

thereunder. With respect to a newly retained Portfolio Manager, or a change in a Portfolio Manager Agreement, this information statement will be provided to shareholders of the Portfolio a maximum of sixty (60) days after the addition of the New Portfolio Manager or the implementation of any change in a Portfolio Manager Agreement. The information statement will also meet the requirements of Schedule 14A. Accumulation Trust will ensure that the information statement is furnished to the unitholders of any separate account for which Accumulation Trust serves as a funding medium.

4. Each Fund will disclose in its prospectuses the existence, substance and effect of any order granted pursuant to the application. In addition, each Trust Portfolio will hold itself out to the public as employing the "manager of managers" approach described in the application. The prospectuses and any sales materials or other shareholder communications relating to a Trust Portfolio will prominently disclose that the Adviser has ultimate responsibility for the investment performance of the Portfolio due to its responsibility to oversee Portfolio Managers and recommend their hiring, termination, and replacement.

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

6. The Adviser will not enter into a Portfolio Manager Agreement with any Portfolio Manager that is an affiliated person, as defined in section 2(a) (3) of the Act, of the Adviser or the Funds other than by reason of serving as Portfolio Manager to one or more Portfolios ("Affiliated Portfolio Manager") without such agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Portfolio.

7. At all times, a majority of the members of the Board will be persons each of whom is not an "interested person" of the respective Fund as defined in section 2(a)(19) of the Act ("Independent Directors"), and the

nomination of new or additional Independent Directors will be placed within the discretion of the then existing Independent Directors.

8. When a Portfolio Manager change is proposed for a Portfolio with an Affiliated Portfolio Manager, the Board, including a majority of the Independent Directors, will make separate finding, reflected in the Board's minutes, that such change is in the best interests of the Portfolio and its shareholders (or, in the case of Accumulation Trust, of the unitholders of any separate account for which Accumulation Trust serves as a funding medium) and does not involve a conflict of interest from which the Adviser or the Affiliated Portfolio Manager derives an inappropriate advantage.

For the SEC, by the Division of Investment Management, under delegated authority.
Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-29553 Filed 11-18-96; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-22329; International Series Release No. 1026; File No. 812-10202]

ING Bank N.V. and ING Bank Eurasia ZAO; Notice of Application

November 13, 1996.

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

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

APPLICANTS: ING Bank N.V. ("ING Bank") and ING Bank Eurasia ZAO ("ING Bank Eurasia").

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act for an exemption from section 17(f) of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit any investment company registered under the Act (other than an investment company registered under section 7(d) of the Act) (a "U.S. Investment Company") and any custodian for such U.S. Investment Company to maintain securities and other assets in The Russian Federation ("Russia") in the custody of ING Bank Eurasia, a wholly-owned subsidiary of ING Bank.

FILING DATES: The application was filed on June 13, 1996, and amended on September 24, 1996.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a

copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on December 9, 1996 and should be 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 writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicants: ING Bank N.V., Strawinskylaan 2631, 1077 ZZ Amsterdam, The Netherlands; ING Bank Eurasia ZAO, Leningradskiy Prospekt 80, 125178 Moscow, The Russian Federation.

FOR FURTHER INFORMATION CONTACT: Christine Y. Greenlees, Senior Counsel, at (202) 942-0581, or Elizabeth G. Osterman, Assistant Director, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

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

Applicants' Representations

1. ING Bank is a Dutch banking institution that is part of ING Groep N.V. ("ING Groep"), the largest financial services group in The Netherlands and one of the major financial institutions in Europe. At December 31, 1995, ING Groep had combined shareholders' equity in excess of \$14.5 billion. ING Bank is regulated in The Netherlands by the Dutch Ministry of Finance and the Dutch Central Bank, each of which is an agency of the Dutch Government within the meaning of rule 17f-5(c)(2) of the Act. At December 31, 1995, ING Bank had shareholders' equity in excess of \$6.3 billion. As part of its services to international investors and financial institutions, ING Bank provides a range of custody and subcustody services through a network of correspondent banks worldwide.

