Advance Coordinator to the Director, Executive Scheduling. Effective September 15, 1999.

Advance Coordinator to the Director, Executive Scheduling. Effective September 24, 1999.

Department of the Interior

Communications Director, Office of the Deputy Secretary to the Deputy Secretary. Effective September 15, 1999.

Deputy Director, Office of Intergovernmental Affairs to the Deputy Chief of Staff. Effective September 24, 1999.

Department of Justice

Special Assistant to the Deputy Director, Policy and Management. Effective September 30, 1999.

Department of Labor

Special Assistant to the Deputy Under Secretary for International Labor Affairs. Effective September 2, 1999.

Senior Public Affairs Advisor to the Assistant Secretary for Public Affairs. Effective September 2, 1999.

Special Assistant to the Assistant Secretary for Policy. Effective September 15, 1999.

Special Assistant to the Assistant Secretary. Effective September 15, 1999.

Special Assistant to the Assistant Secretary for Public Affairs. Effective September 24, 1999.

Department of State

Special Assistant to the Under Secretary for Public Diplomacy and Public Affairs. Effective September 13, 1999.

Special Assistant to the Assistant Secretary, Bureau of Oceans and International Environmental and Scientific Affairs. Effective September 14, 1999.

Special Assistant to the Chairman. Effective September 14, 1999.

Department of the Treasury

Public Affairs Specialist to the Deputy Assistant Secretary Public Affairs. Effective September 10, 1999.

Public Affairs Specialist to the Director, Office of Public Affairs. Effective September 24, 1999.

Associate to the Deputy Assistant Secretary for Management Operations. Effective September 27, 1999.

Department of Veterans Affairs

Executive Assistant to the Secretary of Veterans Affairs. Effective September 24, 1999.

Equal Employment Opportunity Commission

Special Assistant to the Chairwoman. Effective September 13, 1999.

Special Assistant (Speech Writer) to the Director, Office of Communications and Legislative Affairs. Effective September 15, 1999.

National Aeronautics and Space Administration

Commercialization Specialist to the Associate Administrator for Public Affairs. Effective September 8, 1999.

Office of Personnel Management

Special Assistant (White House Liaison) to the Chief of Staff. Effective September 29, 1999.

Securities and Exchange Commission

Legislative Affairs Specialist to the Director, Legislative Affairs. Effective September 22, 1999.

Secretary to the Director, Division of Investment Management. Effective September 24, 1999.

Small Business Administration

Director for Intergovernmental Affairs to the Associate Administrator for Commerce and Public Liaison. Effective September 21, 1999.

United States Tax Court

Trial Clerk to the Judge. Effective September 17, 1999.

Trial Clerk to the Judge. Effective September 17, 1999.

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. 99–30444 Filed 11–22–99; 8:45 am]

BILLING CODE 6325–01–P

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–24137; 812–11820]

American Century Mutual Funds, Inc., et al.; Notice of Application

November 16, 1999.

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: American Century Mutual Funds, Inc.; American Century World Mutual Funds, Inc.; American Century Premium Reserves, Inc.; American Century Capital Portfolios, Inc.; American Century Strategic Asset Allocations, Inc.; American Century Quantitative Equity Funds; American Century Target Maturities Trust; American Century Government Income Trust; American Century Investment Trust; American Century Municipal Trust; American Century California Tax-Free and Municipal Funds; American Century International Bond Funds (collectively, the ''Retail Funds''); American Century Variable Portfolios, Inc. (the ''Insurance Fund''); American Century Investment Management, Inc. (''American Century''); any person controlling, controlled by, or under common control with American Century (together with American Century, an ''American Century Adviser''); and any open-end management investment company registered under the Act for which an American Century Adviser serves as investment adviser.[1]

FILING DATES: The application was filed on October 25, 1999. Applicants have agreed to file an amendment, the substance of which is reflected in this notice, during the notice period.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on December 13, 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549–0609. Applicants, American Century Investments, 1665 Charleston Road, Mountain View, CA 94043.

[1] All existing Funds (defined below) that currently intend to rely on the order have been named as applicants, and any other existing or future Funds that subsequently rely on the order will comply with the terms and conditions in the application.

FOR FURTHER INFORMATION CONTACT: Mary T. Geffroy, Senior Counsel, at (202) 942–0553, or Nadya Roytblat, Assistant Director, 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, 20549–0102. (tel. 202–942–8090).

