

by rule 17a-7(a). Applicants assert that if the Proposed Transactions were effected in cash, the CIFs and the Plans would have to bear unnecessary expense and inconvenience in transferring assets to the Funds. In addition, in order for the Conversion to take place, the Boards, including a majority of the disinterested members, shall have determined that the participation of each Portfolio in the Proposed Transactions is in the best interests of that Portfolio and that the interests of existing shareholders of the Portfolio will not be diluted as a result of the Conversion. Such findings and the basis on which they were made will be fully recorded by the Funds.

8. Applicants also state that the Plans are all employee benefit plans subject to the Employment Retirement Income Security Act of 1974 ("ERISA"). Section 406(a) of ERISA prohibits certain types of transactions between a plan and "parties in interest" (such as a plan fiduciary, a service provider, or an employer whose employees are covered by the plan). Because WTC is a fiduciary of the Affiliated Plans and the adviser to the Portfolios, the Conversion would be prohibited by section 406 of ERISA. WTC plans to submit an application for an exemption to the Department of Labor ("DOL"). To comply with the anticipated requirements for the exemption, the Conversions will be approved by each Affiliated Plan's employee benefit review committee (the "Committee"), which serves as a fiduciary for the Plan. In addition, if required by the DOL, the Conversion will be reviewed and approved by a fiduciary independent of WTC, Wilmington trust and their affiliates (an "Independent Fiduciary"), who will be retained solely for the purpose of determining the fairness to the Affiliated Plans of the Proposed Transactions.

Applicants' Conditions

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

1. The Proposed Transactions will comply with the terms of Rule 17a-7(b)-(f).

2. The Proposed Transactions will not occur unless and until: (a) the Boards (including a majority of their disinterested members) and the Committee and any Independent Fiduciary for the Affiliated Plans required by the DOL find that the Proposed Transactions are in the best interests of the Portfolios and the Plans, respectively; and (b) the Boards (including a majority of the disinterested members) find that the

interests of the existing shareholders of the Portfolios will not be diluted as a result of the Proposed Transactions. These determinations and the basis upon which they are made will be recorded fully in the records of the Funds and the Affiliated Plans, respectively.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-15154 Filed 6-5-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following open meeting during the week of June 8, 1998.

An open meeting will be held on Friday, June 12, 1998, at 11 a.m.

The subject matter of the open meeting scheduled for Friday, June 12, 1998, at 11 a.m., will be:

Consideration of whether to propose for public comment an amendment to rule 102(e) of the Commission's Rules of Practice clarifying the Commission's standard for determining when accountants engage in "improper professional conduct." For further information, please contact, Michael J. Kigin, Associate Chief Accountant, Office of Chief Accountant at (202) 942-4400.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 942-7070.

Dated: June 4, 1998.

Jonathan G. Katz,

Secretary.

[FR Doc. 98-15362 Filed 6-4-98; 3:52 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40050; File No. SR-NASD-98-37]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to SelectNet Fees

June 1, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on May 14, 1998, the National Association of Securities Dealers, Inc. ("NASD" or "Association") through its wholly owned subsidiary, the Nasdaq Stock Market, Inc. ("Nasdaq") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the NASD. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Nasdaq is herewith filing a proposed rule change to extend, through August 31, 1998, the fees currently charged under NASD Rule 7010(1) for the execution of transactions in SelectNet. Under the proposed extension, SelectNet fees would continue to be assessed in the following manner: (1) \$1.00 will be charged for each SelectNet order entered and directed to one particular market participant that is subsequently executed in whole or in part; (2) no fee will be charged to a member who receives and executes a directed SelectNet order; (3) the existing \$2.50 fee will remain in effect for both sides of executed SelectNet orders that result from broadcast messages; and (4) a \$.025 fee will remain in effect for any member who cancels a SelectNet order. If no further action is taken, SelectNet fees will revert to their original \$2.50 per-side level on September 1, 1998.

