

publish by December 11, 1998, the computation of the calendar year 1999 monthly compensation base (section 1(i) of the Act) and amounts described in sections 1(k), 2(c), 3 and 4(a-2)(i)(A) of the Act which are related to changes in the monthly compensation base. Also, the RRB is required to publish, by June 11, 1999, the maximum daily benefit rate under section 2(a)(3) of the Act for days of unemployment and days of sickness in registration periods beginning after June 30, 1999.

#### Surcharge Rate

A surcharge is added in the calculation of each employer's contribution rate, subject to the applicable maximum rate, for a calendar year whenever the balance to the credit of the RUI Account on the preceding June 30 is less than the greater of \$100 million or the amount that bears the same ratio to \$100 million as the system compensation base for that June 30 bears to the system compensation base as of June 30, 1991. If the RUI Account balance is less than \$100 million (as indexed), but at least \$50 million (as indexed), the surcharge will be 1.5 percent. If the RUI Account balance is less than \$50 million (as indexed), but greater than zero, the surcharge will be 2.5 percent. The maximum surcharge of 3.5 percent applies if the RUI Account balance is less than zero.

The system compensation base as of June 30, 1991 was \$2,799,430,259.23. The system compensation base for June 30, 1998 was \$2,817,307,517.24. The ratio of \$2,817,307,517.24 to \$2,799,430,259.23 is 1.00638603. Multiplying 1.00638603 by \$100 million yields \$100,638,603. Multiplying \$50 million by 1.00638603 produces \$50,319,302. The Account balance on June 30, 1998, was \$81,520,684.90. Accordingly, the surcharge rate for calendar year 1999 is 1.5 percent.

#### Monthly Compensation Base

For years after 1988, section 1(i) of the Act contains a formula for determining the monthly compensation base. Under the prescribed formula, the monthly compensation base increases by approximately two-thirds of the cumulative growth in average national wages since 1984. The monthly compensation base for months in calendar year 1999 shall be equal to the greater of (a) \$600 or (b) \$600  $[1 + \{(A - 37,800)/56,700\}]$ , where A equals the amount of the applicable base with respect to tier 1 taxes for 1999 under section 3231(e)(2) of the Internal Revenue Code of 1986. Section 1(i) further provides that if the amount so determined is not a multiple of \$5, it

shall be rounded to the nearest multiple of \$5.

The calendar year 1999 tier 1 tax base is \$72,600. Subtracting \$37,800 from \$72,600 produces \$34,800. Dividing \$34,800 by \$56,700 yields a ratio of 0.61375661. Adding one gives 1.61375661. Multiplying \$600 by the amount 1.61375661 produces the amount of \$968.25, which must then be rounded to \$970. Accordingly, the monthly compensation base is determined to be \$970 for months in calendar year 1999.

#### Amounts Related to Changes in Monthly Compensation Base

For years after 1988, sections 1(k), 2(c), 3 and 4(a-2)(i)(A) of the Act contain formulas for determining amounts related to the monthly compensation base.

Under section 1(k), remuneration earned from employment covered under the Act cannot be considered subsidiary remuneration if the employee's base year compensation is less than 2.5 times the monthly compensation base for months in such base year. Multiplying 2.5 by the calendar year 1999 monthly compensation base of \$970 produces \$2,425. Accordingly, the amount determined under section 1(k) is \$2,425 for calendar year 1999.

Under section 2(c), the maximum amount of normal benefits paid for days of unemployment within a benefit year and the maximum amount of normal benefits paid for days of sickness within a benefit year shall not exceed an employee's compensation in the base year. In determining an employee's base year compensation, any money remuneration in a month not in excess of an amount that bears the same ratio to \$775 as the monthly compensation base for that year bears to \$600 shall be taken into account. The calendar year 1999 monthly compensation base is \$970. The ratio of \$970 to \$600 is 1.61666667. Multiplying 1.61666667 by \$775 produces \$1,253. Accordingly, the amount determined under section 2(c) is \$1,253 for months in calendar year 1999.

