them with a different software package. The amendment also includes a revision to ITS Section 5.5.13, ''Technical Specifications (TS) Bases Control Program,'' to provide consistency with the changes to 10 CFR 50.59 as published in (64 FR 53852 dated October 4, 1999).

Date of issuance: June 26, 2001.

Effective date: June 26, 2001.

Amendment No.: 80.

Facility Operating License No. DPR–18: Amendment revised the Technical Specifications.

Date of initial notice in **Federal Register:** March 21, 2001 (66 FR 15929).

The Commission's related evaluation of the amendment is contained in a Safety Evaluation dated June 26, 2001.

No significant hazards consideration comments received: No.

Tennessee Valley Authority, Docket Nos. 50–327 and 50–328, Sequoyah Nuclear Plant, Units 1 and 2, Hamilton County, Tennessee

Date of application for amendments: April 12, 2001.

Brief description of amendments: Revised the Technical Specifications (TS) and associated Bases to change the methodology and frequency for sampling the ice condenser ice bed (stored ice) and adds a new TS and associated bases to address sampling requirements for all ice additions to the ice bed.

Date of issuance: July 12, 2001.

Effective date: As of the date of issuance and shall be implemented within 45 days of issuance.

Amendment Nos.: 269 and 259.

Facility Operating License Nos. DPR–77 and DPR–79: Amendments revise the technical specifications.

Date of initial notice in **Federal Register:** May 2, 2001 (66 FR 22033).

The Commission's related evaluation of the amendment is contained in a Safety Evaluation dated July 12, 2001.

No significant hazards consideration comments received: No.

Dated at Rockville, Maryland this 17th day of July 2001.

For the Nuclear Regulatory Commission.

John A. Zwolinski,

Director, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

[FR Doc. 01–18324 Filed 7–24–01; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

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

Extension:

Regulation A and Forms 1–A and 2–A, OMB Control No. 3235–0286, SEC File No. 270–110.

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'') is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Regulation A provides an exemption from registration under the Securities Act for certain limited securities offerings by issuers who do not otherwise file reports with the Commission. Form 1–A is an offering statement filed under Regulation A. Form 2–A. Form 2–A is used to report sales and use of proceeds in Regulation A offerings. Approximately 186 issuers file Forms 1–A and 2–A. It is estimated that Form 1–A takes 608 hours to prepare, Form 2–A takes 12 hours to prepare and Regulation A takes one administrative hour to review for a total of 621 hours per response. The total annual burden hours are 115,506. It is estimated that 75% of the 115,506 total burden hours (86,630 burden hours) would be prepared by the company.

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 will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques of other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

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: July 18, 2001.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01–18517 Filed 7–24–01; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25068; 812–12422]

Nationwide Mutual Funds and Villanova Mutual Fund Capital Trust

July 19, 2001.

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

ACTION: Notice of an application under section 17(b) of the Investment Company Act of 1940 (the ''Act'') for an exemption from section 17(a) of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit a series of Nationwide Mutual Funds (''Nationwide'') to acquire substantially all of the assets, net of liabilities, of another series of Nationwide (the ''Reorganization''). Because of certain affiliations, applicants may not rely on rule 17a–8 under the Act.

FILING DATE: The application was filed on January 30, 2001. Applicants have agreed to file an amendment to the application during the notice period, the substance of which is reflected 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 a hearing by writing to the Commission's Secretary and serving applicants with copies of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on August 13, 2001, 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 may request notification of a hearing by writing to the Commission's Secretary.

ADDRESSES: Secretary, Commission 450 5th Street, NW., Washington, DC 20549–0609. Applicants, c/o Elizabeth A. Davin, Esq., Nationwide Mutual Funds, One Nationwide Plaza, 1–35–16, Columbus, Ohio 43215.

FOR FURTHER INFORMATION CONTACT: Bruce R. MacNeil, Senior Counsel, at

(202) 942–0634, or Michael W. Mundt, 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 at the Commission's Public Reference Branch, 450 5th Street, NW., Washington, DC 20549–0102 (telephone (202) 942–8090).

Applicants' Representations

1. Nationwide, an Ohio business trust, is an open-end management investment company registered under the Act. Nationwide currently offers thirty-nine series, including Nationwide Government Bond Fund (the ''Acquiring Fund'') and Nationwide Long-Term U.S. Government Bond Fund (the ''Acquired Fund,'' together with the Acquiring Fund, the ''Funds'').

