

investment company. On August 7, 1998, applicant made a final liquidating distribution to its unitholders at the net asset value per unit. As of December 1, 1999, applicant had 1 account totaling 5 units that had not surrendered its certificate. Funds representing the aggregate liquidation value of applicant's remaining units are being held by Chase Manhattan Bank, N.A. Expenses of approximately \$2,600 incurred in connection with the liquidation were paid by applicant.

Filing Dates: The application was filed on May 25, 1999, and amended on December 14, 1999.

Applicant's Address: 1221 Post Road East, Westport, CT 06880.

WPG Growth Fund [File No. 811-4446]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On November 30, 1998, applicant made a final liquidating distribution to its shareholders based on net asset value. Expenses of \$3,000 incurred in connection with the liquidation were paid by applicant.

Filing Date: The application was filed on December 7, 1999.

Applicant's Address: One New York Plaza, New York, New York 10004.

Bear Stearns Investment Trust [File No. 811-7290]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On July 29, 1999, applicant transferred its assets to Emerging Markets Debt Portfolio, a series of The Bear Stearns Funds ("Acquiring Fund"), in exchange for shares of the Acquiring Fund based on net asset value per share. Expenses of approximately \$105,300 were incurred in connection with the reorganization, of which the Acquiring Fund paid 70% and applicant paid the remaining 30%.

Filing Date: The application was filed on November 10, 1999.

Applicant's Address: 575 Lexington Avenue, New York, New York 10022.

LifeUSA Funds, Inc. [File No. 811-7865] IAI Investment Funds V, Inc. [File No. 811-4463]

Summary: Each applicant seeks an order declaring that it has ceased to be an investment company. On October 30, 1998, each applicant had made a final liquidating distribution to its shareholders based on net asset value. Expenses of \$3,897 and \$11,933, respectively, incurred in connection with the liquidations were paid by Investment Advisers, Inc., the investment adviser for each applicant.

Filing Date: Each application was filed on December 3, 1999.

Applicants' Address: 3700 U.S. Bank Place, 601 Second Street South, Minneapolis, Minnesota 55402.

The Alabama Tax-Exempt Bond Trust, Series 5 [File No. 811-5044]

Summary: Applicant, a unit investment trust, seeks an order declaring that it has ceased to be an investment company. On August 1, 1998, applicant made a final liquidating distribution to its shareholders based on net asset value. No expenses were incurred in connection with the liquidation.

Filing Date: The application was filed on November 30, 1999.

Applicant's Address: 1901 Sixth Avenue North, Birmingham, Alabama 35203.

The Fahnstock Funds [File No. 811-6166]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On September 29, 1999, applicant transferred its assets to Ivy US Emerging Growth Fund, based on net asset value. Expenses of \$160,000 incurred in connection with the reorganization were paid by Fahnstock & Co. Inc., applicant's principal underwriter.

Filing Date: The application was filed on November 18, 1999.

Applicant's Address: 125 Broad Street, New York, New York 10004.

Lexington Convertible Securities Fund [File No. 811-4925]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On April 30, 1999, applicant transferred all of its assets and liabilities to Ariston Convertible Securities Fund, a newly created series of AmeriPrime Funds, based on net asset value. Expenses of approximately \$14,327 incurred in connection with the reorganization were paid by applicant.

Filing Dates: The application was filed on September 27, 1999, and amended on November 19, 1999.

Applicant's Address: Lexington Funds, Park 80 West Plaza Two, Saddle Brook, New Jersey 07663.

Lexington Strategic investments Fund, Inc. [File No. 811-2506]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On June 25, 1999, applicant transferred all of its assets and liabilities to Lexington Goldfund, Inc., based on net asset value. Expenses of \$128,338 incurred in connection with the reorganization were paid by applicant.

Filing Dates: The application was filed on September 27, 1999, and amended on November 19, 1999.

Applicant's Address: Lexington Funds, Park 80 West Plaza Two, Saddle Brook, New Jersey 07663.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-33344 Filed 12-22-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42241; File No. SR-MSRB-99-8]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Granting Approval to Proposed Rule Change Relating to Reports of Sales and Purchases, Pursuant to Rule G-14

December 16, 1999.

I. Introduction

On September 7, 1999, the Municipal Securities Rulemaking Board ("MSRB" or "Board") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to produce a daily report containing information on individual transactions in frequently traded municipal securities.

The proposed rule change was published for comment in the **Federal Register** on November 8, 1999,³ No comments were received on the proposal. This order approves the proposal.

II. Description of the Proposal

The Board proposed to institute a service ("Service") to produce a daily public report containing information on individual transactions in frequently traded municipal securities ("Daily Transaction Report" or "Report"). The transaction information in the Report will come from dealer reports made to the Board pursuant to MSRB Rule G-14, which governs reports of sales or purchases.

