

Flats, LLC, Powerhouse Square, LLC, Utech Venture Capital Corporation, Utech Climate Challenge Fund LP, Carousel Capital Partners, LP, NC Enterprise Fund, LP, 1-40 Enterprises, LLC, Southeast Regional Park Development Company, LLC, South Atlantic Private Equity Fund IV, LP, Palmetto Seed Capital Challenge Fund LP, Pantellos Corporation, Utility Competitive Advantage Fund, LLC, Affordable Housing Developers, LLC, Anaheim Affordable, LP, ARV Troy Villa, LP, Bradford Place of Fuquay-Varina LP, Siler City, Cedar Tree Properties, LP, Lumberton-Chestnut Place LLC, Dillon Apartments of South Carolina, Enston Home LP, Excelsior Apartments LP, First Partners II, LP, Garden Spring Housing Association, LLC, The Garner School Apartments LP, Wilmington-Hooper School Apts, LLC, Mountainside LLC, Meadow Spring Housing Assoc. LLC, Hartsville Apartments LP, Manor Associates LP, Asheboro-North Forest LLC, Northgate II LLC, Knightdale Development LLC, Parkview Housing Associate LP, Prarie Limited Liability Company, Ridgewood Housing Assc LLC, Arden-River Glen LLC, Rockwook North LLC, Rockwood AH-1 LP, Marion Apartments LP, Spring Forest Housing Assoc, LLC, Bishopville Apartments LP, Trinity Ridge LLC, Havelock-Tyler Place Apartments LLC, West Cary Apartments LLC, Westridge Wood LLC, Wilrik Hotel Apartments LLC, Asheville-Woodridge LP, Knightdale Apts, LLC, Savannah Place Apartments, LLC, Willow Run, LLC, Wind Ridge, LLC, HGA Development, LLC, GAR, LLC, and Raleigh-CaroHome/WCK, LLC.

#### Florida Progress Corporation

Florida Progress has a number of direct and indirect nonutility subsidiaries: FPC Del, Inc., Energy Solutions, Inc., Progress Capital Holdings, Inc., Florida Progress Funding Corporation, FPC Capital I, FPC Capital II, Mid-Continent Life Insurance Company, PIH, Inc., Progress Reinsurance Company, Ltd., Progress Telecommunications Corporation, Progress-Centrus, Inc., Progress Energy Corporation, PEC Fort Drum, Inc., Westmoreland-Ft. Drum, L.P., Westpower Ft. Drum, Black River Limited Partnership, Progress Desal, Inc., Progress Power Marketing, Inc., Progress Holdings, Inc., Cadence Network, Inc., Progress Provisional Holdings, Inc., Electric Fuels Corporation, Awayland Coal Company, Inc., Dixie Fuels Limited, Dixie Fuels II Limited, EFC Synfuel L.L.C., Homeland Coal Company, Inc., Powell Mountain Joint Venture, Kentucky May Coal Company, Inc., Diamond May Coal Company, Diamond May Mining Company, Cincinnati Bulk Terminals, Inc., Kanawha River Terminals, Inc., Marigold Dock, Inc., Colona Sub No. 2, LLC, Black Hawk Synfuel, Ceredo Synfuel L.L.C., Sandy River Synfuel L.L.C., Solid Energy L.L.C., Solid Fuel L.L.C., LLC, New River Synfuel, LLC, Coal Recovery V, LLC, Colona Newco, LLC, Ceredo Liquid Terminals, Inc., Colona Synfuel Limited Partnership, LLLP, Kentucky May mining Company, Little Black Mountain Coal Reserves, Inc., Dulcimer Land Company, Little Black Mountain Land Company MEMCO Barge Line, Inc., Elmwood Marine Services, Inc., Conlease, Inc., International Marine Terminals Partnership, I.M.T. Land

Corp., Mesa Hydrocarbons, Inc., Powell Mountain, Inc., PMCC, Inc., Powell Mountain Coal Company, Inc., Murphy Land Company, Inc., Progress Land Corporation, Progress Materials, Inc., Progress Metal Reclamation Company, West Virginia Auto Shredding, Progress Rail Services Corporation, Chemetron-Railway products, Inc., FM Industries, Inc., Kentuckiana Railcar Repair and Storage Facility, LLC, PRS International Sales Company, Inc., Progress Rail Services de Mexico, S.A. de C.V., Progress Rail Canada Corp., Progress Rail Holdings, Inc., Progress Rail Transcanada Corporation, Progress Vanguard Corp., Railcar, Ltd., Southern Machine and Tool Company, United Industries, Inc., Servicios Ferroviarios Progress, S. de R.L. de C.V., Servicios Administrativos Progress, S. de R.L. de C.V. and Progress Synfuel Holdings, Inc.

