that individuals appear to be ''more comfortable'' raising safety concerns without fear of retaliation.

In sum, although, as a result of a general weakness in communications at the licensee's facility, there may have been, in the past, a reluctance among employees to raise safety concerns, NRC has found that the licensee has taken numerous effective corrective actions to ensure that employees are encouraged to raise nuclear safety concerns. Additionally, as stated earlier, PVAMC is on an accelerated inspection schedule, and this issue will be reviewed during future inspections. Therefore, the Petitioner's assertions regarding this issue do not provide a basis that would warrant the action she has requested.

The Petitioner also asserts that NRC withdrew a civil penalty after a change in NRC Region I management, possibly because it was not ''cost-effective'' to pursue the issue. She states that NRC's withdrawal of a civil penalty involving a violation of protected activities sent a ''chilling'' effect to individuals both within and external to the PVAMC who may have thought of raising a safety concern.

NRC staff assumes that the Petitioner is referring to the NOV dated September 18, 1996 (EA 96–182). As discussed earlier, NRC issued a NOV and Proposed Imposition of Civil Penalty of $8000 to PVAMC as a result of concluding that PVAMC had discriminated against the Petitioner for raising safety concerns in November 1995, related to then-impending Federal government furloughs. NRC had identified this violation based on the determination of the DOL Acting District Director of the Wage and Hour Division that the Petitioner had been chastised by her immediate supervisor, the Chief of Engineering, for raising safety concerns. However, as explained previously, after its review of all of the available information, including the results of the OI investigation and PVAMC's responses to the NOV, NRC concluded, in a letter dated September 27, 1997, that the violation would be more appropriately classified as a Severity Level III violation and that enforcement discretion would be exercised to withdraw the civil penalty, pursuant to Section VII.B.6 of the Enforcement Policy. In this case, the determination to withdraw the civil penalty was made based on the fact that the chastisement of the Petitioner did not substantially affect the conditions of her employment; an apology was issued; she remained the RSO; DOL had concluded that it found that PVAMC had met the terms and conditions of remedies it had outlined concerning the violation; and investigations conducted by DOL and OI failed to substantiate that there had been any continued discrimination against the Petitioner. Nonetheless, while NRC believes that there is no merit to the Petitioner's assertion that the decision to withdraw the civil penalty resulted from the fact that it was not ''cost-effective'' to pursue the issue against PVAMC, the Petition was forwarded to the Office of the Inspector General for its review on February 12, 1998.

IV. Conclusion

NRC has determined that, for the reasons discussed above, the Petitioner has not provided a sufficient basis for taking any action to suspend or revoke PVAMC's license, as requested in the Petition. Accordingly, the Petition is denied.

As provided by 10 CFR § 2.206(c), a copy of this Decision will be filed with the Secretary of the Commission, for the Commission's review. The Decision will become the final action of the Commission 25 days after issuance unless the Commission, on its own motion, institutes review of the Decision within that time.

Dated at Rockville, Maryland, this 28th day of August, 1998.

For the Nuclear Regulatory Commission.

Carl J. Paperiello,

Director, Office of Nuclear Material Safety and Safeguards.

[FR Doc. 98–24011 Filed 9–4–98; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23420; 812–11286]

DG Investor Series, et al.; Notice of Application

August 31, 1998.

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

ACTION: Notice of application for exemption under section 6(c) of the Investment Company Act of 1940 (the ''Act'') from section 15(a) of the Act.

SUMMARY OF APPLICATION: The requested order would amend a prior order (the ''Prior Order'') [1] permitting the implementation, without prior shareholder approval, of new advisory (''New Management Agreement'') and sub-advisory agreements (''New Sub-Advisory Agreements'') (collectively, the ''New Agreements'').

APPLICANTS: Parksouth Corporation (''Adviser''), Womack Asset Management (''Womack''), Bennett Lawrence Management, LLC (''Bennett''), Lazard Asset Management, a division of Lazard Freres & Co. LLC (''Lazard''), and DG Investor Series (the ''Trust'').

FILING DATE: The application was filed on August 31, 1998. Applicants have agreed to file an amendment during the notice period, the substance of which is described in this notice period, the substance of which is described in this notice. *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 5:00 p.m. on September 21, 1998, 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 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. Trust, Adviser, Womack, Bennett, and Lazard, c/o Timothy S. Johnson, Esq., Federated Investors, 5800 Corporate Drive, Pittsburgh, Pennsylvania 15237–7010.

FOR FURTHER INFORMATION CONTACT: John K. Forst, Attorney Advisor, at (202) 942–0569, or Mary Kay Frech, Branch Chief, at (202) 942–0564 (Office of Investment Company Regulation, Division of Investment Management).

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, 450 Fifth Street, NW, Washington, DC 20549 (tel. 202–942–8090).

Applicants' Representations

1. The Trust is a Massachusetts business trust registered under the Act as an open-end management investment company. The Trust currently offers nine series: DG Equity Fund, DG Opportunity Fund (''Opportunity Fund''), DG Mid Cap Fund (''Mid Cap Fund''), DG International Equity Fund (''International Equity Fund''), DG Limited Term Government Income Fund, DG Government Income Fund,

[1] *DG Investor Series, et al.*, Investment Company Act Release Nos. 23107 (April 9, 1998) (notice) and 23163 (April 30, 1998) (order).

