Commission's designee; (b) all agreements between reporting institutions regarding registration in the Program or other aspects of Rule 17f–1; and (c) all confirmations or other information received from the Commission or its designee as a result of inquiry.

Reporting institutions utilize these records and reports (a) to report missing, lost, stolen or counterfeit securities to the data base, (b) to confirm inquiry of the data base, and (c) to demonstrate compliance with Rule 17f–1. The Commission and the reporting institutions' examining authorities utilize these records to monitor the incidence of thefts and losses incurred by reporting institutions and to determine compliance with Rule 17f–1. If such records were not retained by reporting institutions, compliance with Rule 17f–1 could not be monitored effectively.

The Commission estimates that there are 24,518 reporting institutions (respondents) and, on average, each respondent would need to retain 33 records annually, with each retention requiring approximately 1 minute (33 minutes or .55 hours). The total estimated annual burden is 13,484.9 hours (24,518×.55 hours =13,484.9). Assuming an average hourly cost for clerical work of $10, the average total yearly record retention cost for each respondent would be $5.50. Based on these estimates, the total annual cost for the estimated 24,518 reporting institutions would be approximately $134,849.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing on or before July 21, 1998.

Please direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW, Washington, DC 20549.

Dated: May 14, 1997.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–13725 Filed 5–21–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission Office of Filings and Information Services Washington, DC 20549

Extension:

Rule 15Ba2–1 and Form MSD, SEC File No. 270–88, OMB Control No. 3235–0083

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''Commission'') has submitted to the Office of Management and Budget a request for approval of extension on the following:

Rule 15Ba2–1 under the Securities Exchange Act of 1934 provides that an application for registration with the Commission by a bank municipal securities dealer must be filed on Form MSD.

The staff estimates that approximately 40 respondents will utilize this application procedure annually, with a total burden of 60 hours. The staff estimates that the average number of hours necessary to comply with the requirements of Rule 15Ba2–1 is 1.5 hours. The average cost per hour is approximately $40. Therefore, the total cost of compliance for the respondents is $2,400.

Providing the information on the application is mandatory in order to register with the Commission as a bank municipal securities dealer. The information contained in the application will not be confidential. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid control number.

General comments regarding the estimated burden hours should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, D.C. 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: May 15, 1998.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–13726 Filed 5–21–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23188]

Armada Funds, et al.; Notice of Application

May 15, 1998.

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

ACTION: Notice of application for exemption under section 6(c) of the Investment Company Act of 1940 (the ''Act'') from section 15(a) of the Act.

SUMMARY OF APPLICATION: Applicants, Armada Funds (the ''Fund'') and National Asset Management Corporation (the ''Adviser''), request an order permitting the implementation, without prior shareholder approval, of new investment advisory agreements (the ''New Agreements'') between the Fund and the Adviser in connection with a change in control of the Adviser. The order would cover a period beginning on the date the requested order is issued until the date the New Agreements are approved or disapproved by the Fund's shareholders (but in no event later than July 6, 1998) (''Interim Period''). The order also would permit the Adviser to receive all fees earned under the New Agreement during the Interim Period following shareholder approval.

FILING DATES: The application was filed on April 3, 1998 and amended on May 13, 1998.

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 June 4, 1998, 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. Fund, One Freedom Valley Drive, Oaks, Pennsylvania 19456. Adviser, 101 South Fifth Street, Louisville, Kentucky 40402.

FOR FURTHER INFORMATION CONTACT: Shirley A. Bodden, Paralegal Specialist, at (202) 942–0575, or Edward P. Macdonald, 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 (tel. 202–942–8090).

Applicants' Representations

1. The Fund is a Massachusetts business trust registered under the Act as an open-end management investment company. The Adviser is an investment adviser registered under the Investment Advisers Act of 1940. The Adviser manages three portfolios of the Fund under two investment advisory agreements with the Fund (''Prior Agreements'').

