

The responsibility of taking remedial action in the event of a Board determination of a material irreconcilable conflict and to bear the cost of such remedial action will be a contractual obligation of all Participating Parties under their participation agreements and these responsibilities will be carried out with a view only to the interests of the contract owners and participants in Qualified Plans, as applicable.

5. For the purposes of condition 4, a majority of the disinterested members of the Board of the affected Fund will determine whether or not any proposed action adequately remedies any material irreconcilable conflict, but in no event will the Fund or the Advisor be required to establish a new funding medium for any Variable Contract or Qualified Plan. No participating insurance company will be required by condition 4 to establish a new funding medium if an offer to do so has been declined by a vote of a majority of contract owners materially adversely affected by the material irreconcilable conflict. No Qualified Plan will be required by condition 4 to establish a new funding medium for the Plan if: (a) a majority of Plan participants materially and adversely affected by the material irreconcilable conflict vote to decline the offer; or (b) pursuant to governing Plan documents and applicable law, the Plan makes the decision without a vote of Plan participants.

6. A Board's determination of the existence of a material irreconcilable conflict and its implications will be made known promptly in writing to the Advisor and all Participating Parties.

7. As to Variable Contracts issued by Separate Accounts, participating insurance companies will provide pass-through voting privileges to all contract owners so long as and to the extent that the Commission continues to interpret the 1940 Act to require pass-through voting privileges for Variable Contract owners. As to Variable Contracts issued by unregistered separate accounts, pass-through voting privileges will be extended to participants to the extent granted by the issuing insurance company. Participating insurance companies will be responsible for assuring that each of their registered Separate Accounts participating in a Fund calculate voting privileges as instructed by a Fund with the objective that each such participating insurance company calculate voting privileges in a manner consistent with other participating insurance companies. The obligation to calculate voting privileges in a manner consistent with all other Separate Accounts investing in a Fund

will be a contractual obligation of all participating insurance companies under their participating agreements. Each participating insurance company will vote Fund shares held by Separate Accounts for which it has not received voting instructions, as well as shares attributable to it, in the same proportion as it votes shares for which it has received voting instructions. Each Qualified Plan will vote as required by applicable law and governing Plan documents.

8. Each Fund will comply with all provisions of the 1940 Act requiring voting by shareholders (which, for these purposes, will be the persons having a voting interest in the Fund's shares). In particular each Fund will either provide for annual meetings (except insofar as the Commission may interpret section 16 not to require such meetings) or, if annual meetings are not held, comply with section 16(c) of the 1940 Act (although the Trust is not, and the Funds may not be, one of the trusts described in section 16(c) of the 1940 Act), as well as sections 16(a) and, if and when applicable, 16(b). Further, the Funds will act in accordance with the Commission's interpretation of the requirements of Section 16(a) with respect to periodic elections of Trustees and with whatever rules the Commission may promulgate with respect thereto.

9. The Funds will notify all participating insurance companies that prospectus disclosure regarding potential risks of mixed and shared funding may be appropriate. A Fund will disclose in its prospectus that: (a) Shares of the Fund are offered to insurance company separate accounts offered by various participating insurance companies which fund both annuity and life insurance contracts and to Qualified Plans; (b) due to differences in tax treatment or other considerations, the interests of various contract owners participating in the Fund and the interests of Qualified Plans investing in the Fund might at some time conflict; and (c) the Board will monitor for any material conflicts and determine what action, if any, should be taken.

10. No less than annually, the Participating Parties and/or the Advisor will submit to the Boards such reports, materials or data as each Board may reasonably request so that the Boards may carry out fully the obligations imposed upon them by the conditions contained in the Application. These reports, materials and data shall be submitted more frequently if deemed appropriate by the Boards. The obligations of the Participating Parties to provide these reports, materials and

data to the Boards will be a contractual obligation of all Participating Parties under the participation agreements.

