

Advance Coordinator to the Director, Executive Scheduling. Effective August 7, 2002.

Staff Assistant to the Assistant to the Secretary and White House Liaison. Effective August 13, 2002.

Staff Assistant to the Assistant Secretary for Community Planning and Development. Effective August 14, 2002. Special Projects Coordinator to the Regional Administrator (Southeast/Caribbean). Effective August 14, 2002.

Staff Assistant to the Deputy Assistant Secretary for International Affairs. Effective August 15, 2002.

Staff Assistant to the Assistant to the Secretary and White House Liaison. Effective August 21, 2002.

Staff Assistant to the Assistant Secretary for Congressional and Intergovernmental Relations. Effective August 22, 2002.

Director, Center for Faith Based and Community Initiatives to the Assistant Secretary for Administration. Effective August 26, 2002.

Department of the Interior

Special Assistant to the Chief of Staff. Effective August 13, 2002.

Special Assistant to the Assistant Secretary, Land and Minerals Management. Effective August 29, 2002.

Special Assistant and Counselor to the Assistant Secretary, Policy, Management and Budget. Effective August 30, 2002.

Department of Justice

Public Affairs Specialist to the Director, Office of Public Affairs. Effective August 7, 2002.

Secretary (Office Automation) to the United States Attorney, Western District of Louisiana. Effective August 14, 2002.

Public Affairs Specialist to the United States Attorney, Western District of New York. Effective August 22, 2002.

Department of Labor

Senior Legislative Officer to the Assistant Secretary for Congressional and Intergovernmental Affairs. Effective August 5, 2002.

Special Assistant to the Secretary of Labor. Effective August 7, 2002.

Staff Assistant to the Deputy Assistant Secretary for Office of Labor Management Standards. Effective August 14, 2002.

Chief of Staff to the Assistant Secretary for Mine Safety and Health. Effective August 21, 2002.

Staff Assistant to the Secretary of Labor. Effective August 22, 2002.

Staff Assistant to the Executive Secretary. Effective August 22, 2002.

Special Assistant to the Director, Office of Public Liaison. Effective August 26, 2002.

Associate Deputy Under Secretary for Public Liaison to the Deputy Under Secretary for International Affairs. Effective August 27, 2002.

Staff Assistant to the Director, Office of the 21st Century Workforce. Effective August 27, 2002.

Special Assistant to the Chief Financial Officer. Effective August 28, 2002.

Special Assistant to the Director of Scheduling and Advance. Effective August 28, 2002.

Research Assistant to the Assistant Secretary for Congressional and Intergovernmental Affairs. Effective August 28, 2002.

Special Assistant to the Deputy Assistant Secretary, Office of Federal Contract Compliance Programs. Effective August 28, 2002.

Special Assistant to the Assistant Secretary for Administration and Management. Effective August 29, 2002.

Special Assistant to the Assistant Secretary, Pension and Welfare Benefits Administration. Effective August 29, 2002.

Special Assistant to the Secretary of Labor. Effective August 30, 2002.

Department of State

Special Assistant to the Assistant Secretary for Resource Management. Effective August 6, 2002.

Staff Assistant to the Deputy Secretary of State. Effective August 15, 2002.

Senior Advisor to the Commissioner, International Joint Commission. Effective August 28, 2002.

Department of Transportation

Associate Director for Governmental Affairs to the Assistant Secretary for Governmental Affairs. Effective August 1, 2002.

Special Assistant to the Administrator, Maritime Administration. Effective August 6, 2002.

Associate Director to the Assistant Secretary for Governmental Affairs. Effective August 28, 2002.

Federal Housing Finance Board

Counsel to the Chairman. Effective August 5, 2002.

Special Assistant to the Board Director. Effective August 5, 2002.

Counsel to the Chairman. Effective August 12, 2002.

Special Assistant to the Board Director. Effective August 29, 2002.

