

responses from individuals in the money market fund industry, the staff estimates that some of the largest fund complexes have created computer programs for maintaining and preserving compliance records for rule 2a-7. Based on a cost of \$0.000068 per dollar of assets under management for large funds, the staff estimates that the total annualized capital/startup costs range from \$0 for small funds to \$88.4 million for all large funds. Commission staff further estimates, however, that even absent the requirements of rule 2a-7, money market funds would spend at least half of the amount for capital costs (\$44.2 million) and for record preservation (\$25.8 million) to establish and maintain these records and the systems for preserving them as a part of sound business practices to ensure diversification and minimal credit risk in a portfolio for a fund that seeks to maintain a stable price per share.

The collections of information required by rule 2a-7 are necessary to obtain the benefits described above. Notices to the Commission will not be kept confidential. 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 are requested on: (a) whether the collections of information are necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burdens of the collection of information; (c) ways to enhance the quality, utility and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW, Washington, DC 20549.

Dated: November 17, 1999.

Margaret H. McFarland,

Deputy Secretary.

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follows: $(\$0.0000052 \times \$204 \text{ billion}) + (\$0.000039 \times \$1,292.6 \text{ billion}) = \51.6 million.

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 24143; 812-11152]

Corporate Income Fund, et al., Notice of Application.

November 18, 1999.

AGENCY: Securities and Exchange Commission ("Commission")

ACTION: Notice of an application under sections 6(c) and 17(b) of the Investment Company Act of 1940 ("Act") for an exemption from section 17(c) of the Act.

SUMMARY OF APPLICATION: Applicants request an order that would permit transactions in certain securities between series of certain registered unit investment trusts. The requested order would supersede a prior order.

APPLICANTS: Corporate Income Fund and Equity Investor Fund, (the "Funds"), together with their present and future series ("Series"), and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Salomon Smith Barney Inc., Paine Webber Incorporated and Dean Witter Reynolds Inc. (together, the "Sponsors").

FILING DATES: The application was filed on August 11, 1998 and amended on October 1, 1998, March 25, 1999, July 23, 1999, and November 12, 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 Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. 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 Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 Fifth Street, NW, Washington, DC 20549-0609; Applicants, c/o Merrill Lynch, P.O. Box 9051, Princeton, New Jersey 08543-9051.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Senior Counsel, at (202) 942-0574, or George J. Zornada, Branch Chief, at (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

SUPPLEMENTARY INFORMATION: The following is a summary of the

application. The complete application may be obtained for a fee at the Commission's Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549-0102 (tel. no. 202-942-8090).

Applicant's Representations

1. Each Fund is registered under the Act as a unit investment trust ("UIT") and is comprised of multiple Series. Each Series is created by a trust indenture (an "Indenture") among the Sponsors, a banking institution satisfying the criteria of section 26(a) of the Act that is unaffiliated with any Sponsor ("Trustee") and, in certain cases, an independent evaluator that will be a "qualified evaluator" as defined in Rule 22-1(b)(2) under the Act ("Independent Evaluator"). Applicants also request relief for any future UIT sponsored by one or more of the Sponsors that becomes a party to an Indenture, and any future sponsor of one of more of the Series that becomes a party to an Indenture and for which Merrill Lynch acts as agent.¹

2. Series may hold equity securities, preferred stocks, corporate bonds, and/or U.S. Treasury securities ("Treasuries"). As UITs, the Series are not actively managed. A Series generally holds securities until the Series terminates or, in the case of a Series holding preferred stocks or bonds, until the securities mature. A Series may sell portfolio securities ("Selling Series") in connection with termination of the Series, to refund redemptions of its units, or under certain extraordinary circumstances specified in the Series' Indenture.² At the same time, another Series ("Purchasing Series") holding

¹ Pursuant to powers of attorney executed by each of the other Sponsors, Merrill Lynch acts as agent for the Sponsors. The Sponsors agree that any such future UIT and any future sponsor will rely on the requested order only in accordance with the terms and conditions of the application.

