Subadviser''),[2] or an officer, director, or employee of the Fund engaging in the transaction.

4. Applicants request relief for the Style Select and Seasons Portfolios, as well as any future portfolio of the Funds and any other registered open-end management investment company or portfolio thereof advised by SAAMCo and at least one other investment

[1] Each Subadviser that currently intends to rely on the order has been named as an applicant.

[2] The terms ''Unaffiliated Subadviser,'' ''Subadviser'' and ''Unaffiliated Portion'' include SAAMCo and the discrete portion of a Multi-Managed Portfolio (as defined below) directly advised by SAAMCo, respectively, provided that SAAMCo manages its portion of the Portfolio independently of the portions managed by the other Subadvisers to the Portfolio, and SAAMCo does not control or influence any other Subadviser's investment decisions for its portion of the Portfolio.

adviser (collectively, ''Multi-Managed Portfolios'').[3] In a Multi-Managed Portfolio, the advisory contract with each of the Subadviers to the Multi-Managed Portfolios assigns the Subadviser responsibility to manage a discrete portion of the respective Multi-Managed Portfolio. Each Subadviser is responsible for making independent investment and brokerage allocation decision based on its own research and credit evaluations. SAAMCo does not dictate or influence brokerage allocation decisions with respect to the Multi-Managed Portfolios (except for those portions actually advised by SAAMCo). Each Subadviser to a Multi-Managed Portfolio is compensated based on a percentage of the value of assets allocated to that Subadviser. Applicants state that SAAMCo will take steps designed to ensure that any other existing or future entity that relies on the order will comply with the terms and conditions of the application.

Applicants' Legal Analysis

A. Relief From Section 17(a)

1. Section 17(a) of the Act generally prohibits sales or purchases of securities between a registered investment company and any affiliated person of the company or an affiliated person of such affiliated person (''second-tier affiliate''). Section 2(a)(3) of the Act defines an affiliated person of another person to be any person directly or indirectly controlling, controlled by, or under common control with such person and any investment adviser of an investment company.

2. Under section 2(a)(3), an Affiliated Broker-Dealer would be an affiliated person or a second-tier affiliate of a Multi-Managed Portfolio. As a result, any transactions sought to be effected by the Unaffiliated Subadviser on behalf of its portion of a Multi-Managed Portfolio with an Affiliated Broker-Dealer would be subject to the provisions of section 17(a). Applicants seek relief from section 17(a) to exempt principal transactions entered into in the ordinary course of business between the Unaffiliated Subadviser to an Unaffiliated Portion of a Multi-Managed Portfolio and an Affiliated Broker-Dealer. The requested exemption would apply only where an Affiliated Broker-Dealer is deemed to be an affiliated person or a second-tier affiliate of an Unaffiliated Portion of a Multi-Managed Portfolio solely because an Affiliated Subadviser manages another discrete portion of the same Portfolio.

3. Section 17(b) permits the SEC to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that the terms of the proposed transaction are fair and reasonable and do not involve overreaching on the part of any person concerned. Section 6(c) permits the SEC to exempt any person or transaction from any provision of the Act, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies of the Act. For the reasons stated below, applicants believe that the terms of the proposed transactions meet the standards of sections 6(c) and 17(b).

4. Applicants state that when the person acting on behalf of an investment company has no direct or indirect pecuniary interest in a party to a principal transaction, the abuses that section 17(a) is designed to prevent are not present. Applicants state that this is the situation in each transaction for which relief is requested because if an Unaffiliated Subadviser were to purchase securities on behalf of an Unaffiliated Portion of a Multi-Managed Portfolio in a principal transaction with an Affiliated Broker-Dealer, any benefit that might inure to the Affiliated Broker-Dealer would not be shared by the Unaffiliated Subadviser.

5. Applicants state that each Subadviser's contract assignes it responsibility to manage a discrete portion of the Multi-Managed Portfolio. The contracts neither require nor authorize collaboration between or among Subadvisers. Each Subadviser is responsible for making independent investment and brokerage allocation decisions based on its own research and credit evaluations. Applicants state that SAAMCo does not dictate or influence brokerage allocation decisions for the Multi-Managed Portfolios, except where SAAMCo actually advises an Unaffiliated Portion of a Multi-Managed Portfolio. Applicants submit that in managing a discrete portion of a Portfolio, each Subadviser acts for all practical purposes as though it is managing a separate investment company. Further, applicants state that, for each transaction for which relief is requested, the Unaffiliated Subadviser would be dealing with an Affiliated Broker-Dealer that is a competitor of that subadviser. Applicants believe, therefore, that each such transaction would be the product of arm's length bargaining.

