

Dated: October 5, 2000.

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension: Rule 23c-1, SEC File No. 270-253, OMB Control No. 3235-0260.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the "Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Rule 23c-1 under the Investment Company Act of 1940, among other things, permits a closed-end fund to repurchase its securities for cash if in addition to the other requirements set forth in the rule: (i) payment of the purchase price is accompanied or preceded by a written confirmation of the purchase; (ii) the asset coverage per unit of the security to be purchased is disclosed to the seller or his agent; and (iii) if the security is a stock, the fund has, within the preceding six months, informed stockholders of its intention to purchase stock. The Commission staff estimates that approximately 19 closed-end funds rely on Rule 23c-1 annually to undertake approximately 115 repurchases of their securities. The Commission staff estimates that, on average, a fund spends approximately 2.5 hours on complying with the paperwork requirements listed above each time it undertakes a security repurchase under the rule. The total annual burden of the rule's paperwork requirements thus is estimated to be 287.5 hours.

In addition, the fund must file with the Commission, during the first ten days of the calendar month following any month in which a purchase permitted by Rule 23c-1 occurs, two copies of a report of purchases made during the month, together with a copy of any written solicitation to purchase securities given by or on behalf of the fund to 10 or more persons. The burden associated with filing Form N-23C-1, the form for this report, has been

addressed in the submission for that form.

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act, and is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms.

Complying with the collection of information requirements of the rule is mandatory. The filings that the rule requires to be made with the Commission are available to the public. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Please direct general comments regarding the above information to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, D.C. 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: October 6, 2000.

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-24679; File No. 812-12026]

WM Variable Trust, et al., Notice of Application

October 5, 2000.

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

ACTION: Notice of Application for an order of exemption under Section 6(c) of the Investment Company Act of 1940 ("the Act") for exemptions from the provisions of Sections 9(a), 13(a), 15(a) and 15(b) of the Act and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder.

Summary of Application: WM Variable Trust (the "Trust") and WM Advisors, Inc. (the "Adviser") (collectively, "Applicants") seek an Order exempting them from Sections 9(a), 13(a), 15(a), and 15(b) of the Act and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder to permit shares of the Trust and any other investment company that is designed for fund insurance products

and for which the Adviser or its affiliates many serve as investment manager, investment adviser, investment sub-adviser, administrator, manager, principal underwriter or sponsor ("Future Trusts") to be sold to and held by (1) variable annuity and variable life insurance separate accounts of both affiliated and unaffiliated life insurance companies; (2) qualified pension and retirement plans outside of the separate account context; and (3) the Trust's or Future Trust's investment adviser (representing seed money investments in the Trust or Future Trust).

Applicants: WM Variable Trust (the "Trust") and WM Advisors, Inc. (the "Adviser") are, collectively, referred to herein as the "Applicants."

Filing Date: The Application was filed on March 15, 2000, and amended on July 26, 2000 and September 27, 2000.

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 on the application by writing to the Secretary of the SEC and serving Applicants with a copy of the request, in person or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on October 30, 2000, and accompanied by proof of service on the Applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the interest, the reason for the request, and the issues contested. Persons may request notification of the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, c/o John T. West, WM Advisors, Inc., 1201 Third Avenue, 22nd Floor, Seattle, WA 98101.

FOR FURTHER INFORMATION CONTACT: Rebecca A. Marquigny, Senior Counsel, or Keith Carpenter, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from the SEC's Public Reference Branch.

Applicants' Representations

1. The Trust is a business trust organized under the laws of Massachusetts on January 29, 1993. On March 20, 1998, the Trust's name was changed from Sierra Variable Trust to WM Variable Trust. The Trust filed its registration under the Act as an open-

end management investment company on February 2, 1993. The Trust is currently comprised of fifteen investment portfolios (the "Funds"), although the Trust may create additional investment portfolios and issue shares representing beneficial interests therein from time to time.¹ On February 2, 1993, the Trust filed a Registration Statement on Form N-1A under the Act and the Securities Act of 1933, as amended (the "1933 Act"), to register the sale of the Funds' shares. At the current time, the Trust has issued only one class of shares of the Funds, but may in the future offer two or more classes of shares of the Funds. The Trust may offer each series of its shares to separate accounts, including Separate Account D of American General Life Insurance Company (the "Separate Account"), the sole separate account currently investing in the Funds ("Participating Separate Accounts"), of various other life insurance companies ("Participating Insurance Companies") and to pension and retirement plans qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code") ("Qualified Plans"). Such Participating Insurance Companies and Qualified Plans are described below. The Trust may also offer each series of its shares to the Adviser pursuant to Treasury Regulations §1.817(f)(3)(ii).

2. Each variable life insurance account ("VLI Account") and variable annuity account ("VA Account") has been or will be established as a segregated asset account by a Participating Insurance Company pursuant to the insurance law of such insurance company's state of domicile. As such, the assets of each are or will be the property of the Participating Insurance Company and the portion of the assets of such an account equal to the reserves and other contract liabilities with respect to the account are not and/or will not be chargeable with liabilities arising out of any other business that the insurance company may conduct. The income, gains and losses, realized or unrealized, from such an account's assets are and/or will be credited to or charged against the account without regard to other income, gains or losses of the insurance company. If, like the Separate Account, a VA Account of a life insurance company is registered as an investment company, it will be a "separate account" as defined by Rule 0-1(e) (or any successor rule) under the Act and

will be registered as a unit investment trust ("UIT"). If a VLI Account is registered as an investment company, it will be a separate account as described in Rule 6e-2(a) or Rule 6e-3(T)(a) and will be registered as a UIT. For purposes of the Act, the life insurance company that establishes such a registered VLI Account or VA Account, like American General Life Insurance Company ("AGL"), is the depositor and sponsor of the account as those terms have been interpreted by the Commission with respect to variable life insurance and variable annuity separate accounts.

3. The Qualified Plans will be pension or retirement plans intended to qualify under Sections 401(a) and 501(a) of the Code. Many of the Qualified Plans will include a cash or deferred arrangement (permitting salary reduction contributions) intended to qualify under Section 401(k) of the Code. The Qualified Plans will also be subject to, and will be designed to comply with, the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Qualified Plans therefore will be subject to regulatory provisions under the Code and ERISA regarding, for example, reporting and disclosure, participation and vesting, funding, fiduciary responsibility, and enforcement.