Applicants' Representations

1. The Retail Funds and the Insurance Fund are registered under the Act as open-end management investment companies. The Retail Funds are organized as Maryland corporations, Massachusetts business trusts, and a California corporation. The Insurance Fund is organized as a Maryland corporation. The Retail Funds and the Insurance Fund have, respectively, sixty-six and six separate portfolios (each a ''Fund''). American Century is registered as an investment adviser under the Investment Advisers Act of 1940. American Century is a wholly-owned subsidiary of American Century Companies, Inc. Each Fund has entered into an investment advisory agreement with American Century. American Century also provides administrative services to the Funds.

2. Each Fund and American Century have obtained an order under section 17(d) and rule 17d–1 permitting the Funds and certain other registered investment companies to deposit uninvested cash balances that remain at the end of a trading day in one or more joint trading accounts (each a ''Joint Account'') to be used to enter into short-term investments. The Funds and American Century also obtained an order to permit them to invest their cash balances in one or more of the Funds that are money market funds that comply with rule 2a–7 of the Act (the ''Money Market Funds'').

3. Some Funds may lend money to banks or other entities by entering into repurchase agreements or purchasing other short-term instruments, either directly or through the Joint Account. Other Funds may borrow money from the same or other banks for temporary purposes to satisfy redemption requests or to cover unanticipated cash shortfalls such as a trade ''fail'' in which cash payment for a portfolio security sold by a Fund has been delayed. Currently, the Funds have credit arrangements with their custodians (*i.e.*, overdraft protection) under which the custodians may, but are not obligated to, lend money to the Funds to meet the Funds' temporary cash needs. In addition, the Funds have a small, limited-purpose committed line of credit which could be drawn upon to meet redemptions.

4. If the Funds were to borrow money from their custodians under their current arrangements or under other credit arrangements with a bank, the Funds would pay interest on the borrowed cash at a rate which would be significantly higher than the rate that would be earned by other (non-borrowing) Funds on investments in repurchase agreements and other short-term instruments of the same maturity as the bank loan. Applicants believe this differential represents the bank's profit for serving as a middleman between a borrower and lender. Other bank loan arrangements, such as committed lines of credit, would require the Funds to pay substantial commitment fees in addition to the interest rate to be paid by the borrowing Fund.

5. Applicants request an order that would permit the Funds to enter into lending agreements (''Interfund Lending Agreements'') under which the Funds would lend money directly to and borrow money directly from each other through a credit facility for temporary purposes (''Interfund Loan''). Applicants believe that the proposed credit facility would substantially reduce the Funds' potential borrowing costs and enhance their ability to earn higher rates of interest on short-term lendings. Although the proposed credit facility would substantially reduce the Funds' need to borrow from banks, the Funds might also continue to maintain committed lines of credit or other borrowing arrangements with banks. The funds also would continue to maintain overdraft protection currently provided by their custodians.

6. Applicants anticipate that the credit facility would provide a borrowing Fund with significant savings when the cash position of the Fund is insufficient to meet temporary cash requirements. This situation could arise when redemptions exceed anticipated volumes and the Funds have insufficient cash on hand to satisfy such redemptions. When the Funds liquidate portfolio securities to meet redemption requests, which normally are effected immediately, they often do not receive payment in settlement for up to three days (or longer for certain foreign transactions). The credit facility would provide a source of immediate, short-term liquidity pending settlement of the sale of portfolio securities.

7. Applicants also propose using the credit facility when a sale of securities fails due to circumstances such as a delay in the delivery of cash to the Fund's custodian or improper delivery instructions by the broker effecting the transaction. Sales fails may present a cash shortfall if the Fund has undertaken to purchase a security with the proceeds from securities sold. When the Fund experiences a cash shortfall due to a sales fail, the custodian typically extends temporary credit to cover the shortfall and the Fund incurs overdraft charges. Alternatively, the Fund could fail on its intended purchase due to lack of funds from the previous sale, resulting in additional cost to the Fund, or sell a security on a same day settlement basis, earning a lower return on the investment. User of the credit facility under these circumstances would enable the Fund to have access to immediate short-term liquidity without incurring custodian overdraft or other charges.

