

a.m. and 4:15 p.m. (EST). Persons planning to attend this meeting are urged to contact the above named individual one or two working days prior to the meeting to be advised of any potential changes to the agenda, etc., that may have occurred.

Dated: February 6, 1996.

Sam Duraiswamy,

Chief, Nuclear Reactors Branch.

[FR Doc. 96-2981 Filed 2-9-96; 8:45 am]

BILLING CODE 7590-01-P

Comparisons of Industry Standards Cited in the NRC Standard Review Plan and Related Documents: Availability

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice of availability and request for comments.

SUMMARY: The Nuclear Regulatory Commission (NRC) has published the following three NUREG/CR documents for review and comment: NUREG/CR-6382 entitled "Comparisons of ASTM Standards Cited in the NRC Standard Review Plan, NUREG-0800, and Related Documents," NUREG/CR-6385 entitled "Comparisons of ANS, ASME, AWS, and NFPA Standards Cited in the NRC Standard Review Plan, NUREG-0800, and Related Documents," and NUREG/CR-6386 entitled "Comparisons of ANSI Standards Cited in the NRC Standard Review Plan, NUREG-0800, and Related Documents." In addition, comparisons of selected structural codes and standards cited in the Standard Review Plan or recent NRC staff evaluation reports are presented in Appendix B of NUREG/CR-6358 entitled "Assessment of United States Industry Structural Codes and Standards for Application to Advanced Nuclear Power Reactors." Given recent and ongoing efforts by the NRC to revise Regulatory Guides related to standards issued by the Institute of Electrical and Electronics Engineers (IEEE), comparisons for IEEE standards were not included in these NUREG/CR documents.

These reports provide the results of comparisons of the cited and latest versions of selected industry standards cited in the Nuclear Regulatory Commission Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants (NUREG-0800) and associated Regulatory Guides and Code of Federal Regulations sections. The comparisons in NUREG/CR-6382, -6385, and -6386 were performed by Battelle Pacific Northwest Laboratories. The comparisons in Appendix B of NUREG/CR-6358 were

performed by Stevenson and Associates. The work was performed in support of the NRC's Standard Review Plan Update and Development Program, and will be used by the NRC to evaluate whether the SRP citations to the industry standards should be updated. The purpose of this Notice is to solicit public comments on whether the industry standard citations should be updated, and if so, what exceptions should be included with the citations. **DATES:** Submit comments on NUREG/CR-6382, -6385, -6386, and Appendix B of NUREG/CR-6358 by May 13, 1996. Comments received after this date will be considered if it is practical to do so, but the Commission is able to assure consideration only for comments received on or before this date.

ADDRESSES: Mail comments to: Chief, Rules Review and Directives Branch, Division of Freedom of Information and Publications Services, Mail Stop T-6 D59, U. S. Nuclear Regulatory Commission, Washington, DC 20555-0001. Comments may be hand-delivered to 11545 Rockville Pike, Maryland between 7:45 a.m. and 4:15 p.m. on Federal workdays.

NUREG/CR-6382, -6385, -6386, and -6358 are available for inspection and copying for a fee at the NRC Public Document Room, 2120 L Street NW (Lower Level), Washington DC 20555-0001. Copies of these documents can also be purchased from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 37082, Washington DC 20402-9328 or the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161-0002.

FOR FURTHER INFORMATION CONTACT: Gene Y. Suh, Office of Nuclear Reactor Regulation, Mail Stop O-12 E4, U.S. Nuclear Regulatory Commission, Washington DC 20555-0001, telephone (301) 415-1263.