4. The Adviser, which is registered as an investment adviser under the Investment Advisers Act of 1940, is the investment adviser of the Fund. As investment adviser to the Fund, the Adviser has been engaged to continuously furnish an investment program for the Fund and to make or cause to be made investment decisions on behalf of the Fund and place or cause to be placed all others for the purchase and sale of portfolio securities.

5. The Trust proposes to offer and sell shares of the Fund to Participating Insurance Companies as an investment vehicle for their VLI Accounts and VA Accounts (collectively, "Variable Accounts") (hereinafter, the term "Trust" refers to the Trust and/or any Future Trust, as applicable). As described more fully below, the Trust will only sell its shares to registered VLI Accounts and registered VA Accounts if each Participating Insurance Company sponsoring such a VLI Account or VA Account enters into a participation agreement with the Trust. The participation agreements will define the relationship between the Trust and each Participating Insurance Company and will memorialize, among other matters, the fact that, except where the agreement specifically provides otherwise, the Participating Insurance Company will remain responsible for

establishing and maintaining any VLI Account or VA Account covered by the agreement and for complying with all applicable requirements of state and federal law pertaining to such accounts and to the sale and distribution of variable life insurance contracts ("VLI Contracts") and variable annuity contracts ("VA Contracts," and together with VLI Contracts, "Variable Contracts") issued through such accounts. The participation agreements also will memorialize, among other matters, the fact that, with regard to compliance with federal securities laws, unless the agreement specifically states otherwise, the Trust's obligations relate solely to offering and selling its shares to VLI Accounts and VA Accounts covered by the agreement and to compliance with the conditions states in this application.

6. The use of a common management investment company (or investment portfolio thereof) as an investment medium for both VLI Accounts and VA Accounts of the same insurance company, or of two or more insurance companies that are affiliated persons of each other, is referred to herein as "mixed funding." The use of a common management investment company (or investment portfolio thereof) as an investment medium for VLI Accounts and/or VA Accounts of two or more insurance companies that are not affiliated persons of each other, is referred to herein as "shared funding."

7. The Trust may sell its shares directly to Qualified Plans. Changes in the federal tax law several years ago made it possible for investment companies such as the Trust to sell shares to Qualified Plans in addition to VLI Accounts and VA Accounts. Section 817(h) of the Code imposes certain diversification standards on the assets underlying Variable Contracts, such as those in the Trust. The Code provides that Variable Contracts will not be treated as annuity contracts or life insurance contracts, as the case may be, for any period (or any subsequent period) for which the underlying assets are not adequately diversified in accordance with regulations issued by the Treasury Department. On March 1, 1989, the Treasury Department adopted regulations (Treas. Reg. 1.817-5) (the "Regulations") which established specific diversification requirements for investment portfolios underlying Variable Contracts. The Regulations generally provide that, in order to meet these diversification requirements, all of the beneficial interests in the investment company must be held by the segregated asset accounts of one or more life insurance companies.

¹ Hereinafter, the term "Funds" means the Funds and/or any future series of the Trust or a Future Trust, as applicable.

Notwithstanding this, the Regulations contain an exception to this requirement that permits trustees of a qualified pension or retirement plan to hold shares of an investment company, the shares of which are also held by insurance company segregated asset accounts, without adversely affecting the status of the investment company as an adequately diversified underlying investment for Variable Contracts issued through such segregated asset accounts (Treas. Reg. 1.817-5(f)(3)(iii)).

8. As a result, Qualified Plans may select the Trust as an investment option without endangering the tax status of Variable Contracts as life insurance or annuities. Trust shares sold to the Qualified Plans would be held by the Trustees of the Qualified Plans as required by Section 403(a) of ERISA. The Trustees or other fiduciaries of the Qualified Plans may vote Trust shares held by their Qualified Plans in their own discretion or, if the applicable Qualified Plan so provides, vote such shares in accordance with instructions from participants in such Plans. The use of a common management investment company (or investment portfolio thereof) as an investment medium for VLI Accounts, VA Accounts and Qualified Plans is referred to herein as "extended mixed funding."

Applicants' Legal Analysis

1. Rule 6e-2(b)(15) under the Act provides partial exemptions for (1) Section 9(a), which makes it unlawful for certain individuals and companies to act in certain capacities with respect to registered investment companies, and (2) Section 13(a), 15(a), and 15(b) of the Act to the extent that those sections might be deemed to require "pass-through" voting with respect to the shares of a registered management investment company underlying a UIT (an "underlying fund") to VLI Accounts supporting scheduled premium VLI Contracts and to their life insurance company depositors, investment advisers, and principal underwriters. The exemptions granted by the Rule are available, however, only where the Trust offers its shares exclusively to VLI Accounts of a single Participating Insurance Company or an affiliated insurance company, and then, only where scheduled premium VLI Contracts are issued through such VLI Accounts. Therefore, the relief granted by Rule 6e-2(b)(15) is not available with respect to a scheduled premium VLI Account that owns shares of an underlying fund that engages in mixed funding by also offering its shares to a VA Account or to a flexible premium VLI Account of the same company or of

an affiliated life insurance company. In addition, the relief granted by Rule 6e-2(b)(15) is not available if the underlying fund engages in shared funding by offering its shares to VA Accounts of VLI Accounts of unaffiliated life insurance companies. Furthermore, Rule 6e-2(b)(15) does not contemplate that shares of the underlying fund might also be sold to Qualified Plans, that is, that the underlying fund will engage in extended mixed funding.

