

may rely on the order requested in this application, the operation of the Future Fund in the manner described in this application will be approved by its initial shareholder before a public offering of shares of such Future Fund, provided that shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below.

2. Each Fund will disclose in its prospectus the existence, substance, and effect of any order granted pursuant to the application. In addition, each Fund will hold itself out to the public as employing the management structure described in the application. The prospectus will prominently disclose that the Adviser has the ultimate responsibility to oversee Subadvisers and recommend their hiring, termination and replacement.

3. At all times, a majority of the Board will be Independent Trustees, and the nomination of new or additional Independent Trustees will be at the discretion of the then-existing Independent Trustees.

4. The Adviser will not enter into a Subadvisory Agreement with any Affiliated Subadviser without that agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Fund.

5. When a Subadviser change is proposed for a Fund with an Affiliated Subadviser, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Trust's Board minutes, that the change is in the best interests of the Fund and its shareholders and does not involve a conflict of interest from which the Adviser or the Affiliated Subadviser derives an inappropriate change.

6. Within 90 days of the hiring of any new Subadviser for any Fund, the Fund shareholders will be furnished all relevant information about a new Subadviser that would be contained in a proxy statement, including any change in such disclosure caused by the addition of a new Subadviser. Each Fund will meet this condition by providing shareholders with an information statement meeting the disclosure requirements of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the Securities Exchange Act of 1934 within 90 days of the hiring of a Subadviser.

7. The Adviser will provide general management services to each Fund, including overall supervisory responsibility for the general management and investment of each Fund's portfolio, and, subject to review and approval by the Board, will: (i) Set

the Fund's overall investment strategies; (ii) select Subadviser(s); (iii) monitor and evaluate the performance of Subadviser(s); (iv) ensure that the Subadviser(s) comply with each Fund's investment objectives, policies and restrictions by, among other things, implementing procedures reasonably designed to ensure compliance; and (v) allocate and, where appropriate, reallocate a Fund's assets among its Subadvisers when a Fund has more than one Subadviser.

8. No trustee or officer of the Trust or director or officer of the Adviser will own, directly or indirectly (other than through a pooled investment vehicle that is not controlled by that trustee, director or officer), any interest in a Subadviser, except for: (i) Ownership of interests in the Adviser or any entity that controls, is controlled by, or is under common control with the Adviser; or (ii) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Subadviser or any entity that controls, is controlled by, or is under common control with a Subadviser.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01-26753 Filed 10-23-01; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-25213; File No. 812-12140]

United Life & Annuity Insurance Company, et al.

October 17, 2001.

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

ACTION: Notice of application for an order pursuant to Section 26(c) of the Investment Company Act of 1940 ("1940 Act").

APPLICANTS: United Life & Annuity Insurance Company ("United Life") and United Life & Annuity Separate Account One ("Separate Account One", and together with United Life, "Applicants").

SUMMARY OF APPLICATION: Applicants seek an order approving the substitution of shares of the Limited Maturity Bond Portfolio of Neuberger Berman Advisers Management Trust for shares of the Fixed Income Portfolio of Credit Suisse Warburg Pincus Trust II held by

Separate Account One to find certain variable annuity contracts and certificates ("Contracts") issued by United Life.

FILING DATE: The application was filed on June 26, 2000, and amended on April 4, 2001 and October 9, 2001.

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 Commission by 5:30 p.m. on November 13, 2001, and 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 Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Applicants, Linda E. Senker, United Life & Annuity Insurance Company, c/o ING Variable Annuities, 1475 Dunwoody Drive, West Chester, PA 19380.

FOR FURTHER INFORMATION CONTACT: Kenneth C. Fang, Attorney, or Keith E. Carpenter, Branch Chief, at (202) 942-0670, Office of Insurance Products, Division of Investment Management.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the Public Reference Branch of the Commission, 450 Fifth Street, NW, Washington, DC 20549-0102 (tel. (202) 942-8090).

