

proceeds to fund cash and policy credit consideration to policyholders.

The Department concurs with this change and has made the requested modification to the Summary. The Department also wishes to note that while both formulas would allow the Holding Company to retain a certain amount of cash raised in the IPO, under the new formula, more cash will be contributed by the Holding Company to John Hancock.

**7. Time Frame For Eligible Policyholder Submission of Election Form.** On page 57140 of the Notice, the first paragraph of Representation 10 of the Summary states, in pertinent part, that an Eligible Policyholder will be entitled to receive Holding Company stock if such Policyholder affirmatively elects, on a form provided to such Eligible Policyholder that has been properly completed and received by John Hancock prior to the date of the special policyholder meeting, a preference to receive stock. John Hancock notes that the time within which an Eligible Policyholder may submit the election form, indicating a preference to receive shares of Holding Company stock, has been extended until December 31, 1999.

**8. Role of U.S. Trust.** On pages 57136 and 57141 of the Notice, Section II(g)(3)(ii) and (iii) and Representation 11 of the Summary describe the role of U.S. Trust, the independent fiduciary for the John Hancock Plans in connection with the demutualization. Specifically, U.S. Trust will vote and make elections (*i.e.*, stock or cash) which are available to the John Hancock Plans under the Plan of Reorganization. However, once the demutualization is completed, John Hancock represents that U.S. Trust will have an ongoing role only with respect to those John Hancock Plans which continue to hold Holding Company stock that is in excess of the limitations of section 407(a) of the Act. Thus, once the stock holdings of an affected John Hancock Plan are brought within the 10 percent limit, which must occur within six months of the effective date of the demutualization, John Hancock explains that the retention of U.S. Trust will no longer be required.

The Department concurs with John Hancock's understanding with respect to the retention of U.S. Trust following the demutualization.

For further information regarding the comments and other matters discussed herein, interested persons are encouraged to obtain copies of the exemption application file (Exemption Application No. D-10718) the Department is maintaining in this case.

The complete application file, as well as all supplemental submissions received by the Department, are made available for public inspection in the Public Documents Room of the Pension and Welfare Benefits Administration, Room N-5638, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

Accordingly, after giving full consideration to the entire record, including the written comments, the Department has decided to grant the exemption subject to the modifications and clarifications described above.

**FOR FURTHER INFORMATION CONTACT:** Ms. Jan D. Broady of the Department, telephone (202) 219-8881. (This is not a toll-free number.)

**Cassano's Inc. 401(k) Plan and Trust (the Plan) Located in Dayton, Ohio**

[Prohibited Transaction Exemption 2000-07; Exemption Application Number D-10734]

**Exemption**

The restrictions of sections 406(a), 406(b)(1) and (b)(2) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) through (E) of the Code, shall not apply to the sale (the Sale) of an improved parcel of real property (the Property) by the Plan to Cassano's, Inc. (Cassano's), a party in interest and disqualified person with respect to the Plan, provided that the following conditions are met:

(a) The Sale is a one-time transaction for cash;

(b) The terms and conditions of the Sale are at least as favorable to the Plan as those obtainable in an arm's length transaction with an unrelated party;

(c) The Plan receives the greater of \$155,500 or the fair market value of the Property as of the date of the Sale;

(d) The Plan is not required to pay any commissions, costs or other expenses in connection with the Sale; and

(e) Cassano's files Form 5330 with the Internal Revenue Service (the Service) and pays certain excise taxes with respect to the past prohibited leasing of the Property within 90 days of the date this notice granting this exemption is published in the **Federal Register**.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption, refer to notice of proposed exemption published on November 9, 1999 at 64 FR 61134

**FOR FURTHER INFORMATION CONTACT:** Mr. J. Martin Jara, telephone (202) 219-8881. (This is not a toll-free number.)

**General Information**

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under section 408(a) of the Act and/or section 4975(c)(2) of the Code does not relieve a fiduciary or other party in interest or disqualified person from certain other provisions to which the exemptions does not apply and the general fiduciary responsibility provisions of section 404 of the Act, which among other things require a fiduciary to discharge his duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in a prudent fashion in accordance with section 404(a)(1)(B) of the Act; nor does it affect the requirement of section 401(a) of the Code that the plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries;

(2) These exemptions are supplemental to and not in derogation of, any other provisions of the Act and/or the Code, including statutory or administrative exemptions and transactional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

(3) The availability of these exemptions is subject to the express condition that the material facts and representations contained in each application accurately describes all material terms of the transaction which is the subject of the exemption.

Signed at Washington, D.C., this 3rd day of February, 2000.

**Ivan Strasfeld,**

*Director of Exemption Determination,  
Pension and Welfare Benefits Administration,  
U.S. Department of Labor.*

[FR Doc. 00-2858 Filed 2-7-00; 8:45 am]

**BILLING CODE 4510-29-P**

**DEPARTMENT OF LABOR**

**Pension and Welfare Benefits Administration**

**Exemption Application No. D-10384; Deutsche Bank AG, et al. (Deutsche Bank)**

**AGENCY:** Pension and Welfare Benefits Administration, Labor (the Department).

**ACTION:** Notice of technical correction.

On February 1, 2000, the Department published in the **Federal Register** (65 FR 4843) a notice of proposed exemption for Deutsche Bank which

would allow the assets of certain employee benefit plans to be invested in synthetic guaranteed investment contracts (the Buy & Hold Synthetic GICs) that would be offered by Deutsche Bank. Due to a printing error, appearing on page 4846 of the proposed exemption in Representation 7, the formula for computing the Crediting Rate for each Buy & Hold Synthetic GIC, was stated as follows:

$$BV = \sum_{k=1}^N ((\text{net cashflow}_k) / ((1 + \text{IRR}^k)))$$

The Department notes that the correct formula for calculating the Crediting Rate is

$$BV = \sum_{k=1}^N ((\text{net cashflow}_k) / ((1 + \text{IRR}^{k-n})))$$

and it hereby amends the proposal.

