secure lag service and compensation information when it is needed to determine benefit eligibility. Form AA–12 obtains a report of lag service and compensation from the last railroad employer of a deceased employee. This report covers the lag period between the date of the latest record of employment processed by the RRB and the date an employee last worked, the date of death or the date the employee may have been entitled to benefits under the Social Security Act. The information is used by the RRB to determine benefits due on the deceased employee's earnings record. The RRB proposes changes to Form AA–12 to delete items no longer needed. Minor editorial and formatting changes are also proposed to Form AA–12. No changes are proposed to Form G–88a.1. Non-burden impacting editorial and formatting changes are proposed to Form G–88a.2.

In addition, 20 CFR 209.12(b) requires all railroad employers to furnish the RRB with the home addresses of all employees hired within the last year (new-hires). Form BA–6a, BA–6 Address Report, is used by the RRB to obtain home address information of employees from railroad employers that do not have the home address information computerized and who submit the information in a paper format. The form also serves as an instruction sheet to railroad employers who can also submit the information electronically by magnetic tape, cartridge, PC diskette or via the Internet utilizing the RRB's Employer Reporting System. No changes are proposed to the approved versions of Form BA–6a currently in use. The RRB is proposing the addition of a secure E-mail equivalent option of Form BA–6a to the information collection.

The completion time for Form G–88a.1 is estimated at 5 to 20 minutes. Form G–88a.2 is estimated at 5 minutes per response. The estimated completion time for Form AA–12 is 5 minutes per response. The estimated completion time for Form BA–6a is 10 to 30 minutes. Completion is mandatory. The RRB estimates that approximately 60 Form AA–12's, 504 Form G–88a.1's, 480 Form G–88a.2's and 914 Form BA–6a's are completed annually.

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 or send an e-mail request to *Charles.Mierzwa@RRB.GOV.* Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611–2092 or send an e-mail to *Ronald.Hodapp@RRB.GOV.* Written comments should be received within 60 days of this notice.

Charles Mierzwa,

Clearance Officer.

[FR Doc. E6–7271 Filed 5–11–06; 8:45 am]

BILLING CODE 7905–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–27315; 812–13167]

Phoenix Life Insurance Company, et al.; Notice of Application

May 8, 2006.

AGENCY: Securities and Exchange Commission (''Commission'').

ACTION: Notice of application for an order under section 12(d)(1)(J) of the Investment Company Act of 1940 (''Act'') for an exemption from sections 12(d)(1)(A) and (B) of the Act and under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act.

Summary of Application: The order would permit certain registered open-end management investment companies to acquire shares of other registered open-end management investment companies and unit investment trusts (''UITs'') both within and outside the same group of investment companies.

Applicants: (a) Phoenix Life Insurance Company (''Phoenix''), PHL Variable Insurance Company (''PHL Variable'') and Phoenix Life and Annuity Company (''PLAC,'' and together with Phoenix, PHL Variable and any insurance company controlling, controlled by or under common control with Phoenix, PHL Variable or PLAC, the ''Insurance Companies''); (b) Phoenix Edge Series Fund (the ''Insurance-Dedicated Fund''), including the currently existing series and all future series thereof; (c) Phoenix Pholios (the ''Retail Fund,'' and together with the Insurance-Dedicated Fund, the ''Phoenix Funds'') including the currently existing series and all future series thereof; (d) any existing or future registered open-end management investment companies and any series thereof that are part of the same ''group of investment companies,'' as defined in section 12(d)(1)(G)(ii) of the Act, as the Phoenix Funds, and are, or will be, advised by either Phoenix Investment Counsel, Inc. or Phoenix Variable Advisors, Inc. (collectively, the ''Manager'') [1] or any entity controlling, controlled by or under common control with the Manager (included in the term, ''Phoenix Funds''); and (e) the Manager.[2]

DATES: *Filing Dates:* The application was filed on February 14, 2005 and amended on January 6, 2006 and May 1, 2006. *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 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. June 2, 2006, 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 Commission's Secretary.

