

protection thereby. Investors might be disadvantaged as a result of Applicants' increased overhead expenses.

Applicants thus believe that the requested exemption is 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.

4. Applicants represent that the 1.25% per annum mortality and expense risk charge is within the range of industry practice for comparable annuity contracts. This representation is based upon an analysis of publicly available information about similar industry products, taking into consideration such factors as, among others, the current charge levels, guaranteed annuity rates, and other contact charges and options. First Variable will maintain at its principal offices, available to the Commission, a memorandum setting forth in detail the products analyzed in the course of, and the methodology and results of, Applicants' comparative review.

5. First Variable has conducted that there is a reasonable likelihood that the Separate Account's and Other Accounts' proposed distribution financing arrangements will benefit the Separate Account and the Other Accounts and their investors. First Variable represents that it will maintain and make available to the Commission upon request a memorandum setting forth the basis of such conclusion.

6. The Separate Account and Other Accounts will be invested only in management investment companies that undertake, in the event they should adopt a plan for financing distribution expenses pursuant to Rule 12b-1 under the 1940 Act, to have such plan formulated and approved by their board members, the majority of whom are not "interested persons" of the management investment company within the meaning of Section 2(a)(19) of the 1940 Act.

Conclusion

For the reasons set forth above, Applicants represent that the exemptions requested are necessary and 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.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-20772 Filed 8-21-95; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21310; 812-9620]

Springtree Properties Limited Partnership, et al.; Notice of Application

August 16, 1995.

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

ACTION: Notice of Application for an Order under the Investment Company Act of 1940 (the "Act").

APPLICANTS: Springtree Properties Limited Partnership (the "Partnership"), and John J. Hansman ("Hansman") and Summit Investment Services, Inc. ("Summit") (collectively, the "General Partners").

RELEVANT ACT SECTIONS: Order requested under section 6(c) for an exemption from all provisions of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit the Partnership to invest in limited partnerships that engage in the ownership and operation of apartment complexes for low and moderate income persons.

FILING DATE: The application was filed on June 2, 1995 and will be amended during the notice period.

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, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on September 11, 1995, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street N.W., Washington, D.C. 20549. Applicants, 600 Stewart Street, Suite 1704, Seattle, Washington 98101.

FOR FURTHER INFORMATION CONTACT: Sarah A. Wagman, Staff Attorney, at (202) 942-0654, or Robert A. Robertson, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

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.

Applicants' Representations

1. The Partnership was formed as a Washington limited partnership on December 15, 1994. The Partnership will operate as a "two-tier" partnership, *i.e.*, the Partnership, as a limited partner, will invest in other limited partnerships (the "Property Partnerships"). The Property Partnerships will be managed by general partners (the "Developer General Partners") that are not affiliated with the Partnership or the General Partners. The Property Partnerships, in turn, will engage in the ownership and operation of apartment complexes ("Properties") expected to qualify for low income housing tax credits ("Credits") under the Internal Revenue Code of 1986 (the "Code").

2. The objectives of the Partnership are to: (a) Provide tax benefits, including Credits and passive activity losses, which investors may use to offset their Federal income tax liabilities; (b) distribute proceeds from liquidation, sale, or refinancing transactions; and (c) to the extent permitted by the terms of applicable local, state, and/or federal government assistance, distribute cash from operating the Properties.

3. Units of limited partnership interest in the Partnership (the "Units") will be offered and sold without registration under the Securities Act of 1933 (the "Securities Act") in reliance on section 4(2) of the Securities Act and Regulation D thereunder. No Units will be sold unless subscriptions to purchase at least five Units (the "Minimum Offering") are received and accepted by the General Partners prior to March 31, 1996. If the Minimum Offering has not been sold by such date, no Units will be sold and all funds received from subscribers will be refunded with interest.

4. Until the Minimum Offering has been sold, offering proceeds will be deposited and held in trust for the benefit of purchasers in an escrow account with Seattle-First National Bank in Seattle, Washington, to be used only for the specific purposes set forth in the Confidential Private Placement Memorandum dated May 16, 1995 (the "Memorandum"). The Partnership intends to apply offering proceeds to the acquisition of limited partnership interests in the Property Partnerships as promptly as possible (although such proceeds may be invested temporarily in bank time deposits, certificates of deposit, money market accounts, and government certificates). The Partnership will not trade or speculate in temporary investments.

5. The Partnership will require that each purchaser of Units represent in writing that such purchaser meets the applicable suitability standards. Each individual subscriber must represent that he or she has: (a) A net worth (exclusive of home, home furnishings, and automobiles) of at least \$200,000 per Unit; or (b) a net worth (exclusive of home, home furnishings and automobiles) of not less than \$125,000 per Unit and annual income of at least \$100,000 (\$75,000 in the case of a purchase of one-half of a Unit). Units will be sold in certain states only to persons who meet different standards, as set forth in the Memorandum. The Partnership will also allow certain corporate subscribers to purchase Units.

