

these responses for the purposes of calculating the reopening burden under Rule 10a-1. Each of these approximately 1,500 registered broker-dealers effects sell orders for securities registered on, or admitted to unlisted trading privileges, on a national securities exchange. In addition, each respondent makes an estimated 60,933 annual responses, for an aggregate total of 91,400,000 responses per year. Each response takes approximately .000139 hours (.5 seconds) to complete. Thus, the total compliance burden per year is 12,705 burden hours.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (i) Deck Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, D.C. 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: September 8, 1999.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-23990 Filed 9-14-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (Local Financial Corporation, Common Stock, \$.01 Par Value) File No. 1-13949

September 9, 1999.

Local Financial Corporation ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the security specified above ("Security") from listing and registration on the American Stock Exchange LLC ("Amex" or "Exchange").

The reasons cited in the application for withdrawing the Security from listing and registration on the Amex include the following:

The Security of the Company has been listed on the Amex since April 22, 1998. The Company now believes that it might realize a more diverse ownership of its Security through the variety of market makers available on the NASDAQ National Market ("Nasdaq") than through the auction system of the Exchange. On January 27, 1999, the company's Board of Directors voted to authorize the filing of applications to withdraw the Security from listing and registration on the Exchange and to have the Security quoted on the Nasdaq. Shares of the Security subsequently began trading on the Nasdaq on July 15, 1999.

The Company has complied with the rules of the Amex by filing with the Exchange a certified copy of the resolutions adopted by the Company's Board of Directors authorizing the withdrawal of its Security from listing on the Amex and by setting forth in detail to the Exchange the reasons for the proposed withdrawal, and the facts in support thereof. In making the decision to withdraw its Security from listing on the Amex, the Company wished to avoid the duplicative costs associated with registering its Security for trading in two different markets. The Amex has informed the Company that it has no objection to the withdrawal of the Company's Security from listing and registration on the Exchange.

The Company's application relates solely to the withdrawal of the Security from listing and registration on the Amex and shall have no effect upon the continued listing on the Amex of the Company's 11.0% Senior Notes due September 8, 2004. By reason of Sections 12(b) and (g) of the Act and the rules and regulations of the Commission thereunder, the Company shall continue to be obligated to file reports under Section 13 of the Act with the Commission.

Any interested person may, on or before September 30, 1999, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609, facts bearing upon whether the application has been made in accordance with the rules of the Exchange and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 99-24035 Filed 9-14-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23997; File No. 812-11730]

Transamerica Occidental Life Insurance Company, et al.

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

ACTION: Notice of application for an order pursuant to Section 26(b) of the Investment Company Act of 1940 (the "1940 Act") approving certain substitutions of securities.

SUMMARY OF APPLICATION: Applicants request an order to permit a registered unit investment trust to substitute securities issued by two portfolios of Transamerica Variable Insurance Fund, Inc., a registered open-end investment company, and two portfolios of EQ Advisors Trust, a registered open-end investment company, for securities issued by four portfolios of The Hudson River Trust, a registered open-end investment company, currently held by the unit investment trust.

APPLICANTS: Transamerica Occidental Life Insurance Company and Separate Account VL of Transamerica Occidental Life Insurance Company (collectively, the "Applicants").

FILING DATE: The application was filed on July 29, 1999, and amended and restated on September 7, 1999.

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 Commission 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 September 29, 1999, 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 Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street,

NW, Washington, D.C. 20549-0609. Applicants: Transamerica Occidental Life Insurance Company, 1150 South Olive Street, Los Angeles, California 90015, Attn: Regina M. Fink, Esq.

FOR FURTHER INFORMATION CONTACT: Kevin P. McEnery, Senior Counsel, or Susan M. Olson, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington D.C. 20549-0102 (tel. (202) 942-8090).

Applicants' Representations

1. Transamerica Occidental Life Insurance Company ("Transamerica Occidental") is a California stock life insurance company. It principally engages in the sale of life insurance and annuity policies, and is registered as an investment adviser under the Investment Advisers Act of 1940, as amended ("Advisers Act"). Transamerica Occidental serves as depositor for Separate Account VL of Transamerica Occidental Life Insurance Company ("Separate Account VL").

