

Solicitor  
 Inspector General, Office of Inspector General  
 Chief Administrative Law Judge, 1099 14th  
 Street, NW, Room 5400 East, Washington,  
 DC 20570-0001  
 Associate Chief Administrative Law Judge,  
 San Francisco Judges, 901 Market Street,  
 Suite 300, San Francisco, California  
 94103-1779  
 Associate Chief Administrative Law Judge,  
 New York Judges, 120 West 45th Street,  
 11th Floor, New York, New York 10036-  
 5503  
 Associate Chief Administrative Law Judge,  
 Atlanta Judges, Peachtree Summit  
 Building, 401 W. Peachtree Street, NW,  
 Suite 1708, Atlanta, Georgia 30308-3510

#### Offices of the General Counsel

General Counsel  
 Associate General Counsel, Division of  
 Operations Management  
 Associate General Counsel, Division of  
 Advice  
 Associate General Counsel, Division of  
 Enforcement Litigation  
 Director, Division of Administration  
 Director, Equal Employment Opportunity

#### NLRB Field Offices

Regional Director, Region 1, Thomas P.  
 O'Neal, Jr. Federal Office Building, 10  
 Causeway Street, 6th Floor, Boston,  
 Massachusetts 02222-1072  
 Regional Director, Region 2, Jacob K. Javits  
 Federal Building, 26 Federal Plaza, Room  
 3614, New York, New York 10278-0104  
 Regional Director, Region 3, Thaddeus J.  
 Dulski Federal Building, 111 West Huron  
 Street, Room 901, Buffalo, New York  
 14202-2387  
 Resident Officer, Albany Resident Office, Leo  
 W. O'Brien Federal Building, Clinton  
 Avenue at N. Pearl Street, Room 342,  
 Albany, New York 12207-2350  
 Regional Director, Region 4, One  
 Independence Mall, 615 Chestnut Street,  
 7th Floor, Philadelphia, Pennsylvania  
 19106-4404  
 Regional Director, Region 5, The Appraisers  
 Store Building, 103 South Gay Street, 8th  
 Floor, Baltimore, Maryland 21202-4026  
 Resident Officer, Franklin Court Building,  
 1099 14th Street, NW, Suite 5530,  
 Washington, DC 20570-0001  
 Regional Director, Region 6, William S.  
 Moorehead Federal Building, 1000 Liberty  
 Avenue, Room 1501, Pittsburgh,  
 Pennsylvania 15222-4173  
 Regional Director, Region 7, Patrick V.  
 McNamara Federal Building, 477 Michigan  
 Avenue, Room 300, Detroit, Michigan  
 48226-2569  
 Resident Officer, Grand Rapids Resident  
 Office, The Furniture Company Building,  
 82 Ionia Northwest, Room 330, Grand  
 Rapids, Michigan 49503-3022  
 Regional Director, Region 8, Anthony J.  
 Celebrezze Federal Building, 1240 East 9th  
 Street, Room 1695, Cleveland, Ohio 44199-  
 2086  
 Regional Director, Region 9, Federal Office  
 Building, 550 Main Street, Room 3003,  
 Cincinnati, Ohio 45202-3271  
 Regional Director, Region 10, Harris Tower,  
 233 Peachtree Street, NE, Suite 1000,  
 Atlanta, Georgia 30303-1504