6. Although the Partnership will not have responsibility for the day-to-day management of the Properties, the Partnership's ownership of limited partnership interests in the Property Partnerships will, in an economic sense, be tantamount to direct ownership of each Property. Typically, the Partnership will acquire at least a 98% interest in the profits, losses, Credits, and cash flow of each Property Partnership. In addition, the General Partners anticipate that the Partnership will receive approximately 49.99% of any gain and residual proceeds generated by the Property Partnerships. A small percentage interest in these items will be allocated to Summit as the special limited partner, and the remaining interest in such items will be allocated to the Developer General Partner.

7. In some cases, however, the Partnership and Summit may acquire smaller aggregate percentage interests in a particular Property Partnership. In those cases where the Partnership acquires less than a 98% interest in the profits, losses, Credits, and cash flow of a Property Partnership: (a) The Partnership will own a minimum of 49.49% of such Property Partnership items; and (b) the balance of the limited partnership interest in such Property Partnership, after the allocation of a .01% interest to Summit, will be owned by a single affiliated "upper-tier" limited partnership of which Hansman and Summit will also be the general partners. Moreover, the Partnership's investment in any Property Partnership in which it owns less than 50% (but more than 49.49%) of the profits, losses, Credits, and cash flow will not constitute more than 15% of its aggregate investment in all Property Partnerships.

8. The Partnership and Summit will have rights under the terms of the limited partnership agreements for the

Property Partnerships to consent to certain fundamental decisions, which will generally include: (a) The right to approve or disapprove any sale or refinancing of a Property; (b) the right to replace the Developer General Partner on the basis of the Developer General Partner's performance and discharge of its obligations; (c) any borrowing of money or encumbering of Property Partnership assets; (d) any change in identity of the Developer General Partner; (e) any tax elections; and (f) any admission of additional partners.

9. The Partnership will be managed by the General Partners pursuant to a partnership agreement (the "Partnership Agreement"). Holders of Units in the Partnership ("Investor Limited Partners"), consistent with their limited liability status, will not be entitled to participate in the control of the Partnership's business. However, a majority-in-interest of the Investor Limited Partners will have rights. (a) To amend the Partnership Agreement (subject to certain limitations); (b) to remove any General Partner and elect a replacement; (c) to dissolve the Partnership; (d) to consent to the sale or refinancing of a Property; and (e) to designate a replacement for Summit as the special limited partner of each Property Partnership. In addition, under the Partnership Agreement, each Investor Limited Partner is entitled to review all books and records of the Partnership.

10. The Partnership Agreement and Memorandum contain numerous provisions designed to ensure fair dealing by the General Partners with the Investor Limited Partners. All fees and compensation to be paid to the General Partners and their affiliates are specified in the Partnership Agreement and Memorandum. While the fees and other forms of compensation that will be paid to the General Partners and their affiliates will not have been negotiated at arm's length, applicants believe that the compensation and fees are reasonable and comparable to those that would be charged by third parties for the services provided by the General Partners and their affiliates.

11. The Partnership Agreement also contains various provisions designed to significantly reduce conflicts of interest between the Partnership and the General Partners and their affiliates. For example, in the event an investment in a Property Partnership becomes available which would satisfy the investment criteria of the Partnership and any other partnership in which the General Partners and their affiliates have an interest, the General Partners will analyze each opportunity in

relation to the investment objectives of each partnership and will consider such factors as cash available for investment, maximum investment limit per acquisition, estimated income tax effects, leverage policies, any regulatory restrictions on investment policies, and the length of time funds have been available for investment. The General Partners will then determine which partnership should have the opportunity to make the particular investment and, if a particular investment is suitable for more than one partnership, the General Partners will recommend such investment to the partnership which has had the most funds available for investment for the longest period of time.

Applicants' Legal Analysis

1. Applicants believe that the Partnership is not an investment company under sections 3(a)(1) or 3(a)(3) of the Act. If the Partnership is deemed to be an investment company, however, applicants request an exemption under section 6(c) from all provisions of the Act.

2. Section 3(a)(1) of the Act provides that an issuer is an investment company if it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities. Applicants believe that the Partnership is not an investment company under section 3(a)(1) because the Partnership will be in the business of investing in, and being beneficial owner of, the Properties, not securities.

3. Section 3(a)(3) of the Act provides that an issuer is an investment company if it is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire investment securities having a value exceeding 40% of the value of such issuer's total assets (exclusive of Government securities and cash items). Applicants believe that the Partnership's interests in the Property Partnerships should not be considered investment securities because such interests are not readily marketable, have no value apart from the value of the Properties owned by the Property Partnerships, and cannot be sold without severe adverse tax consequences.

4. Applicants believe that the two-tier structure is consistent with the purposes and criteria set forth in the SEC's release concerning two-tier real estate partnerships (the "Release").¹ The

¹ Investment Company Act Release No. 8456 (Aug. 9, 1974).