Under section 3, an employee shall be a "qualified employee" if his/her base year compensation is not less than 2.5 times the monthly compensation base for months in such base year. Multiplying 2.5 by the calendar year 1999 monthly compensation base of \$970 produces \$2,425. Accordingly, the amount determined under section 3 is \$2,425 for calendar year 1999.

Under section 4(a-2)(i)(A), an employee who leaves work voluntarily without good cause is disqualified from receiving unemployment benefits until

he has been paid compensation of not less than 2.5 times the monthly compensation base for months in the calendar year in which the disqualification ends. Multiplying 2.5 by the calendar year 1999 monthly compensation base of \$970 produces \$2,425. Accordingly, the amount determined under section 4(a-2)(i)(A) is \$2,425 for calendar year 1999.

#### Maximum Daily Benefit Rate

Section 2(a)(3) contains a formula for determining the maximum daily benefit rate for registration periods beginning after June 30, 1989, and after each June 30 thereafter. Legislation enacted on October 9, 1996, revised the formula for indexing maximum daily benefit rates. Under the prescribed formula, the maximum daily benefit rate increases by approximately two-thirds of the cumulative growth in average national wages since 1984. The maximum daily benefit rate for registration periods beginning after June 30, 1999, shall be equal to 5 percent of the monthly compensation base for the base year immediately preceding the beginning of the benefit year. Section 2(a)(3) further provides that if the amount so computed is not a multiple of \$1, it shall be rounded down to the nearest multiple of \$1.

The calendar year 1998 monthly compensation base is \$925. Multiplying \$925 by 0.05 yields \$46.25, which must then be rounded down to \$46. Accordingly, the maximum daily benefit rate for days of unemployment and days of sickness beginning in registration periods after June 30, 1999, is determined to be \$46.

Dated: October 28, 1998.

By Authority of the Board.

**Beatrice Ezerski,**

*Secretary to the Board.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-23512]

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

October 30, 1998.

The following is a notice of applications for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of October, 1998. A copy of each application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth St., N.W., Washington, DC 20549 (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 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 November 23, 1998, 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, N.W., Washington, DC 20549. For Further Information Contact: Diane L. Titus, at (202) 942-0564, SEC, Division of Investment Management, Office of Investment Company Regulation, Mail Stop 5-6, 450 Fifth Street, N.W., Washington, DC 20549.

**New England Funds Trust IV [File No. 811-8473]**

*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 a public offering or engage in business of any kind.

*Filing Date:* The application was filed on September 28, 1998.

*Applicant's Address:* 399 Boylston Street, Boston, Massachusetts 02116.

**Heitman Securities Trust [File No. 811-5659]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On June 30, 1998, applicant transferred all of its assets and liabilities to Heitman Real Estate Portfolio, a newly created series of the UAM Funds Trust (the "Acquiring Fund"), in exchange for Institutional Class and Advisor Class shares of the Acquiring Fund, based on the relative net asset value per share. Heitman/PRA Securities Advisors, Inc., applicant's investment adviser, paid approximately \$142,500 in expenses incurred in connection with the reorganization.

*File Date:* The application was filed on October 13, 1998.

*Applicant's Address:* 180 North LaSalle Street, Suite 3600, Chicago, Illinois 60601.

**Alamo Growth Fund, Inc. [File No. 811-9162]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an

investment company. By July 23, 1998, applicant had distributed all of its assets to its security holders at the net asset value per share. Expenses incurred in connection with the liquidation are not expected to exceed \$1,000 and will be paid by applicant's investment adviser, Alamo Advisers, Inc.

*Filing Dates:* The application was filed on May 20, 1998, and amended on September 15, 1998, and October 1, 1998

*Applicant's Address:* 1777 N.E. Loop 410, Suite 1512, San Antonio, Texas 78217.

**Capitol Square Funds [File No. 811-7699]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. As of September 30, 1997, applicant's four series, Capitol Square Bond Fund, Capitol Square Large Cap Fund, Capitol Square Small Cap Fund, and Capitol Square Balanced Fund, each liquidated their portfolio securities and other assets, and distributed the proceeds *pro rata* to their shareholders based on the net asset value per share. Expenses associated with the liquidation totaled approximately \$450.00, and were paid by applicant's investment adviser, Dillon Capitol Management.