Resident Officer, The Burger-Phillips Center,  
 1900 3rd Avenue North, Third Floor,  
 Birmingham, Alabama 35203-3502  
 Regional Director, Region 11, Republic  
 Square, Suite 200, 4035 University  
 Parkway, Winston-Salem, North Carolina  
 27106-3325  
 Regional Director, Region 12, Enterprise  
 Plaza, Suite 530, 201 East Kennedy  
 Boulevard, Tampa, Florida 33602-5824  
 Resident Officer, Jacksonville Resident  
 Office, Federal Building, 400 West Bay  
 Street, Room 214, Box 35091, Jacksonville,  
 Florida 32202-4412  
 Resident Officer, Miami Resident Office,  
 Federal Building, 51 Southwest 1st  
 Avenue, Room 1320, Miami, Florida  
 33130-1608  
 Regional Director, Region 13, 200 West  
 Adams Street, Suite 800, Chicago, Illinois  
 60606-5208  
 Regional Director, Region 14, 1222 Spruce  
 Street, Room 8.202, Saint Louis, Missouri  
 63103-2829  
 Regional Director, Region 15, 1515 Poydras  
 Street, Room 610, New Orleans, Louisiana  
 70112-3723  
 Regional Director, Region 16, Federal Office  
 Building, 819 Taylor Street, Room 8A24,  
 Fort Worth, Texas 76102-6178  
 Resident Officer, Houston Resident Office,  
 440 Louisiana Street, Suite 550, Houston,  
 Texas 77002-2649  
 Resident Officer, San Antonio Resident  
 Office, 615 E. Houston Street, Room 565,  
 San Antonio, Texas 78205-2040  
 Resident Officer, El Paso Resident Office, PO  
 Box 23159, El Paso, Texas 79923-3159  
 Regional Director, Region 17, 8600 Farley  
 Street, Suite 100, Overland Park, Kansas  
 66212-4677  
 Resident Officer, Tulsa Resident Office, 224  
 South Boulder Avenue, Room 316, Tulsa,  
 Oklahoma 74103-4214  
 Regional Director, Region 18, Federal  
 Building, 110 South 4th Street, Room 234,  
 Minneapolis, Minnesota 55401-2291  
 Resident Officer, Des Moines Resident Office,  
 Federal Building, 210 Walnut Street, Room  
 439, Des Moines, Iowa 50309-2116  
 Regional Director, Region 19, Henry M.  
 Jackson Federal Building, 915 Second  
 Avenue, Room 2948, Seattle, Washington  
 98174-1078  
 Resident Officer, Anchorage Resident Office,  
 Federal Office Building, 222 West 7th  
 Avenue, Box 21, Anchorage, Alaska  
 99513-3546  
 Officer in Charge, Subregion 36, 222 SW  
 Columbia Street, Room 401, Portland,  
 Oregon 97201-6604  
 Regional Director, Region 20, 901 Market  
 Street, Suite 400, San Francisco, California  
 94103-1735  
 Officer in Charge, Subregion 37, Prince  
 Kuhio Federal Building, 300 Ala Moana  
 Boulevard, Room 7318, Honolulu, Hawaii  
 96850-4980  
 Regional Director, Region 21, 888 South  
 Figueroa Street, 9th Floor, Los Angeles,  
 California 90017-5449  
 Resident Officer, San Diego Resident Office,  
 Pacific Professional Center, 555 West  
 Beech Street, Suite 302, San Diego,  
 California 92101-2939