**FOR FURTHER INFORMATION CONTACT:** Ms. Jan D. Broady of the Department at (202) 219-8881. (This is not a toll-free number.)

Signed at Washington, DC this 3rd day of February, 2000.

**Ivan L. Strasfeld,**

*Director of Exemption Determinations,  
Pension and Welfare Benefits Administration,  
Department of Labor.*

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## DEPARTMENT OF LABOR

### Pension and Welfare Benefits Administration

[Application Nos. D-10119 and D-10120, et al.]

#### Morgan Guaranty Trust Company of New York, et al.

**AGENCY:** Pension and Welfare Benefits Administration, Department of Labor.

**ACTION:** Notice of proposed exemptions.<sup>1</sup>

**SUMMARY:** This document contains notices of pendency before the Department of Labor (the Department) of proposed exemptions from the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (the Act) and from the taxes

<sup>1</sup> The term "Proposed Exemptions" refers to the following individual exemption applications: Application Nos. D-10119 and D-10120, Morgan Guaranty Trust Company of New York and J.P. Morgan Investment Management Inc.; Application No. D-10587, Goldman, Sachs & Co.; Application No. D-10779, The Chase Manhattan Bank; Application No. D-10820, Citigroup Inc; and Application No. D-10832, Morgan Stanley Dean Witter & Co.

imposed by the Internal Revenue Code of 1986 (the Code).

The exemptions, if granted, would permit purchases of securities by the applicants' asset management affiliate on behalf of employee benefit plans for which such asset management affiliate is a fiduciary, from underwriting or selling syndicates where the applicants' broker-dealer affiliate participates as a manager or syndicate member. The exemptions, if granted, would affect participants and beneficiaries of the plans investing in such securities.

**EFFECTIVE DATE:** The exemptions, if granted, would be effective as of the date of publication of this notice in the **Federal Register**.

**DATES:** Written comments and/or requests for a public hearing must be received by the Department by March 24, 2000.

**ADDRESSES:** All written comments and/or requests for a public hearing (preferably, three copies) should be sent to the Office of Exemption Determinations, Pension and Welfare Benefits Administration, Room N-5649, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210, Attention: Application Nos. D-10119 and D-10120, et al. The applications pertaining to the proposed exemptions and the comments received will be available for public inspection in the Public Documents Room of the Pension and Welfare Benefits Administration, U.S. Department of Labor, Room N-5638, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

**FOR FURTHER INFORMATION CONTACT:** Andrea W. Selvaggio, Janet L. Schmidt, or Karin Weng of the Department, telephone (202) 219-8194. (This is not a toll-free number.)

**SUPPLEMENTARY INFORMATION:** Notice is hereby given of the pendency before the Department of five applications for exemption from the restrictions of section 406 of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1) of the Code. The exemptions were requested in separate applications filed pursuant to section 408(a) of the Act and section 4975(c)(2) of the Code, and in accordance with the procedures set forth in 29 CFR Part 2570, Subpart B (55 FR 32836, August 10, 1990), by the following entities: Morgan Guaranty Trust Company of New York and J.P. Morgan Investment Management Inc., Goldman, Sachs & Co., The Chase Manhattan Bank, Citigroup Inc., and Morgan Stanley Dean Witter & Co. Effective December 31, 1978, section 102 of Reorganization Plan No. 4 of

1978, 5 U.S.C. App. 1 (1996), generally transferred the authority of the Secretary of the Treasury to issue exemptions of the type requested to the Secretary of Labor. Accordingly, this notice of pendency is being issued solely by the Department.<sup>2</sup>

### Summary of Facts and Representations

The facts and representations contained in the applications are summarized below. Interested persons are referred to the applications on file with the Department for the complete representations of the applicants.

#### The Applicants

The five applicants, diversified financial services firms, have requested similar exemptive relief. It is represented that the applicants and their various affiliates are all regulated by other federal government agencies such as the Securities and Exchange Commission (the SEC), as well as state government agencies, and securities regulatory organizations. For convenience, following the initial description of each of the applicants, below, the applicants and their affiliates shall be referred to in the remainder of the notice in generic terms that denote certain roles, namely, "the Applicant," "the Asset Manager,"<sup>3</sup> or "the Affiliated Broker-Dealer."<sup>4</sup>

1. Morgan Guaranty Trust Company of New York (MGT) is a New York Trust Company. J.P. Morgan Investment Management Inc. (JPMIM), is a registered investment adviser. Both MGT and JPMIM are wholly owned subsidiaries of J.P. Morgan & Co. (JPM), a Delaware corporation. MGT and JPMIM (together, the Applicant) provide investment management and investment advisory services. Hereinafter, the Applicant shall be referred to as "the Asset Manager" when discussing the Applicant's activities relating to investment management or investment advisory services. J.P. Morgan Securities Inc., a wholly owned indirect subsidiary of JPM, is a registered broker-dealer (hereinafter, the Affiliated Broker-Dealer). It is represented that, as of December 31, 1998, the last day of the

<sup>2</sup> All references in the remainder of the preamble to specific provisions of Title I of the Act shall refer also to the corresponding provisions of the Code (if any).

<sup>3</sup> To the extent that the Applicant has more than one asset management affiliate, all references to the Asset Manager herein shall refer also to the other asset management entity or entities.

<sup>4</sup> To the extent that the Applicant has more than one registered broker-dealer affiliate that participates in underwriting or selling syndicates, all references to the Affiliated Broker-Dealer herein shall refer also to the other broker-dealer entity or entities.