ADDRESSES: Secretary, U.S. Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090; Applicants, Phoenix, PHL Variable, PLAC, and Phoenix Variable Advisors, Inc., One American Row, Hartford, CT 06102; the Retail Fund and the Insurance-Dedicated Fund, 101 Munson Street, Greenfield, MA 01301; Phoenix Investment Counsel, Inc., 56 Prospect Street, Hartford, CT 06115.

FOR FURTHER INFORMATION CONTACT: John Yoder, Senior Counsel, at (202) 551–6878, or Mary Kay Frech, Branch Chief, at (202) 551–6821 (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 Public Reference Desk, U.S. Securities and Exchange Commission, 100 F Street, NE., Washington DC 20549–0102 (telephone (202) 551–5850).

Applicants' Representations

1. Phoenix is a New York life insurance company and an indirect wholly-owned subsidiary of The Phoenix Companies, Inc. (''The Phoenix Companies''), a publicly traded Delaware corporation. PHL Variable is a Connecticut life insurance company and an indirect wholly-owned subsidiary of

[1] The Manager, together with any existing or future entity controlling, controlled by or under common control with the Manager are referred to collectively as the ''Manager.''

[2] All entities that currently intend to rely on the requested order are named as applicants. Any other entity that relies on the order in the future will comply with the terms and conditions of the application.

Phoenix. PLAC is a Connecticut life insurance company and an indirect wholly-owned subsidiary of The Phoenix Companies. The Insurance Companies issue group and individual variable annuity contracts and variable life insurance policies (collectively, the ''Contracts'') that offer opportunities to invest in the Insurance-Dedicated Fund through separate accounts registered under the Act (''Registered Separate Accounts'') and separate accounts exempt from registration under the Act (''Unregistered Separate Accounts,'' and together with the Registered Separate Accounts, the ''Separate Accounts'').

2. The Insurance-Dedicated Fund is a Massachusetts business trust registered under the Act as an open-end management investment company. The Retail Fund is a Delaware statutory trust registered under the Act as a diversified open-end management investment company. The Insurance-Dedicated Fund and the Retail Fund currently offer 26 and 7 series, respectively (each series is referred to as a ''Fund,'' and collectively, as ''Funds''). Except for organizational seed capital for certain of the Funds invested by the Manager or an affiliate, shares of the Insurance-Dedicated Fund are sold exclusively to the Insurance Companies on behalf of their Separate Accounts to fund benefits under the Contracts. Shares of the Insurance-Dedicated Fund may also be offered in the future to unaffiliated insurance companies to fund benefits under variable annuity contracts and variable life insurance policies issued by the unaffiliated insurance companies, and directly to certain qualified pension and profit sharing plans pursuant to an order granted by the Commission.[3] Shares of the Retail Fund are sold directly to the public.

3. The Manager is an affiliated person of the Insurance Companies and is registered under the Investment Advisers Act of 1940. The Manager serves as investment adviser to the Funds.

4. Applicants request relief to permit certain Funds (each a ''Fund of Funds'') to invest in: (a) Other Funds in the same group of investment companies as the Fund of Funds (''Affiliated Funds''), and/or (b) registered open-end management investment companies and UITs that are not part of the same group of investment companies as the Fund of Funds (''Unaffiliated Funds,'' and together with the Affiliated Funds, the ''Underlying Funds''). The Unaffiliated Funds may include UITs (''Unaffiliated Underlying Trusts'') and open-end management investment companies registered under the Act (''Unaffiliated Underlying Funds''). Certain of the Unaffiliated Funds may be ''exchange-traded funds'' that are registered under the Act as UITs or open-end management investment companies and have received exemptive relief to sell their shares on a national securities exchange at negotiated prices (''ETFs''). Each Fund of Funds may also make investments in government securities, domestic and foreign common and preferred stock, fixed income securities, futures transactions, options on the foregoing and in other securities that are not issued by registered investment companies and which are consistent with its investment objective, including money market instruments (the ''Other Securities''). Applicants state that the requested relief will provide an efficient and simple method of allowing investors to create a comprehensive asset allocation program.