6. In addition, applicants state that the method of compensating Subadvisers in the context of a Multi-Managed Portfolio furthers competition among them. Applicants state that Subadvisers are paid on the basis of a percentage of the value of the assets allocated to their management. Applicants argue that the execution of a transaction to the disadvantage of the Unaffiliated Portion of a Multi-Managed Portfolio would disadvantage the Unaffiliated Subadviser to the extent that it diminishes the value of the Unaffiliated Portion of the Portfolio, with no countervailing benefit to the Unaffiliated Subadviser. Applicants further submit that SAAMCo's power to dismiss Subadvisers or to change the portion of a Multi-Managed Portfolio allocated to each reinforces a subadviser's incentive to maximize the investment performance of its own portion of the Multi-Managed Portfolio.

B. Relief From Section 17(e) and Rule 17e–1

1. Section 17(e)(2)(A) of the Act prohibits an affiliate or a second-tier affiliate of a registered investment company acting as broker in connection with the sale of securities to or by the investment company, to receive a commission, fee or other remuneration for effecting such transaction which exceeds the usual and customary broker's commission if the sale is effected on a securities exchange.

2. Rule 17e–1 sets forth the conditions under which an affiliated person or a second-tier affiliate of an investment company may receive a commission, fee, or other remuneration which would not exceed the ''usual and customary broker's commission'' for purposes of section 17(e)(2)(A). Paragraph (b) of rule 17e–1 requires the investment company's board of directors, including a majority of the disinterested directors, to adopt certain procedures and to determine at least quarterly that all transactions effected in reliance on rule 17e–1 in the preceding quarter were effected in compliance with the company's rule 17e–1 procedures. Rule 17e–1(c) specifies the records that must be maintained by each investment company with respect to any transactions effected pursuant to rule 17e–1.

3. Applicants request relief under section 6(c) to the extent necessary to permit the Unaffiliated Portion of each Multi-Managed Portfolio to pay commissions, fees, or other remuneration to an Affiliated Broker-Dealer, acting as broker in the ordinary course of business, in connection with the sale of securities to or by such

[3] For purposes of this application, the term ''Unaffiliated Portion'' defined above includes a portion of any Multi-Managed Portfolio; and the term ''Affiliated Broker-Dealer'' includes a broker-dealer that is an affiliated person of an investment adviser of another portion of any Multi-Managed Portfolio.

Unaffiliated Portion of a Multi-Managed Portfolio, without complying with the requirements of subparagraphs (b) and (c) of rule 17e–1 under the Act. In addition, applicants request that such relief extend to transactions in futures contracts and related options as well as securities.

4. Applicants state that the transactions for which relief is requested will involve no conflict of interest and that there is no possibility of self-dealing. Applicants submit that the pecuniary interests of the particular Unaffiliated Subadviser are directly aligned with those of the Unaffiliated Portion of the Multi-Managed Portfolio. Applicants further submit that there is no possibility of self-dealing in situations in which a particular Unaffiliated Subadviser is not affiliated with any other Subadviser's Affiliated Broker-Dealer. For these reasons, applicants believe that the brokerage commissions, fees, or other remuneration to be paid by the Unaffiliated Portion will be reasonable and fair and that there is no danger that commissions will exceed the usual or customary level.

5. Applicants argue that the procedures required by rule 17e–1 (b) and (c) are unduly burdensome to the Unaffiliated Portions and the Unaffiliated Subadvisers. Applicants state that the costs to an Unaffiliated Subadviser of complying with those provisions of rule 17e–1 with respect to broker-dealers that have no affiliation with the Unaffiliated Subadviser may discourage that Subadviser from accepting or continuing a Multi-Managed Portfolio as a client. Applicants further state that to facilitate management of its portion of a Multi-Managed Portfolio, an Unaffiliated Subadviser would normally place orders for trades for its portion of a Portfolio at the same time and with the same broker-dealer as trades for other clients. Because Affiliated Broker-Dealers are not affiliated persons of an Unaffiliated Subadviser, the Unaffiliated Subadviser's computer systems are not generally programmed to detect transactions through these brokers. Applicants state that as a result, in order to compile the necessary records under rule 17e–1, one or more individuals employed by the Unaffiliated Subadviser must manually sift through the Unaffiliated Subadviser's trading records relating to the Portfolio. Applicants state that an Unaffiliated Subadviser may choose to forego trading its portion of a Multi-Managed Portfolio in block transactions with its other clients and may avoid executing transactions through Affiliated Broker-Dealers entirely, which may result in increased execution costs to the Unaffiliated Portion.