Currently, the MSRB publishes transaction data in the Combined Daily Report and the Inter-Dealer Report. Like

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 42090 (November 2, 1999), 64 FR 60865.

these other reports, the Daily Transaction Report will contain information about transactions made in "frequently traded" municipal issues. As with the current reports, the phrase "frequently traded" will be defined as issues trading at least four or more times on a business day for which the prices are reported. In addition, like the current transaction reports, the proposed Report will be produced and made available electronically by approximately 7:00 a.m. on the business day following the trade date. The main difference between the proposed Daily Transaction Report and the current reports is that the proposed Report will provide transaction detail on each reported trade in a frequently traded issue, rather than merely providing the high, low, and average prices.

The Daily Transaction Report will be available by subscription. Subscribers will be required to sign a subscription agreement, but will not be charged a fee for the Report.

As described above, the proposed Report will provide information on individual transactions in frequently traded municipal securities. In particular, the Report will contain, for each transaction, the CUSIP number, a short description of the issue, the par value traded, the time of the trade reported by the dealer, and the price of the transaction.⁴ The Report will classify transactions into three categories: (1) Sales by dealers to customers, (2) purchases by dealers from customers, and (3) inter-dealer trades. The Report will be organized by issue, with the most frequently traded issues listed first. Within each issue, trades will be listed in order of the time of trade, from the earliest reported to the latest.

⁴ A dollar price is given for each transaction listed on the report. If the dealer submits a yield with the transaction report, the yield is included with the dollar price. There are instances, however, when a yield is not reported. For example, dealers for secondary market inter-dealer transactions do not submit yields because the automated comparison system used to report inter-dealer trades cannot accept yield information on those transactions. In addition, dealers cannot report a yield for customer transactions done on a dollar price basis that involve defaulted or variable rate securities. Transactions including customers or dealers in new issues without a determined settlement date may be effected and reported by dealers with a dollar price or yield. The MSRB Transaction Reporting System will calculate a dollar price from yields submitted for these transactions, using an assumed settlement date if necessary. There must be, however, sufficient securities data available to make this calculation (e.g., coupon, dated date, maturity date, first interest payment date, etc.). For additional information, see "Public Reporting of Transactions in Municipal Securities: Rule G-14," *MSRB Reports*, Vol. 18, No. 2 (August 1998) at 25-27.

The Board will provide details on how to subscribe to the report via the Internet before the Report becomes operations.

III. Discussion

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the Board.⁵ In particular, the Commission believes the proposed rule change is consistent with Section 15B(b)(2)(C),⁶ which requires, among other things, that the rules of the Board be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

The Commission finds that the proposed Daily Transaction Report should enhance and increase transparency in the municipal securities market. The proposed Report will provide municipal securities investors with more transaction information about the issues that are currently being traded. In particular, investors will now have access to specific price information, trade size information and information about the parties involved. Further, this expanded information will be provided to investors in a timely fashion, by 7:00 a.m. on the date following the reported trade. Upon approval of this proposed rule change, municipal securities investors will have detailed information about actual transactions that occurred the previous trading day. This detailed Report will allow investors to monitor and analyze individual trades in frequently traded municipal securities, which should assist municipal securities investors in making informed investment decisions.

The Report should help investors in the price discovery process. The proposed Report will contain detailed price information in frequently traded issues. In addition, the Report will identify what type of transaction occurred, such as whether a frequently traded issue was traded in the inter-dealer market or involved customer trading. The Report should provide a

⁵ In approving this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78(c)(f).

⁶ 15 U.S.C. 78o-4(b)(2)(C).

more complete picture of the municipal securities market, which could enhance liquidity in the municipal securities market.

One of the Commission's main objectives is to increase transparency in our securities markets. The Commission believes that transparency in the securities markets helps to preserve the market's integrity, assists in the price discovery process, and enhances liquidity. The Commission commends the MSRB's efforts to increase municipal market transparency by looking for means to update its reporting programs and systems.

The Commission is satisfied with the current definition of "frequently traded." The Commission appreciates that such a definition has been appropriate given the extensive number of municipal securities issues that trade very infrequently and concerns about the market impact of reporting trades in such securities. The Commission, however, believes that MSRB should consider whether to lower the frequently traded threshold in the future to further increase municipal securities transparency. In addition, the Commission agrees that the MSRB should continue to consider the feasibility of a real-time transaction reporting system for municipal securities in the near future.⁷

In conclusion, the Commission believes that the proposed rule change is consistent with the Act because it provides investors with more detailed market data upon which the municipal securities investors will be able to make better informed investment decisions. The Daily Transaction Report should further enhance the integrity of the municipal securities market because it provides a view of the transactions occurring in the market. As a result, the municipal securities market should enjoy greater transparency and liquidity.

III. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-MSRB-99-08) is approved.