11. All reports received by a Board of potential or existing conflicts, and all Board action with regard to determining the existence of a conflict, notifying the Adviser or Participating Parties of a conflict, and determining whether any proposed action adequately remedies a conflict, will be properly recorded in the minutes of the Board or other appropriate records, and these minutes or other records will be made available to the Commission upon request.

12. If and to the extent Rule 6e-2 and Rule 6e-3(T) are amended, or Rule 6e-3 is adopted, to provide exemptive relief from any provision of the 1940 Act or the rules thereunder with respect to mixed or shared funding on terms and conditions materially different from those of any exemptions granted in the order requested in the Application, then the Funds and/or the Participating Parties, as appropriate, shall take such steps as may be necessary to comply with Rule 6e-2 and Rule 6e-3(T), as amended, and Rule 6e-3, as adopted, to the extent these rules are applicable.

13. In the event that a Qualified Plan should ever become an owner of 10% or more of the assets of a Fund, such Qualified Plan will execute a participation agreement with the Fund. A Qualified Plan will execute a certification containing an acknowledgment of this condition at the time of its initial purchase of shares of each Fund.

Conclusion

For the reasons summarized above, Applicants assert that the requested exemptions are appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITY AND EXCHANGE COMMISSION

[Docket No. IC-23765]

Notice of Application for Deregistration under Section 8(f) of the Investment Company Act of 1940

March 26, 1999.

The following is a notice of applications for deregistration under

section 8(f) of the Investment Company Act of 1940 for the month of March 1999. A copy of each application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth St., N.W., Washington, DC 20549-0102 (tel. 202-942-8090). An order granting each application will be issued unless the SEC orders a hearing. Interested persons may request a hearing on any application by writing to the SEC's Secretary at the address below and serving the relevant applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on April 20, 1999, and should be accompanied by proof of service on the 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 Secretary, SEC, 450 Fifth Street, N.W., Washington, DC 20549-0609. For Further Information Contact: Diane L. Titus, at (202) 942-0564, SEC, Division of Investment Management, Office of Investment Company Regulation, Mail Stop 5-6, 450 Fifth Street, N.W., Washington, DC 20549-0506.

Kemper Gold Fund [File No. 811-6334]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On July 31, 1991, applicant made a liquidating distribution to its shareholders at net asset value per share. Expenses incurred in connection with the liquidation were \$7,000 and were borne by applicant and Kemper Financial Services, Inc., the applicant's investment adviser.

Filing Dates: The application was filed on December 10, 1997, and amended on February 16, 1999.

Applicant's Address: 222 South Riverside Plaza, Chicago, IL 60606.

Kemper Environmental Services Fund [File No. 811-6060]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On August 26, 1994, applicant transferred all of its assets, less reserves for debt, to the Kemper Technology Fund in exchange for Class A shares based on net asset value per share. Expenses incurred in connection with the merger were \$28,000 and were borne by applicant.

Filing Dates: The application was filed on December 10, 1997, and amended on February 16, 1999.

Applicant's Address: 222 South Riverside Plaza, Chicago, IL 60606-5808.

Kemper Government Money Market Fund [File No. 811-3316]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On November 14, 1986, applicant was reorganized into the Government Securities Portfolio of Kemper Money Market Fund (now Zurich Money Funds) and transferred all of its assets and liabilities to the Government Securities Portfolio in exchange for shares based on net asset value per share. Expenses incurred in connection with the reorganization were \$30,000 and were borne by applicant.

Filing Dates: The application was filed on December 10, 1997, and amended on February 16, 1999.

Applicant's Address: 222 South Riverside Plaza, Chicago, IL 60606-5808.

Kemper New York Tax-Free Fund [File No. 811-4411]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. Applicant was reorganized as the New York Portfolio, a series of Kemper State Tax-Free Income Fund, and, on July 27, 1990, transferred all of its assets and liabilities to the New York Portfolio in exchange for shares based on net asset value per share. Expenses incurred in connection with the reorganization were \$30,000 and were borne by applicant.

