For the President's Pay Agent.

Linda M. Springer,

Director.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 27480; 812–13230]

Marshall Funds, Inc. and M&I Investment Management Corp.; Notice of Application

September 13, 2006.

AGENCY: Securities and Exchange Commission.

ACTION: Notice of an application under section 6(c) of the Investment Company Act of 1940 (''Act'') for an exemption from section 15(a) of the Act and rule 18f–2 under the Act, as well as certain disclosure requirements.

Summary of Application: Applicants request an order that would permit them to enter into and materially amend subadvisory agreements without shareholder approval and would grant relief from certain disclosure requirements.

Applicants: Marshall Funds, Inc. (the ''Company'') and M&I Investment Management Corp. (the ''Adviser'').

Filing Dates: The application was filed on August 30, 2005, and amended on September 8, 2006.

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 October 10, 2006, 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 Commission's Secretary.

ADDRESSES: Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090. Applicants, 1000 North Water Street, Milwaukee, WI 53202.

FOR FURTHER INFORMATION CONTACT: Courtney S. Thornton, Senior Counsel, at (202) 551–6812, or Nadya B. Roytblat, Assistant Director, at (202) 551–6821 (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, 100 F Street, NE., Washington, DC 20549–0102 (tel. 202–551–5850).

Applicants' Representations

1. The Company, a Wisconsin corporation, is registered under the Act as an open-end management investment company. The Company currently is comprised of thirteen series (each a ''Fund'' and collectively, the ''Funds''), each with a separate investment objective, policy and restrictions.[1] The Adviser is registered as an investment adviser under the Investment Advisers Act of 1940 (''Advisers Act'') and serves as investment adviser to the Funds pursuant to an investment advisory agreement (''Advisory Agreement'') with the Company. The Advisory Agreement has been approved by the Company's board of directors (the ''Board''), including a majority of the directors who are not ''interested persons,'' as defined in section 2(a)(19) of the Act, of the Company or the Adviser (''Independent Directors''), as well as by the shareholders of each Fund.

2. Under the terms of the Advisory Agreement, the Adviser provides the Funds with overall investment management services, supervises the investment program for each Fund, and has the authority, subject to the approval of the Board and Fund shareholders, to enter into investment subadvisory agreements (''Subadvisory Agreements'') with one or more subadvisers (''Subadvisers''). The Adviser has entered into Subadvisory Agreements with two Subadvisers to provide investment advisory services to one Fund and in the future may enter into Subadvisory Agreements on behalf of other Funds. Each Subadviser is registered under the Advisers Act. The Adviser monitors and evaluates the Subadvisers and recommends to the Board their hiring, retention or termination. Subadvisers recommended to the Board by the Adviser are selected and approved by the Board, including a majority of the Independent Directors. Each Subadviser has discretionary authority to invest the assets or a portion of the assets of a particular Fund. The Adviser compensates each Subadviser out of the fees paid to the Adviser under the Advisory Agreement.

3. Applicants request an order to permit the Adviser, subject to Board approval, to enter into and materially amend Subadvisory Agreements without obtaining shareholder approval. The requested relief will not extend to any Subadviser that is an affiliated person, as defined in section 2(a)(3) of the Act, of the Company or of the Adviser, other than by reason of serving as a Subadviser to one or more of the Funds (''Affiliated Sub-Adviser'').

4. Applicants also request an exemption from the various disclosure provisions described below that may require a Fund to disclose fees paid by the Adviser to each Subadviser. An exemption is requested to permit the Company to disclose for each Fund (as both a dollar amount and as a percentage of each Fund's net assets): (a) the aggregate fees paid to the Adviser and any Affiliated Subadvisers; and (b) the aggregate fees paid to Subadvisers other than Affiliated Subadvisers (''Aggregate Fee Disclosure''). For any Fund that employs an Affiliated Subadviser, the Fund will provide separate disclosure of any fees paid to the 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 under a written contract that has been approved by the vote of a majority 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. Form N–1A is the registration statement used by open-end investment companies. Item 14(a)(3) of Form N–1A requires disclosure of the method and amount of the investment adviser's compensation.