2. Rule 6e-3(T)(b)(15) under the Act provides partial exemptions from Sections 9(a), 13(a), 15(a), and 15(b) of the Act to VLI Accounts supporting flexible premium variable life insurance contracts and their life insurance company depositors, investment advisers and principal underwriters. The exemptions granted by the Rule are available, however, only where the Trust offers its shares exclusively to separate accounts of the Participating Insurance Company, or of any affiliated insurance company, offering either scheduled premium contracts or flexible premium contracts, or both, or which also offer their shares to VA Accounts of the Participating Insurance Company or of an affiliated life insurance company. Therefore, Rule 6e-3(T)(b)(15) permits mixed funding with respect to a flexible premium VLI Account, subject to certain conditions. However, Rule 6e-3(T)(b)(15) does not permit shared funding because the relief granted is not available with respect to a VLI Account that owns shares of an underlying fund that also offers its shares to separate accounts (including VA Accounts and flexible premium and scheduled premium VLI Accounts) of unaffiliated Participating Insurance Companies. Also, Rule 6e-3(T)(b)(15) does not contemplate extended mixed funding.

3. In general, Section 9(a) of the Act disqualifies any person convicted of certain offenses and any person enjoined from engaging in certain activities because of misconduct, and any company affiliated with any such person, from acting or serving in various capacities with respect to a registered investment company if an affiliated person of that company is subject to a disqualification enumerated in Sections 9(a)(1) or (2).

4. Rule 6e-2(b)(15) and Rule 6e-3(T)(b)(15) limit the application of the eligibility restrictions of Section 9(a) to affiliated persons of a life insurer who directly participate in the management

of the underlying registered management investment company under certain circumstances, subject to limitations on mixed and shared funding. The relief provided by Rule 6e-2(b)(15)(i) and Rule 6e-3(T)(b)(15)(i) permits persons who are affiliated persons of a life insurer or its affiliates who otherwise would be disqualified under Section 9(a) to serve as an officer, director, or employee of an underlying fund, so long as any such person does not participate directly in the management or administration of such underlying fund. In addition, Rule 6e-2(b)(15)(ii) and Rule 6e-3(T)(b)(15)(ii) permit a Participating Insurance Company to serve as the underlying fund's investment adviser or principal underwriter, provided that none of the insurance company's personnel who are ineligible pursuant to Section 9(a) of the Act participate in the management or administration of the underlying fund.

5. In effect, the partial relief provided by Rules 6e-2(b)(15) and 6e-3(T)(b)(15) from the requirements of Section 9 limits the amount of monitoring of a Participating Insurance Company's personnel that is necessary to ensure compliance with Section 9 to that which is appropriate in light of the policy and purposes of Section 9. Rules 6e-2(b)(15) and 6e-3(T)(b)(15) recognize that applying the provisions of Section 9 to the many individuals in a large insurance company complex, most of whom typically will have no involvement in matters pertaining to investment companies funding the Participating Separate Accounts, is not necessary or appropriate in the public interest nor is it necessary for the protection of investors or the purposes fairly intended by the policy and provisions of the Act. In addition, if the eligibility restrictions of Section 9(a) were to apply to the Participating Insurance Companies, the increased costs of ensuring compliance with Section 9 would reduce the net rates of return realized by contract owners. Thus, the cost of compliance with Section 9 would exceed the benefits, if any, provided by compliance with such eligibility restrictions. Moreover, disallowing the relief permitted by Rules 6e-2(b)(15) and Rule 6e-3(T)(b)(15) because the underlying fund engages in extended mixed funding would serve no regulatory purpose. The sale of shares of an underlying fund to Qualified Plans does not change the fact that the purposes of the Act are not advanced by applying the prohibitions of Section 9(a) to individuals who may be involved in a life insurance complex

but have no involvement in the underlying fund.

6. Rule 6e-2(b)(15)(iii) and Rule 6e-3(T)(b)(15)(iii) provide partial exemptions from Sections 13(a), 15(a), and 15(b) of the Act to the extent that those sections might be deemed to require "pass-through" voting with respect to the shares of an underlying fund, by allowing an insurance company to disregard the voting instructions of contract owners with respect to several significant matters, assuming the limitations on mixed and shared funding are observed. Rules 6e-2(b)(15)(iii)(A) and 6e-3(T)(b)(15)(iii)(A) provide that a Participating Insurance Company may disregard the voting instructions of its contract owners if such instructions would require an underlying fund's shares to be voted to cause such underlying fund to make (or to refrain from making) certain investments which would result in changes in the subclassification or investment objectives of such underlying fund or to approve or disapprove any contract between such underlying fund and an investment adviser when required to do so by an insurance regulatory authority (subject to the provisions of paragraphs (b)(5)(i) and (b)(7)(ii)(A) of the Rules).

7. Rules 6e-2(b)(15)(iii)(B) and 6e-3(T)(b)(15)(iii)(A)(2) provide that a Participating Insurance Company may disregard contract owners' voting instructions if the contract owners initiate any change in the underlying fund's investment objectives, principal underwriter or any investment adviser (provided that disregarding such voting instructions is reasonable and subject to the other provisions of paragraph (b)(5)(ii) and (b)(7)(ii)(B) and (C) of the Rules).

8. Rules 6e-2(b)(15) and 6e-3(T)(b)(15) recognize that a Variable Contract is primarily an insurance contract, and as such is subject to extensive state insurance regulation. In adopting Rule 6e-2(b)(15)(iii), the Commission recognized that state insurance regulators have authority, pursuant to state insurance laws or regulations, to disapprove or require changes in the underlying fund's investment policies, investment advisers, or principal underwriters.

9. If the Trust serves as an investment vehicle for mixed funding, extended mixed funding or shared funding, the exemptions otherwise provided by Rule 6e-2(b)(15) would not be available to VLI Accounts and their Participating Insurance Company depositors and principal underwriters. Likewise, if the Trust serves as an investment vehicle for extended mixed funding or shared

funding, the exemptions otherwise provided by Rule 6e-3(T)(b)(15) would not be available to VLI Accounts and their Participating Insurance Companies and principal underwriters. Section 6(c) of the Act authorizes the Commission to exempt any person, security or transaction or any class of persons, securities or transactions from any provision or provisions of the Act and/or any rule under it if, and 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 policy and provisions of the Act.

10. Applicants submit that the requested exemptions are 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.

11. Applicants submit that the presence of both VLI Accounts and VA Accounts as shareholders of an underlying fund will not lead to a greater probability of material irreconcilable conflicts than if the underlying fund did not engage in mixed funding. Similarly, shared funding does not present any issues that do not already exist where an underlying fund sells its shares to a single insurance company which sells contracts in several states.

