

**SUMMARY:** The Peace Corps has submitted an information collection to the Office of Management and Budget for review under the provisions of the Paperwork Reduction Act of 1995. The Peace Corps Volunteer Information Card, OMB Number 0420-0007, is required under the Peace Corps Act for Volunteer recruitment purposes. This is a renewal of an active OMB Control Number. No comments were received in response to the Peace Corps' earlier Federal Register Notice (August 14, 2001, Volume 66, Number 157, p. 42696 for 60 days). The Peace Corps is not proposing any changes to the Peace Corps Volunteer Information Card.

**DATES:** Submit comments on or before December 16, 2001.

**ADDRESSES:** Comments should be addressed to Ms. DeDe Dunevant, Office of Communications, Peace Corps, 1111 20th Street, NW., Room 8407, Washington, DC 20526. Ms. Dunevant can be contacted by telephone at 202-692-2205 or 800-424-8580. ext 2205 or email at [ddunevant@peacecorps.gov](mailto:ddunevant@peacecorps.gov). Email comments must be made in text and not in attachments.

**FOR FURTHER INFORMATION CONTACT:** Ms. DeDe Dunevant, Office of Communications, Peace Corps, 1111 20th Street, NW., Room 8407, Washington, DC 20526. Ms. Dunevant can be contacted by telephone at 202-692-2205 or 800-424-8580. ext 2205 or email at [ddunevant@peacecorps.gov](mailto:ddunevant@peacecorps.gov). Email comments must be made in text and not in attachments.

**SUPPLEMENTARY INFORMATION:**

OMB Control Number: 0420-0007.  
*Title:* Peace Corps Volunteer Information Card.

*Type of Review:* Renewal, without change, of a previously approved collection that will expire December 31, 2001.

*Respondents:* Public.

*Number of Respondents:* None.

*Need and Uses:* This form is completed voluntarily by potential Peace Corps Volunteers in order to identify prospective applicants and process the applicants for Volunteer service. This information, which is gathered by paper copy in the form of response devices such as postage paid business reply cards, bookmarks, and reply devices that are used in directing potential applicants to the electronic on-line version of the Peace Corps application, is used to determine initial qualifications of potential for applicants. The Peace Corps needs this information in order to identify prospective applicants for Volunteer service. This information is used to provide information to interested

individuals generally and in accordance with the fulfillment of the first goal of the Peace Corps as required by Congressional legislation and to enhance the Peace Corps Volunteer process.

This notice is issued in Washington, DC on November 9, 2001.

**July Van Rest,**

*Associate Director for Management.*

[FR Doc. 02-1547 Filed a-22-02; 8:45 am]

**BILLING CODE 6051-1-M**

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## PEACE CORPS

### Agency Information Collection Under Review by the Office of Management and Budget

**AGENCY:** Peace Corps.

**ACTION:** Notice of submission for OMB Review, comment request.

**SUMMARY:** The Peace Corps has submitted an information collection to the Office of Management and Budget for review under the provisions of the Paperwork Reduction Act of 1995. The Peace Corps Fellows/USA Program Alumni Questionnaire form, OMB Number 0420-0525, to be used by the Peace Corps Fellows/USA Program. The information provided by the respondents is necessary for evaluating the quality of individual programs, for determining whether graduates of education programs have remained in teaching, health and/or community/economic development careers and for seeking future funding. Programmatic information will be disseminated to individual programs and portions of the data collected will be incorporated into grant proposals and reports. Participation in this program also fulfills the third goal of the Peace Corps as required by Congressional legislation and to enhance the Peace Corps Fellows/USA Program. This is a reinstatement of an OMB Control Number, with change, of a previously approved collection for which approval has expired. No comments were received in response to the Peace Corps' earlier Federal Register Notice (June 13, 2001, Volume 66, Number 114, p. 31950 for 60 days).

**DATES:** Submit comments on or before December 16, 2001.

**ADDRESSES:** Comments should be addressed to Dr. Cathryn Ballou, Office of Domestic Programs, Peace Corps, 1111 20th Street, NW., Room 2101, Washington, DC 20526.

Dr. Ballou can be contacted by telephone at 202-692-1432 or 800-424-8580 ext 1432 or emailed at [cballou@peacecorps.gov](mailto:cballou@peacecorps.gov). Email

comments must be made in text and not in attachments. Comments on the form should also be addressed to the attention of Dr. Ballou.