General Services Administration

Congressional Relations Officer to the Associate Administrator for Congressional and Intergovernmental Affairs. Effective August 5, 2002.

Congressional Relations Officer to the Associate Administrator for Congressional and Intergovernmental Affairs. Effective August 26, 2002.

Special Assistant to the Regional Administrator, New England Region. Effective August 26, 2002.

National Endowment for the Humanities

Special Assistant to the Chairman. Effective August 14, 2002.

National Mediation Board

Confidential Assistant to the Board Member. Effective August 28, 2002.

Office of Personnel Management

Policy Analyst to the Director, Office of Personnel Management. Effective August 14, 2002.

Small Business Administration

Deputy Associate Administrator to the Associate Administrator for Communications and Public Liaison. Effective August 12, 2002.

Authority: 5 U.S.C. 3301 and 3302; E.O. 10577, 3 CFR 1954–1958 Comp., p. 218.

Kay Coles James,

Director.

[FR Doc. 02–24086 Filed 9–23–02; 8:45 am]

BILLING CODE 6325–38–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25736, 812–12480]

Prudential Investments LLC, et al.; Notice of Application

September 18, 2002.

AGENCY: Securities and Exchange Commission (“Commission”).

ACTION: Notice of an application under: (a) section 6(c) of the Investment Company Act of 1940 (“Act”) requesting an exemption from sections 12(d)(3) and 17(e) of the Act and rule 17e–1 under the Act; (b) sections 6(c) and 17(b) of the Act requesting an exemption from section 17(a) of the Act; and (c) section 10(f) of the Act requesting an exemption from section 10(f) of the Act.

Summary of Application: Applicants request an order to permit certain registered management investment companies advised by one or more investment advisers to engage in principal and brokerage transactions with a broker-dealer affiliated with one of the investment advisers and to purchase securities in certain underwritings. The transactions would be between a broker-dealer and a portion of the investment company’s

portfolio or another portfolio that is not advised by the adviser affiliated with the broker-dealer. The order also would permit these investment companies not to aggregate certain purchases from an underwriting syndicate in which an affiliated person of one of the investment advisers is a principal underwriter. Further, applicants request relief to permit a portion of an investment company's portfolio to purchase securities issued by a broker-dealer which is an affiliated person of an investment adviser to another portion, subject to the limits in rule 12d3-1 under the Act.

Applicants: Prudential Investments LLC ("PI"), Prudential Investment Management Inc. ("PIM"), Jennison Associates LLC ("Jennison"), and Cash Accumulation Trust, Command Government Fund, Command Money Fund, Command Tax-Free Fund, Prudential California Municipal Fund, Prudential Core Investment Fund, Prudential Equity Fund, Inc., Prudential Europe Growth Fund, Inc., Prudential's Gibraltar Fund, Inc., Prudential Global Total Return Fund, Inc., Prudential Government Income Fund, Inc., Prudential Government Securities Trust, Prudential High Yield Fund, Inc., Prudential Index Series Fund, Prudential Institutional Liquidity Portfolio, Inc., Prudential MoneyMart Assets, Inc., Prudential Municipal Bond Fund, Prudential Municipal Series Fund, Prudential National Municipals Fund, Inc., Prudential Natural Resources Fund, Inc., Prudential Pacific Growth Fund, Inc., Prudential Real Estate Securities Fund, Prudential Sector Funds, Inc., Prudential Short-Term Corporate Bond Fund, Inc., Prudential Small Company Fund, Inc., Prudential Tax-Free Money Fund, Inc., Prudential Tax-Managed Funds, Prudential Tax-Managed Small-Cap Fund, Inc., Prudential Total Return Bond Fund, Inc., Prudential 20/20 Focus Fund, Prudential U.S. Emerging Growth Fund, Inc., Prudential Value Fund, Prudential World Fund, Inc., Special Money Market Fund, Inc., Strategic Partners Asset Allocation Funds, Strategic Partners Opportunity Funds, Strategic Partners Style Specific Funds, The High Yield Income Fund, Inc., The Prudential Investment Portfolios, Inc., The Prudential Series Fund, Inc., The Target Portfolio Trust, The Prudential Variable Contract Account-2, The Prudential Variable Contract Account-10, and The Prudential Variable Contract Account-11 (collectively, the registered investment companies and any existing and future series thereof, the "Funds").