2. ING Bank Eurasia is a Russian banking organization that is regulated by the Central Bank of Russia. ING Bank Eurasia is a wholly-owned subsidiary of ING Bank. At December 31, 1995, ING Bank Eurasia had shareholders' equity of \$10 million. ING Bank Eurasia currently provides a range of custody services in connection with the settlement and safekeeping of debt and equity securities purchased in Russia.

3. Applicants request an order to permit ING Bank, any U.S. Investment Company, and any custodian for such U.S. Investment Company to maintain foreign securities,¹ cash and cash equivalents (collectively, "Assets") in the custody of ING Bank Eurasia.

Applicants' Legal Analysis

1. Section 17(f) of the Act provides that a registered investment company may maintain securities and similar assets in the custody of a bank, a member firm of a national securities exchange, the investment company itself, or a system for the central handling of securities established by a national securities exchange. Section 2(a)(5) of the Act defines "bank" to include banking institutions organized under the laws of the United States, member banks of the Federal Reserve System, and certain banking institutions or trust companies doing business under the laws of any state or of the United States. ING Bank Eurasia does not fall within the definition of "bank" as defined in the Act.

2. Rule 17f-5 under the Act permits certain entities located outside the United States to serve as custodians for investment company assets. Rule 17f-5 defines the term "Eligible Foreign Custodian" to include a banking institution or trust company, incorporated or organized under the laws of a country other than the United States, that is regulated as such by that country's government or an agency thereof, and that has shareholders' equity in excess of U.S. \$200 million.

3. ING Bank Eurasia satisfies all of the requirements of rule 17f-5 insofar as it is a banking institution organized and regulated under the laws of Russia, and is regulated as such by the Central Bank of Russia, an agency of the government of Russia. ING Bank Eurasia, however, does not meet the minimum shareholders' equity requirement of rule 17f-5. Accordingly, ING Bank Eurasia does not qualify as an eligible foreign custodian, and, absent exemptive relief, it may not serve as custodian or subcustodian for the Assets of a U.S. Investment Company.

4. Section 6(c) of the Act provides, in relevant part, that the SEC may exempt

any person or transaction 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 order under section 6(c) for an exemption from section 17(f) to the extent necessary to permit ING Bank Eurasia to maintain Assets of U.S. Investment Companies.

5. Applicants believe that the requested order is necessary and appropriate in the public interest because it would permit U.S. Investment Companies and their custodians to have access to the custody services of ING Bank Eurasia, as part of ING Bank's existing custody network. ING Bank is experienced in providing custody services worldwide, and ING Bank Eurasia is one of only a small number of banks in Russia currently offering such custody services. ING Bank represents that, under the proposed foreign custody and subcustody arrangements, the protection afforded the Assets of U.S. Investment Companies held by ING Bank Eurasia would not be diminished from the protection afforded by rule 17f-5 if the Assets were held directly by ING Bank. ING Bank will be liable for the performance of the custody services by ING Bank Eurasia. ING Bank further represents that, prior to permitting ING Bank Eurasia to act as custodian or subcustodian for the Assets of a U.S. Investment Company, ING Bank will ensure that ING Bank Eurasia is capable and well-qualified to provide such custody services.

Applicants' Conditions

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

1. The foreign custody arrangements regarding ING Bank Eurasia will satisfy the requirements of rule 17f-5 in all respects other than ING Bank Eurasia's level of shareholders' equity.