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 NASD included statements concerning the purpose of and basis for the proposed rule change. The text of these statements may be examined at places specified in Item IV below. The self-

¹ 15 U.S.C. 78s(b)(1).

regulatory organization 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 Statutory Basis for, the Proposed Rule Change

Nasdaq is proposing to extend its current SelectNet fees. The reasons for Nasdaq's prevailing SelectNet fee structure were fully explained in its original fee structure proposal filed with the Commission in February of this year.² Since then, SelectNet usage has continued at significantly elevated levels, averaging over 100,000 daily executions in both February and March of 1998. As such, Nasdaq believes that an extension of these reduced fees, through August 31, 1998, is warranted. Under the proposed extension, SelectNet fees would continue to be assessed in the following manner: (1) \$1.00 will be charged for each SelectNet order entered and directed to one particular market participant that is subsequently executed in whole or in part; (2) no fee will be charged to a member who receives and executes a directed SelectNet order; (3) the existing \$2.50 fee will remain in effect for both sides of executed SelectNet orders that result from broadcast messages; and (4) a \$0.25 fee will remain in effect for any member who cancels a SelectNet order. Nasdaq will continue to monitor and review SelectNet activity to determine if future changes to its SelectNet fee structure are appropriate. If no further action is taken, SelectNet fees will revert to their original \$2.50 per-side level on September 1, 1998.

For the reason set forth above, Nasdaq believes that the proposed rule change is consistent with Section 15A(b)(5) of the Act,³ which requires that the rules of the NASD provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the NASD operates or controls.

B. Self-Regulatory Organization's Statement on Burden on Competition

The NASD believes that the proposed rule change will not result in any burden on competition that is not

necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Comments were neither solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

This filing applies to the assessment of SelectNet fees to NASD members, and thus the proposed rule change is effective immediately upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act and subparagraph (e)(2) of Rule 19b-4 thereunder⁴ because the proposal is establishing or changing a due, fee or other charge. At any time within 60 days of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.⁵

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposal is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to the File No. SR-NASD-98-37 and should be submitted by June 29, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-15078 Filed 6-5-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40048; File No. SR-NASD-98-35]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change of Proposed Rule Change by National Association of Securities Dealers, Inc., Concerning Books and Records Requirements

May 29, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4² thereunder, notice is hereby given that on May 14, 1998, the National Association of Securities Dealers, Inc. ("NASD" or "Association"), filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD Regulation, Inc. ("NASD Regulation").³ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval of the proposed rule change.

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

NASD Regulation is proposing to amend Rule 3110 (the "Books and Records Rule") of the Conduct Rules of the NASD to: (1) amend the definition of "institutional account" to include the accounts of investment advisers that under the National Securities Markets Improvements Act of 1996⁴ and new rules adopted by the SEC, are now

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1) (1994).

² 17 CFR 240.19b-4 (1997).

³ This proposal rule change replaces proposed rule change File No. SR-NASD-98-30 which has been withdrawn. Letter from John M. Ramsay, Vice President and Deputy General Counsel, NASD Regulation, to Katherine A. England, Assistant Director, Division of Market Regulation, SEC, dated May 7, 1998. The proposed rule change was originally filed on May 7, 1998, but required a technical amendment to clarify the effective date. Letter from John M. Ramsay, Vice President and Deputy General Counsel, NASD Regulation to Katherine A. England, Assistant Director, Division of Market Regulation, SEC, dated May 14, 1998.

⁴ Pub. L. No. 104-290, 110 Stat. 3416 (1996).

² Securities and Exchange Act Release No. 39641 (February 10, 1998), 63 FR 8241 (February 18, 1998). Nasdaq's current reduced fee structure was approved for a 90-day trial period, commencing the day that proposal was published in the **Federal Register** and would lapse on May 18, 1998, if not extended by this filing.

³ 15 U.S.C. 78o-3(b)(5).

⁴ 15 U.S.C. 78s(b)(3)(A) and 17 CFR 240.19b-4(e)(2).

⁵ In reviewing the proposal, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. see 15 U.S.C. 78c(f).