2. Transamerica Occidental is an indirect wholly-owned subsidiary of Transamerica Corporation. On February 18, 1999, Transamerica Corporation announced that it had signed a merger agreement with AEGON N.V. ("AEGON"), an international insurance group, providing for AEGON's acquisition of all of Transamerica Corporation's outstanding common stock. The transaction closed in July 1999.

3. Separate Account VL is a segregated asset account of Transamerica Occidental and is registered with the Commission as a unit investment trust under the 1940 Act. Separate Account VL is divided into four sub-accounts. Separate Account VL funds certain variable life insurance policies issued by Transamerica Occidental (the "Policies"). The Policies consist of flexible premium individual variable life insurance policies. Transamerica Occidental no longer offers the Policies, but the Policies are still outstanding and net premiums are still accepted.¹

¹ Applicants represent that, in reliance on a no-action letter that they received in 1990 (Transamerica Life Insurance Company Separate Account VL, pub. avail. March 16, 1990), they provide certain information to Policy owners about their Policies, Separate Account VL, and the underlying fund in lieu of filing post-effective amendments to the registration statement relating to

4. The Hudson River Trust ("HRT") is organized as a Massachusetts business trust. It is registered as an open-end management investment company under the 1940 Act, and its shares are registered under the Securities Act of 1933 (the "1933 Act"). HRT is a series investment company, as defined by Rule 18f-2 under the 1940 Act, and currently offers shares of 14 separate portfolios. HRT sells shares to Separate Account VL to serve as an investment medium for the Policies.² The shares of four of the HRT portfolios are currently held by Separate Account VL and would be involved in the proposed substitutions (collectively referred to as the "Current Funds"). The HRT shares held by Separate Account VL currently account for less than 1% of HRT's total assets. HRT currently offers two classes of shares, Class 1A and Class 1B shares, which differ only in that the Class 1B shares are subject to a distribution plan adopted and administered pursuant to Rule 12b-1 under the 1940 Act. Separate Account VL holds only Class 1A shares. Each Current Fund is advised by Alliance Capital Management L.P. ("Alliance"), an investment adviser registered under the Advisers Act. As HRT's investment adviser, Alliance is responsible for managing the day-to-day investment operations of HRT and exercises responsibility for the investment and reinvestment of HRT's assets.

5. Transamerica Variable Insurance Fund, Inc. ("TVIF") is organized as a Delaware business trust. It is registered as an open-end management investment company under the 1940 Act, and its shares are registered under the 1933 Act on Form N-1A. TVIF is a series investment company, as defined by Rule 18f-2 under the 1940 Act, and currently has nine separate portfolios of shares registered with the Commission. TVIF currently sells shares to certain registered separate accounts ("Transamerica Separate Accounts") used as the underlying investment options for certain variable annuity contracts and/or variable life insurance policies issued by Transamerica Occidental and two of its affiliates. Two

the Policies and delivering updated prospectuses to Policy owners. Applicants further represent that their no-action letter is a predecessor to, and substantially the same as, Great-West Life Insurance Company (pub. avail. Oct. 23, 1990).

² The Commission issued an exemptive order granting exemptions from the 1940 Act to permit shares of HRT to be offered to separate accounts of affiliated and unaffiliated insurance companies that offer either variable life insurance policies or variable annuity contracts. See *Equitable Variable Life Insurance Company, Investment Company Act Rel. Nos. 14899 (Jan. 14, 1986) (order) and 14860 (Dec. 18, 1985) (notice)*.

of the TVIF portfolios (the "TVIF Funds") would be involved in the proposed substitutions. Transamerica Occidental serves as the investment adviser for each of the TVIF Funds, and it has engaged Transamerica Investment Services, Inc. to act as the sub-adviser providing day-to-day portfolio management services to the TVIF Funds. TVIF is not a "multi-manager" company and has not applied for or received any exemptive order from the Commission that would permit a change of an investment adviser or sub-adviser, or a change in the terms of any advisory agreement, without the approval of shareholders.