Filing Dates: The application was filed on December 10, 1997, and amended on February 16, 1999.

Applicant's Address: 222 South Riverside Plaza, Chicago, IL 60606-5808.

Dean Witter Retirement Series [File No. 811-6682]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. By September 14, 1998, each of applicant's eleven series had transferred all of its assets and liabilities to a corresponding series of Morgan Stanley Dean Witter Funds, based on the relative net asset value per share. Expenses of approximately \$948,163 were incurred in connection with the reorganization and were borne by Morgan Stanley Witter Advisors Inc., the investment adviser of applicant and each acquiring fund.

Filing Dates: The application was filed on November 25, 1998, and amended on March 5, 1999.

Applicant's Address: Two World Trade Center, New York, New York 10048.

Oppenheimer Time Fund [File No. 811-2171]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On June 23, 1995, applicant transferred all of its assets to Oppenheimer Target Fund ("Target Fund"), in exchange for shares of Target Fund, based on the relative net asset values per share. Expenses of approximately \$37,326 incurred in connection with the reorganization were paid equally by applicant and the Target Fund.

Filing Dates: The application was filed on November 20, 1998, and amended on March 12, 1999.

Applicant's Address: Two World Trade Center, New York, New York 10048-0203.

SBSF Funds, Inc. (dba Key Mutual Funds) [File No. 811-3792]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. By March 23, 1998, each of applicant's eight series had transferred all of their assets and liabilities to corresponding series of The Victory Portfolios (the "Company") in exchange for shares of the Company based on the relative net asset values. Approximately \$107,000 in expenses were incurred in connection with the reorganization and were paid by KeyCorp, a holding company affiliated with Key Asset Management Inc., the investment adviser for applicant and the Company.

Filing Dates: The application was filed on December 8, 1998, and amended on March 8, 1999.

Applicant's Address: 3435 Stelzer Road, Columbus, Ohio 43219.

Dean Witter Global Asset Allocation Fund [File No. 811-7233]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On September 21, 1998, applicant transferred its assets and liabilities to Morgan Stanley Dean Witter Strategist Fund ("Strategist"), in exchange for shares of Strategies based on the relative net asset values. Expenses of approximately \$88,000 were incurred in connection with the reorganization and were paid by applicant.

Filing Dates: The application was filed on January 19, 1999, and amended on March 19, 1999.

Applicant's Address: Two World Trade Center, New York, New York 10048.

**Van Kampen Small Capitalization Fund
[File No. 811-6421]**

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On February 12, 1999, applicant made a liquidating distribution to its sole shareholder. Expenses of approximately \$450 incurred in connection with the liquidation were paid by Van Kampen Investments Inc., the holding company of applicant's adviser.

Filing Dates: The application was filed on March 4, 1999. Applicant has agreed to file an amendment during the notice period.

Applicant's Address: 1 Parkview Plaza, P.O. Box 5555, Oakbrook Terrace, Illinois 60181.

The Cardinal Group [File No. 811-7588]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On September 19, 1998, applicant transferred the assets and liabilities of its six series to corresponding series of Fountain Square Funds in exchange for shares of the corresponding acquiring fund based on net asset value. Expenses of approximately \$550,000 were incurred in connection with the reorganization and were paid by Fifth Third Bank, the investment adviser to the acquiring funds.

Filing Dates: The application was filed on March 5, 1999. Applicant has agreed to file an amendment during the notice period.

Applicant's Address: 155 East Broad Street, Columbus, Ohio 43215.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-8063 Filed 3-31-99; 8:45 am]

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**SECURITIES AND EXCHANGE
COMMISSION**

[Release No. 34-41211; File No. 600-22]

**Self-Regulatory Organizations; MBS
Clearing Corporation; Notice of Filing
and Order Granting Approval of
Extension of Temporary Registration
as a Clearing Agency**

March 24, 1999.