Applicants' Legal Analysis

A. Section 12(d)(1)

1. Section 12(d)(1)(A) of the Act prohibits a registered investment company from acquiring shares of an investment company if the securities represent more than 3% of the total outstanding voting stock of the acquired company, more than 5% of the total assets of the acquiring company, or, together with the securities of any other investment companies, more than 10% of the total assets of the acquiring company. Section 12(d)(1)(B) of the Act prohibits a registered open-end investment company, its principal underwriter and any broker or dealer from selling the shares of the investment company to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company's voting stock, or if the sale will cause more than 10% of the acquired company's voting stock to be owned by investment companies generally.

2. Section 12(d)(1)(G) provides, in relevant part, that section 12(d)(1) will not apply to securities of a registered open-end investment company or registered UIT if the acquired company and the acquiring company are part of the same group of investment companies, provided that certain other requirements contained in section 12(d)(1)(G) are met. Applicants state that, while the Funds of Funds currently rely on section 12(d)(1)(G) with respect to their investments in Affiliated Funds, if the Funds of Funds wish to invest in Unaffiliated Funds and Other Securities in addition to Affiliated Funds, they cannot then rely on section 12(d)(1)(G).

3. Section 12(d)(1)(J) of the Act provides that the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities or transactions, from any provision of section 12(d)(1) if the exemption is consistent with the public interest and the protection of investors. Applicants seek an exemption under section 12(d)(1)(J) to permit the Funds of Funds to acquire shares of Affiliated and Unaffiliated Funds and to permit the Affiliated and Unaffiliated Funds, their principal underwriters and any broker or dealer to sell shares to the Funds of Funds beyond the limits set forth in sections 12(d)(1)(A) and (B) of the Act.

4. Applicants state that the proposed arrangement will not give rise to the policy concerns underlying sections 12(d)(1)(A) and (B), which include concerns about undue influence by a fund of funds over underlying funds, excessive layering of fees, and overly complex fund structures. Accordingly, applicants believe that the requested exemption is consistent with the public interest and the protection of investors.

5. Applicants state that the proposed arrangement will not result in undue influence by a Fund of Funds or its affiliated persons over the Unaffiliated Funds. To limit the control that a Fund of Funds may have over an Unaffiliated Fund, applicants propose a condition prohibiting: (a) The Manager and any person controlling, controlled by or under common control with the Manager, and any investment company and any issuer that would be an investment company but for section 3(c)(1) or section 3(c)(7) of the Act advised or sponsored by the Manager or any person controlling, controlled by or under common control with the Manager (collectively, the ''Group''), and (b) any investment adviser within the meaning of section 2(a)(20)(B) of the Act (''Sub-Adviser'') to a Fund of Funds, any person controlling, controlled by or under common control with the Sub-Adviser, and any investment company or issuer that would be an investment company but for section 3(c)(1) or 3(c)(7) of the Act (or portion of such investment company or issuer) advised by the Sub-Adviser or any person controlling, controlled by or under common control with the Sub-Adviser (collectively, the ''Sub-Adviser Group'') from controlling an Unaffiliated Fund within the meaning of section 2(a)(9) of the Act.

6. Applicants also propose conditions to preclude a Fund of Funds and its affiliated entities from taking advantage

[3] The Phoenix Edge Series Fund, Investment Company Act Release Nos. 25687 (July 26, 2002) (notice) and 25703 (August 20, 2002) (order).

