

*United States Information Agency*

Confidential Assistant to the Director,  
Office of Cuba Broadcasting. Effective  
April 29, 1998.

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

Office of Personnel Management.

**Janice R. Lachance,**

*Director.*

[FR Doc. 98-15655 Filed 6-11-98; 8:45 am]

BILLING CODE 6325-01-P

**RAILROAD RETIREMENT BOARD****Determination of Quarterly Rate of Excise Tax for Railroad Retirement Supplemental Annuity Program**

In accordance with directions in Section 3221(c) of the Railroad Retirement Tax Act (26 U.S.C., Section 3221(c)), the Railroad Retirement Board has determined that the excise tax imposed by such Section 3221(c) on every employer, with respect to having individuals in his employ, for each work-hour for which compensation is paid by such employer for services rendered to him during the quarter beginning July 1, 1998, shall be at the rate of 35 cents.

In accordance with directions in Section 15(a) of the Railroad Retirement Act of 1974, the Railroad Retirement Board has determined that for the quarter beginning July 1, 1998, 29.7 percent of the taxes collected under Sections 3211(b) and 3221(c) of the Railroad Retirement Tax Act shall be credited to the Railroad Retirement Account and 70.3 percent of the taxes collected under such Sections 3211(b) and 3221(c) plus 100 percent of the taxes collected under Section 3221(d) of the Railroad Retirement Tax Act shall be credited to the Railroad Retirement Supplemental Account.

Dated: June 2, 1998.

By authority of the Board.

**Beatrice Ezerski,**

*Secretary to the Board.*

[FR Doc. 98-15643 Filed 6-11-98; 8:45 am]

BILLING CODE 7905-11-M

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. IC-23245; 812-11150]

**1st Atlantic Guaranty Corporation;  
Notice of Application**

June 8, 1998.

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

**ACTION:** Notice of application pursuant to section 28(c) of the Investment Company Act of 1940 ("Act").

**SUMMARY OF APPLICATION:** Applicant, 1st Atlantic Guaranty Corporation, seeks an order pursuant to Section 28(c) of the Act approving certain proposed custodial arrangements.

**FILING DATES:** The application was filed on May 22, 1998. Applicant has agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on June 30, 1998, and should be accompanied by proof of service on applicant in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicant, 4847 Cordell Avenue, Suite 200, Bethesda, Maryland 20818, Attn: John J. Lawbaugh.

**FOR FURTHER INFORMATION CONTACT:** Edward P. Macdonald, Branch Chief, at (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549 (tel. 202-942-8090).

**Applicant's Representations**

1. Applicant, a Maryland corporation, is a face-amount certificate company registered under the Act. Applicant currently intends to offer four face-amount certificates ("Certificates") registered under the Securities Act of 1933. In the future, applicant may offer additional Certificates. The Certificates are unsecured debt instruments. To meet its debt obligations, applicant is required to maintain a minimum amount of reserves in "qualified investments" as defined in the Act ("Reserves").

2. Applicant proposes to enter into custodial arrangements with regard to

its Reserves with one or more banks that meet certain requirements ("Custodians"). Applicant seeks an order approving the proposed form of custody agreement ("Agreement") to be entered into by applicant with each Custodian. Under the requested order, applicant would be able to select and change Custodians in its discretion.

3. Each Custodian will maintain the Reserves to ensure that applicant meets its payment obligations under the terms and conditions of any outstanding Certificate. If applicant were to default on any obligation under a Certificate, each Custodian would be authorized to cure the default by liquidating so much of the Reserves held by it as necessary to discharge the obligation. In addition, each Custodian will perform the duties and functions typically performed by a custodian, such as securities registration and delivery, income collection, periodic reporting, and other safekeeping and processing functions.

**Applicant's Legal Analysis**

1. Section 28(c) of the Act requires a registered face-amount certificate company to maintain the Reserves with a custodian that meets the requirements of section 26(a)(1) of the Act and in accordance with such terms and conditions as the SEC shall prescribe and as appropriate for the protection of investors. Under section 26(a)(1), a custodian generally must be a bank that has at all times an aggregate capital, surplus, and undivided profits of a specified minimum amount which may not be less than \$500,000.

2. Applicant requests an order under section 28(c) of the Act approving the Agreement. Applicant states that the Agreement contains provisions to maintain and safeguard the Reserves, including provisions governing the (i) holding, segregation, registration, depositing, and delivery of securities, (ii) the payment of monies and maintenance of bank accounts, and (iii) the management of real estate and real estate related investments, as well as establishing procedures to cure any defaults by applicant on its obligations under the Certificates and procedures for periodic reporting and inspection of the assets.<sup>1</sup> Applicant represents that it will seek an amended order from the SEC for any material changes in the substantive provisions of the Agreement.