2. On March 6, 1998, National City Corporation (''NCC'') sold all of the Adviser's outstanding stock to the Adviser's principal management team (the ''Transaction''). Applicants state that the Transaction resulted in an assignment of the Prior Agreements. Applicants request an exemption: (i) To permit the implementation, without prior shareholder approval, of the New Agreements; and (ii) to permit the Adviser to receive from the Fund all fees earned under the New Agreements during the Interim Period if, and to the extent, the New Agreements are approved by the Fund's shareholders.[1]

3. On March 6, 1998, the Fund's board of trustees (the ''Board''), including a majority of the trustees who are not interested persons of the Fund within the meaning of section 2(a)(19) of the Act (''Independent Trustees''), met in-person and approved the New Agreements. The New Agreements are identical in substance to the Prior Agreements except for their effective and termination dates and certain escrow provisions as described below. Proxy materials to vote on the New Agreements are expected to be mailed to the Fund's shareholders on or about May 18, 1998. The requisite shareholder meetings are expected to take place on or about June 29, 1998.

4. Applicants have entered into an escrow arrangement with an unaffiliated financial institution (''Escrow Agent''). The fees payable to the Adviser under the New Agreements during the Interim Period will be paid into an interest-bearing escrow account maintained by the Escrow Agent. The amounts in the escrow account (including interest earned on such paid fees) will be paid to the Adviser only if the Fund's shareholders approve the New Agreements. If the Interim Period has ended and the Fund's shareholders have failed to approve the New Agreements, the Escrow Agent will pay to the Fund the escrow amounts (including any interest earned). Before the release of any escrow amounts, the Independent Trustees will be notified.

Applicant's Legal Analysis

1. Section 15(a) of the Act provides, in pertinent part, that it shall be unlawful for any person to serve or act as an investment adviser of a registered investment company, except pursuant to a written contract that has been approved by the vote of a majority of the outstanding voting securities of such registered investment company. Section 15(a) of the Act further requires that such written contract provide for automatic termination in the event of its ''assignment.'' Section 2(a)(4) of the Act defines ''assignment'' to include any direct or indirect transfer of a contract by the assignor, or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor.

2. Applicants state that, upon completion of the Transaction, control of the Adviser was transferred to the Adviser's principal management team. Accordingly, the Transaction resulted in an assignment of the Prior Agreements and thus their automatic termination.

3. Rule 15a–4 provides in pertinent part, that if an investment advisory contract with an investment company is terminated by an assignment in which the adviser does not directly or indirectly receive a benefit, the adviser may continue to act as such for the company for 120 days under a written contract that has not been approved by the company's shareholders, provided that: (a) The new contract is approved by that company's board of directors (including a majority of directors who are not interested persons of the company); (b) the compensation to be paid under the new contract does not exceed the compensation that would have been paid under the contract most recently approved by the company's shareholders; and (c) neither the adviser or any controlling person of the adviser ''directly or indirectly receives money or other benefit'' in connection with the assignment. Applicants state that they cannot rely on rule 15a–4 because of the benefits the Adviser will receive from the Transaction.

4. Section 6(c) provides that the SEC may exempt any person, security, or transaction from any provision of the Act, if and 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. Applicants submit that the requested relief meets this standard.

5. Applicants submit that the timing of the Transaction arose primarily out of business considerations unrelated to the Fund and did not reasonably present an opportunity to secure prior approval of the New Agreements by the Fund's shareholders. Applicants state that the requested relief would permit the continuity of investment management for the Fund, without interruption, during the period following the issuance of the requested order.

6. Applicants submit that the scope and quality of investment advisory services provided to the Fund during the Interim Period will not be diminished. During the Interim Period, the Adviser will operate under the New Agreements, which will be substantively the same as the Prior Agreements, except for their effective and termination dates and escrow provisions. Applicants are not aware of any material changes in the personnel that will provide investment management services during the Interim Period. Accordingly, the Fund should receive, during the Interim Period, the same investment advisory services, provided in the same manner, as the Fund received before the Transaction.

7. Applicants assert that to deprive the Adviser of fees during the Interim Period would be a harsh result and an unreasonable penalty to attach to the Transaction and would serve no useful purpose. Applicants submit that the fees payable to the Adviser under the New Agreements during the Interim Period will be maintained in an interest-bearing escrow account by the Escrow Agent. Such fees will not be released by the Escrow Agent to the Adviser without notice to the Independent

[1] The Adviser has continued to serve as investment adviser to the Fund since the Transaction in a manner consistent with its fiduciary duty to the Fund even though the Fund's shareholders have not approved the New Agreements. Applicants acknowledge that the Fund may be required to pay, with respect to the period until receipt of the order, no more than the actual out-of-pocket cost to the Adviser for providing advisory services to the Fund.

