proposed rule changes are necessary or appropriate to further the Exchange Act's regulatory objectives during the one-year period of the temporary exemption. Access to the NASD's fundamentally important and core services will be independently maintained by the NASD and fully subject to the Exchange Act's regulatory scheme, including the proposed rule change requirements of Section 19(b). Fair competition will be maintained in the market to provide enhanced software products to broker-dealers. Under these circumstances, the Commission believes at this point that competitive forces can be relied upon to produce software products at fair prices that meet the needs of broker-dealers. In sum, the Commission believes that FSI will neither be unnecessarily hampered in its competition to provide software services to broker-dealers nor given an unfair competitive advantage because of its ownership by Nasdaq.

For the reasons discussed above, the Commission finds that the temporary conditional exemption requested by the NASD is necessary or appropriate in the public interest and is consistent with the protection of investors.

It Is Therefore Ordered, pursuant to Section 36(a)(1) of the Act,[24] that the NASD's application for a temporary conditional exemption (Form Type 34–36 MR; File No. 79–9) is granted for a period of one year until April 24, 2001.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00–10725 Filed 4–28–00; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–24402, 812–11650]

The Pacific Corporate Group Private Equity Fund, et al., Notice of Application

April 24, 2000.

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

ACTION: Notice of application for an order under section 17(d) of the Investment Company Act of 1940 (''Act'') and rule 17d–1 under the Act to permit certain joint transactions.

SUMMARY OF APPLICATION: The Pacific Corporate Group Private Equity Fund, formerly known as The Alternative Investment Fund (the ''Fund''), and Pacific Corporate Group, Inc., formerly known as Pacific Corporate Advisors, Inc. (the ''Adviser''), seek to amend a prior order (''Prior Order'') that permits the Fund to co-invest with other investment vehicles managed by the Adviser or its affiliates and/or, under certain circumstances, with the Adviser or its affiliates. The amended order (''Amended Order'') would revise certain conditions of the Prior Order.

Applicants: The Fund and the Adviser.

FILING DATES: The application was filed on June 9, 1999, and amended on February 7, 2000. Applicants agree 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 May 19, 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, c/o Brown & Wood LLP, One World Trade Center, New York, New York 10048.

FOR FURTHER INFORMATION CONTACT: Paula L. Kashtan, Senior Counsel, at (202) 942–0615, or Mary Kay Frech, 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 SEC's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549–0102 (telephone (202) 942–8090).

Applicants' Representations

1. The Fund is a closed-end management investment company registered under the Act. The Adviser serves as investment adviser to the Fund and is registered under the Investment Advisers Act of 1940. The Fund invests in private equity investments either directly or indirectly through underlying partnerships managed by an adviser not affiliated with the Adviser.

2. On December 4, 1996, the SEC issued the Prior Order to applicants under section 6(c) of the Act exempting applicants from section 12(d)(1)(A) of the Act and pursuant to section 17(d) of the Act and rule 17d–1 under the Act.[1] The Prior Order permits the Fund and Subsequent Funds, as defined in the Prior Order (together with the Fund, the ''Funds''), to: (i) invest in unaffiliated private investment companies exempt from the definition of an investment company by section 3(c)(1) of the Act; and (ii) co-invest with Private Funds, as defined in the Prior Order, managed by the Adviser or its affiliates and/or, under certain circumstances, with the Adviser or its affiliates (''Co-Investments'').

3. Applicants state that, as a result of amendments to section 3(c)(1) of the Act that became effective in 1997, relief from the provisions of section 12(d)(1)(A) of the Act granted in the Prior Order is no longer required. Accordingly, applicants request that conditions 2 through 7 of the Prior Order be deleted. Applicants represent and understand that, except as requested in the application, the representation set forth in and the terms and provisions of the Prior Order remain unchanged.

Applicants' Conditions

Applicants agree that the Amended Order granting the requested relief shall be subject to the following conditions:

1. A majority of the trustees of each Fund (''Trustees'') will not be ''interested persons,'' as defined in section 2(a)(19) of the Act, of the Fund (''Non-Interested Trustees'').

