

definition of a "separate account" in Rule 0-1(e) under the Act, and be registered as a unit investment trust. Likewise, each Future Underwriter will be registered as a broker-dealer under the Securities Exchange Act of 1934 and be a NASD member.

### Applicants' Conditions

Applicants represent that PMLIC and PLACA will only offer recurring bonus credit riders subject to the following conditions:

1. *Election letter.* In connection with the recurring bonus credit, PMLIC or PLACA will send a letter (the "Letter") that prominently discloses in concise plain English that (a) the credit is most suitable for owners who expect to continue their Contracts for five or more years, and (b) if the Contract is surrendered or if contract account value is withdrawn while the recurring bonus remains subject to recapture, then the owner may be worse off in certain circumstances than if he or she had not elected the recurring bonus credit. The Letter will disclose exactly how an owner who surrenders a Contract or makes a withdrawal while the recurring bonus credit remains subject to recapture could be worse off as a result of poor separate account investment performance than if he or she had not elected the recurring bonus credit.

2. *Written Election.* PMLIC or PLACA will send the Letter directly to owners eligible to elect the recurring bonus credit and elections to receive the credit will only be effective upon receipt by PMLIC or PLACA of an election signed by the owner on a duplicate copy of the Letter. PMLIC and PLACA will distribute such duplicate Letters with election signature forms along with the Letter. If the Letter is more than two pages in length, PMLIC and PLACA will use a separate document to obtain owners' elections of the recurring bonus credit; which document will prominently disclose in concise plain English the statements required in condition one above.

3. *Records.* PMLIC and PLACA will maintain the following separately identifiable records in an easily accessible place for review by the Commission staff: (a) Copies of any form of the Letter and any other written materials or scripts for presentations by representatives regarding the recurring bonus credit, including the dates used, (b) records showing the number and percentage (on a calendar quarter basis) of eligible owners that elect the recurring bonus credit, (c) records showing the name and Contract number of each owner who elects a recurring bonus credit, the amount of that owner's

contract account value at the time the bonus credit is elected, the amount of the credit, the owner's name, address, telephone number and date of birth, the date that the owner signed the letter or election form, the signed Letters or separate documents that reflect owners' election of the recurring bonus credit, and where a commission (or other compensation) is paid to a registered representative on or after the date of the election of the credit, the amount of such commission (or other compensation), and the name of any sales representative involved with the solicitation of the election of the credit or who receives any compensation in connection with the contract after the date of the election of the credit and his or her CRD number, firm affiliation, telephone number, and branch office address, (d) records of persistency information for Contracts whose owners have elected the recurring bonus credit, including the date(s) of any subsequent surrender or withdrawal of contract account value and the amount of any recaptured bonus credit, and (e) logs recording any owner complaints about the recurring bonus credit riders, state insurance department inquiries about the same, or litigation, arbitration or other proceedings regarding the riders. The logs will include the date of the complaint (or of commencement of any proceeding), the name and address of the person making the complaint or commencing the proceeding, the nature of the complaint or proceeding and the persons involved in the complaint or proceeding. The foregoing records will be retained for the longer of: (1) six years after the later of their creation or last use, or (2) two years after the recapture period ends.

### Conclusion

Applicants request that the Commission issue an order pursuant to section 6(c) of the Act exempting them as well as Future Accounts and Future Underwriters from the provisions of sections 2(a)(32), 22(c), and 27(i)(2)(A) of the Act and Rule 22c-1 thereunder, to the extent necessary to permit the recapture of certain credits applied to contract account value and to purchase payments made in consideration of the Contracts and Future Contracts.

Applicants assert, based on the grounds summarized above, that their exemptive request meets the standards set out in section 6(c) of the 1940 Act, namely, that the exemptions requested are 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.

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

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-24622]

### Notice of Applications for Deregistration Under Section 8(f) of the Investment Company Act of 1940

August 25, 2000.

The following is a notice of applications for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of August, 2000. A copy of each application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth St., NW., 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 September 19, 2000, 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, NW., 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, 450 Fifth Street, NW., Washington, DC 20549-0506.

### Dreyfus Retirement Income Fund [File No. 811-8889]

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On October 31, 1999, applicant made a final liquidating distribution to its sole remaining shareholder based on net asset value. Expenses of \$1,500 incurred in connection with the liquidation were paid by The Dreyfus Corporation, applicant's investment adviser.

*Filing Date:* The application was filed on August 3, 2000.

*Applicant's Address:* 200 Park Avenue, New York, New York 10166.

**Piper Institutional Funds Inc. [File No. 811-7320]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. By June 30, 1998, applicant had made liquidating distributions to its shareholders based on net asset value. Expenses of \$10,461 incurred in connection with the liquidation were paid by applicant's investment adviser, Piper Capital Management, Inc.

*Filing Dates:* The application was filed on June 28, 2000, and amended on August 9, 2000.

