

For premium payment years beginning in	The assumed interest rate is
March 2000 .....	5.30

### Multiemployer Plan Valuations Following Mass Withdrawal

The PBGC's regulation on Duties of Plan Sponsor Following Mass Withdrawal (29 CFR part 4281) prescribes the use of interest assumptions under the PBGC's regulation on Allocation of Assets in Single-employer Plans (29 CFR part 4044). The interest assumptions applicable to valuation dates in April 2000 under part 4044 are contained in an amendment to part 4044 published elsewhere in today's **Federal Register**. Tables showing the assumptions applicable to prior periods are codified in appendix B to 29 CFR part 4044.

Issued in Washington, DC, on this 3rd day of March 2000.

**David M. Strauss,**

*Executive Director, Pension Benefit Guaranty Corporation.*

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BILLING CODE 7708-01-P

### SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 24335; 812-11442]

### Nations Fund Trust, et al.; Notice of Application

March 9, 2000.

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

**ACTION:** Notice of an application under sections 6(c) and 17(b) of the Investment Company Act of 1940 ("Act") for an exemption from section 17(a) of the Act.

#### SUMMARY OF THE APPLICATION:

Applicants request an order to permit certain common trust funds and a collective investment fund to transfer their assets to certain series of registered open-end management investment companies in exchange for shares of the series.

**APPLICANTS:** Nations Fund Trust, Nations Fund, Inc., Nations Reserves, Bank of America, N.A. ("Bank of America") and Banc of America Advisors, Inc. ("BAAI").

**FILING DATES:** The application was filed on December 23, 1998, and amended on December 23, 1999. 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 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 5:30 p.m. on March 30, 2000, 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 20549-0609. Applicants, One Bank of America Plaza, 101 South Tryon Street, Charlotte, NC 28255.

**FOR FURTHER INFORMATION CONTACT:** Bruce R. MacNeil, Staff Attorney at (202) 942-0634, or George J. Zornada, 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 20549-0102 (tel. (202) 942-8090).

#### Applicants' Representations

1. Nations Fund Trust, Nations Fund, Inc., and Nations Reserves (the "Nations Funds") are registered under the Act as open-end management investment companies. BAAI is an investment adviser registered under the Investment Advisers Act of 1940, and serves as the investment adviser to each series of the Nations Funds. BAAI is a wholly-owned subsidiary of Bank of America, which is in turn a wholly-owned subsidiary of Bank of America Corporation ("BAC"), a publicly-held bank holding company. Certain employee benefit plans maintained for the benefit of employees of BAC and entities controlling, controlled by, or under common control with BAC (collectively, "Bank of America Group") (the "Benefit Plans") hold five percent or more of the outstanding voting shares of certain series of the Nations Funds.

2. Bank of America acts as trustee for a number of common trust funds, as defined in section 584(a) of the Internal Revenue Code of 1986, as amended ("Code") (the "CTFs"). Bank of America also acts as trustee for a collective investment fund sponsored by Bank of

America as an investment vehicle for employment benefit retirement plans qualified under section 401 of the Code (the "CIF," and together with the CTFs, the "Common/Collective Funds"). The CTFs and the CIF are excluded from the definition of "investment company" under section 3(c)(3) and section 3(c)(11), respectively, of the Act.<sup>1</sup>

3. Applicants propose that substantially all of the assets of each Common/Collective Fund be transferred in-kind to a designated series of the Nations Funds in exchange for Primary A Shares of that series, which will have at the time of the transfer an aggregate net asset value equal to the value of the assets transferred by the corresponding Common/Collective Fund (the "CF Conversion").<sup>2</sup> The investment objectives and policies of each of the Common/Collective Funds and its corresponding series of the Nations Funds are generally similar. The Common/Collective Fund assets to be transferred will be valued in accordance with the provisions of rule 17a-7(b) and the shares of the Nations Funds exchanged in the CF conversion will be credited to the account of each participant in the Common/Collective Funds ("Participant"), pro rata, according to the Participant's interest in the relevant Common/Collective Fund immediately prior to the CF Conversion. Following the CF Conversion, the CTFs will be terminated. The CIF may be terminated following the conversion. Applicants state that the CF Conversion is expected to commence on or about March 31, 2000. BAAI will pay all expenses incurred in connection with the CF Conversion.

#### Applicants' Legal Analysis

1. Section 17(a) of the Act, in relevant part, prohibits an affiliated person of a registered investment company, or any

<sup>1</sup> Applicants also request that the relief apply to future transactions in which a terminating Common/Collective Fund for which Bank of America Group, acting as trustee or in another fiduciary capacity, transfers its assets to a registered open-end management investment company advised by BAAI, or Bank of America Group, which investment company has 5% or more of its outstanding voting securities owned by a defined benefit pension plan or other employee benefit plans (qualified or non-qualified) sponsored by Bank of America Group, or which employee benefit plan sponsored by Bank of America Group has a 5% or more participation in the terminating Common/Collective Fund ("Future Relief"). Applicants state that they will rely on the Future Relief only in accordance with the terms and conditions in the application.