SUPPLEMENTARY INFORMATION: The standard comparisons presented in these documents have been prepared by Battelle Pacific Northwest Laboratories and Stevenson and Associates and have not been reviewed by the NRC staff. Therefore the suggestions and recommendations contained in these reports are the work of the contractors, and their implementation is contingent upon NRC acceptance of justifications for revisions to the SRP. It is anticipated that the contractor's recommendations for SRP citations in the straightforward standard comparisons presented in Section 2 of NUREG/CR-6382, -6385, and -6386 will be implemented, subject to NRC staff review and NRC resolution of public comments. Further staff

review and evaluation, including resolution of public comments, will be needed prior to updating the SRP citations for the problematic standard comparisons presented in Section 3 of NUREG/CR-6382, -6385, -6386, and in Appendix B of NUREG/CR-6358. Comments and suggestions concerning the comparisons are solicited, specifically on whether an update to the latest version is appropriate and on any necessary exceptions and qualifications required to update the citations to the latest version.

Dated at Rockville, Maryland, this 5th day of February, 1996.

For the Nuclear Regulatory Commission.

R.W. Borchardt,

Chief, Inspection Program Branch, Division of Inspection and Support Programs, Office of Nuclear Reactor Regulation.

[FR Doc. 96-2987 Filed 2-9-96; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Rel No. IC-21736; Int'l Series Release No. 928; 812-9188]

The CountryBasket Index Fund, Inc., et al.; Notice of Application

February 6, 1996.

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

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

APPLICANTS: The CountryBasket Index Fund, Inc. (the "Fund"), Deutsche Morgan Grenfell/C.J. Lawrence Inc. (the "Adviser"), and ALPS Mutual Fund Services, Inc. (the "Distributor").

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act for an exemption from sections 2(a)(32), 5(a)(1), 22(d), and 22(e) of the Act and rule 22c-1 thereunder and under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act.

SUMMARY OF APPLICATION: Applicants request an order permitting the Fund to issue securities of limited redeemability that are intended to trade on the New York Stock Exchange ("NYSE") at negotiated prices. The order also would permit certain transactions between the Fund and affiliated persons and permit the Fund to make payment for redeemed securities more than seven days from the date such securities are tendered in certain circumstances.

FILING DATE: The application was filed on August 19, 1994 and amended on October 28, 1994, November 30, 1994,

January 10, 1995, March 30, 1995, and June 30, 1995.

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 March 4, 1996, 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, 31 West 52nd Street, New York, NY 10019.

FOR FURTHER INFORMATION CONTACT: James M. Curtis, Senior Counsel, at (202) 942-0563, 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 Fund is an open-end management investment company that initially will consist of nine series. Each series will invest in a portfolio of equity securities included in one of the component indexes of the Financial Times/Standard & Poor's Actuaries World Indices™ ("FT/S&P Indices") concentrating in a specific country. The initial nine series will represent the FT/S&P Indices for Australia, France, Germany, Hong Kong, Italy, Japan, South Africa, the United Kingdom, and the United States.

2. The Adviser will serve as adviser to the Fund. The Distributor will be the principal underwriter and distributor of the Fund's shares. State Street Bank and Trust Company is expected to provide custodian, transfer agency and fund accounting services for each series.

3. There will be no sales charge for purchases of shares of any series. Applicants expect that pursuant to a plan adopted by the board of directors of the Fund for each series under rule 12b-1 under the Act, each series will pay the Distributor a distribution services fee and a fee for marketing and

promotional services. The Adviser will receive an annual fee for its services. Additional fees also will be charged to compensate the providers of custodian, transfer agency, and fund accounting services.

4. Each series of the Fund will issue only aggregations of a specified number of shares ("Creation Units") that will be separable at the option of the holder into a specified number of identical components (each a "CB™ Share"). The initial net asset value of the Creation Units are expected to range from approximately \$2,000,000 to \$5,000,000. The Creation Unit size of each series will be chosen to yield an initial per CB™ Share price, expected to be in the \$30 to \$50 range, equal to a designated percentage of the value of the relevant FT/S&P Index. Applicants intend to list CB™ Shares of each Fund series on the NYSE where the shares would be traded in the secondary market as individual shares in the same manner as other equity securities.