*Applicant's Address:* First American Asset Management, U.S. Bank Place, 601 Second Avenue South, Minneapolis, Minnesota 55402.

**The Parkstone Group of Funds [File No. 811-5105]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. By June 16, 2000, each series of applicant had transferred its assets to a corresponding series of the Armada Funds based on net asset value. Expenses of \$525,166 incurred in connection with the reorganization were paid by the acquiring funds and National City Bank of Michigan/Illinois.

*Filing Date:* The application was filed on August 10, 2000.

*Applicant's Address:* One Freedom Valley Drive, Oaks, Pennsylvania 19456.

**The Berwyn Fund, Inc. [File No. 811-3890]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On May 3, 1999, applicant transferred its assets to The Berwyn Funds based on net asset value. Expenses of \$75,000 incurred in connection with the reorganization were paid by the two series of The Berwyn Funds that resulted from the reorganization.

*Filing Dates:* The application was filed on May 23, 2000, and amended on May 23, 2000, and August 20, 2000.

*Applicant's Address:* 1189 Lancaster Avenue, Berwyn, Pennsylvania 19312.

**The Taiwan Equity Fund, Inc. [File No. 811-8290]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On June 27, 2000, applicant made its final liquidating distribution to shareholders based on net asset value. Applicant's custodian, Daiwa Securities Trust Company, has retained \$132,108 to cover current and anticipated liabilities and expenses.

Expenses of \$66,211 incurred in connection with the liquidation were paid by applicant.

*Filing Dates:* The application was filed on July 13, 2000, and amended on August 18, 2000.

*Applicant's Address:* c/o Daiwa Securities Trust Company, One Evertrust Plaza, Jersey City, New Jersey 07302.

**The Americas Income Trust Inc. [File No. 811-8094]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On July 24, 1998, applicant transferred its assets to First American Investment Funds, Inc. based on net asset value. Expenses of \$19,524 incurred in connection with the reorganization were paid by U.S. Bank National Association, investment adviser to the acquiring fund.

*Filing Dates:* The application was filed on June 28, 2000, and amended on August 9, 2000.

*Applicant's Address:* First American Asset Management, U.S. Bank Place, 601 Second Avenue South, Minneapolis, Minnesota 55402.

**INVESCO Specialty Funds, Inc. [File No. 811-8528]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. By February 15, 2000, each of applicant's 6 series had transferred all of their assets to a corresponding series of either INVESCO International Funds, Inc., INVESCO Stock Funds, Inc., or INVESCO Sector Funds, Inc., based on net asset value. INVESCO Funds Group, Inc., applicant's investment adviser, paid \$355,266 of the expenses incurred in connection with the reorganization, and the remaining \$355,266 of expenses were paid by applicant and the acquiring funds.

*Filing Dates:* The application was filed on July 24, 2000, and amended on August 17, 2000.

*Applicant's Address:* 700 E. Union Avenue, Denver, Colorado 80237.

**Daruma Mid-Cap Value Fund [File No. 811-7621]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On June 30, 2000, applicant distributed all of its assets to its shareholders based on net asset value. Expenses of \$14,500 incurred in connection with the liquidation were paid by Daruma Asset Management, Inc., applicant's investment adviser.

*Filing Date:* The application was filed on July 21, 2000.

*Applicant's Address:* 60 East 42nd Street, Suite 1111, New York, New York 10165.

**Norwest Advantage Funds [File No. 811-4881]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On November 8, 1999, applicant transferred its assets to Wells Fargo Funds Trust based on net asset value. Expenses of \$1,465,212 incurred in connection with the reorganization were paid by Wells Fargo Bank, N.A., the administrator of the acquiring fund.

*Filing Dates:* The application was filed on June 19, 2000, and amended on July 28, 2000.

*Applicant's Address:* Two Portland Square, Portland, Maine 04101.

**Merrill Lynch Insured Equity Funds, Inc. [File No. 811-7539]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. Applicant never made a public offering of its securities and does not propose to make any public offering or engage in business of any kind.

*Filing Dates:* The application was filed on June 7, 2000, and amended on July 26, 2000.

*Applicant's Address:* c/o Merrill Lynch Investment Managers, L.P., P.O. Box 9011, Princeton, New Jersey 08543-9011.

**The Optimal Fund [File No. 811-9219]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On April 28, 2000, applicant made a final liquidating distribution to its shareholders based on net asset value. Expenses of approximately \$13,300 incurred in connection with the liquidation were paid by applicant.

*Filing Dates:* The application was filed on May 26, 2000, and amended on July 21, 2000.

*Applicant's Address:* 3400 Inland Empire Blvd., Suite 101, Ontario, California 91764.

**Colonial Massachusetts Insured Municipal Fund [File No. 811-9535]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. Applicant has never made a public offering of its securities and does not propose to make any public offering or engage in business of any kind.

*Filing Date:* The application was filed on July 17, 2000.

