

NNM securities with an average daily non-block volume of 3,000 shares or more a day, a bid price less than or equal to \$100, and three or more market makers are subject to a minimum quotation size requirement of 1,000 shares;²

NNM securities with an average daily non-block volume of 1,000 shares or more a day, a bid price less than or equal to \$150, and two or more market makers are subject to a minimum quotation size requirement of 500 shares and a maximum SOES order size of 500 shares; and

NNM securities with an average daily non-block volume of less than 1,000 shares a day, a bid price less than or equal to \$250, and less than two market makers are subject to a minimum quotation size requirement of 200 shares and a maximum SOES order size of 200 shares.

Pursuant to the application of this classification criteria, 900 NNM securities will be reclassified effective November 13, 1995. These 900 NNM securities are set out in the NASD's Notice To Members 95-91 (October, 1995).

In ranking NNM securities pursuant to the established classification criteria, Nasdaq followed the changes dictated by the criteria with two exceptions. First, an issue was not moved more than one tier size level. For example, if an issue was previously categorized in the 1,000-share tier size, it would not be permitted to move to the 200-share tier even if the reclassification criteria showed that such a move was warranted. In adopting this policy, Nasdaq was attempting to maintain adequate public investor access to the market for issues in which the tier size level decreased and help ensure the ongoing participation of market makers in SOES for issues in which the tier size level increased. Second, for twenty securities priced below \$1 where the reranking called for a reduction in tier size, Nasdaq determined not to recommend a decline in tier size.³

The NASD believes that the proposed rule change is consistent with Section 15A(b)(6) of the Act. Section 15A(b)(6) requires, among other things, that the rules of the NASD governing the operation of The Nasdaq Stock Market be designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and

facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market. The NASD believes that the reassignment of NNM securities within SOES tier size levels and minimum quotation size levels will further these ends by providing an efficient mechanism for small, retail investors to execute their orders on Nasdaq and providing investors with the assurance that they can effect trades up to a certain size at the quotations displayed on Nasdaq.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The NASD believes that the proposed rule change will not result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change has become effective immediately pursuant to Section 19(b)(3)(A)(i) of the Act and subparagraph (e) of Rule 19b-4 thereunder because the reranking of NNM securities into appropriate SOES tier sizes was done pursuant to the NASD's stated policy and practice with respect to the administration and enforcement of two existing NASD rules. Further, in the SOES Tier Size Order, the Commission requested that the NASD provide this information as an interpretation of an existing NASD rule under Section 19(b)(3)(A) of the Act. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Securities Exchange Act of 1934.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent

amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to the File No. SR-NASD-95-44 and should be submitted by November 2, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁴

Jonathan G. Katz,
Secretary.

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[Rel. No. IC-21393; 811-7101]

Alexander Hamilton Funds; Notice of Application

October 4, 1995.

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

ACTION: Notice of application for deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: Alexander Hamilton Funds.

RELEVANT ACT SECTION: Order requested under section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring it has ceased to be an investment company.

FILING DATES: The application was filed on September 5, 1995.

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 October 30, 1995, 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 may request notification of a hearing by writing to the SEC's Secretary.

⁴ 17 CFR 200.30-3(a)(12)(1989).

² On December 23, 1993, the Securities and Exchange Commission approved a reduction in the maximum SOES tier size to 500 shares from 1,000 shares on an interim basis. See Securities Exchange Act Release No. 33377 (Dec. 23, 1993), 58 FR 69419. On March 28, 1995, the effectiveness of this rule lapsed and the largest SOES tier size returned to 1,000 shares.

³ In addition, 33 of the NNM securities subject to the SOES tier size reranking procedures on March 31, 1995 are no longer NNM securities.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicant, Federated Investors Tower, Pittsburgh, PA 15222-3779.

FOR FURTHER INFORMATION CONTACT: Marianne H. Khawly, Staff Attorney, at (202) 942-0562, or Robert A. Robertson, 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 from the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is a registered open-end management investment company under the Act and is organized as a business trust under the laws of the Commonwealth of Massachusetts. On October 4, 1993, applicant filed a Notification of Registration on Form N-8A pursuant to section 8(a) of the Act and a registration statement on Form N-1A under section 8(b) of the Act and under the Securities Act of 1933. On February 10, 1994, the registration statement was declared effective and applicant commenced its initial public offering on that date. Applicant consists of three series: Alexander Hamilton Equity Growth and Income Fund ("Equity Growth and Income Fund"); Alexander Hamilton Government and Income Fund ("Government and Income Fund"); and Alexander Hamilton Municipal Income Fund ("Municipal Income Fund") (each, a "Series").

