

Bank's parent company ABN AMRO Holding N.V. ("Holdings") and subsidiaries of Holdings, offers a wide range of commercial and investment banking products and services on a global basis. Holdings and its subsidiaries, on a worldwide basis, are extensively regulated in The Netherlands by the Dutch Central Bank. ABN AMRO Group is one of the largest banking groups in the world with total consolidated assets, as of December 31, 2000, of EUR 543.2 billion.

2. LaSalle Funding, a Delaware limited liability company, is an indirect wholly owned subsidiary of Bank. LaSalle Funding was established to engage in financing activities and to provide financing to LaSalle Bank, National Association ("LaSalle Bank") and to other companies controlled by Bank within the meaning of rule 3a-5(b)(3) under the Act and after giving effect to the requested order (such companies, together with LaSalle Bank, collectively, the "Controlled Companies"). LaSalle Funding proposes to issue in the United States up to \$2.5 billion of debt securities ("Notes") with maturities expected to range from nine months to 30 years pursuant to an effective "shelf" registration statement under the Securities Act of 1933 ("1933 Act"). LaSalle Funding may also offer other debt securities in the United States pursuant to a registration statement or an applicable exemption from registration under the 1933 Act.

3. The Notes and any other issuance of debt securities by LaSalle Funding will be guaranteed unconditionally by Bank with a guarantee that meets the requirements of rule 3a-5(a) ("Guarantee"). In accordance with rule 3a-5(a)(5), at least 85% of any cash or cash equivalents raised by LaSalle Funding will be invested in or loaned to Controlled Companies as soon as practicable, but in no event later than six months after LaSalle Funding's receipt of such cash or cash equivalents. In accordance with rule 3a-5(a)(6), all investments by LaSalle Funding, including temporary investments, will be made in Government securities (as defined in the Act), securities of Controlled Companies or debt securities that are exempted from the provisions of section 3(a)(3) of the 1933 Act.

4. In connection with LaSalle Funding's offering of securities guaranteed by Bank, Bank will submit to the jurisdiction of any State or Federal court located in the Borough of Manhattan in the City of New York and will appoint an agent to accept any process which may be served in any action based upon Bank's obligations to LaSalle Funding as described in the

application. Such consent to jurisdiction and such appointment of an agent to accept service of process will be irrevocable until all amounts due and to become due with respect to securities issued by LaSalle Funding as described in the application have been paid.

Applicant's Legal Analysis

1. LaSalle Funding requests relief under section 6(c) of the Act for an exemption under 6(c) of the Act from all provisions of the Act. Rule 3a-5 under the Act provides an exemption from the definition of investment company for certain companies organized primarily to finance the business operations of their parent companies or companies controlled by their parent companies.

2. Rule 3a-5(b)(3)(i) in relevant part defines a "company controlled by the parent company" to be a corporation that is not considered an investment company under section 3(a) of the Act or that is excepted or exempted by order from the definition of investment company by section 3(b) of the Act or by the rules and regulations under section 3(a). Certain of the Controlled Companies do not, or are not expected to, fit within the definition of "companies controlled by the parent company" because they derive their non-investment company status from section 3(c) of the Act. LaSalle Funding states that neither LaSalle Bank, nor any other Controlled Company excluded under section 3(c), nor Bank will engage primarily in investment company activities.

3. Section 6(c) of the Act, in pertinent part, provides that the Commission, by order upon application, may conditionally or unconditionally exempt any person, security or transaction, or any class or classes of persons, securities or transactions, from any provision or provisions of the Act to the extent that 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. LaSalle Funding submits that its exemptive request meets the standards set out in section 6(c).

Applicant's Condition

LaSalle Funding agrees that any order issued on the application shall be subject to the following condition:

LaSalle Funding will comply with all of the provisions of rule 3a-5 under the Act, except paragraph (b)(3)(i) to the extent that LaSalle Funding will be permitted to invest in or make loans to entities that do not meet that portion of the definition of "company controlled by the parent company" solely because

they are corporations, partnerships and joint ventures that are excluded from the definition of investment company by section 3(c)(1), (2), (3), (4), (5), (6) or (7) of the Act, provided that any such entity:

(i) If excluded from the definition of investment company pursuant to section 3(c)(1) or section 3(c)(7) of the Act, will be engaged solely in lending, leasing or related activities (such as entering into credit derivatives to manage the credit risk exposures of its lending and leasing activities) and will not be structured as a means of avoiding regulation under the Act;

(ii) If excluded from the definition of investment company pursuant to section 3(c)(5) of the Act, will fall within section 3(c)(5)(A) or 3(c)(5)(B) solely by reason of its holding of accounts receivable of either its own customers or of the customers of other Bank subsidiaries, or by reasons of loans made by it to such subsidiaries or customers; and

(iii) If excluded from the definition of investment company pursuant to section 3(c)(6) of the Act, will not be engaged primarily, directly or indirectly, in one or more of the businesses described in section 3(c)(5) of the Act (except as permitted in (ii) above).

