



DIVISION OF
INVESTMENT MANAGEMENT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

ACT ICA
SECTION 17(a)
RULE _____
PUBLIC
AVAILABILITY 7-7-95

July 7, 1995

Mr. Marco E. Adelfio
Morrison & Foerster
2000 Pennsylvania Avenue, N.W.
Suite 5500
Washington, DC 20006-1888

Re: Overland Express Money Market Fund;
Master Investment Trust Cash Investment Trust Master
Portfolio;
Stagecoach Funds, Inc. Money Market Mutual Fund;
Stagecoach Inc. Money Market Fund

Dear Mr. Adelfio:

Your letter of July 7, 1995 requests our assurance that we would not recommend that the Commission take any enforcement action under sections 17(a) and 17(d) of the Investment Company Act of 1940 ("1940 Act") and the rules thereunder if Wells Fargo Bank, N.A. ("Affiliate"), the investment adviser to the above-captioned four open-end investment companies ("Funds"), and the Funds effect the transaction summarized below and more fully described in the letter.

Each Fund is a money market fund that seeks to maintain a stable net asset value per share of \$1.00, and uses the amortized cost method of valuation in valuing its portfolio securities as permitted by rule 2a-7 under the 1940 Act. The Funds hold taxable notes issued by Orange County, California in the aggregate principal amount of \$65 million that mature on July 10, 1995 ("Securities"). As a result of the Orange County bankruptcy filing on December 6, 1994, the Funds determined the fair values of the Securities to be less than their amortized cost values.

In December 1994, Wells Fargo & Company ("WFC"), an affiliated person of the Affiliate, agreed to purchase all or a portion of the Securities from each Fund at their amortized cost values (the principal amount of the Securities plus accrued interest) as necessary to ensure that the mark to market value per share of each Fund equalled or exceeded \$0.99550 ("Standby Purchase Arrangement"). The Standby Purchase Arrangement was entered into after the staff of the Division of Investment Management informed WFC and the Funds that it would not recommend to the Commission enforcement action against any of the parties if the Standby Purchase Arrangement was implemented. The Standby Purchase Arrangement, by its terms, expired on January 23, 1995.

The Funds have been informed that Orange County, in all likelihood, will not make the scheduled principal payments due on the Securities on July 10, 1995. Rather, Orange County is contemplating an amendment, substitution or extension of the Securities ("Amendment") that would, among other things, extend the maturity date of the Securities to June 30, 1996 and contain certain other terms to be negotiated ("Amended Securities"). A portion of the interest on the Amended Securities would be payable monthly, and a portion of the interest on the Amended Securities would be accrued and paid to the Funds at a later date.

As a result of these developments, you state that the Affiliate and the Funds plan to enter into a letter of credit arrangement ("LOC Arrangement"). You represent in your letter of July 7 that the Affiliate has applied for irrevocable standby letters of credit ("LOCs") to be issued by Bank of America National Trust and Savings Association ("LOC Provider") on behalf of the Funds.¹ Under the LOC Arrangement, the LOCs would provide for payment to the Funds of \$70 million (\$65 million attributable to the principal value of the Amended Securities and \$5 million attributable interest on the Amended Securities). The LOCs would cover the principal value, plus any accrued and unpaid interest, of a floating percentage of each Fund's holdings equal to such portion of the Securities as is necessary to ensure that the Securities do not create a deviation of each Fund's market-determined net asset value from its amortized cost price per share of more than a specified percentage (the percentage will be no higher than 0.40%) (such floating portion of the Amended Securities is herein referred to as the "Covered Securities").