8. While borrowing arrangements with banks will continue to be available to cover unanticipated redemptions and sales fails, under the proposed credit facility a borrowing Fund would pay lower interest rates than those offered by banks on short term loans. In addition, Funds making short-term cash loans directly to other Funds would earn interest at a rate higher than they otherwise could obtain from investing their cash through the Joint Account in repurchase agreements or in the Money Market Funds. Thus, applicants believe that the proposed credit facility would benefit both borrowing and lending Funds.

9. The interest rate charged to the Funds on any Interfund Loan (the ''Interfund Loan Rate'') would be the average of the Repo Rate and the Bank Loan Rate, as defined below. The Repo Rate for any day would be the highest rate available from investments in overnight repurchase agreements through the Joint Account. The Bank Loan Rate for any day would be calculated by an American Century Adviser each day an Interfund Loan is made according to a formula established by the directors of the Funds (the ''Directors'') designed to approximate the lowest interest rate at which bank short-term loans would be available to the Funds. The formula would be based upon a publicly available rate (*e.g.*, Federal Funds plus 25 basis points) and would vary with this rate so as to reflect changing bank loan rates. Each Fund's Directors periodically would review the continuing appropriateness of using the publicly available rate, as well as the relationship between the Bank Loan Rate and current bank loan rates that would be available to the Funds. The initial formula and any subsequent

modifications to the formula would be subject to the approval of each Fund's Directors.

10. The credit facility would be administered by American Century's money market investment professionals (including the portfolio manager for the Money Market Funds and fund accounting department (collectively, the ''Cash Management Team''). Under the proposed credit facility, the portfolio managers for each participating Fund may provide standing instructions to participate daily as a borrower or lender. As ion the case of the Joint Account, the American Century Adviser on each business day would collect data on the uninvested cash and borrowing requirements of all participating Funds from the Funds' custodians. Once it had determined the aggregate amount of cash available for loans and borrowing demand, the Cash Management Team would allocate loans among borrowing Funds without any further communication from portfolio managers (other than the Money Market Fund portfolio manager on the Cash Management Team). Applicants expect far more available uninvested cash each day than borrowing demand. All allocations will require approval of at least one member of the Cash Management Team who is not the Money Market Funds' portfolio manager. After the American Century Adviser has allocated cash for Interfund Loans, it will invest any remaining cash in accordance with the standing instructions from portfolio managers or return remaining amounts for investment directly by the portfolio manager of the Money Market Funds. The Money Market Funds typically would not participate as borrowers because they rarely need to borrow cash to meet redemptions.

11. The Cash Management Team would allocate borrowing demand and cash available for lending among the Funds on what the Team believed to be an equitable basis, subject to certain administrative procedures applicable to all Funds, such the time of filing requests to participate, minimum loan lot sizes, and the need to minimize the number of transactions and associated administrative costs. To reduce transaction costs, each loan normally would be allocated in a manner intended to minimize the number of participants necessary to complete the loan transaction. The method of allocation and related administrative procedures would be approved by each Fund's Directors, including a majority of Directors who are not ''interested persons'' of the funds, as defined in section 2(a)(19) of the Act (''Independent Directors''), to ensure that both borrowing and lending Funds participate on an equitable basis.

12. The American Century Adviser would (i) Monitor the Interfund Loan Rates charged and the other terms and conditions of the loans, (ii) Ensure compliance with each Fund's investment policies and limitations, (iii) Ensure equitable treatment of each Fund, and (iv) Make quarterly reports to the Directors concerning any transactions by the Fund under the credit facility and the interest rates charged.

13. The American Century Adviser would administer the credit facility as part of its duties under its existing management or advisory and service contract with each Fund and would receive no additional fee as compensation for its services. The American Century Adviser of companies affiliated with it may collect standard ricing, recordkeeping, bookkeeping and accounting fees applicable to repurchase and lending transactions generally, including transactions effected through the credit facility. Fees would be no higher than those applicable for comparable bank loan transactions.

14. Each Fund's participation in the proposed credit facility will be consistent with its organizational documents and its investment policies and limitations. The prospectus of each Fund discloses that the Fund may borrow money for temporary purposes in amounts up to 25% of its total assets. Each non-Money Market Fund may mortgage or pledge securities ad security for borrowings in amounts up to 15% of its net assets. Each of the Money Market Funds may mortgage or pledge securities only to secure permitted borrowings. As a fundamental policy, each Fund may lend securities or other assets if, as a result, no more than 25% of its total assets would be lent to other parties.