⁷ The Commission notes that the MSRB recently submitted a proposed rule change, which demonstrated possible methods for dissemination of real-time transactions reports based on the transactions information collected via the Board's Transaction Reporting System. See Exchange Act Release No. 41916 (September 27, 1999), 64 FR 53759 (October 4, 1999).

⁸ 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-33345 Filed 12-22-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42240; File No. SR-NASD-99-45]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to Amendments to the Public Disclosure Program

December 16, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 15, 1999, the National Association of Securities Dealers, Inc. ("NASD" or "Association"), through its wholly owned subsidiary NASD Regulation, Inc. ("NASD Regulation"), filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD Regulation. On December 1, 1999, NASD Regulation submitted Amendment No. 1 to the proposed rule change.³ The Commission is publishing this notice of the rule change, as amended, to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

NASD Regulation proposes to amend Interpretive Material 8310-2(a), which concerns the Public Disclosure Program. Proposed new language is italicized; proposed deletions are in brackets.

IM-8310-2. Release of Disciplinary Information

(a) [The Association shall, in response to a written inquiry, electronic inquiry, or telephonic inquiry via a toll-free telephone listing, release certain information contained in its files regarding the employment and disciplinary history of members and their associated persons, including information regarding past and present employment history with Association members; all final disciplinary actions taken by federal, state, or foreign securities agencies or self-regulatory organizations that relate to securities or commodities transactions; all pending disciplinary actions that have been by federal or state securities agencies or self-regulatory organizations that relate to securities and commodities transactions and are required to be reported on Form BD or U-4 and all foreign government or self-regulatory organization disciplinary actions that relate to securities or commodities transactions and are required to be reported on Form BD or U-4; and all criminal indictments, information or convictions that are required to be reported on Form BD or Form U-4. The Association will also release information required to be reported on Form BD or Form U-4 concerning civil judgments and arbitration decisions in securities and commodities disputes involving public customers, pending and settled customer complaints, arbitrations and civil litigation, current investigations involving criminal or regulatory matters, terminations of employment after allegations involving violations of investment-related statutes or rules, theft or wrongful taking of property, bankruptcies less than ten years old, outstanding judgments or liens, any bonding company denial, pay out or revocation, and any suspension or revocation to act as an attorney, accountant or federal contractor.]

In response to a written inquiry, electronic inquiry, or telephonic inquiry via a toll-free telephone listing, the Association shall release certain information contained in the Central Registration Depository regarding a current or former member, an associated person, or a person who was associated with a member within the preceding two years, through the Public Disclosure Program. Such information shall include:

(1) the person's employment history and other business experience required to be reported on Form U-4;

(2) currently approved registrations for the member or associated person;

(3) the main office, legal status, and type of business engaged in by the member; and

(4) an event or proceeding—

(A) required to be reported under Item 23 on Form U-4;

(B) required to be reported under Item 11 on Form BD; or

(C) reported on Form U-6.

The Association also shall make available through the Public Disclosure Program certain arbitration decisions against a member involving a securities or commodities dispute with a public customer. The Association shall not release through the Public Disclosure Program social security numbers, residential history information, or physical description information, or information that the Association is otherwise prohibited from releasing under Federal law.

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II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NASD Regulation included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NASD Regulation has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

NASD Regulation's Public Disclosure Program is described in Interpretive Material 8310-2 of the NASD Rules ("the Interpretation"). Under the Public Disclosure Program, NASD Regulation releases to the public certain information reported on uniform forms⁴

⁴ The uniform forms are Form BD (the Uniform Application for Broker-Dealer Registration); Form BDW (the Uniform Request for Broker-Dealer Withdrawal); Form U-4 (the Uniform Application for Securities Industry Registration or Transfer); Form U-5 (the Uniform Termination Notice for Securities Industry Registration); and Form U-6 (the Uniform Disciplinary Action Reporting Form). Except for the Form U-6, all of these forms have been approved by the Commission. See Securities Exchange Act Release No. 41594 (July 2, 1999), 64 FR 37586 (July 12, 1999) (order adopting the amended Form BD); Securities Exchange Act Release No. 41356 (April 30, 1999), 64 FR 25144 (May 10, 1999) (order adopting the amended Form BDW); Securities Exchange Act Release No. 41560

Continued

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Alden S. Adkins, Senior Vice President and General Counsel, NASD Regulation, to Katherine A. England, Assistant Director, Division of Market Regulation ("Division"), Commission, dated December 1, 1999. In Amendment No. 1, NASD Regulation clarifies certain proposed changes to the Public Disclosure Program and submits Form U-6 as an exhibit ("Amendment No. 1"). The Commission notes that the Form U-6 is being submitted to help the public determine what additional information will be disclosed through the Public Disclosure Program and is not the subject matter of this rule filing.