5. Creation Units will be sold continuously at net asset value principally in exchange for a portfolio of equity securities (the "Fund Basket"), substantially corresponding to the securities represented in the designated component of the FT/S&P Indices and an amount of cash (the "Cash Component"), which together constitute the "Fund Deposit." Immediately before the opening of business on the NYSE on each Business Day, as defined below, the Distributor and the National Securities Clearing Corporation will announce the securities and the proportion of such securities that will constitute the Fund Basket for that particular Business Day. At the same time, the Adviser will determine, and the Distributor will announce, the amount of the Cash Component necessary to constitute the Fund Deposit. The Cash Component will be equal to the difference between the value of the Fund Basket on that day and the net asset value of the Creation Unit purchased.

6. In order for payment of the Cash Component to be made on the same date as the shares are issued, it is necessary for the Fund's custodian to be open for business for purposes of receiving fund transfers. Consequently, for each series, other than the United States series, a Business Day is any day on which the NYSE, the Fund's custodian and subcustodians, and the relevant stock exchanges are open. For the United States series, a Business Day is any day on which the NYSE and the Fund's custodian are open.

7. An investor making a Fund Deposit will be charged a cash transaction fee on

the cash portion of the purchase to cover brokerage and other transaction costs. In addition, investors purchasing or redeeming shares in-kind will bear the costs of transferring the securities to or from the Fund.

8. In the event that the Adviser determines, in its discretion, that a particular security is likely to be unavailable or available in insufficient quantity for delivery to the Fund as part of a Fund Basket on the date of purchase, the cash equivalent value of such security may be required or permitted to be included as part of the Cash Component in lieu of the particular security.

9. To purchase Creation Units, an investor must be, or place its order through, a participant organization (a "DTC Participant") in the Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York (the "Depository"). All orders to purchase Creation Units from the Fund must be placed with the Distributor. The Distributor will be responsible for distributing prospectuses to purchasers of Creation Units.

10. Broker-dealers and other persons will be cautioned in the prospectus and/or the Fund's statement of additional information ("SAI") that some activities on their part may, depending on the circumstances, result in their being deemed statutory underwriters and subject them to the prospectus delivery and liability provisions of the Securities Act of 1933. For example, a broker-dealer firm may be deemed a statutory underwriter if it purchases Creation Units from the Fund, breaks them down into the constituent CB™ Shares, and sells the CB™ Shares directly to its customers; or if it chooses to couple the creation of a supply of new CB™ Shares with an active selling effort involving solicitation of a secondary market demand for CB™ Shares. The prospectus and/or the SAI will state that whether a person is an underwriter depends upon all the facts and circumstances pertaining to that person's and his client's activities. The prospectus and/or the SAI will explain that dealers who are not statutory underwriters, but are participating in a distribution (as contrasted to ordinary secondary trading transactions), and thus dealing with CB™ Shares that are part of an "unsold allotment" within the meaning of section 4(3) of the Securities Act of 1933, would be unable to take advantage of the prospectus-delivery exemption provided by section 4(3) of the Securities Act of 1933.

11. Redemption requests will be accepted on each day that the NYSE is

open. An investor redeeming a Creation Unit generally will receive a Fund Basket of securities and cash equal to the difference in value between such Fund Basket and the net asset value of the Creation Unit aggregation of shares next determined after receipt of the redemption request. A redeeming beneficial holder or DTC Participant acting on behalf of such beneficial holder must maintain appropriate securities broker-dealer, bank, or other custody arrangements in the jurisdiction in which the portfolio securities are customarily traded to which account such portfolio securities will be delivered. If neither the redeeming beneficial holder nor the DTC Participant has appropriate arrangements to take delivery of the portfolio securities in the applicable foreign jurisdiction, and it is not possible to make other such arrangements, or if it is not possible to effect deliveries of the portfolio securities in such jurisdiction, the Fund will redeem such shares in cash. In such circumstances, or if the Fund concludes that operating on an exclusively in-kind basis presents marketing or operational problems for a specific series, the Fund reserves the right to offer a cash option for sales and to make redemptions in cash in respect of any series. When investors redeem in cash, in whole or in part, the Fund will charge a cash redemption fee to cover brokerage and other transactions costs.