In addition, Florida Progress has a passive investment in the following entities: American Tax Credit Corporate Fund III, L.P., Boston Capital Corporate Tax Credit Fund VII, Boston Capital Corporate Tax Credit Fund, VIII, KeyCorp Investment Limited Partnership II, Lehman Housing Tax Credit Fund, L.P. McDonald Corporate Tax Credit Fund 1996 Limited Partnership, and National Corporate Tax Credit Fund VI.

[FR Doc. 00-20255 Filed 8-9-00; 8:45 am]

BILLING CODE 8010-01-M

#### SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 24592; 812-11932]

#### CIGNA Funds Group and Times Square Capital Management, Inc.; Notice of Application

August 3, 2000.

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

**ACTION:** Notice of an application under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from section 15(a) of the Act and rule 18f-2 under the Act.

*Summary of the Application:* CIGNA Funds Group (the "Fund") and Times Square Capital Management, Inc. ("Manager") request an order to permit them to enter into and materially amend subadvisory agreements without shareholder approval.

*Filing Date:* The application was filed on January 7, 2000, and amended on August 2, 2000.

*Hearing or Notification of Hearing:* An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission

by 5:30 p.m. on August 28, 2000, 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 Commission's Secretary.

**ADDRESSES:** Secretary, Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants, c/o Jeffrey S. Winter, Esq., CIGNA Corporation, S-215, 900 Cottage Grove Road, Hartford, CT 06152.

**FOR FURTHER INFORMATION CONTACT:** Paula L. Kashtan, Senior Counsel, at (202) 942-0615, or Mary Kay Frech, 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 Commission's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (telephone (202) 942-8090).

#### Applicants' Representations

1. The Fund, a Massachusetts business trust, is registered under the Act as an open-end management investment company. The Fund currently is comprised of nine series, each with its own investment objectives and policies. The Manager, a Delaware corporation and an indirect wholly-owned subsidiary of CIGNA Corporation, is registered as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act"). The Manager serves as investment adviser to each series of the Fund, including those series that utilize the Manager/subadviser structure described below ("Portfolios").<sup>1</sup>

2. The Manager has entered into an investment management agreement ("Management Agreement") with respect to each of the Portfolios that was approved by the board of trustees of the Fund (the "Board"), including a majority of the trustees who are not "interested persons," as defined in

<sup>1</sup> Applicants also request relief with respect to future series of the Fund and any other registered open-end management investment companies that: (a) are advised by the Manager or any entity controlling, controlled by, or under common control with the Manager; (b) use the Manager/subadviser structure described in the application; and (c) comply with the terms and conditions in the application ("Future Portfolios"). The Fund is the only existing investment company that currently intends to rely on the order.

section 2(a)(19) of the Act (“Independent Trustees”), and the shareholders of each Portfolio. Under the terms of the Management Agreement, the Manager supervises the general business, administrative, investment advisory and portfolio management operations of the Portfolios. For its services, the Manager receives a management fee at an annual rate based on a percentage of the applicable Portfolio’s average net assets.

3. The Manager seeks to achieve the investment objective of the Portfolios by selecting, subject to the oversight and approval of the Board, one or more subadvisers (each a “Subadviser” and collectively “Subadvisers”) to manage the assets of the Portfolios (“Manager/Subadviser Structure”). Under the Manager/Subadviser Structure, the specific investment decisions for the Portfolios are made by one or more Subadvisers, each of which has discretionary authority to invest all or a portion of the assets of a particular Portfolio, subject to the general supervision of the Manager and the Board. The Subadvisers are investment advisers registered under the Advisers Act. Future Subadvisers also will be registered or exempt from registration under the Advisers Act. Each Portfolio that currently uses Subadvisers has a single Subadviser.

