

payable on each interest period or quarterly for interest periods beyond three months. Second, NEEI can borrow at the base rate of Credit Suisse, the principal Bank, payable quarterly in arrears and calculated on the basis of a 365/366 day year. Third, NEEI can borrow at a rate obtained through competitive bids from the Banks for funds in amounts over \$10 million.

Under the New Credit Agreement, a facility fee will be payable on the percentage amount of the obligation of each Bank to make advances to NEEI. The facility fee is payable upon each commitment, irrespective of usage, and will be calculated on the basis of the actual number of days elapsed in a year of 360 days. A one-time arrangement fee of \$40,000 also will be payable to Credit Suisse.

Credit Suisse will administer the New Credit Agreement for an annual fee of \$20,000, payable upon closing and once each year. An additional charge of \$750 will be payable for each NEEI request for a competitive bid.

To secure the funds borrowed, NEEI proposes to assign to the Banks its rights under the Fuel Purchase Contract with NEPCO and the Capital Funds Agreement and the Loan Agreement with NEES. Upon termination of the Fuel Purchase Contract, the funds will be secured by rights under the Capital Maintenance Agreement.

The effective cost of funds over the life of the New Credit Agreement will be approximately 32.5 basis points over LIBOR, based upon current NEPCO senior secured long-term debt ratings. Under the present credit agreement, the current effective spread over LIBOR is $\frac{5}{8}\%$, which would increase to $\frac{7}{8}\%$ between 1996 through 1998.

National Fuel Gas Company (70-8579)

National Fuel Gas Company ("National"), 10 Lafayette Square, Buffalo, New York 14203, a registered holding company, has filed a declaration under sections 6(a), 7 and 12(b) of the Act and rule 45 thereunder.

National proposes to issue and sell, from time to time through December 31, 2000, up to 2,000,000 shares of its authorized but unissued common stock, \$1.00 par value ("Common Stock"), to Chemical Bank (or such other bank or trust company as National may from time to time designate), as agent for the participants in National's Dividend Reinvestment and Stock Purchase Plan ("Plan"). The price of shares of Common Stock sold by National to the Plan will be the average of the daily high and low sales prices of National's common stock on the New York Stock Exchange on the 15th day of the

applicable month, or, if the New York Stock Exchange is not open for trading on that date, such average on the next succeeding date on which the New York Stock Exchange is open for trading.

National proposes to use the proceeds from the sale of the Common Stock to repay existing short-term and long-term debt, to pay interest and dividends, to make additional capital contributions to its wholly owned subsidiaries and for other corporate purposes. The amount of proposed capital contributions to each subsidiary will not, in any one year, exceed the amount that the subsidiary is authorized by the Commission to borrow from National's money pool, pursuant to HCAR No. 25964 (File No. 70-8297) or any subsequent money pool authorization.

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

Jonathan G. Katz,

Secretary.

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BILLING CODE 8010-01-M

[Rel. No. IC-20940/812-9396]

Norwest Funds, et al.; Notice of Application

March 6, 1995.

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

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "Act").

APPLICANTS: Norwest Funds, Norwest Select Funds, Core Trust (Delaware), Forum Funds, Inc. (collectively, the "Funds"), Norwest Bank Minnesota, N.A. ("Norwest"), Forum Advisors, Inc. ("FAI"), and H.M. Payson & Co., Inc. ("Payson") (collectively, the "Advisers").

RELEVANT ACT SECTIONS: Order requested under sections 6(c) and 17(b) to exempt applicants from section 17(a), and under rule 17d-1 to permit certain transactions in accordance with section 17(d) and rule 17d-1.

SUMMARY OF APPLICATION: Applicants request an order that would permit certain money market funds to sell their shares to affiliated investment companies.

FILING DATE: The application was filed on December 21, 1994 and amended on February 24, 1995.

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 March 31, 1995, and should be accompanied by proof of service on 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicants, Norwest Funds, Norwest Select Funds, 61 Broadway, New York, New York 10006; Core Trust, Forum Funds, Inc., Forum Advisors, Inc., Two Portland Square, Portland, Maine 04101; H.M. Payson & Co., Inc., One Portland Square, Portland, Maine 04101.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Staff Attorney, at (202) 942-0574, or Robert A. Robertson, 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 at the SEC's Public Reference Branch.

Applicants' Representations

1. Each Fund is registered under the Act as an open-end management investment company and is comprised of multiple series. Norwest Funds and Forum Funds offer both non-money market series and money market series. Norwest Select Funds and Core Trust offer only non-money market series. All existing and future non-money market series of the Funds relying on the relief granted are hereinafter referred to as "Non-Money Market Series." The existing and future money market series of the Funds relying on the relief granted are hereinafter referred to as "Money Market Series." Applicants request relief on behalf of any future series or registered investment company advised by the Advisers or any investment adviser controlling, controlled by or under common control with the Advisers.

