(Accession Numbers ML021260444 and ML021490065, respectively) are available for inspection at the Commission's Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. A copy of FirstEnergy's response dated May 16, 2002, to the petition is also publicly available under Accession Number ML021410451. Publicly available records will be accessible from the NRC's Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the internet at the NRC Web site, *http://www.nrc.gov/reading-rm/adams.html.* Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC's PDR Reference staff by telephone at 1–800–397–4209 or 301–415–4737, or by e-mail to *pdr@nrc.gov.*

Dated at Rockville, Maryland, this 4th day of June, 2002.

For the Nuclear Regulatory Commission

Samuel J. Collins,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 02–14741 Filed 6–11–02; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–25605; File No. 812–12734]

Ameritas Variable Life Insurance Company, et al.

June 5, 2002.

AGENCY: The Securities and Exchange Commission (''SEC'' or ''Commission'').

ACTION: Notice of an application for an order under Section 6(c) of the Investment Company Act of 1940 (the ''Act'' or ''1940 Act'') granting exemptions from the provisions of Sections 2(a)(32) and 27(i)(2)(A) of the Act and Rule 22c–1 thereunder to permit the recapture, under specified circumstances, of certain credits applied to purchase payments made under certain variable annuity contracts (the ''Application'').

APPLICANTS: Ameritas Variable Life Insurance Company (''Ameritas''), First Ameritas Life Insurance Corp. of New York (''First Ameritas'') (Ameritas and First Ameritas shall collectively be referred to as ''Ameritas/First Ameritas''), Ameritas Variable Life Insurance Company Separate Account VA–2 (the ''Ameritas Separate Account''), First Ameritas Variable Annuity Separate Account (the ''First Ameritas Separate Account,'' collectively with the Ameritas Separate Account, the ''Separate Accounts''), and Ameritas Investment Corp. (''AIC'' or ''BROKER'') (collectively, ''Applicants'').

SUMMARY OF APPLICATION: Applicants seek an order to permit the recapture, under specified circumstances, of certain credits applied to purchase payments made under certain variable annuity contracts issued by the Separate Accounts (the ''Contracts''), as well as other variable annuity contracts that Ameritas/First Ameritas may issue in the future through existing or future separate accounts (''Other Accounts'') that are substantially similar in all material respects to the Contracts (''Future Contracts''). Applicants also request that the order being sought extend to any other National Association of Securities Dealers, Inc. (''NASD'') member broker-dealer controlling or controlled by, or under common control with, Ameritas/First Ameritas whether existing or created in the future, that serves as distributor or principal underwriter for the Contracts or Future Contracts (''Affiliated Broker-Dealers'').

FILING DATE: The Application was filed on December 19, 2001, amended and restated on April 1, 2002, and May 8, 2002, and amended on June 3, 2002.

HEARING OR NOTIFICATION OF HEARING: An order granting the Application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving Applicants with a copy of the request, in person or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on June 28, 2002, and should be accompanied by proof of service on the 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 SEC.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549–0609. Applicants, c/o Ameritas Variable Life Insurance Company, 5900 O Street, Lincoln, NE 68510, Attn: Gregory C. Sernett, Esq.; copies to W. Randolph Thompson, Jorden Burt LLP, 1025 Thomas Jefferson Street, NW., Suite 400 East, Washington, DC 20007–5208.

FOR FURTHER INFORMATION CONTACT: Zandra Bailes, Senior Counsel, or Lorna MacLeod, 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, NW., Washington, DC 20549–0102 (tel. (202) 942–8090).

Applicants' Representations

1. Ameritas is a stock life insurance company organized under the insurance laws of Nebraska in 1983. Ameritas is an indirect majority-owned subsidiary of Ameritas Acacia Mutual Holding Company, the ultimate parent company of Ameritas Life Insurance Corp. (''Ameritas Life''), Nebraska's first insurance company—in business since 1887, and Acacia Life Insurance Company, a District of Columbia domiciled company chartered by an Act of the United States Congress in 1869. In 1996, Ameritas Life Insurance Corp. entered into a joint venture with AmerUs Life Insurance Company (a merger of Central Life Assurance Company founded in 1896 and American Mutual Life Insurance Company founded in 1897). Both Ameritas Life and AmerUs now guarantee the obligations of Ameritas through an agreement forming AMAL Corporation, a holding company that owns the common stock of Ameritas.