<sup>2</sup> In the CF Conversion, the assets of the following Common/Collective Funds will be transferred to designated series of the Nations Funds: BCA Retail Fund, Equity Value Fund, Kansas Stock Fund, Equity Index Fund, Managed Small Cap Fund, International Equity Fund, and LargeCap Index Fund.

affiliated person of such person, acting as principal, from selling to or purchasing from such investment company any security or other property, Section 2(a)(3) of the Act, in relevant part, defines "affiliated person" to include: (a) Any person directly or indirectly owning, controlling, or holding with the power to vote, 5% or more of the outstanding voting securities of such other person; (b) any person directly or indirectly controlling, controlled by, or under common control with, such other person; and (c) if such other person is an investment company, any investment adviser of the investment company. Applicants state that, because the Common/Collective Funds may be viewed as acting as principals in the CF Conversion and because the Common/Collective Funds and the Nations Funds may be viewed as being under the common control of Bank of America within the meaning of section 2(a)(3)(C) of the Act, the CF Conversion may be subject to the prohibitions contained in section 17(a).

2. Rule 17a-7 under the Act exempts certain purchase and sale transactions otherwise prohibited by section 17(a) if an affiliation exists solely by reason of having a common investment adviser, common directors, and/or common officers, provided, among other requirements, that the transaction involves a cash payment against prompt delivery of the security. Applicants may not rely on rule 17a-7 for the CF Conversion because the ownership of more than five percent of the outstanding voting shares of the Nations Funds by the Benefit Plans may be deemed to create an affiliation "not solely by reason of" having a common investment adviser, directors, and/or common officers.

3. Rule 17a-8 under the Act exempts from the prohibitions of section 17(a) certain 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 are satisfied. Although applicants state that the CF Conversion will be a sale of substantially all of the assets of the Common/Collective funds, applicants may not rely on rule 17a-8 for the CF Conversion because the Common/Collective Funds are not registered investment companies, and because the Common/Collective Funds and the Nations Funds have affiliations other than those covered by the rule.

4. Section 17(b) of the Act provides that the SEC shall exempt a proposed

transaction from section 17(a) if evidence establishes that: (a) the terms of the proposed transaction are reasonable and fair and do not involve overreaching; (b) the proposed transaction is consistent with the policy of the registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act. Section 6(c) provides that the SEC may exempt any person or transaction from any provision of the Act or any rule under the Act 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.

5. Applicants seek an order under section 17(b) of the Act to permit the CF Conversion and under sections 6(c) and 17(b) to permit the Future Relief. Applicants submit that the proposed transactions satisfy the standards for relief under sections 17(b) and 6(c) of the Act. Applicants state that the securities to be acquired by the Nations Funds are consistent with the investment policies of the participating Nations Funds. With respect to the Nations Funds, the CF Conversions will be executed in accordance with procedures previously adopted by the Nations Funds' respective boards of directors/trustees (the "Boards") in accordance with 17a-7(e) of the Act, and the provisions of rule 17a-7(b), (c), and (d), and (f) also will be satisfied with respect to the Nations Funds. The Boards, including a majority of the directors/trustees who are not interested persons are defined in section 2(a)(19) of the Act ("Disinterested Members"), have determined that participation by each series of the Nations Funds in the CF Conversion is in the best interests of each series and that the interests of existing shareholders of each series will not be diluted as a result of the CF Conversion. These findings, and the basis upon which they were made, will be recorded in the books of the Nations Funds. With respect to the Common/Collective Funds, Bank of America will have determined in accordance with its fiduciary duty as trustee and fiduciary for the Common/Collective Funds and the Participants that the CF Conversion is in the best interest of the Participants in each of the Common/Collective Funds.

#### Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. The CF Conversion will comply with the terms of rule 17a-7(b) through (f).

2. The CF Conversion will not occur unless and until each relevant Board, including a majority of such Board's Disinterested Members, finds that participation by each individual series of the Nations Funds in the CF Conversion is in the best interests of each such series of the Nations Funds and that the interests of existing shareholders of such series of the Nations Funds will not be diluted as a result of the CF Conversion. These findings, and the bases upon which they are made, will be recorded in the minute books of the Nations Funds.

3. The CF Conversion will not occur unless and until Bank of America, as trustee and fiduciary in accordance with its fiduciary duties as trustee and fiduciary for each of the Common/Collective Funds and the Participants thereof, has determined that the CF Conversion is in the best interests of Participants in each of the Common/Collective Funds.

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

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 00-6366 Filed 3-14-00; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

### eConnect; Order of Suspension of Trading

March 13, 2000.

It appears to the Securities and Exchange Commission that there is a lack of current, adequate and accurate information concerning the securities of eConnect, a Nevada corporation. Questions have been raised about the adequacy and accuracy of publicly disseminated information concerning, among other things, a purported licensing agreement with Palm, Inc., a strategic alliance with a registered broker-dealer and certain Internet referrals and revenue.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above listed company is suspended for the period from 9:30 a.m. EST, March 13,