3. Rule 20a–1 under the Act requires proxies solicited with respect to an

[1] Applicants also request relief with respect to future series of the Company and any other existing or future registered open-end management investment company or series thereof that: (a) is advised by the Adviser or a person controlling, controlled by, or under common control with the Adviser or its successors; (b) uses the management structure described in the application; and (c) complies with the terms and conditions of the application (included in the term ''Funds''). For purposes of the requested order, ''successor'' is limited to an entity or entities that result from a reorganization into another jurisdiction or a change in the type of business organization. The only existing registered open-end management investment company that currently intends to rely on the requested order is named as an applicant. If the name of any Fund contains the name of a Subadviser (as defined below), the name of the Adviser or the name of the entity controlling, controlled by, or under common control with the Adviser that serves as the primary adviser to the Fund will precede the name of the Subadviser.

investment company to comply with Schedule 14A under the Securities Exchange Act of 1934 (''1934 Act''). Items 22(c)(1)(ii), 22(c)(1)(iii), 22(c)(8) and 22(c)(9) of Schedule 14A, taken together, require a proxy statement for a shareholder meeting at which the advisory contract will be voted upon to include the ''rate of compensation of the investment adviser,'' the ''aggregate amount of the investment adviser's fees,'' a description of the ''terms of the contract to be acted upon,'' and, if a change in the advisory fee is proposed, the existing and proposed fees and the difference between the two fees.

4. Form N–SAR is the semi-annual report filed with the Commission by registered investment companies. Item 48 of Form N–SAR requires investment companies to disclose the rate schedule for fees paid to their investment advisers, including the Subadvisers.

5. Regulation S–X sets forth the requirements for financial statements required to be included as part of investment company registration statements and shareholder reports filed with the Commission. Sections 6–07(2)(a), (b), and (c) of Regulation S–X require that investment companies include in their financial statements information about investment advisory fees.

6. 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 provisions 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 state that their requested relief meets this standard for the reasons discussed below.

7. Applicants assert that the shareholders are relying on the Adviser's experience to select one or more Subadvisers best suited to achieve a Fund's investment objectives. Applicants assert that, from the perspective of the investor, the role of the Subadvisers is comparable to that of the individual portfolio managers employed by traditional investment company advisory firms. Applicants state that requiring shareholder approval of each Subadvisory Agreement would impose costs and unnecessary delays on the Funds, and may preclude the Adviser from acting promptly in a manner considered advisable by the Board. Applicants note that the Advisory Agreement and any Subadvisory Agreement with an Affiliated Subadviser will remain subject to section 15(a) of the Act and rule 18f-2 under the Act.

8. Applicants assert that some Subadvisers use a ''posted'' rate schedule to set their fees. Applicants state that while Subadvisers are willing to negotiate fees that are lower than those posted on the schedule, they are reluctant to do so where the fees are disclosed to other prospective and existing customers. Applicants submit that the requested relief will encourage potential Subadvisers to negotiate lower subadvisory fees with the Adviser.

Applicants' Conditions

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

1. Before a Fund may rely on the order requested in the application, the operation of the Fund in the manner described in the application will be approved by a majority of the Fund's outstanding voting securities, as defined in the Act, or, in the case of a Fund whose public shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the sole initial shareholder before offering the Fund's shares to the public.

2. The prospectus for each Fund will disclose the existence, substance, and effect of any order granted pursuant to the application. Each Fund will hold itself out to the public as employing the management structure described in the application. The prospectus will prominently disclose that the Adviser has ultimate responsibility (subject to oversight by the Board) to oversee the Subadvisers and recommend their hiring, termination, and replacement.

