

2001 ("Operations Date"). The transmission assets that MGE plans to transfer to Transco comprise (i) transmission lines (including towers, poles, and conductors); (ii) transformers providing transformation within the bulk transmission system and between the bulk and area transmission systems; and (iii) substations that solely provide a transmission function. For purposes of establishing relative shares, the transferred transmission assets will be valued at their contribution value ("Contribution Value"), which is defined as original cost less accumulated depreciation, as adjusted on a dollar-for-dollar basis for deferred taxes, excess deferred taxes and deferred investment credits. Transco is expected to transfer operational control of its assets to the Midwest Independent System Operator by November 1, 2001.

Corporate Manager will manage Transco and will also initially hold a small portion, less than 1%, of Transco's membership interests. It will employ all personnel necessary to operate Transco and all of its expenses will be treated as Transco expenses.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 24781; 812-12150]

Nations Fund Trust, et al.; Notice of Application

December 1, 2000.

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

ACTION: Notice of an application under section 12(d)(1)(f) of the Investment Company Act of 1940 (the "Act") for an exemption from section 12(d)(1)(G)(i)(II) of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit funds of funds relying on section 12(d)(1)(G) of the Act to invest in certain securities and other financial instruments.

APPLICANTS: Nations Fund Trust ("NFT"), Nations Fund, Inc. ("NFI"), Nations Reserves ("NR"), Nations Funds Trust ("NFST"), Nations Annuity Trust ("NAT") and Nations Master Investment Trust ("NMIT") (individually, a "Company" and collectively, the "Companies"), and Banc of America

Advisors, Inc. (together with any successor, "BAAI").¹

FILING DATES: The application was filed on June 27, 2000. 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 December 26, 2000, and should be accompanied by proof of service on the 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, NW., Washington, DC 20549-0609; Applicants, c/o Robert B. Carroll, Esq., Bank of America Corporation, One Bank Of America Plaza, NC1-002-33-31, 101 South Tryon Street, Charlotte, NC 28255.

FOR FURTHER INFORMATION CONTACT: Jean. E. Minarick, Senior Counsel, at (202) 942-0527, or Christine Y. Greenless, 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 Commission's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (telephone (202) 942-8090).

Applicant's Representation

1. The Companies are all members of the Nations Funds, a family of funds currently including more than seventy funds. Each Company is an open-end management investment company registered under the Act and is organized as a Massachusetts or Delaware business trust, or a Maryland corporation. BAAI serves as the investment adviser to each Fund (as defined below), except the Funds which are "feeder" funds that invest all of their

assets in the portfolios of NMIT and have no direct investment advisory arrangement. Nations Equity Income Fund is a series of NFI. Nations Equity Income Fund seeks to provide current income and growth of capital by investing in companies with above-average dividend yields. Nations Convertible Securities Fund is a series of NR. Nations Convertible Securities Fund seeks to provide investors with a total investment return, comprised of current income and capital appreciation, consistent with prudent investment risk.

2. Nations Equity Income Fund will invest in shares of Nations Convertible Securities Fund, and will invest directly in certain debt and equity securities or other financial instruments ("Other Securities").² Applicants request that the relief also apply to (a) any existing or future registered open-end management investment company advised by BAAI, or any entity controlling, controlled by, or under common control with BAAI (also a "Company"), and (b) any existing or future series of any Company advised by BAAI, or any entity controlling, controlled by, or under common control with BAAI (individually, a "Fund" and collectively, the "Funds") that is a series of, or part of the same "group of investment companies" (as defined in Section 12(d)(1)(G)(ii) of the Act) as NFT, NFI, NR, NFST, NAT and NMIT (any such Company or Fund that invests in an Underlying Fund (as defined below) is an "Upper Tier Fund"). Any registered open-end management investment company (or series thereof) or registered unit investment trust whose shares are purchased by an Upper Tier Fund and which is part of the same group of investment companies, as defined in section 12(d)(1)(G)(ii) of the Act, as the Upper Tier Fund is an "Underlying Fund."³

3. Applicants state that BAAI may, but is not required to, reduce or waive advisory fees relating to an Upper Tier Fund's investment in shares of an Underlying Fund. Applicants further state that Nations Equity Income Fund intends to invest only in Primary A Shares of the Nations Convertible Securities Fund, which are not subject to front-end or contingent deferred sales

² These investments will not include shares of any registered investment companies that are not in the same group of investment companies as the Companies.

³ All existing investment companies that currently intend to rely on the order are named as applicants. Any registered open-end management investment company that may rely on the order in the future will do so only in accordance with the terms and conditions of the application.