Applicant's Representations

1. United Life is a stock life insurance company organized in 1955. United Life was originally domiciled in Louisiana. On December 18, 1998, United Life was re-domesticated to Texas. United Life is authorized to conduct business in 47 states, the District of Columbia and Puerto Rico. On July 24, 1996, Pacific Life and Accident Insurance Company (PLAIC) acquired one hundred percent ownership of United Life. PLAIC is a wholly-owned subsidiary of PennCorp Financial Group, Inc. On April 30, 1999, ING America Insurance Holdings, Inc. ("ING America") acquired United Life. ING America's ultimate parent is ING Groep N.V. (The Netherlands) ("ING"). ING, based in the Netherlands, is a global financial services holding company.

2. Separate Account One is a separate account of United Life which was authorized by United Life's Board of Directors under Louisiana insurance law on November 2, 1994. Separate Account One is registered as a unit investment trust under the 1940 Act (File No. 811-09026) for the purpose of funding the Contracts that invest in the Neuberger Berman Advisers Management Trust, Credit Suisse Warburg Pincus Trust II and other underlying mutual funds. Security interests under the Contracts have been registered under the Securities Act of 1933 ("1933 Act") (File Nos. 33-91362 and 33-95778).

3. Separate Account One is currently divided into sub-accounts, each of which reflects the investment performance of a corresponding portfolio of the Neuberger Berman Advisers Management Trust, Credit Suisse Warburg Pincus Trust II and other underlying mutual funds.

4. The Fixed Income Portfolio is a portfolio of the Credit Suisse Warburg Pincus Trust II (formerly, Warburg Pincus Trust II), a registered open-end management company. The Fixed Income Portfolio's investment objective is to seek total return consistent with prudent investment management. The Fixed Income Portfolio invests primarily in fixed-income securities. The Fixed Income Portfolio normally maintains a weighted average portfolio maturity of 10 years or less.

5. Credit Suisse Asset Management, LLC ("CSAM"), 466 Lexington Avenue, New York, NY 10017, a registered investment adviser and indirect wholly-owned U.S. subsidiary of Credit Suisse Group, provides overall management of the investment strategies and policies of the Fixed Income Portfolio as investment adviser to the Credit Suisse Warburg Pincus Trust II.

6. CSAM receives an annual management fee of .50% of the Fixed Income Portfolio's average daily net assets (before any waivers). The total expenses, after all expense reimbursements for the Fixed Income Portfolio for the year ended December 31, 2000 were 1.29% of its average net assets. Without regard to such expense reimbursements or credits, the total expenses for the year ended December 31, 2000 were 3.11%.

7. On December 31, 2000, the Fixed Income Portfolio had approximately \$1,572,000 in net assets.

8. The Limited Maturity Bond Portfolio's investment objective is to seek the highest current income consistent with liquidity and low risk to principal. Total return is a secondary goal. The Limited Maturity Bond Portfolio invests primarily in

investment-grade bonds and other debt securities from U.S. government and corporate issuers such as mortgage- and asset-backed securities.

9. Neuberger Berman Management Inc., ("NBM"), 605 Third Avenue, 2nd Floor, New York, New York 10158, a registered investment adviser, is the overall adviser to Neuberger Berman Advisers Management Trust. Neuberger Berman LLC, 605 Third Avenue, New York, New York 10158, is the sub-adviser of the Limited Maturity Bond Portfolio. Neuberger Berman LLC is an affiliate of NBM. United Life is not affiliated with the Limited Maturity Bond Portfolio of Neuberger Berman Advisers Management Trust, NBM or Neuberger Berman LLC.

10. NBM receives an annual fee of 0.65% of the Limited Maturity Bond Portfolio's average net assets. The total expenses of the Limited Maturity Bond Portfolio for the year ended December 31, 2000 were 0.76% of its average net assets.

11. On December 31, 2000 the Limited Maturity Bond Portfolio had approximately \$214,400,000 in net assets.

12. For those Contract Owners who continue to have any of their Contract Values invested in shares of the Fixed Income Portfolio on the effective date of the Substitution, United Life proposes to substitute shares of the Limited Maturity Bond Portfolio for shares of the Fixed Income Portfolio on the following basis. As of the effective date of the Substitution, United Life would redeem the shares of the Fixed Income Portfolio representing Contract values. On the same day, United Life would use the proceeds to purchase the appropriate number of shares of the Limited Maturity Bond Portfolio. The Substitution will be a cash transaction (i.e., no securities will be exchanged in the transaction). The Substitution will take place at relative net asset values of the Portfolios, with no change in the amount of any Contract Owner's Contract values or in the dollar value of his or her investment in Separate Account One.