Trustees and appropriate certifications that the New Agreements have been approved by the Funds' shareholders.

Applicants' Conditions

Applicants agree as conditions to the issuance of the exemptive order requested by the application that:

1. The New Agreements will have the same terms and conditions as the Prior Agreements, except for their effective and termination dates and escrow provisions.

2. Fees earned by the Adviser in respect of the New Agreements during the Interim Period will be maintained in an interest-bearing escrow account, and amounts in the account (including interest earned on such paid fees) will be paid: (a) To the Adviser in accordance with the New Agreements, after the requisite shareholder approval is obtained; or (b) to the Fund portfolio which paid the fees, in the absence of shareholder approval with respect to the Fund portfolio.

3. The Fund will hold a meeting of shareholders to vote on approval of the New Agreements on or before the 120th day following the termination of the Prior Agreements (but in no event later than July 6 1998).

4. The Adviser will bear the costs of preparing and filing the application and the costs relating to the solicitation of shareholder approval of the New Agreement necessitated by the Transaction.

5. The Adviser will take all appropriate steps so that the scope and quality of advisory and other services provided to the Fund during the Interim Period will be at least equivalent, in the judgment of the Board, including a majority of the Independent Trustees, to the scope and quality of services previously provided. In the event of any material change in the personnel providing services pursuant to the New Agreements, the Adviser will apprise and consult with the Board to assure that the Trustees, including a majority of the Independent Trustees, are satisfied that the services provided will not be diminished in scope or quality.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 98–13647 Filed 5–21–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23189; 812–10972]

General American Investors Company, Inc.; Notice of Application

May 15, 1998.

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

ACTION: Notice of application for an exemption under section 6(c) of the Investment Company Act of 1940 (the ''Act'') from section 19(b) of the Act and rule 19b–1 under the Act.

SUMMARY OF APPLICATION: Applicant, General American Investors Company, Inc., requests an order to permit it to make periodic distributions of net long-term capital gains in any one taxable year, so long as applicant maintains in effect a distribution policy with respect to its preferred stock calling for periodic dividends in an amount equal to a specified percentage of the liquidation preference of the preferred stock.

FILING DATES: The application was filed on January 16, 1998 and amended on April 29, 1998.

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 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 June 9, 1998, and should be accompanied by proof of service on 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicant: General American Investors Company, Inc., 450 Lexington Avenue, New York, New York 10017.

FOR FURTHER INFORMATION CONTACT: Edward P. Macdonald, 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 (tel. 202–942–8090).

Applicant's Representations

1. Applicant is registered under the Act as an internally-managed closed-end management investment company organized as a Delaware corporation. Applicant's board of directors has authorized it to issue and sell cumulative preferred stock. Applicant's investment objective is long term capital appreciation.

2. Applicant wishes to institute a dividend payment policy with respect to its cumulative preferred stock, and any future preferred stock, to be issued by applicant calling for periodic dividends in an amount equal to a specified percentage of the liquidation preference of applicant's preferred stock (''Distribution Policy''). The specified percentage may be determined at the time the preferred stock is initially issued, pursuant to periodic remarketings or auctions, or otherwise. Under the requested relief, the periodic payments may include long-term capital gains so long as applicant maintains in effect the Distribution Policy.

Applicant's Legal Analysis

1. Section 19(b) of the Act provides that a registered investment company may not in contravention of such rules, regulations, or orders as the SEC may prescribe, distribute long-term capital gains more often than once every twelve months. Rule 19b–1 under the Act limits the number of capital gains distributions, as defined in section 851(b)(3)(C) of the Internal Revenue Code of 1986, as amended (the ''Code''), that applicant may make with respect to any one taxable year to one, plus a supplemental distribution made pursuant to section 855 of the Code not exceeding 10% of the total amount distributed for the year, plus one additional net long-term capital gains distribution made in whole or in part to avoid the excise tax under section 4982 of the Code.

2. Applicant argues that rule 19b–1 may prevent the normal operation of the Distribution Policy whenever applicant's realized net long-term capital gains in any year exceed the total of the periodic distributions that under rule 19b–1 may include capital gains. In that situation, applicant asserts that rule 19b–1 effectively forces the distributions that under rule 19b–1 may not include these capital gains to be treated as a return of capital to stockholders, even though net long-term capital gains would otherwise be available. Applicant further states that federal tax rules require that current earnings and profits be allocated proportionately among all distributions