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Dated: June 15, 1998.

Andrew L. Bates,

Advisory Committee Management Officer.

[FR Doc. 98-16379 Filed 6-18-98; 8:45 am]

BILLING CODE 7590-01-P

SECURITIES AND EXCHANGE COMMISSION

Existing Collection; Comment Request

Upon written request, copies available from: Securities and Exchange Commission, Office of Filings and Information Services, 450 5th Street, N.W., Washington, D.C. 20549

Extension:

Rule 45, SEC File No. 270-164, OMB Control No. 3235-0154

Rule 52, SEC File No. 270-326, OMB Control No. 3235-0369

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) the Securities and Exchange Commission ("Commission") is soliciting comments on the collections of information summarized below. The Commission plans to submit these existing collections of information to the Office of Management and Budget for extension and approval.

Rule 45 under the Public Utility Holding Company Act of 1935 (15 U.S.C. 79A, *et seq.*) ("Act") imposes a filing requirement of registered holding companies and their subsidiaries under section 12(b) of the Act. Under the requirement, the companies must file a declaration seeking authority to make loans or otherwise extend credit to other companies in the same holding company system. Among others, the rule excepts from the filing requirement the performance of payment obligations under consolidated tax agreements. The purpose of the rule is to ensure that registered holding companies and their subsidiaries do not engage in activities that are a detriment to interests the Act is designed to protect (*i.e.*, cross-subsidization). The Commission estimates that the total annual reporting and recordkeeping burden is 46 hours. (*e.g.*, 14 recordkeepers x approximately 3.3 hours = approximately 46 hours).

Rule 52 under the Act permits public utility subsidiary companies of registered holding companies to issue and sell certain securities without filing a declaration if certain conditions are met. The purpose of collecting the information is to determine the existence of detriment to interests the

Act was designed to protect. The Commission estimates that the total annual reporting and recordkeeping burden of collections under rule 52 is 33 hours (*e.g.*, 33 responses x one hour = 33 burden hours).

The estimates of average burden hours are made for the purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms.

Written comments are invited on: (a) whether the proposed collections of information are necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Dated: June 11, 1998.

Jonathan G. Katz,

Secretary.

[FR Doc. 98-16352 Filed 6-18-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23251; 812-11118]

Fountain Square Funds, et al.; Notice of Application

June 12, 1998.

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

ACTION: Notice of application for an order 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 certain series of the Fountain Square Funds ("FSF") to acquire all of the assets and certain stated liabilities of certain series of The Cardinal Group ("Cardinal").

APPLICANTS: FSF, Cardinal, Cardinal Management Corp. ("CMC"), and Fifth Third Bank (the "Bank").

FILING DATES: The application was filed on May 1, 1998. 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 July 7, 1998, and should be accomplished 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 who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Fountain Square Funds and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263. The Cardinal Group and Cardinal Management Corp., 155 East Broad Street, Columbus, Ohio 43215.

FOR FURTHER INFORMATION CONTACT: Kathleen L. Knisely, Staff Attorney, at (202) 942-0517, or George J. Zornada, 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, N.W., Washington, D.C. 20549 (tel. 202-942-8090).

Applicants' Representations

1. FSF is a Massachusetts business trust registered under the Act as an open-end management investment company. FSF currently has sixteen separate series, five of which are the acquiring funds ("Acquiring Funds"). The Bank, an Ohio state-chartered bank, serves as the investment adviser to FSF. The Bank is not required to register under the Investment Advisers Act of 1940 ("Advisers Act"). The Bank is a subsidiary of Fifth Third Bancorp ("Fifth Third"), a bank holding company.

2. Cardinal is an Ohio business trust registered under the Act as an open-end management investment company.

Cardinal currently has six separate series, five of which are termed the "Acquired Funds" for purposes of this application (the Acquired Funds together with the Acquiring Funds, the "Funds").¹ CMC serves as the investment adviser to Cardinal and is registered under the Advisers Act. CMC is a subsidiary of The Ohio Company. The Ohio Company, as a fiduciary for its customers, owns more than 5% of each of the Acquired Funds.

3. On or about July 12, 1998, The Ohio Company will merge with a subsidiary of Fifth Third ("The Ohio Company Merger"). As a result of the Ohio Company Merger, CMC will become an indirect subsidiary of Fifth Third.