of an Unaffiliated Fund. Under condition 2, no consideration will be received by a Fund of Funds or its Manager, Sub-Adviser, promoter, principal underwriter and any person controlling, controlled by or under common control with any of these entities (each, a ''Fund of Funds Affiliate'') from an Unaffiliated Fund or its investment adviser(s), sponsor, promoter, principal underwriter and any person controlling, controlled by or under common control with any of these entities (each, an ''Unaffiliated Fund Affiliate'') in connection with any services, transactions or the investment by the Fund of Funds in the Unaffiliated Fund. Condition 3 precludes a Fund of Funds and Fund of Funds Affiliate (except to the extent it is acting in its capacity as an investment adviser to an Unaffiliated Underlying Fund or sponsor to an Unaffiliated Underlying Trust) from causing an Unaffiliated Fund to purchase a security in an offering of securities during the existence of any underwriting or selling syndicate of which a principal underwriter is an officer, director, member of an advisory board, Manager, Sub-Adviser, or employee of the Fund of Funds, or a person of which any such officer, director, member of an advisory board, Manager, Sub-Adviser, or employee is an affiliated person (each, an ''Underwriting Affiliate,'' except any person whose relationship to the Unaffiliated Fund is covered by section 10(f) of the Act is not an Underwriting Affiliate). An offering of securities during the existence of any underwriting or selling syndicate of which a principal underwriter is an Underwriting Affiliate is an ''Affiliated Underwriting.''

7. As an additional assurance that an Unaffiliated Underlying Fund understands the implications of an investment by a Fund of Funds under the requested order, prior to a Fund of Funds' investment in an Unaffiliated Underlying Fund in excess of the limit in section 12(d)(1)(A)(i), condition 6 requires that the Fund of Funds and Unaffiliated Underlying Fund execute an agreement stating, without limitation, that their boards of directors or trustees and their investment advisers understand the terms and conditions of the order and agree to fulfill their responsibilities under the order. Applicants note that an Unaffiliated Fund (other than an ETF whose shares are purchased by a Fund of Funds in the secondary market) will retain the right to reject an investment by a Fund of Funds.[4]

8. Applicants do not believe that the proposed arrangement will involve excessive layering of fees. With respect to investment advisory fees, applicants state that, prior to reliance on the requested order and subsequently in connection with the approval of any investment advisory contract under section 15 of the Act, the board of directors or trustees (''Board'') of each Fund of Funds, including a majority of the directors or trustees who are not ''interested persons,'' as defined in section 2(a)(19) of the Act (''Disinterested Trustees''), will find that the investment advisory fees charged under a Fund of Fund's investment advisory contract(s) are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to any Affiliated Fund's and Unaffiliated Underlying Fund's advisory contract(s).

9. Applicants state that the proposed arrangement will not create an overly complex fund structure. Applicants note that an Underlying Fund will be prohibited from acquiring securities of any investment company or company relying on section 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A), except to the extent that such Underlying Fund: (a) Receives securities of another investment company as a dividend or as a result of a plan of reorganization of a company (other than a plan devised for the purpose of evading section 12(d)(1) of the Act); or (b) acquires (or is deemed to have acquired) securities of another investment company pursuant to exemptive relief from the Commission permitting such Underlying Fund to: (i) Acquire securities of one or more affiliated investment companies for short-term cash management purposes, or (ii) engage in interfund borrowing and lending transactions. Applicants also represent that a Fund of Funds' prospectus and sales literature will contain concise, ''plain English'' disclosure designed to inform investors of the unique characteristics of the proposed Fund of Funds structure, including, but not limited to, its expense structure and the additional expenses of investing in Underlying Funds.

B. Section 17(a)

6. Section 17(a) of the Act generally prohibits sales or purchases of securities between a registered investment company and any affiliated person of the company. Section 2(a)(3) of the Act defines an ''affiliated person'' of another person to include (a) Any person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of the other person; (b) any person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote by the other person; and (c) any person directly or indirectly controlling, controlled by, or under common control with the other person.

7. Applicants state that the Funds of Funds and the Affiliated Funds might be deemed to be under common control of the Manager and therefore affiliated persons of one another. Applicants also state that the Funds of Funds and the Underlying Funds might be deemed to be affiliated persons of one another if a Fund of Funds acquires 5% or more of an Underlying Fund's outstanding voting securities. In light of these possible affiliations, section 17(a) could prevent an Underlying Fund from selling shares to and redeeming shares from a Fund of Funds.

8. 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 (a) The terms of the proposed transaction are fair and reasonable and do not involve overreaching on the part of any person concerned; (b) the proposed transaction is consistent with the policies of each registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act. Section 6(c) of the Act permits the Commission to exempt any person or transactions from any provision of the Act 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.

