reducing their administrative expenses and maximizing the efficient use of their resources. The delay and expense involved in having repeatedly to seek exemptive relief would reduce Applicant's ability effectively to take advantage of business opportunities as they arise.

Applicants further submit that the requested relief is consistent with the purposes of the 1940 Act and the protection of investors for the same reasons. Applicants thus believe that the requested exemption is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

5. Applicants represent that the 1.00% per annum mortality and expense risk charge is within the range of industry practice for comparable annuity contracts. This representation is based upon an analysis of publicly available information about similar industry products, taking into consideration such factors as, among others, the current charge levels and benefits provided, the existence of expense charge guarantees, guaranteed death benefits, and guaranteed annuity rates. Companion Life will maintain at its principal offices, available to the Commission, a memorandum setting forth in detail the products analyzed in the course of, and the methodology and results of, Applicants' comparative review.

6. Applicants also assert that the charge equal to an annual rate of .35% of the average death benefit amount for Contracts and Future Contracts issued with the enhanced death benefit is reasonable in relation to the risks assumed by Companion Life. In arriving at this determination, Companion Life projected its expected cost in providing this benefit by using the price of put options which could be used to hedge the risk inherent in providing the enhanced death benefit. Companion Life undertakes to maintain at its home office a memorandum, available to the Commission, setting forth in detail the methodology used in determining that the risk charge equal to an annual rate of .35% of the average death benefit amount under certain Contracts and Future Contracts for the enhanced death benefit is reasonable in relation to risks assumed by Companion Life under the Contracts and Future Contracts.

7. Companion Life has concluded that there is a reasonable likelihood that the Separate Accounts and Other Accounts' proposed distribution financing arrangements will benefit the Separate Accounts and their investors. Companion Life represents that it will maintain and make available to the Commission upon request a memorandum setting forth the basis of such conclusion.

8. The Separate Account and Other Accounts will be invested only in management investment companies that undertake, in the event the company should adopt a plan for financing distribution expenses pursuant to Rule 12b–1 under the 1940 Act, to have such plan formulated and approved by the company's board members, the majority of whom are not ''interested persons'' of the management investment company within the meaning of Section 2(a)(19) of the 1940 Act.

9. Section 2(a)(32) of the 1940 Act defines a redeemable security as any security under the terms of which the holder, upon its presentation to the issuer, is entitled to receive approximately his proportionate share of the issuer's current net assets, or the cash equivalent thereof. Sections 22(c) and 27(c)(1) of the 1940 Act and Rule 22c–1 thereunder, in pertinent part, prohibit a registered investment company, its depositor, or principal underwriter, from selling periodic payment plan certificates unless such certificates are redeemable securities.

10. Applicants request exemptions from Sections 2(a)(32), 22(c), and 27(c)(1) of the 1940 Act, and Rule 22c–1 thereunder, to permit the deduction upon surrender of the prorated enhanced death benefit charge equal to .35% of the average death benefit.

11. Applicants assert that the enhanced death benefit charge is assessed to compensate Companion Life for the increased risk it bears if the Contract owner elects the enhanced death benefit. The death benefit represents an optional insurance benefit that Companion Life may provide through the life of the Contract or Future Contract for which it is entitled to receive compensation. Normally, the enhanced death benefit charge accrues each Contract year and is deducted retroactively on each Contract anniversary, for that prior Contract year. By deducting a prorated enhanced death benefit charge upon a Contract owner's surrender, Companion Life is compensated by the Contract owner for the additional risk the company bears during the period between the last Contract anniversary and the date of surrender.

12. Applicants further assert that the assessment of the prorated enhanced death benefit charge upon surrender does not alter a Contract owner's current net asset value. As previously discussed, Companion Life deducts the enhanced death benefit charge through the cancellation of a Contract owner's accumulation units. Accordingly, the assessment of the prorated enhanced death benefit charge upon surrender, or at any other time during the life of a Contract or Future Contract, will not alter the Contract or Future Contract's current net asset value.

13. In addition, Applicants assert that the assessment of a prorated enhanced death benefit charge upon a Contract owner's surrender, which is fully disclosed in the prospectus for the Contract, should not be construed as a restriction on redemption. Applicants maintain that the Contracts and Future Contracts are and will be redeemable securities and that the imposition of the prorated enhanced death benefit charge upon surrender represents nothing more than the proportionate deduction of an insurance charge that could otherwise be deducted daily through the life of the Contract or Future Contract. Moreover, as stated previously, Applicants only assess the charge if the Contract owner has elected the enhanced death benefit.