12. Fund shares will be registered in book-entry form only; certificates will not be issued. The Depository or its nominee will be registered owner of all outstanding Fund shares. Records reflecting the beneficial owners of Fund shares will be maintained by the Depository or a DTC Participant.

13. Owner of Creation Units may hold the units or sell them into the secondary market as CBTM Shares. The CBTM Shares are intended to be listed on the NYSE and trade in the secondary market in the same manner as other equity securities. The price of CBTM Shares on the NYSE will be based on a current bid/offer market. Transactions involving the sale of CBTM Shares will be subject to customary brokerage commissions and charges. Brokers will deliver a Fund prospectus to each investor in connection with the secondary market purchase by such investor of CBTM Shares on the NYSE. The Fund will provide copies of its annual and semi-annual shareholder reports to beneficial holders of CBTM Shares. Each individual CBTM Share will have one vote with respect to matters regarding the Fund or the respective series upon which a shareholder vote is required.

14. In order to avoid confusion in the public's mind between the Fund and a conventional "open-end investment company" or "mutual fund," the Fund will limit the designation of the Fund in all marketing materials, including the Fund's prospectus and SAI, to the term "investment company," without reference to "open-end fund" or "mutual fund." The term "mutual fund" will not be used at any time. The term "open-end investment company" will be used in the prospectus only to the extent required by item 4 of Form N-1A.¹ The cover page of the prospectus and the summary will include a distinct paragraph stating that the CBTM Shares will not be individually redeemable. The description of the Creation Units and the method of their purchase and redemption will follow such paragraph on the CBTM Shares. The SAI will include an explanation of the issuance and redemption procedures for Creation Units. All marketing materials that describe the method of obtaining, buying, or selling CBTM Shares, will state that the CBTM Shares are non-redeemable.

15. Applicants believe that purchasers of Creation Units will include institutional investors who desire a foreign index-based fund with the liquidity provided by exchange traded shares. In addition, arbitrageurs may purchase Creation Units to take advantage of a premium in the market price of CBTM Shares. Finally, the exchange specialist, acting in its role to provide a fair and orderly secondary market for the CBTM Shares, may find it appropriate at times to create CBTM Shares for use in its market-making activities on the exchange.

16. Applicants believe that arbitrage activity will enhance the liquidity of the CBTM Shares in the secondary market and help ensure that CBTM Shares will not trade at a material discount or premium in relation to the Fund's net asset value.

Applicants' Legal Analysis

Section 6(c)

1. Applicants request relief under section 6(c) of the Act from sections 2(a)(32), 5(a)(1), 17(a)(1), 17(a)(2), 22(d), and 22(e) and rule 22c-1 and under sections 6(c) and 17(b) from sections 17(a)(1) and 17(a)(2). Section 6(c) permits the SEC to exempt any person or transaction from any provision of the Act, if such exemption is necessary or appropriate in the public interest and

¹Item 4 of Form N-1A requires an investment company to state in its prospectus its classification and subclassification under sections 4 and 5 of the Act.

consistent with the protection of investors and the purposes fairly intended by the policy of the Act. Section 17(b) authorizes the SEC to exempt a transaction from section 17(a) if the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, the proposed transaction is consistent with the policy of each registered investment company concerned, and the proposed transaction is consistent with the general policy of the Act. Section 17(b) could be interpreted to exempt only a single transaction. However, the SEC, under section 6(c), may exempt a series of transactions that otherwise would be prohibited by section 17(a).

Sections 2(a)(32) and 5(a)(1)

1. Section 5(a)(1) defines an "open-end company" as a "management company which is offering for sale or has outstanding any redeemable security of which it is the issuer." The term "redeemable security" is defined in section 2(a)(32) as a security which entitles the holder to receive, upon presentation of the security to the issuer, approximately his or her proportionate share of the issuer's current net assets.