Under the LOC Arrangement, the Funds would have the unconditional right to draw on the LOCs upon the occurrence of certain "triggering events." The Funds also have the unconditional right to draw on the LOCs if principal is not paid when due under any circumstances, including a repudiation by Orange County of its obligations under the Amended Securities, and a failure by Orange County to pay that is premised on violations of certain provisions of the California state constitution and California law. The Funds would not be able to draw on the LOCs for scheduled interest payments that have not been made when due ("Delayed Scheduled Interest Payments") until the final maturity date of the Amended Securities (June 30, 1996), unless an earlier triggering event occurs. The LOC Arrangement provides that, at maturity or after an earlier triggering event, a draw by the Funds on the LOCs for Delayed Scheduled Interest Payments would be equal to the amount of interest payable on the Covered Securities pursuant to the Amendment, plus interest thereon, compounded monthly at that same rate. The Affiliate would agree, under the LOC Arrangement, to reimburse the LOC Provider for any payments made to the Funds under the LOC. The LOC Arrangement provides that, in connection with any payment to the Funds of principal or interest on the Covered Securities pursuant to the LOCs, each Fund (1) would continue to hold the Covered Securities and any related rights, including litigation rights, associated with such Covered Securities, and (2) would transfer to WFB any proceeds (other than proceeds received pursuant to a draw under the LOCs) received with respect to such Covered Securities. Alternatively, WFB would have the right to call from the Funds any Covered Securities as to which the Funds have received full payment of scheduled interest and principal.

¹ The LOC Provider currently has the highest ratings on its short-term debt obligations from the "Requisite NRSROs" (as defined in paragraph (a)(13) of rule 2a-7 under the 1940 Act).

Mr. Marco E. Adelfio
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The LOC Arrangement does not preclude the Funds from selling all or a portion of the Amended Securities at any time, provided that no sale of the Covered Securities would occur at a price that is less than the amount that the Funds may draw under the LOCs without obtaining the prior consent of the boards of directors of the Funds, including a majority of the directors that are not "interested persons" of the Funds as defined under section 2(a)(19) of the 1940 Act. The Affiliate reserves the right under the LOC Arrangement to purchase, or have an Affiliate purchase, all or a portion of the Amended Securities from the Funds on or before a draw under the LOCs at their amortized cost values.

You represent that the boards of directors of the Funds have been apprised of the LOC Arrangement. You have also represented that the Affiliate has concluded that the amount of the LOCs attributable to interest can reasonably be expected to cover any interest due on the maturity of the Covered Securities, including all Delayed Scheduled Interest Payments.

On the basis of the facts and representations in your letter of July 7, 1995, we will not recommend enforcement action under sections 17(a) and 17(d) of the 1940 Act and the rules thereunder if the LOC Arrangement is effected. You should note that any different facts or representations might require a different conclusion. Moreover, this response expresses the Division's position on enforcement action only and does not express any legal conclusions on the issues presented.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Plaze", followed by a horizontal line extending to the right.

Robert E. Plaze
Assistant Director

MORRISON & FOERSTER

SAN FRANCISCO
LOS ANGELES
SACRAMENTO
ORANGE COUNTY
PALO ALTO
WALNUT CREEK
SEATTLE

ATTORNEYS AT LAW

2000 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006-1888
TELEPHONE (202) 887-1500
TELEFACSIMILE (202) 887-0763
TELEX 90-4030 MRSN FOERS WSH

NEW YORK
DENVER
LONDON
BRUSSELS
HONG KONG
TOKYO

July 7, 1995

DIRECT DIAL NUMBER

(202) 887-1530

By Telefacsimile

Robert E. Plaze`
Assistant Director
Office of Disclosure and Investment Adviser Regulation
Division of Investment Management
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Overland Express Money Market Fund; Master Investment Trust
Cash Investment Trust Master Portfolio; Stagecoach Funds, Inc.
Money Market Mutual Fund; Stagecoach Inc. Money Market Fund

Dear Mr. Plaze:

We are writing on behalf of Wells Fargo Bank, N.A. ("WFB"), an affiliated person of the Overland Express Money Market Fund (Registration Nos. 33-16296; 811-8275), Master Investment Trust Cash Investment Trust ("CIT") Master Portfolio (Registration No. 811-6415), Stagecoach Funds, Inc. Money Market Mutual Fund (Registration Nos. 33-42927; 811-6419), and Stagecoach Inc. Money Market Fund (Registration Nos. 33-54126; 811-7332) (each, a "Fund").¹ We seek assurance from the staff of the Division of Investment Management (the "Division") that it will not recommend enforcement action to the Securities and Exchange Commission (the "Commission") under Sections 17(a) or 17(d) of the Investment Company Act of 1940 (the "1940 Act"), or the rules thereunder, if the Funds and WFB enter into the transactions described below.