Filing Dates: The application was filed on March 21, 2001 and amended on September 17, 2002.

Hearing or Notification of Hearing: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on October 15, 2002 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 may request notification of a hearing by writing to the Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 5th Street, NW, Washington, DC 20549-0609. Applicants, Gateway Center Three, 100 Mulberry Street, Newark, New Jersey 07102-4077.

FOR FURTHER INFORMATION CONTACT: Jaea F. Hahn, Senior Counsel, at (202) 942-0614, or Janet M. Grossnickle, Branch Chief, 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 at the Commission's Public Reference Branch, 450 5th Street, NW, Washington, DC 20549-0102 (tel. 202-942-8090).

Applicants' Representations

1. Each Fund is a management investment company registered under the Act. PI is an investment adviser registered under the Investment Advisers Act of 1940 ("Advisers Act") and is an indirect wholly owned subsidiary of The Prudential Insurance Company of America ("Prudential"). PI serves as investment adviser to each Fund. PI has appointed one or more investment subadvisers ("Sub-Advisers") to manage certain of the Funds ("Sub-Advised Portfolios"). The Sub-Advised Portfolios that are managed by more than one Sub-Adviser are referred to herein as "Multi-Managed Portfolios". Each Sub-Adviser is registered under the Advisers Act or is exempt from registration. Each Sub-Adviser is responsible for making independent investment and brokerage allocation decisions for its discrete segment ("Portion") of a Multi-Managed Portfolio or its Sub-Advised Portfolio based on its own research and credit evaluations. Each Sub-Adviser is paid a

fee, based on a percentage of the value of assets under the Sub-Adviser's management, by PI out of the proceeds of the management fee received by PI from the Fund. PIM and Jennison, both of which are indirect wholly owned subsidiaries of Prudential, directly advise Portions of Multi-Managed Portfolios and Sub-Advised Portfolios. PI may also directly advise a Portion of a Multi-Managed Portfolio.

2. Applicants request relief to permit: (a) A broker-dealer that serves as a Sub-Adviser or is an affiliated person of a Sub-Adviser (the broker-dealer, an "Affiliated Broker-Dealer;" the Sub-Adviser, an "Affiliated Sub-Adviser") to engage in principal transactions with a Portion of a Multi-Managed Portfolio that is advised by another Sub-Adviser that is not an affiliated person of the Affiliated Broker-Dealer or Affiliated Sub-Adviser (the Portion, an "Unaffiliated Portion"; the other Sub-Adviser, an "Unaffiliated Sub-Adviser"); (b) Affiliated Broker-Dealers to provide brokerage services to an Unaffiliated Portion of the Multi-Managed Portfolios, and the Unaffiliated Portion to use such brokerage services, without complying with rule 17e-1(b) and (d) under the Act; (c) Unaffiliated Portions of the Multi-Managed Portfolios to purchase securities during the existence of an underwriting syndicate, a principal underwriter of which is an Affiliated Sub-Adviser or a person of which an Affiliated Sub-Adviser is an affiliated person ("Affiliated Underwriter"); (d) a Portion advised by an Affiliated Sub-Adviser ("Affiliated Portion") to purchase securities during the existence of an underwriting syndicate, a principal underwriter of which is an Affiliated Underwriter, in accordance with the conditions of rule 10f-3, except that paragraph (b)(7) of the rule would not require the aggregation of purchases by the Affiliated Portion with purchases by an Unaffiliated Portion; and (e) the Unaffiliated Portions of the Multi-Managed Portfolios to purchase securities issued by an Affiliated Sub-Adviser, or an affiliated person of an Affiliated Sub-Adviser, engaged in securities-related activities ("Securities Affiliate"), subject to the limits in rule 12d3-1 under the Act.¹