3. Applicant states that it may seek to terminate Custodians and employ new

<sup>1</sup> Applicant states it will comply with rule 17f-4 under the Act as if it were a registered management investment company if an Agreement permits a Custodian to maintain any portion of the Reserves in a securities depository.

Custodians for the following reasons: (i) the availability of superior or specialized services through other Custodians; (ii) dissatisfaction with the quality of a Custodian's services; (iii) fee increases or the availability of comparable services from other Custodians at more competitive rates; (iv) changes in a Custodian's management, location, financial condition, or methods of operation; (v) regulatory developments or actions affecting the ability or qualification of a Custodian to serve as such; or (vi) a determination by a Custodian to cease offering its services.

4. Applicant will only enter into an Agreement approved by its board of directors ("Board"), including a majority of directors who are not interested persons within the meaning of Section 2(a)(19) of the Act ("Disinterested Directors"). In addition, the continuance of any Agreement would be subject to annual review by the Board, including a majority of the Disinterested Directors, to determine whether the quality of services provided by the Custodian remains satisfactory and the fees are reasonably competitive. Applicant submits, for all the reasons stated above, that its request is consistent with the protection of investors.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-15706 Filed 6-11-98; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23244; File No. 812-10866]

### Allmerica Investment Trust, et al.; Notice of Application

June 5, 1998.

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

**ACTION:** Notice of application for an order pursuant to Section 6(c) of the Investment Company Act of 1940 (the "1940 Act").

**SUMMARY OF APPLICATION:** Applicants seek an order pursuant to Section 6(c) of the 1940 Act for exemptions from the provisions of Sections 9(a), 13(a), 15(a) and 15(b) of the 1940 Act, and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder, to the extent necessary to permit shares of any current or future series of the Trust and shares of any other investment company that is offered as a

funding medium for insurance products and for which the Adviser, or any of its affiliates, or their successors or assigns, may now or in the future serve as manager, investment adviser, administrator, principal underwriter or sponsor (the Trust and such other investment companies referred to collectively as the "Insurance Products Funds") to be sold and held by variable annuity and variable life insurance separate accounts ("Separate Accounts") of both affiliated and unaffiliated life insurance companies ("Participating Insurance Companies") and qualified pension and retirement plans outside of the separate account context ("Qualified Plans" or "Plans"). **APPLICANTS:** Allmerica Investment Trust (the "Trust") and Allmerica Investment Management Company, Inc. (the "Adviser").

**FILING DATE:** The application was originally filed on November 13, 1997, and an amended and restated application was filed on March 9, 1998.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Secretary of the SEC and serving 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 June 30, 1998, 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. Applicants, c/o George M. Boyd, Esq., 440 Lincoln Street, Worcester, MA 01653.

**FOR FURTHER INFORMATION CONTACT:** Michael B. Koffler, Attorney, or Mark Amorosi, 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 St., NW, Washington, DC 20549 (tel. (202) 942-8090).

### Applicants' Representations

1. The Trust, a Massachusetts business trust established on October

11, 1984, is registered with the Commission as an open-end diversified management investment company. The Trust currently consists of fourteen separate series, or portfolios.

2. The Adviser is registered with the Commission as an investment adviser under the Investment Adviser Act of 1940 and serves as the investment manager for each of the Trust's portfolios. The Adviser is an indirect wholly-owned subsidiary of Allmerica Financial Corporation, a publicly traded Delaware holding company for a group of affiliated companies, the largest of which is First Allmerica Financial Life Insurance Company.

3. Currently, shares of the Trust may be purchased only by the separate accounts established by First Allmerica Financial Life Insurance Company ("First Allmerica") or Allmerica Financial Life Insurance and Annuity Company, an indirect wholly-owned subsidiary of First Allmerica, for the purpose of funding variable annuity and variable life insurance policies.

4. The Insurance Products Funds will offer shares to Separate Accounts of Participating Insurance Companies in support of variable annuity contracts and variable life insurance policies (including single premium, scheduled premium, modified single premium and flexible premium contracts) (collectively, "Variable Contracts"). Persons who hold Variable Contracts are referred to herein as "Contract Owners."

5. The Insurance Products Funds also will offer shares directly to Qualified Plans outside of the separate account context. Fund shares sold to Plans which are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), would be held by the trustee(s) of the Plan, as mandated by Section 403(a) ERISA. "Plan Participants" or "Participants" include participants in qualified pension or retirement plans.

### Applicants' Legal Analysis

1. Section 6(c) of the 1940 Act provides in part that the Commission, by order upon application, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of the 1940 Act or of any rule or regulation thereunder, if and to the extent that 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 1940 Act.