² The Sponsors expect Selling Series to sell securities principally in connection with the termination of the Series and redemptions of their units. The Sponsors maintain a secondary market for the units and applicants state that as a practical matter redemptions are initiated only by the Sponsors because, with the exception of redemptions in kind, the Indenture requires the Trustee to sell units tendered for redemption to the Sponsors as long as they maintain a secondary market for the units.

Securities also may be sold by a Series (a) to pay deferred sales charges, (b) to comply with subchapter M of the Internal Revenue Code or to avoid an excise tax on a Series that elected to be taxed as a regulated investment company, (c) if a security is not consistent with the Series' investment objective (e.g., if a security is received in exchange for a bond in a workout), and (d) if a right to redeem arises under the terms for the applicable credit support. The Indenture also authorizes sales under certain other circumstances but any sale made under those circumstances will not be made in reliance on the requested relief.

one or more of the same securities as the Selling Series may be issuing additional units and may need to purchase the same securities that are being sold by the Selling Series. In addition, when certain Selling Series holding Treasuries terminate, the Sponsors may offer successor Series ("New Series") that will hold the same Treasuries.

3. Applicants request relief to permit a Selling Series to sell Qualified Securities, as defined below, to a Purchasing Series and to allow the Purchasing Series to buy Qualified Securities.³ Applicants also seek relief to allow a terminating Selling Series ("Rollover Series") holding Treasuries to sell Treasuries to a New Series.

4. Qualified Securities are limited to those securities that are: (a) actively traded (*i.e.* having an average daily trading volume during the preceding six months of at least 500 shares equal in value to at least \$25,000) on a Qualified Exchange (as defined below) and (b) included in a published index. A Qualified Exchange is either: (a) a national securities exchange which meets the qualifications of section 6 of the Securities Exchange Act of 1934, (b) the Nasdaq-NMS, or (c) a "qualified foreign exchange" as set forth in the proposed amendments to rule 12d3-1(d)(6) under the Act and that releases daily closing prices.⁴

5. Purchases and sales of securities are effected under the direction of the Buying Department of Merrill Lynch's Defined Asset Funds division ("Buying Department"). Pursuant to procedures to be adopted by the Sponsors and the Trustee upon the granting of an order requested by the application, the Buying Department will make an initial determination that two Series are on opposite sides of a transaction in Qualified Securities. Merrill Lynch, as agent for the Sponsors, will certify in writing to the Trustee of each affected

Series, no later than the close of business on the business day following each sale pursuant to the requested order: (a) that the transaction is consistent with the investment objective and policies of each Series as stated in their respective registration statements and reports filed under the Act, (b) the reason that the Selling Series is selling the Qualified Securities, (c) the date of the transaction, (d) how the securities being sold meet the definition of Qualified Securities set forth in the requested order, and (e) the closing sale price of the Qualified Securities on the Qualified Exchange for the date the Qualified Securities are sold. The certification will be forwarded to the Trustee of each Series for its approval. The Trustee will then countersign the certificate, unless, in the event that the trustee disagrees with the price listed on the certificate, the Trustee immediately informs the agent for the Sponsors orally of any such disagreement and returns the certificate within five days with corrections duly noted. Upon receipt by the agent for the Sponsors can verify the correct price by reference to any independently published list of prices for the date of transaction, the agent for the Sponsors will ensure that the price of units of each of the Purchasing Series and the Selling Series accurately reflects the corrected price. To the extent that the agent for the Sponsors disagrees with the Trustee's corrected price, the agent for the Sponsors and the Trustee will jointly determine the correct sales price by reference to a mutually agreeable, independently published list of prices for the date of the transaction.