¹ "Affiliated Broker-Dealer" does not include any broker-dealer that is an affiliated person of PI. The terms "Unaffiliated Sub-Adviser", "Sub-Adviser", "Unaffiliated Portion" and "Unaffiliated Portfolio" include PI, PIM and Jennison and any other entity that is an affiliated person of PI, and the discrete Portion of a Sub-Advised Portfolio directly advised by these entities, respectively, provided that each of these entities manages the Sub-Advised Portfolio (or Portion thereof) independently of any other Sub-Advised Portfolio (or Portion thereof) managed by

3. Applicants also request relief to permit: (a) An Affiliated Broker-Dealer to engage in principal transactions with a Sub-Advised Portfolio (which may or may not be a Multi-Managed Portfolio) that is advised by another Sub-Adviser that is not an affiliated person of the Affiliated Broker-Dealer or Affiliated Sub-Adviser (an "Unaffiliated Portfolio"); and (b) Affiliated Broker-Dealers to provide brokerage services to an Unaffiliated Portfolio, and the Unaffiliated Portfolio to use such brokerage services, without complying with rule 17e-1(b) and (d) under the Act.

4. Applicants request that the exemptive relief apply to each Fund and any existing or future registered management investment company or series thereof that is advised by PI or any entity controlling, controlled by, or under common control with (within the meaning of section 2(a)(9) of the Act), PI. In addition, applicants request that the relief apply to any existing or future entity that serves as Sub-Adviser, Affiliated Broker-Dealer or Affiliated Underwriter to a Multi-Managed or Unaffiliated Portfolio. All existing entities affiliated with PI that currently intend to rely on the order have been named as applicants. PI will take steps designed to ensure that any other existing or future entity that relies on the order will comply with the terms and conditions of the application.

Applicants' Legal Analysis

A. Principal Transactions Between Unaffiliated Portions, Unaffiliated Portfolios, and Affiliated Broker-Dealers

1. Section 17(a) of the Act generally prohibits sales or purchases of securities between a registered investment company and an affiliated person of, promoter of, or principal underwriter for such company, or any affiliated person of an affiliated person, promoter, or principal underwriter ("second-tier affiliate"). Section 2(a)(3)(E) of the Act defines an affiliated person to be any investment adviser of an investment company, and section 2(a)(3)(C) of the Act defines an affiliated person of another person to include any person directly or indirectly controlling, controlled by, or under common control with such person. Applicants state that an Affiliated Sub-Adviser would be an affiliated person of a Multi-Managed Portfolio, and an Affiliated Broker-Dealer would be either an Affiliated Sub-Adviser or an affiliated person of the Affiliated Sub-Adviser to the same

Multi-Managed Portfolio, and thus a second-tier affiliate of a Multi-Managed Portfolio, including the Unaffiliated Portions. Applicants believe that an Affiliated Broker-Dealer that is the Sub-Adviser to a Sub-Advised Portfolio is an affiliated person of the Sub-Advised Portfolio, and an Unaffiliated Portfolio may also be an affiliated person of that Sub-Advised Portfolio by virtue of being under the common control of PI. Thus, the Affiliated Broker-Dealer may be an affiliated person of an affiliated person of the Unaffiliated Portfolio.

Accordingly, applicants state that any transactions to be effected by an Unaffiliated Sub-Adviser on behalf of an Unaffiliated Portion of a Multi-Managed Portfolio with an Affiliated Broker-Dealer or by an Unaffiliated Sub-Adviser on behalf of an Unaffiliated Portfolio with an Affiliated Broker-Dealer are subject to the prohibitions of section 17(a).