6. EQ Advisors Trust ("EQAT") is organized as a Delaware business trust. It is registered as an open-end management investment company under the 1940 Act, and its shares are registered under the 1933 Act on Form N-1A. EQAT is a series investment company, as defined by rule 18f-2 under the 1940 Act, and currently offers 25 separate portfolios of shares. EQAT currently sells shares to certain registered and unregistered separate accounts ("Equitable Separate Accounts") used as the underlying investment options for certain variable annuity contracts and/or variable life insurance policies issued by The Equitable Life Assurance Society of the United States ("Equitable"). EQAT currently offers two classes of shares, Class 1A and Class 1B shares, which differ only in that the Class 1B shares are subject to a distribution plan adopted and administered pursuant to Rule 12b-1 under the 1940 Act. EQ Financial Consultants, Inc. ("EQ Financial"), an indirect wholly-owned subsidiary of Equitable, serves as investment manager of each of the current 25 portfolios of EQAT under an investment management agreement with EQAT.³ EQ Financial is an investment adviser registered under the Advisers Act and a broker-dealer registered under the Securities Exchange Act of 1934, as amended. Pursuant to the investment management agreement, the investment manager ("Manager") is responsible for the general management and administration of EQAT, including selecting the investment advisers for each of EQAT's portfolios ("Advisers"), monitoring their investment programs and results, reviewing brokerage matters, overseeing compliance issues, and carrying out the directives of the

³ On July 12, 1999, the Board of Trustees of EQAT approved a transfer of the Investment Management Agreement to Equitable. That transfer of the Investment Management Agreement is expected to occur prior to October 1, 1999.

Board of Trustees. EQAT has received an exemptive order from the Commission ("Multi-Manager Order") that permits EQ Financial, or any entity controlling, controlled by, or under common control (within the meaning of Section 2(a)(9) of the 1940 Act) with EQ Financial, subject to certain conditions, including approval of the Board of Trustees of EQAT, and without the approval of shareholders, to: (a) employ a new Adviser or Advisers for any portfolio pursuant to the terms of a new Investment Advisory Agreement, in each case either as a replacement for an existing Adviser or as an additional Adviser; (b) change the terms of any Investment Advisory Agreement; and (c) continue the employment of an existing Adviser on the same contract terms where a contract has been assigned because of a change of control of the Adviser.⁴ In such circumstances, Policy owners would receive notice of any such action, including information concerning any new Adviser, that normally is provided in proxy materials.

7. EQAT has filed a post-effective amendment to its registration statement on Form N-1A in order to register 14 new portfolios for which Alliance will provide the day-to-day investment advisory services ("Alliance Funds"), including the two portfolios (the "EQAT Funds") that the Applicants propose to substitute for two of the Current Funds. The Applicants represent that the Manager of the 25 current portfolios of EQAT will also serve as Manager of the EQAT funds and that Alliance will serve as the portfolio manager (adviser) to each of the EQAT Funds, just as it serves as portfolio manager to each of the corresponding Current Funds. EQAT intends to sell shares of the EQAT

Funds to, among others, the Equitable Separate Accounts, as well as the Separate Account VL and other insurance company separate accounts.⁵

8. The prospectus describing the Policies expressly reserves to Transamerica Occidental the right, subject to compliance with applicable law, to substitute shares of another portfolio for shares of the Current Funds held by Separate Account VL.

