

utility; (b) the accuracy of the RRB's estimate of the burden of the collection of the information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden related to the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.

*Title and purpose of information collection:* Application for Spouse Annuity Under the Railroad Retirement Act; OMB 3220-0042 Section 2(c) of the Railroad Retirement Act (RRA), provides for the payment of annuities to spouses of railroad retirement annuitants who meet the requirements under the RRA. The age requirements for a spouse annuity depend on the employee's age and date of retirement and the employee's years of railroad service. The requirements relating to the annuities are prescribed in 20 CFR 216, 218, 219, 232, 234, and 295.

The RRB uses Form AA-3, *Application for Spouse/Divorced Spouse Annuity*, to obtain the information needed to determine an applicant's entitlement to an annuity and the amount of the annuity. Completion is required to obtain a benefit. One response is requested of each respondent.

The RRB proposes to revise Form AA-3 by adding an item that clarifies whether the Medicare processing section of the form needs to be completed. Significant non-burden impacting formatting, cosmetic and editorial changes are also proposed. The RRB estimates that 8,500 Form AA-3's are completed annually at an estimated completion time of 33 to 58 minutes per response. Total respondent burden is estimated at 4,717 hours.

*Additional Information or Comments:* To request more information or to obtain a copy of the information collection justification, forms, and/or supporting material, please call the RRB Clearance Officer at (312) 751-3363. Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 N. Rush Street, Chicago, Illinois 60611-2092. Written comments should be received within 60 days of this notice.

**Chuck Mierzwa,**  
Clearance Officer.

[FR Doc. 00-322 Filed 1-6-00; 8:45 am]

BILLING CODE 7905-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-24230; File No. 812-11438]

### Golden American Life Insurance Company, et al.; Notice of Application

December 30, 1999.

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

**ACTION:** Notice of application for an order of approval pursuant to Section 26(b) of the Investment Company Act of 1940 ("Act") and an order granting exemptive relief pursuant to Section 17(b) of the Act.

**SUMMARY OF APPLICATION:** Applicants seek an order pursuant to Section 26(b) of the Act, approving the substitution of shares of the Mid-Cap Growth Series of The GCG Trust for shares of the All-Growth Series of The GCG Trust. Applicants also seek an order, pursuant to Section 17(b) of the Act, granting exemptions from Section 17(a) to permit Applicants to carry out the substitution by means of in-kind redemption and purchase transactions.

**APPLICANTS:** Golden American Life Insurance Company ("Golden American"), Golden American Life Insurance Company Separate Account A ("Golden American Separate Account A"), Golden American Life Insurance Company Separate Account B ("Golden American Separate Account B"), Equitable Life Insurance Company of Iowa ("Equitable"), Equitable Life Insurance Company of Iowa Separate Account A ("Equitable Separate Account A"), First Golden American Life Insurance Company of New York ("First Golden"), First Golden American Life Insurance Company of New York Separate Account NY-B ("First Golden Separate Account NY-B"), and The GCG Trust ("GCG Trust").

**FILING DATES:** The application was filed on December 18, 1998, and amended and restated on July 13, 1999, and December 23, 1999.

**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 the Secretary of the SEC and serving Applicants with a copy of the request, in person or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on January 24, 2000, and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing request 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 of a hearing by writing to the Secretary of the SEC.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, NW, Washington, DC 20549-0609. Applicants, Marilyn Talman, Esquire, Golden American Life Insurance Company, 1475 Dunwoody Drive, West Chester, Pennsylvania 19380.

**FOR FURTHER INFORMATION CONTACT:** Ronald A. Holinsky, Attorney, or Susan M. Olson, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application is available for a fee from the Public Reference Branch of the SEC, 450 Fifth Street, NW, Washington, DC 20549-0102, or call (202) 942-8090.

### Applicants' Representations

1. Golden American and Equitable are stock life insurance companies organized under the insurance laws of Delaware and Iowa, respectively. Each is authorized to write variable annuity and variable life insurance policies in at least 48 states and the District of Columbia. First Golden is a stock life insurance company organized under the insurance laws of the state of New York, and is authorized to write variable annuity contracts in New York and Delaware. Golden American, Equitable and First Golden (collectively, "Applicant Insurance Companies") are wholly owned subsidiaries of ING Groep N.V. ("ING"), a global financial services holding company.