The Funds are registered with the Commission under the 1940 Act as open-end management investment companies. Each Fund is a money market fund that seeks to maintain a stable net asset value per share of \$1.00 and that uses the amortized cost

¹ The Master Investment Trust CIT Master Portfolio serves as the "master" fund for the Overland Express Sweep Fund (Registration Nos. 33-16296; 811-8275), which invests all of its assets in such Master Portfolio.

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method of valuation in valuing its portfolio securities. As of June 30, 1995, the value of each Fund's net assets was as follows: Overland Express Money Market Fund -- \$475,520,164; Master Investment Trust CIT Master Portfolio -- \$865,018,058; Stagecoach Funds, Inc. Money Market Mutual Fund -- \$3,162,403,156; and Stagecoach Inc. Money Market Fund -- \$151,687,095. As of that date, approximately 1.26%, 1.73%, 1.33% and 1.32% of such Funds' respective net assets consisted of the following debt securities (the "Securities"):

<u>Fund</u>	<u>Issuer</u>	<u>Principal Amount and Final Maturity</u>	<u>CUSIP Number</u>
Overland Express Money Market Fund	Orange County, California	\$6,000,000, due on July 10, 1995	684201 EL 6
Master Investment Trust CIT Master Portfolio	Orange County, California	\$15,000,000, due on July 10, 1995	684201 EL 6
Stagecoach Funds, Inc. Money Market Mutual Fund	Orange County, California	\$42,000,000, due on July 10, 1995	684201 EL 6
Stagecoach Inc. Money Market Fund	Orange County, California	\$2,000,000, due on July 10, 1995	684201 EL 6

The Securities are not insured or guaranteed, are not backed by any letter of credit, and are not currently subject to any put. As a result of the Orange County bankruptcy, the market value of the Securities is less than their amortized-cost value (*i.e.*, par value plus accrued interest).

By letter dated December 9, 1994 (the "Prior Request"), we sought assurance from the Division staff that it would not recommend enforcement action to the Commission under Sections 17(a) or 17(d) of the 1940 Act, or the rules thereunder, if each Fund and Wells Fargo & Company ("WFC"), an affiliated person of WFB, entered into a standby conditional put arrangement, which contemplated that WFC would purchase a portion of the Securities from each Fund at their amortized-cost value (par value plus accrued interest) to the extent necessary to ensure that a Fund's market-determined net asset value did not decline below \$0.9955 per share. The Division staff

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granted the requested relief on December 9, 1995. The standby conditional put arrangement, by its terms, expired on January 23, 1995.

Currently, principal on the Securities is due on July 10, 1995, and interest is payable at an annual rate equal to LIBOR with a monthly reset. Although to date all interest due on the Securities has been paid, the Funds have been informed that Orange County will not, in all likelihood, make the scheduled principal payment due on July 10, 1995. Rather, Orange County has proposed an extension of the Securities' maturity date to June 30, 1996 (the "Extension"). The Extension modifies certain other terms of the Securities, including increasing their interest rate and providing for some portion of interest, rather than being due and payable monthly, to accrue until the new maturity date. WFB believes, and the Funds' Boards of Directors and Trustees have concurred, that the terms of the Securities, as modified by the Extension, will be such that it will not be in the best interest of the Funds to dispose of the Securities at current market prices.

WFB has arranged at no cost to the Funds for the issuance of a "First Tier" (as defined under Rule 2a-7 under the 1940 Act) credit enhancement to the Securities in the form of irrevocable standby letters of credit (collectively, the "LOC") from the Bank of America National Trust and Savings Association ("BofA"), a party not affiliated with WFB or WFC. The LOC is in an aggregate amount of \$70 million (\$65 million allocated to principal and \$5 million allocated to interest). The LOC covers 100% (principal plus any accrued and unpaid interest) of a floating percentage of each Fund's holdings equal to such portion of the Securities as is necessary to ensure that the Securities do not create a deviation of the Fund's market-determined net asset value from its amortized-cost price per share of more than a specified percentage (the percentage will be no higher than 0.0040) (such floating percentage of the Securities is herein referred to as the "Covered Securities"). BofA currently has the highest short-term ratings from the "Requisite NRSROs" (as such term is defined in paragraph (a)(13) of Rule 2a-7 under the 1940 Act).