12. The presence of both VLI Accounts and VA Accounts as shareholders of an underlying fund will not lead to a greater probability of material irreconcilable conflicts than if the underlying fund did not engage in mixed funding. Each type of insurance product is designed as a long-term investment program. There is not reason to believe that different features of various types of contracts, including the "minimum death benefit" guarantee under certain VLI Contracts, will lead to different investment policies for different types of Variable Contracts. To the extent that the degree of risk may differ as between VA Contracts and VLI Contracts, the differing insurance charges imposed, in effect, adjust any such differences and equalize the insurers' exposure in either case.

13. In addition, if an underlying fund engages in mixed funding, there is no reason why the underlying fund would be managed to favor one class of investors over another. No one investment strategy can be identified as appropriate to a particular insurance product. Each pool of VA and VLI Contract owners is composed of individuals of diverse financial status, age, and insurance and investment

goals. An underlying fund supporting even one type of insurance product must accommodate those differences to attract and retain purchasers.

14. Regardless of the type of shareholder in the Trust, the investment manager is or would be contractually and otherwise obligated to manage the Fund solely and exclusively in accordance with that Fund's investment objectives, policies and restrictions as well as any guidelines established by the Board of Trustees responsible for such Fund (the "Board"). Thus, the Fund will be managed in the same manner as any other mutual funds and there is not incentive for the Fund's investment manager to invest to benefit a particular class of shareholders. In addition, the Board has a fiduciary duty to oversee the Fund's investment adviser and ensure that the Fund is managed in a way that does not discriminate against any of the Fund's shareholders.

15. Applicants maintain that qualified retirement plan investors in the Trust would have substantially the same interests as do VLI Contract owners and VA Contract owners. Like VLI and VA Contract owners, qualified retirement plan investors are long-term investors. Therefore, most can be expected not to withdraw their assets from the Qualified Plans. Indeed, while they may utilize more than one investment option under a Variable Contract or the Qualified Plans, both Variable Contract owners and participants would make certain sacrifices and face certain hurdles in surrendering a contract or withdrawing assets from a Qualified Plan. Variable Contract owners in many circumstances would sacrifice tax benefits, pay a penalty tax under Section 72(q) of the Code, and/or pay a surrender charge if they surrender their contracts. Similarly, participants may be permitted to withdraw Qualified Plan assets only in limited circumstances, would sacrifice tax benefits on such withdrawals, and may incur other economic penalties under the terms of the Qualified Plan. In addition, Section 72(t) of the Code may impose a tax penalty on certain withdrawals from a Qualified Plan even where permitted. Of course, Variable Contract owners may exchange one VLI Contract or VA Contract for another without losing possible tax benefits and participants may generally transfer or roll over vested Qualified Plan assets with the same result, but both types of transactions require significant contract owner or Qualified Plan investor initiative and can only be accomplished in certain circumstances pursuant to specific procedures.

16. In addition, neither VLI and VA Contract owners on the one hand nor Qualified Plan investors on the other would be taxed on the investment return of their respective investments in the Trust. Therefore, they would share a strong interest in the Trust operating in a manner that preserves this tax status. For example, material conflicts between these two groups of investors regarding capital transactions would be unlikely to occur. In this regard, ERISA imposes general diversification requirements on qualified pension or retirement plan investments that are wholly consistent with those required of each Fund of the Trust under Section 817(h) of the Code.

17. VLI Accounts, VA Accounts and the Qualified Plans are governed in similar ways. Qualified Plan committees (and other Qualified Plan fiduciaries) have a fiduciary duty to participants that is similar to the obligations that a Participating Insurance Company has to look after the interests of its VLI Contract owners and VA Contract owners. In this respect, applicants note that Participating Insurance Companies and their VLI Accounts would not require any exemptions from the Act other than those necessary for mixed funding and shared funding if participants in certain qualified pension and retirement plans invest indirectly in the Trust when their Qualified Plan purchases a variable annuity contract offered by a Participating Insurance Company in the Qualified Plan market. The various Qualified Plans may or may not offer an annuity option.

18. In light of the fact that Qualified Plan investors would have beneficial interests in the Trust very similar to those of VLI Contract owners and VA Contract owners, applicants assert that, provided that they (and VLI Accounts and Participating Insurance Companies) comply with the conditions explained below, the addition of the Qualified Plans as shareholders of the Trust and the addition of participants as persons having beneficial interests in the Trust should not increase the risk of material irreconcilable conflicts among and between investors. Applicants further assert that even if a material irreconcilable conflict involving the Qualified Plans or participants arose, the trustees (or other fiduciaries) of the Qualified Plans, unlike Participating Insurance Companies, can, if their fiduciary duty to the participants requires it, redeem the shares of the Trust held by the Qualified Plans and make alternative investments without obtaining prior regulatory approval. Similarly, most, if not all, of the Qualified Plans, unlike the VLI

Accounts or the VA Accounts, may hold cash or other liquid assets pending their reinvestment in a suitable alternative investment.

19. Applicants maintain that VLI Contract owners and VA Contract owners would benefit from the expected increase in net assets of the Funds of the Trust occasioned by participant investments. Not only should such additional investments not increase the likelihood of material irreconcilable conflicts of interest between or among different types of investors, but such additional investments should reduce some of the costs of investing for Variable Contract owners. In particular, additional investments would promote economies of scale, permit increased safety through greater portfolio diversification, provide each Fund's investment adviser with greater flexibility due to a larger portfolio and make the addition of future new Funds more feasible.

20. When the Commission last revised Rule 6e-3(T) in 1987, the Treasury Department had not issued the current regulations (Treas. Reg. 1.817-5) which make it possible for the Trust to sell shares to qualified pension or retirement plans without adversely affecting the tax status of VLI Contracts and VA Contracts. Applicants submit that, although proposed regulations had been published, the Commission did not envision this possibility when it last examined paragraph (b)(15) of the Rule and might well have broadened the exclusivity provision of that paragraph at that time to include plans such as the Qualified Plans had this possibility been apparent. In this regard, the Commission has recently issued several orders under Section 6(c) granting the same exemptions requested herein to other applicants in very similar circumstances.

