

charges in connection with the Contracts will comply with all applicable requirements of Rule 6e-3(T), subject only to the relief requested herein.

6. A front-end sales charge also is deducted under the Contract. As illustrated below, for each of the first five Contract years, the front-end sales charge is equal to 8% of premiums paid up to the Contract's "target premium,"⁷ and 3% of premiums paid in excess of the target premium. In the sixth Contract year and thereafter, the sales charge is equal to 3% of all premium amounts.⁸

FRONT-END SALES LOADS

Contract years	Deducted from premium payments	
	Up to target premium (percent)	Excess of target premium (percent)
1 to 5	8.0	3.0
6	3.0	3.0
After 6	3.0	3.0

Applicants' Legal Analysis

1. Section 6(c) of the 1940 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 1940 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 contract and provisions of the 1940 Act.

2. Section 27(a)(3) of the 1940 Act generally provides, with respect to periodic payment plan certificates, that the amount of sales charge deducted from any of the first twelve monthly payments, of their equivalent, can not exceed proportionately the amount deducted from any other such payment. Further, the amount deducted from any subsequent payment can not exceed proportionately the amount deducted from any other subsequent payment.

3. Rule 6e-3(T)(b)(13)(ii) grants an exemption from Section 27(a)(3) of the

1940 Act, provided that the proportionate amount of sales charge deducted from any premium payment does not exceed the proportionate amount deducted from any prior premium payment, unless an increase is caused by the grading of cash value into reserves or reductions in sales of the annual cost of insurance. Rule 6e-3(T)(b)(13)(ii) thus permits a decrease in sales load for any subsequent premium payment, but not an increase.

4. Applicants submit that the requested relief is necessary because, in any one of the first five Contract years, the 8% front-end sales charge deducted from premium payments not in excess of the target premium could exceed the 3% front-end sales charge deducted from any premium payments made in a prior year in excess of the target premium. Applicants request exemptive relief because the Contract's sales load structure appears to violate the "stair-step" provisions in Section 27(a)(3) and Rule 6e-3(T)(13)(ii).

5. Applicants state that the stair-step requirements of Section 27(a)(3) are designed to address the abuse of periodic payment plan certificates that imposed unduly complicated sales load structures, which purchasers could have difficulty understanding. Applicants submit that the stair-step features of the sales charge design of the Contract are not unduly complicated and will clearly be of benefit to Contract owners. Further, full disclosure of the sales charge features of the Contract will be contained in the Contract prospectus.

6. Applicants submit that the sales charges are not designed to generate more revenues from later premium payments than from earlier payments. Applicants note that, to the extent that sales charges decline after the early Contract years, greater amounts, in general, tend to be paid with respect to payments made in early Contract years than with respect to payments made in later years. This varies somewhat with respect to individual Contracts, to the extent that the precise amount of sales charges imposed depends, among other things, on the degree to which a Contract owner exercises the premium and other flexibility features of the Contract. The exercise of these features, however, is solely within the control of the Contract owner.

7. Applicants submit that the Contract could be designed to avoid the stair-step violation and qualify for the exemptive relief from Section 27(a)(3) afforded by Rule 6e-3(T)(b)(13)(ii) if a full 8% front-end sales load were to be assessed against all premiums paid during the first five Contract years (including those in excess of the target premium) and a

3% sales charge were to be assessed against premiums paid in the sixth Contract year and thereafter. Applicants believe, however, that the Contract's existing sales charge design is more favorable to Contract owners because premiums in excess of the target premium will be paid without imposition of an additional 5% front-end sales load. Applicants state that the 5% additional sales charge is not imposed, despite the fact that Rule 6e-3(T) would permit the deduction of the additional amounts.

8. Moreover, Applicants represent that the sales charge structure is based on Security Life's operating expenses for the sale of the Contract. Thus, this structure reflects in part the lower overall distribution costs associated with excess premiums paid over the life of a Contract. Applicants submit that it would not be in the best interest of a Contract Owner to require the imposition of a sales load structure that is higher than Applicants deem necessary to adequately defray their expenses.

Conclusion

For the reasons discussed above, Applicants submit that the requested exemptions from Section 27(a)(3) of the 1940 Act and Rule 6e-3(T)(b)(13)(ii) thereunder, are necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the contract and provisions of the 1940 Act. Therefore, the standards set forth in Section 6(c) of the 1940 Act are satisfied.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-20480 Filed 8-17-95; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

National Advisory Council Meeting

The U.S. Small Business Administration (SBA) National Advisory Council will hold a public meeting on Monday, September 11, 1995 from 10:00 a.m. to 4:30 p.m. and Tuesday, September 12, 1995 from 9:00 a.m. to noon in Washington, DC at the Dupont Plaza Hotel, 1500 New Hampshire Avenue, NW., Washington, DC 20036.

For further information, write or call Ms. Dorothy Overal, Director, Office of Advisory Council, 409 3rd Street, SW., Washington, DC 20416, (202) 205-6434.

⁷ Target premiums are actuarially determined based on the age, sex and premium class of the insured.

⁸ For a Contract with multiple coverage segments of stated death benefit, premiums paid are allocated to the segments in the same proportion that the guideline annual premium (as defined by Federal income tax law) for each segment bears to the total guideline annual premium for the Contract.

Dated: August 14, 1995.

Dorothy A. Overall,

Director, Office of Advisory Council.

[FR Doc. 95-20521 Filed 8-17-95; 8:45 am]

BILLING CODE 8025-01-M

Public Meeting

The National Small Business Development Center Advisory Board will hold a public meeting on September 19, 1995, from 9 a.m. through 4 p.m., at the Durant Bank and Trust, 1400 West Main, Durant, Oklahoma 74702.