2. Villanova Mutual Fund Capital Trust (''VMF'') is an investment adviser registered under the Investment Advisers Act of 1940 and serves as investment adviser to each Fund. VMF is a wholly-owned subsidiary of Villanova Capital, Inc., which is a subsidiary of Nationwide Financial Services (''NFS''). NFS controls Nationwide Life Insurance Company (''Nationwide Life''). As of June 15, 2001, Nationwide Life owned 5.9% of the Acquired Fund's shares. A separate account that funds the benefits provided under certain variable annuity contracts and/or variable life insurance contracts issued by Nationwide Life (''Separate Account'') owned 34.1% of the Acquiring Fund's shares as of June 15, 2001.

3. On December 15, 2000, the board of trustees of each Fund (each a ''Board,'' and together the ''Boards''), including a majority of the trustees who are not ''interested persons,'' as defined in section 2(a)(19) of the Act (''Disinterested Trustees''), approved an agreement and plan of reorganization entered into between the Funds (''Plan''). Under the Plan, on the date of the closing of the Reorganization (''Closing Date''), the Acquiring Fund will acquire all of the assets, net of liabilities, of the Acquired Fund in exchange for shares of designated classes of the Acquiring Fund that have a total net asset value equal to the total net asset value of the Acquired Fund's shares, determined as of the business day preceding the Closing Date (''Valuation Date''). The value of the assets of each Fund will be determined according to the respective Fund's then-current prospectus and statement of additional information. Following the Reorganization, the Acquired Fund will be liquidated. Applicants anticipate the Closing Date will be on or around August 15, 2001.

4. Applicants state that the investment objectives of the Acquired Fund are identical to those of the Acquiring Fund, and that their investment policies and strategies are substantially similar. The Funds each offer Class A, Class B and Class D shares. The Acquiring Fund also offers Class C shares, but these shares will not be exchanged in the Reorganization. Class A shares are subject to a front-end sales charge and a rule 12b–1 distribution fee, and in certain circumstances, a contingent deferred sales charge. Class B shares are subject to a contingent deferred sales charge and a rule 12b–1 distribution fee. Class D shares are only subject to a front-end sales charge. For purposes of calculating any deferred sales charge, shareholders of the Acquired Fund will be deemed to have held shares of the Acquiring Fund since the date the shareholders initially purchased shares of the Acquired Fund. No sales charges will be imposed in connection with the Reorganization. The Funds will bear half of the expenses of the Reorganization on a pro rata basis, and VMF will bear half of the Reorganization expenses.

5. The Boards, including a majority of the Disinterested Trustees, determined that the Reorganization was in the best interests of each Fund and its shareholders, and that the interests of each Fund's existing shareholders would not be diluted as a result of the Reorganization. In reviewing the Plan, the boards considered various factors, including: (a) The compatibility of the investment objectives, policies, restrictions and investments of the Funds; (b) the tax consequences of the Reorganization; (c) the comparative investment performance of the Funds; and (d) the expense ratios (after waivers and reimbursements) of both Funds and the pro forma expenses of the Acquiring Fund following the Reorganization.

6. The Reorganization is subject to a number of conditions, including that: (a) Each Fund's shareholders will have approved the Plan; (b) an N–14 registration statement relating to the Reorganization will have become effective with the Commission; (c) the Funds will have received an opinion of counsel concerning the tax-free nature of the Reorganization; (d) the Acquired Fund will have declared dividends and other distributions that are payable through the close of business on the Valuation Date; and (e) applicants will have received from the Commission the exemptive relief requested by the application.

7. The Plan may be terminated and the Reorganization abandoned at any time prior to the Closing Date by Nationwide, on behalf of either Fund, by resolution of the Fund's Board, if circumstances develop that, in the opinion of the Board, make proceeding with the Reorganization inadvisable. Applicants agree not to make any material changes to the Plan without prior approval of the Commission staff.

8. A registration statement on Form N–14 with respect to the Reorganization, containing a proxy statement/prospectus, was filed with the Commission and was mailed to each Fund's shareholders on or about February 5, 2001. A special meeting of the Funds' shareholders was held on March 9, 2001, and each Fund's shareholders approved the Plan.

Applicants' Legal Analysis

1. Section 17(a) of the Act, in relevant part, 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 or 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.

2. Rule 17a–8 under the Act exempts certain mergers, consolidations, and 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 are satisfied.

3. Applicants believe that rule 17a–8 may not be available to exempt the Reorganization because the Funds may be deemed to be affiliated by reasons other than having a common investment adviser, common directors, and/or common officers. Applicants state that Nationwide Life owns more than 5% of the total outstanding shares of the Acquired Fund and may be deemed to control the Acquiring Fund because the Separate Account owns more than 25%

of the Acquiring Fund's shares. As a result, each Fund may be deemed to be an affiliated person of an affiliated person of the other Fund.