2. First Ameritas is a stock life insurance company organized under the insurance laws of New York in 1993. First Ameritas is a wholly owned subsidiary of Ameritas Life.

3. The Ameritas Separate Account was established as a separate asset account of Ameritas under Nebraska law on May 28, 1987. The First Ameritas Separate Account was established as a separate investment account of First Ameritas under New York law on March 21, 2000. The Separate Accounts were established for the purpose of funding variable annuity contracts. Any income, gains or losses, realized or unrealized, from assets allocated to the Separate Accounts, are, in accordance with the respective Separate Accounts' contracts, credited to or charged against the Separate Accounts without regard to other income, gains or losses of Ameritas or First Ameritas, respectively. The Separate Accounts are registered with the Commission as unit investment trusts under the 1940 Act.

4. AIC is the principal underwriter of the Contracts. AIC is registered with the Commission as a broker-dealer under the Securities Exchange Act of 1934 (the ''1934 Act'') and is a member of the NASD. The Contracts are sold by

licensed insurance agents (where the Contracts may be lawfully sold) who are registered representatives of broker-dealers which are registered under the 1934 Act and are members of the NASD. AIC enters into selling group agreements with affiliated and unaffiliated broker-dealers. AIC is a wholly-owned subsidiary of AMAL Corporation and an affiliate of Ameritas and First Ameritas.

5. The Contracts may be purchased with an initial premium payment of $25,000. Subsequent premium payments of at least $1,000 ($50 per month if through electronic funds transfer) may also be made. The Contracts may assess annual contract fees, currently $0; contract fees are waived if the contract value is at least $50,000. The Medley Contract assesses an annual mortality and expense risk charge of 0.60% and an annual administrative expense fee of 0.15% of assets allocated to the Ameritas Separate Account. The Accent Contract assesses an annual mortality and expense risk charge of 0.80% and an annual administrative expense fee of 0.15% of assets allocated to the First Ameritas Separate Account. (Hereinafter mortality and expense risk charge plus the administrative expense fee for each product will be collectively referred to as the ''basic charges'' for the Contracts.)

6. Owners of Medley Contracts may allocate their purchase payments among 40 investment options—39 Subaccounts of the Ameritas Separate Account or an Ameritas fixed account option. Owners of Accent Contracts may allocate their purchase payments among 31 investment options—30 Subaccounts in the First Ameritas Separate Account or a First Ameritas fixed account option. Each Ameritas Subaccount will invest in shares of a corresponding portfolio of The Alger American Fund; American Century Variable Portfolios, Inc.; Calvert Variable Series, Inc. Ameritas Portfolios; Calvert Variable Series, Inc. Calvert Social Portfolios; Variable Insurance Products: Service Class 2; INVESCO Variable Investment Funds, Inc.; MFS Variable Insurance Trust; The Universal Institutional Funds, Inc.; Salomon Brothers Variable Series Funds Inc.; Summit Mutual Funds, Inc., Summit Pinnacle Series; and Third Avenue Variable Series Trust. Each First Ameritas Subaccount will invest in shares of a corresponding portfolio of The Alger American Fund; Calvert Variable Series, Inc. Ameritas Portfolios; Calvert Variable Series, Inc. Calvert Social Portfolios; Variable Insurance Products: Service Class 2; MFS Variable Insurance Trust; and The Universal Institutional Funds, Inc.

7. Ameritas/First Ameritas may in the future decide to create additional Subaccounts to invest in any additional underlying funds as may now or in the future be available. Ameritas/First Ameritas also may decide to combine or eliminate Subaccounts or transfer assets to and from Subaccounts.

