

Funds and the projected expenses of each of the Acquiring Funds; (c) the terms and conditions of the Plans; and (d) the anticipated tax consequences of the Reorganizations for the Funds and their shareholders. In addition, the Governor Board considered: (a) The capabilities, resources, and experience of M&T Bank and other service providers; and (b) the shareholder services offered by Vision Funds.

9. The Reorganizations are subject to a number of conditions precedent, including that: (a) The shareholders of each Acquired Fund will have approved the Reorganization; (b) the Funds will have received opinions of counsel concerning the tax-free nature of each Reorganization; (c) applicants will have received from the Commission an exemption from section 17(a) of the Act for the Reorganizations, (d) an N-14 Registration Statement relating to each Reorganization has become effective with the Commission, and (e) each of the Acquired Funds and the Vision Treasury Money Market Fund will declare and pay on or before the Closing Date a dividend or dividends, which, together with all previous dividends, will have the effect of distributing to its shareholders substantially all of its net investment income and realized net capital gain, if any, for all taxable years ending on or before the Closing Date. The Plans may be terminated and the Reorganizations abandoned at any time prior to the Closing Date by the mutual consent of the Governor Board and the Vision Board. Applicants agree not to make any material changes to the Plans without prior approval of the Commission staff.

10. A registration statement on Form N-14 with respect to the Reorganizations, containing a proxy statement/prospectus, was filed with the Commission on November 13, 2000 and was mailed to shareholders of the Acquired Funds on November 14, 2000. A shareholders meeting of the Acquired Funds is scheduled for December 13, 2000.

Applicant's Legal Analysis

1. Section 17(a) of the Act, in relevant part, prohibits an affiliated person of a registered investment company, or an affiliated person of such a person, acting as principal, from selling any security to, or purchasing any security from, the company. Section 2(a)(3) of the Act defines an "affiliated person" of another person to include: (a) Any person directly or indirectly owning, controlling, or holding with power to vote 5% or more of the outstanding voting securities of the other person; (b) any person 5% or more of whose

securities are directly or indirectly owned, controlled, or held with power to vote by the other person; (c) any person directly or indirectly controlling, controlled by, or under common control with the other person; and (d) if the other person is an investment company, any investment adviser of that company.

2. Rule 17a-8 under the Act exempts certain mergers, consolidations, and sales of substantially all of the assets of registered investment companies that are affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers, provided that certain conditions are satisfied. Applicants believe that rule 17a-8 not be available to exempt the Reorganizations because the Funds may be deemed to be affiliated by reasons other than having a common investment adviser, common directors/trustees, and/or common officers. Applicants state that M&T Bank Affiliates hold of record for the benefit of others, in trust, agency, custodial or other fiduciary or representative capacity, more than 5% (in some cases, more than 25%) of the total outstanding shares of certain of the Acquired Funds. Because of these ownership positions, each Acquired Fund may be deemed to be an affiliated person of an affiliated person of its corresponding Acquiring Fund.

3. Section 17(b) of the Act provides, in relevant part, that the Commission may exempt a transaction from the provisions of section 17(a) if evidence establishes that 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, and that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

4. Applicants request an order under section 17(b) of the Act exempting them from section 17(a) to the extent necessary to complete the Reorganizations. Applicants submit that the Reorganizations satisfy the standards of section 17(b) of the Act. Applicants state that the terms of the Reorganizations are reasonable and fair and do not involve overreaching. Applicants state that the investment objectives and policies of each Acquired Fund are identical, or substantially similar to, those of its corresponding Acquiring Fund. Applicants also state that the Boards, including all of the Disinterested Trustees, found that the participation of the Acquired and Acquiring Funds in the Reorganizations

is in the best interests of each Fund and its shareholders and that such participation will not dilute the interests of the existing shareholders of each Fund. In addition, applicants state that the Reorganizations will be on the basis of the Funds' relative net asset values.

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

[Rel. No. IC-24782; 813-224]

Elfun Trusts, et al.; Notice of Application

December 1, 2000.

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

ACTION: Notice of application for an order under section 6(b) of the Investment Company Act of 1940 (the "Act").

SUMMARY OF APPLICATION: Applicants request an order that would amend prior orders ("Prior Orders")¹ to expand the class of persons eligible to purchase shares of certain employees' securities companies to include certain specified immediate family members and grandchildren of eligible employees. In addition, the order would permit eligible employees to transfer shares of

¹ *Elfun Trust*, Investment Company Act Release Nos. 22335 (Nov. 14, 1996) (notice) and 22385 (Dec. 10, 1996) (order); *Elfun Money Market Fund*, Investment Company Act Release Nos. 17384 (Mar. 16, 1990) (notice) and 17433 (Apr. 13, 1990) (order); *Elfun Trust*, Investment Company Act Release Nos. 17039 (June 30, 1998) (notice) and 17082 (July 25, 1989) (order); *Elfun Trusts*, Investment Company Act Release Nos. 17038 (June 30, 1989) (notice) and 17083 (July 25, 1989) (order); *Elfun Diversified Fund*, Investment Company Act Release Nos. 16146 (Nov. 24, 1978) (notice) and 16186 (Dec. 22, 1987) (order); *Elfun Global Fund*, Investment Company Act Release Nos. 16042 (Oct. 8, 1987) (notice) and 16114 (Nov. 5, 1987) (order); *Elfun Income Fund*, Investment Company Act Release Nos. 13485 (Sept. 7, 1983) (notice) and 13612 (Nov. 2, 1983) (order); *General Electric S&S Long Term Interest Fund*, Investment Company Act Release Nos. 10929 (Nov. 6, 1979) (notice) and 10971 (Dec. 4, 1979) (order); *Elfun Trust*, Investment Company Act Release Nos. 10375 (Aug. 23, 1978) (notice) and 10414 (Sept. 20, 1978) (order); *Elfun Tax-Exempt Income Fund*, Investment Company Act Release Nos. 9839 (July 5, 1977) (notice) and 9879 (Aug. 2, 1977) (order); *General Electric Company*, Investment Company Act Release Nos. 4973 (May 31, 1967) (notice) and 5830 (Sept. 29, 1969) (order); and *Executives Investment Trusts and Elfun Trusts*, Investment Company Act Release No. 584 (Dec. 2, 1943) (order).