13. United Life will pay all expenses and transactions costs of the Substitution, including any applicable brokerage commissions. United Life will schedule the Substitution to occur as soon as practicable following the issuance of the Order so as to maximize the benefits to be realized from the Substitution. Within five (5) days after the completion of the Substitution pursuant to the Order of the Commission approving the Substitution, United Life will send to the affected Contract Owners written notice of the

Substitution (the "Notice") stating that shares of the Fixed Income Portfolio have been eliminated and that the shares of the Limited Maturity Bond Portfolio have been substituted. United Life will include in such mailing the supplement to the prospectuses of Separate Account One, which describes the Substitution.

14. Contract Owners will be advised in the Notice that for a period of thirty (30) days from the mailing of the Notice, they may transfer all assets, as substituted, to any other available subaccount, without limitation and without charge. The period from the date of the supplement to thirty (30) days from the mailing of the Notice is referred to as the "Free Transfer Period." Transfers made by Contract Owners during the Free Transfer Period will not count in determining the transfer fee. Following the Substitution, Contract Owners will be afforded the same Contract rights, including surrender and other transfer rights with regard to amounts invested under the Contracts, as they currently have.

Applicant's Legal Analysis and Conditions

1. Section 26(c) (formerly, Section 26(b)) of the 1940 Act provides, in pertinent part, that "[i]t shall be unlawful for any depositor or trustee of a registered unit investment trust holding the security of a single issuer to substitute another security for such security unless the Commission shall have approved such substitution." The purpose of Section 26(c) is to protect the expectation of investors in a unit investment trust that the unit investment trust will accumulate the shares of a particular issuer and to prevent unscrutinized substitutions which might, in effect, force shareholders dissatisfied with the substituted security to redeem their shares, thereby possibly incurring either a loss of the sales load deducted from initial purchase payments, an additional sales load upon reinvestment of the redemption proceeds, or both. Section 26(c) affords this protection to investors by preventing a depositor or trustee of a unit investment trust holding the shares of one issuer from substituting for those shares the shares of another issuer, unless the Commission approves that substitution.

2. The purposes, terms and conditions of the Substitution are consistent with the principles and purposes of Section 26(c) and do not entail any of the abuses that Section 26(c) is designed to prevent. Warburg Pincus notified United Life that it intends to close the Fixed Income Portfolio once there is no

longer Contract Owner money invested in it. United Life has no other choice but to effect a Substitution.

3. The Substitution will not result in the type of costly forced redemption that Section 26(c) was intended to guard against and is consistent with the protection of investors and the purposes fairly intended by the 1940 Act for the following reasons: (a) The Substitution is of shares of the Limited Maturity Bond Portfolio whose objectives, policies, and restrictions are similar to the objectives, policies, and restrictions of the Fixed Income Portfolio so as to continue fulfilling the Contract Owners' objectives and risk expectations; (b) the total annual expenses of the Limited Maturity Bond Portfolio as a percentage of net assets are lower than the Fixed Income Portfolio; (c) if a Contract Owner so requests, during the Free Transfer Period, assets will be reallocated for investment in a Contract Owner-selected sub-account; (d) the Substitution will, in all cases, be effected at net asset value of the respective shares, without the imposition of any transfer or similar charge; (e) United Life has undertaken to assume the expenses and transaction costs, including among others, legal and accounting fees and any brokerage expenses, relating to the Substitutions in a manner that attributes transaction costs to United Life; (f) the Substitution will in no way alter the insurance benefits to Contract Owners or the contractual obligations of United Life; (g) the Substitution will in no way alter the tax benefits to Contract Owners; (h) Contract Owners may choose simply to withdraw amounts credited to them following the Substitution under the conditions that currently exist, subject to any applicable contingent deferred sales charge; and (i) the Substitution is expected to confer certain economic benefits to Contract Owners by virtue of the enhanced asset size and lower total expenses, as described below.