4. On March 12, 1998, the board of trustees of Cardinal, including a majority of its trustees who are not "interested persons" under section 2(a)(19) of the Act, approved and authorized an Agreement and Plan of Reorganization and Liquidation (the "Reorganization Agreement") pursuant to which the Acquiring Funds will acquire a corresponding series of the Acquired Funds having similar investment objectives. Pursuant to the Reorganization Agreement, as soon as practicable after July 13, 1998 or such later date as the parties may mutually agree ("Closing Date"), 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 equal in value to the Acquired Fund's aggregate net asset value, computed as of the close of business on the last day preceding the Closing Date (the "Reorganizations").² As soon as practicable after the Closing Date, each Acquired Fund will liquidate and distribute *pro rata* to the Acquired Fund's shareholders of record, determined as of the close of business on the Closing Date, the Acquiring Fund's shares received by the Acquired Fund.

5. The Acquired Funds, except for the Cardinal money market funds, offer two classes of shares, Investor Y ("Institutional") Shares and Investor A ("Investor") Shares. The Acquiring

Fund currently offer two classes of shares, Investment A Shares and Investment C Shares, but will begin offering Institutional Shares in connection with the Reorganizations.

6. In the Reorganizations, holders of Institutional Shares of an Acquired Fund will receive Institutional Shares of the corresponding Acquiring Fund and holders of Investor Shares of an Acquired Fund will receive Investment A Shares of the corresponding Acquiring Fund. Holders of the Cardinal money market funds who are eligible to purchase Institutional Shares will receive Institutional Shares of the corresponding Acquiring Fund. Holders of the Cardinal money market funds who are not eligible to purchase Institutional Shares will receive Investment A Shares of the corresponding Acquiring Fund. No sales charges will be imposed in connection with the Reorganizations.

7. Institutional Shares of the Acquired and the Acquiring Funds are not subject to any asset-based distribution fees. Institutional Shares of the Acquired Funds are subject to an administrative service fee of .15% of average net assets. Institutional Shares of the Acquiring Funds are not subject to administrative service fees. Investor Shares and Investment A Shares are both subject to a 4.5% front-end sales charge. Investor Shares and Investment A shares also are subject to asset-based distribution fees of up to .25% of the average net assets. After the Reorganizations the Acquiring Funds will begin paying asset-based distribution fees, with the exception of the Fountain Square Tax Exempt Money Market Fund for which these fees will be waived. None of the classes of the Acquiring and the Acquired Funds are subject to any redemption fees.

8. The investment objectives of each Acquired Fund and its corresponding Acquiring Fund are substantially similar. The investment policies and restrictions of each Acquired Fund and its corresponding Acquiring Fund also are substantially similar, but in some cases involve differences that reflect the differences in the general investment strategies used by the Acquiring Funds.

9. The board of directors of the Acquiring and the Acquired Funds (collectively, "Boards") approved the Reorganizations as in the best interests of the existing shareholders and determined that the interests of the existing shareholders will not be diluted as a result of the Reorganizations. The Boards, including a majority of the disinterested trustees (the "Independent Trustees"), considered various factors in approving the Reorganizations, including that: (i) the investment

objectives and policies of the Acquiring and the Acquired Funds are substantially similar; (ii) no sales charges will be imposed in connection with the Reorganizations; (iii) the Reorganizations will be free from federal income taxes; (iv) the conditions and policies of rule of 17a-8 under the Act will be followed; (v) the Reorganizations will be based on net asset values calculated by the Bank, as custodian of the Acquiring Funds, in accordance with the stated policies and procedures of both the Acquiring and Acquired Funds; (vi) the Reorganizations will be submitted to shareholders of the Acquired Funds in a combined proxy statement/prospectus; and (vii) no overreaching of any person is occurring. Expenses incurred in connection with the Reorganizations will be borne by the Bank.

10. The Reorganization Agreement may be terminated at any time prior to the Closing Date (a) by mutual written consent of the Acquiring and Acquired Funds or (b) by either an Acquiring or an Acquired Fund by written notice to the other, without liability on the part of either party, if circumstances develop that, in the opinion of the Board of either Fund, make proceeding with the Reorganizations not in the best interests of the Fund's shareholders.

11. A registration statement on Form N-14 was filed with the Commission on April 6, 1998 and became effective on May 27, 1998. Applicants mailed a prospectus/proxy statement to shareholders of the Acquired Funds on or about June 1, 1998. A special meeting of the Acquired Funds' shareholders will be held on July 10, 1998 to vote on the Reorganizations.

12. The consummation of the Reorganizations is subject to the following conditions, as set forth in the Reorganization Agreement: (i) the N-14 Registration Statement will have become effective; (ii) the Acquired Funds' shareholders will have approved the Reorganization Agreement; (iii) applicants will have received exemptive relief from the Commission with respect to the issues in the application; (iv) the Acquiring and the Acquired Funds will have received an opinion of counsel concerning the federal income tax aspects of the Reorganizations; and (v) each Acquired Fund will have declared a dividend or dividends to distribute substantially all of its investment company taxable income and net gain, if any, to its shareholders. Applicants agree not to make any material changes to the Reorganization Agreement that affect the application without prior Commission approval.