21. In light of the fact that the proposed Qualified Plan investments in the Trust should not increase the likelihood of material irreconcilable conflicts and would otherwise benefit VA Contract owners and VLI Contract owners, and in light of the recent supporting precedent, applicants believe that the Commission should grant the requested exemptions.

22. Applicants submit that the sale of the shares of the Trust to Qualified Plans will not increase the potential for material irreconcilable conflicts of interest between or among different types of investors. Moreover, in considering the appropriateness of the requested relief, an analysis of the following issues leads to the conclusion that there are either no conflicts of interest or that there exists the ability by

the affected parties to resolve the issues without harm to the contract owners in the Participating Separate Accounts or to the participants under the Qualified Plans.

23. Section 817(h) imposes certain diversification standards on the underlying assets of VA Contracts and VLI Contracts held in the portfolios of management investment companies. Treasury Regulation 1.817-5(f)(3)(iii), which established diversification requirements for such portfolios, specifically permits, among other things, "qualified pension or retirement plans" and separate accounts to invest in the same underlying fund without jeopardizing the tax status of VLI and VA Accounts. Therefore, neither the Code, the Treasury Regulations, nor Revenue Rulings thereunder present any inherent conflicts of interest if Qualified Plans, VA Accounts and VLI Accounts all invest in the same underlying fund.

24. While there are differences in the manner in which distributions are taxed for VA Contracts, VLI Contracts and Qualified Plans, the differing tax consequences do not raise any conflicts of interest. When distributions are to be made and the Participating Separate Account or the Qualified Plan cannot net purchase payments to make the distributions, the Participating Separate Account or the Qualified Plan will redeem shares of the Fund at their net asset value. The Qualified Plan then will make distributions in accordance with the terms of the Qualified Plan and the Participating Insurance Company will make distributions in accordance with the terms of the Variable Contract. Therefore, distributions and dividends will be declared and paid by the Fund without regard to the character of the shareholder.

25. The ability of the Trust to sell its shares directly to Qualified Plans does not create a "senior security" as such terms is defined under Section 18(g) of the Act, with respect to any contract owner as opposed to a participant under a Qualified Plan. As noted above, regardless of the rights and benefits of participants under the Qualified Plans, or Variable Contract owners, the Qualified Plans and the Participating Separate Accounts have rights only with respect to their respective shares of the Trust. They can only redeem such shares at their net assets value. No shareholder of the Trust will have any preference over any other shareholder with respect to distribution of assets or payment of dividends.

26. With respect to voting rights, it is possible to provide an equitable means of giving such voting rights to Variable Contract owners and to the trustees of

Qualified Plans. The transfer agent for the Fund will inform each Participating Insurance Company of its share ownership in each Participating Separate Account, as well as inform the trustees of Qualified Plans of their holdings. Each Participating Insurance Company then will solicit voting instructions in accordance with Rules 6e-2 and 6e-3(T), as applicable, and its participation agreement with the relevant Fund. Shares held by Qualified Plans will be voted in accordance with applicable law. The voting rights provided to Qualified Plans with respect to shares of the Trust will be no different from the voting rights that are provided to Qualified Plans with respect to shares of funds sold to the general public.

27. In addition, the veto power of state insurance commissioners over an underlying fund's investment objectives does not create any inherent conflicts of interest between the contract owners of the Participating Separate Accounts and Qualified Plan participants. Applicants note that the basic premise of corporate democracy and shareholder voting is that not all shareholders may agree with a particular proposal. Although the interests and opinions of shareholders may differ, this does not mean that inherent conflicts of interest exist between or among such shareholders. State insurance commissioners have been given the veto power in recognition of the fact that insurance companies usually cannot simply redeem their separate accounts out of one fund and invest in another. Generally, time-consuming, complex transactions must be undertaken to accomplish such redemptions and transfers. In contract, the trustees of Qualified Plans or the participants in participant-directed Qualified Plans can quickly decide to redeem their interest in the Trust and reinvest in another funding vehicle without the same regulatory impediments faced by separate accounts or, as is the case with most Qualified Plans, even hold cash pending suitable investment. Thus, even if there should arise issues where the interests of contract owners and the interests of Qualified Plans are in conflict, the issues can be almost immediately resolved since the trustees of (or participants in) the Qualified Plan can, on their own, redeem their shares from the Trust.

28. The holding of Trust shares by separate accounts of unaffiliated insurance companies would not entail greater potential for material irreconcilable conflicts arising between or among the interests of VLI Contract owners and VA Contract owners than

would mixed funding. Likewise, the holding of Trust shares by separate accounts of unaffiliated insurance companies would not entail greater potential for material irreconcilable conflicts arising between or among the interests of VLI Contract owners, VA Contract owners and Qualified Plan investors than would extended mixed funding where only separate accounts of affiliated Participating Insurance Companies held such shares.

29. Historically, concern existed that greater potential existed for material irreconcilable conflicts between or among the interests of VLI Contract owners or VA Contract owners of unaffiliated insurance companies because such companies were more likely than affiliated companies to be domiciled in different states and the different state insurance regulators could impose divergent requirements on such insurers with regard to investments supporting Variable Contracts. It was also believed by some that unaffiliated insurance companies were less likely than affiliated companies to find ways to reconcile material conflicts of interest that might arise from conflicting state regulation. In fact, shared funding by unaffiliated companies does not increase the potential for such material conflicts of interest beyond that which would otherwise exist for a single insurance company that is licensed in many states and therefore subject to the insurance regulations of such jurisdictions. A particular state insurance regulator could require action of an insurer domiciled or licensed in its jurisdiction that conflicts with or is inconsistent with the regulatory requirements of or actions required by the regulator of another state where that insurer is domiciled or licensed. The fact that different insurance companies are domiciled in different states does not enlarge or create significantly different issues in connection with conflicting state regulatory requirements.

Affiliation among or between such insurance companies does not diminish the potential for such issues to arise nor, in light of the source of such issues, does it dramatically increase the likelihood of their being resolved.

