are not confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: August 15, 2001.

Jonathan G. Katz,

Secretary.

[FR Doc. 01–21158 Filed 8–21–01; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IA–1969; File No. 803–152]

Artisan Partners Limited Partnership; et al.; Notice of Application

August 16, 2001.

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

ACTION: Notice of Application for Exemption under the Investment Advisers Act of 1940 (''Advisers Act'').

APPLICANTS: Artisan Partners Limited Partnership (''APLP'') and Hirtle Callaghan Trust (''Trust'').

RELEVANT ADVISERS ACT SECTIONS: Exemption requested under section 206A of the Advisers Act from section 205 of the Advisers Act and Advisers Act rule 205–1.

SUMMARY OF APPLICATION: Applicants request an order permitting APLP to charge a performance fee based on the performance of that portion of a Trust portfolio managed by APLP (''APLP Account''). Applicants further request that the order permit them to compute the performance-related portion of the fee using changes in the APLP Account's gross asset value rather than net asset value.

FILING DATES: The application was filed on August 3, 2000, and amended on July 9, 2001 and August 1, 2001.

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 copies of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on September 10, 2001, 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 5th Street, NW., Washington, DC 20549–0609. Applicants, Artisan Partners Limited Partnership, 1000 North Water Street, Milwaukee, Wisconsin 53202; Hirtle Callaghan Trust, 575 Swedesford Road, Wayne, Pennsylvania 19087.

FOR FURTHER INFORMATION CONTACT: Sarah B. Ackerson, Senior Special Counsel, at (202) 942–4780, or Jennifer L. Sawin, Assistant Director, at (202) 942–0719 (Division of Investment Management, Office of Investment Adviser 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. APLP is an investment adviser registered under the Advisers Act. The Trust is an open-end management investment company registered under the Investment Company Act of 1940. The Trust was organized by Hirtle, Callaghan & Co. (''Hirtle Callaghan''), an investment adviser registered under the Advisers Act. The Trust is a series company that currently consists of several separate investment portfolios. Shares of the Trust are available only to clients of Hirtle Callaghan or clients of financial intermediaries, such as investment advisers, that are acting in a fiduciary capacity with investment discretion and that have established relationships with Hirtle Callaghan.

2. Hirtle Callaghan serves as a ''manager of managers'' for the Trust. Pursuant to its agreement with the Trust, Hirtle Callaghan is not authorized to exercise investment discretion with respect to the Trust's assets. Hirtle Callaghan is responsible for monitoring the overall investment performance of the Trust's portfolios and the performance of the portfolio managers that manage the Trust's portfolios. Hirtle Callaghan may also from time to time recommend that the Trust's Board of Trustee (the ''Board'') retain additional portfolio managers or terminate existing portfolio managers. Authority to select new portfolio managers and reallocate assets among the portfolio managers, however, resides with the Trust's Board.

3. APLP and Capital Guardian Trust Company (''Cap Guardian'') provide portfolio management services to the International Equity Portfolio (''Portfolio''), one series of the Trust. Pursuant to a portfolio management agreement, APLP provides portfolio management services for a portion of the Portfolio's assets that the Trust's Board allocates to APLP (''APLP Account''). Each of APLP and Cap Guardian manages a separate portion of the Portfolio, each acting as though it were advising a separate investment company. Percentage limitations on investments are applied to each portion of the Portfolio without regard to investments in the other adviser's portion of the Portfolio. Each adviser receives information about portfolio positions from the Trust or its custodian that generally contains only information about the portion of the Portfolio assigned to it and not about the positions held by the Portfolio as a whole. Each adviser generally is responsible for preparing reports to the Trust and the Board only with respect to its discrete portion of the Portfolio.

4. APLP is not affiliated with Hirtle Callaghan, the Trust, or Cap Guardian (except to the extent such affiliation may exist because APLP serves as an investment adviser to the Portfolio). APLP's services to the Trust are limited to investment selection for the APLP Account, placement of transactions for execution and certain compliance functions directly related to such services. APLP does not act as a distributor or sponsor for the Trust or Portfolio. No member of the Trust's Board is affiliated with APLP. APLP currently receives a fee at the annual rate of 0.40 percent of the average daily net assets of the APLP Account, payable monthly.