¹ The sixth series also is an acquired fund but no relief is being sought for this series because it may rely on rule 17a-8.

² The Acquired Funds and the corresponding Acquiring Funds are: (i) The Cardinal Fund and Fountain Square Cardinal Fund; (ii) Cardinal Aggressive Growth Fund and Fountain Square Mid Cap Fund; (iii) Cardinal Balanced Fund and Fountain Square Balanced Fund; (iv) Cardinal Government Securities Money Market Fund and Fountain Square Government Cash Reserves Fund; (v) Cardinal Tax Exempt Money Market Fund and Fountain Square Tax Exempt Money Market Fund.

Applicants' Legal Analysis

1. Section 17(a) of the Act generally prohibits an affiliated person of a registered investment company, or an affiliated person of that person, acting as principal, from selling any security to, or purchasing any security from, the company. Section 2(a)(3) of the Act defines an "affiliated person" of another person to include (a) any person that directly or indirectly owns, controls, or holds with power to vote 5% or more of the outstanding voting securities of the other person; (b) any person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote by the other person; (c) any person directly or indirectly controlling, controlled by, or under common control with the other person; and (d) if the other person is an investment company, any investment adviser of that company.

2. Rule 17a-8 under the Act exempts from the prohibitions of section 17(a) mergers, consolidations, or purchases or sales of substantially all of the assets of registered investment companies that are affiliated persons solely by reason of having a common investment adviser, common directors/trustees, and/or common officers, provided that certain conditions set forth in the rule are satisfied.

3. Applicants believe that they may not rely on rule 17a-8 under the Act because the Funds may be affiliated for reasons other than those set forth in the rule. Because the Ohio Company owns 5% or more of each of the Acquired Funds, each Acquired Fund may be deemed an "affiliated person" of each Acquiring Fund.

4. Section 17(b) of the Act provides that the Commission may exempt a transaction from the provisions of section 17(a) if the evidence establishes that the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

5. Applicants request an order under section 17(b) of the Act exempting them from section 17(a) of the Act to the extent necessary to consummate the Reorganizations. Applicants submit that the terms of the Reorganizations satisfy the standards set forth in section 17(b) of the Act. Applicants also note that the Boards of the Acquiring and the Acquired Funds, including the Independent Trustees, have determined

that the Reorganizations are in the best interests of their shareholders and that the interests of the existing shareholders of the Funds will not be diluted as a result of the Reorganizations. In addition, applicants state that the exchange of the Acquired Funds' shares for shares of the Acquiring Funds will be based on the Funds' relative net asset values.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 98-16346 Filed 6-18-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26885]

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

June 12, 1998.

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 under the Act. 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 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 July 6, 1998, to the Secretary, Securities and Exchange Commission, Washington, D.C. 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 should 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 July 6, 1998, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Eastern Utilities Associates (70-9205)

Notice of Proposal to Amend Declaration of Trust to Eliminate

Requirement of Shareholder Approval For the Sale By Eastern Utility Associates of Any of Its Majority-Owned Subsidiaries; Order Authorizing Solicitation of Proxies

Eastern Utilities Associates, ("EUA"), P.O. Box 2333, Boston, Massachusetts 02107, a registered holding company, has filed a declaration with the Commission under section 6(a)(2), 7, and 12(e) of the Public Utility Holding Company Act of 1935, as amended ("Act"), and rules 62 and 65 under the Act.

EUA's declaration of trust ("Declaration of Trust") currently provides that a two thirds majority of the holders of its outstanding common shares entitled to vote must approve the sale by EUA of any of its majority-owned subsidiaries. EUA seeks authority to amend its Declaration of Trust to eliminate this requirement ("Proposed Amendment").

EUA proposes to solicit proxies from its common shareholders ("Shareholders") to approve the Proposed Amendment at a special meeting scheduled for July 20, 1998 ("Special Meeting"). Accordingly, EUA requests that an order authorizing the solicitation of proxies be issued as soon as practicable under rule 62(d).

It is ordered, under rule 62 under the Act, that the declaration regarding the proposed solicitation of proxies can become effective immediately, subject to the terms and conditions contained in rule 24 under the Act.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 98-16347 Filed 6-18-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26886]

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

June 12, 1998.

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 under the Act. 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 is/are available for