*Applicant's Address:* One Financial Center, 11th Floor, Boston, Massachusetts 02111.

**First Investors High Yield Fund, Inc.  
[File No. 811-4674]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On March 14, 2000, applicant transferred its assets to First Investors Fund for Income, Inc. based on net asset value. Expenses of \$69,636 incurred in connection with the reorganization were paid by applicant, the acquiring fund, and applicant's investment adviser.

*Filing Date:* The application was filed on June 20, 2000.

*Applicant's Address:* 95 Wall Street, New York, New York 10005.

**Evergreen Small Company Growth Fund (formerly Keystone Small Company Growth Fund (S-4)) [File No. 811-101] Evergreen Small Company Growth Fund II (formerly Keystone Small Company Growth Fund II) [File No. 811-7457]**

*Summary:* Each applicant seeks an order declaring that it has ceased to be an investment company. On January 24, 1998, each applicant transferred all of its assets to Evergreen Small Company Growth Fund, a newly created series of Evergreen Equity Trust, based on net asset value. First United National Bank, the parent of applicants' investment adviser, paid all expenses incurred in connection with each reorganization.

*Filing Date:* Each application was filed on August 17, 2000.

*Applicants' Address:* 200 Berkeley Street, Boston, Massachusetts 02116.

**Trust for Federal Securities [File No. 811-2573]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On February 10, 1999, applicant transferred its assets to Provident Institutional Funds based on net asset value. Applicant incurred no expenses in connection with the reorganization.

*Filing Date:* The application was filed on August 4, 2000.

*Applicants' Address:* 400 Bellevue Parkway, Wilmington, Delaware 19809.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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**SECURITIES AND EXCHANGE  
COMMISSION**

[Release No. 34-43204; File No. SR-CHX-00-22]

**Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change and Amendment Nos. 1 and 2 by The Chicago Stock Exchange, Incorporated Relating to the Securities Industry Transition to Decimal Pricing**

August 24, 2000.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 17, 2000, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change, as described in Items I and II below, which Items have been prepared by the CHX. The CHX amended the proposal on August 22, 2000 and August 24, 2000, respectively.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to approve the proposed rule change, as amended, on an accelerated basis.

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

The Exchange proposes to amend certain CHX rules that will be impacted by the securities industry transition to decimal pricing. Specifically, the Exchange proposes to amend portions of Article XX, Rule 37. The text of the proposed rule change is available at the Commission and the CHX.

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

In its filing with the Commission, the CHX included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received regarding the proposed rule change. The text of these

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Letter dated August 21, 2000, from Paul B. O'Kelly, Executive Vice President, CHX, to Alton S. Harvey, Office Head, Division of Market Regulation ("Division"), Commission ("Amendment No. 1"). Amendment No. 1 requests accelerated approval of the proposed rule change on a pilot basis through February 28, 2001. See also Letter dated August 22, 2000, from Paul B. O'Kelly, Executive Vice President, CHX, to Alton S. Harvey, Office Head, Division, Commission ("Amendment No. 2"). Amendment No. 2 withdraws proposed amendments to Rule 37(b)(6).

statements may be examined at the places specified in Item IV below. The CHX 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**

The Exchange proposes to amend certain CHX rules that will be impacted by the transition to decimal pricing. Specifically, the Exchange proposes three groups of changes to Article XX, Rule 37, which would (i) revise the Exchange's existing automated price improvement algorithms to provide price improvement in decimal increments; (ii) remove the "pending auto-stop" functionality in the Exchange's systems; and (iii) allow a specialist, on an issue by issue basis, to establish an auto execution guarantee that is not dependent on the ITS Best Bid or Offer ("ITS BBO") or National Best Bid or Offer ("NBBO") size. The Exchange believes that decimal pricing is likely to affect the CHX trading environment, and the interaction between the CHX and the national market system, in a manner that necessitates rule amendments, such as these, that are designed to minimize the impact of decimalization of trading operations. The Exchange will implement the proposed rule change on a pilot basis through February 28, 2001.

*Price Improvement Changes.* The Exchange proposes to amend Rule 37(d), (e), (f) and (g), which govern the Exchange's price improvement programs, known as SuperMAX Plus, SuperMAX, Enhanced SuperMAX and Derivative SuperMAX. Under the amended rules, each price improvement program would provide for price improvement of \$.01 under the circumstances set forth below. If the criteria set forth below are not satisfied (or if an issue is trading in a decimal minimum price variation other than \$.01), the orders would not be eligible for price improvement, but would be executed at the ITS BBO (or NBBO in the case of Nasdaq National Market ("Nasdaq NM") issues).

For orders of 100-199 shares (or more, if specified by the specialist and approved by the Exchange) for Dual Trading System issues<sup>4</sup> trading in decimals, SuperMAX Plus would

<sup>4</sup> "Dual Trading System issues" are securities that are listed and traded on the CHX and either the New York Stock Exchange or the American Stock Exchange.