the employees' securities companies to estate planning vehicles formed for the benefit of lineal descendants of the eligible employees.

APPLICANTS: Elfun Trusts, Elfun Tax-Exempt Income Fund, Elfun Income Fund, Elfun International Equity Fund, Elfun Diversified Fund, Elfun Money Market Fund (collectively, the "Elfun Funds"), and General Electric S&S Program Mutual Fund and General Electric S&S Long Term Interest Fund (collectively, the "S&S Funds").

FILING DATES: The application was filed on December 22, 1999, and amended on December 1, 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 a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on December 26, 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 who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants, c/o Alan M. Lewis, Esq., GE Asset Management Incorporated, 3003 Summer Street, Stamford, Connecticut 06905.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Special Counsel, at (202) 942-0572, or Christine Y. Greenlees, 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, 450 5th Street, NW., Washington, DC 20549-0102 (tel. (202) 942-8090).

Applicants' Representations

1. Applicants are diversified, open-end management investment companies registered under the Act. Shares of the Elfun Funds are registered under the Securities Act of 1933. Each applicant is organized and operated to meet the definition of an "employees' securities company" within the meaning of section 2(a)(13) of the Act for the benefit of employees of General Electric Company ("GE").

2. Pursuant to the Prior Orders, shares of the Elfun Funds may be purchased by: (a) members of an honor society of GE employees ("Elfun Society Members"); (b) employees of the Elfun Funds' adviser who have been employed by the adviser for at least one year ("Adviser Employees"); (c) immediate family members of both (a) and (b) above; (d) trusts whose sole beneficiaries are individuals in (a) through (c) above; (e) surviving unmarried spouses of deceased Elfun Society members; (f) members of the board of directors of GE; and (g) GE and its subsidiaries (persons in (a), (b), and (f) are "Elfun Eligible Investors").

3. The S&S Funds are part of a defined contribution profit sharing plan (the "Program") that is intended to qualify for favorable tax treatment under sections 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended. Units in the S&S Funds ("Units") are offered only to employees participating in the Program ("S&S Employee Participants"). Although Units cannot be purchased outside of the Program, under certain circumstances S&S Employee Participants may hold Units outside the Program ("S&S Distributees"). (Collectively, Elfun Eligible Investors and S&S Distributees are "Eligible Employees")

4. Under the Prior Orders, the Elfun Funds have limited investment by the immediate family members of Elfun Society Members and Adviser Employees to spouses and children (including step and adoptive relationships) of such Elfun Society Members and Adviser Employees. The S&S Funds have limited the transfer of Units held outside of the Program to the immediate family members of S&S Distributees, which is limited to spouses and children (including step and adoptive relationships). Applicants propose to expand the class of immediate family members of Eligible Employees who may invest in the Elfun and S&S Funds to include any parent, spouse of a parent, child, spouse of a child, spouse, brother, sister, or grandchild (including step and adoptive relationships) ("Eligible Family Members") of Eligible Employees. In addition, the order would permit Eligible Employees to transfer shares of the Elfun and S&S Funds held by them to estate planning vehicles formed for the benefit of lineal descendants of the Eligible Employees.

Applicants' Legal Analysis

1. Section 2(a)(13) of the Act defines "employees' securities company" generally as any investment company,

or similar issuer, all of the outstanding securities of which (other than short-term paper) are beneficially owned by employees or persons on retainer, former employees, and immediate family of the employees, persons on retainer, or former employees.

2. Section 6(b) of the Act provides that the Commission shall exempt employees' securities companies from the provisions of the Act to the extent that the exemption is consistent with the protection of investors. Applicants state that the proposal satisfies the requirements of section 6(b).

3. Applicants state that an employees' securities company is a labor-related entity that exists primarily to promote the economic welfare of its employee-investors. Applicants also state that the requested relief would permit Eligible Employees to achieve certain tax and economic goals through the effective use of estate planning tools. Applicants state that the requested relief is consistent with the protection of investors because permitting Eligible Family Members of Eligible Employees to invest in the Funds, and Eligible Employees to transfer shares of the Funds to estate planning vehicles formed for the benefit of lineal descendants of the Eligible Employees, would preserve the status of the Funds as entities designed primarily to promote the economic welfare of Eligible Employees.

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

Sunshine Act Meetings

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of December 11, 2000.

An open meeting will be held on Wednesday, December 13, 2000, at 10:00 a.m. in Room 1C30, the William O. Douglas Room and closed meetings will be held on Wednesday, December 13, 2000, and Thursday, December 14, 2000 at 11 a.m.

The subject matter of the open meeting will be:

The Commission will hear oral argument on an appeal by Russo Securities, Inc. ("RSI"), a registered broker-dealer, and Kimberly Kent, RSI's