

strategic objectives of the parties to the Transaction Agreement, the private and commercial nature of the joint venture they propose to create and carry on through New LP, and the nontransferability of PCW's interest in New LP. Applicants state that, after the Contribution, PCW's interest in New LP will constitute more than 97% of PCW's total assets and Price's indirect interest in New LP will constitute substantially all of Price's total assets. Price has publicly announced its intention to liquidate after PCW's limited partnership interest in New LP is exchanged for shares of Verizon Wireless or Verizon Communications. Applicants also state that the conditions to the requested order under section 6(c) would further assure that the requested exemption is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Applicants' Conditions

Applicants agree that any order under section 6(c) of the Act will be subject to the following conditions:

1. Neither of the Applicants will be or will hold itself out as being engaged in the business of investing, reinvesting or trading in securities.

2. PCW will not acquire any investment securities, as that term is defined in section 3(a)(2) of the Act, except (a) the limited partnership interest in New LP described in the application and (b) for cash management purposes, certificates of deposit, bankers acceptances and time deposits maturing within 180 days from the date of acquisition, and shares of money market funds.

3. Price will not acquire any investment securities, as that term is defined in section 3(a)(2) of the Act, except securities the holding of which is consistent with the goals of preserving capital and maintaining liquidity.

4. The order will terminate on the earliest of (a) the date on which PCW ceases to own the limited partnership interest in New LP as described in the application, (b) the date on which PCW makes an acquisition or disposition of assets by reason of which its limited partnership interest in New LP ceases to constitute at least 80% (or is further reduced below 80%) of the total assets of PCW on an unconsolidated basis, (c) the date on which Price makes an acquisition or disposition of assets by reason of which Price's ownership interest in PCW ceases to constitute at least 80% (or is further reduced below 80%) of Price's total assets on an unconsolidated basis, and (d) the fourth anniversary of the Closing Date.

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

Margaret H. McFarland,
Deputy Secretary.

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BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25532; 812-12783]

Wells Fargo Funds Trust and Wells Fargo Funds Management LLC; Notice of Application

April 23, 2002.

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 certain series of a registered open-end management investment company to acquire all of the assets, subject to the liabilities, of certain other series of the investment company (the "Reorganization"). Because of certain affiliations, applicants may not rely on rule 17a-8 under the Act.

APPLICANTS: Wells Fargo Funds Trust ("Funds Trust") and Wells Fargo Funds Management, LLC ("Funds Management").

FLING DATES: The application was filed on February 15, 2002, and amended on April 16, 2002. Applicants have agreed to file another 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 May 16, 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 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. David Messman, *Esq.*, Wells Fargo Funds

Trust, Wells Fargo Funds Management LLC, 525 Market Street, San Francisco, California 94105; Marco E. Adelfio, *Esq.*, Eileen M. Smiley, *Esq.*, Morrison & Foerster LLP, 2000 Pennsylvania Avenue NW, Suite 5500, Washington, DC 20006.

FOR FURTHER INFORMATION CONTACT:

Deepak T. Pai, Senior Counsel, at (202) 942-0574 or Todd 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 (telephone (202) 942-8090).

Applicants' Representations

1. Funds Trust, a Delaware business trust is registered under the Act as an open-end management investment company. Funds Trust is comprised of seventy-two series, four of which are involved in the proposed Reorganization. International Equity Fund and the Small Cap Opportunities Fund are the "Acquiring Funds" and International Fund and the Small Cap Value Fund are the "Target Funds", and together with the Acquiring Funds, the "Funds." The Target Funds are feeder funds that do not invest directly in portfolio securities. Rather, each Target Fund invests in a corresponding core portfolio (each a "Core Portfolio" and collectively the "Core Portfolios,") of Wells Fargo Core Trust ("Core Trust") that has the same investment objectives and strategies as the corresponding Target Fund. Core Trust, a Delaware business trust, is registered under the Act as an open-end management investment company.

2. Funds Management serves directly as the investment adviser to each of the Acquiring Funds and serves indirectly as the investment adviser to each of the Target Funds. Funds Management serves as the investment adviser for each of the Core Portfolios of Core Trust in which the Target Funds invest. Funds Management is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Funds Management is an indirect wholly-owned subsidiary of Wells Fargo & Company. As of December 27, 2001, Wells Fargo Bank Minnesota, N.A. ("Wells Fargo, MN"), a wholly-owned subsidiary of Wells Fargo & Company, held of record with sole or shared power to vote, more than 25% of the

outstanding voting securities of each Target Fund.