2. No Co-Investments (except for follow-on investments made pursuant to condition 9 below) will be made pursuant to the requested order with respect to portfolio companies in which the Adviser, any Fund or Private Fund, or any of their affiliates has previously acquired an interest.

3. The Trustees of each Fund participating in a Co-Investment, including a majority of the Non-Interested Trustees, will approve Co-Investments in advance. To facilitate the Trustees' determinations, the Adviser will provide the Trustees of a Fund with periodic information listing all investments made by the other Funds, the Private Funds, and/or the Adviser or its affiliate, as applicable, that would be suitable for investment by a Fund.

4. (a) Before making a Co-Investment, the Adviser will make a preliminary

[24] 15 U.S.C. 78mm(a)(1).

[1] Investment Company Act Release Nos. 22324 (Nov. 6, 1996) (notice) and 22370 (Dec. 4, 1996) (order).

determination as to whether each particular Co-Investment opportunity meets the Fund's investment objective, policies, and restrictions. Co-Investment opportunities will be offered to eligible Funds and Private Funds in amounts proportionate to capital available for investment at the time of such opportunities. The Adviser will maintain written records of the factors considered in any preliminary determination.

(b) Following the making of the determination referred to in (a), information concerning the proposed Co-Investment will be distributed to the Trustees. Such information will be presented in written form and will include the name of each Fund and each Private Fund that may participate and, if permitted by condition 5 below, the Adviser or its affiliate and the maximum amount offered to each entity.

(c) Information regarding the Adviser's preliminary determinations referred to in (a) will be reviewed by the Trustees, including the Non-Interested Trustees. The Trustees, including a majority of the Non-Interested Trustees, will make an independent decision as to whether to participate and the extent of participation in a Co-Investment based on such factors as are deemed appropriate under the circumstances. If a majority of the Non-Interested Trustees of the Fund determines that the amount proposed to be invested by the Fund is not sufficient to obtain an investment position that they consider appropriate under the circumstances, the Fund will not participate in the Co-Investment. Similarly, the Fund will not participate in a Co-Investment if a majority of the Non-Interested Trustees of the Fund determines that the amount proposed to be invested is an amount in excess of that which is determined to be appropriate under the circumstances, although the Non-Interested Trustees may make a determination that the Fund take other than their allotted portion of an investment, pursuant to condition 6 below. A Fund will only make a Co-Investment if a majority of the Non-Interested Trustees of the Fund prior to making the Co-Investment conclude, after consideration of all information deemed relevant (including the extent to which such participation is on a basis different from or less advantageous than that of other participants), that the investments by any Private Fund and/or the Adviser or its affiliates, as applicable, would not disadvantage the Fund in the making of such investment, in maintaining its investment position or in disposing of such investment, and that participation by the Fund would not be on a basis different from or less advantageous than that of such Private fund and/or the Adviser or its affiliate, as applicable. The Non-Interested Trustees will maintain at the Fund's office written records of the factors considered in any decision regarding the proposed Co-Investment.

(d) The Non-Interested Trustees will, for purposes of reviewing each recommendation of the Adviser, request such additional information from the Adviser as they deem necessary for the exercise of their reasonable business judgment, and they will also employ such experts, including lawyers and accountants, as they deem appropriate for the reasonable exercise of this oversight function.

5. The Trustees, including a majority of the Non-Interested Trustees, will make their own decision and have the right to decide not to participate in a particular Co-Investment. There will be no consideration paid to the Adviser or its affiliates, directly or indirectly, including without limitation any type of brokerage commission, in connection with a Co-Investment. However, the Adviser and its affiliates (i) may seek reimbursement from direct investment issuers for documented out-of-pocket expenses approved by the Trustees incurred by the Adviser or its affiliates in connection with a direct investment, (ii) will continue to receive advisory and other fees from the Fund and the Private Funds, and (iii) may participate in any Co-Investment that is a direct investment wherein the Adviser or its affiliate is required by the placement agent offering shares of the Fund or a Subsequent Fund at the time of the offering or by a Private Fund to commit to co-invest in all direct investments with such entity in the amount of 1% of the investment of each such entity participating in the offering.