2. On November 28, 1994, applicant's board of trustees unanimously determined that applicant's continuation was no longer in the best interest of applicant or its shareholders. The board determined that applicant's shareholders would be better served by a liquidation of applicant's assets. The board voted to approve a plan of liquidation whereby applicant's shareholders would be contacted and asked to redeem their shares by November 29, 1994 (the "Liquidation Date").

3. On November 28, 1994, Equity Growth and Income Fund had 507,266.170 shares of beneficial interest outstanding. At such time, Equity Growth and Income Fund had an aggregate and per share net asset value of \$4,805,222.11 and \$9.48, respectively. On or before the Liquidation Date, Equity Growth and Income Fund sold its portfolio securities at fair market value. Brokerage commissions totaling \$732 were paid in connection with the sale. On or before

the Liquidation Date, the holder of 99.8% of Equity Growth and Income Fund's shares, Alexander Hamilton Life Insurance Company ("AHLIC"), parent of Alexander Hamilton Capital Management, Inc., applicant's investment adviser (the "Adviser"), voluntarily redeemed its shares at the redemption date's net asset value.

4. On the November 28, 1994, Government Income Fund had 532,475.146 shares of beneficial interest outstanding. At such time, Government Income Fund had an aggregate and per share net asset value of \$4,793,902.94 and \$9.00, respectively. On or before the Liquidation Date, Government Income Fund sold its portfolio securities at fair market value. No brokerage commissions were paid in connection with the sale. On or before the Liquidation Date, the holder of 98% of Government Income AHLIC, voluntarily redeemed its shares at the redemption date's net asset value.

5. On the November 28, 1994, Municipal Income Fund had 551,300.772 shares of beneficial interest outstanding. At such time, Municipal Income Fund had an aggregate and per share net asset value of \$4,714,748.52 and \$8.55, respectively. On or before the Liquidation Date, Municipal Income Fund sold certain of its portfolio securities at fair market value and the remaining securities were disposed of in accordance with rule 17a-7. No brokerage commissions were paid in connection with the sale. On or before the Liquidation Date, the holder of 99.9% of Government Income Fund's shares, AHLIC, voluntarily redeemed its shares in kind or at the redemption date's net asset value.

6. On the Liquidation date, applicant's administrator, Federated Administrative Services (the "Administrator"), the remaining shareholder of each series, adopted a resolution approving applicant's termination.

7. No outside legal or accounting fees were incurred in connection with the liquidation. Any expenses incurred in connection with applicant's liquidation were waived or paid by the Administrator pursuant to its administrative agreement. All organizational and operational expenses will be paid by the Adviser.

8. As of the date of the application, applicant had no assets, debts, or shareholders. Applicant is not a party to any litigation or administrative proceeding. Applicant is neither engaged in nor proposes to engage in any business activities other than those necessary for the winding-up of its affairs.

9. Applicant will terminate its existence as a business trust under Massachusetts law.

For the SEC, by the Division of Investment Management, under delegated authority.
Jonathan G. Katz,
Secretary.

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[Release No. IC-21397; File No. 812-9512]

Nationwide Life Insurance Company, et al.

October 5, 1995.

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

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "Act").

APPLICANTS: Nationwide Life Insurance Company ("NWL"), Nationwide Life and Annuity Insurance Company ("NWLAI") (together, the "Companies"); Nationwide Variable Account, Nationwide Variable Account II, Nationwide Variable Account 3, Nationwide Variable Account 4, Nationwide Variable Account 5, Nationwide Variable Account 6, Nationwide Multi-Flex Variable Account, Nationwide Fidelity Advisor Variable Account (together, the "NWL Accounts"); Nationwide VA Separate Account-A, Nationwide VA Separate Account-B, Nationwide VA Separate Account-C (together, the "NWLAI Accounts"; the NWL Accounts and the NWLAIC Accounts are herein collectively referred to as the "Existing Accounts"); Fidelity Investments Institutional Services Company, Inc. ("Fidelity"); and Nationwide Financial Services, Inc. ("NFS").

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act granting an exemption from sections 26(a)(2)(C) and 27(c)(2) of the Act.

SUMMARY OF APPLICATION: Applicants request an order permitting NWL and NWLAIC to deduct mortality and expense risk charges from the assets of certain separate accounts that fund certain group or individual deferred variable annuity contracts.

FILING DATES: The application was filed on March 6, 1995, and was amended on August 16, 1995. Applicants have agreed to file an amendment during the notice period, the substance of which is included in this notice.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request