DG Municipal Income Fund, DG Prime Money Market Fund, and DG Treasury Money Market Fund (each a ''Portfolio''). The assets of the Trust are managed by the Adviser pursuant to an investment management contract between the Adviser and the Trust on behalf of each Portfolio (the ''Existing Management Agreement''). Womack provides investment advisory services to the Opportunity Fund pursuant to a separate agreement with the Adviser. Bennett provides investment advisory services to the Mid Cap Fund pursuant to a separate agreement with the Adviser. Lazard provides investment advisory services to the International Equity Fund pursuant to a separate agreement with the Adviser (collectively the existing Womack, Bennett and Lazard sub-advisory agreements are the ''Existing Sub-Advisory Agreements''). The Adviser, Womack, Bennett, and Lazard are investment advisers registered under the Investment Advisers Act of 1940.

2. On May 1, 1998, Deposit Guaranty Corporation (''DGC''), corporate parent of the Advisor merged with First American Corporation (''First American''), a bank holding company (the ''Transaction''). As a result of the Transaction, the Adviser became a wholly-owned subsidiary of First American.

3. The Transaction resulted in an assignment and thus the automatic termination of the Existing Management Agreement and Existing Sub-Advisory Agreements (together, the Existing Management Agreement and Existing Sub-Advisory Agreements are the ''Existing Agreements''). On April 30, 1998, the SEC issued the Prior Order permitting (i) the implementation, during the Interim Period (as defined below), prior to obtaining shareholder approval, of the applicable New Agreements, and (ii) the Adviser and Subadvisers to receive from each Portfolio all fees earned under the New Agreements during the Interim Period, as applicable, if, and to the extent, the New Management Agreement and applicable New Sub-Advisory Agreement are approved by the shareholders of each Portfolio. The Prior Order covered the Interim Period beginning on the date the Transaction was consummated and continued through the date on which the applicable New Agreements are approved or disapproved by the shareholders of each relevant Portfolio, but in no event later than September 30, 1998. Applicants seek to amend the Prior Order to extend the Interim Period until the date on which the applicable New Agreements are approved or disapproved by the shareholders of each relevant Portfolio, but in no event later than December 31, 1998.

4. Applicants state that the officers of the Trust and of the Adviser have been diligently exploring different scenarios under which the shareholders of the Trust can benefit from economies of scale and/or reduced fees and expenses. Applicants have recently concluded that these benefits could best be achieved by merging or otherwise combining the Portfolios with other registered investment companies advised by other subsidiaries of First American (the ''Fund Mergers''). Applicants anticipate the Fund Mergers will be considered by the Trust's board of directors at a special meeting on or about the week of September 7, 1998.

5. Applicants seek to avoid the potential shareholder confusion caused by soliciting approval of the New Agreements and then shortly thereafter soliciting approval for the Fund Mergers. Applicants propose to delay approval of the New Agreements and seek approval of the New Agreements and Fund Mergers simultaneously during 1998. Applicants state that the Adviser and Sub-Advisers will bear the costs of preparing and filing this application and the costs relating to the solicitation of shareholder approval of the New Agreements and the Fund Mergers.

6. Applicants state that they will comply with all of the terms and conditions of the Prior Order.

Applicants' Legal Analysis

1. Section 15(a) of the Act provides, in pertinent part, that it is unlawful for any person to serve as an investment adviser to a registered investment company, except pursuant to a written contract that has been approved by the vote of a majority of the outstanding voting securities of the investment company. Section 15(a) further requires the written contract to provide for its automatic termination in the event of its ''assignment.'' Section 2(a)(4) of the Act defines ''assignment'' to include any direct or indirect transfer of a contract by the assignor, or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor. Applicants state that the Transaction resulted in an assignment of the Existing Management Agreement and the Existing Sub-Advisory Agreements and that the Existing Agreements terminated according to the Act and their terms.

2. Section 6(c) provides that the SEC may exempt any person, security, or transaction from any provision of the Act, 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 believe that the requested relief meets this standard.

3. Applicants believe that allowing the Adviser and Subadvisers to continue to provide investment advisory services to the Portfolios during the Interim Period as extended by the requested order, thereby avoiding any interruption in services to the Portfolios, is in the best interests of the Portfolios and their shareholders. Applicants state that officers of First American and of the Trust have recently formulated definitive plans for a combination of the Portfolios with another registered investment company advised by a subsidiary of First American. Applicants note that if First American had decided to allow the proxy solicitation to occur with respect to the New Agreements and subsequently determined to solicit shareholders regarding a Fund Merger, the inconvenience and possible confusion and disruption to shareholders of the Portfolios could have been quite significant. Applicants state that they will comply with all terms and conditions of the Prior Order except that the shareholders meeting under condition 3 of the Prior Order must take place prior to December 31, 1998.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–23972 Filed 9–4–98; 8:45 am]

BILLING CODE 8010–01–M

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 meeting during the week of September 7, 1998.

A closed meeting will be held on Thursday, September 10, 1995, at 10:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or