9. Applicants submit that the proposed arrangement satisfies the standards for relief under sections 17(b) and 6(c) of the Act. Applicants state that the terms of the arrangement are fair and reasonable and do not involve overreaching. Applicants note that the terms upon which an Underlying Fund will sell its shares to or purchase its shares from a Fund of Funds will be based on the net asset value of each Underlying Fund.[5] Applicants state that

[4] An Unaffiliated Fund, including an ETF, would retain its right to reject any initial investment by a Fund of Funds in excess of the limit in section 12(d)(1)(A)(i) of the Act by declining to execute the agreement with the Fund of Funds.

[5] Applicants note that a Fund of Funds generally would purchase and sell shares of an Underlying

the proposed arrangement will be consistent with the policies of each Fund of Funds and Underlying Fund, and with the general purposes of the Act.

Applicants' Conditions

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

1. The members of the Group will not control (individually or in the aggregate) an Unaffiliated Fund within the meaning of section 2(a)(9) of the Act. The members of the Sub-Adviser Group will not control (individually or in the aggregate) an Unaffiliated Fund within the meaning of section 2(a)(9) of the Act. If, as a result of a decrease in the outstanding voting securities of an Unaffiliated Fund, the Group or the Sub-Adviser Group, each in the aggregate, becomes a holder of more than 25% of the outstanding voting securities of the Unaffiliated Fund, it (except for any member of the Group or the Sub-Adviser Group that is a Separate Account) will vote its shares of the Unaffiliated Fund in the same proportion as the vote of all other holders of the Unaffiliated Fund's shares. A Registered Separate Account will seek voting instructions from its Contract holders and will vote its shares of an Unaffiliated Fund in accordance with the instructions received and will vote those shares for which no instructions were received in the same proportion as the shares for which instructions were received. An Unregistered Separate Account will either: (i) Vote its shares of the Unaffiliated Fund in the same proportion as the vote of all other holders of the Unaffiliated Fund's shares; or (ii) seek voting instructions from its Contract holders and vote its shares in accordance with the instructions received and vote those shares for which no instructions were received in the same proportion as the shares for which instructions were received. This condition will not apply to the Sub-Adviser Group with respect to an Unaffiliated Fund for which the Sub-Adviser or a person controlling, controlled by, or under common control with the Sub-Adviser acts as the investment adviser within the meaning section 2(a)(20)(A) of the Act (in the case of an Unaffiliated Underlying Fund) or as the sponsor (in the case of an Unaffiliated Underlying Trust).

2. No consideration will be received by a Fund of Funds or a Fund of Funds Affiliate from an Unaffiliated Fund or an Unaffiliated Fund Affiliate in connection with any services, transactions or the investment by the Fund of Funds in the Unaffiliated Fund.

3. No Fund of Funds or Fund of Funds Affiliate (except to the extent it is acting in its capacity as an investment adviser to an Unaffiliated Underlying Fund or sponsor to an Unaffiliated Underlying Trust) will cause an Unaffiliated Fund to purchase a security in any Affiliated Underwriting.

4. The Board of an Unaffiliated Underlying Fund, including a majority of the Disinterested Trustees, will adopt procedures reasonably designed to monitor any purchases of securities by the Unaffiliated Underlying Fund in an Affiliated Underwriting, once an investment by a Fund of Funds in the securities of the Unaffiliated Underlying Fund exceeds the limit of section 12(d)(1)(A)(i) of the Act, including any purchases made directly from an Underwriting Affiliate. The Board of the Unaffiliated Underlying Fund will review these purchases periodically, but no less frequently than annually, to determine whether the purchases were influenced by the investment by the Fund of Funds in the Unaffiliated Underlying Fund. The Board of the Unaffiliated Underlying Fund will consider, among other things: (a) Whether the purchases were consistent with the investment objectives and policies of the Unaffiliated Underlying Fund; (b) how the performance of securities purchased in an Affiliated Underwriting compares to the performance of comparable securities purchased during a comparable period of time in underwritings other than Affiliated Underwritings or to a benchmark such as a comparable market index; and (c) whether the amount of securities purchased by the Unaffiliated Underlying Fund in Affiliated Underwritings and the amount purchased directly from an Underwriting Affiliate have changed significantly from prior years. The Board of the Unaffiliated Underlying Fund will take any appropriate actions based on its review, including, if appropriate, the institution of procedures designed to assure that purchases of securities in Affiliated Underwritings are in the best interests of shareholders.