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-6254 Filed 3-14-02; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25456; 812-12771]

The Catholic Funds, Inc., et al.; Notice of Application

March 11, 2002.

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

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

Summary of Application: Applicants request an order to permit the proposed reorganizations of the following series of The Catholic Funds, Inc. ("CFI"): The Catholic Equity Income Fund ("Equity Income Fund") with and into The Catholic Equity Fund ("New Equity Fund"); The Catholic Large-Cap Growth Fund ("Large-Cap Growth Fund") with

and into the New Equity Fund; and The Catholic Disciplined Capital Appreciation Fund ("Capital Appreciation Fund" and, together with the Equity Income Fund and the Capital Appreciation Fund, the "Existing Funds") with and into the New Equity Fund. Because of certain affiliations, applicants may not rely on rule 17a-8 under the Act.

Applicants: CFI and Catholic Financial Services Corporation ("CFSC").

Filing Dates: The application was filed on February 4, 2002. Applicants have agreed to file an amendment 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 a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on April 1, 2002, 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 Fifth Street, NW, Washington, DC 20549-0609. Applicants, c/o Fredrick G. Lautz, Esq., Quarles & Brady LLP, 411 East Wisconsin Avenue, Milwaukee, WI 53202.

FOR FURTHER INFORMATION CONTACT: John L. Sullivan, Senior Counsel, at (202) 942-0681, or Todd F. Kuehl, 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 Fifth Street, NW, Washington, DC 20549-0102 (tel. 202-942-8090).

Applicants' Representations

1. CFI, a Maryland corporation, is registered under the Act as an open-end management investment company and currently offers several series, including the Existing Funds (and together with the New Equity Fund, the "Funds"). The New Equity Fund is a newly designated series of CFI. CFSC, a Wisconsin corporation, is registered under the Investment Advisers Act of

1940 and is the investment adviser to the Funds. As of December 31, 2001, Catholic Knights and Catholic Order of Foresters, both of which are non-profit organizations, each owned beneficially and of record more than 5% (and in some cases, more than 25%) of the outstanding voting securities of each Existing Fund.

2. On February 14, 2002, the board of directors of CFI ("Board"), including a majority of the directors who are not "interested persons," as defined in section 2(a)(19) of the Act ("Independent Directors"), unanimously approved separate Agreements and Plans of Reorganization and Liquidation (each, a "Plan"), whereby each of the Existing Funds would be consolidated with and into the New Equity Fund. In each of these reorganization transactions (a "Reorganization"), the relevant Existing Fund would transfer substantially all of its assets, net of its liabilities, to the New Equity Fund in exchange solely for shares of the New Equity Fund. In each Reorganization, shareholders of the relevant Existing Fund will receive shares of the New Equity Fund having an aggregate net asset value equal to the aggregate net asset value of the Existing Fund's shares. The value of the assets of each Fund will be determined in the manner set forth in each Fund's then-current prospectus and statement of additional information. Immediately after the exchange, each Existing Fund would liquidate and distribute the shares of the New Equity Fund received in the exchange to its shareholders pro rata.

3. Applicants state that the Board has determined that the investment objective, program and policies of the Funds are sufficiently similar to make an investment in the New Equity Fund an appropriate substitute investment for shareholders of the Existing Funds. Each Existing Fund offers one class of shares, Class A, and the New Equity Fund will offer three classes of shares, only one of which, Class A, will be issued in the Reorganizations. In connection with the Reorganizations, shareholders of each Existing Fund will receive the corresponding Class A shares of the New Equity Fund. No sales charge will be imposed on shares of The New Equity Fund issued to shareholders of the Existing Funds in the Reorganizations. CSFC has committed to pay all costs incurred by an Existing Fund in connection with each Reorganization.

4. The Board, including a majority of the Independent Directors, determined that the Reorganizations are in the best interests of the New Equity Fund and the Existing Funds and that the interests

of the shareholders of the Existing Funds would not be diluted by the Reorganizations. In approving the Reorganizations, the Board considered various factors, including, among others: (a) The investment objectives and policies of the Existing Funds and the New Equity Fund; (b) the terms and conditions of each Plan; (c) the tax-free nature of the Reorganizations; and (d) the expense ratios of the Existing Funds and the New Equity Fund.

5. The consummation of each Reorganization is subject to a number of conditions, including, among others: (a) Approval of the Plan by the affirmative vote of a majority of the outstanding voting securities of the relevant Existing Fund; (b) receipt by CFI of an opinion from its legal counsel that the relevant Reorganization will not result in recognition of income, gain or loss for federal income tax purposes by the New Equity Fund, the relevant Existing Fund or the shareholders of the relevant Existing Fund, and (c) applicants receive from the Commission an exemption from section 17(a) of the Act for the Reorganizations. Each Plan also provides that, prior to completion of the Reorganization to which it relates, the relevant Existing Fund shall have declared and paid dividends and other distributions, effectively distributing to its shareholders substantially all investment company taxable income and all net capital gains for all taxable years ending on or before the date of the relevant Reorganization. Each Plan may be terminated by the Board. Applicants agree not to make any material changes to a Plan that would affect the application without prior approval of the Commission or its staff.