4. The Manager selects Subadvisers based on a process that includes reviewing each Subadviser’s investment performance record, conformity to investment objectives and policies, organizational structure, management team, compliance and operational capabilities, and assets under management. Subadvisers are recommended to the Board by the Manager and selected and approved by the Board, including a majority of the Independent Trustees. The Manager monitors the Portfolios and the Subadvisers and makes recommendations to the Board regarding the allocation, and reallocation, of assets among Subadvisers and is responsible for recommending the hiring, termination and replacement of Subadvisers. Each Subadviser performs services pursuant to a written agreement with the Manager (the “Subadvisory Agreement”). Subadvisers’ fees are paid by the Manager out of the management fees received by the Manager from the respective Portfolio.

5. Applicants request relief to permit the Manager, subject to the oversight of the Board, to enter into and materially amend Subadvisory agreements without

shareholder approval.<sup>2</sup> The requested relief will not extend to a Subadviser that is an affiliated person, as defined in section 2(a)(3) of the Act, of the Fund or the Manager, other than by reason of serving as a Subadviser to one or more of the Portfolios (an “Affiliated Subadviser”).

#### Applicants’ Legal Analysis

1. Section 15(a) of the Act provides, in relevant part, that it is unlawful for any person to act as an investment adviser to a registered investment company except pursuant to a written contract that has been approved by the vote of the company’s outstanding voting securities. Rule 18f-2 under the Act provides that each series or class of stock in a series company affected by a matter must approve such matter if the Act requires shareholder approval.

2. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction or any class or classes of persons, securities, or transactions from any provision of the Act, or from any rule thereunder, if 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 believe that the requested relief meets this standard for the reasons discussed below.

3. Applicants assert that the investors are relying on the Manager’s experience to select one or more Subadvisers best suited to achieve a Portfolio’s desired investment objectives. Applicants assert that, from the perspective of the investor, the role of the Subadvisers is comparable to that of individual portfolio managers employed by other investment advisory firms. Applicants contend that requiring shareholder approval of Subadvisory Agreements may impose unnecessary costs and delays on the Portfolios, and may preclude the Manager from acting promptly in a manner considered advisable by the Board. Applicants note that the Management Agreement will remain subject to section 15(a) of the act and rule 18f-2 under the Act, including the requirements for shareholder approval.

#### Applicants’ Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

<sup>2</sup>The Fund’s prospectus had disclosed, since the effective date of its registration statement, that the Fund would seek an exemptive order from the Commission permitting changes in Subadvisers without submitting the Subadvisory Agreements to a vote of the applicable Portfolio’s shareholders.

1. Before a Future Portfolio, that does not presently have an effective registration statement and whose public shareholders will purchase shares on the basis of a prospectus containing the disclosures contemplated by condition 2 below, may rely on the order requested herein, the operation of the Future Portfolio in the manner described in the application will be approved by the initial shareholder(s) before shares of such Future Portfolio are offered to the public.

2. The prospectus of each Portfolio relying on the requested relief will disclose the existence, substance and effect of any order granted pursuant to the application. In addition, each Portfolio will hold itself out to the public as employing the Manager/Subadviser Structure described in the application. The prospectus will prominently disclose that the Manager has the ultimate responsibility to oversee the Subadvisers and recommend their hiring, termination, and replacement.

3. The Manager will provide management and administrative services to each of the Portfolios, including overall supervisory responsibility for the general management and investment of each Portfolio, and, subject to review and approval by the Board, will: (a) Set each Portfolio’s overall investment strategies; (b) evaluate, select and recommend Subadvisers to manage all or a part of a Portfolio’s assets; (c) when appropriate, allocate and reallocate a Portfolio’s assets among multiple Subadvisers; (d) monitor and evaluate the investment performance of Subadvisers; and (e) implement procedures reasonably designed to ensure that the Subadvisers comply with the relevant Portfolio’s investment objectives, policies, and restrictions.

4. At all times, a majority of the Board will be Independent Trustees, and the nomination of new or additional Independent Trustees will be at the discretion of the then-existing Independent Trustees.

5. The Manager will not enter into a Subadvisory Agreement on behalf of a Portfolio with any Affiliated Subadviser unless such agreement, including the compensation to be paid thereunder, has been approved by the shareholders of the applicable Portfolio.

6. When a Subadviser change is proposed for a Portfolio with an Affiliated Subadviser, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the minutes of meetings of the Board, that the change is in the best interests of the Portfolio and its

shareholders and does not involve a conflict of interest from which the Manager or the Affiliated Subadviser derives an inappropriate advantage.