2. Norwest is the investment adviser for each series of Norwest Funds and Norwest Select Funds, and for two series of Core Trust. FAI serves as investment adviser for each of the Forum Funds series, except for the Payson Balanced Fund and Payson Value Fund, which are advised by Payson. Each of the Advisers is

registered under the Investment Advisers Act of 1940. Applicants request relief on behalf of any investment adviser controlling, controlled by, or under common control with the Advisers. Forum Financial Services, Inc. is the principal underwriter and manager for each series of Norwest Funds, the Norwest Select Funds, and Forum Funds.

3. Each Non-Money Market Series will hold a portion of its net assets in cash or short-term investments ("Uninvested Cash") pending investment in portfolio securities, or for meeting expected redemptions or other purposes. Applicants propose that: (a) each Non-Money Market Series advised by Norwest would be permitted to invest its Uninvested Cash in shares of one or more Money Market Series advised by Norwest; and (b) Non-Money Market Series advised by FAI or Payson would be permitted to invest in shares of one or more Money Market Series advised by FAI or Payson. Where a Non-Money Market Series would have more than one Money Market Series available for investment, the decision as to which Money Market Series in which it would invest (if any) will be made by the investment adviser of the Non-Money Market Series solely on the basis of the investment adviser's view as to the suitability and investment merits of the respective Money Market Series as compared to all available, competitive short-term instruments. Where a Money Market Series offers more than one class of securities, each Non-Money Market Series would invest only in the class with the lowest expense ratio at the time of investment.

Applicants' Legal Analysis

1. Applicants request an order under sections 6(c) and 17(b) of the Act granting an exemption from section 17(a) of the Act and under rule 17d-1 thereunder permitting certain joint transactions in accordance with section 17(d) of the Act and rule 17d-1. The order would permit: (a) the Non-Money Market Series to purchase, utilizing Uninvested Cash, and to redeem shares of the Money Market Series; (b) the Money Market Series to sell and redeem their shares to and from the Non-Money Market Series; and (c) the advisers to effect such purchases and redemptions of shares of the Money Market Series as investment adviser to the Funds.¹

2. Section 17(a) of the Act provides, in pertinent part, that it is unlawful for any affiliated person of a registered investment company, acting as

principal, to sell any security to, or purchase any security from, such investment company. Since the series of Norwest Funds and Norwest Select Funds share a common board of trustees and the series of Forum Funds share a common board of trustees, the series of each such Fund may be "affiliated persons" of each other under section 2(a)(3)(C) of the Act by virtue of the possibility that they may be deemed under common control with each other. Additionally, since the series of Norwest Funds, Norwest Select Funds, and Core Trust have the same investment adviser, they also may be "affiliated persons" of each other under section 2(a)(3)(C). Because of these potential affiliations, the sale of shares of the Money Market Series to the Non-Money Series, and the redemption of such shares from the Money Market Series, could be prohibited under section 17(a).

3. Section 17(b) of the Act provides that the SEC may, upon application, grant an order exempting applicants from section 17(a) if evidence establishes that: (a) 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 persons concerned; (b) the proposed transaction is consistent with the policy of each investment company concerned; and (c) the proposed transaction is consistent with the general purposes of the Act. Under section 6(c) of the Act, the SEC may exempt transactions from any provision of the Act or any rule or regulations thereunder "if and to the extent that such 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 request relief under sections 6(c) and 17(b) because they wish to engage in a series of transactions, rather than a single transaction.

4. Under the proposed transactions, the Non-Money Market Series will retain their ability to invest their cash balances directly in money market instruments as authorized by their respective investment objectives and policies. Under the proposal, shares of the Money Market Series will be purchased and redeemed at their net asset value, which is the same consideration paid and received for these shares by any other shareholder. These shares will be purchased and sold by the Non-Money Market Series on the same terms and on the same basis as shares are purchased and sold to all other shareholders.

5. On the other side of the proposed transactions, each Money Market Series reserves the right to discontinue selling shares to any Non-Money Market Series if the board of trustees of such applicants determine, based on then current facts and circumstances, that such sales would adversely affect its portfolio management and operations. In order to ensure that the Non-Money Market Series will not exert any undue influence on the voting process for any matter submitted to a vote by the shareholders of the Money Market Series, the Non-Money Market Series will vote their shares of each of the Money Market Series in proportion to the vote by all other shareholders of such Money Market Series. Based on the above, applicants believe that the proposed transactions satisfy the standards of sections 6(c) and 17(b).

6. Section 17(d) of the Act and rule 17d-1 thereunder provide that it is unlawful for an affiliated person of a registered investment company, acting as principal, to participate in any joint enterprise or other joint arrangement in which any such registered company is a participant. Rule 17d-1 provides that the SEC may issue an order permitting applicants to participate in a joint transaction after considering certain factors. The Money Market Series would purchase and redeem shares from the Non-Money Market Series. In addition, the Advisers manage assets of the Money Market and Non-Money Market Series. Due to the relationships between the Advisers and the Money Market and Non-Money Market Series, the proposed transactions between the Money Market and Non-Money Market Series could be deemed a joint enterprise or other joint arrangement.