Conclusion

For the reasons set forth above, Applicants represent that the exemptions requested are necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–9402 Filed 4–16–96; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–21885; 812–9972]

UAM Funds, Inc., et al.; Notice of Application

April 10, 1996.

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

ACTION: Notice of Application for Exemption Under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: UAM Funds, Inc., UAM Funds Trust, AEW Commercial Mortgage Securities Fund, Inc., (''AEW'') (collectively, the ''Existing Funds''); Acadian Asset Management, Inc., Aldrich, Eastman & Waltch, L.P., Barrow, Hanley, Mewhinney & Strauss, Inc., C.S. McKee & Company, Inc., Cambiar Investors, Inc., Chicago Asset Management Company, Cooke & Bieler, Inc., Dewey Square Investors Corp.,

Dwight Asset Management Company, Fiduciary Management Associates, Inc., Hanson Investment Management Company, Investment Counselors of Maryland, Inc., Investment Research Company, Murray Johnstone International Ltd., Newbold's Asset Management, Inc., NWQ Investment Management Company, Rice, Hall, James & Associates, Sirach Capital Management, Inc., Spectrum Asset Management, Inc., Sterling Capital Management Company, Thompson, Siegel & Walmsley, Inc., and Tom Johnson Investment management, Inc. (collectively, the ''Advisers'').

RELEVANT ACT SECTION: Order requested under section 17(d) of the Act and rule 17d–1 thereunder.

SUMMARY OF APPLICATION: Applicants request an order to permit certain investment companies to deposit their uninvested cash balances in one or more joint accounts to be used to enter into short-term investments.

FILING DATES: The application was filed on January 29, 1996 and amended on April 9, 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 May 6, 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicants, c/o Audrey C. Talley, Esq., Stradley, Ronon, Stevens & Young, 2600 One Commerce Square, Philadelphia, PA 19103–7098.

FOR FURTHER INFORMATION CONTACT: Marianne H. Khawly, Staff Attorney, at (202) 942–0562, or Robert A. Robertson, Branch Chief, (202) 942–0564 (Office of Investment Company Regulation, Division of Investment Management).

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

Applicants' Representations

1. UAM Fund, Inc., a Maryland corporation, and UAM Funds Trust, a Delaware business trust, are open-end management investment companies comprised of multiple series of shares. AEW, a Maryland corporation, is a closed-end investment company. Each of the Advisers, except Aldrich, Eastman & Waltch, L.P. (''Aldrich, Eastman''), is a wholly-owned subsidiary of United Asset Management Corporation (''United''). Aldrich, Eastman is a limited partnership of which United is the sole limited partner. United is a holding company incorporated for the purpose of acquiring and owning investment management firms.[1]

2. Applicants request that any relief granted pursuant to the application also apply to any future registered investment companies that are advised by an Adviser, or any entity controlling, controlled by, or under common control with an Adviser and that are in the same ''group of investment companies,'' as defined in rule 11a–3 under the Act, as the Existing Funds (together with the Existing Funds, the ''Portfolios''). In addition, applicants request that any relief granted also apply to any entity controlling, controlled by, or under common control with an Adviser that serves as investment adviser to any of the Portfolios. All Portfolios that currently intend to rely on the requested order are named as applicants.

3. The Existing Funds have each entered into an administration agreement with Chase Global Fund Services Company, formerly, Mutual Fund Services Company (the ''Administrator'') pursuant to which the Administrator provides transfer agent, accounting and administrative services. Morgan Guaranty Trust Company of New York (''Morgan Guaranty'') serves as the Existing Funds' custodian. Bank of New York serves as the Existing Funds' custodian. The distributor of the open-end Existing Funds, UAM Fund Distributors, Inc., formerly Regis Retirement Plan Services, is a wholly-owned subsidiary of United.