15. The prospectus of each Fund currently discloses that Funds advised by American Century intend to seek permission form the SEC to borrow money from or lend money to each other. If applicants' requested order is granted, the statement of additional information of each Fund will disclose all material facts about intended participation in the credit facility.

16. In connection with the credit facility, applicants request an order under (i) section 6(c) of the act granting relief from sections 18(f) and 21(b) of the Act; (ii) section 12d)(1)(J) of the Act granting relief from section 12(d)(1) of the Act; (iii) sections 6(c) and 17(b) of the Act granting relief from sections 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.

Applicants' Legal Analysis

1. Section 17(a)(3) generally prohibits any affiliated person, or affiliated person of an affiliated person, from borrowing money or other property from a registered investment company. Section 21(b) generally prohibits any registered management investment company from lending money or other property to any person if that person controls or is under common control with the company. Section 2(a)(3)(C) of the Act defines an ''affiliated person'' of another person, in part, to be any person directly or indirectly controlling, controlled by, or under common control with, the other person. Applicants state that the Funds may be under common control by virtue of having an American Century Adviser as their common investment adviser.

2. Section 6(c) provides that an exemptive order may be granted where an 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. Section 17(b) authorizes the SEC to exempt a proposed transaction from section 17(a) provided that the terms of the transaction, including the consideration to be paid or received, are fair and reasonable and do not involve overreaching on the part of any person concerned, and the transaction is consistent with the policy of the investment company as recited in its registration statement and with the general purposes of the Act. Applicants believe that the proposed arrangements satisfy these standards for the reasons discussed below.

3. Applicants submit that sections 17(a)(3) and 21(b) of the Act were intended to prevent a party with potential adverse interests to and influence over the investment decisions of a registered investment company from causing or inducing the investment company to engage in lending transactions that unfairly inure to the benefit of such party and that are detrimental to the best interests of the investment company and its shareholders. Applicants assert that the proposed credit facility transactions do not raise these concerns because (i) an American Century Adviser would administer the program as a disinterested fiduciary (*e.g.*, a fiduciary with no financial interest in the amount or the number of transactions generated by the facility); (ii) all Interfund Loans

would consist only of uninvested cash reserves that the Fund otherwise would invest in short-term repurchase agreements or other short-term instruments either directly or through the Joint Account or in the Money Market funds; (iii) the Interfund Loans would not involve a greater risk than such other investments; (iv) the lending Fund would receive interest at a rate higher than it could obtain through such other investments; and (v) the borrowing Fund would pay interest at a rate lower than otherwise available to it under its bank loan agreements and avoid the up-front commitment fees associated with committed lines of credit. Moreover, applicants believe that the other conditions in the application would effectively preclude the possibility of any Fund obtaining an undue advantage over any other Fund.

4. Section 17(a)(1) generally prohibits an affiliated person of a registered investment company, or an affiliated person of an affiliated person, from selling any securities or other property to the company. Section 12(d)(1) of the Act generally makes it unlawful for a registered investment company to purchase or otherwise acquire any security issued by any other investment company except in accordance with the limitations set forth in that section. Applicants believe that the obligation of a borrowing Fund to repay an Interfund Loan may constitute a security under sections 17(a)(1) and 12(d)(1). Section 12(d)(1)(J) provides that the SEC may exempt persons or transactions from any provision of section 12(d)(1) if and to the extent such exception is consistent with the public interest and the protection of investors. Applicants contend that the standards under sections 6(c), 17(b) and 12(d)(1) are satisfied for all the reasons set forth above in support of their request for relief from sections 17(a)(3) and 21(b) and for the reasons discussed below.

5. Applicants state that section 12(d) was intended to prevent the pyramiding of investment companies in order to avoid duplicative costs and fees attendant upon multiple layers of investment companies. Applicants submit that the proposed credit facility does not involve these abuses. Applicants note that there would be no duplicative costs or fees to the Funds or shareholders, and that the American Century Adviser would receive no additional compensation for its services in administering the credit facility. Applicants also note that the purpose of the proposed credit facility is to provide economic benefits for all the participating Funds.

6. Section 18(f)(1) prohibits open-end investment companies from issuing any senior security except that a company is permitted to borrow from any bank; provided, that immediately after any such borrowing there is an asset coverage of at least 300 per centum for all borrowings of the company. Under section 18(g) of the Act, the term ''senior security'' includes any bond, debenture, note, or similar obligation or instrument constituting a security and evidencing indebtedness. Applicants request exemptive relief from section 18(f)(1) to the limited extent necessary to implement the credit facility (because the lending Funds are not banks).