2. A U.S. Investment Company or a custodian for a U.S. Investment Company will deposit Assets directly with ING Bank Eurasia only in accordance with a three-party contractual agreement (the "Agreement") that will remain in effect at all times during which ING Bank Eurasia fails to satisfy the requirement of rule 17f-5 relating to minimum shareholders' equity. Each such Agreement will be a three-party agreement among: (a) ING Bank, (b) ING Bank Eurasia, and (c) a U.S. Investment Company or the custodian of the Assets of the U.S. Investment Company. Under

the Agreement, ING Bank Eurasia will undertake to provide specified custodial or subcustodial services. The Agreement will further provide that ING Bank will be liable for any loss, damage, cost, expense, liability, or claim arising out of or in connection with the performance by ING Bank Eurasia of its responsibilities under the Agreement to the same extent as if ING Bank had itself been required to provide custody services under the Agreement, except for such losses as may result from political risk (e.g., exchange control restrictions, confiscation, expropriation, nationalization, insurrection, civil strife or armed hostilities) and other risk of loss (excluding bankruptcy or insolvency of ING Bank Eurasia), for which neither ING Bank nor ING Bank Eurasia would be liable under rule 17f-5 (e.g., despite the exercise of reasonable care, loss due to Acts of God, nuclear incident and the like).

3. ING Bank, when providing custody services to a U.S. Investment Company, will deposit Assets with ING Bank Eurasia only in accordance with one of the two contractual arrangements described below, which arrangement will remain in effect at all times during which ING Bank Eurasia fails to satisfy the shareholders' equity requirement of rule 17f-5.

a. *The Three-Party Agreement Arrangement.* Under this arrangement, each agreement will be a three-party agreement among ING Bank, ING Bank Eurasia and the U.S. Investment Company or the custodian for a U.S. Investment Company pursuant to which ING Bank will undertake to provide specified custody or subcustody services, and will delegate to ING Bank Eurasia such of the duties and obligations of ING Bank as will be necessary to permit ING Bank Eurasia to hold in custody the U.S. Investment Company's Assets (the "Delegation Agreement"). The Delegation Agreement will further provide that ING Bank will be liable for any loss, damage, cost, expense, liability, or claim arising out of or in connection with the performance by ING Bank Eurasia of its responsibilities under the Delegation Agreement to the same extent as if ING Bank had itself been required to provide custody services under the Delegation Agreement, except for such losses as may result from political risk (e.g., exchange control restrictions, confiscation, expropriation, nationalization, insurrection, civil strife or armed hostilities) and other risk of loss (excluding bankruptcy or insolvency of ING Bank Eurasia), for

¹ For purposes of the application, the term "foreign securities" shall include: (i) securities issued and sold primarily outside the United States by a foreign government, a national of any foreign country, or a corporation or other organization incorporated or organized under the laws of any foreign country; and (ii) securities issued or guaranteed by the government of the United States or by any State thereof or any political subdivision thereof or by any agency thereof or by any entity organized under the laws of the United States or any State thereof which have been issued and sold primarily outside the United States.

which neither ING Bank nor ING Bank Eurasia would be liable under rule 17f-5 (e.g., despite the exercise of reasonable care, loss due to Acts of God, nuclear incident and the like).

b. *The Custody Agreement/Subcustody Agreement Arrangement.* Under this arrangement, Assets will be deposited with ING Bank Eurasia in accordance with the custody agreement and the subcustody agreement described below.

(i) The custody agreement will be between ING Bank and the U.S. Investment Company or any custodian for a U.S. Investment Company. In that agreement, ING Bank will undertake to provide specified custody or subcustody services, and the U.S. Investment Company (or its custodian) will authorize ING Bank to delegate to ING Bank Eurasia such of ING Bank's duties and obligations as will be necessary to permit ING Bank Eurasia to hold in custody the U.S. Investment Company's Assets. The custody agreement will further provide that ING Bank will be liable for any loss, damage, cost, expense, liability, or claim arising out of or in connection with the performance by ING Bank Eurasia of its responsibilities to the same extent as if ING Bank had itself been required to provide custody services under the custody agreement, except for such losses as may result from political risk (e.g., exchange control restrictions, confiscation, expropriation, nationalization, insurrection, civil strife or armed hostilities) and other risk of loss (excluding bankruptcy or insolvency of ING Bank Eurasia), for which neither ING Bank nor ING Bank Eurasia would be liable under rule 17f-5 (e.g., despite the exercise of reasonable care, loss due to Acts of God, nuclear incident and the like).