2. Applicants seek relief under sections 6(c) and 17(b) of the Act, to exempt principal transactions prohibited by section 17(a) where: (a) An Affiliated Broker-Dealer is deemed to be an affiliated person or a second-tier affiliate of an Unaffiliated Portion solely because an Affiliated Sub-Adviser is the Sub-Adviser to another Portion of the same Multi-Managed Portfolio or (b) an Affiliated Broker-Dealer is deemed to be an affiliated person or a second-tier affiliate of an Unaffiliated Portfolio solely because the Affiliated Broker-Dealer is the Sub-Adviser to another series of the same or an affiliated investment company.

3. Section 17(b) of the Act authorizes the Commission to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that the terms of the proposed transaction are reasonable and fair and do not involve overreaching on the part of any person concerned, and the proposed transaction is consistent with the policy of each registered investment company concerned and the general purposes of the Act. Section 6(c) of the Act permits the Commission to exempt any person or transaction or classes of persons or transactions from any provisions of the Act if the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provision of the Act.

4. Applicants contend that section 17(a) is intended to prevent persons who have the power to control an investment company from using that power to the person's own pecuniary advantage. Applicants assert that when the person acting on behalf of an

investment company has no direct or indirect pecuniary interest in a party to a principal transaction, the abuses that section 17(a) was designed to prevent are not present. Applicants state that if an Unaffiliated Sub-Adviser were to purchase securities on behalf of an Unaffiliated Portion or an Unaffiliated Portfolio in a principal transaction with an Affiliated Broker-Dealer, any benefit that might inure to the Affiliated Broker-Dealer would not be shared by the Unaffiliated Sub-Adviser. In addition, applicants state that Sub-Advisers are paid on the basis of a percentage of the value of the assets under their management. The execution of a transaction to the disadvantage of an Unaffiliated Portion or an Unaffiliated Portfolio would also disadvantage the Unaffiliated Sub-Adviser to the extent that it diminishes the value of the Unaffiliated Portion or Unaffiliated Portfolio. Applicants further state that PI's power to dismiss Sub-Advisers or to change the Portion of a Multi-Managed Portfolio allocated to each Sub-Adviser reinforces a Sub-Adviser's incentive to maximize the investment performance of its own Portion of the Multi-Managed Portfolio or Unaffiliated Portfolio.

5. Applicants state the each Sub-Adviser's contract assigns it responsibility to manage a Portion of the Multi-Managed Portfolio or an entire Unaffiliated Portfolio. Each Sub-Adviser is responsible for making independent investment and brokerage allocation decisions based on its own research and credit evaluations. Applicants state that PI does not dictate brokerage allocation or investment decisions for Funds advised by a Sub-Adviser, or have the contractual right to do so, except for any Portion of a Multi-Managed Portfolio advised directly by PI. Applicants submit that, in managing a Portion of a Multi-Managed Portfolio or all of a Fund, each Sub-Adviser acts for all practical purposes as though it is managing a separate investment company.

6. Applicants state that the proposed transactions will be consistent with the policies of the Funds since each Unaffiliated Sub-Adviser is required to manage the assets allocated to it in accordance with the investment objectives and related investment policies of the Fund involved as described in its registration statement. Applicants assert that permitting the transactions will be consistent with the general purposes of the Act and in the public interest because the ability to engage in such transactions increases the likelihood of the Sub-Advised Portfolio achieving best price and execution on its principal transactions,

a different Sub-Adviser, and these entities do not control or influence any other Sub-Adviser's investment decisions for its Portion of the Multi-Managed Portfolios.

while giving rise to none of the abuses that the Act was designed to prevent.

