

SECURITIES AND EXCHANGE COMMISSION**Submission for OMB Review; Comment Request**

Upon Written Request Copies Available From: Securities and Exchange Commission, Office of Filing and Information Services, Washington, D.C. 20549

Extension:

Form BD/Rule 15b1-1, SEC File No. 270-0019, OMB Control No. 3235-0012

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") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

- Form BD/Rule 15b1-1, Application for Registration as a Broker or Dealer.

Sections 15(b) (1) and (2) of the Securities Exchange Act of 1934 authorizes the Commission to prescribe by rule an application form for registration that contains such information about broker-dealers that is necessary or appropriate in the public interest or for the protection of investors. Similarly, Section 15B(a)(2) of the Exchange Act authorizes the Commission to prescribe an application form for registration of municipal securities dealers, and Section 15C(a)(2) of the Exchange Act authorizes the Commission to prescribe an application form for registration of government securities broker-dealers. Section 15C(a)(1)(B) further provides that registered broker-dealers engaging in government securities activities use provide the Commission with notice of such activities, in such form as the Commission may prescribe. To implement the foregoing statutory provisions of the Exchange Act, the Commission has promulgated, pursuant to Rule 15b1-1, 17 CFR 240.15b1-1, Form BD (17 CFR 249.501), the uniform application for broker-dealer registration. Form BD requires the applicant or registrant filing the form to provide the Commission with certain information concerning the nature of its business and the background of its principals, controlling persons, and employees. Form BD is designed to permit the Commission to determine whether the applicant meets the statutory requirements to engage in the securities business. Form BD also is used to register as broker-dealers with certain self-regulatory organizations ("SROs") and all of the states.

For fiscal year 1996, the Commission received approximately 846 full form BDs for initial or successor applications for registration as a broker-dealer, non-bank municipal securities dealer, or non-bank government securities broker-dealer (pursuant to Rule 15b1-1, 15b1-3, 15b1-4, 15Ba2-2(a), 15Ba2-4, 15Ba2-5, 15Ca2-1, 15Ca2-3, and 15Ca2-4). Although the time necessary to complete Form BD will vary depending on the nature and complexity of the applicant's securities business, Commission staff estimates that the average time necessary to complete the full form is approximately 2.75 hours. Thus, the total burden hours for the filing of a full form BD is 2,326.50 hours (2.75x846).

In addition to full Form BD, applicants are required to file amendments to Form BD when information originally reported changes or becomes inaccurate. For fiscal year 1996, the Commission received approximately 15,000 amendments. The staff estimates that the average time necessary to complete an amendment is approximately 0.33 hours. Thus, the total burden hours for the filing of Form BD amendments is 4,950 hours (0.33x15,000). In sum, the total annual burden for Form BD and Form BD amendments is 7,276.50 hours (2,326.50+4,950).

Form BD must be kept by the broker-dealer for as long as it is operating. Completing and filing Form BD is mandatory for broker-dealers but does not involve the collection of confidential information. Please note that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

General comments regarding the estimated burden hours should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, D.C. 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: February 2, 1998.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-3116 Filed 2-6-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23019; 812-10934]

SBSF Funds, Inc. d/b/a Key Mutual Funds, et al.; Notice of Application

February 3, 1998.

AGENCY: Securities and exchange Commission ("SEC").

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

SUMMARY OF APPLICATION: Applicants request an order that would permit certain series of the Victory Portfolios to acquire all of the assets and assume all of the liabilities of certain series of SBSF Funds, Inc. d/b/a Key Mutual Funds.

APPLICANTS: The Victory Portfolios, on behalf of eight of its series; SBSF Funds, Inc. d/b/a/ Key Mutual Funds (the "Key Funds"), on behalf of eight of its series; and Key Asset Management Inc. ("KAM").

FILING DATES: The application was filed on December 30, 1997. Applicants have agreed to file an amendment, the substance of which is incorporated in this notice, during the notice period.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 .m. on March 2, 1998 and should be accompanied by proof of service on the 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicants: SBSF Funds, Inc. d/b/a Key Mutual Funds and Victory Portfolios, 3435 Stelzer Road, Columbus, Ohio 44114 and Rockefeller Plaza, New York, New York 10111.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Attorney Adviser, at (202) 942-0574, or Nadya B. Roytblat, Assistant Director, 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 SEC's Public Reference Branch, 450 5th Street, N.W., Washington, D.C. 20549 (tel. 202-942-8090).