8. The basic Contract features may be modified or augmented by a number of ''rider options.'' The rider options permit Contract owners to elect certain Contract features or benefits that fit their particular needs. Generally, the election of a particular rider option will result in higher explicit expenses for Ameritas/First Ameritas or an increased risk that charges associated with the Contract will be inadequate in relation to expenses. Thus, most of the rider options, once elected, result in increased charges over and above the basic charges (0.75% for Medley Contracts and 0.95% for Accent Contracts).

9. Rider options must be chosen at the time of application. Available rider options for Medley Contracts include: a minimum initial premium option; a seven-year or five-year CDSC option; two ''free'' withdrawal options; a one-year step up death benefit; a 5% enhanced death benefit; and a greater of one-year step-up or 5% enhanced death benefit.

10. For an additional annual Contract fee, currently $36, and an annual charge of 0.25%, a Contract may be purchased for a minimum initial premium of at least $2,000. (Both charges are waived when account value is at least $50,000.) Optional CDSC periods of seven and five years may be selected at annual percentage fees deducted monthly, of 0.30% and 0.45%, respectively. ''Free'' withdrawal options include one that (for an annual charge of 0.05%) permits up to 10% of account value to be withdrawn annually and another that (for an annual charge of 0.20%) permits up to the greater of a stated percentage of account value, or earnings, to be withdrawn annually, where the stated percentage of account value is 15% in the first contract year, 30% in the second contract year and 45% in the third and subsequent contract years. Guaranteed minimum death benefit options (one-year ''periodic step-up,'' ''5% roll-up,'' and ''greater of'' features) are available at annual rates of 0.25%, 0.35%, and 0.37% respectively.

11. For Accent Contracts, the only rider option available is a one-year ''periodic step-up'' minimum death benefit at a current annual rate of 0.25% of Separate Account assets.

12. Ameritas/First Ameritas intend to offer an additional rider option under the Contracts which, if elected at the time of application, will result in the crediting of a 4% bonus (the ''Credit'') on all purchase payments made during the first twelve months of the Contract. The Credit on the Contract owner's remitted purchase payments will be funded from the Ameritas or First Ameritas general account and will be credited proportionately among the investment options chosen by the Contract owner. In contract years two through nine, Ameritas/First Ameritas will credit a lesser bonus amount. The amount of the Credit in years two through nine will be equal to 4% multiplied by a linearly decreasing ratio over the nine-year surrender charge period. The following schedule illustrates the decreasing bonus amount credited on premiums paid in years two through nine.

Year	Formula	Reduced bonus (percent)
2	$4\% \times 8/9$	3.56
3	$4\% \times 7/9$	3.11
4	$4\% \times 6/9$	2.67
5	$4\% \times 5/9$	2.22
6	$4\% \times 4/9$	1.78
7	$4\% \times 3/9$	1.33
8	$4\% \times 2/9$	.89
9	$4\% \times 1/9$	.44

13. For the above rider option, an annualized fee of 0.42% of the daily net assets of the Separate Account (or of the fixed account if elected) will be deducted monthly for the first nine contract years. The option of either electing the Credit or not (an election that can only be made prior to issuance of the Contract), allows prospective purchasers to choose between two different Separate Account charge structures over the first nine contract years. If the Credit is elected, total Separate Account charges under the Contracts, as an annual percentage of the average daily net assets of the respective Separate Accounts for the first nine contract years and assuming no other rider options are elected, will be 1.17% for the Medley Contract and 1.37% for the Accent Contracts. If the Credit is not elected, total Separate Account charges for Medley and Accent Contracts will be 0.75% and 0.95% respectively for all contract years (assuming no other rider options are elected). If the owner expects to surrender the Contract in the first seven contract years, the Credit should not be elected, because in that event he or she will receive a benefit from the Credit that is smaller than the charges paid for it. An owner who holds the Contract for

at least seven years will always benefit from having elected the Credit.

14. The Contract has a ''free look'' period which will vary according to state law but will be at least ten days. Depending on the laws of the state in which the Contract is issued, the amount of the refund will be equal to (i) the value of the Contract, (ii) the purchase payment(s), or (iii) the greater of the previous two values. The Credit (as augmented by any earnings on the Credit or as diminished by any investment losses on the Credit) will not be part of the amount an owner will receive if the free look provision is exercised. Unless the law requires that the full amount of the purchase payment(s) be refunded, the owner bears the investment risk from the time of purchase until he or she returns the Contract. The refund amount may be more or less than the purchase payment(s) the owner made (except in states requiring return of premiums).

