

approximately 2,000 square miles in the eastern Upper Peninsula of Michigan. Edison Sault also provide whole sale electric service under contract with one rural cooperative.⁴

At December 31, 1998, WEC had 5,404 employees, of which 5,333 were utility employees. On a consolidated basis at the end of 1998, WEC had total assets of \$5.4 billion, total operating revenues of \$2.0 billion and net income of \$188 million. At September 30, 1999, there were 117,681,613 shares of WEC Common Stock outstanding.

WICOR owns one public utility subsidiary, Wisconsin Gas Company ("Wisconsin Gas") that distributes gas to residential, commercial and industrial customers throughout Wisconsin.⁵

On a consolidated basis at the end of 1998, WICOR had total assets of \$1 billion, total operating revenues of \$944 million and net income of \$45 million. At September 30, 1999, there were 37,619,133 shares of WICOR Common Stock outstanding.

Conectiv, et al. (70-9573)

Conectiv, a registered holding company, and its nonutility subsidiaries, Conectiv Solutions LLC ("Solutions"), ATE Investment, Inc. ("ATE") and King Street Assurance Ltd. ("KSA"), all located at 800 King Street, Wilmington Delaware 19899, have filed an application-declaration under sections 9(a), 10 and 12(b) of the Act and rules 45 and 54.

By order dated February 25, 1998 (HCAR No. 26832) ("Merger Order"), the Commission authorized Conectiv to organize itself as a registered holding company and retain certain nonutility subsidiaries, including Solutions. Solutions were authorized to provide, directly and indirectly, a variety of energy-related goods and to furnish service line repairs, extended warranties and other services, including risk management services. Subsequently, KSA was organized as an indirect subsidiary of Solutions to provide risk management services for Solutions.

Solution now plans to expand the products offered to customers beyond the current offering of heating, ventilating and air conditioning ("HVAC") warranties and to offer a selection of additional insurance products to customers, including surge

protection and "whole house" appliance protection. KSA now requests authorization for KSA to reinsure a portion of the exposure under all of these programs. KSA also proposed to provide reinsurance covering the Convectiv system's transmission and distribution lines and for general liability, workers' compensation and other system risks.

GPU, Inc. (70-9565)

GPU, Inc. ("GPU"), 300 Madison Avenue, Morristown, New Jersey 07960, a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a) 10 and 12(b) of the Act and rules 45 and 54 under the Act.

GPU proposes to organize a new, wholly owned subsidiary company, ("Newco"), as a Delaware corporation whose initial purpose will be to acquire from time to time limited partner interests in EnerTech Capital Partners II, L.P., a Delaware limited partnership formed under an Agreement of Limited Partnership ("Partnership Agreement"), and any successor or affiliated limited partnership having substantially similar investment objectives and terms (EnerTech Capital Partners, II L.P., and all successor or affiliated limited partnerships are collectively referred to as the "EnerTech Partnership"). The aggregate amount of investments in the EnerTech Partnership will not exceed \$5 million.

The targeted size of the EnerTech Partnership's investment pool is \$100 million, with a minimum commitment of \$30 million necessary for an initial closing. Additional commitments may be added until the investment pool reaches a maximum not to exceed \$150 million, unless otherwise approved by a majority in interest of the Limited Partners. The interests to be acquired by Newco will in the aggregate represent not more than 9.9% of the Limited Partner interests in any EnerTech Partnership.

The sole general partner of the EnerTech Partnership ("General Partner") will be ECP II Management L.P., a Delaware limited partnership of which EnerTech Capital Partners II LLC is the managing general partner. The EnerTech Partnership fund will be managed by EnerTech Capital Partners ("EnerTech"), a group of experienced investment professionals associated with Safeguard Scientifics, Inc. and TL Ventures. The EnerTech Partnership fund is the second fund managed by EnerTech.

The EnerTech Partnership is being formed to invest in companies ("Portfolio Companies") engaged in activities primarily related to the

electric and natural gas utilities and their convergence into the broader energy, communications and other utility-like services industries. The Portfolio Companies (none of which will be an affiliate of GPU) may be involved in the development of technologies in one or more of the following categories: Information Technology and Systems Integration; Communications and Networking; Customer Premise Products and Services; Industry Specific Content and Consulting Services; and Asset Utilization and Efficiency Improvement.

The term of the Partnership Agreement will continue until December 31, 2009. The General Partner may extend the term for up to two one-year periods to permit the orderly liquidation of the EnerTech Partnership's assets, upon written consent of the Limited Partners holding a majority in interest of the commitments of all Limited Partners. Profits, gains and losses will generally be allocated 80% to all the Limited Partners, pro rata in accordance with their capital contributions, and 20% to the General Partner.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 24206; 812-11674]

Security Equity Fund et al.; Notice of Application

December 17, 1999.

AGENCY: Securities and Exchange Commission ("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.