6. Applicants state that each Unaffiliated Subadviser that selects an Affiliated Broker-Dealer as broker will do so in accordance with the brokerage allocation practices set forth in the prospectus and statement of additional information for the respective Fund (*i.e.*, subject to best price and execution). In addition, applicants state that each Unaffiliated Subadviser selecting broker-dealers for its Unaffiliated Portion of a Multi-Managed Portfolio has an inherent interest in obtaining best price and execution, so as to maximize the Unaffiliated Portion's potential return. Conversely, applicants submit that such Unaffiliated Subadvisers have no interest in benefiting an Affiliated Broker-Dealer at the expense of the Unaffiliated Portions of the Multi-Managed Portfolios they manage.

C. Relief From Section 10(f) and Rule 10f–3

1. Section 10(f), in relevant part, prohibits a registered investment company from knowingly purchasing or otherwise acquiring during the existence of any underwriting or selling syndicate, any security (except a security of which the company is the issuer) a principal underwriter of which is an officer, director, member of an advisory board, investment adviser, or employee of the company, or an affiliated person of any of the foregoing. Section 10(f) also provides that the SEC may exempt by order any transaction or classes of transactions from any of the provisions of section 10(f), if and to the extent that such exemption is consistent with the protection of investors.

2. Applicants acknowledge that each Subadviser to a Multi-Managed Portfolio, although under contract to manage only a distinct portion of the Portfolio, is an investment adviser to the Multi-Managed Portfolio itself, not just the portion of the Portfolio it manages. All purchases of securities by any Unaffiliated Subadviser on behalf of its Unaffiliated Portion of a Multi-Managed Portfolio from an underwriting syndicate a principal underwriter of which is an affiliated person of another Subadviser to that Multi-Managed Portfolio, thus fall within the prohibitions of section 10(f).

3. Applicants request relief pursuant to section 10(f) exempting from the provisions of section 10(f) any purchase of securities by an Unaffiliated Portion of a Multi-Managed Portfolio in the ordinary course of business during the existence of an underwriting or selling syndicate, a principla underwriter of which is an Affiliated Broker-Dealer. Applicants believe that the requested relief meets the standards set forth in section 10(f).

4. Applicants state that section 10(f) was designed to prevent the practice of ''dumping'' otherwise unmarketable securities on investment companies, either by forcing the investment company to purchase unmarketable securities from the underwriting affiliate itself, or by forcing or encouraging the investment company to purchase such securities from another member of the syndicate. Applicants submit that such abuses are not present in the context of Multi-Managed Portfolios to any greater extent than is the case with a series investment company with unaffiliated advisers to separate Portfolios. As stated above in the conext of transactions under sections 17(a) and (e), in each underwriting transaction that would be subject to the requested relief, the Unaffiliated Subadviser would be dealing, on behalf of the Unaffiliated Portion of the Multi-Managed Portfolio, with an Affiliated Broker-Dealer that is an unrelated entity in an arm's length arrangement.

5. Rule 10f–3 exempts certain transactions from the prohibitions of section 10(f) if specified conditions are met. Paragraph (b)(7) of rule 10f–3 provides that the amount of securities of any class of an issue to be purchased by the investment company, or by two or more investment companies having the same investment adviser, shall not exceed certain percentages specified in the rule. Applicants request exemptive relief pursuant to section 10(f) to the extent necessary so that where a portion of a Multi-Managed Portfolio managed by an Affiliated Subadviser purchases securities in reliance upon rule 10f–3, for purposes of determining the Affiliated Subadviser's compliance with the percentage limits of rule 10f–3(b)(7), such purchases will not be aggregated with any purchases that might be made by an Unaffiliated Portion of the same Multi-Managed Portfolio. Applicants believe the requested relief meets the standards of section 10(f) for the reasons discussed above.

Applicants' Conditions

Applicants agree that the requested order will be subject to the following conditions:

1. Each Multi-Managed Portfolio will be advised by SAAMCo and at least one other Unaffiliated Subadviser and will be operated consistent with the manner described in the application.

2. The Affiliated Broker-Dealer will not be an affiliated person or a second-

tier affiliate of SAAMCo, any Unaffiliated Subadviser, or any officer, director, or employee of the Fund engaging in the transaction.

3. No Affiliated Subadviser will directly or indirectly consult with any Unaffiliated Subadviser concerning allocation of principal or brokerage transactions.