4. At the end of each trading day, the Portfolios have uninvested cash balances in their accounts at their custodian bank that would not otherwise be invested in Portfolio securities by their respective Adviser. Generally such cash balances are invested in short-term liquid assets such as commercial paper or U.S. Treasury bills. Cash balances may also be invested in shares of the money market Portfolios.[2]

5. Applicants propose to deposit uninvested cash balances of the Portfolios that remain at the end of the trading day, as well as cash for investment purposes, into one or more joint accounts (the ''Joint Accounts'') and to invest the daily balance of the Joint Accounts in: (a) repurchase agreements collateralized by U.S. government securities (as defined in the Act) or by First Tier Securities (as defined in rule 2a–7 under the Act); (b) interest-bearing or discounted commercial paper, including dollar denominated commercial paper of foreign issuers; and (c) any other short-term money market instruments, including variable rate demand notes and other tax-exempt money market instruments, that constitute ''Eligible Securities'' (as defined in rule 2a–7 under the Act) (collectively, ''Short-Term Investments'').

6. Applicants proposes to enter into hold-in-custody repurchase agreements, i.e., repurchase agreements where the counterparty or one of its affiliated persons may have possession of, or control over, the collateral subject to the agreement, only where cash is received very late in the business day and otherwise would be unavailable for investment.

7. A Portfolio's decision to use a Joint Account would be based on the same factors as its decision to make any other short-term liquid investment. The sole purpose of the Joint Accounts would be to provide a convenient means of aggregating what otherwise would be one or more daily transactions for some or all Portfolios necessary to manage their respective daily account balances.

8. The Advisers will be responsible for investing funds held by the Joint Accounts, establishing accounting and control procedures, and ensuring fair treatment of the Portfolios. The Advisers will manage investments in the Joint Accounts in essentially the same manner as if it had invested in such instruments on an individual basis for each Portfolio.

9. Any repurchase agreements entered into through the joint account will comply with the terms of Investment Company Act Release No. 13005 (February 2, 1983). Applicants acknowledge that they have a continuing obligation to monitor the SEC's published statements on repurchase agreements, and represent that repurchase agreement transactions

[1] United does not engage in any investment activities that would require it to be registered as an investment adviser or investment company. *See*, United Asset Management Corp., SEC No-Action Letter (pub. avail. Nov. 2, 1981).

[2] *UAM Funds*, Investment Company Act Release Nos. 21739 (Feb. 9, 1996) (notice) and 21809 (March 6, 1996) (order).

will comply with future positions of the SEC to the extent that such positions set forth different or additional requirements regarding repurchase agreements. In the event that the SEC sets forth guidelines with respect to other Short-Term Investments, all such investments made through the Joint Account will comply with those guidelines.

Applicants' Legal Analysis

1. Section 17(d) of the Act and rule 17d–1 thereunder prohibit an affiliated person of a registered investment company from participating in any joint enterprise or arrangement in which such investment company is a participant, without an SEC order.

2. The Portfolios, by participating in the proposed Joint Account, and the Advisers, by managing the proposed Joint Account, could be deemed to be ''joint participants'' in a transaction within the meaning or section 17(d). In addition, the proposed Joint Account could be deemed to be a ''joint enterprise or other joint arrangement'' within the meaning of rule 17d–1.

3. Although the Advisers will realize some benefits through administrative convenience and some possible reduction in clerical costs, the Portfolios will be the primary beneficiaries of the Joint Accounts because the account may result in higher returns and would be a more efficient means of administering daily cash investments.

4. Applicants believe that no Portfolio will be in a less favorable position as a result of the Joint Accounts. Each Portfolio's investment in a Joint Account would not be subject to the claims of creditors, whether brought in bankruptcy, insolvency, or other legal proceeding, of any other Portfolio. Each Portfolio's liability on any Short-Term Investment will be limited to its interest in such investment; no Portfolio will be jointly liable for the investments of any other Portfolio.

5. Portfolios may earn a higher rate of return on investments through the Joint Accounts relative to the returns they could earn individually. Under most market conditions, it is generally possible to negotiate a rate of return on larger repurchase agreements and other Short-Term Investments that is higher than the rate available on smaller repurchase agreements and other Short-Term Investments.

6. The Joint Accounts may result in certain administrative efficiencies and a reduction of the potential for errors by reducing the number of trade tickets and cash wires that must be processed by the sellers of Short-Term Investments, the Portfolios' custodian and the Advisers's accounting and trading departments. For the reasons set forth above, applicants believe that granting the requested order is consistent with the provisions, policies, and purposes of the Act and the intention of rule 19d–1.

