

Act Release No. 13005 (Feb. 2, 1983) and with other existing and future positions taken by the SEC or its staff by rule, interpretive release, no-action letter, any release adopting any new rule, or any release adopting any amendments to any existing rule.

9. Any investment made in repurchase agreement transactions pursuant to the application will satisfy the investment policies or criteria of all Portfolios participating in that investment.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-5783 Filed 3-11-96; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 21810; 811-6193]

Nomura Dividend Income Fund; Notice of Application

March 6, 1996.

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

ACTION: Notice of Application for Deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: Nomura Dividend Income Fund.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATE: The application was filed on January 31, 1996, and an amendment thereto on March 6, 1996.

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 applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on April 1, 1996, and should be accompanied by proof of service on the applicant, 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 Fifth Street, NW., Washington, DC 20549. Applicant, One Post Office Square, Boston, Massachusetts 02109.

FOR FURTHER INFORMATION CONTACT:

Diane L. Titus, Paralegal Specialist, at (202) 942-0584, or Robert A. Robertson, 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 from the SEC's Public Reference Branch.

Applicant's Representation

1. Applicant is a closed-end management investment company organized as a corporation under the laws of Maryland. On October 17, 1990, applicant filed a notification of registration on Form N-8A pursuant to section 8(a) of the Act. Applicant never filed a registration statement under the Securities Act of 1933 nor did it make a public offering of its securities.

2. Applicant was established in 1990, with the objective to provide holders of its common stock with high current income, consistent with preservation of capital. The private placement memorandum, pursuant to which the shares of common stock of applicant were sold, contained a statement that applicant's board of directors would consider during the fifth year after commencement of operations whether to make a tender offer for applicant's shares.

3. At a board meeting held on July 28, 1995, the board determined that making a tender offer would not be advisable. Given the relatively small size of applicant (approximately \$40.6 million as of June 30, 1995), if a significant amount of assets were withdrawn by a few large shareholders through a tender offer, expense ratios would increase and applicant might become too small to efficiently manage for remaining stockholders.

4. In August and September of 1995, officers of applicant and Putnam Investment Management, Inc., applicant's investment adviser, had several discussions with employees of Nomura Securities International, Inc. ("Nomura"), the original placement agent for applicant's common stock, concerning the desire of several large stockholders in applicant to liquidate their holdings. As there is no liquid market for the shares and as the board believes a tender offer raises significant issues as to fairness to non-tendering holders, the discussions focused on the possibility of liquidating applicant. Subsequently, Nomura delivered a letter to the directors stating that the holders of 37 of 45.01 outstanding shares had indicated to Nomura that they would be in favor of a liquidation of applicant.

5. Accordingly, at the October 27, 1995 meeting of the board, the directors determined, in light of these developments, that it would be advisable and in the best interests of applicant's stockholders to liquidate and dissolve applicant under the laws of the State of Maryland. To implement the liquidation, the board approved a plan of complete liquidation of applicant (the "Plan"). The Plan provided for the sale of all of the assets of applicant and the distribution in cash of the net proceeds from such sale to the stockholders in accordance with their respective rights. The Plan also provided for a portion of the proceeds from the sale of applicant's assets to be retained to satisfy any liabilities applicant may incur.

6. A special meeting of applicant's stockholders was held on December 5, 1995 at which 99.796% of the shares present either in person or by proxy voted to approve the Plan. Pursuant to the Plan, on December 27, 1995, \$41,647,032.92, representing 99.7% of the assets of applicant, was distributed to the stockholders of applicant (the "First Distribution"). As of the time of the filing of the amended application, applicant has retained assets of \$170,000, \$50,000 of which represented the amount being reserved to pay for the remaining expenses involved in the dissolution and liquidation of applicant and \$120,000 of which represented dividends on portfolio holdings received after the First Distribution. Applicant anticipates that a second distribution of its assets (the "Second Distribution") consisting of the assets, if any, remaining after the payment of the expenses would be done as soon as practicable, but in no instance any later than 60 days after the granting of the order requested by this amended application. The Second Distribution would be made on a pro rata basis, with each stockholder receiving its proportionate share of the remaining assets.

7. Applicant intends to file Articles of Dissolution and Public Notice of Dissolution in accordance with Maryland law as soon as practicable following its deregistration. Additionally, applicant intends to file for the withdrawal of its status as a foreign corporation in Massachusetts.

8. As of the filing of the application, applicant had no security holders. Applicant is not a party to any litigation or administrative proceeding. Applicant is not presently engaged, nor does it propose to engage in, any business activities other than those necessary to wind up its affairs.

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

[Rel. No. IC-21811; File No. 812-9864]

The Northwestern Mutual Life Insurance Company

March 6, 1996.