2. Equitable Separate Account A, Golden Separate Account A, Golden Separate Account B and First Golden Separate Account NY-BH (collectively, "Applicant Separate Accounts") are separate accounts for which one of the Applicant Insurance Companies serves as the sponsor and depositor. Golden American serves as sponsor and depositor of Golden Separate Account and Golden Separate Account B; Equitable serves as sponsor and depositor of Equitable Separate Account A; First Golden serves as sponsor and depositor of First Golden Separate Account NY-B. Each Applicant Separate Account is a segregated asset account of its insurance company sponsor and each is registered under the Act as a unit investment trust. Each Applicant Separate Account is administered and accounted for as part of the general business of the Applicant Insurance Company of which it is a part. The income, gains or losses of Applicant

Separate Accounts are credited to or charged against the assets of each such separate account, without regard to income, gains or losses of such Applicant Insurance Company.

3. Each Applicant Separate Account serves as a finding vehicle for certain variable annuity and/or variable life contracts (collectively, "Variable Contracts") written by the respective Applicant Insurance Companies. Applicant Separate Accounts are divided into separate subaccounts, each dedicated to owning shares of one of the investment options available under the Variable Contracts. The Variable Contracts are structured such that holders of any of the Variable Contracts ("Contractholders") may select one or more of the investment options available under the contract held by allocating premiums payable under such contract to that subaccount of the relevant Applicant Separate Account that corresponds to the investment option desired. Thereafter, Contractholders accumulate funds, on a tax-deferred basis, based on the investment experience of the selected subaccount(s). Contractholders may, during the life of the contract, make unlimited transfers of accumulation values among the subaccounts available under the contract held, subject to any applicable administrative and/or transfer fees.

4. The GCG Trust is registered under the Act as an open-end management series investment company. The GCG Trust offers shares of several separate investment series, including the All-Growth Series and the Mid-Cap Growth Series.

5. Under the terms of an investment advisory agreement ("Trust Management Agreement") between the GCG Trust and Directed Services, Inc. ("DSI"), DSI manages the business and affairs of each of the several series of the GCG Trust, subject to the control of the Board of Trustees of the GCG Trust. Under the Trust Management Agreement, DSI is authorized to exercise full investment discretion and make all determinations with respect to the investment of the assets of the respective series, but may, at its own cost and expense, retain portfolio managers for the purpose of making investment decisions and research information available to the GCG Trust. DSI has retained Massachusetts Financial Services Company as portfolio manager of the Mid-Cap Growth Series and Pilgrim Baxter & Associates, Limited as portfolio manager of the All-Growth Series.

6. Pursuant to the Trust Management Agreement, DSI is responsible for

providing the GCG Trust (or arranging and paying for the provision to the GCG Trust) a comprehensive package of administrative and other services necessary for the ordinary operation of certain selected series of the Trust, including the Mid-Cap Growth Series and the All-Growth Series. This fee ("Unified Fee") is calculated for the participating GCG Trust series based on a percentage of assets basis and in accordance with schedules that provide, for most of the GCG Trust series, fee reductions at specified asset levels or "break points." One feature of the Unified Fee is that certain of the GCG Trust series, which include the Mid-Cap Growth Series and the All-Growth Series, albeit in different groups, are grouped together for the purpose of determining whether a break point has been reached. The rate at which the Unified Fee payable to DSI is calculated will be reduced when the combined assets of all of the GCG Trust series in the designated fee group reach the scheduled break points. As a result, a GCG Trust series that is part of a designated fee group is likely to realize a reduction in the fee payable to DSI more quickly than might otherwise be the case.

7. The Variable Contracts expressly reserve to Applicant Insurance Companies the right, subject to compliance with applicable law, to substitute shares of another open-end management investment company for shares of an open-end management investment company held by a subaccount of the appropriate Separate Account. The prospectuses for the Variable Contracts and Applicant Separate Accounts contain appropriate disclosure of this right.

8. Applicant Insurance Companies propose to substitute shares of the Mid-Cap Series for those of the All-Growth Series by means of cash and in-kind redemptions and purchases ("Substitution"). Following the Substitution, Applicant Separate Accounts will have two subaccounts holding shares of the Mid-Cap Growth Series and will combine these subaccounts.