Release states that two-tier real estate partnerships that invest in limited partnerships engaged in the development and operation of housing for low and moderate income persons may qualify for an exemption from the Act under section 6(c). Section 6(c) provides that the SEC may exempt any person from any provision of the Act and any rule 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.

5. The Release lists two requirements, designed for the protection of investors, which must be satisfied by two-tier partnerships to qualify for an exemption under section 6(c). First, interests in the issuer should be sold only to persons for whom investments in limited profit, essentially tax-shelter, investments would not be unsuitable. Second, requirements for fair dealing by the general partner of the issuer with the limited partners of the issuer should be included in the basic organizational documents of the company.

6. Applicants state, among other considerations, that the suitability standards set forth in the Memorandum, the requirements for fair dealing provided by the Partnership Agreement, and pertinent governmental regulations imposed on each Property Partnership by various Federal, state, and local agencies provide protection to Unitholders comparable to that provided by the Act. In addition, applicants assert that the requested exemption is both necessary and appropriate in the public interest.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-20770 Filed 8-21-95; 8:45 am]
BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[License No. 04/74-0262]

Issuance of a Small Business Investment Company License

On June 13, 1995, a notice was published in the **Federal Register** (60 FR 31179) stating that an application had been filed by Blue Ridge Investors Limited Partnership, 300 North Greene Street, Suite 2100, Greensboro, North Carolina 27401, with the Small Business Administration (SBA) pursuant to § 107.102 of the Regulations governing

small business investment companies (13 CFR 107.102 (1994)) for a license to operate as a small business investment company.

Interested parties were given until close of business June 28, 1995 to submit their comments to SBA. No comments were received.

Notice is hereby given that, pursuant to section 301(c) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No. 04/74-0262 on July 28, 1995, to Blue Ridge Investors Limited Partnership to operate as a small business investment company.

The Licensee has initial private capital of \$13.1 million, and Mr. Edward C. McCarthy will manage the fund. The stock of the Licensee is owned by 58 investors, including individuals, corporations, and personal trusts. No one investor owns more than 10% of the partnership.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: August 16, 1995.

Robert D. Stillman,

Associate Administrator for Investment.

[FR Doc. 95-20774 Filed 8-21-95; 8:45 am]
BILLING CODE 8025-01-P

[License No. 09/79-0403]

Issuance of a Small Business Investment Company License

On April 11, 1995, a notice was published in the **Federal Register** (60 FR 18437) stating that an application had been filed by Kline Hawkes California SBIC, L.P., 11726 San Vicente Blvd., Suite 300, Los Angeles, California 90049, with the Small Business Administration (SBA) pursuant to § 107.102 of the Regulations governing small business investment companies (13 CFR 107.102 (1994)) for a license to operate as a small business investment company.

Interested parties were given until close of business April 26, 1995 to submit their comments to SBA. No negative comments were received.

Notice is hereby given that, pursuant to section 301(c) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No. 09/79-0403 on July 28, 1995, to Kline Hawkes California SBIC, L.P., to operate as a small business investment company.

The Licensee has initial private capital of \$30 million, and Mr. Frank R., Kline Jr. will manage the fund. At the

present time, all of the stock of the Licensee is owned indirectly by the California Public Employees Retirement System.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: August 16, 1995.

Robert D. Stillman,

Associate Administrator for Investment.

[FR Doc. 95-20775 Filed 8-21-95; 8:45 am]
BILLING CODE 8025-01-P

DEPARTMENT OF STATE

[Public Notice 2241]

Notice of Availability of Intergovernmental Panel on Climate Change (IPCC) Draft Synthesis Report and Public Comment Period

AGENCY: Department of State, Bureau of Oceans and International Environmental and Scientific Affairs.

SUMMARY: The Intergovernmental Panel on Climate Change (IPCC) has prepared a draft report titled: "The IPCC Assessment of Knowledge Relevant to the Interpretation of Article 2 of the UN Framework Convention on Climate Change: A Synthesis Report 1995" based on material prepared and reviewed by each of its working groups (on science, impacts and response strategies, and economics and crosscutting issues). This draft 38-page report (plus tables and figures), and its 8-page Summary for Policymakers, needs to be peer-reviewed by experts and governments. The IPCC Secretariat requires comments on this report to effect appropriate revisions prior to the final acceptance of the synthesis report and review and line-by-line adoption of the Summary for Policymakers at a plenary session of the IPCC in December 1995 in Rome. The U.S. Subcommittee on Global Change Research (SGCR) will be responsible for coordinating the preparations of the comments of the United States Government. Through this notice, we are announcing the availability of the draft report, and requesting comments on the report by noon, September 6, 1995 from experts and interested groups and individuals. These comments will be reviewed, combined and incorporated as appropriate, in the process of preparing official U.S. Government comments to the IPCC.

DATES: Written comments (hard copy and if possible on a 3.5 inch diskette in either Microsoft Word or WordPerfect format) on the draft Synthesis Report should be received on or before noon,