7. The investment by the Non-Money Market Series in shares of the Money Market Series would be on the same basis and would be indistinguishable from any other shareholder account maintained by the Money Market Series. To the extent that any of the Non-Money Market Series invest in the Money Market Series as proposed, applicants believe that the Non-Money Market Series will participate on a fair and reasonable basis in the returns and expenses of the Money Market Series. Thus, applicants believe that relief is appropriate.

Applicants' Conditions

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

1. The shares of the Money Market Series sold to and redeemed from the Non-Money Market Series will not be subject to a sales load, redemption fee,

¹ Applicants will comply with the percentage limitations set forth in section 12(d)(1) of the Act.

or distribution fee under a plan adopted in accordance with rule 12b-1 under the Act.

2. The investment advisers and their respective affiliates, in their capacities as service providers for the Money Market Series, will remit to the respective Non-Money Market Series, or waive their fees with respect to the Non-Money Market Series, in an amount equal to all fees received by them or their affiliates under their respective agreements with the Money Market Series to the extent such fees are based upon the Non-Money Market Series' assets invested in shares of the Money Market Series. Any of these fees remitted or waived will not be subject to recoupment by the Series' investment advisers or their affiliates at a later date.

3. For the purpose of determining any amount to be waived and/or expenses to be borne to comply with an Expense Waiver, the adjusted fees for a Non-Money Market Series (gross fees minus Expense Waiver) will be calculated without reference to the amounts waived or remitted pursuant to condition 2. Adjusted fees then will be reduced by the amount waived pursuant to condition 2. If the amount waived pursuant to condition 2 exceeds adjusted fees, the Non-Money Market Series' investment adviser also will reimburse the Non-Money Market Series in an amount equal to such excess.

4. The Non-Money Market Series will vote their shares of each of the Money Market Series in the same proportion as the votes of all other shareholders in such Money Market Series.

5. The Non-Money Market Series will receive dividends and bear their proportionate share of expenses on the same basis as other shareholders of such Money Market Series. A separate account will be established in the shareholder records of each of the Money Market Series for each of the acquiring Non-Money Market Series.

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

Jonathan G. Katz,

Secretary.

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[Release No. 34-35443; File No. SR-PSE-95-06]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Pacific Stock Exchange, Inc. Relating to New Organizational Structures

March 6, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. § 78s(b)(1), notice is hereby given that on February 21, 1995, the Pacific Stock Exchange, Inc. ("PSE" or "Exchange") 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 self-regulatory organization. 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

The PSE is proposing to amend articles V and VIII of its Constitution to allow for the admission of entities with new organizational structures as member organizations.

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 self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-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

1. Purpose

The PSE Constitution currently allows members of the Exchange to confer the privileges of their memberships on a firm which may be either a partnership or a corporation. Recent changes to state corporate laws, however, have expanded the types of organizational structures available to such members. Accordingly, the Exchange is proposing to amend its Constitution to permit the Exchange, in its discretion, and on such terms and conditions as the Exchange

may prescribe, to approve business trusts, limited liability companies and other organizational structures as member organizations so long as the characteristics of the entity in question are essentially similar to those of corporations or partnerships.¹

Specifically, the Exchange is proposing to amend Article VIII, Section 1(a) of its Constitution to provide that the Exchange may, in its discretion, and on such terms as the Exchange may prescribe, approve as a member firm entities that have characteristics essentially similar to corporations, partnerships, or both. The proposed change states that such entities and persons associated therewith shall upon approval, be fully, formally and effectively subject to the jurisdiction, and to the Constitution and Rules, of the Exchange to the same extent and degree as are any other member organizations and persons associated therewith.

The Exchange is also proposing to amend Article V, Sections 4, 5, and 7 of the PSE Constitution (definitions of "member firm," "member organization," and "associated person") to be consistent with the proposed change to Article VIII, Section 1(a). Accordingly, the Exchange is proposing to add the phrase "other Organization" to the definitions of "member firm" and "member organization" and to add the phrases "member of a Limited Liability Company" and "trustee of a business trust" to the definition of "associated person."

2. Statutory Basis

The proposal is consistent with Section 6(b) of the Exchange Act, in general, and Section 6(b)(5), in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

¹ The Exchange stated that noncorporate or partnership entities would have to be structured in such a format that would qualify as a broker or dealer registered with the SEC pursuant to the Act, since this is a prerequisite to becoming an Exchange member organization. Telephone conversation between Michael D. Pierson, Senior Attorney, PSE, and Elisa Metzger, Senior Counsel, SEC, on March 3, 1995.