

Oversight and Effectiveness, U.S. Office of Personnel Management, 1900 E Street, NW, Room 7671, Washington, DC 20415.

Office of Personnel Management.

Janice R. Lachance,
Director.

[FR Doc. 00-28790 Filed 11-8-00; 8:45 am]

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OFFICE OF PERSONNEL MANAGEMENT

Proposed Collection; Comment Request for Review of an Information Collection: Forms RI 38-117, 38-118, and RI 37-22

AGENCY: Office of Personnel
Management.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104-13, May 22, 1995), this notice announces that the Office of Personnel Management (OPM) intends to submit to the Office of Management and Budget a request for review of an information collection. RI 38-117, Rollover Election, is used to collect information from each payee affected by a change in the tax code (Pub. L. 102-318) so that OPM can make payment in accordance with the wishes of the payee. RI 38-118, Rollover Information, explains the election. RI 37-22, Special Tax Notice Regarding Rollovers, provides more detailed information.

Comments are particularly invited on: whether this information is necessary for the proper performance of functions of OPM, and whether it will have practical utility; whether our estimate of the public burden of this collection of information is accurate, and based on valid assumptions and methodology; and ways in which we can minimize the burden of the collection of information on those who are to respond, through the use of appropriate technological collection techniques or other forms of information technology.

Approximately 6,000 RI 38-118 forms will be completed annually. We estimate it takes approximately 30 minutes to complete the form. The annual burden is 3,000 hours.

For copies of this proposal, contact Mary Beth Smith-Toomey on (202) 606-2150, or E-mail to mbtoomey@opm.gov.

DATES: Comments on this proposal should be received on or before January 8, 2001.

ADDRESSES: Send or deliver comments to—Ronald W. Melton, Chief, Operations Support Division,

Retirement and Insurance Service, U.S. Office of Personnel Management, 1900 E Street, NW, Room 3349A, Washington, DC 20415.

FOR INFORMATION REGARDING

ADMINISTRATIVE COORDINATION CONTACT: Donna G. Lease, Team Leader, Forms Analysis and Design, Budget and Administrative Services Division, (202) 606-0623.

Office of Personnel Management.

Janice R. Lachance,
Director.

[FR Doc. 00-28792 Filed 11-8-00; 8:45 am]

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OFFICE OF PERSONNEL MANAGEMENT

Submission for OMB Review; Comment Request for Review of a Revised Information Collection: Federal Employees Health Benefits (FEHB) Open Season Express Interactive Voice Response (IVR) System

AGENCY: Office of Personnel
Management.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104-13, May 22, 1995), this notice announces that the Office of Personnel Management (OPM) intends to submit to the Office of Management and Budget a request for review of a revised information collection. The FEHB Open Season Express IVR System and the open season web site, Open Season Online, is used by retirees and survivors; it collects information for changing FEHB enrollments, collecting dependent and other insurance information for self and family enrollments, requesting plan brochures, requesting a change of address, requesting cancellation or suspension of FEHB benefits, asking to make payment to the Office of Personnel Management when the FEHB payment is greater than the monthly annuity amount, or requesting a copy of the FEHB Customer Satisfaction Survey results.

We estimate we will receive 112,000 responses per year to the IVR system and the on-line web site. Each response takes approximately 10 minutes to complete. The annual burden is 18,666 hours.

For copies of this proposal, contact Mary Beth Smith-Toomey on (202) 606-2150, or email to mbtoomey@opm.gov.

DATES: Comments on this proposal should be received on or before December 11, 2000.

ADDRESSES: Send or deliver comments to—

James K. Freiert, Chief, Retirement Services Division, Retirement and Insurance Service, U.S. Office of Personnel Management, 1900 E Street, NW, Room 1312, Washington, DC 20415.

and

Joseph Lackey, OPM Desk Officer, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, NW, Room 3002, Washington, DC 20503.