SUMMARY OF APPLICATION: Applicants request an order that would permit them to enter into and materially amend sub-advisory agreements without shareholder approval.

APPLICANTS: Security Equity Fund, Security Growth and Income Fund, Security Ultra Fund, Security Income Fund, Security Municipal Bond Fund, Security Cash Fund, SBL Fund, (each a "Fund" and collectively, the "Funds"),

⁴ At December 31, 1998, Edison Sault had total assets of \$70.1 million and approximately 21,000 electric customers. During 1998, Edison Sault had electric operating revenues of \$22 million and net income of \$2 million.

⁵ At December 31, 1998, Wisconsin Gas had total assets of \$651 million and approximately 529,000 electric customers. During 1998, Wisconsin Gas had total operating revenues of \$429 million, and net income of \$23 million.

and Security Management Company, LLC ("SMC").

FILING DATES: The application was filed on July 1, 1999 and amended on October 29, 1999. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

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 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 January 11, 2000 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 5th Street NW, Washington, DC 20549-0609. Applicant, 700 SW Harrison, Topeka, Kansas 66636.

FOR FURTHER INFORMATION CONTACT: Lawrence W. Pisto, Senior Counsel, at (202) 942-0527, or George J. Zornada, Branch Chief at (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 Commission's Public Reference Branch, 450 5th Street NW, Washington, DC 20549-0102 (tel. 202-942-8090).

Applicants' Representations

1. The Funds, each a Kansas corporation, are registered under the Act as open-end management investment companies. Each of the Funds is authorized to offer shares of one or more series, each with its own investment objectives, policies and restrictions. Currently each of the Funds, other than SBL Fund, is offered to the public. SBL Fund serves as the funding vehicle for certain variable annuity and variable life insurance policies issued by the Security Benefit Life Insurance Company.

2. SMC, a Kansas limited liability company, serves as the investment adviser to the Funds, and is registered under the Investment Advisers Act of 1940 ("Adviser Act"). SMC is an indirectly wholly-owned subsidiary of

Security Benefit Mutual Holding Company, a Kansas mutual insurance company.¹

3. SMC serves as investment adviser to the Funds pursuant to an investment advisory agreement between each Fund and SMC that was approved by the board of directors of each Fund (the "Board"), including a majority of the directors who are not "interested persons," as defined in section 2(a)(19) of the Act ("Independent Directors"), and the shareholders of the Funds ("Investment Advisory Agreements"). Under the Investment Advisory Agreements, SMC has overall general supervisory responsibility for the investment program of the Funds and, subject to Board approval, can select one or more subadvisers (each a "Subadviser" and collectively, "Subadvisers") to provide one or more of the Funds with day-to-day portfolio management services ("Subadviser Structure"). Each Subadviser is (or will be) an investment adviser registered or exempt from registration under the Advisers Act, and performs (or will perform) services pursuant to a written agreement with SMC (the "Subadvisory Agreement"). Subadvisers' fees are paid by SMC out of the fees it receives from the Funds at rates negotiated with the Subadvisers by SMC. Each Fund that currently uses Subadvisers has a single Subadviser.

4. SMC makes qualitative evaluations of each Subadviser's skills and demonstrated performance in managing assets under particular investment styles. SMC recommends to the Board for selection those Subadvisers that have consistently distinguished themselves and demonstrated a high level of service and responsibility to investors. SMC reviews, monitors and reports to the Board regarding the performance and procedures of the Subadvisers. SMC may recommend to the Board reallocations of assets of a Fund among Subadvisers, if necessary, and also may recommend hiring additional Subadvisers or the termination of Subadvisers in appropriate circumstances.

5. Applicants request relief to permit SMC to enter into and materially amend Sub-Advisory Agreements without

¹ Applicants also request relief with respect to future series of the Funds and all future registered open-end management investment companies that are (a) advised by SMC or any entity controlling, controlled by, or under common control with SMC, and (b) which operate in substantially the same manner as the Funds and comply with the terms and conditions contained in the application. All registered open-end management investment companies that currently intend or rely on the requested order are named as applicants.

shareholder approval.² The requested relief will not extend to a Subadviser that is an "affiliated person", as defined in section 2(a)(3) of the Act, of the Funds or SMC, other than by reason of serving as a Subadviser to one or more of the Funds (an "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 pursuant to a written contract that has been approved by the vote 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. 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 provision 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 request an exemption under section 6(c) of the Act from section 15(a) of the Act and rule 18f-2 under the Act to permit them to enter into and materially amend Sub-Advisory Agreements without shareholder approval.

3. Applicants assert that under the Subadviser Structure, the Funds' shareholders rely on SMC to select and monitor one or more Subadvisers best suited to achieve a Fund's investment objectives. Applicants contend that, from the perspective of the investor, the role of the Subadvisers is comparable to that of individual portfolio managers employed by other investment advisory firms. Applicants contend that requiring shareholder approval of Sub-Advisory Agreements would impose expenses and unnecessary delays on the Funds, and may preclude SMC from promptly acting in a manner considered advisable by the Board. Applicants note that the Management Agreement will remain subject to section 15(a) of the Act and rule 18f-2 under the Act, including the requirements for shareholder approval.