9. Applicants represent that they are not affiliates of HRT, EQAT or Equitable.

10. The Applicants propose to substitute the securities issued by the TVIF Funds (Growth and Money Market) for Class IA shares issued by two of the Current Funds (Common Stock and Money Market) and to substitute Class IA shares issued by the EQAT Funds (Aggressive Stock and Balanced) for Class IA shares issued by the other two Current Funds (Aggressive Stock and Balanced). The substitutes of the two TVIF Funds will be cash transactions. Equitable, directly or through the Equitable Separate Accounts, owns over 99% of the shares of the Current Funds. Equitable and each Equitable Separate Account that is registered under the 1940 Act that currently invests in HRT have filed an application with the Commission ("Equitable Application") requesting, *inter alia*, an order pursuant to Section 26(b) of the 1940 Act, approving the substitution of securities issued by the Alliance Funds for the securities issued by the 14 portfolios of HRT.⁶ If approved, Equitable will redeem more than 99% of HRT's assets in connection with those substitutions. Applicants state that, given the very small position that Separate Account VL holds in the

Current Funds and especially considering that the Policies are no longer offered, it is their belief that it is reasonable to conclude that, following the proposed substitutions by Equitable: (1) The expense level of the Current Funds will increase dramatically as a percentage of net assets due to the smaller asset base, which is highly unlikely to increase; (2) the Current Funds will be difficult to manage in conformity with the applicable diversification regulations under the Internal Revenue Code of 1986, as amended ("Code"); and (3) the asset levels of the Current Funds will be small enough to raise concerns as to whether the Current Funds will remain viable investment options Applicants submit that, therefore, it is imperative (and in the best interest of the Policy owners) that the shares of other comparable funds be substituted for shares of HRT held by Separate Account VL.

11. The Applicants represent that the TRIF Funds and the EQAT Funds will have investment objectives, policies and anticipated risks that are either reasonably comparable (in the case of the TVIF Funds) or identical in all material respects (in the case of the EQAT Funds) to the corresponding Current Funds. The Applicants also state that, since the TVIF funds are Transamerica Occidental advised portfolios, the quality of reports and service to Policy owners investing in those portfolios should improve. The investment objectives of the four Current Funds and the corresponding TVIF Funds and EQAT Funds (together with the TVIF Funds, the "New Funds") are as follows:

Current fund	Investment objective	New fund	Investment objective
HRT Common Stock	Seeks long-term growth of its capital and increase in income.	TVIF Growth	Seeks to maximize long-term growth.
HRT Money Market	Seeks to obtain a high level of current income, preserve its assets and maintain liquidity.	TVIF Money Market	Seeks to maximize current income consistent with liquidity and preservation of principal.
HRT Aggressive Stock	Seeks to achieve long-term growth of capital.	EQAT Aggressive Stock	Seeks to achieve long-term growth of capital.
HRT Balanced	Seeks to achieve a high return through both appreciation of capital and current income.	EQAT Balanced	Seeks to achieve a high return through both appreciation of capital and current income.

12. The Applicants state that, with respect to the EQAT Funds, it is

expected that the management fees (*i.e.*, total paid to the investment manager

and day-to-day investment advisers) will be the same as the management fees

⁴ See EQ Advisors Trust and EQ Financial Consultants, Inc., Investment Company Act Rel. Nos. 23128 (April 24, 1998) (order) and 23-093 (March 30, 1998) (notice). Before an Alliance Fund many rely on the Multi-Manager Order, the operation of that Alliance fund as a multi-manager fund, as described in the application for the Multi-Manager Order, will be approved, following the

substitutions proposed in the application, by a majority of that Alliance Fund's outstanding voting securities in a manner consistent with the EQAT Shared Funding Order. See note 5.

⁵ The Commission has issued an order granting exemptions for the 1940 Act to permit EQAT shares to be offered to separate accounts of affiliated and unaffiliated insurance companies that offer either

variable life insurance policies or annuity contracts ("EQAT Shared Funding Order"). See EQ Advisors Trust, Investment Company Act Rel. Nos. 22651 (April 30, 1997) (order) and 22602 (April 4, 1997) (notice).