FOR INFORMATION REGARDING

ADMINISTRATIVE COORDINATION CONTACT: Donna G. Lease, Team Leader, Forms Analysis and Design, Budget and Administrative Services Division, (202) 606-0623.

Office of Personnel Management.

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Director.

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IA-1905/803-150]

ML Oklahoma Venture Partners, Limited Partnership, et al.; Notice of Application

November 3, 2000.

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

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

APPLICANTS: ML Oklahoma Venture Partners, Limited Partnership ("ML Oklahoma" or "Partnership") and MLOK Co., Limited Partnership ("Managing General Partner").

RELEVANT ADVISERS ACT SECTIONS: Exemption requested under section 206A of the Advisers Act from section 205(a)(1) of the Advisers Act.

SUMMARY OF APPLICATION: Applicants request an order permitting the Partnership to make in-kind distributions of its portfolio securities and, in connection with these distributions, deem gains or losses on the distributed securities to be realized, for purposes of the Managing General Partner's performance compensation, upon distribution to ML Oklahoma's limited partners.

FILING DATES: The application was filed on May 11, 2000 and amended on October 27, 2000.

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 copies of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on November 28, 2000, 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, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549. ML Oklahoma Venture Partners, Limited Partnership and MLOK Co., Limited Partnership, Two World Financial Center, 23rd Floor, New York, NY 10281-6123.

FOR FURTHER INFORMATION CONTACT: Karen Goldstein, Senior Counsel, or Jennifer Sawin, Assistant Director, at (202) 942-0716 (Division of Investment Management, Office of Investment Adviser 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. ML Oklahoma is a limited partnership organized under the laws of Delaware and is a business development company as defined in section 202(a)(22) of the Advisers Act ("BDC"). ML Oklahoma's investment objective is to seek long-term capital appreciation by making venture capital investments in new and developing companies, primarily Oklahoma companies, which the Partnership's management believes offer significant long-term growth opportunities.

2. ML Oklahoma's registration statement under the Securities Act of 1933 on Form N-2 became effective on December 1, 1988. ML Oklahoma closed its public offering on August 14, 1989, at which time it sold 10,248 units of limited partnership interest ("Units") for total proceeds of \$10.2 million. The Partnership is scheduled to terminate on December 31, 2000.

3. ML Oklahoma has five general partners, consisting of four individuals ("Individual General Partners") and the Managing General Partner. The Individual General Partners include

three ML Oklahoma independent General Partners (defined in the application as individuals who are not "interested persons" of ML Oklahoma within the meaning of section 2(a)(19) of the Investment Company Act of 1940) and one general partner that is an affiliated person of the Managing General Partner. The Managing General Partner is a limited partnership controlled by its general partner, Merrill Lynch Venture Capital Inc. ("Management Company"). The Management Company performs, or arranges for the performance of, management and administrative services necessary for the operation of ML Oklahoma. The Management Company is an indirect subsidiary of Merrill Lynch & Co., Inc.

4. The Managing General Partner is the managing general partner of ML Oklahoma and is solely responsible for ML Oklahoma's venture capital investments. The Managing General Partner and the Management Company are each registered with the Commission under the Advisers Act.

5. Allocation of profits and losses of ML Oklahoma to its Partners are made in accordance with the terms of the Amended and Restated Agreement of Limited Partnership of the Partnership ("Partnership Agreement"). The Partnership Agreement generally provides that each year, with respect to venture capital investments, if the sum of all profits allocated to the Limited Partners equals the sum of all losses allocated the Limited Partners, and the Limited Partners have been allocated a "priority return,"¹ the Managing General Partner is allocated 30% of profits. When the Managing General Partner has been allocated 20% of all profits, it is then (and thereafter) allocated 20% of profits ("Managing General Partner's Allocation"). The Partnership Agreement provides that ML Oklahoma's investment income and net realized capital gains or losses, in excess of the Managing General Partner's Allocation, shall be allocated among all the Partners (including the Managing General Partner) in proportion to their capital contributions. The Partnership Agreement also provides that all other profits and losses, including interest or other income on funds not invested in venture