2. Because the Creation Units are separable into CBTM Shares that are not individually redeemable, a question arises as to whether the definition of a "redeemable security" or an "open-end company" under the Act would be met if such shares are viewed as non-redeemable securities. In light of this question, the Fund requests an order to permit it to maintain its registration as an open-end investment company and to issue shares that are redeemable only in Creation Units.

3. Applicants note that owners of CBTM Shares wishing to redeem may purchase additional CBTM Shares and tender the resulting Creation Unit for redemption. Moreover, NYSE listing will afford shareholders the benefit of liquidity. Applicants believe that because Creation Units always may be purchased and redeemed at net asset value, arbitrage opportunities will ensure that the price of CBTM Shares on the secondary market will not vary substantially from the net asset value of Creation Units. Also, the investor has the ability to purchase or redeem Creation Unit aggregations of shares rather than trade in the secondary market.

Section 22(d) and Rule 22c-1

1. Section 22(d), among other things, prohibits a dealer from selling a

redeemable security that is being currently offered to the public by or through an underwriter except at the current public offering price described in the prospectus. Rule 22c-1 generally requires that a dealer selling, redeeming, or repurchasing a redeemable security do so only at a price based on its net asset value. Secondary market transactions in CBTM Shares will take place at negotiated prices and not at a current offering price described in the prospectus or on the basis of net asset value. Thus, purchases and sales of CBTM Shares by dealers in the secondary market may not comply with section 22(d) and rule 22c-1.

2. While there is little legislative history regarding section 22(d), its provisions, as well as those of rule 22c-1, appear to have been enacted (a) to prevent dilution caused by certain risk-free trading schemes by principal underwriters and contract dealers, (b) to prevent unjust discrimination or preferential treatment among buyers resulting from sales at different prices, and (c) to assure an orderly distribution of investment company shares by eliminating price competition from dealers offering shares at less than the published sales price and repurchasing shares at more than the published redemption price. Applicants believe that the concerns sought to be addressed by section 22(d) and rule 22c-1 with respect to pricing are equally satisfied by the proposed method of pricing CBTM Shares. First, secondary market trading in CBTM Shares, because it does not involve the Fund as a party, cannot result in dilution of a beneficial owner's investment. Second, to the extent different prices exist during a given trading day, or from day to day, such variances occur as a result of third-party market forces, such as supply and demand and interest rates, not as a result of unjust or discriminatory manipulation. Therefore, secondary market trading in CBTM Shares will not lead to discrimination or preferential treatment among purchasers. Finally, applicants contend that the proposed distribution system will be orderly because arbitrage activity will ensure that the difference between the market price of CBTM Shares and their net asset value remains narrow.

Section 22(e)

1. Section 22(e) provides that an investment company may not postpone the date of payment or satisfaction upon the redemption of any redeemable security for more than seven calendar days following tender of such security for redemption. To the extent that Creation Units may be deemed to be

redeemable securities, applicants request an exemption to permit the Japan series to redeem Creation Units within ten days, and the United Kingdom series to redeem Creation Units within twelve days at certain times during the calendar year. The custodian has advised the Fund that local holiday schedules combined with local settlement periods will require more than seven calendar days for delivery of redemption proceeds several times during the calendar year for these two series. Applicants expect, however, that these series will be able to deliver redemption proceeds within seven days at all other times. Applicants do not request an exemption from section 22(e) with respect to the other series.²

2. The Fund believes that Congress adopted section 22(e) to prevent unreasonable, undisclosed or unforeseen delays in the actual payment of redemption proceeds. The prospectus, SAI, and all relevant sales literature for the Japan and the United Kingdom series will disclose that redemption payments will be effected within the specified number of calendar days following the date on which a request for redemption is made. Applicants contend that the redemption mechanism described above will not lead to unreasonable, undisclosed, or unforeseen delays in the redemption process.