(ii) A subcustody agreement will be executed by ING Bank and ING Bank Eurasia. Pursuant to this agreement, ING Bank will delegate to ING Bank Eurasia such of ING Bank's duties and obligations as will be necessary to permit ING Bank Eurasia to hold Assets in custody in Russia. The subcustody agreement will explicitly provide that: (x) ING Bank Eurasia is acting as a foreign custodian for Assets that belong to a U.S. Investment Company pursuant to the terms of an exemptive order issued by the SEC; and (y) the U.S. Investment Company or its custodian (as the case may be) that has entered into a custody agreement will be entitled to enforce the terms of the subcustody agreement and can seek relief directly against ING Bank Eurasia. Further, the subcustody agreement will be governed either by the law of the

State of New York or by the law of The Netherlands. If the subcustody agreement is governed by the laws of The Netherlands, ING Bank will obtain an opinion of counsel opining that the rights of a third party beneficiary under the laws of that country are enforceable.

4. ING Bank currently satisfies and will continue to satisfy the minimum shareholders' equity requirement set forth in rule 17f-5(c)(2)(i).

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-29552 Filed 11-18-96; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-22327; 812-10330]

TCW Convertible Limited Partnership, et al.; Notice of Application

November 12, 1996.

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

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

APPLICANTS: TCW Convertible Limited Partnership ("Partnership"), TCW Galileo Funds, Inc. ("Company"), TCW Asset Management Company ("TAMCO"), and TCW Funds Management, Inc. ("Adviser").

RELEVANT ACT SECTION: Order requested under section 17(b) of the Act for an exemption from the provisions of section 17(a) of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit the exchange of shares of the Company's common stock for portfolio securities and other assets of the Partnership.

FILING DATES: The application was filed on September 5, 1996. Applicants have agreed to file an amendment during the notice period, the substance of which is included in this notice.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on December 2, 1996, and should be accompanied by proof of service on applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a

hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, DC 20549. Applicants, 865 South Figueroa Street, Suite 1800, Los Angeles, California 90017.

FOR FURTHER INFORMATION CONTACT: Harry Eisenstein, Staff Attorney, at (202) 942-0552, or Mercer E. Bullard, Branch Chief, (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

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

Applicants' Representations

1. The Partnership was organized as a California limited partnership on November 17, 1988. Its investment objective is to generate returns competitive with those of the S&P 500 with lower volatility and greater capital protection by investing in a diversified portfolio of convertible securities. The Partnership allows investors to purchase and redeem Partnership interests ("Units") at net asset value on a monthly basis. The offering of the Units was structured as a private placement under section 4(2) of the Securities Act of 1933, and Regulation D promulgated thereunder. The Partnership is not registered under the Act in reliance on section 3(c)(1) of the Act. Units are sold to institutional investors and high net worth individuals. The Partnership has a minimum initial purchase requirement of \$250,000, subject to reduction by TAMCO (but not below \$50,000). On June 30, 1996, the net asset value of the Partnership was \$29,614,782 and there were 31 limited partners.

2. TAMCO serves as the sole general partner of the Partnership and has exclusive responsibility for its overall management, control and administration. TAMCO, a registered investment adviser under the Investment Advisers Act of 1940, also serves as investment manager with respect to the Partnership assets. TAMCO and the Adviser are wholly owned subsidiaries of The TCW Group, Inc. As compensation for its services, TAMCO is paid a monthly management fee with respect to each limited partner's pro rata share of the Partnership's net asset value ("Attributable Value").¹

¹ The annual management fees payable to TAMCO by the Partnership are 1.00% on the first \$2 million or less of Attributable Value, .75% on

Continued