¹ Under the Partnership Agreement, the "Priority Return" is an amount equal to a cumulative, non-compounded return of 10% per annum on the average daily amount of the gross capital contributions invested in liquidated investments from the date of the last closing of the sale of Units through the date each venture capital investment is liquidated. The Priority Return is calculated on a cumulative basis over the life of the Partnership through the relevant year.

capital investments, will be allocated among all the Partners (including the Managing General Partner) in proportion to their capital contributions.

6. The Partnership Agreement provides that the Individual General Partners may make in-kind distributions of any or all of ML Oklahoma's portfolio securities "in such amounts and at such times as they may determine." The Partnership Agreement provides that, for the purpose of allocating profits and losses, unrealized gains or losses attributable to any securities distributed in-kind to Partners will be deemed realized upon distribution. Any in-kind distribution made by the Partnership will be valued based on its market price on the national securities exchange or the NASDAQ National Market System ("NASDAQ NMS") at the close of trading on the date the securities are first distributed by the Partnership. Prior to making any in-kind distribution, at least a majority of the Independent General Partners will have approved the proposed in-kind distribution as being in the best interests of the Limited Partners. The Limited Partners will be notified prior to any in-kind distribution made by the Partnership.

7. Although the Partnership Agreement expressly contemplates in-kind distributions both during the life of ML Oklahoma and upon its termination, and permits the Managing General Partner to receive compensation based upon gains attributable to securities distributed in kind, ML Oklahoma has made no such distributions. In a prior application filed by the Managing General Partner, the Management Company and ML Oklahoma for certain exemptions under the Investment Company Act of 1940, those applicants undertook that ML Oklahoma would not make in-kind distributions until it obtained a no-action letter from the Commission staff confirming that unrealized gains or losses attributable to in-kind distributions are properly deemed realized upon such distribution, or obtained an exemption pursuant to section 206A of the Advisers Act permitting ML Oklahoma to deem such gains or losses to be realized upon in-kind distributions of securities.²

Applicant's Legal Analysis

1. Section 205(a)(1) of the Advisers Act prohibits any investment adviser register under the Advisers Act from entering into a contract which provides

² See ML Oklahoma Venture Partners, L.P., et al., Investment Company Act Release Nos. 16613 (Oct. 26, 1988) [53 FR 44272 (Nov. 2, 1988)] (Notice of Application) and 16652 (Nov. 23, 1988), 42 SEC Docket 463 (Order).

for compensation based upon "a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client," commonly referred to as a "performance fee."

2. Section 205(b)(3) provides, in pertinent part, that the performance fee proscriptions of section 205(a)(1) are not applicable to advisory contracts between an investment adviser and a BDC if, among other things, "the compensation provided for in such contract does not exceed 20 per centum of the realized capital gains upon the funds of [the BDC] over a specified period or as of definite dates, computed net of all realized capital losses and unrealized capital depreciation." Thus, Applicants assert, section 205(b)(3) recognizes the appropriateness of a performance fee as compensation for investment advisers to BDCs in light of the special nature of BDCs.

3. Section 205(b)(3) permits a performance fee with respect to realized gains only and does not contemplate the procedures set forth in the Partnership Agreement whereby unrealized gains or losses are "deemed" realized under certain conditions for purposes of the compensation formula.

4. Section 206A of the Advisers Act authorizes the Commission, by order upon application, to exempt any person or transaction from any provision of the Advisers Act "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 Advisers Act]."