The Funds will have the right to make a draw under the LOC if and to the extent principal and interest are not received by the final maturity date of the Securities in accordance with the terms of the Extension. In addition to drawing for unpaid principal and interest, the Funds will have the right to draw for any interest that has not been paid when due under the terms of the Extension, in the amount of such interest, plus interest thereon, compounded monthly at the variable rate payable on the Covered Securities. Under certain circumstances, the Funds will have the right to make a draw under the LOC prior to the final maturity of the Securities. The LOC can be drawn upon even if Orange County's failure to make payments is due to its repudiation of its obligations, or

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to a claim that the issuance of the Securities exceeds the "debt limitation" provisions of applicable law, or for any other reason.

As a condition precedent to the issuance of the LOC, WFB and each Fund will enter into a Credit Enhancement Agreement (collectively, the "Agreement") that sets forth certain rights and obligations of the parties in the event of one or more draws by a Fund against the LOC. The Agreement provides that, in connection with any payment to the Funds of principal or interest on the Securities made pursuant to the LOC, each Fund (i) would continue to hold the Covered Securities and any related rights, including litigation rights, associated with such Covered Securities and (ii) would transfer to WFB any proceeds (other than funds received pursuant to a draw under the LOC), received with respect to such Covered Securities. Alternatively, WFB would have the right to call from the Funds any covered securities as to which the Funds have received full payment of scheduled interest and principal.

The Agreement would not preclude the Funds from selling some or all of the Securities at any time, provided that no sale of Covered Securities will occur at a price that is less than the amount drawable under the LOC without obtaining the prior consent of the Boards of Directors or Trustees, including a majority of the Directors or Trustees that are not "interested persons" as defined under Section 2(a)(19) of the 1940 Act. WFB and WFC reserve the right to purchase all or a portion of the Securities from the Funds at par (plus accrued interest, and interest on overdue interest) at or prior to a draw on the LOC. BofA is entitled to reimbursement from WFB for any payment to the Funds under the LOC. WFB believes that the amount of the LOC is sufficient to cover all payments of principal and interest (including interest on overdue interest) reasonably expected to be due on the Funds' Covered Securities through the maturity date of June 30, 1996.

As long as the LOC remains in place, the Covered Securities will be valued at amortized-cost value (par value plus accrued interest). The remaining Securities will be valued without reference to the LOC, according to valuation procedures adopted by the Funds' Boards of Directors and Trustees and consistent with the requirements of the 1940 Act and regulations thereunder.

The Boards of Directors and Trustees of the Funds have been advised of the proposed arrangement described above. Each Board has concurred with WFB's determination that it would not be in the best interest of the Fund and its shareholders to sell the Securities at current market value, but, rather, to accept the Extension, the Agreement and the LOC.

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WFB is an "affiliated person" of the Funds under Section 2(a)(3) of the 1940 Act because it serves as investment adviser to each Fund. WFC is an affiliated person of an affiliated person of the Funds under Section 2(a)(3) of the 1940 Act because it controls WFB. The Funds and WFB believe that it would be in the best interests of each Fund's shareholders if WFB, WFC and the Funds are permitted to engage in the transactions described above. We hereby request that the Division staff give its assurance that it will not recommend that the Commission take enforcement action against the Funds, WFB or WFC under Section 17(a) if WFB, WFC and the Funds engage in the transactions described above. To the extent that the proposed transactions raise issues under Section 17(d) of the 1940 Act, we also request assurances that the Division staff will not recommend that the Commission take enforcement action against WFB, WFC or the Funds under Section 17(d).

If you have any questions or other communications concerning this matter, please call the undersigned, at the number listed above, or Robert M. Kurucz, at (202) 887-1515.

Sincerely,


Marco E. Adelfo

cc: Richard H. Blank, Jr.
Michael Niedermeyer
Robert M. Kurucz
Catherine S. Woledge