

may be obtained for a fee from the SEC's Public Reference Branch.

#### Applicant's Representations

1. Applicant, a Massachusetts business trust, is an open-end investment management company, registered under the Act. On October 15, 1993, applicant filed with the SEC a notification of registration on Form N-8A pursuant to section 8(b) of the Act. On that same day, applicant filed a registration statement on Form N-1A pursuant to the Securities Act of 1933 to register an indefinite number of shares of beneficial interest. The registration statement became effective on December 21, 1993, and the initial public offering commenced shortly thereafter.

2. Applicant offered one series, comprised of two separate classes of shares, Institutional Shares and Financial Intermediary Shares.

3. On November 29, 1995 (the "Closing Date"), the liquidation of applicant occurred in accordance with an Agreement and Plan of Dissolution, Liquidation and Termination (the "Plan"). The Plan provided for the liquidation of all of the assets of applicant, the distribution of all of the proceeds of such liquidation, in cash, less an amount provided for debts and liabilities of applicant, to the sole shareholder of applicant. On the Closing Date, the final monthly dividends of \$2.547 per share on the Institutional Shares and \$2.539 per share on the Financial Intermediary Shares were paid to applicant's sole shareholder.

4. The net asset value per share for applicant was determined by dividing applicant's assets, less liabilities, by the total number of its outstanding shares. All portfolio securities sold in connection with the liquidation were publicly traded debt instruments for which fair market value was received.

5. On December 13, 1995, applicant's board of trustees, including the trustees who are not interested persons, unanimously approved the Plan and ratified all actions previously taken pursuant to the Plan. In making this determination, the board of trustees considered a number of factors, including, the relatively small size of applicant's assets, the fact that all shareholders other than Mitchell Hutchins Asset Management Inc. had redeemed their shares, the resulting high expense ratio of applicant, and the improbability that sales of applicant's shares could be increased to raise applicant's assets to a more viable level.

6. As of November 28, 1995, there were 8899.942 shares of beneficial interest outstanding (4445.120 of which

were Institutional shares and 4454.822 of which were Financial Intermediary shares), having an aggregate net asset value of \$82,974 and a per share net asset value of \$9.34 per Institutional share and \$8.31 per Financial Intermediary share. There are no other classes of securities of applicant outstanding. As of November 29, 1995, there were no shares of beneficial interest outstanding.

7. No expenses were incurred in connection with the distribution. Nor were brokerage commissions incurred in connection with the liquidation. As of the date of the application, applicant had no assets, liabilities, or unitholders. Applicant is not a party to any litigation or administrative proceeding. Applicant is not engaged, nor proposes to engage, in any business activities other than those necessary for the winding up of its affairs.

8. A notice of termination will be filed on behalf of applicant with the Office of the Secretary of State of the Commonwealth of Massachusetts to effect the termination of applicant as a Massachusetts business trust.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 96-17631 Filed 7-10-96; 8:45 am]

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[Rel. No. IC-22054; No. 811-1501]

#### Lincoln National Variable Annuity Fund B

July 5, 1996.

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

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

**APPLICANT:** Lincoln National Variable Annuity Fund B.

**RELEVANT 1940 ACT SECTION:** Order requested under Section 8(f) of the 1940 Act.

**SUMMARY OF APPLICATION:** Applicant seeks an order declaring that it has ceased to be an investment company as defined by the 1940 Act.

**FILING DATE:** The application was filed on March 25, 1996.

**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 Secretary of the SEC 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 July 30, 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 requestor's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the SEC.

**ADDRESSES:** Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicant, Jack D. Hunter, Esq., The Lincoln National Life Insurance Company, 1300 South Clinton Street, P.O. Box 1110, Fort Wayne, Indiana 46802.

**FOR FURTHER INFORMATION CONTACT:** Patrice M. Pitts, Special Counsel, or Peter R. Marcin, Law Clerk, 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 Public Reference Branch of the SEC.

#### Applicant's Representation

1. Fund B was established as a segregated investment account of the Lincoln National Life Insurance Company on December 1, 1966, in accordance with provisions of Indiana insurance law.

2. On May 15, 1967, Fund B filed with the Commission a notification of registration as an investment Company on Form N-8A under Section 8(a) of the 1940 Act.

3. On October 10, 1967, Fund B filed with the Commission: a registration statement (File No. 811-1501) under Section 8(a) of the 1940 Act registering Fund B as an open-end, diversified management investment company; and a registration statement on Form S-5 (File No. 2-27460) to register under the Securities Act of 1933 (the "1933 Act") the securities issued by Fund B—variable annuity contracts issued in a single class. Fund B also commenced the initial public offering of this variable annuity contracts on October 10, 1967, and, pursuant to Rule 24e-2 under the 1940 Act, computed and paid a fee in connection with that offering.

4. Fund B continuously offered its securities from October 10, 1967, to December 31, 1979. Fund B has not sold any new variable annuity contracts since December 31, 1979. Fund B has applied to the Commission pursuant to Rule 477 under the 1933 Act for withdrawal of its registration statement.