Applicants' Conditions

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

² The term "shareholder" includes variable life insurance policy and variable annuity contract owners that are unitholders of any separate account for which the Funds serve as a funding medium.

1. No fund will enter into a subadvisory agreement with an Affiliated Subadviser without such agreement, including the compensation to be paid thereunder, being approved by the shareholders of the Fund (or, if the Fund serves as a funding medium for any sub-account of a registered separate account, then pursuant to voting instructions by the unitholders of the sub-account).

2. At all times, a majority of each Fund's Board will be persons who are Independent Directors, and the nomination of new or additional Independent Directors will be at the discretion of the then-existing Independent Directors.

3. When a change of Subadviser is proposed for a Fund with an Affiliated Subadviser, the Fund's Board, including a majority of the Independent Directors, will make a separate finding, reflected in the Fund's Board minutes, that such change of Subadviser is in the best interests of the Fund and its shareholders (or, if the Fund serves as a funding medium for any sub-account of a registered separate account, in the best interests of the Fund and the unitholders of any sub-account) and that the change does not involve a conflict of interest from which SMC or the Affiliated Subadviser derives an inappropriate advantage.

4. SMC will provide management services to the Funds, including overall supervisory responsibility for the general management and investment of each Fund, and, subject to review and approval by the applicable Fund's 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 investment performance of Subadvisers; and (e) implement procedures reasonably designed to ensure that the Subadvisers comply with the relevant Fund's investment objectives, policies, and restrictions.

5. Within 90 days of the hiring of any new Subadviser, SMC will furnish shareholders (or, if the Fund serves as a funding medium for any sub-account of a registered separate account, SMC will furnish the unit holders of the sub-account) with respect to the appropriate Fund with all information about the new Subadviser that would be included in a proxy statement. Such information will include any changes caused by the addition of a new Subadviser. To meet this condition, SMC will provide shareholders (or, if the Fund serves as a funding medium for any sub-account

of a registered separate account, then by providing unitholders of the sub-account) with an information statement meeting the requirements of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the Securities Exchange Act of 1934.

6. Any Fund relying on the requested relief will disclose in its prospectus the existence, substance and effect of any order granted pursuant to this application. In addition, any such Fund will hold itself out as employing the management structure described in the application. The prospectus will prominently disclose that SMC has ultimate responsibility to oversee the Subadvisers and recommend their hiring, termination, and replacement.

7. Before a Fund may rely on the order, 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 (or, if the Fund serves as a funding medium for any sub-account of a registered separate account, pursuant to voting instructions provided by the unitholders of the sub-account), as defined in the Act, or in the case of a Fund whose public shareholders (or variable contract owners through a separate account) purchase shares on the basis of a prospectus containing the disclosure contemplated by Condition 6 above, by the sole initial shareholder(s) before the shares of such Fund are offered to the public (or the variable contract owners through a separate account).

8. No director or officer of the Funds or director or officer of SMC will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by such director or officer) any interest in a Subadviser except or (a) ownership of interests in SMC or any entity that controls, is controlled by, or is under common control with SMC; or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt securities of a publicly-traded company that is either a Subadviser or controls, is controlled by, or is under common control with a Subadviser.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-24207]

Notice of Applications for Deregistration Under Section 8(f) of the Investment Company Act of 1940

December 17, 1999.

The following is a notice of applications for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of December, 1999. A copy of each application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth St., NW, Washington, DC 20549-0102 (tel. 202-942-8090). An order granting each application will be issued unless the SEC orders a hearing. Interested persons may request a hearing on any application by writing to the SEC's Secretary at the address below and serving the relevant 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 January 11, 2000, and should be accompanied by proof of service on the applicant, in the form of an affidavit or, by 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 Secretary, SEC, 450 Fifth Street, NW, Washington, DC 20549-0609. For Further Information Contact: Diane L. Titus, at (202) 942-0564, SEC, Division of Investment Management, Office of Investment Company Regulation, 450 Fifth Street, NW, Washington, DC 20549-0506.

Empirical Growth Fund [File No. 811-8493]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On November 26, 1999, applicant made a final liquidating distribution to its shareholders based on net asset value. Expenses of approximately \$1,500 incurred in connection with the liquidation were paid by Worldwide Financial Management Advisors, Inc., applicant's investment adviser.

Filing Date: The application was filed on November 30, 1999.

Applicant's Address: 300 South Pointe Dr., #4306, Miami Beach, Florida 33139.

American Association of Homes for the Aging Tax-Free Trust, High Income Series 1 [File No. 811-5249]

Summary: Applicant seeks an order declaring that it has ceased to be an