6. CFI began mailing definitive proxy statements/prospectuses for each of the three separate Reorganizations on March 1, 2002. The definitive proxy statements/prospectuses were filed with the Commission on March 6, 2002. Special meetings of shareholders of each of the Existing Funds are scheduled for April 2, 2002.

Applicants' 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, among others: (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; and (c) any person directly or indirectly controlling, controlled by, or under common control with the other person.

2. Section 2(a)(9) of the 1940 Act defines "control" in part to mean "the power to exercise a controlling influence over the management or policies of a company, unless such power is solely the result of an official position with such company. Any person who owns beneficially, either directly or through one or more controlled companies, more than 25 per centum of the voting securities of any company shall be presumed to control such company."

3. 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/trustees, and/or common officers, provided that certain conditions set forth in the rule are satisfied.

4. Applicants believe that they may not rely on rule 17a-8 in connection with the Reorganizations because the Existing Funds and the New Equity Fund may be deemed to be affiliated by reasons other than having a common investment adviser, common directors/trustees, and/or common officers. Each Existing Fund and the New Equity Fund may be deemed affiliated persons since they are under the common control of CFSC. Additionally, the Existing Funds may be deemed affiliated persons since they are under the common control of Catholic Knights, which beneficially owns more than 25% of the outstanding voting securities of each Existing Fund.

5. Section 17(b) of the Act provides 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.

6. Applicants request an order under section 17(b) of the Act exempting them from section 17(a) to the extent necessary to complete the Reorganizations. Applicants submit that the Reorganizations satisfy the standards of section 17(b). Applicants state that the Reorganizations will be

based on the relative net asset values of the Existing Funds and New Equity Fund's shares. Applicants also state that the investment objective and policies of the Funds are substantially similar. Applicants state that the Board, including the Independent Directors, has made the requisite determinations that the participation of each Existing Fund in the respective Reorganization is in the best interests of each Existing Fund and the New Equity Fund and that such participation will not dilute the interests of the existing shareholders of each Existing Fund.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-6255 Filed 3-14-02; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act; Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of March 18, 2002: A closed meeting will be held on Tuesday, March 19, 2002 at 10 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), (9)(B), and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the closed meeting scheduled for Tuesday, March 19, 2002, will be: Opinion; litigation matter; formal order of private investigation; institution and settlement of injunctive actions; and institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: March 12, 2002.

Jonathan G. Katz,
Secretary.

[FR Doc. 02-6318 Filed 3-12-02; 4:12 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45532; File No. SR-OPRA-2002-01]

Options Price Reporting Authority; Notice of Filing of a Proposal To Establish Terms Governing the Provision by OPRA of a Best Bid and Offer for Each of the Options Series Included in OPRA's Market Data Service, and Governing Its Use by Vendors

March 11, 2002.

Pursuant to Rule 11Aa3-2 under the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on February 26, 2002, the Options Price Reporting Authority ("OPRA"),² submitted to the Securities and Exchange Commission ("Commission") an amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information ("OPRA Plan"). The amendment would add to the OPRA Plan terms governing the provision by OPRA of a best bid and offer ("BBO") for each of the options series included in OPRA's market data service, and governing the use of the BBO by vendors. The Commission is publishing this notice to solicit comments on the proposed amendment from interested persons.

I. Description and Purpose of the Amendment

The proposed amendment would establish in the OPRA Plan, and in BBO Guidelines that would be a part of the OPRA Plan, terms governing the provision by OPRA of a consolidated BBO service that would show the best

¹ 17 CFR 240.11Aa3-2.

² OPRA is a national market system plan approved by the Commission pursuant to Section 11A of the Exchange Act, 15 U.S.C. 78k-1, and Rule 11Aa3-2 thereunder, 17 CFR 240.11Aa3-2. See Securities Exchange Act Release No. 17638 (March 18, 1981), 22 S.E.C. Docket 484 (March 31, 1981). The OPRA Plan provides for the collection and dissemination of last sale and quotation information on options that are traded on the participant exchanges. The five signatories to the OPRA Plan that currently operate an options market are the American Stock Exchange, the Chicago Board Options Exchange, the International Securities Exchange, the Pacific Exchange, and the Philadelphia Stock Exchange. The New York Stock Exchange is a signatory to the OPRA Plan, but sold its options business to the Chicago Board Options Exchange in 1997. See Securities Exchange Act Release No. 38542 (April 23, 1997), 62 FR 23521 (April 30, 1997).