9. Applicants state that the investment objectives and policies of the Mid-Cap Growth Series are sufficiently similar to those of the All-Growth Series to assure that the essential objectives and risk expectations of those Contractholders with interest in the All-Growth Series subaccounts ("Affected Contractholders") will be met. Both the Mid-Cap Growth Series and the All-Growth Series share the primary objective of increase in value of the

shares of the portfolio securities (capital growth). The Mid-Cap Growth Series also has the same investment strategy as the All-Growth Series, of allocating assets primarily among equity and bond classes of investments, with the majority invested in equity investments in companies with medium market capitalization. Both may be invested significantly in over-the-counter securities. In addition, the All-Growth Series is authorized to allocate 10% of its assets investing in securities of foreign issuers, the Mid-Cap Growth Series is authorized to invest 20% of its net assets in equity securities of foreign issuers. The chief distinction between the series is that the All-Growth Series is diversified and the Mid-Cap Growth Series is non-diversified, although it is not currently taking advantage of that distinction and has no present intention of doing so. Applicants state that several factors could cause the Mid-Cap Growth Series to change its investment style to non-diversified including a response to extreme market conditions or a change of the portfolio manager, although Applicants state that there is no desire to change the portfolio manager. Golden American has, therefore, concluded that the overall investment objectives of the All-Growth Series and the Mid-Cap Growth Series are sufficiently similar such that the Mid-Cap Growth Series is appropriate for substitution.

10. Applicants state that the lower expenses of the Mid-Cap Growth Series was considered. The expense ratio for the nine-month period ended September 30, 1999, for the All-Growth Series and Mid-Cap Growth Series were 0.96% and 0.91%, respectively, and 0.99% and 0.95%, respectively, for fiscal year 1998. Unified Fees as of September 30, 1999 based on net assets for that day for the All-Growth Series and Mid-Cap Growth Series were 0.96% and 0.90%, respectively.

11. Applicants also state that the Mid-Cap Growth Series has more consistent investment performance. Applicants state that the All-Growth Series has not generated the hope for total returns on a consistent basis.

12. Applicants state that the Substitution and the related subaccount combinations are part of an overall business plan of Applicant Insurance Companies to make their respective products, including the Variable Contracts, more competitive and more efficient to administer and oversee. Applicants represent that the Substitution is appropriate because it will allow the GCG Trust to eliminate a portfolio with erratic performance and higher expenses and place Contractholders in a position to

participate in a portfolio with better, more consistent performance and a lower Unified Fee.

13. Applicants state that DSI serves as overall manager of the All-Growth Series and the Mid-Cap Growth Series. The portfolio manager of the Mid-Cap Growth Series is Massachusetts Financial Services Company. After the Substitution, Affected Contractholders whose interest in the All-Growth Series is redeemed and invested in the Mid-Cap Growth Series will continue to benefit from the services of DSI as overall manager.

14. Applicants state that, as of the effective date of the Substitution ("Effective Date"), shares of the All-Growth subaccounts of the Applicant Separate Accounts will be redeemed for cash and certain securities will be transferred in-kind. Applicants, on behalf of the All-Growth subaccount of Applicant Separate Accounts will simultaneously place a redemption request with the All-Growth Series and a purchase order with the Mid-Cap Growth Series so that the purchase will be for the exact amount of the redemption proceeds. The proceeds of such redemptions, whether effected in cash or in-kind, will then be used to purchase the appropriate number of shares of the Mid-Cap Growth Series. As a result, moneys attributable to Contractholders currently invested in the All-Growth Series will be fully invested.

15. The Substitution will take place at relative net asset value (in accordance with Rule 22c-1 under the Act) with no change in the amount of any Affected Contractholder's accumulation value or death benefit or in the dollar value of his or her investment in the Applicant Separate Accounts. Affected Contractholders will not incur any fees or charges as a result of the proposed Substitution nor will their rights or Applicant Insurance Companies' obligations under the Variable Contracts be altered in any way. Applicant Insurance Companies or their affiliates will pay all expenses incurred in connection with the proposed Substitution, including legal, accounting, and other fees and expenses. In addition, the proposed Substitution will not impose any tax liability on Affected Contractholders. The proposed Substitution will not cause the Variable Contract fees and charges currently being paid by Affected Contractholders to be greater after the proposed Substitution than before the proposed Substitution. Also, after notification of the Substitution, and for thirty days after the Substitution, Affected Contractholders may

reallocate, to any other investment options available under their Variable Contract, their All-Growth subaccount accumulation value without incurring any costs or excessive allocation charges.