3. Within 90 days of the hiring of any new Subadviser, the affected Fund shareholders will be furnished all information about the new Subadviser that would be included in a proxy statement, except as modified to permit Aggregate Fee Disclosure. This information will include Aggregate Fee Disclosure and any change in such disclosure caused by the addition of the new Subadviser. To meet this obligation, the Fund will provide shareholders within 90 days of the hiring of a new Subadviser with an information statement meeting the requirements of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the 1934 Act, except as modified by the order to permit Aggregate Fee Disclosure.

4. The Adviser will not enter into a Subadvisory Agreement with any Affiliated Subadviser without that agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Fund.

5. At all times, at least a majority of the Board will be Independent Directors, and the nomination of new or additional Independent Directors will be placed within the discretion of the then-existing Independent Directors.

6. When a Subadviser change is proposed for a Fund with an Affiliated Subadviser, the Board, including a majority of the Independent Directors, will make a separate finding, reflected in the applicable Board minutes, that such change is in the best interests of the Fund and its shareholders and does not involve a conflict of interest from which the Adviser or the Affiliated Subadviser derives an inappropriate advantage.

7. Independent counsel, as defined in rule 0–1(a)(6) under the Act, will be engaged to represent the Independent Directors. The selection of such counsel will be within the discretion of the then existing Independent Directors.

8. The Adviser will provide the Board, no less frequently than quarterly, with information about the profitability of the Adviser on a per-Fund basis. The information will reflect the impact on profitability of the hiring or termination of any Subadviser during the applicable quarter.

9. Whenever a Subadviser is hired or terminated, the Adviser will provide the Board with information showing the expected impact on the profitability of the Adviser.

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

11. No director or officer of the Company, or director or officer of the Adviser, will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by such person), any interest in a Subadviser, except for: (a) Ownership of interests in the Adviser or any entity that controls, is controlled by, or is under common control with the Adviser; 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.

12. Each Fund will disclose in its registration statement the Aggregate Fee Disclosure.

13. The requested order will expire on the effective date of rule 15a–5 under the Act, if adopted.

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

Nancy M. Morris,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–54426; File No. S7–24–89]

Joint Industry Plan; Notice of Filing and Effectiveness of Amendment No. 17 to the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis, Submitted by the American Stock Exchange LLC, the Boston Stock Exchange, Inc., the Chicago Stock Exchange, Inc., the Chicago Board Options Exchange, Incorporated, the International Securities Exchange, Inc., the National Association of Securities Dealers, Inc., the National Stock Exchange, Inc., the NASDAQ Stock Market LLC, NYSE Arca, Inc., and the Philadelphia Stock Exchange, Inc.

September 12, 2006.

I. Introduction and Description

Pursuant to Rule 608 of the Securities Exchange Act of 1934 (the ''Act'') [1] notice is hereby given that on August 21, 2006, the operating committee (''Operating Committee'' or ''Committee'') [2] of the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation, and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis (''Nasdaq/UTP Plan'' or ''Plan'') filed with the Securities and Exchange Commission (''Commission'') amendments to the Plan. These amendments represent Amendment 17 made to the Plan and reflect: Changing the Pacific Exchange's name to NYSE Arca, Inc.; expanding the Processor hours of operation from 6:30 p.m. to 8 p.m.; modifying the definition of Eligible Security to bring it into conformance with recent changes to Nasdaq Stock Market listing rules; and making other minor administrative changes. Amendment 17 was unanimously approved by the Committee on July 20, 2006.[3] The Commission is publishing this notice of filing and effectiveness to solicit comments from interested persons on Amendment No. 17.