6. The Fund will be entitled to purchase a portion of each Co-Investment equal to the ratio of its capital available for investment to the capital available for investment of each other Co-Investment participant (including the interest of the Adviser or its affiliate). Any Co-Investment participant may determine not to take its full allocation, as long as, in the case of a Fund, a majority of the Non-Interested Trustees determines that not doing so would be in the best interest of the Fund. All follow-on investments (as defined in condition 9 below), including the exercise of warrants or other rights to purchase securities of the issuer, will be allocated in the same manner as initial Co-Investments. If a Fund or Private Fund decides to participate in a Co-Investment opportunity to a lesser extent than its full allocation, that entity's portion may be allocated to the other Co-Investment participants based on their respective capital available for investment. If one or more Funds decline to participate in a Co-Investment opportunity, the remaining Funds and the Private Funds shall have the right to pursue such investment independently. Similarly, if one or more Private Funds decline to participate in a Co-Investment opportunity, the remaining Private Funds and the Funds shall have the right to pursue such investment independently.

7. Co-Investments in securities by a Fund with any other Fund, any Private Fund, and/or the Adviser or its affiliate, as applicable, will consist of the same class of securities, including the same registration rights (if any), and other rights related thereto, purchased at the same unit consideration, and the approval of such transactions, including the determination of the terms of the transactions by the Fund's Non-Interested Trustees, will be made in the same time period.

8. Except as described below, the Funds, the Private Funds and/or the Adviser or its affiliate, as applicable, will participate in the disposition of securities held by them as Co-Investments on a proportionate basis at the same time and on the same terms and conditions (a ''lock-step'' disposition). For this purpose, a distribution of securities to the partners or shareholders of a Private Fund upon dissolution shall not be deemed a ''disposition'' of securities. (However, to the extent that a Private Fund distributes securities in dissolution to partners or shareholders who are affiliates of the Funds, such partners or shareholders will be bound by the lock-step disposition procedures established herein.) If a Fund or a Private Fund elects to dispose of a security purchased in a Co-Investment with one or more Funds or Private Funds, notice of the proposed sale will be given to the Non-Interested Trustees of the relevant Fund(s) and to the relevant Private Fund(s) at the earliest practical time. The Funds, the Private Funds, and/or the Adviser or its affiliate, as applicable, will participate in the disposition of such security on a lock-step basis, unless the Non-Interested Trustees of a Fund determine that the Fund should not participate in such sale or not participate on a lock-step basis. A Fund need not participate on a lock-step basis in the disposition of securities sold by any other Fund or a Private Fund if the Non-Interested Trustees of the Fund find that the retention or sale, as the

case may be, of the securities is fair to the Fund and that the Fund's participation or choice not to participate in the sale on a lock-step basis is not the result of overreaching by any other Fund, and Private Fund, and/or the Adviser or its affiliate, as applicable. If such a finding is not made, then the relevant Fund must participate in such sale on the basis of lock-step disposition. Like a Fund, a Private Fund may elect not to participate in a sale of securities held as Co-Investments or not to participate on a lock-step basis. If at any time the result of a proposed disposition of any portfolio security held by a Fund or a Private Fund would alter the proportionate holdings of each class of securities held by the other Funds, Private Funds, and/or the Adviser or its affiliate, as applicable, holding the Co-Investment, then the Non-Interested Trustees of the Fund or Funds involved must determine that such a result is fair to the relevant Fund(s) and is not the result of overreaching by any other Fund, any Private Fund, and/or the Adviser or its affiliate, as applicable. The Non-Interested Trustees will record in the records of the Fund the basis for their decisions as to whether to participate in such sale.