B. Payment of Brokerage Compensation by an Unaffiliated Portion or Unaffiliated Portfolio to an Affiliated Broker-Dealer

1. Section 17(e)(2) of the Act prohibits an affiliated person or a second-tier affiliate of a registered investment company from receiving compensation for acting as a broker in connection with the sale of securities to or by the investment company if the compensation exceeds the limits prescribed by the section unless otherwise permitted by rule 17e-1 under the Act. Rule 17e-1 sets forth the conditions under which an affiliated person or a second-tier affiliate of an investment company may receive a commission, fee or other remuneration as a broker in a securities transaction that would not exceed the "usual and customary broker's commission" for purposes of section 17(e)(2) of the Act. Rule 17e-1(b) requires the investment company's board of directors, including a majority of the directors who are not interested persons under section 2(a)(19) of the Act, to adopt certain procedures and to determine at least quarterly that all transactions effected in reliance on the rule complied with the procedures. Rule 17e-1(d) specifies the records that must be maintained by each investment company with respect to any transaction effected pursuant to rule 17e-1.

2. As discussed above, applicants state that an Affiliated Broker-Dealer is either an affiliated person (as Sub-Adviser to another portion of a Multi-Managed Portfolio) or a second-tier affiliate of an Unaffiliated Portion, or an affiliated person or a second-tier affiliate of the Unaffiliated Portfolio and thus subject to section 17(e). Applicants request relief under section 6(c) of the Act from section 17(e) of the Act and rule 17e-1 under the Act to the extent necessary to permit the Unaffiliated Portion or Unaffiliated Portfolio to pay brokerage compensation to an Affiliated Broker-Dealer acting as broker in the ordinary course of business without complying with the requirements of rule 17e-1(b) and (d). The requested exemption would apply only where (a) an Affiliated Broker-Dealer is deemed to be an affiliated person or a second-tier affiliate of an Unaffiliated Portion solely because an Affiliated Sub-Adviser is the Sub-Adviser to another Portion of the Multi-Managed Portfolio or (b) an Affiliated Broker-Dealer is deemed to be an affiliated person or a second-tier affiliate of an Unaffiliated Portfolio because the Affiliated Broker-Dealer is a

Sub-Adviser (*i.e.*, the Affiliated Broker-Dealer is part of the same legal entity as the Sub-Adviser) to another portfolio of the same or an affiliated investment company. The relief would not apply if the Affiliated Broker-Dealer (except by virtue of serving as a Sub-Adviser to a Portion of a Multi-Managed Portfolio or an Unaffiliated Portfolio) is an affiliated person or second-tier affiliate of PI, the Unaffiliated Sub-Adviser making the investment decision with respect to the Unaffiliated Portion of the Multi-Managed Fund or Unaffiliated Portfolio, a principal underwriter, promoter, or any officer, trustee or employee of the Multi-Managed Portfolio or Unaffiliated Portfolio.

3. Applicants believe that the proposed brokerage transactions involve no conflicts of interest or possibility of self-dealing and will meet the standards of section 6(c) of the Act. Applicants assert that the interests of an Unaffiliated Sub-Adviser are directly aligned with the interests of the Unaffiliated Portion or Unaffiliated Portfolio it advises, and an Unaffiliated Subadviser will enter into brokerage transactions with Affiliated Broker-Dealers only if the fees charged are reasonable and fair, as required by rule 17e-1(a). Applicants note that an Unaffiliated Sub-Adviser has a fiduciary duty to obtain best price and execution for the Unaffiliated Portion or Unaffiliated Portfolio.

C. Purchases of Securities From Offerings With Affiliated Underwriters

1. Section 10(f) of the Act, in relevant part, prohibits a registered investment company from knowingly purchasing or otherwise acquiring, during the existence of any underwriting or selling syndicate, any security (except a security of which the company is the issuer) when a principal underwriter of the security, or an affiliated person of the principal underwriter, is an officer, director, member of an advisory board, investment adviser or employee of the investment company. Section 10(f) also provides that the Commission may exempt by order any transaction or classes of transactions from any of the provisions of section 10(f), if and to the extent that such exemption is consistent with the protection of investors. Rule 10f-3 under the Act exempts certain transactions from the prohibitions of section 10(f) if specified conditions are met. Paragraph (b)(7) of rule 10f-3 limits the securities purchased by the investment company, or by two or more investment companies having the same investment adviser, to 25% of the principal amount of the offering of the class of securities.