4. United Life, on the basis of the following facts and circumstances, has determined that it is in the best interests of Contract Owners to substitute shares of the Limited Maturity Bond Portfolio for shares of the Fixed Income Portfolio:

(a) The investment objectives and programs of the Limited Maturity Bond Portfolio and the Fixed Income Portfolio are sufficiently similar so as to continue fulfilling the Contract Owner's objectives and risk expectations.

(b) The total expenses of the Limited Maturity Bond Portfolio are lower than the total expenses of the Fixed Income Portfolio.

(c) On December 31, 2000, the Fixed Income Portfolio had approximately

\$1,572,000 in net assets. On December 31, 2000, the Limited Maturity Bond Portfolio had approximately \$214,400,000 in net assets.

(d) The larger size of the Limited Maturity Bond Portfolio lends itself to greater flexibility in purchasing attractive investments and consequently the Limited Maturity Bond Portfolio can more readily react to changes in market conditions. Contract Owners would benefit in the long run through the more effective management of a larger portfolio such as the Limited Maturity Bond Portfolio.

5. United Life does not currently receive (and will not receive for 3 years from the date of the Commission order requested herein) any direct or indirect benefit from the Limited Maturity Bond Portfolio of Neuberger Berman Advisers Management Trust or Neuberger Berman Management Inc. (and their affiliates including Neuberger Berman LLC and its affiliates) that would exceed the amount that United Life had received from the Fixed Income Portfolio of the Credit Suisse Warburg Pincus Trust II or Credit Suisse Asset Management LLC (or their affiliates), including without limitations, 12b-1, shareholder service, administrative or other service fees, revenue sharing or other arrangements, either with respect to specific reference to the Limited Maturity Bond Portfolio or as part of an overall business arrangement.

Conclusion

Applicants submit, for all of the reasons stated herein, that the requested Order under Section 26(c) of the 1940 Act meets the standards of that section.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 01-26754 Filed 10-23-01; 8:45 am]
BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [66 FR 53272, October 19, 2001].

STATUS: Open meeting.

PLACE: 450 Fifth Street, NW, Washington, DC.

DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING: Thursday, October 25, 2001 at 2:30 p.m.

CHANGE IN THE MEETING: Additional item.

The following item has been added to the open meeting scheduled for Thursday, October 25, 2001:

The Commission will consider extending the comment periods for the joint proposed rules relating to Customer Margin for Security Futures (File No. S7-16-01) and Applicability of CFTC and SEC Customer Protection, Recordkeeping, Reporting, and Bankruptcy Rules and the Securities Investor Protection Act of 1970 to Accounts Holding Security Futures Products (File No. S7-17-01).

For further information, contact Jennifer Colihan at 202 942-0735.

Commissioner Unger, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: October 22, 2001.

Jonathan G. Katz,
Secretary.

[FR Doc. 01-26962 Filed 10-22-01; 4:01 pm]
BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44946; File No. SR-GSCC-2001-01]

Self-Regulatory Organizations; Government Securities Clearing Corporation; Order Granting Approval of a Proposed Rule Change Relating to the Redesign of Comparison Rules

October 17, 2001.

On January 16, 2001, the Government Securities Clearing Corporation ("GSCC") filed with the Securities and Exchange Commission ("Commission") and on April 11 and August 17, 2001,¹ amended the proposed rule change (File No. SR-GSCC-2001-01) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").² Notice of the proposal was published in the **Federal Register** on May 16, 2001.³ No comment letters were received. For the reasons discussed below, the

¹ The August 17, 2001, amendment withdrew a portion of the proposed rule change which was reflected by GSCC in a subsequent proposed rule change. Securities Exchange Act Release No. 44907 (October 4, 2001), 66 FR 51988 (October 11, 2001) [File No. SR-GSCC-2001-09]. As such, republication of notice was not required.

² 15 U.S.C. 78s(b)(1).

³ Securities Exchange Act Release No. 44282 (May 8, 2001), 66 FR 27190.