9. If a Fund or a Private Fund determines that it should make a ''follow-on'' investment (*i.e.,* an additional investment in a portfolio company in which a Co-Investment has been made pursuant to the order requested hereby) in a particular portfolio company whose securities are held by it and one or more Funds, or to exercise warrants or other rights to purchase securities of such an issuer, notice of such transaction will be provided to such other Fund(s), including its or their Non-Interested Trustees at the earliest practical time. The Adviser will formulate a recommendation as to the proposed participation by a Fund in a follow-on investment and provide the recommendation to the Non-Interested Trustees of the Fund along with notice of the total amount of the follow-on investment. Each Fund's Non-Interested Trustees will make their own determination with respect to follow-on investments. Follow-on investments will be entered into on the same basis as initial Co-investments and will be subject to the same approval procedure as those required for initial Co-Investments. Assuming that the amount of a follow-on investment available to a Fund is not based on the amount of the fund's initial Co-Investment, the relative amount of investment by each Fund participating in a follow-on investment will be based on a ratio derived by comparing the capital available for investment of each participating Fund, Private Fund and/or the Adviser or its affiliate, as applicable, with the total amount of the available follow-on investment. Each Fund will participate in such investment if a majority of its Non-Interested Trustees determines that such action is in the best interest of the Fund. The Non-Interested Trustees of each Fund will record in their records the recommendation of the Adviser and their decision as to whether to engage in a follow-on transaction with respect to that portfolio company, as well as the basis for such decision.

10. A decision by the Trustees of a Fund (i) not to participate in a Co-Investment, (ii) to take less or more than the Fund's full pro rata allocation, or (iii) not to sell, exchange, or otherwise dispose of a Co-Investment in the same manner and at the same time as another Fund or a Private Fund shall include a finding that such decision is fair and reasonable to the Fund and not the result of overreaching of the Fund or its securityholders by the Private Funds and/or the Adviser or its affiliate, as applicable. The Non-Interested Trustees of each Fund will be provided quarterly for review all information concerning Co-Investments made by the Funds, the Private Funds, and/or the Adviser or its affiliate, as applicable, including Co-Investments in which the Fund declined to participate, so they may determine whether all Co-Investments made during the preceding quarter, including those Co-Investments they declined, complied with the conditions set forth above. In addition, the Non-Interested Trustees of each Fund will consider at least annually the continuing appropriateness of the standards established for Co-Investments by the Fund, including whether use of such standards continues to be in the best interest of the Fund and its securityholders and does not involve overreaching of the Fund or its securityholders on the part of any party concerned.

11. No Non-Interested Trustee of a Fund will be an affiliated person of a Private Fund or have had, at any time since the beginning of the last two completed fiscal years of any Private Fund, a material business or professional relationship with any Private Fund.

12. A Fund, each Private Fund, and/or the Adviser or its affiliate, as applicable, will each bear its own expenses associated with the disposition of portfolio securities. The expenses, if any, of distributing and registering securities under the Securities Act sold by the Fund, one or more Private funds, and/or the Adviser or its affiliate, as applicable, at the same time will be shared by the Fund, the selling Private Fund(s), and/or the Adviser or its affiliate, as applicable, in proportion to the relative amounts they are selling.

13. Other than as provided in condition 5, neither the Adviser nor any of its affiliates (other than the Private Funds pursuant to any order issued on this application) nor any director of the Fund will participate in a Co-Investment with the Fund unless a separate exemptive order with respect to such Co-Investment has been obtained. For this purpose, the term ''participate'' shall not include either the existing interests of the Adviser or its affiliates in, or their management fee and expense reimbursement arrangements with, Private Funds, and the term ''participate'' shall also not include any reimbursement from direct investment issuers described in condition 5 above.

14. The Fund will maintain all records required of it by the Act, and all records referred to or required under these conditions will be available for inspection by the SEC. The Fund will also maintain the records required by section 57(f)(3) of the Act as if the Fund was a business development company and the Co-Investments were approved by the Non-Interested Trustees under section 57(f).

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00–10730 Filed 4–28–00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Agency 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 May 1, 2000.

A closed meeting will be held on Wednesday, May 3, 2000 at 11 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 more of the exemptions set forth in 5