7. No trustee or officer of the Fund, or director or officer of the Manager will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by the director, trustee or officer) any interest in a Subadviser except for (a) ownership of interests in the Manager or an entity that controls, is controlled by, or is under common control with the Manager; or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Subadviser or an entity that controls, is controlled by, or is under common control with a Subadviser.

8. Within 90 days of the hiring of any new Subadviser, the Manager will furnish the shareholder of the applicable Portfolio all the information about the new Subadviser that would be included in a proxy statement. The disclosure will include any changes in such information caused by the addition of a new Subadviser. To meet this obligation, the Manager will provide the shareholders of the applicable Portfolios with an information statement meeting the requirements of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the Securities Exchange Act of 1934.

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

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

[FR Doc. 00-20211 Filed 8-9-00; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 24593; 812-12182]

### MPAM Funds Trust; Notice of Application

August 3, 2000.

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

**ACTION:** Notice of an application for an order under section 12(d)(1)(f) of the Investment Company Act of 1940 (the "Act") for an exemption from section 12(d)(1)(G)(i)(II) of the Act.

*Summary of the Application:*  
Applicant MPAM Funds Trust requests an order to permit a fund of funds relying on section 12(d)(1)(G) of the Act

to invest in securities and other financial instruments.

**Filing Dates:** The application was filed on July 21, 2000 and amended on July 31, 2000. Applicant has agreed to file an amendment, the substance of which is reflected in this notice, during the notice period.

**Hearing or Notification of Hearing:** An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on August 28, 2000, 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 interests, 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 Commission's Secretary.

**ADDRESSES:** Secretary, Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicant, c/o Donald W. Smith, Esq., Kirkpatrick & Lockhart LLP, 1800 Massachusetts Avenue, NW., 2nd Floor, Washington, DC 20036.

**FOR FURTHER INFORMATION CONTACT:** Nadya B. Roytblat, Assistant Director, 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 Commission's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (tel. 202-942-8090).

### Applicant's Representations

1. MPAM Funds Trust (the "Trust") is a Massachusetts business trust registered under the Act as an open-end management investment company. The Trust will consist of thirteen series,<sup>1</sup> one such series will be the MPAM Balanced Fund ("Balanced Fund"). MPAM Advisers (the "Adviser"), a division of The Dreyfus Corporation, is an investment adviser registered under the Investment Advisers Act of 1940, and will serve as the investment adviser to each series of the Trust. The Balanced Fund will invest in shares of the other series of the Trust (collectively, the "Underlying Funds"), as well as directly in stocks, bonds, and other securities.

<sup>1</sup> The Trust filed its initial registration statement on April 14, 2000. The registration statement is expected to become effective in September 2000.

Applicant requests that the relief also apply to the other series of the Trust and any additional series organized in the future (an "Upper Tier Fund") that wish to invest in (a) any existing or future Underlying Fund or (b) any open-end management investment company or series thereof that is advised by the Adviser and is part of the same "group of investment companies" (as defined in section 12(d)(1)(G)(ii) of the Act) as the investing Upper Tier Fund.<sup>2</sup>

### Applicant's Legal Analysis

1. Section 12(d)(1)(A) of the Act provides that no registered investment company may acquire securities of another investment company if such securities represent more than 3% of the acquired company's outstanding voting stock or more than 5% of the acquiring company's total assets, or if such securities, together with the securities of other investment companies, represent more than 10% of the acquiring company's total assets. Section 12(d)(1)(B) of the Act provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company's voting stock, or cause more than 10% of the acquired company's voting stock to be owned by investment companies.

2. Section 12(d)(1)(G) of the Act provides that section 12(d)(1) will not apply to securities of an acquired company purchased by an acquiring company if: (i) The acquiring company and the acquired company are part of the same group of investment companies; (ii) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, government securities, and short-term paper; (iii) the aggregate sales loads and distribution-related fees of the acquiring company and the acquired company are not excessive under rules adopted pursuant to section 22(b) or section 22(c) of the act by a securities association registered under section 15A of the Securities Exchange Act of 1934 or by the Commission; and (iv) the acquired company has a policy that prohibits it from acquiring securities of registered open-end management investment companies or registered unit investment trusts in reliance on section 12(d)(1)(F) of (G) of the Act. Applicant states that the proposed arrangement

<sup>2</sup> Applicant represents that any registered open-end management investment company that may rely on the order in the future will do so only in accordance with the terms and conditions of the application.