Applicants' Representations

1. The Victory Portfolios, a Delaware business trust, is registered under the Act as an open-end management investment company. The Victory Portfolios is comprised of thirty series (the "Victory Funds"), each having a separate investment objective and investment policy. The shares of each of the Victory Funds are registered under the Securities Act of 1933 (the "1933 Act"). Eight of the Victory Funds—Victory LifeChoice Growth Investor Fund, Victory LifeChoice Conservative Investor Fund, Victory LifeChoice Moderate Investor Fund, Victory Federal Money Market Fund, Victory Special Growth Fund, Victory Stock Index Fund, Victory Convertible Securities Fund, and Victory Diversified Stock Fund—are referred to as the "Acquiring Funds." Two of the Acquiring Funds are multiple class funds: the Victory Diversified Stock Fund offers Class A and Class B shares; and the Victory Federal Money Market Fund offers Investor Class and Select Class shares.

2. Key Funds, a Maryland Corporation, is registered under the Act as an open-end management investment company. Key Funds currently offers eight series: KeyChoice Growth Fund, KeyChoice Income and Growth Fund, KeyChoice Moderate Growth Fund, Key Money Market Mutual Fund, Key Stock Index Fund, SBSF Capital Growth Fund, SBSF Convertible Securities Fund, and SBSF Fund (the "Acquired Funds"). Each Acquired Fund has a distinct investment objective and investment policy and issues only one class of shares that are registered under the 1933 Act.

3. KAM, a New York corporation, is an investment adviser registered under the Investment Advisers Act of 1940. KAM is the investment adviser to the Acquiring Funds and the Acquired Funds (collectively, the "Funds"). KAM is a wholly-owned subsidiary of KeyBank N.A., which is a wholly-owned subsidiary of KeyCorp, a financial services holding company ("KeyBank"). BISYS Fund Services, Inc. and its affiliates (collectively, "BISYS") serve as the administrator, distributor, and accounting agent for the Funds.

4. Society National Bank and Company ("Society Bank") is a subsidiary of KeyBank and KeyCorp. As of December 26, 1997, Society Bank, record holder for the benefit of various

customers (including employees of KeyCorp and its affiliates), owned 97.97% of Victory Stock Index Fund, 98.32% of Victory Special Growth Fund, 83.65% of Victory Diversified Stock Fund, 94.47% of KeyStock Index Fund, 99.11% of KeyChoice Growth Fund, 98.56% of KeyChoice Moderate Growth Fund, and 97.98% of KeyChoice Income and Growth Fund.

5. The shares of four of the Acquiring Funds, Victory Stock Index Fund, Victory Special Growth Fund, Victory Convertible Securities Fund, and Victory Diversified Stock Fund, carry a front-end sales load of 5.75%. Shares of the Acquired Funds are not subject to a front-end sales load. Shares of the Acquired Funds and the Acquiring Funds are not subject to asset-based sales charges or contingent deferred sales charges.

6. The Victory Portfolios, on behalf of the Acquiring Funds, and the Key Funds, on behalf of the Acquired Funds, entered into an Agreement and Plan of Reorganization (the "Plan") to effectuate transactions contemplated in the Plan (the "Reorganization"). The Plan provides that on or about March 16, 1998 and March 23, 1998 ("Closing Dates"), the assets of each Acquired Fund will be transferred to the corresponding Acquiring Fund in exchange for the issuance of full and fractional shares of the Acquiring Fund. The Acquiring Funds will assume the liabilities of the corresponding Acquired Funds. For purposes of the Reorganization, each Acquiring Fund's shares will have an aggregate net asset value ("NAV") equal to the aggregate NAV of the Acquired Fund as of the close of business on the business days preceding the Closing Dates (the "Valuation Dates").

7. The Reorganization will be effected for each Acquired Fund's shareholder at NAV without the imposition of any sales charges. On, or as soon as practicable after the Closing Dates, each Acquired Fund will liquidate and distribute pro rata the shares of the corresponding Acquiring Fund to its shareholders of record determined as of the relevant Valuation Date. Shareholders of the KeyChoice Growth Fund, KeyChoice Income and Growth Fund, KeyChoice Moderate Growth Fund, Key Stock Index Fund, SBSF Capital Growth Fund, SBSF Convertible Securities Fund, and SBSF Fund will be issued Class A shares of the Victory LifeChoice Growth Investor Fund, Victory LifeChoice Conservative Investor Fund, Victory LifeChoice Moderate Investor Fund, Victory Stock Index Fund, Victory Special Growth Fund, Victory Convertible Securities

Fund, and Victory Diversified Stock Fund, respectively. Key Money Market Mutual Fund's shareholders will be issued Investor Class shares of the Victory Federal Money Market Fund.

8. Victory LifeChoice Growth Investor Fund, Victory LifeChoice Conservative Investor Fund, Victory LifeChoice Moderate Investor Fund, Victory Federal Money Market Fund-Investor Class, and Victory Convertible Securities Fund (the "New Victory Funds") were established for the sole purpose of receiving assets of the corresponding Acquired Funds. Each New Victory Fund has materially the same investment objectives, policies, and restrictions as its corresponding Acquired Fund. The remaining Acquiring Funds have investment objectives and policies that are similar to the corresponding Acquired Funds.