*File Dates:* The application was filed on July 28, 1998, and amended on October 2, 1998.

*Applicant's Address:* 21 East State Street, Suite 1410, Columbus, Ohio 43215.

**Scudder Institutional Fund, Inc. [File No. 881-4555]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On April 3, 1998, applicant transferred its assets and liabilities to Scudder International Fund (the "International Fund"), a series of Scudder International Fund, Inc., based on the relative net asset values per share. Scudder Kemper Investments, Inc., investment adviser to both applicant and the International Fund, paid approximately \$75,497 in expenses incurred in connection with the reorganization. In addition, applicant has incurred approximately \$3,464 in liquidation expenses, and applicant's total liquidation expenses are not expected to exceed \$4,500.

*Filing Date:* The application was filed on September 11, 1998.

*Applicant's Address:* 345 Park Avenue, New York, New York 10154.

**Peachtree Funds [File No. 811-7107]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an

investment company. On September 30, 1998, four portfolios of Peachtree Funds transferred all of their assets and liabilities to corresponding portfolios of Nations Funds Trusts. The remaining portfolio of Peachtree Funds, Peachtree Prime Money Market Fund, transferred all of its assets and liabilities to a corresponding portfolio of Nations Prime Fund, Inc. The reorganization incurred approximately \$695,000 in expenses that were paid for by the acquiring funds' investment adviser, NationsBank, and their sponsor, distributor, and administrator.

*Filing Dates:* The application was filed on May 13, 1997, and amended on July 15, 1998.

*Applicant's Address:* Federated Investors Tower, Pittsburgh, Pennsylvania 15222-3779.

**The Columbus Fund, Inc. [File No. 811-8418]**

*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 a public offering or engage in business of any kind.

*Filing Date:* The application was filed on October 14, 1998.

*Applicant's Address:* c/o Dechert Price & Rhoads, 1775 Eye Street, N.W., Washington, D.C. 20006-2401.

**Dodge & Cox Stock Fund [File No. 811-1294]; Dodge & Cox Income Fund [File No. 811-5580]**

*Summary:* Each applicant seeks an order declaring that it has ceased to be an investment company. On April 30, 1998, each applicant transferred all of its assets and liabilities to a corresponding series of the Dodge & Cox Funds based on the net asset value per share. Applicants paid \$158,581, and \$38,008, respectively, in expenses related to the reorganizations.

*Filing Dates:* Each application was filed on August 12, 1998, and amended on October 22, 1998.

*Applicants' Address:* One Sansome Street, San Francisco, California 94104.

**Oppenheimer Strategic Investment Grade Bond Fund [File No. 811-6458]; Oppenheimer Strategic Short-Term Income Fund [File No. 811-6533]**

*Summary:* Each applicant seeks an order declaring that it has ceased to be an investment company. On September 21, 1995, Oppenheimer Strategic Investment Grade Bond Fund transferred all of its assets to Oppenheimer Bond Fund ("Bond Fund") at net asset value. Applicant and Bond Fund paid \$26,882 and \$20,057,

respectively, in expenses related to the reorganization. On September 21, 1995, Oppenheimer Strategic Short-Term Income Fund transferred all of its assets to Oppenheimer Limited-Term Government Fund ("Limited-Term Government Fund") at net asset value. Applicant and Limited-Term Government Fund paid \$26,432 and \$20,057, respectively, in expenses related to the reorganization.

**Filing Dates:** Each application was filed on September 28, 1998, and the application for Oppenheimer Strategic Short-Term Income Fund was amended on October 27, 1998.

**Applicants' Address:** 6803 S. Tucson Way, Englewood, Colorado 80112.

**Composite Equity Series, Inc. [File No. 811-565]; Composite Income Fund, Inc. [File No. 811-2604]; Composite Tax-Exempt Bond Fund, Inc. [File No. 811-2681]; Composite Cash Management Company [File No. 811-2941]; Composite U.S. Government Securities, Inc. [File No. 811-3426]; Composite Northwest Fund, Inc. [File No. 811-4740]**

**Summary:** Each applicant seeks an order declaring that it has ceased to be an investment company. On March 20, 1998, each applicant transferred all of its assets and liabilities to corresponding series of WM Trust I (formerly known as The Composite Funds) based on the relative net asset values per share. The aggregate amount of expenses incurred in connection with the reorganization was approximately \$625,000 and was paid by WM Advisors, Inc., applicants' investment adviser, and/or its affiliates but not the applicants.