Regional Director, Region 22, 20 Washington  
 Place, 5th Floor, Newark, New Jersey  
 07102-2570  
 Regional Director, Region 24, La Torre de  
 Plaza, 525 F.D. Roosevelt Avenue, Suite  
 1002, San Juan, Puerto Rico 00918-1002  
 Regional Director, Region 25, Minton-  
 Capehart Federal Building, 575 North  
 Pennsylvania Street, Room 238,  
 Indianapolis, Indiana 46204-1577  
 Region Director, Region 26, Mid-Memphis  
 Tower Building, 1407 Union Avenue, Suite  
 800, Memphis, Tennessee 38104-3627  
 Resident Officer, Little Rock Resident Office,  
 TCBY Tower, 425 West Capitol Avenue,  
 Suite 375, Little Rock, Arkansas 72201-  
 3489  
 Resident Officer, Nashville Resident Office,  
 810 Broadway, 3rd Floor, Nashville,  
 Tennessee 37203-3816  
 Regional Director, Region 27, Dominion  
 Plaza, North Tower, 600 17th Street, 7th  
 Floor, Denver, Colorado 80202-5433  
 Regional Director, Region 28, Security  
 Building, 234 North Central Avenue, Suite  
 440 Phoenix, Arizona 85004-2212  
 Resident Officer, Albuquerque Resident  
 Office, Western Bank Plaza, 505 Marquette  
 Avenue, NW, Room 1820, Albuquerque,  
 New Mexico 87102-2181  
 Resident Officer, Las Vegas Resident Office,  
 Alan Bible Federal Building, 600 Las Vegas  
 Boulevard South, Suite 400, Las Vegas,  
 Nevada 89101-6637  
 Regional Director, Region 29, One MetroTech  
 Center, Jay Street and Myrtle Avenue, 10th  
 Floor, Brooklyn, New York 11201-4201  
 Regional Director, Region 30, Henry S. Reuss  
 Federal Plaza, Suite 700, 310 West  
 Wisconsin Avenue, Milwaukee, Wisconsin  
 53203-2211  
 Regional Director, Region 31, 11150 W.  
 Olympic Boulevard, Suite 700, Los  
 Angeles, California 90064-1824  
 Regional Director, Region 32, Breuner  
 Building, 2nd Floor, 1301 Clay Street,  
 Room 300N, Oakland, California 94612-  
 5211  
 Regional Director, Region 33, Hamilton  
 Square Building, Suite 200, 300 Hamilton  
 Boulevard, Peoria, Illinois 61602-1246  
 Regional Director, Region 34, 1 Commercial  
 Plaza, 21st Floor, Church and Trumbull  
 Street, Hartford, Connecticut 06103-3599

[FR Doc. 98-30911 Filed 11-18-98; 8:45 am]

BILLING CODE 7545-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-23533; File No. 812-11142]

### The Mutual Life Insurance Company of New York, et al.

November 13, 1998.

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

**ACTION:** Notice of Application for  
 Approval and Exemption under the  
 Investment Company Act of 1940  
 ("1940 Act"). Order requested pursuant  
 to Section 26(b) of the 1940 Act

approving the proposed substitution of securities and pursuant to Section 17(b) of the 1940 Act exempting the proposed transaction from the provisions of Section 17(a) of the 1940 Act.

**SUMMARY OF APPLICATION:** Applicants seek an Order approving the substitution of shares of the Money Market Portfolio Series (the "MONY Money Market Portfolio") of the MONY Series Fund, Inc. for shares of the Money Market Series ("OCC Money Market Portfolio") of the OCC Accumulation Trust (the "Trust"). Applicants also seek an Order exempting them from Section 17(a) of the 1940 Act to the extent necessary to permit Applicants to carry out the above-referenced substitution by redeeming shares of the OCC Money Market Portfolio in-kind or partly in-kind and using the redemption proceeds to purchase shares of the MONY Money Market Portfolio.

**APPLICANTS:** The Mutual Life Insurance Company of New York ("MONY") and MONY Life Insurance Company of America ("MONY America", and collectively with MONY "the Companies"), their respective separate accounts, MONY Variable Account A ("MONY Account") and MONY America Variable Account A ("MONY America Account", and collectively with the MONY Account "the Accounts"), OCC Accumulation Trust and MONY Series Fund (collectively with OCC Accumulation Trust, the Companies and the Accounts "the Applicants").

**FILING DATE:** The Application was filed on May 8, 1998, and amended and restated on September 16, 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 on this application by writing to the Commission's Secretary and serving the Applicants with a copy of the request, personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m., on December 8, 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 may request notification of a hearing by writing to the Secretary of the Commission.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Applicants, c/o Frederick C. Tedeschi,

Esq., The Mutual Life Insurance Company of New York, 1740 Broadway, New York, NY 10019. Copies to Deborah Kaback, Esq., Oppenheimer Capital, Two World Financial Center, New York, N.Y. 10281-1698.