5. On June 8, 1999 the Trust's Board approved an amendment to the portfolio management agreement between APLP and the Trust under which the existing fee structure would be replaced with a fee structure that includes a performance component. On July 23, 1999 the shareholders of the Portfolio approved the amendment to the agreement.[1]

[1] The proxy statement associated with this shareholder meeting specifically informed shareholders that, if approved by the shareholders, the proposed fee would not become effective until receipt of assurances from the SEC that calculating the fee as proposed would not be viewed as

Continued

6. Under the proposed fee arrangement, APLP would receive an initial fee at the annual rate of 0.40 percent of the average daily net assets of the APLP Account, payable quarterly, for each of the first three quarters following the date on which the proposed fee arrangement becomes effective. At the end of the fourth quarter, APLP would begin to receive a base fee, payable quarterly, at an annual rate of 0.40 percent of the average daily net assets of the APLP Account. The base fee would be increased or decreased by a Performance Component. The Performance Component would equal 25 percent of the amount by which the gross performance of the APLP Account, during the 12 months immediately preceding the calculation date, exceeded or underperformed the sum of (i) the total return of the Morgan Stanley Capital International Europe, Australasia, Far East Index (''Index'') plus (ii) 40 basis points. Gross performance does not give effect to the Portfolio's expenses, but does reflect the effect (*i.e.*, reducing performance) of all applicable brokerage and transaction costs. The maximum annual fee payable for any 12 month period would not exceed 80 basis points, and there is no minimum fee. If the APLP underperforms the index by at least 120 basis points, APLP could receive no fee for a given period.[2] However, APLP's fee can never be less than zero.

Applicants' Legal Analysis

1. Section 205(a)(1) of the Advisers Act generally prohibits an investment adviser from entering into any investment advisory agreement that provides for compensation to the adviser on the basis of a share of capital gains or capital appreciation of a client's account.

2. Section 205(b) of the Advisers act provides a limited exception to this prohibition, permitting an adviser to charge a registered investment company and certain other entities a fee that increases and decreases ''proportionately with the investment performance of the investment company or fund over a specified period in relation to the investment record of an appropriate index of securities prices or such other measure of investment performance as the [SEC] by rule, regulation or order may specify.''

3. Rule 205–1 requires that the investment performance of an investment company be computed based on the change in the net (of all expenses and fees) asset value per share of the investment company.

4. Applicants request exemptive relief from section 205 and rule 205–1 to permit them to charge the proposed fee (i) applying the proposed fee only to the APLP Account and not to the Portfolio as a whole, and (ii) computing the Performance Component measured by the change in the APLP Account's gross asset value, rather than the change in the net asset value of the APLP Account.

5. Applicants state that Congress, in adopting and amending section 205 of the Advisers Act, and the SEC, in adopting rule 205–1, put into place safeguards designed to ensure that investment advisers would not take advantage of advisory clients.

6. Applicants assert that the SEC required that performance fees be calculated based on the net asset value of the investment company's shares to prevent a situation where an adviser could earn a performance fee even though investment company shareholders did not derive any benefit from the adviser's performance after the deduction of fees and expenses.

7. Applicants state that, unlike traditional performance fee arrangements, APLP would not receive the Performance Component of its fee unless its management of the APLP Account has resulted in performance in excess of the Index performance plus a ''performance hurdle'' equal to the 40 basis point base fee. Applicants assert that increasing the performance of the Index by the 40 basis point hurdle would have an effect similar to deducting APLP's fees. In the event the base fee changes, the performance hurdle also would be changed so that the maximum total fee would be twice the base fee and the minimum would remain zero, so that the fee would continue to have the potential to increase and decrease proportionately. Applicants state that since the fee structure contains a performance hurdle, the Portfolio's shareholders will have protections similar to those contemplated by the net asset value requirement of rule 205–1.