5. Each Unaffiliated Underlying Fund will maintain and preserve permanently in an easily accessible place a written copy of the procedures described in the preceding condition, and any modifications to such procedures, and will maintain and preserve for a period of not less than six years from the end of the fiscal year in which any purchase from an Affiliated Underwriting occurred, the first two years in an easily accessible place, a written record of each purchase of securities in an Affiliated Underwriting once an investment by a Fund of Funds in the securities of an Unaffiliated Underlying Fund exceeds the limit of section 12(d)(1)(A)(i) of the Act, setting forth from whom the securities were acquired, the identity of the underwriting syndicate's members, the terms of the purchase, and the information or materials upon which the determinations of the Board of the Unaffiliated Underlying Fund were made.

6. Prior to its investment in shares of an Unaffiliated Underlying Fund in excess of the limit in section 12(d)(1)(A)(i) of the Act, the Fund of Funds and the Unaffiliated Underlying Fund will execute an agreement stating, without limitation, that their boards of directors or trustees and their investment advisers understand the terms and conditions of the order and agree to fulfill their responsibilities under the order (''Participation Agreement''). At the time of its investment in shares of an Unaffiliated Underlying Fund in excess of the limit in section 12(d)(1)(A)(i), a Fund of Funds will notify the Unaffiliated Underlying Fund of the investment. At such time, the Fund of Funds will also transmit to the Unaffiliated Underlying Fund a list of the names of each Fund of Funds Affiliate and Underwriting Affiliate. The Fund of Funds will notify the Unaffiliated Underlying Fund of any changes to the list as soon as reasonably practicable after a change occurs. The Unaffiliated Underlying Fund and the Fund of Funds will maintain and preserve a copy of the order, the Participation Agreement, and the list with any updated information for the duration of the investment and for a period of not less than six years thereafter, the first two years in an easily accessible place.

7. Before approving any advisory contract under section 15 of the Act, the Board of each Fund of Funds, including a majority of the Disinterested Trustees, shall find that the advisory fees charged under the advisory contract are based on services provided that are in addition to, rather than duplicative of, services provided under the advisory contract(s) of any Underlying Fund in which the Fund of Funds may invest. Such finding, and the basis upon which the finding was made, will be recorded fully

Fund that operates as an ETF through secondary market transactions at market prices rather than through principal transactions with the Underlying Fund at net asset value. Applicants would not rely on the requested relief from section 17(a) for such secondary market transactions.

in the minute books of the appropriate Fund of Funds.

8. With respect to Registered Separate Accounts that invest in a Fund of Funds, no sales load will be charged at the Fund of Funds level or at the Underlying Fund level. Other sales charges and service fees, as defined in NASD Conduct Rule 2830, if any, will only be charged at the Fund of Funds level or at the Underlying Fund level, not both. With respect to other investments in a Fund of Funds, any sales charges and/or service fees charged with respect to shares of a Fund of Funds will not exceed the limits applicable to funds of funds set forth in NASD Conduct Rule 2830.

9. No Underlying Fund will acquire securities of any other investment company or company relying on section 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A) of the Act, except to the extent that such Underlying Fund: (a) Receives securities of another investment company as a dividend or as a result of a plan of reorganization of a company (other than a plan devised for the purpose of evading section 12(d)(1) of the Act); or (b) acquires (or is deemed to have acquired) securities of another investment company pursuant to exemptive relief from the Commission permitting such Underlying Fund to: (i) Acquire securities of one or more affiliated investment companies for short-term cash management purposes, or (ii) engage in interfund borrowing and lending transactions.