The purpose of the meeting is to discuss such matters as may be presented by Advisory Board members, staff of the SBA, or others present.

For further information, write or call Mary Ann Holl, SBA, 4th Floor, 409 3rd Street, SW., Washington, DC 20416, telephone 202/205-7302.

Dated: August 14, 1994.

Dorothy A. Overall,

Director, Office of Advisory Councils.

[FR Doc. 95-20519 Filed 8-17-95; 8:45 am]

BILLING CODE 8025-01-M

Portland District Advisory Council Meeting; Public Meeting

The U.S. Small Business Administration Portland District Advisory Council will hold a public meeting on Thursday, September 14, 1995 from 1:00 p.m. to 4:30 p.m. and Friday, September 15, 1995 from 8:00 a.m. to 12 noon at the Riverhouse, 3075 N Highway, Bend, Oregon, to discuss matters as may be presented by members, staff of the U.S. Small Business Administration, or others present.

For further information, write or call Mr. John L. Gilman, District Director, U.S. Small Business Administration, 222 SW. Columbia, Suite 500, Portland, OR 97201-6695, (503) 326-5221.

Dated: August 14, 1995.

Dorothy A. Overall,

Director, Office of Advisory Council.

[FR Doc. 95-20520 Filed 8-17-95; 8:45 am]

BILLING CODE 8025-01-P

THRIFT DEPOSITOR PROTECTION OVERSIGHT BOARD

National Advisory Board Meeting

AGENCY: Thrift Depositor Protection Oversight Board.

ACTION: Notice of meeting.

SUMMARY: In accordance with section 10(a)(2) of the Federal Advisory

Committee Act, 5 U.S.C. App., announcement is hereby published for a meeting of the National Advisory Board. The meeting is open to the public.

DATES: The National Advisory Board meeting is scheduled for Friday, September 8, 1995, 9 a.m. to 12 noon.

ADDRESSES: The meeting will be held at the Federal Deposit Insurance Corporation, Board Room 6010, 550 17th St., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Jill Nevius, Committee Management Officer Thrift Depositor Protection Oversight Board, 808 17th Street, NW., Washington, DC 20232, 202/416-2626.

SUPPLEMENTARY INFORMATION: Pursuant to section 21A(d) of the Federal Home Loan Bank Act, the Thrift Depositor Protection Oversight Board established a National Advisory Board and six Resolution Trust Corporation (RTC) on the disposition of real property assets of the Corporation.

Agenda: A detailed agenda will be available at the meeting. The meeting will include remarks from executives of the RTC, the Executive Director of the Thrift Depositors Protection Oversight Board and the chair of the National Advisory Board. In addition, there will be briefings from the chairpersons of the six regional advisory boards on their respective meetings held throughout the country from June 20 through July 28. Topics to be addressed at the September 8 meeting include: RTC's Securitization Program Cost Analysis of the RTC Affordable Housing Disposition Program and RTC's Environmental Program.

Statements: Interested persons may submit, in writing, data, information or views on the issues pending before the National Advisory Board prior to or at the meeting. Seating is available on a first come first served basis for this open meeting.

Dated: August 15, 1995.

Jill Nevius,

Committee Management Officer.

[FR Doc. 95-20506 Filed 8-17-95; 8:45 am]

BILLING CODE 2221-01-M

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGD 95-034]

Vessel Certifications of Alternative Compliance and Exceptions

AGENCY: Coast Guard, DOT.

ACTION: Notice of certificates of alternative compliance issued.

SUMMARY: This document provides the required notice of Certificates of

Alternative Compliance issued by the Coast Guard which have not been previously published in the **Federal Register**. This notice identifies vessels which, due to their special construction and purpose, cannot comply fully with certain provisions of the International Navigation Rules for Preventing Collisions at Sea (72 COLREGS) without interfering with that vessel's special functions and identifies the alternative provisions to which each vessel must comply.

DATES: This notice lists Certificates of Alternative Compliance issued between January 1993 and July 1995.

ADDRESSES: Certificates of Alternative Compliance may be examined at, and copies are available upon request from, Commandant, U.S. Coast Guard Headquarters, Office of Navigation, Safety, and Waterway Service (G-NVT-3), 2100 Second Street SW., Washington, DC 20593-0001.

FOR FURTHER INFORMATION CONTACT: Diane Appleby, Marine Safety Specialist, Vessel Traffic Service Division at (202) 267-0352 between the hours of 8 a.m. and 5 p.m., Monday through Friday.

SUPPLEMENTARY INFORMATION: Section 1607 of Title 33, United States Code, authorizes the Secretary of the Department in which the Coast Guard is operating to promulgate rules and regulations necessary to implement the International Navigation Rules for Preventing Collisions at Sea (72 COLREGS). This authority has been delegated to the Coast Guard.

Under Rule 1(e) of the 72 COLREGS, when the Coast Guard determines that a vessel of special construction or purpose cannot comply fully with the provisions of the 72 COLREGS, the Coast Guard may allow that vessel to comply with alternate requirements that the Coast Guard determines to be the closest possible compliance with the 72 COLREGS with respect to that vessel.

The Coast Guard issues a Certificate of Alternative Compliance to a vessel based on a determination by the cognizant Chief of the Marine Safety Division that the vessel cannot fully comply with the 72 COLREGS. A vessel must carry a Certificate of Alternative Compliance as evidence that the Coast Guard authorized the described alternative compliance. The Certificate of Alternative Compliance expires when a vessel ceases to be engaged in the operation for which the certificate is issued.

Under the provisions of 33 U.S.C. 1605 and 33 CFR part 81, the Coast Guard must publish in the **Federal Register** notice of each Certificate of