2. Applicants state that each Sub-Adviser, although under contract to manage only a Portion of a Multi-Managed Portfolio, is an investment adviser to the entire Multi-Managed Portfolio. Therefore, all purchases of securities by an Unaffiliated Portion from an underwriting syndicate, a principal underwriter of which is an Affiliated Underwriter, would be subject to section 10(f).

3. Applicants request relief under section 10(f) to permit an Unaffiliated Portion to purchase securities in the ordinary course of business during the existence of an underwriting or selling syndicate, a principal underwriter of which is an Affiliated Underwriter. Applicants request relief from section 10(f) only to the extent those provisions apply solely because an Affiliated Sub-Adviser is an investment adviser to the Multi-Managed Portfolio. The requested relief would not be available if the Affiliated Underwriter (except by virtue of serving as Sub-Adviser to a Portion of a Multi-Managed Portfolio) is an affiliated person or a second-tier affiliate of PI, the Unaffiliated Sub-Adviser making the investment decision, a principal underwriter, promoter, or any officer, trustee or employee of the Multi-Managed Portfolio. Applicants also seek relief from section 10(f) to permit an Affiliated Portion to purchase securities during the existence of an underwriting syndicate, a principal underwriter of which is an Affiliated Underwriter, provided that the purchase is in accordance with the conditions of rule 10f-3, except that paragraph (b)(7) of the rule will not require the aggregation of purchases by the Affiliated Portion with purchases by an Unaffiliated Portion.

4. Applicants state that section 10(f) was adopted in response to concerns about the "dumping" of otherwise unmarketable securities on investment companies, either by forcing the investment company to purchase unmarketable securities from its underwriting affiliate, or by forcing or encouraging the investment company to purchase the securities from another member of the syndicate. Applicants submit that these abuses are not present in the context of the Multi-Managed Portfolios because a decision by an Unaffiliated Sub-Adviser to a Portion of a Multi-Managed Portfolio to purchase securities during the existence of an underwriting syndicate, a principal underwriter of which is an Affiliated Underwriter, involves no potential for "dumping". In addition, applicants state that aggregating purchases would serve no purpose because there is no collaboration among Sub-Advisers, and

any common purchases by an Affiliated Sub-Adviser and an Unaffiliated Sub-Adviser would be coincidence.

D. Purchases of Securities Issued by Securities Affiliates

1. Section 12(d)(3) of the Act generally prohibits a registered investment company from acquiring any security issued by any person who is a broker, dealer, investment adviser, or engaged in the business of underwriting. Rule 12d3-1 under the Act exempts certain transactions from the prohibitions of section 12(d)(3) if certain conditions are met. One of these conditions, set forth in paragraph (c) of rule 12d3-1, provides that the exemption provided by the rule is not available when the issuer of the securities is the investment company's investment adviser, promoter, or principal underwriter, or an affiliated person of the investment adviser, promoter, or principal underwriter.

2. Applicants state that because each Sub-Adviser to a Multi-Managed Portfolio is considered to be an investment adviser to the entire Multi-Managed Portfolio, an Unaffiliated Portion may not purchase securities of a Securities Affiliate in reliance on rule 12d3-1. Applicants request an exemption under section 6(c) from section 12(d)(3) to permit an Unaffiliated Portion to acquire securities issued by a Securities Affiliate subject to the limits in rule 12d3-1, except for paragraph (c) to the extent that the paragraph applies solely because the Securities Affiliate is an Affiliated Sub-Adviser, or an affiliated person of an Affiliated Sub-Adviser. The requested relief would not extend to securities issued by the Sub-Adviser making the purchase, PI, a principal underwriter or promoter of the Fund or any affiliated person of any of these entities.