15. The Contracts have a contingent deferred sales charge (''CDSC'') that applies to: partial withdrawals within nine years of a premium payment; surrender within nine years of a premium payment; annuitization within two years of a premium payment; or annuitization pursuant to an income option with no life contingency within nine years of a premium payment.

16. The Contracts assess a CDSC of 8% of invested premium payments in the first three years after the premium is paid. Thereafter, the CDSC declines to 7% in years four and five, to 6%, 5%, 4%, and 2% for years six through nine, respectively, and is 0% for years ten or more.

17. If a Credit has been elected, a portion of the Credit, as augmented by earnings or diminished by any investment losses (the ''Credit Value''), will be subject to recapture upon an exercise of free look rights and all withdrawals and annuitizations from the ''Account Value'' (the sum of the values in the Separate Account variable investment options and the fixed account), during the first seven years of the Contracts. The amount of the Credit Value withdrawn is the total withdrawn from the Account Value times the ratio of the Credit Value to the Account Value. During the free look period and before the end of the seventh contract year, portions of the Credit Value withdrawn will be recaptured according to the following formula: CVR = [CV/(AV)] * S * Y, where: CVR = Credit Value Recaptured, CV= Credit Value immediately before the withdrawal, AV = Account Value immediately before the withdrawal, S = Excess of the amount withdrawn over any amount permitted to be withdrawn with no CDSC (pursuant to an optional rider), Y = (10 − contract year of surrender)/9. For withdrawals in contract years one through four (1–4) of the Accent Contracts, factor Y would be capped at no more than 0.60 (in order to comply with New York law).

18. The effect of the above formula (for the contracts other than Accent Contracts in their first 4 contract years) is that the portion of the withdrawn Credit Value to be recaptured during the first seven years will be reduced during each of the first seven contract years. In the first Contract year, one hundred percent (100%) of the Credit Value will be recaptured. In each of years two through seven, the portion of the withdrawn Credit Value that is recaptured will be reduced by one-ninth. No recapture will take place after the seventh Contract year. The effect of the formula for the Accent Contracts is that the portion of the withdrawn Credit Value to be recaptured will remain level during the first four Contract years (when Y will always be 0.60) and then will be reduced by one-ninth during each of Contract years 5–7.

19. Applicants state that the total dollar amount of the surrender charge plus recapture of the Credit Value will not exceed that percentage of premium stated below during the first seven years after a premium payment:

Age (in years) of premium payment	Maximum percentage of premium
1	12.5
2	11.1
3	10.2
4	10.0
5	9.0
6	8.0
7	7.0

20. The Credit Value will not be subject to recapture on the amount contained in a free withdrawal (not subject to the CDSC). Such free withdrawals would only be permitted if the owner had elected an optional free withdrawal rider prior to issuance of the Contract. For purposes of calculating the CDSC, surrenders are considered to first come from the oldest purchase payment made to the Contract, then the next oldest purchase payment and so forth.

21. The Credit Value recaptured will be taken proportionately from each investment option as allocated at the time of the withdrawal. No recapture of the Credit Value will take place: if the Contract is annuitized and applied to a life contingent income option (assuming no premiums paid for two years prior to annuitization), if a death benefit becomes payable, or if distributions are required in order to meet minimum distributions requirements under the Code.

22. After the end of the seventh Contract year, the Credit will not be subject to recapture and, after the ninth year, the 0.42% charge associated with the Credit will be eliminated.

23. If the Contract owner elects the Credit option and later makes a full surrender of the Contract, electing the Credit option will be to the Contract owner's benefit only if the Contract is not surrendered during the first seven contract years. If the Contract is surrendered during the first seven contract years, the Contract Owner will receive less than if the Credit option had not been elected. After seven contract years, and during Contract years 1–3 for the Accent Contracts, both the Account Value and the Surrender Value received upon full surrender of the Contract will be greater if the Credit option is elected, than if it had not been elected.