7. Applicants believe that granting relief under section 6(c) is appropriate because the Funds would remain subject to the requirement of section 18(f)(1) that all borrowings of the Fund, including combined credit facility and bank borrowings, have at least 300% asset coverage. Based on the conditions and safeguards described in the application, applicants also submit that to allow the Funds to borrow from other Funds pursuant to the proposed credit facility is consistent with the purposes and policies of section 18(f)(1).

8. Section 17(d) and rule 17d–1 generally prohibit any affiliated person of a registered investment company, or affiliated person of an affiliated person, when acting as principal, from effecting any joint transaction in which the company participates unless the transaction is approved by the SEC. Rule 17d–1 provides that in passing upon applications for exemptive relief from section 17(d), the SEC will consider whether the participation of a registered investment company in a joint enterprise on the basis proposed is consistent with the provisions, policies, and purposes of the Act and the extent to which the company's participation is on a basis different from or less advantageous than that of other participants.

9. Applicants submit that the purpose of section 17(d) is to avoid overreaching by an unfair advantage to investment company insiders. Applicants believe that the credit facility is consistent with the provisions, policies and purposes of the Act in that it offers both reduced borrowing costs and enhanced returns on loaned funds to all participating Funds and their shareholders. Applicants note that each Fund would have an equal opportunity to borrow and lend on equal terms consistent with its investment policies and fundamental investment limitations. Applicants therefore believe that each Fund's participation in the credit facility will be on terms which are no different from or less advantageous than that of other participating Funds.

Applicants' Conditions

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

1. The Interfund Loan Rates to be charged to the funds under the credit facility will be the average of the Repo Rate and Bank Loan Rate.

2. On each business day, the American Century Adviser will compare the Bank Loan Rate with the Repo Rate and will make cash available for Interfund Loans only if the Interfund Loan Rate is (a) More favorable to the lending Fund than the Repo Rate; (b) More favorable to the lending Fund than the yield on the Money Market Funds (''MMF Yield'') (for those Funds that invest in the Money Market Funds); and (c) More favorable to the borrowing Fund than the Bank Loan Rate.

3. If a Fund has outstanding borrowings, any Interfund Loans to the Fund (a) Will be at an interest rate equal to or lower than any outstanding bank loan, (b) Will be secured at least on an equal priority basis with at least an equivalent percentage of collateral to loan value as any outstanding bank loan that requires collateral, (c) Will have a maturity no longer than any outstanding bank loan (and in any event not over seven days), and (d) Will provide that, if an event of default occurs under any agreement evidencing an outstanding bank loan to the fund, that event of default will automatically (without need for action or notice by the lending Fund) constitute an immediate event of default under the Interfund Lending Agreement entitling the lending Fund to call the Interfund Loan (and exercise all rights with respect to any collateral) and that such call will be made if the lending bank exercises its right to call its loan under its agreement with the borrowing Fund.

4. A Fund may make an unsecured borrowing through the credit facility if its outstanding borrowings from all sources immediately after the interfund borrowing total 10% or less of its total assets, provided that if the Fund has a secured loan outstanding from any other lender, including but not limited to another Fund, the Fund's interfund borrowing will be secured on at least an equal priority basis with at least an equivalent percentage of collateral to loan value as any outstanding loan that requires collateral. If a Fund's total outstanding borrowings immediately after interfund borrowing would be greater than 10% of its total assets, the Fund may borrow through the credit facility on a secured basis only. A Fund

may not borrow through the credit facility or from any other source if its total outstanding borrowings immediately after the interfund borrowing would be more than 25% of its total assets.

5. Before any Fund that has outstanding interfund borrowings may, through additional borrowings, cause its outstanding borrowings from all sources to exceed 10% of its total assets, the Fund must first secure each outstanding Interfund Loan by the pledge of segregated collateral with a market value at least equal to 102% of the outstanding principal value of the loan. If the total outstanding borrowings of a Fund with outstanding Interfund Loans exceeds 10% of its total assets for any other reason (such as decline in net asset value or because of shareholder redemptions), the Fund will within one business day thereafter: (a) Repay all its outstanding Interfunds Loans, (b) Reduce its outstanding indebtedness to 10% or less of its total assets, or (c) Secure each outstanding Interfund Loan by the pledge of segregated collateral with a market value at least equal to 102% of the outstanding principal value of the loan until the Fund's total outstanding borrowings cease to exceed 10% of its total assets, at which time the collateral called for by this condition (5) shall no longer be required. Until each Interfund Loan that is outstanding at any time that a Fund's total outstanding borrowings exceeds 10% is repaid or the Fund's total outstanding borrowings cease to exceed 10% of its total assets, the Fund will mark the value of the collateral to market each day and will pledge such additional collateral as is necessary to maintain the market value of the collateral that secures each outstanding Interfund Loan at least equal to 102% of the outstanding principal value of the loan.