¹ The term "successor" is limited to entities that result from a reorganization into another jurisdiction or a change in the type of business organization or other type of restructuring within the group of entities controlled by Bank of America Corporation.

charges, distribution fees, or shareholder servicing fees.

Applicant's Legal Analysis

1. Section 12(d)(1)(A) of the Act provides that no registered investment company ("acquiring company") may acquire securities of another investment company ("acquired company") if such securities represent more than 3% of the acquired company's outstanding voting stock or more than 5% of the acquiring company's total assets, or if such securities, together with the securities of other investment companies, represent more than 10% of the acquiring company's total assets. Section 12(d)(1)(B) of the Act provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company's voting stock, or if the sale will cause more than 10% of the acquired company's voting stock to be owned by investment companies.

2. Section 12(d)(1)(G) of the Act provides that section 12(d)(1) will not apply to securities of an acquired company purchased by an acquiring company if: (a) The acquiring company and the acquired company are part of the same group of investment companies; (b) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, government securities, and short-term paper; (c) the aggregate sales loads and distribution-related fees of the acquiring company and the acquired company are not excessive under rules adopted pursuant to section 22(b) or section 22(c) of the Act by a securities association registered under section 15A of the Securities Exchange Act of 1934 or by the Commission; and (d) the acquired company has a policy that prohibits it from acquiring securities of registered open-end management investment companies or registered unit investment trusts in reliance on section 12(d)(1)(F) or (G). Applicants state that the proposed arrangement would comply with the provisions of section 12(d)(1)(G), but for the fact that an Upper Tier Fund's investments will include shares of one or more Underlying Funds as well as Other Securities.

3. Section 12(d)(1)(J) of the Act provides that the Commission may exempt persons or transactions from any provision of section 12(d)(1) if, and to the extent that, the exemption is consistent with the public interest and the protection of investors. Applicants request an order under section

12(d)(1)(J) exempting them from section 12(d)(1)(G)(i)(II). Applicants assert that permitting the Upper Tier Funds to invest in the Underlying Funds and Other Securities as described in the application would not raise any of the concerns that the requirements of section 12(d)(1)(G) were designed to address.

Applicants' Conditions

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

1. Before approving any advisory contract under section 15 of the Act, the board of directors of NFI (on behalf of Nations Equity Income Fund) or any other Company (on behalf of another Upper Tier Fund), including a majority of the independent directors who are not "interested persons," as defined in section 2(a)(19) of the Act, will find that advisory fees, if any, charged under the contract are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to any Underlying Fund's advisory contract; provided, however, that no such finding will be necessary if: (a) The Upper Tier Fund pays no advisory fee on assets invested in an Underlying Fund; or (b) the Upper Tier Fund pays an advisory fee on assets invested in an Underlying Fund and either (i) the Underlying Fund pays no advisory fee, or (ii) the advisory fee paid by the Upper Tier Fund is reduced by the proportional amount of the advisory fee paid by the Underlying Funds with respect to the shares held by the Upper Tier Fund. If a finding is necessary, the finding, and the basis upon which the finding was made, will be recorded fully in the minute books of NFI or other relevant Company (on behalf of another Upper Tier Fund).

2. Applicants will comply with all provisions of section 12(d)(1)(G), except for section 12(d)(1)(G)(i)(II) to the extent that it restricts Nations Equity Income Fund or any Upper Tier Fund from investing in Other Securities as described in the application.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-24780; 812-12316]

Vision Group of Funds, et al.; Notice of Application

December 1, 2000.

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

ACTION: Notice of an 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: Applicants request an order to permit the proposed reorganizations of eleven series (the "Acquired Funds") of Governor Funds with and into eleven series of Vision Group of Funds ("Vision Funds") (the "Acquiring Funds," and together with the Acquired Funds, the "Funds"). Because of certain affiliations, applicants may not rely on rule 17a-8 under the Act.

APPLICANTS: Vision Funds, Governor Funds, Manufacturers and Traders Trust Company ("M&T Bank"), Governor Funds, and Martindale Andres & Company LLC ("Martindale").

FILING DATES: The application was filed on November 3, 2000. Applicants have agreed to file an amendment to the application 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 copies of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on December 26, 2000, 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, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549-0609. Applicants, c/o Victor R. Siclari, Esq., Federated Services Company, Federated Investors Tower—12th Floor, Pittsburgh, Pennsylvania 15222-3779.

FOR FURTHER INFORMATION CONTACT: Karen L. Goldstein, Senior Counsel, at (202) 942-0646, or Christine Y. Greenlees, Branch Chief, at (202) 942-