24. The seven-year or five-year CDSC option is not available if the Contract owner elects the Credit option.

25. Applicants seek exemptions pursuant to Section 6(c) from Sections 2(a)(32) and 27(i)(2)(A) of the Act and Rule 22–1 thereunder to the extent deemed necessary to permit Ameritas/First Ameritas to recapture part or all of the Credits and earnings on the Credits, as described above, in the following instances: (i) when an owner exercises the Contract's free look provision; and (ii) when an owner makes a partial withdrawal or a surrender in the first seven Contract years.

Applicants' Legal Analysis

1. Section 6(c) of the Act authorizes the Commission to exempt any person, security or transaction, or any class or classes of persons, securities or transactions from the provisions of the Act and the rules promulgated thereunder if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants request that the Commission issue an order pursuant to Section 6(c) of the Act granting the exemptions requested below with respect to the Contracts and any Future Contracts funded by the Accounts or Other Accounts that are issued by Ameritas/First Ameritas and underwritten or distributed by the BROKER or Affiliated Broker-Dealers. Applicants undertake that Future Contracts will be substantially similar in all material respects to the Contracts. Applicants believe that the requested

exemptions are 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.

2. Subsection (i) of Section 27 of the Act provides that Section 27 does not apply to any registered separate account funding variable insurance contracts, or to the sponsoring insurance company and principal underwriter of such account, except as provided in paragraph (2) of the subsection. Paragraph (2) provides that it shall be unlawful for such a separate account or sponsoring insurance company to sell a contract funded by the registered separate account unless such contract is a redeemable security. Section 2(a)(32) defines ''redeemable security'' as any security, other than short-term paper, under the terms of the which the holder, upon presentation to the issuer, is entitled to receive approximately his proportionate share of the issuer's current net assets, or the cash equivalent thereof.

3. Applicants submit that the recapture of the Credit in the circumstances set forth in the Application would not deprive an owner of his or her proportionate share of the issuer's current net assets. Applicants state that an owner's interest in the Credit allocated to his or her annuity account during the first seven years is not entirely vested until after the seventh year. Subsequent credits (in years eight and nine) vest immediately. Unless and until any Credit amount is vested, Applicants submit that Ameritas/First Ameritas retains the right and interest in the Credit. Applicants argue that when Ameritas/First Ameritas recaptures any Credit, it is merely retrieving its own assets, and the owner has not been deprived of a proportionate share of the applicable Separate Account's assets because his or her interest in the Credit amount has not vested.

4. In addition, Applicants state that permitting an owner to retain a Credit under a Contract upon the exercise of the free look provision would not only be unfair, but would also encourage individuals to purchase a Contract with no intention of keeping it, and return it for a quick profit. Furthermore, the recapture of the Credit within the first seven Contract years is designed to provide Ameritas/First Ameritas with a measure of protection against a Contract owner surrendering or making a partial withdrawal shortly after a Credit is made thereby leaving Ameritas/First Ameritas insufficient time to recover the cost of the Credit. The Credit Value recaptured will be reduced by one-ninth over the first seven years of the Contract unless the Contract at issue is an Accent Contract where in the first four Contract years, factor Y, as explained above, will be capped at 0.60 to comply with New York law.

5. Applicants represent that it is not administratively feasible to track the Credit in the Separate Accounts once it has been declared. Accordingly, the asset-based charges applicable to the Separate Accounts will be assessed against the entire amount held in the Separate Account, including the Credit, during the free look period and the recapture periods. As a result, during such periods, the aggregate asset-based charges assessed against an owner's Contract value will be higher than if no Credit had been added. Ameritas/First Ameritas nonetheless represent that the Contract's fees and charges, in the aggregate, are reasonable within the meaning of Section 26(f) of the 1940 Act.