30. Historically, concern also existed that material irreconcilable conflicts between or among the interests of VLI Contract owners and/or VA Contract owners of unaffiliated insurance companies were more likely to arise in the event that such companies exercised their limited right to disregard VLI owner voting instructions than would be the case between or among affiliated companies. In fact, the right of an

insurance company to disregard VLI owner voting instructions does not raise any issues different from those raised by the authority of different state insurance regulators over separate accounts. Similarly, affiliation between or among insurance companies does not diminish or eliminate the potential for divergent judgments by such companies as to the advisability or legality of a change in investment policies, principal underwriter or investment adviser of a mutual fund in which their separate account invests. Applicants believe that the potential for disagreement between or among insurance companies is limited by requirements in Rule 6e-2 and Rule 6e-3(T) that a company's disregard of voting instructions be reasonable and based on specific good faith determinations. Moreover, in the event that a decision by a participating life insurance company to disregard VLI Contract owners' voting instructions represents a minority position or would preclude a majority vote at a Trust shareholder's meeting, the company could be required by the Trust's Board of Trustees to withdraw from the Trust.

31. Various factors, including the costs of organizing and operating a funding medium, the lack of expertise with respect to investment management (principally with respect to stock and money market investments) and the lack of name recognition by the public of certain insurers as investment experts to whom the public feels comfortable entrusting their investment dollars, have limited the number of insurance companies that offer VA Contracts and VLI Contracts. In particular, some smaller life insurance companies may not find it economically feasible, or within their investment or administrative expertise, to enter the Variable Contract business on their own. Use of the Funds of the Trust as a mixed funding and shared funding vehicle for Variable Contracts would reduce or eliminate such concerns for small life insurance companies.

32. Applicants submit that use of the Trust as a common investment vehicle for Variable Contracts would reduce or alleviate the above-mentioned concerns and that mixed and shared funding will provide several benefits. Participating Insurance Companies will benefit not only from the investment and administrative expertise of the Trust's investment adviser, but also from the cost efficiencies and investment flexibility afforded by a larger pool of funds. Therefore, making the Trust available for mixed and shared funding may encourage more insurance companies to offer Variable Contract design and pricing, which can be

expected to result in greater product variation and lower charges. In addition, Variable Contract owners would benefit from the reduced costs to Participating Insurance Companies of establishing and administering separate accounts.

33. Regardless of the type of shareholder in the Trust, the investment manager is or would be contractually and otherwise obligated to manage the Fund solely and exclusively in accordance with that Fund's investment objectives, policies and restrictions as well as any guidelines established by the Board of Trustees responsible for such Fund (the "Board"). Thus, the Fund will be managed in the same manner as any other mutual fund, and there is no incentive for the Fund's investment manager to invest to benefit a particular class of shareholders. In addition, the Board has a fiduciary duty to oversee the Fund's investment adviser and ensure that the Fund is managed in a way that does not discriminate against any of the Fund's shareholders.

34. Applicants see no legal impediment to permitting the Trust to serve as a vehicle for mixed funding, extended mixed funding and shared funding. The Commission has issued numerous orders permitting mixed funding, extended mixed funding and shared funding. Therefore, applicants believe that granting the exemptions requested herein is in the public interest and will not compromise the regulatory purposes of Section 9(a), 13(a), 15(a) or 15(b) of the Act or of Rules 6e-2 and 6e-3(T) thereunder.

35. The Commission's authority under Section 6(c) of the Act to grant exemptions from various provisions of the Act and rules thereunder is broad enough to permit orders of exemption that cover classes of unidentified parties. Applicants request an order of the Commission that would exempt VLI Accounts and their Participating Insurance Companies and principal underwriters as a class from the provisions of Sections 9(a), 13(a), 15(a) and 15(b) of the Act and Rule 6e-2 or Rule 6e-3(T)(b)(15) thereunder. The exemption of these classes of parties 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 Act because all of the potential members of the class could obtain the foregoing exemptions for themselves on the same basis as the applicants, but only at a cost to each of them that is not justified by any public policy purpose. As discussed below, the requested exemptions would only extend to VLI Accounts whose Participating Insurance

Companies enter into participation agreements with the Trust; which agreements would subject such VLI Accounts to the conditions discussed below. The Commission staff also would have the opportunity to review compliance with these conditions by Participating Insurance Companies when it reviews the 1933 Act registration statements filed by each VLI Account and VA Account before the account could issue any Variable Contracts. The Commission has previously granted exemptions to classes of similarly situated parties in various contexts and from a wide variety of circumstances, including class exemptions in the context of mixed funding, extended mixed funding and shared funding.

Applicant's Conditions

1. Applicants have consented to the following conditions:

a. A majority of the Board of Trustees of the Trust shall consist of persons who are not "interested persons" of such Trust, as defined by Section 2(a)(19) of the Act, and rules thereunder, as modified by any applicable orders of the Commission, except that if this condition is not met by reason of the death, disqualification, or bona fide resignation of any Trustee, then the operation of this condition shall be suspended for: (a) A period of 45 days if the vacancy or vacancies may be filled by the Board, (b) a period of 60 days if a vote of shareholders is required to fill the vacancy or vacancies, or (c) such longer period as the Commission may prescribe by order upon application.

b. The Board of Trustees will monitor the Funds for the existence of any material irreconcilable conflict among the interests of the contract holders of all Participating Separate Accounts and of participants of Qualified Plans investing in such Fund(s) and determine what action, if any, should be taken in response to those conflicts. A material irreconcilable conflict may arise for a variety of reasons, including: (a) An action by any state insurance regulatory authority, (b) a change in applicable federal or state insurance, tax, or securities laws or regulations, or a public ruling, private letter ruling, no-action or interpretive letter, or any similar action by insurance, tax, or securities regulatory authorities, (c) an administrative or judicial decision in any relevant proceeding, (d) the manner in which the investments of any Fund are being managed, (e) a difference in voting instructions given by VLI Contract owners, VA Contract owners and Qualified Plan investors or the Trustees of Qualified Plans that do not

provide voting rights to their investors, (f) a decision by a Participating Insurance Company to disregard VLI Contractor or VA Contract owner voting instructions and (g) a decision by a Plan trustee (or other plan fiduciary) to disregard voting instructions of Plan participants.