4. Section 17(b) of the Act provides, in relevant part, that the Commission may exempt a transaction from the provisions of section 17(a) if evidence establishes that the terms of the proposed transaction, including the consideration to be paid or received, 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) exempting them from section 17(a) to the extent necessary to complete the Reorganization. Applicants submit that the Reorganization satisfies the standards of section 17(b). Applicants state that the terms of the Reorganization are reasonable and fair and do not involve overreaching. Applicants also state that the investment objectives of the Acquired Fund are identical to those of the Acquiring Fund, and that their investment policies and strategies and similar. Applicants further state that the Boards, including a majority of the Disinterested Trustees, found that the participation of the Funds in the Reorganization is in the best interests of each Fund and its shareholders and that such participation will not dilute the interests of the existing shareholders of each Fund. In addition, applicants state that the Reorganization will be on the basis of the Funds' relative net asset values.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01–18518 Filed 7–24–01; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–44573; File No. SR–NASD–2001–21]

Self-Regulatory Organizations; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment No. 2 to the Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to Amendments to the Fee Structure of the Code of Arbitration Procedure

July 18, 2001.

I. Introduction

On March 23, 2001, the National Association of Securities Dealers, Inc. (''NASD'' or ''Association''), through its wholly owned subsidiary, NASD Dispute Resolution, Inc. (''NASD Dispute Resolution''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] proposed a rule change to amend Rule 10301 of the Code of Arbitration of the NASD, to amend the Code of Arbitration of Procedure (''Code'') to clarify or simplify several fee-related provisions of the Code.

On April 20, 2001, the NASD filed Amendment No. 1 to the proposal.[3] The proposed rule change, as amended, was published for comment in the **Federal Register** on April 30, 2001.[4] The Commission received one comment letter on the proposal.[5] On July 17, 2001, the NASD filed Amendment No. 2 to the proposal.[6] This notice and order approves the proposed rule change, as amended, and solicits comments from interested persons on Amendment No. 2.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* letter from Laura Leedy Gansler, Counsel, NASD Dispute Resolution, Inc., to Florence Harmon, Senior Special Counsel, Division of Market Regulation, Commission, dated April 19, 2001 (''Amendment No. 1'').

[4] *See* Securities Exchange Act Release No. 44214 (April 24, 2001), 66 FR 21423.

[5] *See* letter from Linda P. Drucker, Vice President & Associate General Counsel, Charles Schwab, to Jonathan Katz, Secretary, Commission, dated May 22, 2001 (''Schwab Letter'').

[6] *See* letter from Laura Leedy Gansler, Counsel, NASD Dispute Resolution, Inc., to Florence Harmon, Senior Special Counsel, Division of Market Regulation, Commission dated July 16, 2001 (''Amendment No. 2''). In Amendment No. 2, the NASD modify the proposed changes to Rule 10306 of the Code to clarify that parties will be responsible of payment of fees in the event of settlement in accordance with the terms of the Code.

II. Description of the Proposal

Rule 10306 of the Code relating to the assessment or payment of fees provides that parties to arbitrations may settle their dispute at any time. The proposed rule change amends Rule 10306 to provide that if settling parties fail to agree on the allocation of outstanding fees, the fees will be divided equally among all parties by default. The proposed rule change also modifies the timing of the payment of adjournment fees.

Rule 10319 of the Code currently requires parties requesting adjournment of an arbitration hearing to deposit a fee at the time the adjournment is requested. If the adjournment is not granted, the deposit is returned; if it is granted, the arbitrators may return the deposit in their discretion. The proposed rule change provides that payment of the adjournment fee is required only if an adjournment is granted, rather than requiring a deposit of fees when a request for adjournment is made. The proposed rule change also addresses a technical imperfection in the current adjournment fee rule. The current rule provides that, for initial adjournment requests, the fee is equal to the amount of the initial hearing session fee; for second or subsequent adjournment requests, the amount is twice the initial hearing session fee, but not more than $1,000. The Exchange represents that the intent of this portion of the current rule is to discourage repeat adjournments, by having second and subsequent adjournments cost substantially more than the first adjournment. When the NASD's new fee schedule went into effect in March 1999, hearing session fees were generally increased.[7] For several claim categories, the hearing session fee now exceeds $1,000, meaning that the rule as presently written can result in a lower fee for second and subsequent adjournments. To address this anomaly, the proposed rule change increases the current $1,000 cap to $1,500.

Finally, the proposed rule change amends Rule 10328 of the Code, governing amendments to pleadings, to clarify that when a claim is amended to increase the amount in dispute, NASD Dispute Resolution will recalculate filing fees, hearing session deposits, surcharges, and process fees based on the new, increased claim.

III. Summary of Comments

The Commission received one comment letter on the proposed rule

[7] *See* Securities Exchange Act Release No. 41056 (February 16, 1999), 64 FR 10041 (March 1, 1999) (File No. SR–NASD–97–79).