**FOR FURTHER INFORMATION CONTACT:** Dr. Cathryn Ballou, Office of Domestic Programs, Peace Corps, 1111 20th Street, NW., Room 2101, Washington, DC 20526. Dr. Ballou can be contacted by telephone at 202-692-1432 or 800-424-8580 ext 1432 or emailed at [cballou@peacecorps.gov](mailto:cballou@peacecorps.gov). Email comments must be made in text and not in attachments. Comments on the form should also be addressed to the attention of Dr. Ballou.

**SUPPLEMENTARY INFORMATION:**

OMB Control Number: 0420-0525.

*Title:* Peace Corps Fellows/USA Program Alumni Questionnaire Form.

*Type of Review:* This is a reinstatement of an OMB Control Number, with change, of a previously approved collection for which approval has expired.

*Respondents:* Public.

*Number of Respondents:* None.

*Need and Uses:* This form is completed voluntarily by returned Peace Corps Volunteers who have completed graduate study as part of the Peace Corps Fellows/USA Program. The information provided by the respondents is necessary for evaluating the quality of individual programs, for determining whether graduates of education programs have remained in teaching, health and/or community/economic development careers and for seeking future funding. Programmatic information will be disseminated to individual programs and portions of the data collected will be incorporated into grant proposals and reports. Participation in this program also fulfills the third goal of the Peace Corps as required by Congressional legislation and to enhance the Peace Corps Fellows/USA Program.

This notice is issued in Washington, DC on November 9, 2001.

**Judy Van Rest,**

*Associate Director for Management.*

[FR Doc. 02-1548 Filed 1-22-02; 8:45 am]

**BILLING CODE 6051-01-M**

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-25365; File No. 812-12540]

### Massachusetts Mutual Life Insurance Company, et al.

January 15, 2002.

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

**ACTION:** Notice of an application for an order of approval pursuant to Section 26(c) of the Investment Company Act of 1940 (the "Act") and an order of exemption pursuant to Section 17(b) of the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to permit the substitution of Class II shares of MML Equity Index Fund ("MML Fund") for shares of Dreyfus Life and Annuity Index Fund d/b/a Dreyfus Stock Index Fund ("Dreyfus Fund") and an order to permit in-kind transactions in connection with the substitution.

**APPLICANTS:** Massachusetts Mutual Life Insurance Company ("MassMutual") and Massachusetts Mutual Variable Life Separate Account I (the "Separate Account").

**FILING DATE:** The application was filed on June 4, 2001, and amended and restated on January 11, 2002.

**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 February 7, 2002, 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 Secretary of the Commission.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Applicants c/o Jennifer B. Sheehan, Esq., Massachusetts Mutual Life Insurance Company, 1295 State Street, Springfield, Massachusetts 01111-0001.

**FOR FURTHER INFORMATION CONTACT:** Mark Cowan, Senior Counsel, or William Kotapish, Assistant Director, Office of Insurance Products, Division of Investment Management, (202) 942-0670.

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

#### Applicants' Representations

1. MassMutual is a mutual life insurance company established under

the laws of Massachusetts on May 14, 1851. MassMutual's home office is located in Springfield, Massachusetts. MassMutual is currently licensed to transact life, accident and health insurance business in all states, the District of Columbia, Puerto Rico, and certain provinces of Canada.

2. The Separate Account was established as a separate account under the laws of Massachusetts on July 13, 1988, pursuant to a resolution of the board of directors of MassMutual. The Separate Account is registered with the Commission as a unit investment trust under the Act (File No. 811-08075). The Separate Account is divided into various segments that fund certain variable life insurance policies issued by MassMutual. The segment affected by the application, the Large Case Variable Plus Segment, is divided into eight divisions. Only one of these divisions, the Dreyfus Index Division, is affected by the application. The Dreyfus Index Division invests in the Dreyfus Fund. The Dreyfus Fund is an underlying investment option for Large Case Variable Life Plus, which is the variable life insurance policy funded by the Large Case Variable Plus Segment of the Separate Account (the "Policy").