**FOR FURTHER INFORMATION CONTACT:** Lorna MacLeod, Attorney, or Mark Amorosi, Special Counsel, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

**SUPPLEMENTARY INFORMATION:** Following is a summary of the Application. The complete Application is available for a fee from the Public Reference Branch of the Commission.

#### Applicants' Representations

1. MONY is a mutual life insurance company organized in the state of New York in 1842. MONY America is a stock insurance company organized in the state of Arizona. MONY America is the corporate successor of VICO Credit Life Insurance Company, incorporated in Arizona on March 6, 1969. MONY America is a wholly owned subsidiary of MONY. MONY and MONY America serve as sponsor and depositor of the MONY Account and MONY America Account, respectively.

2. MONY and MONY America established the MONY Account and MONY America Account on November 28, 1990 and March 27, 1987, respectively. The Accounts are segregated asset accounts registered with the Commission as unit investment trusts pursuant to the provisions of the 1940 Act and are used to fund certain individual and group flexible payment variable annuity contracts issued by the Companies and sold under the name "ValueMaster" ("ValueMaster Contracts").

3. The Accounts are currently divided into various sub-accounts ("Sub-Accounts"), five of which are available to owners of ValueMaster Contracts ("ValueMaster Contractowners") and which reflect the investment performance of the Bond, Equity, Managed, Money Market and Small Cap Series of the Trust, a registered investment company. ValueMaster Contractowners may transfer account values among the Sub-Accounts without any charge up to four times a year. For any additional transfers, a transfer charge is not currently imposed, however the Companies reserve the right to impose a charge, which will not exceed \$25 per transfer. The ValueMaster Contracts are offered exclusively by agents of Oppenheimer Life Agency, Ltd., ("Oppenheimer Life"), which is not an affiliate of

OpCap Advisors, a registered investment adviser and the Trust's investment manager. Neither Oppenheimer Life nor OpCap Advisors are affiliates of the Applicants. As of December 31, 1997, there were under 800 ValueMaster Contractowners with allocations totaling \$2,166,258 to the OCC Money Market Portfolio, representing only 3% of the total assets invested in the Accounts by ValueMaster Contractowners. Oppenheimer Life is no longer actively selling the ValueMaster Contracts.

4. The Trust was established on May 12, 1994 and is a registered open-end management investment company consisting of seven separate series ("Portfolios") with differing investment objectives, policies and restrictions. The Trust currently also offers shares of its Portfolios to accounts of other unaffiliated life insurance companies, to serve as the investment vehicle for their respective variable annuity and life insurance contracts.

5. The OCC Money Market Portfolio seeks maximum current income consistent with stability of principal and liquidity through investment in a portfolio of high quality money market instruments. Shares of the OCC Money Market Portfolio are purchased, without sales charge, by the Money Market Sub-Accounts of the respective Accounts at the net asset value per share next determined following receipt of a purchase payment by the Sub-Accounts. Any dividend or capital gain distributions received from the Portfolio is reinvested in additional shares of the Portfolio and retained as assets of the Sub-Accounts. Shares are redeemed without any charge or fee to the Accounts to the extent necessary for the Companies to make annuity or other payments under the ValueMaster Contracts. As of December 31, 1997, the OCC Money Market Portfolio had assets of \$2,166,067 all of which were attributable to ValueMaster Contractowners. For the calendar year 1997, net redemptions by the Accounts of shares of the OCC Money Market Portfolio, not including dividend or capital gain reinvestments, totaled \$3,312,805.

6. Like the OCC Money Market Portfolio, the MONY Money Market Portfolio seeks maximum current income consistent with stability of principal and liquidity through investment in a portfolio of high quality money market instruments. Shares of the MONY Money Market Portfolio are currently offered by the Companies as a funding vehicle for their variable products and, as such, are held by a segregated account of each insurance

company. As of December 31, 1997, the MONY Money Market Portfolio had assets of \$158,286,237. For the calendar year 1997, net sales of shares of the MONY Money Market Portfolio, not including dividend or capital gain reinvestments, totaled \$5,418,168.