3. Applicants believe that requiring the Fund to deliver securities upon redemption on a basis other than that utilized by all other investors trading portfolio securities in the particular local market (e.g., irrespective of whether a holiday occurs during the relevant settlement period), would be highly burdensome to the series and possibly unacceptable to local market participants. The same concerns are relevant to both redemptions in-kind and redemptions for cash. Since the Fund will be fully invested at almost all times, generally it will need to liquidate portfolio holdings in order to generate the cash needed to finance cash redemptions. It would be highly burdensome if the Fund were forced to do this outside of the settlement cycles of the local market for the reasons discussed above.

4. Applicants believe that allowing redemption payments for Creation Units of a series to be made within the number of days indicated above would

² Applicants acknowledge that no relief obtained from the requirements of section 22(e) will affect any obligations applicants may otherwise have under rule 15c6-1 under the Securities Exchange Act of 1934. Rule 15c6-1 requires that most securities transactions be settled within three business days of the trade date.

not be inconsistent with the spirit and intent of section 22(e).

Section 17(a)

1. Applicants request an exemption under sections 6(c) and 17(b) from section 17(a) of the Act to permit affiliated persons of the Fund to purchase and redeem Creation Units. Section 17(a) generally prohibits an affiliated person of a registered investment company from purchasing from or selling to such company any security or other property. Because purchases and redemptions will be in-kind rather than cash transactions, section 17(a) may prohibit affiliated persons of the Fund from purchasing or redeeming Creation Units. Moreover, because the definition of affiliated person includes anyone owning 5% or more of an issuer's outstanding voting stock, at least one purchaser of a Creation Unit will be affiliated with the Fund so long as there are twenty or fewer holders of Creation Units.

2. Applicants contend that no useful purpose would be served by prohibiting affiliated persons from making in-kind purchases or redemptions of Creation Units. In-kind purchases and redemptions will be valued pursuant to verifiable objective standards. The securities to be used for the in-kind purchase or redemption will be those in the Fund Basket, which is based on the FT/S&P Indices. The FT/S&P Indices are widely publicized and not subject to manipulation by the Fund or its affiliates. Thus, in-kind purchases and redemptions will afford no opportunity for affiliated persons to effect a transaction detrimental to the other shareholders. Applicants believe that in-kind purchases and redemptions will not result in abusive self-dealing or overreaching by affiliated persons of the Fund. Accordingly, applicants believe that the requested relief meets the section 6(c) and section 17(b) standards for relief.

Applicants' Arguments

1. Applicants assert that CBTM Shares will allow investors to have a beneficial interest in a standardized portfolio of foreign equity securities based on a major market index. Applicants believe that the Fund should be able to track the FT/S&P Indices more closely than other basket products that must allocate a portion of their assets for cash redemptions. Even though a series may in some instances redeem in cash, applicants believe that they can still keep their assets fully invested; they expect there will be fewer redemptions than would be the case for a conventional mutual fund in view of the

need to accumulate a Creation Unit to tender for redemption. In addition, applicants believe that CB™ shares will provide a relatively low-cost market-basket security that, unlike open-end index funds, can be treated at negotiated prices throughout the business day. Finally, CB™ shares will broaden the trading, investing and hedging opportunities available to investors with respect to a significant segment of the international and domestic securities markets.

2. Applicants state that they will take such steps as may be necessary to avoid confusion in the public's eye between the Fund and a conventional "open-end investment company" or "mutual fund." In addition, applicants state that brokers will deliver a prospectus to each investor in connection with the secondary market purchasers by investors of CB™ Shares on the NYSE. Thus, applicants believe that the requested relief meets the section 6(c) standards.

Applicants' Conditions

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

1. The Fund will not be advertised or marketed as an open-end investment company, *i.e.*, as a mutual fund, which offers redeemable securities. The Fund prospectus will prominently disclose that the CB™ Shares are *not* redeemable units of shares and will disclose that the owners of the CB™ Shares may acquire and tender those shares for redemption to the Fund in Creation Unit aggregations only. Any advertising material where features of obtaining, buying, or selling Creation Units are described or where there is reference to redeemability will prominently disclose that owners of CB™ Shares may acquire and tender those shares for redemption to the Fund in Creation Unit aggregations only.