6. Applicants submit that the provisions for recapture of any Credit under the Contracts do not violate Sections 2(a)(32) and 27(i)(2)(A) of the Act. Applicants believe that a contrary conclusion would be inconsistent with a stated purpose of the National Securities Markets Improvement Act of 1996 (''NSMIA''), which was to amend the Act to ''provide more effective and less burdensome regulation.'' Sections 26(f) and 27(i) were added to the Act to implement the purposes of NSMIA and Congressional intent. Applicants state that the application of Credits under the Contracts should not raise any questions about Ameritas/First Ameritas's compliance with the provisions of Section 27(i). However, to avoid any uncertainty as to full compliance with the Act, Applicants request an exemption from Section 2(a)(32) and 27(i)(2)(A), to the extent deemed necessary, to permit the recapture of any Credit under the circumstances described in the Application, without the loss of the relief from Section 27 provided by Section 27(i).

7. Section 22(c) of the Act authorizes the Commission to make rules and regulations applicable to registered investment companies and to principal underwriters of, and dealers in, the redeemable securities of any registered investment company to accomplish the same purposes as contemplated by Section 22(a). Rule 22c–1 under the Act prohibits a registered investment company issuing any redeemable security, a person designated in such issuer's prospectus as authorized to consummate transactions in any such security, and a principal underwriter of, or dealer in, such security, from selling, redeeming, or repurchasing any such security except at a price based on the current net asset value of such security which is next computed after receipt of a tender of such security for redemption or of an order to purchase or sell such security.

8. It is possible that someone might view Ameritas/First Ameritas's recapture of the Credit as resulting in the redemption of redeemable securities for a price other than one based on the current net asset value of the Account. Applicants believe, however, that the recapture of the Credit does not violate Rule 22c–1. Applicants argue that the recapture of all or part of the Credit does not involve either of the evils that Rule 22c–1 was intended to eliminate or reduce as far as reasonably practicable, namely: (i) the dilution of the value of outstanding redeemable securities of registered investment companies through their sale at a price below net asset value or repurchase at a price above it, and (ii) other unfair results, including speculative trading practices. These evils were the result of backward pricing, the practice of basing the price of a mutual fund share on the net asset value per share determined as of the close of the market on the previous day. Backward pricing allowed investors to take advantage of increases or decreases in net asset value that were not yet reflected in the price, thereby diluting the values of outstanding mutual fund shares. Applicants submit that the proposed recapture of the Credit does not pose such a threat of dilution. To effect a recapture of a Credit, Ameritas/First Ameritas will redeem interests in a Contract at a price determined on the basis of the current accumulation unit value(s) of the Subaccount(s) to which the owner's Contract value is allocated. The amount recaptured will approximate the amount of the Credits that Ameritas/First Ameritas paid out of its general account assets reduced over the seven year surrender period, as augmented or reduced by investment results. Thus, no dilution will occur upon the recapture of the Credit. Applicants also submit that the second harm that Rule 22c–1 was designed to address, namely speculative trading practices calculated to take advantage of backward pricing, will not occur as a result of the recapture of the Credit. Because neither of the harms that Rule 22c–1 was meant to address is found in the recapture of the Credit, Rule 22c–1 should not apply to any Credit. However, to avoid any uncertainty as to full compliance with the Act, Applicants request an exemption from the provisions of Rule 22c–1 to the

extent deemed necessary to permit them to recapture the Credit under the Contracts.

Conclusion

Applicants submit that their request for an order is appropriate in the public interest. Applicants state that such an order would promote competitiveness in the variable annuity market by eliminating the need to file redundant exemptive applications, thereby reducing administrative expenses and maximizing the efficient use of Applicants' resources. Applicants argue that investors would not receive any benefit or additional protection by requiring Applicants to repeatedly seek exemptive relief that would present no issue under the Act that has not already been addressed in the Application. Applicants submit that having them file additional applications would impair their ability to take advantage of business opportunities as they arise. Further, Applicants state that if they were required repeatedly to seek exemptive relief with respect to the same issues addressed in the Application, investors would not receive any benefit or additional protection thereby.