8. Applicants state that Congress concern, in enacting the safeguards of section 205, came about because the vast majority of investment advisers exercised a high level of control over the structuring of the advisory relationship. Applicants state that the proposed fee, however, was negotiated actively at arm's length between the parties. Applicants state that APLP has little, if any, influence over the overall management of the Trust or the Portfolio beyond stock selection, and does not control the Portfolio or the Trust. Management functions of the Trust and the Portfolio reside in the Trust's Board. The Trust is directly and fully responsible for supervising the Trust's service providers and monitoring expenses of each of the Trust's portfolios. The Trust's Board is responsible for allocating the assets of the several portfolios among the portfolio managers. Neither APLP nor its affiliates sponsored or organized the Trust, nor serves as a distributor or principal underwriter of the Trust. APLP and its affiliates do not own any shares issued by the Trust. No officer, director, or employee of APLP, or of its affiliates, serves as an executive officer or director of the Trust. Neither APLP nor any of its affiliates is an affiliated person of Hirtle Callaghan or any other person who consults or provides investment advice with respect to the Trust's advisory relationships (except to the extent that such affiliation may exist by reason of APLP serving as investment adviser to the Trust).

9. Applicants argue that the proposed fee arrangement satisfies the purpose of rule 205–1 because it was negotiated at arm's length between the parties and the Trust does not need the protections afforded by calculating a performance fee based on met assets. Applicants assert that the proposed fee arrangement is therefore consistent with the underlying policies of section 205 and rule 205–1 under the Advisers Act because it is appropriate in the public interest and consistent with the protection of investors and the purposes intended by the policies and provisions of the Advisers Act.

Applicant's Conditions

1. If the base fee changes, the performance fee will be adjusted to equal the base fee rate.

2. To the extent APLP relies on the requested order with respect to advisory arrangements with other investment companies that it advises, these arrangements will meet the following requirements: (i) The investment advisory fee will be negotiated between APLP and the investment company or its primary investment adviser; (ii) the fee structure will contain a performance hurdle that is, at all times, no lower than the base fee; (iii) neither APLP nor any of its affiliates will serve as distributor or sponsor of the investment

inconsistent with the Advisers Act, and that there could be no guarantee that the SEC would give such assurances.

[2] If application of the Performance Component to the first four quarters would result in an annual fee at a rate lower than 40 basis points, the amount of any excess fee paid for the first year would be credited to the Portfolio in subsequent quarters before additional fee amounts would be payable to APLP. If the portfolio management agreement between the Trust and APLP is terminated, the Trust would not recoup any outstanding excess fees that had been paid in previous quarters.

company; (iv) no member of the board of the investment company will be affiliated with APLP or its affiliates; (v) neither APLP nor any of its affiliates will organize the investment company; and (vi) neither APLP nor any of its affiliates will be an affiliated person of any primary adviser to the investment company or of any other person who consults or provides advice with respect to the investment company's advisory relationships (except to the extent that APLP may be affiliated with another portfolio manager by virtue of the fact that APLP or the affiliate serves as a portfolio manager to the investment company or to another investment company).

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

Jonathan G. Katz,

Secretary.

[FR Doc. 01–21119 Filed 8–21–01; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25113; File Nos. 812–12532 and 812–12534]

The Dreyfus/Laurel Funds, Inc., *et al.;* Notice of Applications

August 16, 2001.

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

ACTION: Notice of applications for orders under section 17(b) of the Investment Company Act of 1940 (the ''Act'') for exemptions from section 17(a) of the Act.

Summary of Applications: Applicants request orders to permit the proposed reorganizations of (a) Dreyfus Disciplined Smallcap Stock Fund (''Smallcap Stock Fund''), a series of The Dreyfus/Laurel Funds, Inc. (''Dreyfus/Laurel''), with and into MPAM Small Cap Stock Fund (''Small Cap Stock Fund''), a series of MPAM Funds Trust (''MPAM'') [File No. 812–12534], and (b) Dreyfus Disciplined Intermediate Bond Fund (''Intermediate Bond Fund''), a series of Dreyfus/Laurel, with and into MPAM Bond Fund (''Bond Fund''), a series of MPAM [File No. 812–12532]. Because of certain affiliations, Applicants may not rely on rule 17a–8 of the Act.

Applicants: Dreyfus/Laurel, MPAM and the Dreyfus Corporation (''Dreyfus'').

Filing Dates: The applications were filed on May 25, 2001 and amended on August 6, 2001.