6. In connection with the purchase of Treasuries by a New Series from a Rollover Series, sales would be effected at the offer-side evaluation of the Treasuries, as determined by the Independent Evaluator. In order to minimize the potential for overreaching in these situations, the agent for the Sponsors will certify in writing to the Trustee of both the Rollover and the New Series, within five days of each sale of Treasuries from a Rollover Series to a New Series: (a) that the transaction is consistent with the policies of both the Rollover Series and the New Series, as recited in their respective registration statements and reports filed under the Act, (b) the date of the transaction, and (c) the price determined by the Independent Evaluator for the sale date of the Treasuries. The Trustee will then countersign the certificate unless, in the event the Trustee disagrees with the price listed on the certificate, the Trustee immediately informs the agent

for the Sponsors orally of any such disagreement and returns the certificate within five days with corrections duly noted. Upon the agent's receipt of a corrected certificate, the agent and the Trustee will jointly determine the correct sales price by reference to a mutually agreeable, published list of prices for the date of the transaction.

Applicants' Legal Analysis

1. Section 17(a) of the Act prohibits an affiliated person of a registered investment company from selling securities to, or purchasing securities from, the company. Section 2(a)(3) of the Act defines an "affiliated person" of another person to include, in pertinent part, any person directly or indirectly controlled, controlled by a under common control with, such other person. Each Series will have a common Sponsor. Since the Sponsor of a Series may be deemed to control the Series, all of the Series may be deemed to be under common control and, thus, affiliated persons of each other.

2. Rule 17a-7 under the Act permits registered investment companies that might be deemed affiliated persons solely by reason of having common investment advisers, directors, and/or officers, to purchase securities from, or sell securities to, one another at an independently determined price, provided certain conditions are met. Applicants represent that they will comply with all of the provisions of rule 17a-7, other than paragraphs (b) and (e).

3. Paragraph (e) of rule 17a-7 requires an investment company's board of directors to adopt and monitor certain procedures to assure compliance with the rule. Since a UIT does not have a board of directors, the Series would be unable to comply with this requirement. Paragraph (b) of rule 17a-7 requires that the transactions be effected at the independent current market price of the security. The Treasuries would fall within the paragraph (b)(4) category of "all other securities," for which the current market price under rule 17a-7(b) is the average of the highest current independent bid and lowest current independent offer determined on the basis on reasonable inquiry.

4. Section 17(b) of the Act provides that the Commission shall exempt a proposed transaction from section 17(a) of the Act if the evidence establishes that: (a) the terms of the proposed transaction are reasonable and fair and do not involve overreaching, (b) the proposed transaction is consistent with the investment objectives and policies of the registered investment company involved, and (c) the proposed transaction is consistent with the

³ The requested order would supersede a prior order that permitted a terminating Series to sell certain securities to a new Series. See Defined Asset Funds-Equity Income Fund, *et al.*, Investment Company Act Release No. 20447 (Aug. 5, 1994) (Notice) and Release No. 20517 (Aug. 31, 1994) (Order).

⁴ Investment Company Act Release No. 17096 (Aug. 3, 1989) (proposing amendments to rule 12d3-1). The proposed amended rule defined a "Qualified Foreign Exchange" to mean a stock exchange in a country other than the United States where: (1) trading generally occurred at least four days a week; (2) there were limited restrictions on the ability of acquiring companies to trade their holdings on the exchange; (3) the exchange had a trading volume in stocks for the previous year of at least U.S. \$7.5 billion; and (4) the exchange had a turnover ratio for the preceding year of at least 20% of its market capitalization. The version of the amended rule that was adopted did not include the part of the proposed amendment defining the term "Qualified Foreign Exchange."

general purposes of the Act. Under section 6(c) of the Act, the Commission may exempt classes of transactions if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants believe that the proposed transactions satisfy the requirements of sections 6(c) and 17(b).

5. Applicants state that a sale of Qualified Securities by a Selling Series to a Purchasing Series will satisfy each of the requirements of rule 17a-7 other than paragraph (e). Applicants note that the requirement in rule 17a-7(e) that the board of directors adopt and monitor certain procedures was adopted, among other things, because transactions permitted by rule 17a-7 may involve entities that are not registered investment companies. Applicants state that their requested relief would extend only to transactions between registered UITs. Applicants submit that a Selling Series will sell its Qualified Securities to a Purchasing Series at the last sales price on the applicable Qualified Exchange on the sale date, without any brokerage charges or other remuneration except customary transfer fees. Applicants note that the agent for the Sponsors will represent that the transactions are consistent with the investment objectives of each Selling Series and each Purchasing Series. Applicants state that the requirement that the securities be Qualified Securities assures that only transactions in large active issues, which comprise a portion of a published index, will be authorized and therefore will ensure the availability of accurate prices.