AGENCY: Securities and Exchange Commission ("Commission").

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "1940 Act").

APPLICANT: The Northwestern Mutual Life Insurance Company ("NML").

RELEVANT 1940 ACT SECTIONS AND RULES: Order requested under Section 6(c) for exemptions from Section 9(a).

SUMMARY OF THE APPLICATION: Applicant seeks an order exempting itself and its affiliates, in their capacities as investment advisers, principal underwriters and depositors, from the disqualification provisions of Section 9(a) with respect to NML's separate accounts organized as unit investment trusts ("UITs") that derive assets from the sale of variable annuity contracts. The exemptions, subject to certain conditions, would apply to NML's (and its affiliates') officers, directors and employees who do not participate directly in the management or administration of the separate accounts or their underlying management investment companies, or in the sale of their variable annuity contracts.

FILING DATES: The application was filed on November 29, 1995.

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 the Commission's Secretary and serving Applicant with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on April 1, 1996, and should be accompanied by proof of service on Applicant, 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, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Applicant, The Northwestern Mutual Life Insurance Company, 720 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, Attention John M. Bremer, Senior Vice President, Secretary and General Counsel.

FOR FURTHER INFORMATION CONTACT:

Joseph G. Mari, Senior Special Counsel, or Wendy Friedlander, Deputy Chief, at (202) 942-0670, Office of Insurance Products, Division of Investment Management.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the Commission's Public Reference Branch.

Applicant's Representations

1. NML is a Wisconsin life insurance company that is authorized to sell life insurance and annuities in all 50 states and the District of Columbia. NML is a co-depositor of NML Variable Annuity Account B, its separate account that funds variable annuity contracts (the "Separate Account").

2. The Separate Account is organized as a UIT and is registered under the Securities Act of 1933 and the 1940 Act. The Separate Account funds benefits under individual variable annuity contracts. The assets of the Separate Account are invested exclusively in shares of Northwestern Mutual Series Fund, Inc., a registered open-end management investment company (the "Fund").

3. Northwestern Mutual Investment Services, Inc. ("NMIS"), an indirect wholly-owned subsidiary of NML, is the principal underwriter of the Separate Account. NMIS is registered as a broker-dealer under the Securities Exchange Act of 1934 (the "1934 Act") and as an investment adviser under the Investment Advisers Act of 1940.

Applicant's Legal Analysis

1. Section 9(a) automatically disqualifies a company from serving as an investment adviser, depositor or principal underwriter to a registered investment company if the company or an affiliate has an employee, officer or director who has been convicted of a securities-related offense or enjoined by a court from serving in a securities-related position.

2. Rules 6e-2 and 6e-3(T) under the 1940 Act provide certain exemptions from the automatic disqualification provisions of Section 9(a). Rules 6e-2 and 6e-3(T) restrict the applicability of Section 9(a) to persons who participate directly in the management or administration of the separate account and the underlying fund, or in the sale

of the variable life contracts funded by the separate account.

3. There is no rule affording similar relief regarding insurance company separate accounts funding variable annuity contracts, such as the Separate Account.

4. NML has approximately 2,931 non-officer employees and 4,852 insurance agents who are registered representatives of NMIS, in addition to its officer and directors. Section 9(a) applies to NML, as depositor and principal underwriter of the Separate Account, and to its affiliates, as investment advisers and principal underwriters, of registered investment companies.

5. Section 9(a) would automatically disqualify NML and its affiliates from serving as depositor, principal underwriter or investment adviser if any one of their employees became disqualified under Section 9(a), even if the employee worked in one of NML's businesses not regulated under the 1940 Act and did not participate in the management or administration of the Separate Account or the Fund, or in the sale of the variable annuity contracts.

6. NML seeks an order limiting the automatic disqualification provisions of Section 9(a) with respect to the Separate Account to the same extent available under Rules 6e-2 and 6e-3(T) to separate accounts funding variable life insurance contracts. NML asserts that the intended focus of Section 9(a) is on the operation of investment companies and not on ancillary businesses unrelated to investment company operations and management. NML states that its requested relief is consistent with the purpose of Section 9(a).

7. Currently, whenever any officer, trustee or employee of NML becomes subject to the automatic disqualification provisions of Section 9(a), NML must apply for a Commission order pursuant to Section 9(c) of the 1940 Act to exempt the person and NML from those disqualification provisions. The requirements to submit such applications could place an undue burden on both NML and the Commission without any public benefit if the individual does not participate in the management or administration of the Separate Account, the Fund or NMIS.

8. Additionally, NML currently maintains, and will continue to maintain, monitoring procedures to identify any insurance agent, or officer, director, or employee who does not function as an insurance agent or registered representative, subject to statutory disqualification.