4. No Affiliated Subadviser will participate in any arrangement under which the amount of its subadvisory fees will be affected by the investment performance of an Unaffiliated Subadviser.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–8929 Filed 4–3–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–23096]

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

March 31, 1998.

The following is a notice of applications for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of March 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 April 27, 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.

EV Traditional Worldwide Health Sciences Fund, Inc. [File No. 811–4196]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On August 31, 1997, applicant transferred its assets and liabilities to a corresponding new series of the Eaton Vance Growth Trust based on the relative net asset value per share. Applicant paid approximately $6,600 in expenses related to the reorganization.

Filing Dates: The application was filed on October 15, 1997 and amended on March 18, 1998.

Applicant's Address: 24 Federal Street, Boston, MA 02110.

Dean Witter High Income Securities [File No. 811–07157], Dean Witter National Municipal Trust [File No. 811–07163]

Summary: Each applicant seeks an order declaring that it has ceased to be an investment company. On November 10, 1997, Dean Witter High Income Securities (''HIS'') and Dean Witter National Municipal Trust (''NMT'') each transferred all assets and liabilities to Dean Witter High Yield Securities Inc. and Dean Witter Tax-Exempt Securities Trust, respectively, based on the relative net asset values per share. Dean Witter InterCapital Inc., applicants' investment adviser, bore all of the expenses in connection with the reorganizations, which amounted to approximately $268,000 for the reorganization of HIS and approximately $220,000 for the reorganization of NMT.

Filing Dates: Both applications were filed on December 9, 1997. The application for NMT was amended on February 18, 1998, and the application for HIS was amended on February 19, 1998.

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

The Alabama Tax-Exempt Bond Trust, Series 1 [File No. 811–4094], The Alabama Tax-Exempt Bond Trust, Series 2 [File No. 811–4232], The Alabama Tax-Exempt Bond Trust, Series 3 [File No. 811–4385], The Alabama Tax-Exempt Bond Trust, Series 4 [File No. 811–4535]

Summary: Each applicant seeks an order declaring that it has ceased to be an investment company. In April 1995, The Alabama Tax-Exempt Bond Trust, Series 1 distributed to unitholders their pro rate portion of cash proceeds from the liquidation of applicant's remaining assets less expenses. Expenses incurred in connection with the liquidation were approximately $310, and were allocated among existing units on a pro rata basis. In May 1995, The Alabama Tax-Exempt Bond Trust, Series 2 distributed to unitholders their pro rata portion of cash proceeds from the liquidation of applicant's remaining assets less expenses. Expenses incurred in connection with the liquidation were approximately $235, and were allocated among existing units on a pro rata basis. In December 1996, The Alabama Tax-Exempt Bond Trust, Series 3 and The Alabama Tax-Exempt Bond Trust, Series 4 each distributed to unitholders their pro rata portion of cash proceeds from the liquidation of each applicant's remaining assets less expenses. Expenses incurred in connection with the liquidations were approximately $260 and $270, respectively, and were allocated among existing units on a pro rata basis.

Filing Dates: The applications were filed on May 5, 1997, and amended on December 8, 1997.

Applicants' Address: 1901 Sixth Avenue South, Birmingham, Alabama 35203.

S&P STARS Fund [File No. 811–8800]

Summary: Applicant, a master fund in a master-feeder arrangement, seeks an order declaring that it has ceased to be an investment company. Applicant has a single feeder fund, the S&P STARS Portfolio (the ''STARS Portfolio''). On June 24, 1997, applicant redeemed its shares held by STARS Portfolio by delivering all of its portfolio securities to the STARS Portfolio. Applicant paid $25,981 in expenses related to the liquidation.

Filing Date: The application was filed on October 9, 1997, and an amendment thereto on February 6, 1998.

Applicant's Address: 245 Park Avenue, New York, New York 10167.

Cardinal Tax Exempt Money Trust [File No. 811–3686], Cardinal Government Securities Trust [File No. 811–3028], The Cardinal Fund, Inc. [File No. 811–1428], Cardinal Government Obligations Fund [File No. 811–4475]

Summary: Each applicant requests an order declaring that it has ceased to be an investment company. On May 1, 1996, each applicant transferred its assets and liabilities to a corresponding new series (each the ''Successor Fund'') of The Cardinal Group, based on the aggregate net asset value of each fund.

Cardinal Tax Exempt Money Trust reorganized into Cardinal Tax Exempt Money Market Fund. The total cost of the reorganization, which was split among the applicant, the Successor Fund, and the underwriter, was $26,008.