c. The Funds' prospectus shall disclose that (1) its shares are offered in connection with mixed funding, extended mixed funding and shared funding, (2) due to differences in tax treatment and other considerations mixed funding, extended mixed funding and shared funding may present certain conflicts of interest between VA Contract owners, VLI Contract owners and Qualified Plan investors and (3) the Trust's Board of Trustees will monitor the Funds for the existence of any material irreconcilable conflict of interest and determine what action, if any, should be taken in response to such a conflict. The Trust shall also notify the Qualified Plan trustees and Participating Insurance Companies that similar prospectus disclosure may be appropriate in Participating Separate Account prospectuses or any Plan prospectuses or other Plan disclosure documents.

d. The Trust will comply with all of the provisions of the Act relating to security holder (*i.e.*, persons such as VLI Contract owners and VA Contract owners or participants in Plans that provide participants with voting rights) voting including Section 16(a), 16(b) (when applicable) and 16(c) (even though the Trust is not a trust of the type described therein).

e. The Adviser will report any material irreconcilable conflicts or any potential material irreconcilable conflicts between or among the interests of VLI Contract owners, VA Contract owners and Plan participants to the Trust's Board of Trustees and will assist the Board in carrying out the Board's responsibilities under these conditions. Such assistance will include, but not be limited to, providing the Board, at least annually, with all information reasonably necessary for the Board to consider any issues raised by such existing or potential conflicts. Any shares of a Fund purchased by the Adviser or its affiliates will be automatically redeemed if and when the Adviser's investment advisory agreement terminates, to the extent required by applicable Treasury regulations.

f. For so long as the Commission interprets the Act to require "pass-through" voting privileges for Contract owners whose Contracts are funded through a separate account, the Adviser,

or if applicable any of its affiliates, will vote its shares of any Fund in the same proportion as all Contract owners having voting rights with respect to the Fund; provided, however, that the Adviser or any such affiliate shall vote its shares in such other manner as may be required by the Commission staff.

g. The Trust shall promptly notify the Adviser, each Participating Insurance Company and Qualified Plan in writing of any determination of a material irreconcilable conflict and its implications. All reports sent by Participating Insurance Companies or Qualified Plans to the Board of Trustees of the Trust or notices sent by the Board of Trustees to Participating Insurance Companies or Qualified Plans notifying the recipient of the existence of or potential for a material irreconcilable conflict between the interests of VA Contract owners, VLI Contract owners and Plan participants as well as Board deliberations regarding such conflicts or such potential conflicts shall be recorded in the board meeting minutes of the Trust or other appropriate records, and such minutes or other records shall be made available to the Commission upon request.

h. The Adviser, each Participating Insurance Company and each Qualified Plan owning more than 10% of the outstanding shares of a Fund shall have a contractual obligation, under the agreements governing their participation in the Funds, to provide at least annually such reports and other information relating to potential conflicts as the Board may reasonably request.

2. In addition to the foregoing conditions, applicants consent to the following conditions and represent and agree that if the exemptions requested herein are granted, the Trust will not sell shares to any VLI Account unless the account's Participating Insurance Company enters into a participation agreement with the Trust containing provisions that require the following:

a. A majority vote of the disinterested trustees of the Trust shall represent a conclusive determination as to the existence of a material irreconcilable conflict between or among the interests of VLI Contract owners, VA Contract owners and Qualified Plan investors. For the purpose of number 5 below, a majority vote of the disinterested trustees of the Trust shall represent a conclusive determination as to whether any proposed action adequately remedies any material irreconcilable conflict between or among the interests of VLI Contract owners, VA Contract owners and Qualified Plan investors.

b. Each Participating Insurance Company will monitor its operations and those of the Trust for the purpose of identifying any material irreconcilable conflicts or potential material irreconcilable conflicts between or among the interests of Qualified Plan investors, VA Contract owners and VLI Contract owners.

c. Each Participating Insurance Company will report any such conflicts or potential conflicts to the Trust's Board of Trustees and will provide the Board, at least annually, with all information reasonably necessary for the Board to consider any issues raised by such existing or potential conflicts or by these conditions. Each Participating Insurance Company will also assist the Board in carrying out its responsibilities under these conditions including, but not limited to: (a) Informing the Board whenever it disregards VLI Contract owner or VA Contract owner voting instructions, and (b) providing, at least annually, such other information and reports as the Board may reasonably request. Each Participating Insurance Company will carry out these obligations with a view only to the interests of owners of its VLI Contracts and VA Contracts.

d. Each Participating Insurance Company will provide "pass-through" voting privileges to owners of registered VA Contracts and registered VLI Contracts as long as the Act requires such privileges in such cases. Accordingly, such Participating Insurance Companies, where applicable, will vote Trust shares held in their Participating Separate Accounts in a manner consistent with voting instructions timely received from owners of such VLI and VA Contracts. Each Participating Insurance Company will vote Trust shares owned by itself (*i.e.*, that are not attributable to VA Contract or VLI Contract reserves) in the same proportion as instructions received in a timely fashion from VA Contract owners and VLI Contract owners and shall be responsible for ensuring that it and other Participating Insurance Companies calculate "pass-through" votes for VLI Accounts and VA Accounts in a consistent manner. Each participating Insurance Company also will vote Trust shares held in any registered VLI Account or registered VA account for which it has not received timely voting instructions in the same proportion as instructions received in a timely fashion from VA Contract owners and VLI Contract owners.