3. The Dreyfus Fund is a no-load, open-end management investment company. The Dreyfus Corporation ("Dreyfus") is the investment adviser to the Dreyfus Fund. Dreyfus has engaged its affiliate, Mellon Equity Associates ("Mellon"), to serve as the Dreyfus Fund's index manager. The investment objective of the Dreyfus Fund is to seek to match the total return of the Standard & Poor's 500 Composite Stock Price Index ("S&P 500"). The Dreyfus Fund generally invests in all 500 stocks in the S&P 500 in proportion to their weighting in the S&P 500.

4. The total annual fund operating expenses of the Dreyfus Fund for 2000 expressed as a percentage of average net assets were 0.26% with management fees at 0.25% and other expenses at 0.01%. The average annual total return of the Dreyfus Fund was -9.28% for the one-year period ended December 31, 2000, 11.94% for the three-year period ended December 31, 2000, 17.98% for the five-year period ended December 31, 2000, 16.97% for the ten-year period ended December 31, 2000, and 14.79% for the period from its inception on September 29, 1989 to December 31, 2000. As of March 31, 2001, the Dreyfus Fund had approximately \$55,773,583.55 in assets.

5. The MML Fund, a separate series of MML Series Investment Fund, is the proposed substitute portfolio for the Dreyfus Fund. MML Series Investment

Fund is a no-load open-end management investment company. The investment objective of the MML Fund is to provide investment results that correspond to the price and yield performance of publicly traded common stocks in the aggregate, as represented by the S&P 500. MassMutual serves as the investment adviser to MML Series Investment Fund pursuant to various investment management agreements with respect to each of its series. Deutsche Asset Management, Inc. ("Deutsche") serves as the sub-adviser to the MML Fund.

6. The total annual fund operating expenses of the MML Fund's Class II shares for 2000 expressed as a percentage of average net assets were 0.29% annualized with management fees at 0.10% and other expenses at 0.19%.<sup>1</sup> The average annual total return of the MML Fund's Class II shares was -9.43% for the one-year period ended December 31, 2000, 11.92% for the three-year period ended December 31, 2000, and 15.92% for the period from its inception on May 1, 1997 to December 31, 2000. Because Class II shares commenced operation on May 1, 2000, performance for those shares is based on the performance of Class I shares adjusted to reflect the lower expenses of Class II shares. As of March 31, 2001, the MML Fund had approximately \$63,045,950.21 in assets.

7. Applicants state that both the Dreyfus Fund and the MML Fund have substantially similar investment objectives. Each seeks to achieve results that track, as closely as possible (before deduction for expenses), the returns of the S&P 500. In seeking to achieve its investment objective, each fund tries to minimize its deviation from the S&P 500 and to reduce its "tracking error." A correlation to the S&P 500 of 1.00% would mean perfect correlation. The MML Fund seeks a correlation of at least .98%, while the Dreyfus Fund seeks a correlation of at least .95%. Under Mellon's management, the Dreyfus Fund generally holds all the stocks in the S&P 500 in proportion to their index weightings. In contrast, Deutsche uses a method known as "optimization," which is a statistical sampling technique, to manage the portfolio of the MML Fund. Under an "optimization" strategy, the MML Fund may not hold

<sup>1</sup> MassMutual has agreed to bear the expenses (other than management and administrative fees, interest, taxes, brokerage commissions, and extraordinary expenses) of the MML Fund's Class II shares in excess of 0.19% through April 30, 2002. The expenses shown include this waiver/reimbursement. Without the waiver/reimbursement, the MML Fund's other expenses would have been 0.24% and its total annual operating expenses would have been 0.34%.

all the stocks in the S&P 500. Instead, the MML Fund first buys stocks that make up the larger portions of the S&P 500's value in roughly the same proportion as the S&P 500. In selecting the smaller company stocks, however, Deutsche tries to match the industry and risk characteristics of all the smaller companies in the S&P 500 without buying all the stocks. The MML Fund will invest at least 80% of its assets in securities of companies in the S&P 500. The MML Fund will also use derivatives, such as index futures and options, to help the MML Fund approach the returns of a fully-invested portfolio. This approach attempts to maximize the MML Fund's liquidity and returns while minimizing costs.

8. Applicants state that the proposed substitution is part of MassMutual's plan to consolidate all index funds under its management with one advisory firm with index management expertise, namely Deutsche. MassMutual believes that by placing all index fund assets with one manager, MassMutual can enhance its ability to negotiate lower overall investment sub-advisory fees, which would ultimately benefit policyowners.