6. No equity, taxable bond or Money Market Fund may lend to another Fund through the credit facility if the loan would cause its aggregate outstanding loans through the credit facility to exceed 5%, 7.5% or 10%, respectively, of its net assets at the time of the loan.

7. A Fund's Interfund Loans to any one Fund shall not exceed 5% of the lending Fund's net assets.

8. The duration of Interfund Loans will be limited to the time required to receive payment for securities sold to cover either shareholder redemptions or sales fails, but in no event more than seven days. Loans effected within seven days of each other will be treated as separate loan transactions for purposes of this condition.

9. A Fund's borrowings through the credit facility, as measured on the day the most recent loan was made, will not exceed the greater of 125% of the Fund's total net cash redemptions and 102% of sales fails for the preceding seven calendar days.

10. Each Interfund Loan may be called on one business day's notice by the lending Fund and may be repaid on any day by the borrowing Fund.

11. A Fund's participation in the credit facility must be consistent with its investment policies and limitations and organizational documents.

12. The Cash Management Team will calculate total Fund borrowing and lending demand through the credit facility, and allocate loans on an equitable basis among the Funds without intervention of the portfolio manager of the Fund (except the portfolio manager of the Money Market Funds acting in her or his capacity as a member of the Cash Management Team). All allocations will require approval of at least one member of the Cash Management Team who is not the Money Market Funds' portfolio manager. The Cash Management Team will not solicit cash for the credit facility from any Fund or prospectively publish or disseminate loan demand data to portfolio managers (except to the extent that the portfolio manager of the Money Market Funds has access to loan demand data). The American Century Adviser will invest any amounts remaining after satisfaction of borrowing demand in accordance with the standing instructions from portfolio managers or return remaining amounts for investment directly by the portfolio manager of the Money Market Funds.

13. An American Century Adviser will monitor the Interfund Loan Rates charged and the other terms and conditions of the Interfund Loans and will make a quarterly report to the Directors concerning the participation of the Funds in the credit facility and the terms and other conditions of any extensions of credit thereunder.

14. The Directors of each Fund, including a majority of the Independent Directors: (a) Will review no less frequently than quarterly the Fund's participation in the credit facility during the preceding quarter for compliance with the conditions of any order permitting such transactions; (b) Will establish the Bank Loan Rate formula used to determine the Interfund Loan Rate and review no less frequently than annually the continuing appropriateness of such Bank Loan Rate formula; and (c) Will review no less frequently than annually the continuing appropriateness of the Fund's participation in the credit facility.

15. In the event an Interfund Loan is not paid according to its terms and such default is not cured within two business days from its maturity or from the time the lending Fund makes a demand for payment under the provisions of the Interfund Lending Agreement, the American Century Adviser will promptly refer such loan for arbitration to an independent arbitrator selected by the Directors of any Fund involved in the loan who will serve as arbitrator of disputes concerning Interfund Loans.[2] The arbitrator will resolve any problem promptly, and the arbitrator's decision will be binding on both Funds. The arbitrator will submit, at least annually, a written report to the Directors setting forth a description of the nature of any dispute and the actions taken by the Funds to resolve the dispute.

16. Each Fund will maintain and preserve for a period of not less than six years from the end of the fiscal year in which any transaction under the credit facility occurred, the first two years in an easily accessible place, written records of all such transactions setting forth a description of the terms of the transaction, including the amount, the maturity, and the rate of interest on the loan, the rate of interest available at the time on short-term repurchase agreements and commercial bank borrowings, the MMF Yield, and such other information presented to the Fund's Directors in connection with the review required by conditions 13 and 14.

17. The American Century Adviser will prepare and submit to the Directors for review an initial report describing the operations of the credit facility and the procedures to be implemented to ensure that all Funds are treated fairly. After the commencement of operations of the credit facility, the American Century Adviser will report on the operations of the credit facility at the Directors' quarterly meetings.