e. In the event that a material irreconcilable conflict of interest arises between VA Contract owners or VLI Contract owners and Qualified Plan

participants, each Participating Insurance Company will, at its own expense, take whatever action is necessary to remedy such conflict as it adversely affects owners of its VA Contracts or VLI Contracts up to and including, (1) establishing a new registered management investment company, and (2) withdrawing assets attributable to reserves for the VA contracts or VLI Contracts subject to the conflict from the Trust and reinvesting such assets in a different investment medium (including another Fund of the Trust) or submitting the question of whether such withdrawal should be implemented to a vote of all affected VA Contract owners or VLI Contract owners, and, as appropriate, segregating the assets supporting the contracts of any group of such owners that votes in favor of such withdrawal, or offering to such owners the option of making such a change. Each Participating Insurance Company will carry out the responsibility to take the foregoing action with a view only to the interests of owners of its VA Contracts and VLI Contracts. Notwithstanding the foregoing, each Participating Insurance Company will not be obligated to establish a new funding medium for any group of VA Contracts or VLI Contracts if an offer to do so has been declined by a vote of a majority of the VA Contract owners or VLI Contract owners adversely affected by the conflict.

f. If a material irreconcilable conflict arises because of a Participating Insurance Company's decision to disregard the voting instructions of VLI Contract owners or VA Contract owners and that decision represents a minority position or would preclude a majority vote at any Fund shareholding meeting, then, at the request of the Trust's Board of Trustees, the Participating Insurance Company will redeem the shares of the Trust to which the disregarded voting instructions relate. No charge or penalty, however, will be imposed in connection with such a redemption.

g. Each Participating Insurance Company and VLI Account will continue to rely on Rule 6e-2(b)(15) and/or Rule 6e-3(T)(b)(15), as appropriate, and to comply with all of the appropriate Rule's conditions. In the event that Rule 6e-2 and/or Rule 6e-3(T) is amended, or any successor rule is adopted, each Participating Insurance Company and VLI Account will instead comply with such amended or successor rule.

h. Each participating insurance company will maintain at its home office available to the Commission a list of its officers, directors and employees who participate directly in the

management and administration of any separate account organized as a UIT or of any Fund. These individuals will continue to be subject to the automatic disqualification provisions of Section 9(a).

3. In addition to the foregoing conditions, applicants consent to the following conditions and represent and agree that if the exemptions requested herein are granted, the Trust will not sell shares of any Fund to a Qualified Plan if such sale would result in the Qualified Plan owning 10% or more of that Fund's outstanding shares unless the Qualified Plan first enters into a participation agreement with the Trust containing provisions that require the following:

a. The trustees or plan committees of the Qualified Plan will: (a) Monitor the Qualified Plan's operations and those of the Trust for the purpose of identifying any material irreconcilable conflicts or potential material irreconcilable conflicts between or among the interests of Qualified Plan participants, VA Contract owners and VLI Contract owners, (b) report any such conflicts or potential conflicts to the Trust's Board of Trustees, (c) provide the Board, at least annually, with all information reasonably necessary for the Board to consider any issues raised by such existing or potential conflicts and any other information and reports that the Board may reasonably request, (d) inform the Board whenever it (or another fiduciary) disregards the voting instructions of Qualified Plan participants (of a Qualified Plan that provides voting rights to its participants), and (e) ensure that the Qualified Plan votes Trust shares as required by applicable law and governing Qualified Plan documents. The trustees or plan committees of the Qualified Plan will carry out these obligations with a view only to the interests of Qualified Plan participants in its Qualified Plan.

b. In the event that a material irreconcilable conflict of interest arises between Qualified Plan investors and VA Contract owners, VLI Contract owners or other investors in the Trust, each Qualified Plan will, at its own expense, take whatever action is necessary to remedy such conflict as it adversely affects that Qualified Plan or participants in that Qualified Plan up to and including (1) establishing a new registered management investment company, and (2) withdrawing Qualified Plan assets subject to the conflict from the Trust and reinvesting such assets in a different investment medium (including another Fund of the Trust) or submitting the question of

whether such withdrawal should be implemented to a vote of all affected Quality Plan investors, and, as appropriate, segregating the assets of any group of such participants that votes in favor of such withdrawal, or offering to such participants the option of making such a change. Each Qualified Plan will carry out the responsibility to take the foregoing action with a view only to the interests of Qualified Plan investors in its Qualified Plan. Notwithstanding the foregoing, no Qualified Plan will be obligated to establish a new funding medium for any group of participants or Qualified Plan investors if an offer to do so has been declined by a vote of a majority of the Qualified Plan's participants or Qualified Plan investors adversely affected by the conflict.

c. If a material irreconcilable conflict arises because of a Qualified Plan trustee's (or other fiduciary's) decision to disregard the voting instructions of Qualified Plan participants (of a Qualified Plan that provides voting rights to its participants) and that decision represents a minority position or would preclude a majority vote at any shareholder meeting, then, at the request of the Trust's Board of Trustees, the Qualified Plan will redeem the shares of the Trust to which the disregarded voting instructions relate. No charge or penalty, however, will be imposed in connection with such a redemption.

4. Applicants also represent and agree that if the exemptions requested herein are granted, the Trust will not sell shares of any Fund to a Qualified Plan until the Qualified Plan executes an application containing an acknowledgment of the condition that the Trust cannot sell shares of any Fund to such Qualified Plan if such sale would result in that Qualified Plan owning 10% or more of that Fund's outstanding shares unless that Qualified Plan first enters into a participation agreement as described above.

Conclusion

For the reasons and upon the facts stated above, Applicants assert that the requested exemptions are 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.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27244]

Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

October 6, 2000.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by October 31, 2000, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549-0609, and serve a copy on the relevant application(s) and/or declaration(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After October 31, 2000, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Scottish Power plc, et al. (70-9669)

Scottish Power plc ("Scottish Power"), a foreign registered public utility holding company; Scottish Power UK plc, a first-tier utility subsidiary of Scottish Power ("SPUK");¹ Scottish Power NA 1 Limited, Scottish Power NA 2 Limited, and NA General Partnership (together, "Intermediate Companies"), each of which is a subsidiary of Scottish Power, all located at 1 Atlantic Quay, Glasgow G2 8SP, Scotland, United Kingdom; PacifiCorp, an electric utility subsidiary of Scottish Power; and PacifiCorp's nonutility subsidiaries ("PacifiCorp Subsidiaries"), Centralia Mining Company, Energy

¹ Scottish Power's other operations have been segregated under SPUK, which is a foreign utility company within the meaning of section 33 of the Act.