⁶ File No. 812-11602 (filed Apr. 30, 1999, amended and restated August 12, 1999).

currently applicable to the corresponding Current Funds. EQAT Financial currently anticipates that there may be a slight increase in the total expense ratios of certain of the EQAT Funds as compared to those of the corresponding Current Funds. The Applicants represents that the chart below shows: (a) the management fees

and total expenses for Class IA shares of each of the Current Funds for the year ending December 31, 1998, (b) the management fees and total expenses of TVIF Growth and Money Market Portfolios for the year ended December 31, 1998 (after fee waivers and/or expense reimbursements); and (c) the anticipated management fees and other

expenses for the Class IA shares of the EQAT Aggressive Stock and Balanced Portfolios for their first year of operations. Anticipated management fees and other expenses for the EQAT Funds are presented on a pro forma basis and are based on the audited financial statements of HRT for the year ended December 31, 1998.

Current fund expenses	Management fees (percentage of average daily net assets)	Total expenses (percentage of average daily net assets)	New fund expenses	Management fees (percentage of average daily net assets)	Total expenses (percentage of average daily net assets) (after waivers and/or reimbursement*)
HRT Common Stock	0.36	0.39	TVIF Growth	0.64	0.85
HRT Money Market	0.35	0.37	TVIF Money Market	0.00	0.60
HRT Aggressive Growth	0.54	0.56	EQAT Aggressive Stock (pro forma) ...	0.54	0.57
HRT Balanced	0.41	0.45	EQAT Balanced (pro forma)	0.41	0.46

* Without such waivers/reimbursements, total expenses would have been 0.96% for TVIF Growth, and 3.03% for TVIF Money Market (consisting of 0.35% for TVIF Money Market management fees and 2.68% of other expenses). TVIF's investment adviser has agreed to waive its management fee and/or reimbursement expenses for the two New Funds so the total fees and expenses do not exceed these total figures for at least one year. Such waivers or reimbursements are voluntary but are expected to continue beyond one year.

13. The Applicants state that the TVIF Funds (Growth and Money Market) have enjoyed investment performance that is better than, or comparable to, that of the Current Funds (Common Stock and Money Market). The Applicants represent that the tables below show the

past investment performance (after expenses) of the Class IA shares of the two Current Funds (Common Stock and Money Market), and the past performance (after expenses) of the TVIF Funds (Growth and Money Market). In addition to the investment

performance information below, the Applicants represent that the 7-day yield as of July 31, 1999, for the HRT Money Market Portfolio was 4.33% and 4.60% for the TVIF Money Market Portfolio.

CURRENT FUNDS—AVERAGE ANNUAL TOTAL RETURNS (PERIODS ENDED 12/31/98)

Current fund	One year (percent)	Five years (percent)	Ten years (percent)
HRT Common Stock	29.39	21.95	18.65
HRT Money Market	5.34	5.17	5.58

TVIF FUNDS—AVERAGE ANNUAL TOTAL RETURNS (PERIODS ENDED 12/31/98)

TVIF fund	One year (percent)	Five years (percent)	Ten years (percent)
TVIF Growth	43.28	34.37	26.05
TVIF Money Market*	4.93	N/A	N/A

* Inception date, January 2, 1998.

14. The Applicants state that, as soon as practicable after the application is noticed, they will send a notice to all Policy owners. The notice will describe each of the New Funds, identify each Current Fund that is being replaced and disclose the anticipated impact of the substitutions on fees and expenses at the underlying fund level. The Applicants state that a prospectus for the New Funds will be sent to all Policy owners before the substitutions are effected. Confirmation of the substitutions will be sent to affected Policy owners within five days after the substitutions are effected.

15. The Applicants state that the substitutions will be effected by

redeeming shares of the Current Funds on the effective date of the substitutions proposed herein and in the Equitable Application ("Substitution Date") at net asset value and using the proceeds to purchase shares of the New Funds at net asset value on the same date. The transactions involving the TVIF Funds will be cash transactions. Based on the Equitable Application and information otherwise provided by Equitable, Applicants expect that the substitutions involving the EQAT Funds will be effected by redeeming shares of the corresponding Current Funds in-kind and contributing those assets in-kind to the corresponding New Fund to purchase shares of the New fund ("in-

kind transactions"). In-kind transactions will be done in a manner consistent with the investment objectives, policies and diversification requirements of each corresponding New Fund. The Manager of each New Fund will review the in-kind transactions to assure that the assets are suitable for the New Fund. All assets subject to in-kind redemption and repurchase will be valued based on the normal valuation procedures of the redeeming and repurchasing funds, as set forth in the HRT and EQAT registration statements. No transfer or similar charges will be imposed on Policy owners by the Applicants and, on the Substitution Date, all Policy values

will remain unchanged and fully invested.