7. Under the Investment Advisory Agreement ("Advisory Agreement") between the Trust and OpCap Advisors, OpCap Advisors provide management and investment advisory services to the Trust and its Portfolios and is compensated by the Trust for services rendered to the OCC Money Market Portfolio on a monthly basis at the annual rate of .40 percent of the average daily net assets of the OCC Money Market Portfolio. Under the Advisory Agreement, OpCap Advisors has contractually agreed to limit the total expenses of the Portfolio to 1.00 percent of its average daily net assets. Pursuant to an Investment Advisory Agreement between the MONY Series Fund, Inc. and MONY America, MONY America provides management and investment advisory services to the MONY Money Market Portfolio of the MONY Series Fund, Inc. for an annual fee at the rate of .40% of the first \$400 million of the aggregate average daily net assets of the portfolio; .35% of the next \$400 million of the aggregate average daily net assets of the portfolio and .30% of the aggregate average daily net assets of the portfolio in excess of \$800 million. For the year ended December 31, 1997, the ratio of net operating expenses to average net assets for the OCC Money Market Portfolio was .98% as compared to .46% for the MONY Money Market Portfolio for the year ended December 31, 1997.

8. The ValueMaster Contracts reserve to the Companies the right to replace the shares of the Portfolios held by the Accounts with shares of another portfolio, such as the MONY Money Market Portfolio, if (i) shares of the Portfolio should no longer be available for investment by the Accounts; or (ii) in the judgment of the Companies, further investment in the Portfolio should become inappropriate in view of the purpose of the ValueMaster Contracts, provided any such substitution is approved by the Commission and is in compliance with applicable rules and regulations. The Companies believe that further investment in shares of the OCC Money Market Portfolio is no longer appropriate in view of the purposes of the ValueMaster Contracts.

9. The decreasing asset base of the OCC Money Market Portfolio, based upon lack of interest by ValueMaster Contractowners in the Portfolio as

evidenced by net redemption of Portfolio shares, has made it difficult for the Portfolio to retain current investors and attract new investors. Moreover, Oppenheimer Life Agency's limited effort in actively selling the ValueMaster Contract, coupled with a constant amount of fixed costs incurred by the Portfolio, can reasonably be expected to lead to an increase in the actual expenses of the OCC Money Market Portfolio in the future.

10. The relative small asset size of the OCC Money Market Portfolio hampers the ability to maintain optimal diversification. The MONY Money Market Portfolio can be expected to achieve greater diversification and more readily react to changes in market conditions. ValueMaster Contractowners will benefit through the more effective management of a larger portfolio such as the MONY Money Market Portfolio.

11. The Companies on their own behalf and on behalf of the Accounts respectively, propose to substitute shares of the MONY Money Market Portfolio for all shares of the OCC Money Market Portfolio attributable to the ValueMaster Contracts ("Substitution"). The Substitution will occur as soon as practicable after receipt of the Order. As of the effective date of the Substitution, the Companies will redeem shares of the OCC Money Market Portfolio. Simultaneously, the Companies will use the proceeds to purchase the appropriate number of shares of the MONY Money Market Portfolio. The Substitution will take place at relative net asset values of the Portfolios, with no change in the amount of any ValueMaster Contractowner's account value.

12. To alleviate the impact of brokerage fees and expenses upon the OCC Money Market Portfolio and ultimately OpCap Advisors, the Trust and OpCap Advisors propose that the redemption of the OCC Money Market Portfolio shares be accomplished, in part, by "in kind" transactions. Under the proposal, the Trust would transfer to the Companies their proportionate interest in cash and/or securities held by the OCC Money Market Portfolio on the date of the Substitution, and the Companies will then use such cash and/or securities to purchase shares of the MONY Money Market Portfolio. The valuation of any "in kind" transfers will be on a basis consistent with the valuation procedures of the OCC Money Market and MONY Money Market Portfolios.