**Filing Dates:** Each application was filed on October 13, 1998. Each applicant has agreed to file an amendment during the notice period.

**Applicants' Address:** 601 West Main Avenue, Suite 300, Spokane, Washington 99201-0613.

**Minerva Fund, Inc. [File No. 811-7828]**

**Summary:** Applicant seeks an order declaring that it has ceased to be an investment company. On December 26, 1997, applicant made a liquidating distribution to its shareholders at the net asset value per share. Expenses incurred in connection with the liquidation totaled approximately \$30,000, and were paid by LTCB-MAS Investment Management, Inc., applicant's investment adviser.

**Filing Dates:** The application was filed on August 21, 1998, and amended on October 26, 1998.

**Applicant's Address:** 3435 Stelzer Road, Columbus, Ohio 43219.

**First Global Equity Portfolio [File No. 811-9072]; AIG All Ages Funds, Inc. [File No. 811-9022]**

**Summary:** Each applicant seeks an order declaring that it has ceased to be an investment company. First Global Equity Portfolio ("Global Equity") is a master fund in a master-feeder structure. Global Equity has two feeder funds, the AIG Children's World Fund—2005 and the AIG Retiree Fund—2003 (collectively, the "AIG Funds"), each a series of AIG All Ages Funds, Inc. On January 21, 1998, the AIG Funds redeemed their respective shares of Global Equity at net asset value. On February 6, 1998, AIG Asset Management Services, Inc. ("AIG") redeemed its seed capital shares of Global Equity. AIG paid approximately \$9,658 in expenses in connection with the liquidation of Global Equity. On January 26, 1998, the AIG Funds made a *pro rata* distribution to their shareholders of their net assets. AIG Capital Management Corp., the investment adviser to the AIG Funds, paid approximately \$89,857 in expenses in connection with the liquidation of the AIG Funds.

**Filing Dates:** Each application was filed on August 4, 1998. Each applicant has agreed to file an amendment during the notice period.

**Applicants' Addresses:** Global Equity, 80 Harcourt Street, Dublin, Ireland, and AIG Funds, 505 Carr Road, Wilmington, Delaware 19809.

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

**Jonathan G. Katz,**  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40616; File No. SR-Amex-98-30]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Options of Advertisements

October 28, 1998.

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 October 16, 1998,<sup>3</sup> the American Stock

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

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

<sup>3</sup> The proposed rule change was originally submitted on August 5, 1998. On October 16, 1998,

Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), the proposed rule change as described in Items I, II, and III below, which items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Amex proposes to adopt an interpretation to Rule 991 relating to options communications with customers. The text of the proposed rule change is available at the Office of the Secretary, Amex, and at the Commission.

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

In its filing with the Commission, Amex included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Amex has prepared summaries, set forth in sections A, B, and C below, on 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

Amex Rule 991 details Exchange requirements with respect to options-related communications with customers. Commentary .02 and Commentary .03 to Rule 991, as well as the Guidelines for Options Communications (published by the self-regulatory organizations) provide in part that advertisements and educational material should contain the name and address of a specific person from whom an Options Disclosure Document ("ODD") may be obtained. Common practice within the securities industry is

the Exchange submitted Amendment No. 1 to add a footnote to Commentary .02 and Commentary .03(v) to Rule 991 stating the requirement of providing in options advertisements the name and address of a person or persons from whom current Options Disclosure Documents may be obtained "may be satisfied by providing a reasonably specific mechanism by which clients and other investors may obtain this material." Letter from Claudia Crowley, Special Counsel, Amex to Katherine A. England, Assistant Director, Division of Market Regulation, Commission, dated October 15, 1998 ("Amendment No. 1").