3. On November 6, 2001, the board of trustees of Funds Trust ("Board"), including all of the trustees who are not "interested persons" within the meaning of section (2)(a)(19) of the Act (the "Independent Trustees"), unanimously approved an Agreement and Plan of Reorganization (the "Reorganization Agreement") on behalf of the Target Funds and the Acquiring Funds. Pursuant to the Reorganization Agreement, at the Effective Time (defined below) of the Reorganization, each class of each Target Fund will transfer all of its assets to a corresponding class of the Acquiring Fund, subject to the assumption by such class of the Acquiring Fund of all the liabilities of the corresponding class of the Target Fund, in exchange for shares of the designated class of such Acquiring Fund that have an aggregate net asset value equal to the value of the Target Fund's shares. The Target Fund would then distribute to its shareholders the corresponding Acquiring Fund shares in liquidation of the Target Fund. The Funds will determine the value of their net assets as of the Valuation Time (defined below) in accordance with Funds Trust's then current valuation procedures as described in its prospectus and statement of additional information. The Valuation Time is the close of regular trading on the New York Stock Exchange, as of which time the net asset value of each class of shares of each of the Funds is determined for purposes of the Reorganization. Under the terms of the Reorganization Agreement, unless the parties agree differently, the Valuation Time will occur on the Closing Date. The Effective Time of the Reorganization is the date and time on which the delivery of the Target Funds' assets and the Acquiring Funds' shares occurs, which will be the first business day following the Closing Date.

4. Applicants state that the Board has determined that each Acquiring Fund and its corresponding Target Fund have compatible investment objectives and strategies. Each of the Funds offers Institutional Class shares and the International Fund and the International Equity Fund each also offer Class A and Class B shares. Applicants state that the rights and obligations of each class of each Acquiring Fund are identical to those of the corresponding share class of the corresponding Target Fund. For purposes of calculating any contingent deferred sales charge ("CDSC"), shareholders of Class A and B Shares of a Target Fund will be deemed to have

held the Class A and Class B Shares of the corresponding Acquiring Fund since the date the shareholders initially purchased the shares of that Target Fund. No front-end sales load or CDSC will be imposed on the exchange of shares occurring as part of the Reorganization. Funds Management and/or its affiliated persons will bear all expenses related to the Reorganization.

5. The Board, including all the Independent Trustees, found on behalf of each of the Target and Acquiring Funds, that participation in the Reorganization, as contemplated by the Reorganization Agreement, is in the best interests of each Fund and its shareholders, and that the interests of the existing shareholders of each Fund would not be diluted as a result of the Reorganization. The Board considered among other things: (a) The Reorganization Agreement; (b) the compatibility of each Target Fund's investment objective, principal investment strategies, and investment policies with those of the corresponding Acquiring Fund; (c) the benefits associated with increased asset levels, including greater purchasing power and the ability to diversify more broadly, and the enhanced viability of the combined Funds; and (d) the fact that all of the expenses associated with the Reorganization would be borne by Funds Management and not Fund shareholders.

6. The Reorganization is subject to a number of conditions precedent including: (a) That a registration statement under the Securities Act of 1933 on Form N-14 shall have become effective; (b) that shareholders of the Target Funds shall have approved the Reorganization Agreement; (c) that if necessary, the Target Funds shall have declared a dividend that, together with all previous dividends, shall have the effect of distributing to such Target Fund's shareholders all of its previously undistributed investment company taxable income and net capital gain; (d) the Funds will have received opinions of counsel that the Reorganization will be tax-free for federal income tax purposes to the Target Fund, the corresponding Acquiring Fund and their respective shareholders; and (e) applicants will have received exemptive relief from the Commission to permit the Reorganization. Pursuant to a vote of a majority of the Board, Funds Trust may terminate the Reorganization Agreement with respect to either or both sets of Funds any time prior to the Effective Time of the Reorganization. Applicants represent that they will not amend the Reorganization Agreement in any manner that materially affects the

application without prior approval of the Commission staff.

7. The Combined Proxy Statement / Prospectus relating to the Reorganization of the Funds was initially filed with the Commission on December 6, 2001, and became automatically effective on January 6, 2002. The final Combined Proxy Statement / Prospectus was filed with the Commission on January 25, 2002, in final form and became automatically effective on the same day. Finally, a supplement to the Combined Proxy Statement / Prospectus was filed with the Commission on February 14, 2002. The Combined Proxy Statement / Prospectus was mailed to shareholders of the Target Funds beginning on January 31, 2002, and the supplement was mailed to shareholders on March 1, 2002. Shareholders of the Target Funds will vote on the proposed Reorganization at special meetings of shareholders expected to occur on April 26, 2002, and the Closing Date is expected to be May 17, 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 (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. Applicants state that the Funds may be deemed affiliated persons and thus the Reorganization 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 are satisfied.