16. The significant terms of the substitutions described above include:

a. The New Funds have investment objectives, investment policies, and anticipated risks that are either reasonably comparable or identical in all material respects to those of the Current Funds, and have been selected to satisfy the Policy owners' objectives in choosing their Current Funds. The Applicant note that the EQAT Funds will continue to employ the same portfolio managers currently employed by the corresponding Current Funds, and are intended to mirror the investment options provided by the corresponding Current Funds.

b. The fees and expenses of the EQAT funds will in all cases be substantially similar to those of the corresponding Current Funds, assuming that the asset levels of the EQAT Funds do not decrease significantly from the Current Funds' present asset levels. The Applicants note in this regard that given the substantial similarity of the EQAT Funds and the corresponding Current Funds, Applicants do not expect there to be a reduction in the asset levels of the EQAT Funds as a result of the substitutions.

c. Policy owners may transfer assets the subaccounts available under their Policy without the imposition of any fee, charge, or other penalty that might otherwise be imposed from the date of the initial notice through a date at least 30 days following the Substitution Date.

d. The substitutions, in all cases, will be effected at the net asset value of the respective shares of the Current Fund and the corresponding New Fund in conformity with Section 22(c) of the 1940 Act and Rule 22c-1 thereunder, without the imposition of any transfer or similar charge by the Applicants, and with no charge in the amount of any Policy owner's Policy value.

e. Policy owners will not incur any fees or charges as a result of the proposed substitutions, nor will their rights or Transamerica Occidental's obligations under the Policies be altered in any way. Equitable and/or Transamerica Occidental will bear all expenses incurred in connection with the proposed substitutions and related filings and notices, including legal, accounting, brokerage and other fees and expenses. There will be no tax consequences to Policy owners. The proposed substitutions will not cause the fees and charges currently being paid by existing Policy owners to be greater after the proposed substitutions than before the proposed substitutions.

f. Redemptions in-kind and contributions in-kind will be done in a manner consistent with the investment objectives, policies and diversification requirements, of the applicable Current and New Funds, and the Manager will review the in-kind transactions to assure that the assets are suitable for the New Fund. Consistent with Rule 17a-7(d) under the 1940 Act, no brokerage commissions, fees (except customary transfer fees) or other remuneration will be paid in connection with the in-kind transactions.

g. The Applicants will not count the substitutions as new investment selections in determining the limit, if any, on the total number of funds that Policy owners can select during the life of a Policy.

h. The substitutions will not alter in any way the life insurance benefits, tax benefits or any Policy obligations of the Applicants under the Policies.

i. Policy owners may withdraw amounts under the Policies or terminate their interest in a Policy, under the conditions that currently exist, including payment of any applicable withdrawal or surrender charge.

j. Policy owners affected by the substitutions will be sent written confirmation of the substitutions that identify each substitution made on behalf of that Policy owner within five days following the Substitution Date.

k. Before an EQAT Fund may rely on the Multi-Manager Order, the operation of that EQAT Fund as a multi-manager fund, as described in the application for the Multi-Manager Order, will be approved, following the substitutions proposed herein, by a majority of that EQAT Fund's outstanding voting securities in a manner consistent with the terms of the EQAT Shared Funding Order.