Applicants further submit, for the reasons stated herein, that their exemptive requests meet the standards set out in Section 6(c) of the 1940 Act, namely, that the exemptions requested are necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act, and that, therefore, the Commission should grant the requested order.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02–14716 Filed 6–11–02; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–25604 ; File No. 812–11490]

Lord Abbett Series Fund, Inc., et al.; Notice of Application

June 4, 2002.

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

ACTION: Notice of application for an order pursuant to Section 6(c) of the Investment Company Act of 1940 (the ''1940 Act'') granting relief from Sections 9(a), 13(a), 15(a) and 15(b) of the 1940 Act and Rules 6e–2(b)(15) and 6e–3(T)(b)(15) thereunder.

Summary of Application: Applicants seek an order to permit shares of any current or future series of the Lord Abbett Series Fund, Inc. (''Fund'') and shares of any other investment company that is designed to fund variable insurance products and for which Lord, Abbett & Co. (''Adviser''), or any of its affiliates, may serve now or in the future, as investment adviser, administrator, manager, principal underwriter or sponsor (the Fund together with such other investment companies, the ''Insurance Products Funds'') to be sold to, and held by (a) separate accounts funding variable annuity and variable life insurance contracts issued by both affiliated and unaffiliated life insurance companies (''Participating Insurance Companies''); (b) qualified pension and retirement plans outside of the separate account context (''Qualified Plans'' or ''Plans''); and (c) the Adviser or any of its affiliates.

Applicants: Lord Abbett Series Fund, Inc. and Lord, Abbett & Co.

Filing Date: The application was filed on February 1, 1999, and amendments thereto were filed on August 17, 2001, January 17, 2002, and June 3, 2002.

Hearing or Notification of Hearing: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the Secretary of the SEC 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 July 1, 2002, and should be accompanied by proof of service on the Applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the requester'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 SEC.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW, Washington, DC 20549–0506. Applicants, c/o Blazzard, Grodd & Hasenauer, P.C., 943 Post Road East, Westport, CT 06880, Attention: Raymond A. O'Hara III, Esq.

FOR FURTHER INFORMATION CONTACT: Harry Eisenstein, Senior Counsel, or William Kotapish, Assistant Director, Office of Insurance Products, Division of Investment Management, at (202) 942–0670.

SUPPLEMENTARY INFORMATION: Following is a summary of the application. The complete application may be obtained for a fee from the Public Reference Branch of the SEC, 450 Fifth Street, NW, Washington, DC 20549–0102 (tel. (202) 942–8090).

Applicants' Representations

1. The Fund is a Maryland corporation that is registered under the 1940 Act as an open-end management investment company. The Fund is a series fund currently comprised of four portfolios—Bond-Debenture Portfolio, Growth and Income Portfolio, International Portfolio and Mid-Cap Portfolio. Each Portfolio is a separate series of the Fund with one class of shares except the Growth and Income Portfolio, which has two classes of shares—Variable Contract Class and Pension Class. The Fund may in the future offer additional series and/or classes of shares.

2. The Adviser, a New York partnership, is registered as an investment adviser under the Investment Advisers Act of 1940 and serves as the investment adviser for the Fund.

3. Shares of the Fund will be offered to separate accounts of Participating Insurance Companies to serve as investment vehicles for variable annuity and variable life insurance contracts (including single premium, scheduled premium, modified single premium and flexible premium contracts) (collectively, ''Variable Contracts''). These separate accounts either will be registered as investment companies under the 1940 Act or will be exempt from such registration.

4. The Participating Insurance Companies will establish their own separate accounts and design their own Variable Contracts. Each Participating Insurance Company will have the legal obligation of satisfying all applicable requirements under the federal securities laws. The role of the Insurance Products Funds, so far as the federal securities laws are applicable, will be limited to that of offering their shares to separate accounts of Participating Insurance Companies and to Qualified Plans and fulfilling any conditions the Commission may impose upon granting the order requested herein. Each Participating Insurance Company will enter into a fund participation agreement with the Insurance Products Fund in which the Participating Insurance Company invests.

5. Applicants state that shares of the Insurance Products Funds also may be offered directly to Qualified Plans outside of the separate account context, including without limitation, those trusts, plans, accounts, contracts or