Hearing or Notification of Hearing: Orders granting the requested relief 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 September 10, 2001 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 Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 5th Street, NW, Washington, DC 20549–0609. Applicants, c/o Clifford J. Alexander, Esq., Kirkpatrick & Lockhart LLP, 1800 Massachusetts Avenue, NW, 2d Floor, Washington, DC 20036–1800.

FOR FURTHER INFORMATION CONTACT: Jaea Hahn, Senior Counsel, at (202) 942–0614, or Janet Grossnickle, Branch Chief, at (202) 942–0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the applications. The complete applications may be obtained for a fee at the Commission's Public Reference Branch, 450 5th Street, NW, Washington, DC 20549–0102 (tel. 202–942–8090).

Applicants' Representations

1. Dreyfus/Laurel, a Maryland corporation, is registered under the Act as an open-end management investment company and currently offers nineteen series, including Smallcap Stock Fund and Intermediate Bond Fund. MPAM, a Massachusetts business trust, is registered under the Act as an open-end management investment company and currently offers thirteen series, including Small Cap Stock Fund and Bond Fund. Smallcap Stock Fund, Intermediate Bond Fund, Small Cap Stock Fund and Bond Fund are each a ''Fund.'' Smallcap Stock Fund and Intermediate Bond Fund are the ''Acquired Funds,'' and Small Cap Stock Fund and Bond Fund are the ''Acquiring Funds.''

2. Dreyfus, an investment adviser registered under the Investment Advisers Act of 1940, serves as investment adviser for the Acquired Funds. MPAM Advisers, a division of Dreyfus, serves as investment adviser for the Acquiring Funds. Dreyfus is a wholly owned subsidiary of Mellon Bank, N.A. (''Mellon Bank''), which is a wholly owned subsidiary of Mellon Financial Corporation (''Mellon''). As of April 10, 2001, Mellon, directly or through affiliates, owned, with power to vote in the aggregate, approximately 91% of the outstanding voting securities of Smallcap Stock Fund, 93% of the outstanding voting securities of Intermediate Bond Fund, 67% of the outstanding voting securities of Small Cap Stock Fund, and 69% of the outstanding voting securities of Bond Fund. No Mellon subsidiary owns an economic interest in any of the Funds that equals or exceeds five percent.

3. On April 26, 2001 and May 9, 2001, the board of directors or trustees of each Fund (the ''Boards''), including the directors or trustees who are not ''interested persons'' of the Funds, as defined in section 2(a)(19) of the Act (''Independent Directors''), unanimously approved an Agreement and Plan of Reorganization (each a ''Plan,'' and together the ''Plans'') for their respective funds. Under the Plans, each Acquiring Fund will acquire all of the assets and certain stated liabilities of the corresponding Acquired Fund in exchange for shares of the Acquiring Fund (each, a ''Reorganization''). The shares of each Acquiring Fund exchanged will have an aggregate net asset value equal to the aggregate net asset value of the corresponding Acquired Fund's shares determined as of the close of regular trading on the New York Stock Exchange on the closing date of each Reorganization (each, a ''Closing Date''). The value of the assets of each Fund will be determined according to the Fund's then-current prospectus and statement of additional information. As soon as practicable after each Closing Date, each Acquired Fund will make a pro rata distribution of shares of the corresponding Acquiring Fund to its shareholders and liquidate.

4. Applicants state that the Acquiring Funds have investment objectives, policies and restrictions that are substantially similar to those of the Acquired Funds. Smallcap Stock Fund currently offers shares that are not subject to sales charges, but are subject to distribution fees. Shareholders of the Smallcap Stock Fund will receive shares of one of two classes of Small Cap Stock Fund,[1] neither of which will have either

[1] Small Cap Stock Fund currently offers only one class of shares, which it proposes to designate as ''MPAM Shares.'' On May 9, 2001, the Trust filed with the Commission a Post-Effective Amendment to its Registration Statement on Form N–1A to register Small Cap Stock Fund's ''Investor Shares.'' MPAM Shares will be for MPAM clients that maintain qualified fiduciary, custody or other accounts with Mellon Bank or Boston Safe Deposit and Trust Company, or their bank affiliates (''MPAM Clients''). Smallcap Stock Fund

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