16. Any transfer in-kind within the proposed Substitution will take place pursuant to rule 17a-7(d) under the Act and no brokerage commissions, fees (except customary transfer fees) or other remuneration will be paid by the All-Growth Series or the Mid-Cap Growth Series or Affected Contractholders in connection with the transactions. Applicants submit that the terms or the proposed transaction, including the consideration to be paid by the Mid-Cap Growth Series and received by the All-Growth Series, is fair and reasonable, and that the transactions do not involve overreaching. The transactions of the proposed Substitution will be consistent with the policies of each investment company involved and the general purposes of the Act, and comply with the requirements of section 17(b) of the Act.

17. Immediately following the Substitution, Applicants will cause the All-Growth subaccounts of Applicant Separate Accounts to combine with the Mid-Cap Growth subaccounts of Applicant Separate Accounts at full net asset value so that there is no loss of account value for the Contractholders. Affected Contractholders will not incur any fees or charges as a result of this combination of subaccounts nor will their rights or Applicants' obligations under the Variable Contracts alter in any way. Applicants will pay all expenses incurred in connection with the combinations, including legal and/or accounting fees. In addition, the combination will not result in any adverse tax liability on Affected Contractholders, or any change in the economic interest or contract value of Affected Contractholders.

18. Affected Contractholders were notified of the Application by means of a supplement to the GCG Trust prospectus on or about March 8, 1999. Following the issuance of the requested order, but prior to the Effective Date, each Affected Contractholder will receive a notice setting forth the Effective Date and advising Affected Contractholders of their right, if they so chose, at any time prior to the Effective Date, to reallocate or withdraw accumulated value in the All-Growth subaccount under their Variable Contract or otherwise terminate their interest thereof in accordance with the terms and conditions of their Variable Contract. If Affected Contractholders reallocate accumulation value prior to

the Effective Date or thirty days after the Effective Date, there will be no charge for the reallocation and it will not be counted toward the total number of reallocations made within the contract year. All current Contractholders have received a prospectus containing a description of the Mid-Cap Growth Series and another copy will be forwarded to any Contractholder who requests one. Within five days after the Effective Date, Affected Contractholders will receive a notice ("Substitution Notice") stating that shares of the All-Growth Series have been redeemed and that the shares of the Mid-Cap Growth Series have been substituted. The Substitution Notice will include a written confirmation showing the before and after accumulation values (which will not have changed as a result of the substitution) and detailing the transactions effected on behalf of the Affected Contractholder with regard to the Substitution.

#### Applicants' Legal Analysis

1. Section 26(b) of the Act prohibits any depositor or trustee of a unit investment trust that invests exclusively in the securities of a single issuer from substituting the securities of another issuer without the approval of the Commission. Section 26(b) provides that such approval shall be granted by order of the Commission, if the evidence establishes that the substitution is consistent with the protection of investors and the purposes of the Act.

2. Applicants request an order pursuant to section 26(b) of the Act approving the Substitution and related transactions. Applicants assert that the purposes, terms, and conditions of the proposed Substitution and related transactions are consistent with the protection of investors and the purposes fairly intended by the Act. Applicants further assert that the Substitution will not result in the type of costly forced redemption against which section 26(b) was intended to guard.

3. Section 17(a)(1) of the Act prohibits any affiliated person of a registered investment company, or an affiliated person of an affiliated person, from selling any security or other property to such registered investment company. Section 17(a)(2) of the Act prohibits any of the persons described above, from purchasing any security or other property from such registered investment company.

4. Applicant Insurance Companies state that it could be said to be transferring unit values between subaccounts. The transfer of unit values could be said to involve purchase and sale transactions between divisions that

are affiliated persons. The division investing in the All-Growth Series could be said to be selling shares of the All-Growth Series to the division investing in the Mid-Cap Growth Series, in return for units of that division. Conversely, it could be said that the division investing in the Mid-Cap Growth Series was purchasing shares of the All-Growth Series. If Substitution is effected through an in-kind transfer of securities the All-Growth Series could be said to be selling portfolio securities from an affiliate and the Mid-Cap Growth Series could be said to be purchasing portfolio securities from an affiliate.