9. On December 2 and 3, 1997, the boards of directors of the Funds ("the Boards"), including a majority of the members who are not "interested persons" ("Independent Board Members"), unanimously approved the Plan and Reorganization. The Boards determined that the Reorganization is in the best interests of the Funds. The Boards also determined that the interests of the Funds' existing shareholders will not be diluted as a result of the Reorganization.

10. The Boards considered various factors in reaching their decision to approve the Plan and Reorganization, including: (i) The efficiency of the present arrangement in which the Acquired Funds and the Acquiring Funds operate as separate entities within the same fund complex; (ii) the expectation that Victory Portfolios' promotion to a larger marketing base will enhance the asset growth potential of the Funds; (iii) the asset growth and the elimination of certain redundancies in the administration and operation of the Funds may result in economies of scale and lower expenses ratios; (iv) the substantial similarities in the investment objectives of each Acquiring Fund and the corresponding Acquired Fund; (v) no sales charges will be imposed in the Reorganization; (vi) substantially all of the Acquired Funds' shareholders will not be subject to sales charges when making subsequent purchases of Victory Portfolios because the Acquired Funds' shareholders will qualify for sales charge waivers; (vii) the expectation that the current shareholders of the Acquired Funds will be subject to equal or lower expenses as shareholders of the Acquiring Funds; and (viii) the Reorganization is expected to be tax-free.

11. The Reorganization is subject to certain conditions described in the Plan, including: (a) That the parties shall have received exemptive relief from the SEC with respect to the issues that are the subject of the application; and (b) that shareholders of the Acquired Funds will have approved the Reorganization. Applicants agree not to make any material changes to the Plan without prior SEC approval.

Applicants' Legal Analysis

1. Section 17(a) of the Act, in relevant part, prohibits an affiliated person of a registered investment company, or any affiliated person of such person, acting as principal, from knowingly selling to or purchasing from such registered investment company or any company controlled by such registered company, and security or other property.

2. Section 2(a)(3) of the Act defines the term "affiliated person" of another person to include, in pertinent part, any person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other person, and any person directly or indirectly controlling, controlled by, or under common control with such other person, and if such other person is an investment company, any investment thereof.

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 solely by reason of having a common investment adviser, common directors/trustees, and/or common officers, provided that certain conditions are satisfied.

4. Applicants believe that they may not rely upon rule 17a-8 because the Funds may be affiliated for reasons other than those set forth in the rule. Applicants state that because of Society Bank's ownership of shares of several of the Funds, the Acquiring Funds may be deemed an affiliated person of the Acquired Funds, and vice versa, for reasons not based solely on their common adviser, KAM. Consequently, applicants are requesting an order under section 17(c) of the Act exempting them from section 17(a) of the Act to the extent necessary to consummate the Reorganization.

5. Section 17(b) of the Act provides that the SEC may exempt a transaction from the provisions of section 17(a) if 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; the proposed

transaction is consistent with the policy of each registered investment company concerned; and the proposed transaction is consistent with the general purposes of the Act.

6. Applicants submit that the terms of the Reorganization satisfy the standards set forth in section 17(b) of the Act. Applicants also submit that the terms of the Reorganization are fair and reasonable and do not involve overreaching on the part of any person concerned. Applicants state that the Boards, including the Independent Board Members, have reviewed the terms of the Reorganization as set forth in the Plan, including the consideration to be paid or received, and have found that participation in the Reorganization is in the best interest of the Funds. Applicants also state that the Boards have found that the interests of existing shareholders of each Fund will not be diluted as a result of the Reorganization. Applicants note that the investment objectives, policies, and restrictions of each Acquiring Fund are substantially similar to those of each corresponding Acquired Fund. Applicants also note that the exchange of each Acquired Fund's assets and liabilities for the shares of the corresponding Acquiring Fund will be based on the Funds' relative NAVs.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-3224 Filed 2-6-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [63 FR 4679, January 30, 1998].

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE PREVIOUSLY ANNOUNCED: January 30, 1998.

CHANGE IN THE MEETING: Deletion.

The following items will not be considered at the closed meeting scheduled for Thursday, February 5, 1998:

Settlement of administrative proceedings of an enforcement nature. Settlement of injunctive action. Opinion.

Commissioner Carey, as duty officer, determined that Commission business

required the above change and that no earlier notice thereof was possible.

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 (202) 942-7070.

Dated: February 4, 1998.

Jonathan G. Katz,

Secretary.

[FR Doc. 98-3275 Filed 2-5-98; 11:37 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39607; File No. SR-Amex-98-04]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange, Inc., Relating to Designation of Portfolio Depository Receipts Under Rule 154

February 2, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4² thereunder, notice is hereby given that on January 21, 1998, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to designate Portfolio Depository Receipts as eligible for stop and stop limit orders to be elected by quotation, pursuant to Amex Rule 154, Commentary .04(c). The text of the proposed rule change is available at the Office of the Secretary, the Amex 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, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.