17. The Applicants state that they will not complete the substitutions as described in the application unless all of the following conditions are met:

a. The Commission will have issued an order approving the substitutions under Section 26(b) of the 1940 Act.

b. The Commission will have issued an order approving the Equitable Application.

c. Each Policy owner will have been mailed: (1) the disclosure of the proposed substitutions shortly after notice of the application has been published; and (2) an effective prospectus for the New Funds and relevant information about the proposed substitutions prior to the Substitution Date.

d. The Applicants will have satisfied themselves that the Policies allow the substitution of portfolios as described in

the application, and that the transactions can be consummated as described herein under applicable insurance laws and under the Policies.

e. The Applicants will have complied with any regulatory requirements they believe are necessary to complete the transactions in each jurisdiction where the Policies have been sold.

Applicants' Legal Analysis

1. Section 26(b) of the 1940 Act provides that it 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) further provides that the Commission shall issue an order approving such substitution if the evidence establishes that it is consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the 1940 Act.

2. The Applicants submit that the prospectus describing the Policies expressly reserves to Transamerica Occidental the right, subject to compliance with applicable law, to substitute shares of another portfolio for shares of the Current Funds held by Separate Account VL. Transamerica Occidental asserts that it has reserved this right of substitution both to protect itself and its Policy owners in situations where either might be harmed or disadvantaged by events beyond their control, affecting the issuer of the securities held by a Separate Account and to preserve the opportunity to replace such shares in situations where a substitution could benefit itself and its Policy owners. The Applicants assert that Equitable's decision to close down HRT has forced Transamerica Occidental to use this reserved right to protect its Policy owners.

3. The Applicants maintain that the proposed substitutions protect Policy owners by: (1) providing an underlying investment option for such subaccounts that is comparable to the current investment option; and (2) eliminating Current Funds that will not be viable due to the extremely low level of assets following the proposed substitutions by Equitable.

4. The Applicants further submit that the proposed substitutions meet the standards that the Commission and its staff generally have applied to other substitutions that have been approved. In addition, the Applicants contend that none of the proposed substitutions is the type of substitution that Section 26(b) was designed to prevent. Unlike traditional unit investment trusts, the

Policies provide each Policy owner with the right to exercise his own judgment and transfer Policy values into any other available variable and/or fixed investment options. Additionally, the Applicants state that the proposed substitutions will not, in any material manner, reduce the number, nature, or quality of the available investment options. The Applicants assert that the Policy owners will be offered the opportunity to transfer amounts among the available subaccounts without any cost or other penalty that may otherwise have been imposed until thirty days after the Substitution Date. For these reasons, the Applicants maintain that the proposed substitutions will not result in the type of costly forced redemptions and sales loads that Section 26(b) was designed to prevent.

5. The Applicants further submit that the proposed substitutions also are unlike the type of substitution that Section 26(b) was designed to prevent in that by purchasing a Policy, Policy owners select much more than a particular underlying fund in which to invest their Policy values. The Policy owners also select the specific type of insurance coverage offered by the Applicants under the applicable Policy, as well as numerous other rights and privileges set forth in the Policy. The Applicants state that it is likely that, in choosing to purchase a Policy from Transamerica Occidental, the Policy owner also may have considered the company's size, financial condition, and reputation for service in selecting the Policy, and that none of these considerations and factors will change as a result of the proposed substitutions.

6. Applicants state that the investment performance of the two proposed TVIF Funds is better than, or at least comparable to, that of the relevant HRT Portfolios. The average annual returns of the TVIF Growth Portfolio for one, five, and ten-year periods are substantially higher than the returns of the HRT Growth Portfolio. With respect to the TVIF Money Market Portfolio, Applicants state that its 7-day yield of 4.60% and effective yield of 4.71% as of July 31, 1999, are substantially better than the yield figures of the HRT Money Market Portfolio for the same period (4.33% and 4.42%, respectively). The average annual total returns for the one-year period ended December 31, 1998, for the HRT Money Market and TVIF Money Market portfolios was 5.34% and 4.93%, respectively.