3. Applicants state that their proposal does not raise the conflicts of interest that rule 12d3-1(c) was designed to address because of the nature of the affiliation between a Securities Affiliate and the Unaffiliated Portion. Applicants submit that each Sub-Adviser acts independently of the other Sub-Advisers in making investment decisions for the assets allocated to its portion of the Multi-Managed Portfolio. Further, applicants assert that prohibiting the Unaffiliated Portions from purchasing securities issued by Securities Affiliates could harm the interests of shareholders by causing the Unaffiliated Sub-Advisers to forego investment opportunities that would be in the best interests of the Unaffiliated Portions that they manage.

Applicants' Conditions

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

1. Each Multi-Managed Portfolio relying on the requested order will be advised by an Affiliated Subadviser and at least one Unaffiliated Sub-Adviser, and will be operated in the manner described in the application.

2. No Affiliated Sub-Adviser, Affiliated Broker-Dealer, Affiliated Underwriter or Securities Affiliate (except by virtue of serving as Sub-Adviser to an Unaffiliated Portfolio or a Portion of a Multi-Managed Portfolio) will be an affiliated person or second-tier affiliate of PI, any Unaffiliated Sub-Adviser, or any principal underwriter, promoter, officer, director or employee of the Sub-Advised Portfolio.

3. No Affiliated Sub-Adviser will directly or indirectly consult with any Unaffiliated Sub-Adviser concerning allocation of principal or brokerage transactions.

4. No Affiliated Sub-Adviser will participate in any arrangement whereby the amount of its sub-advisory fees will be affected by the investment performance of an Unaffiliated Sub-Adviser.

5. With respect to purchases of securities by an Affiliated Portion during the existence of any underwriting or selling syndicate, a principal underwriter of which is an Affiliated Underwriter, the conditions of rule 10f-3 will be satisfied except that paragraph (b)(7) will not require the aggregation of purchases by the Affiliated Portion with purchases by an Unaffiliated Portion.

6. With respect to purchases by an Unaffiliated Portion of securities issued by a Securities Affiliate, the conditions of rule 12d3-1 will be satisfied except for paragraph (c) to the extent such paragraph is applicable solely because such issuer is an Affiliated Sub-Adviser or an affiliated person of an Affiliated Sub-Adviser.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-24212 Filed 9-23-02; 8:45 am]

BILLING CODE 8010-01-P

DEPARTMENT OF STATE

[Public Notice 4136]

Culturally Significant Object Imported for Exhibition Determinations: "Whistler, Sargent and Steer: Impressionists in London From Tate Collections"

AGENCY: Department of State.

ACTION: Notice.

SUMMARY: Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, and Delegation of Authority No. 236 of October 19, 1999, as amended, I hereby determine that the objects to be included in the exhibition "Whistler, Sargent and Steer: Impressionists in London from Tate Collections," imported from abroad for temporary exhibition within the United States, are of cultural significance. The objects are imported pursuant to a loan agreement with the foreign owners. I also determine that the exhibition or display of the exhibit objects at The Frist Center for the Visual Arts, from on or about October 11, 2002 to on or about January 5, 2003, and at possible additional venues yet to be determined, is in the national interest. Public Notice of these Determinations is ordered to be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: For further information, contact Orde F. Kittrie, Attorney-Adviser, Office of the Legal Adviser, Department of State, (telephone: 202/619-5078). The address is Department of State, SA-44, 301 4th Street, SW., Room 700, Washington, DC 20547-0001.

Dated: September 18, 2002.

Miller Crouch,

Assistant Secretary for Educational and Cultural Affairs (Acting), Department of State.

[FR Doc. 02-24234 Filed 9-23-02; 8:45 am]

BILLING CODE 4710-08-P

DEPARTMENT OF TRANSPORTATION

Coast Guard

[USCG-2002-13262]

National Boating Safety Advisory Council

AGENCY: Coast Guard, DOT.

ACTION: Notice of meetings.