2. The Fund will provide copies of its annual and semiannual shareholder reports to beneficial owners of the CB™ Shares.

3. Applicants will not seek to have the Fund's registration statement declared effective until the SEC has approved such proposed rule change pursuant to rule 19b-4 under the Securities Exchange Act of 1934 as may be necessary to enable a national securities exchange to list the CB™ Shares.

4. In addition, as long as the Fund operates in reliance on the requested order, the CB™ Shares will be listed on a national securities exchange.

By the Commission.
Margaret H. McFarland,
Deputy Secretary.
[FR Doc. 96-3043 Filed 2-9-96; 8:45 am]
BILLING CODE 8010-01-M

[Rel. No. IC-21734; No. 812-9856]

The Evergreen Variable Trust, et al.

February 5, 1996.

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

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

APPLICANTS: The Evergreen Variable Trust ("Trust") and Evergreen Asset Management Corporation ("Evergreen Asset").

RELEVANT 1940 ACT SECTIONS: Order requested under Section 6(c) of the 1940 Act for exemptions from Sections 9(a), 13(a), 15(a) and 15(b) of the 1940 Act and sub-paragraph (b)(15) of Rules 6e-2 and 6e-3(T) thereunder.

SUMMARY OF APPLICATION: Applicants seek an order to the extent necessary to permit shares of the Trust and shares of any other investment company that is designed to fund variable insurance products and for which Evergreen Asset or its affiliates may serve as investment adviser, administrator, manager, principal underwriter or sponsor (collectively with the Trust, "Funds") to be sold to and held by: (1) variable annuity and variable life insurance separate accounts of both affiliated and unaffiliated life insurance companies; and (2) qualified pension and retirement plans outside the separate account context.

FILING DATE: The application was filed on November 14, 1995. An amended application was filed on January 29, 1996.

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 SEC by 5:30 p.m. on March 1, 1996 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 requester's interest, the reason for the request and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicants: c/o Joseph J. McBrien, Esq., Evergreen Asset Management Corp., 2500 Westchester Avenue, Purchase, New York 10577.

FOR FURTHER INFORMATION CONTACT: Yvonne M. Hunold, Assistant Special Counsel, or Patrice M. Pitts, Special Counsel, Office of Insurance Products (Division of Investment Management), at (202) 942-0670.

SUPPLEMENTARY INFORMATION: Following is a summary of the application. The complete application is available for a fee from the Public Reference Branch of the Commission.

Applicants' Representations

1. The Trust is an open-end, management investment company organized as a Massachusetts Business Trust. The Trust currently consists of three separately managed series (collectively, "Portfolios"). Additional series may be offered in the future ("Future Portfolios").

2. Evergreen Asset serves as investment adviser to the Trust and is a registered investment adviser under the Investment Advisers Act of 1940. Evergreen Asset is a wholly-owned subsidiary of First Union National Bank of North Carolina, a national bank, which is, in turn, a wholly-owned subsidiary of First Union Corporation, a bank holding company.

3. Applicants state that shares of the Trust currently are proposed to be offered only to variable annuity separate accounts, registered with the Commission under the 1940 Act as unit investment trusts, established by The Nationwide Life Insurance Company ("Nationwide").

4. Applicants state further that shares of the funds will be offered in the future to insurance company separate accounts¹ that fund variable annuity and variable life insurance established by Nationwide and its affiliate insurance companies and by unaffiliated insurance companies (collectively, "Participating Insurance Companies") that fund variable annuity and variable life insurance contracts (including single premium, scheduled premium, modified single premium and flexible premium) (collectively, "Variable Contracts"). Each Participating Insurance Company will enter into a fund participation agreement ("Participation Agreement")

¹ Applicants represent that these separate accounts will be either registered as investment companies under the 1940 Act or exempt from registration under the 1940 Act pursuant to Section 3(c)(1).