Applicants also state that the current practice by buying and selling on the open market leads to unnecessary brokerage fees, and that the requested relief will result in savings to investors.

6. With respect to Treasuries, applicants state that sales by a Rollover Series to a New Series will comply with all of the provisions of rule 17a-7 other than paragraphs (b) and (e). Applicants state that the Treasuries would be sold by a Rollover Series to a New Series at the Treasuries' offer-side evaluation as determined by the Independent Evaluator. Other Treasuries acquired by the New Series will be acquired at the offer-side evaluation and the New Series would be valued during its initial offering period based on the Treasuries' offer-side evaluation. Applicants state that all unitholders of the New Series, both unitholders from a Rollover Series and new unitholders, will acquire units with a value based on the offer-side

evaluation of the Treasuries. Applicants state that the sales of Treasuries between Series will reduce transaction costs to unitholders of the Selling Series. In addition, applicants state that the transactions will be consistent with the policy of each Series.

Applicants' Conditions

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

1. Each sale of Qualified Securities between the Series will be effect at the closing price of the Qualified Securities sold on the applicable Qualified Exchange on the sale date. Each sale of Treasuries between the Series will be effected at the Treasuries' offer-side evaluation as determined by an Independent Evaluator as of the evaluation time on the sale date. Sales of Qualified Securities and Treasuries will be effected without any brokerage charges or other remuneration except customary transfer fees, if any.

2. The nature and conditions of such transactions will be fully disclosed to investors of each participating Series.

3. The Trustee of each Series will (a) review the procedures relating to the sale of Qualified Securities and Treasuries from one Series to another and (b) make any changes to those procedures at the Trustee considers necessary as reasonably to comply with paragraphs (a), (b) (except for transactions in Treasuries), (c) and (d) and Rule 17a-7.

4. A written copy of these procedures and a written record of each transaction pursuant to the requested order will be maintained as provided in Rule 17a-7(f).

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-30652 Filed 11-23-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC- 24142; File No. 812-11586]

Great-West Life & Annuity Insurance Company, et al.; Notice of Application

November 18, 1999.

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

ACTION: Notice of Application for approval under Section 26(b) of the Investment Company Act of 1940, as amended (the "1940 Act").

SUMMARY OF APPLICATION: Applicants seek an order approving the substitutions of shares of the Maxim INVESCO ADR Portfolio for shares of the Foreign Equity Portfolio of the Maxim Series Fund, Inc.

APPLICANTS: Great-West Life & Annuity Insurance Company ("GWL&A"), Retirement Plan Series Account of GWL&A (the "Separate Account") and One Orchard Equities, Inc. ("Orchard") (hereinafter all parties are collectively referred to as the "Applicants").

FILING DATE: The application was filed on April 20, 1999, and amended and restated on July 9, 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 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 Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609.

Applicants, c/o Jorden Burt Boros Cicchetti Berenson & Johnson, LLP, 1025 Thomas Jefferson Street, NW., Suite 400 East, Washington, DC 20007-0805; Attention: Thomas C. Mira, Esq.

FOR FURTHER INFORMATION CONTACT: Michael Pappas, Senior Counsel, or Susan 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 Public Reference Branch of the Commission, 450 Fifth Street NW., Washington, DC 20549-0102 (tel. (202) 942-8090).

Applicant's Representations

1. GWL&A is a stock life insurance company organized under the laws of the State of Colorado. GWL&A is wholly owned by The Great-West Life Assurance Company, which is a subsidiary of Great-West Lifeco, Inc., an insurance holding company ultimately controlled by Power Corporation of Canada. GWL&A is principally engaged