### Terms and Conditions

Applicants agree to the following terms and conditions:

1. The OCC Money Market and MONY Money Market Portfolios have substantially similar investment objectives, policies and restrictions.

2. The Substitution will take place at the net asset value of the respective shares, which both portfolios seek to maintain at \$1.00 per share, with no change in the amount of any ValueMaster Contractowner's account value and without the imposition of any transfer or similar charge.

3. The valuation of any "in kind" transfer will be on a basis consistent with the valuation procedures of the OCC Money Market and MONY Money Market Portfolios.

4. ValueMaster Contractowners will not incur any fees or charges as a result of the proposed substitution. OpCap Advisors will assume any expenses and transaction costs, including legal and accounting fees and any brokerage commissions, relating to the Substitution. To the extent the OCC Money Market Portfolio incurs brokerage fees and expenses in connection with the redemption by the Companies of its shares, these expenses would be charged to the applicable Portfolio but borne by OpCap Advisors.

5. The proposed substitution will not cause the contract fees and charges currently being paid by existing contractowners to be greater after proposed substitution than before the substitution.

6. Before the Substitution occurs, the prospectuses for the Accounts will be supplemented to reflect the proposed Substitution (the "Application Supplements") and distributed to all ValueMaster Contractowners.

7. Within five days after the Substitution, the Companies will send to ValueMaster Contractowners written notice of the Substitution (the "Notice") stating that shares of the OCC Money Market Portfolio have been eliminated and that the shares of the MONY Money Market Portfolio have been substituted. The Companies will include in such mailing a second supplement to the prospectuses of the Accounts which discloses that the Substitution has occurred. The Notice will also advise ValueMaster Contractowners that for a period of thirty days from the mailing of the Notice, they may transfer all assets, as substituted, to any other available Sub-Account, without limitation and without the transfer being deemed a transfer for purposes of determining any transfer charge (the period from the date of the Application Supplements to

thirty days from the mailing of the Notice is the "Free Transfer Period").

8. The Substitution will not in any way alter the insurance benefits or contractual obligations of the Companies to ValueMaster Contractowners or tax benefits and consequences to ValueMaster Contractowners. Following the Substitution, ValueMaster Contractowners will be afforded the same surrender and other transfer rights as they currently have. Any applicable surrender (contingent deferred sales) charges will continue to be imposed but will not be affected in any way by the Substitution.

#### Applicants' Legal Analysis

1. Section 26(b) of the 1940 Act provides, in pertinent part, that "[i]t shall be unlawful for any depositor or trustee of a registered unit investment trust holding the security of a single issuer to substitute another security for such security unless the Commission shall have approved such substitution." Section 26(b) of the 1940 Act further provides that the Commission shall issue an order approving such substitution if the evidence establishes that the substitution is consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the 1940 Act.

2. The purpose of Section 26(b) is to protect the expectation of investors in a unit investment trust that the unit investment trust will accumulate the share of a particular issuer and to prevent unscrutinized substitutions which might, in effect, force shareholders dissatisfied with the substituted security to redeem their shares, thereby possibly incurring either a loss of the sales load deducted from initial purchase payments, an additional sales load upon reinvestment of the redemption proceeds, or both. Section 26(b) affords this protection to investors by preventing a depositor or trustee of a unit investment trust holding the shares of one issuer from substituting for those shares the shares of another issuer, unless the Commission approves that substitution.

3. Applicants assert that the purposes, terms and conditions of the proposed Substitution are consistent with the principles and purposes of Section 26(b) and do not entail any of the abuses that Section 26(b) is designed to prevent. Applicants further assert that the Substitution will not result in the type of costly forced redemption that Section 26(b) was intended to guard against and is consistent with the protection of investors and the purposes fairly intended by the 1940 Act.