9. On November 9, 2001, the Commission granted MassMutual exemptive relief from, among other provisions, Section 15(a) of the Act (the "Sub-Advisers Order"). The Sub-Advisers Order permits MassMutual, as the investment adviser, to employ or replace sub-advisers without submitting such action for the approval of shareholders of affected series. Shareholders of the MML Fund previously approved the multi-manager arrangement at the April 3, 2000 shareholders meeting.

10. Applicants propose to exercise their rights to substitute the MML Fund for the Dreyfus Fund by substituting Class II shares of the MML Fund for shares of the Dreyfus Fund. MassMutual will schedule the substitution to occur as soon as practicable following the issuance by the Commission of the order of approval requested in this application.

11. The substitution will take place at the relative net asset values determined on the date of the substitution in accordance with section 22 of the Act and Rule 22c-1 thereunder. Therefore, there will be no financial impact to any policyowner as a result of the substitution. The substitution will be effected by having the Dreyfus Index Division redeem its shares of the Dreyfus Fund at the net asset value calculated on the date of the substitution. MassMutual would use the proceeds of its redemption of shares of

the Dreyfus Fund to purchase Class II shares of the MML Fund.

12. In the alternative, if Dreyfus were to determine that a cash redemption by MassMutual from the Dreyfus Fund would adversely affect the remaining Dreyfus Fund shareholders, Dreyfus may require that MassMutual redeem its interest "in-kind" by taking its proportionate share of each of the securities owned by the Dreyfus Fund. In that case, the substitution will be effected by MassMutual contributing to the MML Fund all the securities it receives from the Dreyfus Fund in exchange for an amount of Class II shares equal to the fair market value of the securities contributed. The transaction will be effected in conformity with Rule 17a-7 under the Act to the extent possible.

13. The substitution requested in this application will be described in a notice that will be mailed to policyowners along with the current prospectus for the MML Fund. The notice will describe the reasons for engaging in the substitution. In addition, the notice will inform affected policyowners that prior to the substitution and for 30 days after the substitution they will have the opportunity to reallocate their account value currently in the Dreyfus Index Division to the remaining divisions or that they may remain invested in the Dreyfus Index Division until the substitution, at which time the division's underlying shares will be substituted for shares of the MML Fund.

14. Any transfers out of the Dreyfus Fund from the date of notice until the substitution occurs and any transfers by affected policyowners out of the MML Fund from the date of substitution through the 30 day period following the substitution will not be assessed a transfer fee and will not be counted as a free transfer. After the order of approval is issued by the Commission, a second notice will be provided to all affected policyowners advising them of the pending substitution and of their ability to transfer, free of charge, to any other division or to remain invested in the Dreyfus Index Division until the substitution. Within five days after the substitution, MassMutual will send affected policyowners written confirmation that the substitution has occurred.

15. MassMutual will pay all expenses and transaction costs of the substitution, including brokerage expenses, if any; none will be borne by policyowners. Affected policyowners will not incur any fees or charges in connection with the substitution, nor will their rights or the obligations of MassMutual under the Policy be altered in any way. The

substitution will not cause fees and charges under the Policy currently being paid by policyowners to be greater after the substitution than before the substitution. The substitution will have no adverse tax consequences to policyowners and will in no way alter the tax benefits to policyowners.

#### Applicants' Legal Analysis

1. Section 26(c) of the Act makes it 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 approves the substitution. The Commission will approve such a substitution if the evidence establishes that it is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

2. 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 shares of a particular issuer by preventing unscrutinized substitutions which might, in effect, force shareholders dissatisfied with the substituted security to redeem their shares, thereby possibly incurring either the deduction of a sales load from premium payments, a sales load upon reinvestment of the redemption proceeds, or both. Moreover, in the insurance product context, a policy owner forced to redeem may suffer adverse tax consequences. Section 26(c) affords 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 of another issuer, unless the Commission approves that substitution.

3. Applicants believe that their request satisfies the standards for relief of Section 26(c), as set forth below, because:

- The substitution involves investment options with substantially similar investment objectives;
- After the substitution, affected policyowners will be invested in a fund whose actual performance has been substantially similar on a historical basis to that of the Dreyfus Fund;
- After the substitution, affected policyowners will be invested in a fund whose expenses are similar to those of the Dreyfus Fund; and
- After the substitution, affected policyowners will benefit from increased efficiency and enhanced management and oversight capabilities due to the consolidation of index management under one index manager for MassMutual and its affiliates, which

MassMutual believes will ultimately benefit policyowners by allowing MassMutual to negotiate overall lower fees.