5. Applicants request exemptive relief from section 205(a)(1) to permit the Partnership to make in-kind distributions of shares of common stock that ML Oklahoma holds in one of its two remaining investments. Upon distribution, the Partnership would deem realized any unrealized gains or losses on the securities being distributed. Applicants submit that the performance fee received by the Managing General Partner from the in-kind distribution may be prohibited under section 205(a)(1) of the Advisers Act and it is not included within the exemption from that prohibition provided in section 205(b)(3).

6. Applicants state that the exemption sought is consistent with the standards set out in Advisers Act section 206A. Congress has found it appropriate to permit a performance fee in the case of an investment adviser to a BDC.

Applicants argue that to the extent section 205(b)(3) requires a performance fee to be based on realized capital gains, their proposal is consistent with the

statutory purpose. Once the in-kind distribution is made, the Managing General Partner will no longer have any control over the investment in the subject securities; investors in ML Oklahoma will have the exclusive ability to liquidate such investments. Furthermore, Applicants state that, under the terms of their proposal, the proper valuation of the securities upon which the performance fee is based would be easily determinable. Applicants request exemptive relief only with respect to in-kind distributions of securities that Applicants represent are traded on the NASDAQ NMS and for which market quotations are readily available.³ Thus, applicants assert, the issues that would be raised if ML Oklahoma paid a performance fee based on the valuation of securities of private companies are not present.

7. Applicants submit that it is in the best interests of the Partners, particularly the Limited Partners, and in the public interest for ML Oklahoma to have the authority to make in-kind distributions of the subject portfolio securities. First, Applicants represent that the distributed securities will be freely transferable, and the Partners will be able to determine whether to hold or sell them. Applicants assert that as a venture capital fund, ML Oklahoma has no experience or expertise with respect to publicly traded securities, and therefore the Partners do not lose the benefits of expert, professional management by receiving in-kind distributions. Second, Applicants assert that the distributions of portfolio securities will not constitute a taxable event with respect to the Partnership or the Partners, so that Partners will, in determining whether to hold or sell the securities, control the timing of realization of capital gains. Third, to the extent that ML Oklahoma holds a significant percentage of the subject company's shares, Applicants expect that the market could more easily absorb sales by those Partners desiring to sell over a more extended time period than if ML Oklahoma sold its position directly over a shorter period of time. Finally, Applicants assert that in-kind distributions on termination are an efficient way of winding up the Partnership's affairs and avoiding premature dispositions of portfolio investments.

³ In the Application, Applicants state that the relief they request extends to in-kind distributions of securities only if, at the time of the distribution, the securities continue to be traded on a national securities exchange or the NASDAQ NMS.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-24725; File No. 812-12136]

Principal Life Insurance Company, et al., Notice of Application

November 2, 2000.

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 exemptions from the provisions of Sections 2(a)(32), 22(c), and 27(i)(2)(A) of the 1940 Act and Rule 22c-1 thereunder to permit the recapture of credits applied to purchase payments made under certain variable annuity contracts.

Summary of Application: Applicants Principal Life Insurance Company ("Principal Life"), Principal Life Insurance Company Separate Account B (the "Account"), and Princor Financial Services Corporation ("Princor") seek an order to permit, under specified circumstances, the recovery of certain credits previously applied to purchase payments made under: (i) Certain deferred variable annuity contracts that Principal Life issues through the Account (the contracts, including certain data pages and endorsements, are collectively referred to herein as the "Contracts"), and (ii) contracts that Principal Life may issue in the future through the Account, any of its other separate accounts, or any separate accounts that it may establish in the future ("Future Accounts") which contracts are substantially similar in all material respects to the Contracts ("Future Contracts"). Applicants also request that the order extend to any other National Association of Securities Dealers, Inc. ("NASD") member broker-dealer controlling, controlled by, or under common control with Principal Life, whether existing or created in the future, that serves as a distributor or principal underwriter of the Contracts or any Future Contracts offered through the Account or any Future Accounts (collectively "Affiliated Broker-Dealers").

Applicants: Principal Life, the Account, Princor, and any of Principal Life's Future Accounts established to