4. Section 17(a)(1) of the 1940 Act prohibits an affiliated person of a registered investment company or an affiliated person of such person, acting as principal, from selling any security or other property to such registered investment company. Section 17(a)(2) of the 1940 Act prohibits any of such affiliated persons, acting as principal, from purchasing any security or other property from such registered investment company. The transfer or proceeds emanating out of the redemption of share in-kind of the OCC Money Market Portfolio to the Money Market Sub-Account and the purchase by the Money Market Sub-Account of shares of the MONY Money Market Portfolio could be deemed to involve a sale between the OCC Money Market Portfolio and the Money Market Sub-Account (which may be considered to be affiliates of each other because all the shares of the OCC Money Market Portfolio are held by the Money Market Sub-Account), and a purchase between the Money Market Sub-Account and the MONY Money Market Portfolio, each of which is affiliated person of the other.

5. Section 17(b) provides that the Commission may grant an order exemption a proposed transaction provided: (a) the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person; (b) the proposed transaction is consistent with the policy of each registered investment company concerned, as recited in its registration statement and reports filed under the 1940 Act; and (c) the proposed transaction is consistent with the general purposes of the 1940 Act.

6. Applicants assert that the terms of the proposed transaction are reasonable and fair and do not involve overreaching; the transaction is consistent with the policy of each investment company concerned and with the purposes of the 1940 Act; and the 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.

7. Applicants assert that the Substitution is an appropriate solution to the limited ValueMaster Contractowner interest or investment in the OCC Money Market Portfolio, which is currently and in the future may be expected to be, of insufficient size to promote consistent investment performance or to reduce operating expenses.

#### Conclusion

Applicants assert that, for the reasons summarized above, the requested order approving the substitution and related transactions involving in-kind redemptions and purchases should be granted.

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

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 98-30949 Filed 11-18-98; 8:45 am]

BILLING CODE 8010-01-M

#### SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23532; 812-11340]

#### T. Rowe Price Associates, Inc., et al.; Notice of Application

November 12, 1998.

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

**ACTION:** Notice of application for an order under the Investment Company Act of 1940 (the "Act") under (i) section 6(c) of the Act granting an exemption from sections 18(f) and 21(b) of the Act; (ii) section 12(d)(1)(J) of the Act granting an exemption from section 12(d)(1) of the Act; (iii) sections 6(c) and 17(b) of the Act granting an exemption from sections 17(a)(1) and 17(a)(3) of the Act; and (iv) section 17(d) of the Act and rule 17d-1 under the Act to permit certain joint arrangements.

**SUMMARY OF APPLICATION:** Applicants request an order that would permit certain registered investment companies to participate in a joint lending and borrowing facility.

**APPLICANTS:** Price Blue Chip Growth Fund, Inc., T. Rowe Price Capital Appreciation Fund, T. Rowe Price Capital Opportunity Fund, Inc., T. Rowe Price Diversified Small-Cap Growth Fund, Inc., T. Rowe Price Dividend Growth Fund, Inc., T. Rowe Price Equity Income Fund, T. Rowe Price Equity Series, Inc., T. Rowe Price Equity Income Portfolio, T. Rowe Price Mid-Cap Growth Portfolio, T. Rowe Price New America Growth Portfolio, T. Rowe Price Personal Strategy Balanced Portfolio, T. Rowe Price Financial Services Fund, Inc., T. Rowe Price Growth & Income Fund, Inc., T. Rowe Price Growth Stock Fund, Inc., T. Rowe Price Health Sciences Fund, Inc., T. Rowe Price Index Trust, Inc., T. Rowe Price Equity Index 500 Fund, T. Rowe Price Extended Equity Market Index Fund, T. Rowe Price Total Equity Market Index Fund, Institutional