Applicants' Conditions

Applicants will comply with the following procedures as conditions to any SEC order:

1. The Joint Accounts will not be distinguishable from any other accounts maintained by the Portfolios at their custodian except that monies from the Portfolios will be deposited in the Joint Account on a commingled basis. The Joint Accounts will not have a separate existence and will not have indicia of a separate legal entity. The sole function of the Joint Accounts will be to provide a convenient way of aggregating individual transactions which would otherwise require daily management by the Advisers of uninvested cash balances.

2. Cash in the Joint Accounts will be invested in one or more of the following, as directed by the Advisers: (a) repurchase agreements collateralized fully as defined in rule 2a–7 under the act by: (i) U.S. Government obligations; (ii) obligations issued or guaranteed as to principal and interest or otherwise backed by any of the agencies or instrumentalities of the U.S. Government; (iii) certain obligations of the U.S. Government in the form of separately traded principal and interest components of securities issued or guaranteed by the U.S. Treasury; and (iv) certain U.S. government agency securities such as mortgage-backed certificates issued by the Government National Mortgage Association, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation, representing ownership interests in mortgage pools; (b) interest bearing or discounted commercial paper, including dollar denominated commercial paper of foreign issuers; and (c) in any other short-term money market instruments, including tax-exempt money market instruments, that constitute ''Eligible Securities'' within the meaning of rule 2a–7 under the Act. No Portfolio would be permitted to invest in a Joint Account unless the Investments in such Joint Account satisfied the investment policies and guidelines of that Portfolio. Investments that are joint repurchase transactions would have a remaining maturity or deemed maturity of 60 days or less and other Investments would have a remaining maturity of 90 days or less, each as determined pursuant to rule 2a–7 under the Act.

3. All assets held in the Joint Accounts would be valued on an amortized cost basis to the extent permitted by applicable SEC releases, rules, or orders.

4. Each Portfolio, in reliance on rule 2a–7 under the Act, will use the average maturity of the instruments in the Joint Account in which such Portfolio has an interest (determined on a dollar weighted basis) for the purpose of computing its average portfolio maturity with respect to its portion of the assets held in a Joint Account on that day.

5. In order to assure that there will be no opportunity for any Portfolio to use any part of a balance of a Joint Account credited to another Portfolio, no Portfolio will be allowed to create a negative balance in any Joint Account for any reason, although each Portfolio would be permitted to draw down its entire balance at any time. Each Portfolio's decision to invest in a Joint Account would be solely at its option, and no Portfolio will be obligated to invest in the Joint Account or to maintain any minimum balance in the Joint Account. In addition, each Portfolio will retain the sole rights of ownership to any of its assets invested in the Joint Account, including interest payable on such assets invested in the Joint Account.

6. The Advisers will administer the investment of cash balances in and operation of the Joint Accounts as part of its general duties under its advisory agreements with Portfolios and will not collect any additional or separate fees for advising any Joint Account.

7. The administration of the Joint Accounts would be within the fidelity bond coverage required by section 17(g) of the Act and rule 17g–1 thereunder.

8. The directors and trustees of the Portfolios will adopt procedures pursuant to which the Joint Accounts will operate, which will be reasonably designed to provide that the requirements of the application will be met. The respective directors and trustees will make and approve such changes as they deem necessary to ensure that such procedures are followed. In addition, the directors and trustees will determine, no less frequently than annually, that the Joint Accounts have been operated in accordance with the proposed procedures and will only permit a Portfolio to continue to participate therein if it determines that there is a reasonable likelihood that the Portfolio and its shareholders (or beneficiaries, as applicable) will benefit from the Portfolio's continued participation.

9. Any Short-Term Investments made through the Joint Accounts will satisfy the investment criteria of all Portfolios in that investment.

10. The Advisers and the custodian of each Portfolio will maintain records documenting, for any given day, each Portfolio's aggregate investment in a Joint Account and each Portfolio's *pro rata* share of each Investment made through such Joint Account. The records maintained for each Portfolio that is a Fund or an investment portfolio thereof shall be maintained in conformity with section 31 of the Act and the rules and regulations thereunder.

11. Every Portfolio in the Joint Accounts will not necessarily have its cash invested in every Short-Term Investment. However, to the extent that a Portfolio's cash is applied to a particular Short-Term Investment, the Portfolio will participate in an own its proportionate share of such Short-Term Investment, and any income earned or accrued thereon, based upon the percentage of such investment purchased with monies contributed by the Portfolio.

