the Acquired Series will not incur any sales charges in connection with the Reorganizations. FUNB will be responsible for the fees and expenses related to the Reorganizations other than each Acquiring Series federal and state registration fees.

7. The Boards, including the Independent Trustees, determined that the Reorganizations are in the best interests of the shareholders of each of the Acquired Series and each of the Acquiring Series, and that the interests of the shareholders of the Acquired Series and the Acquiring Series would not be diluted by the Reorganizations. In assessing the Plans, the factors considered by the Boards included, among others, (a) the terms and conditions of the Reorganizations, (b) the expense ratios, fees and expenses of the Acquired Series and Acquiring Series, (c) the fact that FUMB will bear the expenses incurred in connection with the Reorganizations, and (d) the tax-free nature of the Reorganizations.

8. The Plans are subject to a number of conditions precedent, including that: (a) the Plans shall have been approved by the Boards on behalf of each of the Acquiring Series and the Acquired Series and approved by the shareholders of each of the Acquired Series, (b) definitive proxy solitation materials shall have been filed with the Commission and distributed to shareholders of the Acquired Series, (c) the Acquiring and Acquired Series receive an opinion of tax counsel that the Reorganizations will be tax-free for each Series and its shareholders, and (d) applicants receive from the Commission an exemption from section 17(a) of the Act for the Reorganizations. Each Plan may be terminated and the Reorganizations abandoned at any time by mutual consent of the respective Boards of the Acquired Series and the Acquiring Series or by either party in case of a breach of the Plan. Applicants agree not to make any material changes to the Plans without prior Commission approval.

9. Definitive proxy solicitation materials have been filed with the Commission and were mailed to shareholders of the Acquired Series (with the exception of the Evergreen Select Equity Income Fund) on or about June 2, 1999. Proxies were mailed to shareholders of Evergreen Select Equity Income Fund on or about June 25, 1999. A special meeting of shareholders is scheduled for July 23, 1999 (July 30, 1999 in the case of Evergreen Select Equity Income Fund).

Applicant's Legal Analysis

1. Section 17(a) of the Act generally prohibits an affiliated person of a registered investment company, or an affiliated person of such a person acting as principal, from selling any security to, or purchasing any security from, the company. Section 2(a)(3) of the Act defines an ''affiliated person'' of another person to include (a) any person directly or indirectly owning, controlling, or holding with power to vote 5% or more of the outstanding voting securities of the other person; (b) any person 5% or more of whose securities are directly and indirectly owned, controlled, or held with power to vote by the other person; (c) any person directly or indirectly controlling, controlled by or under common control with the other person, and (d) if the other person is an investment company, any investment adviser of that company. Applicants state that the Acquiring and Acquired Series may be deemed affiliated persons and thus the Reorganizations may be prohibited by section 17(a).

2. Rule 17a–8 under the Act exempts from the prohibitions of section 17(a) mergers, consolidations, or purchases or sales of substantially all of the assets of registered investment companies that are affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers, provided that certain conditions set forth in the rule are satisfied.

3. Applicants believe that they may not rely on rule 17a–8 in connection with the Reorganizations because the Acquiring Series and Acquired Series may be deemed to be affiliated by reason other than having a common investment adviser, common directors, and/or common officers. FUNB, as fiduciary for its customers, owns of record with power to vote more than 5% (and in some cases, more than 25%) of the outstanding voting securities of certain of the Acquired Series and Acquiring Series. Because of this ownership each Acquiring Series may be deemed an affiliated person of an affiliated person of each of the Acquired Series for a reason other than having a common investment adviser.

4. Section 17(b) of the Act provides that the Commission may exempt a transaction from the provisions of section 17(a) if the evidence establishes that the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

5. Applicants request an order under section 17(b) of the Act exempting them from section 17(a) of the Act to the extent necessary to consummate the Reorganizations. Applicants submit that the Reorganizations satisfy the standards of section 17(b) of the Act. Applicants state that the Boards have determined that the transactions are in the best interests of each Series' shareholders and that the interests of the existing shareholders will not be diluted as a result of the Reorganizations. In addition, applicants state that the exchange of the Acquired Series' shares for shares of the Acquiring Series will be based on relative NAV.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99–17787 Filed 7–12–99; 8:45 am]

BILLING CODE 8010–01–M

which have a maximum front-end sales load of 3.25% and a distribution fee of 0.10% of average daily net assets, while other Class A shares have a maximum front end sales load of 4.75% and a distribution fee of 0.25% of average daily net assets.

SECURITIES AND EXCHANGE COMMISSION

[File No. 500–1]

Digitcom Interactive Video Network; Order of Suspension of Trading

July 8, 1999.

It appears to the Securities and Exchange Commission that questions have been raised about the adequacy and accuracy of publicly disseminated information concerning Digitcom Interactive Video Network, relating to the company's financial condition and the nature or existence of agreements and contracts with overseas private and governmental entities.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the securities of the above-listed company is suspended for the period from 9:30 a.m. EDT on July 8, 1999, through 11:59 p.m. EDT on July 21, 1999.

By the Commission.

Jonathan G. Katz,

Secretary.

[FR Doc. 99–17823 Filed 7–8–99; 4:29 pm]

BILLING CODE 8010–01–M