II. Background

The Plan governs the collection, consolidation, and dissemination of quotation and transaction information for the Nasdaq Global Market and Nasdaq Capital Market securities listed on Nasdaq or traded on an exchange pursuant to unlisted trading privileges (''UTP'').[4] The Plan provides for the collection from Plan Participants and the consolidation and dissemination to vendors, subscribers, and others of quotation and transaction information in Eligible Securities.[5]

The Commission originally approved the Plan on a pilot basis on June 26, 1990.[6] The parties did not begin trading until July 12, 1993; accordingly, the pilot period commenced on July 12, 1993. The pilot approval of the Plan was most recently extended on December 5, 2005.[7]

III. Description and Purpose of the Amendment [8]

The following is a summary of the changes to the Plan prepared by the Participants:

(i) Section I.A. of the Plan provides for the list of Plan Participants, and Section VIII.C. of the Plan provides symbols for market identification for quotation information and transaction reports. Amendment 17 eliminates the Pacific Exchange as a Plan Participant and replaces it with NYSE Arca, Inc. Amendment 17 also makes minor technical changes to the names of the National Stock Exchange and the Nasdaq Stock Market.

(ii) Section III.B. defines ''Eligible Security,'' and Section III.L. defines ''Nasdaq Security'' and ''Nasdaq-listed Security.'' Amendment 17 amends the definitions to conform with Nasdaq Stock Market listing rules. This includes changing Nasdaq National Market to Nasdaq Global Market securities and Nasdaq Small Cap to Nasdaq Capital Market securities.

(iii) Section III.I defines the ''UTP Quote Data Feed,'' and Section VI.C. provides for the dissemination of information by the Processor. Amendment 17 makes changes to reflect that the NASD Participant representing NASD's best bid/offer will be added to the UTP Quote Data Feed.

(iv) Section XI provides for the hours of operation. Amendment 17 changes the Processor hours from 6:30 p.m. to 8 p.m.

(v) Amendment 17 modifies Exhibit 1 to the Plan to reflect that the costs of identifying the NASD Participant(s) that constitute NASD's Best Bid and Offer quotation will be part of the costs directly attributable to creating the UTP Quote Data Feed.

(vi) Amendment 17 also makes minor administrative changes to the Plan such as incorporating references to Regulation NMS rules and correcting numbering.

IV. Date of Effectiveness of the Amendment

The changes set forth in Amendment No. 17 have been designated by the Participants as concerned solely with the administration of the plan or involving solely technical or ministerial matters, and thus are being put into effect upon filing with the Commission pursuant to Rules 608(b)(3)(ii) and 608(b)(3)(iii).[9] At any time within 60 days of the filing of any such amendment, the Commission may

[1] 17 CFR 242.608.

[2] The Plan Participants (collectively, ''Participants'') are: The American Stock Exchange LLC (''Amex''), the Boston Stock Exchange, Inc. (''BSE''), the Chicago Stock Exchange, Inc. (''CHX''), the Chicago Board Options Exchange, Incorporated (''CBOE''), the International Securities Exchange, Inc. (''ISE''), the National Association of Securities Dealers, Inc. (''NASD''), the National Stock Exchange, Inc. (''NSX''), The NASDAQ Stock Market LLC (''Nasdaq''), NYSE Arca, Inc. (''NYSEArca''), and the Philadelphia Stock Exchange, Inc. (''Phlx'').

[3] *See* letter from Bridget M. Farrell, Chairman, OTC/UTP Operating Committee, to Nancy M. Morris, Secretary, Commission, dated August 18, 2006.

[4] Section 12 of the Act generally requires an exchange to trade only those securities that the exchange lists, except that Section 12(f) of the Act permits an exchange to extend UTP to any security that is listed and registered on a national securities exchange. Nasdaq began operating as a national securities exchange for Nasdaq-listed securities on August 1, 2006, *see* Securities Exchange Act Release No. 54241 (July 31, 2006), 71 FR 45359 (August 8, 2006).

[5] The Plan defines ''Eligible Securities'' as any Nasdaq Global Market or Nasdaq Capital Market security, as defined in NASDAQ Rule 4200.

[6] *See* Securities Exchange Act Release No. 28146, 55 FR 27917 (July 6, 1990).

[7] *See* Securities Exchange Act Release No. 52886, 70 FR 74059 (December 14, 2005).

[8] The complete text of the Plan, as amended by Amendment No. 17, is attached as Exhibit A.

[9] 17 CFR 242.608(b)(3)(ii) and (b)(3)(iii).