12. Short-Term Investment held in a Joint Account generally will not be sold prior to maturity except if: (a) the Advisers believe the investment no longer presents minimal credit risks; (b) the investment no longer satisfies the investment criteria of all Portfolios in the investment because of a downgrading or otherwise; or (c) in the case of a repurchase agreement, the counterparty defaults. The Advisers may, however, sell any Short-Term Investment (or any fractional portion thereof) on behalf of some or all Portfolios prior to the maturity of the investment if the cost of such transactions will be borne solely by the selling Portfolios and the transaction will not adversely affect other Portfolios. In no case would an early termination by less than all participating Portfolios be permitted if it would reduce the principal amount or yield received by other Portfolios participating in a particular Joint Account or otherwise adversely affect the other participating Portfolios. Each Portfolio will be deemed to have consented to such sale and partition of the investments in the Joint Account.

13. Short-Term Investments held through a Joint Account with a remaining maturity of more than seven days, as calculated pursuant to rule 2a–7 under the Act, will be considered illiquid and, for any Portfolio that is an open-end investment company registered under the Act, subject to the restriction that the Portfolio may not invest more than 15% (or such other percentage as set forth by the SEC from time to time) of its net assets in illiquid securities, if the Advisers cannot sell the instrument, or the Portfolio's fractional interest in such instrument, pursuant to the preceding condition.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–9401 Filed 4–16–96; 8:45 am]

BILLING CODE 8010–01–M

DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration

Office of Hazardous Materials Safety; Notice of Applications for Exemptions

AGENCY: Research and Special Programs Administration, DOT.

ACTION: List of applicants for exemptions.

SUMMARY: In accordance with the procedures governing the application for, and the processing of, exemptions from the Department of Transportation's Hazardous Materials Regulations (49 CFR Part 107, Subpart B), notice is hereby given that the Office of Hazardous Materials Safety has received the applications described herein. Each mode of transportation for which a particular exemption is requested is indicated by a number in the ''Nature of Application'' portion of the table below as follows: 1—Motor vehicle, 2—Rail freight, 3—Cargo vessel, 4—Cargo aircraft only, 5—Passenger-carrying aircraft.

DATES: Comments must be received on or before May 17, 1996.

ADDRESS COMMENTS TO: Dockets Unit, Research and Special Programs Administration, U.S. Department of Transportation, Washington, DC 20590.

Comments should refer to the application number and be submitted in triplicate. If confirmation of receipt of comments is desired, include a self-addressed stamped postcard showing the exemption application number.

FOR FURTHER INFORMATION CONTACT: Copies of the applications are available for inspection in the Dockets Unit, Room 8426, Nassif Building, 400 7th Street, SW., Washington, DC.

NEW EXEMPTIONS

Application No.	Applicant	Regulation(s) affected	Nature of exemption thereof
11662–N	FIBA Technologies, Inc., Westboro, MA.	49 CFR 173.304(a)(2)	To authorize the transportation in commerce of hexafluorethane, Division 2.2, in DOT–3T 2400 cylinders. (modes 1, 2, 3)
11663–N	Pfizer Inc., Groton, CT	49 CFR 173.304(a)(2), 174.67(i)&(j).	To authorize rail cars to remain connected during unloading process without the physical presence of an unloader. (mode 2)
11664–N	Breed Technologies, Inc., Lakeland, FL.	49 CFR 173.166(e)	To authorize the transportation in commerce of airbag modules, Class 9, in fiberboard intermediate bulk containers. (modes 1, 2, 3, 5)
11665–N	Pan Air, Houston, TX	49 CFR 171.11, 172.101, 172.204(c)(3), 173.27, 175.30(a)(1), 175.320(b), Part 107, Appendix B.	To authorize the transportation in commerce of Diviaion 1.1, 1.2, 1.3 and 1.4 explosives which are forbidden for shipment by air or are in quantities greater than those prescribed for shipment by air. (mode 4)
11666–N	UCar International Inc., Danbury, CT.	49 CFR 173.240(b)	To authorize the transportation of graphite products classified as Miscellaneous Hazardous Class 9 material in bulk packaging strapped to wooden pallets on an open flat truck bed. (mode 1)