7. The annual operating expenses of the two TVIF Funds have historically been higher than the expenses of the comparable HRT Portfolios. Applicants

argue that the superior performance of the TVIF Growth Portfolio overwhelms the minor differences in operating expenses and that, as of July 31, 1999, the TVIF Money Market Portfolio's yield substantially exceeds the yield of the HRT Money Market Portfolio.

8. Applicants submit that past operating expense levels may or may not be the same in future years, especially for new portfolios like TVIF Money Market, which commenced operations on January 2, 1998. Applicants state that as its assets increase (increased from \$6.1 million on January 31, 1999, to \$10.7 million on July 1, 1999) operating expenses are likely to decrease.

9. Applicants also submit that Section 26(b) was intended for situations where the depositor of the unit investment trust initiated the substitution (and where investors would directly or indirectly, be forced to bear additional sales charges). Here, Applicants state that Transamerica Occidental did not initiate or instigate the proposed substitutions; rather Equitable instigated it. In response to that, Applicants argue that Transamerica Occidental is taking prudent, appropriate steps to protect its Policy owners, and to continue to fulfill the Policy owner's objectives in purchasing their variable life insurance policies from Transamerica Occidental and making their original investment selections.

10. Applicants submit that, for all the reasons summarized above, the proposed substitutions of two portfolios of TVIF and two portfolios of EQAT are good choices, and consistent with the protection of investors and the purposes fairly intended by the policy and purposes of the 1940 Act in general, and Section 26(b) in particular.

Conclusion

Applicants assert that, for the reasons summarized above, the requested order approving the substitutions should be granted.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41843]

Securities Exchange Act of 1934; Application Pursuant to Section 11A(a)(3)(B) of the Securities Exchange Act of 1934; Order

September 8, 1999.

Notice is hereby given that the American Stock Exchange LLC ("AMEX"), the Chicago Board Options Exchange, Inc. ("CBOE"), the Pacific Exchange Inc. ("PCX"), and the Philadelphia Stock Exchange, Inc. ("PHLX") have sought an order pursuant to Section 11A(a)(3)(B) of the Securities Exchange Act of 1934 (the "Act")¹ expressly authorizing them and the New York Stock Exchange ("NYSE"), by and through their members, affiliated member associations, the Securities Industry Automation Corp. ("SIAC"),² the Options Price Reporting Authority ("OPRA"),³ and the International Securities Exchange ("ISE") ("Participants"),⁴ to act jointly in planning, developing and discussing approaches and strategies with respect to options quote message traffic to (1) recommend and propose, individually or jointly, self-regulatory organization or Commission rules or plan amendments in connection therewith, or (2) undertake other options quote message traffic mitigation strategies.

¹ Section 11A(a)(3)(B) authorizes the Commission, in furtherance of its statutory directive, to facilitate the establishment of a national market system, by rule or order, "to authorize or require self-regulatory organizations to act jointly with respect to matters as to which they share authority under [the Act] in planning, developing, operating or regulating a national market system (or a subsystem thereof) or one or more facilities thereof."

² SIAC is a registered exclusive securities information processor and is owned by the AMEX and the NYSE. Securities Exchange Act Release No. 12035 (Jan. 22, 1976), 41 FR 4372.

³ OPRA is an association governed by a committee consisting of representatives of the four national securities exchanges authorized by the Commission to list options for trading (the AMEX, the CBOE, the PCX, and the PHLX) and the NYSE (which no longer lists options for trading and whose role in these matters accordingly may be limited). In 1976, the Commission granted its registration as a securities information processor. Securities Exchange Act Release No. 12035 (Jan. 22, 1976), 41 FR 4372. OPRA was formed and operates pursuant to a plan approved by the Commission on March 18, 1981, as amended. Securities Exchange Act Release No. 17638, as amended. See, e.g., Securities Exchange Act Release No. 40767 (Dec. 16, 1998), 63 FR 69354.

⁴ The ISE, which has filed an application with the Commission to register as a national securities exchange, also will be participating in the SRI study. Securities Exchange Act Release No. 41439 (May 24, 1999), 64 FR 29367 (Jun. 1, 1999).