5. Applicants request an order pursuant to Section 17(b) of the Act exempting the in-kind transfer of portfolio securities and combination of subaccounts from the provision of Section 17(a) of that Act. Section 17(b) of the Act provides that the Commission may grant an order exempting a proposed transaction from Section 17(a) if evidence establishes that: (i) The terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve over-reaching on the part of any person concerned; (ii) the proposed transaction is consistent with the investment policy of each registered investment company concerned; and (iii) the proposed transaction is consistent with the general purposes of the Act.

6. Applicants represent that the terms of the redemptions and purchases or the in-kind transfer, including the consideration to be paid and received, are reasonable and fair and do not involve overreaching on the part of any person concerned and that the interest of Contractholders will not be diluted. The redemptions and purchases or the in-kind transfer will be done at values consistent with the policies of both the All-Growth Series and the Mid-Cap Growth Series. Applicant Insurance Companies and DSI will review all the asset transfers to assure that the assets meet the objectives of the Mid-Cap Growth Series and that they are valued under the appropriate valuation procedures of the All-Growth Series and the Mid-Cap Growth Series. The Applicants represent that the transactions are consistent with Rule 17a-7(d) under the Act, the transactions are consistent with the policies of each investment company involved and the general purposes of the Act, and the transactions comply with the requirements of Section 17(b) of the Act.

7. Applicants represent that the combination of the Mid-Cap Growth Series and the All-Growth Series subaccounts in the manner set forth in

the Application is intended to reduce expenses and raise investment return and thereby benefit Contractholders with assets in those subaccounts. The purchase and sale transactions described in the Application will be effected based on the net asset value of the investment company shares held in the subaccounts and the value of the units of the subaccount involved. Therefore, there will be no change in value to any Contractholder.

### Conclusion

Applicants assert that, for the reasons summarized above, the requested order approving the Substitution and related transactions involving redemptions and the combination of certain separate account subaccounts should be granted.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 00-379 Filed 1-6-00; 8:45 am]

**BILLING CODE 8010-01-M**

## SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-24228; File No. 812-11748]

### Golden American Life Insurance Company, *et al.*; Notice of Application

December 30, 1999.

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

**ACTION:** Notice of application for an order of approval pursuant to Section 26(b) of the Investment Company Act of 1940 ("Act").

**SUMMARY OF APPLICATION:** Applicants seek an order pursuant to Section 26(b) of the Act, approving the substitution of shares of the Mid-Cap Growth Series of The GCG Trust for shares of the Growth Opportunities Series of The GCG Trust.

**APPLICANTS:** Golden American Life Insurance Company ("Golden American"), Golden American Life Insurance Company Separate Account A ("Golden American Separate Account A"), Golden American Life Insurance Company Separate Account B ("Golden American Separate Account B"), Equitable Life Insurance Company of Iowa ("Equitable"), Equitable Life Insurance Company of Iowa Separate Account A ("Equitable Separate Account A"), First Golden American Life Insurance Company of New York ("First Golden"), and First Golden American Life Insurance Company of New York Separate Account NY-B

("First Golden Separate Account NY-B").

**FILING DATES:** The application was filed on August 13, 1999, and amended and restated on December 23, 1999.

**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 the Secretary of the SEC and serving Applicants with a copy of the request, in person or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on January 24, 2000, 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 of a hearing by writing to the Secretary of the SEC.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, NW, Washington, DC 20549-0609. Applicants, Marilyn Talman, Esquire, Golden American Life Insurance Company, 1475 Dunwoody Drive, West Chester, Pennsylvania 19380.

**FOR FURTHER INFORMATION CONTACT:** Ronald A. Holinsky, Attorney, or Susan M. Olson, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application is available for a fee from the Public Reference Branch of the SEC, 450 Fifth Street, NW, Washington, DC 20549-0102, or call (202) 942-8090.

### Applicants' Representations

1. Golden American and Equitable are stock life insurance companies organized under the insurance laws of Delaware and Iowa, respectively. Each is authorized to write variable annuity and variable life insurance policies in at least 48 states and the District of Columbia. First Golden is a stock life insurance company organized under the insurance laws of the state of New York, and is authorized to write variable annuity contracts in New York and Delaware. Golden American, Equitable and First Golden (collectively, "Applicant Insurance Companies") are wholly owned subsidiaries of ING Groep N.V. ("ING"), a global financial services holding company.

2. Equitable Separate Account A, Golden Separate Account A, Golden Separate Account B and First Golden Separate Account NY-B (collectively,