5. On May 4, 1995, the Board of Directors of Lincoln Life unanimously

approved an agreement and plan of reorganization between Fund B and Lincoln National Variable Annuity Fund A ("Fund A").<sup>1</sup> The Board of Directors of Lincoln Life and the Boards of Managers of Fund A and Fund B recommended the reorganization on the basis that the consolidation of Fund A and Fund B would lead to economies of scale and administrative efficiencies. Each board further believed that the reorganization was in the best interests of Fund B contract owners in that Fund A, having substantially greater assets than Fund B, had greater flexibility in making investments than did Fund B. In addition, the passage of the Tax Reform Act of 1984 effectively eliminated any justification for the maintenance of both Fund A and Fund B.

6. In connection with the reorganization, on May 5, 1995, Lincoln Life, Fund A, and Fund B together filed an application with the Commission for an order of exemption pursuant to Section 17(b) of the 1940 Act from the provisions of Section 17(a) of the 1940 Act (File No. 812-9590). The application was noticed on August 3, 1995, and an order granting the exemption was issued August 30, 1995.

7. Also, in connection with the reorganization, a registration statement on form N-14 under the 1933 Act (File No. 33-59587) was filed with the Commission on May 25, 1995. The registration statement contained a prospectus/proxy statement that was furnished by the respective Boards of Managers of Fund A and Fund B to all Fund A and Fund B contract owners to solicit voting instructions from such contract owners as to the reorganization and other matters.

8. On August 1, 1995, the contract owners of Fund B met and approved an Agreement and Plan of Reorganization ("Agreement") to merge Fund B into Fund A. Pursuant to the terms of the Agreement, on October 4, 1995, Fund B transferred all of its assets to Fund A and had all of its liabilities and contractual obligations assumed by Fund A, in return for accumulation and annuity units of Fund A. The units of Fund A held by Fund B were then credited to the contract owners of Fund B as follows: each Fund B contract owner was credited with the number of Fund A accumulation or annuity units (both full and fractional) that equals the total accumulation or annuity value under the contract owner's Fund B contract.

9. Lincoln Life paid all of the expenses in connection with the reorganization, including costs associated with printing and distributing proxy materials, counting contract owner instructions, legal and auditing fees, and expenses of holding the meeting of contract owners.

10. As of October 3, 1995, the nearest date practicable preceding the reorganization, there were 611 variable annuity contracts outstanding supported by Fund B. The net asset value as of that date was \$7.98 per share, \$7,931,344 in aggregate.

11. The last variable annuity contract was surrendered on October 4, 1995, and the proceeds paid from Fund B upon surrender of those contracts were based upon the accumulation unit values as of that date. As of October 4, 1995, therefore, Fund B had no contract owners and, accordingly, had no contractual liability for the surrender value of any outstanding variable annuity contracts.

12. Fund B has not, within the last 18 months, transferred any of its assets to a separate trust, the beneficiaries of which were or are security holders of Fund B.

13. Fund B has retained no assets and has no security holders. Fund B does not have any debts or other liabilities which remain outstanding and is not a party to any litigation or administrative proceeding.

14. Fund B is not now engaged, nor does it propose to engage, in any business activities other than those necessary for the winding-up of its affairs. Fund B intends to file, after receipt of the relief requested, a certificate of dissolution or similar documents in accordance with state law.

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

Jonathan G. Katz,

Secretary.

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[Release No. 35-26540]

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

July 5, 1996.

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 thereunder. 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 amendments thereto is/are available for public inspection through the Commission's Office 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 July 29, 1996, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact 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 said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

American Electric Power Company, Inc. (70-5943)

American Electric Power Company, Inc. ("AEP"), 1 Riverside Plaza, Columbus, Ohio 43215, a registered holding company, has filed a post-effective amendment to its declaration under sections 6(a), 7, 32 and 33 of the Act and rules 53 and 54 thereunder.

By orders dated January 3, 1986 (HCAR No. 23980), December 18, 1987 (HCAR No. 24534), December 27, 1990 (HCAR No. 25233) and December 1, 1993 (HCAR No. 25936), the Commission authorized AEP to issue and sell, through December 31, 1996, up to 44 million shares of its authorized but unissued shares of common stock, \$6.50 par value ("Common Stock"), pursuant to its Dividend Reinvestment and Stock Purchase Plan ("Plan"). Through May 15, 1996, a total of 43,416,621 shares of Common Stock had been issued and sold, leaving a balance of 583,379 shares of Common Stock ("Remaining Shares").

By order dated May 10, 1996 (HCAR No. 26516), the Commission authorized, among other things, the use of proceeds of the issuance and sale of up to ten million shares of Common Stock, including Common Stock issued under the Plan, for the acquisition of interests in exempt wholesale generators ("EWGs") and foreign utility companies ("FUCOS"), subject to a limitation on such investments to an amount equal to 50% of AEP's consolidated retained

<sup>1</sup> Fund A is registered with the Commission under the 1940 Act (File No. 811-1434). A copy of the agreement was filed with the Commission on May 25, 1995, as Exhibit A to a registration statement on Form N-14 (File No. 33-59587).