On March 11, 1999, the MBS Clearing Corporation ("MBSCC") filed¹ with the

Securities and Exchange Commission ("Commission") an application pursuant to Section 19(a) of the Securities Exchange Act of 1934 ("Act")² requesting that the Commission grant MBSCC permanent registration as a clearing agency under Section 17A of the Act or in the alternative extend MBSCC's temporary registration until permanent registration is granted.³ Because MBSCC's current temporary registration expires on March 31, 1999, the Commission is extending MBSCC's temporary registration as a clearing agency through March 31, 2000, while the Commission completes its review of MBSCC's application for permanent registration. The Commission is publishing this notice and order to solicit comments from interested persons and to extend MBSCC's temporary registration as a clearing agency through March 31, 2000.

On February 2, 1987, the Commission granted MBSCC's application for registration as a clearing agency pursuant to Sections 17A(b)⁴ and 19(a)(1)⁵ of the Act and Rule 17Ab2-1(c)⁶ thereunder for a period of eighteen months.⁷ Subsequently, the Commission has extended MBSCC's temporary registration as a clearing agency several times with the most current extension extending MBSCC's temporary registration through March 31, 1999.⁸

As discussed in detail in the original order granting MBSCC's registration, one of the primary reasons for MBSCC's registration was to enable it to provide for the safe and efficient clearance and settlement of transactions in mortgage-backed securities. Since its original temporary registration order, MBSCC has implemented many improvements and continues to work towards enhancing the safety and efficiency of its operations. For example, during the past year, MBSCC modified its rules to strengthen its processes for liquidating open trades when MBSCC ceases to act for a participant.⁹ In addition, MBSCC increased the number of directors on its

board of directors from thirteen to fifteen, which allows two additional participants to be represented MBSCC's board.¹⁰

MBSCC has functioned effectively as a registered clearing agency for over ten years. Accordingly, in light of MBSCC's past performance and the need for continuity of the services MBSCC provides to its participants, the Commission believes that it is necessary and appropriate in the public interest and for the prompt and accurate clearance and settlement of securities transactions to extend MBSCC's temporary registration through March 31, 2000. During this temporary registration period, the Commission anticipates that it will act on MBSCC's application for permanent registration. Any comments received during MBSCC's temporary registration will be considered in conjunction with the Commission's review of MBSCC's request for permanent registration as a clearing agency under Section 17A of the Act.¹¹

Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the request for permanent registration as a clearing agency that are filed with the Commission, and all written communications relating to the extension between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of MBSCC. All submissions should refer to File No. 600-22.

Conclusion

On the basis of the foregoing, the Commission finds the extending MBSCC's temporary registration as a clearing agency is consistent with the

² 15 U.S.C. 78s(a).

³ 15 U.S.C. 78q-1.

⁴ 15 U.S.C. 78q-1(b).

⁵ 15 U.S.C. 78s(a)(1).

⁶ 17 CFR 240.17Ab2-1(c).

⁷ Securities Exchange Act Release No. 24046 (February 2, 1987), 52 FR 4218.

⁸ Securities Exchange Act Release Nos. 25957 (August 2, 1988), 53 FR 29537; 27079 (July 31, 1989), 54 FR 34212; 28492 (September 28, 1990), 55 FR 41148; 29751 (September 27, 1991), 56 FR 50602; 31750 (January 21, 1993), 58 FR 6424; 33348 (December 15, 1993), 58 FR 68183; 35132 (December 21, 1994), 59 FR 67743; 37372 (June 26, 1996), 61 FR 35281; 38784 (June 27, 1997) 62 FR 36587; and 39776 (March 20, 1998) 63 FR 14740.

⁹ Securities Exchange Act Release No. 39747 (March 13, 1999), 63 FR 13712 [File No. FR-MBSCC-97-10].

¹⁰ Securities Exchange Act Release No. 41104 (December 5, 1997), 62 FR 65466 [File No. FR-MBSCC-98-03].

¹¹ 15 U.S.C. 78q-1.

¹ Letter from Anthony H. Davidson, Managing Director and General Counsel, MBSCC (March 11, 1999).