In addition, for two years following the commencement of the credit facility, the independent public accountant for each Fund shall prepare an annual report that evaluates any American Century Adviser's assertion that it has established procedures reasonably designed to achieve compliance with the conditions of the order. The report shall be prepared in accordance with the Statements on Standards for Attestation Engagements No. 3 and it shall be filed pursuant to Item 77Q3 of Form N–SAR. In particular, the report

[2] If the dispute involves Funds with separate Boards of Directors, the Directors of each Fund will select an independent arbitrator that is satisfactory to each party.

shall address procedures designed to achieve the following objectives: (a) That the Interfund Loan Rate will be higher than the Repo Rate, and the MMF Yield, but lower than the Bank Loan Rate; (b) compliance with the collateral requirements as set forth in the application; (c) compliance with the percentage limitations on interfund borrowing and lending; (d) allocation of interfund borrowing and lending demand in an equitable manner and in accordance with procedures established by the Directors; and (e) That the Interfund Loan Rate does not exceed the interest rate on any third party borrowings of a borrowing Fund at the time of the Interfund Loan.

After the final report is filed, the Fund's external auditors, in connection with their Fund audit examinations, will continue to review the operation of the credit facility for compliance with the conditions of the application and their review will form the basis, in part, of the auditor's report on internal accounting controls in Form N–SAR.

18. No Fund will participate in the credit facility upon receipt of requisite regulatory approval unless, it has fully disclosed in its statement of additional information all material facts about its intended participation.

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99–30436 Filed 11–22–99; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (MediaBay, Inc. (Formerly Audio Book Club, Inc.), Common Stock, No Par Value) File No. 1–13469

November 17, 1999.

MediaBay, Inc. (formerly audio Book Club, Inc.) (''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 Security has been listed for trading on the Amex since October 23, 1997, and, pursuant to a Registration Statement on Form 8–A filed with the Commission which became effective on November 12, 1999, has been designated for quotation as a National Market Security on the Nasdaq Stock Market, Inc. (''Nasdaq''). Trading in the shares of the Security on the Nasdaq commenced at the opening of business on November 15, 1999.

On July 13, 1999, the Company's Board of Directors unanimously approved a resolution authorizing the withdrawal of the Security from listing on the Amex in conjunction with a commencement of trading on the Nasdaq. The Company, in application to the Commission, explained its desire to transfer trading in the security from the Amex to the Nasdaq by citing the ability of multiple market makers on the Nasdaq to provide better liquidity for the Security, as well as better visibility for the Company, than the auction market system of the Amex had done.

The Company has complied with Amex Rule 18 by filing with the Exchange a certified copy of the resolution adopted by its Board of Directors authorizing the withdrawal of the Security from listing on the Amex, and by setting forth in detail to the Exchange the reasons and supporting facts for such proposed withdrawal. The amex has in turn informed the Company that it would not interpose any objection to the Company's application to withdraw its Security from listing and registration on the Exchange.

The Company's application relates solely to withdrawal of its Security from listing and registration on the Exchange and shall not affect the Security's designation for quotation on the Nasdaq. By reason of Section 12(g) of the Act and the rules and regulations of the Commission thereunder, the company shall continue to be obligated by the reporting requirements under Section 13 of the Act.

Any interested person may, on or before December 8, 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.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–27102]

Filings Under the Public Utility Holding Company Act of 1935, as Amended (''Act'')

November 16, 1999.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the applications(s) and/or declaration(s) for complete statements of the proposed transactions(s) summarized below. The application(s) and/or declarations(s) and any amendments is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the applications(s) and/or declaration(s) should submit their views in writing by December 10, 1999, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549–0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After December 10, 1999, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Conectiv, a registered holding company, and Conectiv's subsidiaries, Delmarva Power & Light Company (''Delmarva''), Conectiv Resource Partners, Inc., Conectiv Energy Supply, Inc., King Street Assurance, Ltd., and Conectiv Energy, Inc., all located at 800 King Street, Wilmington, Delaware 19899; Delmarva Capital Investments, Inc., Conectiv Services, Inc., Conectiv Communications, Inc., Delmarva Services Company, DCI I, Inc., DCI II, Inc., DCTC–Burney, Inc., Conectiv Operating Services Co., Conectiv Solutions, LLC, and Conectiv Plumbing