3. Applicants state that they may not rely on rule 17a-8 because the Funds may be deemed to be affiliated persons

for reasons other than those set forth in the rule. Wells Fargo, MN currently holds of record in its name more than 25% of the outstanding voting securities of each Target Fund. Specifically, Wells Fargo, MN holds more than 25% of the outstanding voting securities of the International Fund for the benefit of the Cash Balance Pension Plan ("CBPP") and also holds more than 5% of the outstanding voting securities of the Small Cap Value Fund for the benefit of the Voluntary Employee's Beneficiary Association ("VEBA"), a trust that is used to fund employee benefits for employees of Wells Fargo & Company and its subsidiaries. (CBPP and VEBA are collectively referred to as the "Affiliated Accounts.") Applicants state that by virtue of the Affiliated Accounts' ownership and Wells Fargo, MN's voting control and economic interest in the Affiliated Accounts, each Target Fund may be deemed to be an affiliated person of an affiliated person of its corresponding Acquiring Fund, and vice versa, for reasons not based solely on their common adviser, common directors/trustees and/or common officers. Wells Fargo, MN intends to engage an independent fiduciary to vote the shares of the Affiliated Accounts.

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 complete the Reorganization. Applicants submit that the Reorganization satisfies the standards of section 17(b) of the Act. Applicants state that the Board, including all of the Independent Trustees, has determined that participation in the Reorganization is in the best interests of each Fund, and that the interests of the Funds' shareholders will not be diluted as a result of the Reorganization. The applicants also state that the Reorganization will be based on the Funds' relative net asset values.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45790; File No. SR-NASD-2002-22]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment Nos. 1 and 2 Thereto by the National Association of Securities Dealers, Inc. Relating to the Expansion From Three to Five the Levels of Aggregated Price and Size Information Displayed in Nasdaq's Future Order Display and Collector Facility

April 19, 2002.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹, and Rule 19b-4 thereunder,² notice is hereby given that on April 18, 2002, the National Association of Securities Dealers, Inc. ("NASD"), through its subsidiary, the Nasdaq Stock Market, Inc. ("Nasdaq"), 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 Nasdaq.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

Nasdaq proposes to expand, from three to five, the levels of aggregated price and size information displayed in Nasdaq's future Order Display and Collector Facility ("SuperMontage"). Nasdaq will implement this rule change

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ On April 5, 2002, the Commission received an amendment from Nasdaq which made conforming changes to NASD Rules 4707(d) and 4710(f). See letter from Thomas P. Moran, Associate General Counsel, Nasdaq, to Katherine A. England, Assistant Director, Division of Market Regulation, Commission, dated April 5, 2002 ("Amendment No. 1"). Subsequently, on April 18, 2002, the Commission received an amendment from Nasdaq which corrected a citation in its rule text and replaced Amendment No. 1 in its entirety. See letter from Thomas P. Moran, Associate General Counsel, Nasdaq, to Katherine A. England, Assistant Director, Division of Market Regulation, Commission, dated April 18, 2002 ("Amendment No. 2"). This proposed rule change is treated as filed on the date that Amendment No. 2 was received.

within 30 days after successful completion of SuperMontage user acceptance testing. The text of the proposed rule change is available at the Office of the Secretary, Nasdaq, 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, Nasdaq 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. Nasdaq has prepared summaries, set forth in Sections A, B, and C below, of 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

As part of its ongoing preparation for the launch of SuperMontage, Nasdaq is engaging in a continuing review of the system's functionality and rules with a view to constant improvement. As a result of this review, and in consultation with industry professionals, Nasdaq has determined to expand to five the number of price levels aggregated and displayed via the SuperMontage.

As approved by the Commission, SuperMontage would only display the top three price levels of aggregated price and size information for both the bid and offer side of the market for a particular security. As a result of discussions with market participants and Nasdaq's experience with decimalization, Nasdaq has determined to expand the availability of aggregated price and share amount information around the inside price by displaying, and disseminating through data vendors, five price levels (the inside price plus four additional price levels away) of trading interest on both the bid and offer side of the market.

Nasdaq believes that expanding the amount of aggregated trading interest information available through SuperMontage to five price levels will further increase transparency and assist market participants in making informed trading decisions.

2. Statutory Basis

Nasdaq believes the proposed rule change, as amended, is consistent with the provisions of Section 15A(b)(6) of