10. The Board of any Fund of Funds will satisfy the fund governance standards as defined in rule 0–1(a)(7) under the Act (''Governance Standards'') by the earlier of the date of reliance on the order or the date on which the Fund of Funds executes a Participation Agreement.

The Board of any Unaffiliated Fund will satisfy the Governance Standards by the date on which the Unaffiliated Fund executes a Participation Agreement.

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

Nancy M. Morris,

Secretary.

[FR Doc. E6–7259 Filed 5–11–06; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 27314; 812–13157]

Vanguard Index Funds, et al.; Notice of Application

May 5, 2006.

AGENCY: Securities and Exchange Commission (''Commission'').

ACTION: Notice of an application for an order under section 12(d)(1)(J) of the Investment Company Act of 1940 (the ''Act'') for exemption from sections 12(d)(1)(A) and (B) of the Act and under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act.

Summary of the Application: The order would permit certain registered management investment companies and unit investment trusts to acquire shares of other registered open-end management investment companies that issue an exchange-traded class of shares and that are within or outside the same group of investment companies. The order would also amend a condition in two prior orders.

Applicants: Vanguard Index Funds, Vanguard International Equity Index Funds, Vanguard World Funds, Vanguard Specialized Funds (collectively, the ''Trusts''), The Vanguard Group, Inc. (''VGI'') and Vanguard Marketing Corporation (''VMC'').

DATES: *Filing Dates:* The application was filed on January 21, 2005, and amended on August 4, 2005 and March 17, 2006. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in the notice.

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 Commission's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on May 30, 2006, 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 Commission's Secretary.

ADDRESSES: Secretary, U.S. Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090. Applicants, P.O. Box 2600, Mail Stop V26, Valley Forge, PA 19482.

FOR FURTHER INFORMATION CONTACT: Keith A. Gregory, Senior Counsel, at (202) 551–6815, and Michael W. Mundt, Senior Special Counsel, at (202) 551–6821 (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 Commission's Public Reference Branch, 100 F Street, NE., Washington, DC 20549–0102 (tel. (202) 551–5850).

Applicants' Representations

1. The Trusts are open-end management investment companies registered under the Act and organized as Delaware statutory trusts. Each of the Trusts has, or intends to have, at least one portfolio that issues a class of exchange-traded shares known as ''VIPER Shares'' (such portfolios referred to as ''VIPER Funds'').[1] VGI is a Pennsylvania corporation that is registered as an investment adviser under the Investment Advisers Act of 1940 (''Advisers Act'') and provides advisory services to each of the VIPER Funds. VMC, a wholly owned subsidiary of VGI, is a broker-dealer registered under the Securities Exchange Act of 1934 (''Exchange Act'') and provides all distribution and marketing services to the VIPER Funds.

2. Applicants request an exemption to permit: (i) Certain management investment companies and unit investment trusts (''Investing Funds'') to acquire shares of a VIPER Fund beyond the limitations in section 12(d)(1)(A), and (ii) a VIPER Fund to sell its shares, or VMC or a broker-dealer registered under the Exchange Act (''Broker'') to sell a VIPER Fund's shares, to an Investing Fund beyond the limits of section 12(d)(1)(B).[2] Applicants also seek an exemption from section 17(a) of

[1] VIPER Funds created in the future, or existing investment companies that commence issuing VIPER Shares in the future may be organized as portfolios of registrants other than the Trusts that are parties to the application. Future VIPER Funds that rely on the requested order will (i) be open-end management investment companies in the same ''group of investment companies,'' within the meaning of section 12(d)(1)(G)(ii) of the Act, as the existing VIPER Funds, (ii) be advised by VGI, and (iii) comply with the terms and conditions of the application.

[2] VIPER Funds issue multiple classes of shares including the VIPER Shares, and the relief requested in the application would apply to all share classes issued by a VIPER Fund, not just VIPER Shares. However, applicants expect Investing Funds to purchase VIPER Shares, not any of the other share classes issued by the VIPER Funds.