4. 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. Applicants believe that the MML Fund will better serve policyowner interests because its performance returns and its expenses have been, or are estimated to be, similar to those of the Dreyfus Fund and because maintaining a relationship with a single index fund manager will increase efficiency and enhance management. In addition, MassMutual believes that Deutsche, the newly appointed sub-adviser for the MML Fund, by using the "optimization" method, has a better ability to achieve closer correlation to the S&P 500 than Mellon, the Dreyfus Fund's manager, because optimization attempts to maximize liquidity and returns while minimizing costs. Although the MML Fund currently has a slightly higher expense ratio than the Dreyfus Fund, the economies of scale that can be achieved as assets are consolidated with one manager may tend to reduce the expense ratio of the MML Fund. The anticipated lower expenses and the prior performance record of MML Fund's new investment sub-adviser reinforce the Applicants' belief that the MML Fund will better serve policyowner interests. Applicants assert that the Commission has routinely approved substitutions of this type. Moreover, MassMutual has reserved the right of substitution in the Policy and disclosed this reserved right in the prospectus for the Policy.

5. MassMutual believes that a multi-manager approach for its fund offerings will serve shareholder and policyowner demands for investment variety, while preserving MassMutual's role to perform due diligence and oversight. The Sub-Advisers Order would allow MassMutual the flexibility to retain and/or change sub-advisers without incurring the significant time and costs necessary to obtain shareholder approval. The substitution is another step in establishing an overall structure that will increase MassMutual's ability to affect administration, management and oversight of the investment options underlying its products, including its variable insurance products. The purpose of the substitution is to provide policyowners with improved investment options through enhanced investment performance. The multi-manager structure will give MassMutual

the means to more directly monitor the overall manner in which investment options, including the MML Fund, available through MassMutual products are managed and administered. MassMutual will have greater flexibility to react to poor performance or mismanagement by a service provider, including sub-advisers, than is currently available.

6. The substitution will not result in the type of costly forced redemption that Section 26(c) was intended to guard against and, for the following reasons, is consistent with the protection of investors and the purposes fairly intended by the Act:

(a) The MML Fund has an investment objective substantially similar to that of the Dreyfus Fund and permits policyowners continuity of their investment objectives and expectations.

(b) The costs of the substitution, including any brokerage costs, will be borne by MassMutual and will not be borne by policyowners. No charges will be assessed to effect the substitution.

(c) The substitution will be at the net asset value of the respective shares, without the imposition of any transfer or similar charge and with no change in the amount of any policyowner's accumulation value.

(d) The policyowners will be given notice prior to the substitution and will have an opportunity to reallocate value among other available divisions without imposing any transfer charge or limitation and without counting the transfer as one of the free transfers permitted during a policy year.

(e) Within five days after the substitution, MassMutual will send to affected policyowners written confirmation that the substitution has occurred.

(f) MassMutual has agreed to bear that portion of the annual fund operating expenses of the MML Fund's Class II shares in excess of 0.26% on an annualized basis for any fiscal quarter during the two-year period beginning on the date of the substitution. In addition, for those policyowners who are policyowners on the date of the substitution, MassMutual will not increase Separate Account or Policy expenses for a two-year period beginning on the date of the substitution.

(g) The substitution will in no way alter the insurance benefits to policyowners or the contractual obligations of MassMutual.

(h) The substitution will have no adverse tax consequences to policyowners and will in no way alter the tax benefits to policyowners.

7. Section 17(a)(1) of the Act prohibits any affiliated person of a registered investment company, or an affiliated person of such an affiliated person, from selling any security or other property to such registered investment company. Section 17(a)(2) of the Act prohibits any of the persons described above from purchasing any security or other property from such registered investment company.

8. The substitution may involve a transfer of portfolio securities by the Dreyfus Fund to the Separate Account. Immediately thereafter, the Separate Account would purchase shares of the MML Fund with the portfolio securities received from the Dreyfus Fund. As the Separate Account and the MML Fund could be viewed as affiliated persons of one another by virtue of being under common control as contemplated by section 2(a)(3)(C) of the Act, it is conceivable that this aspect of the substitution could be viewed as being prohibited by Section 17(a). In addition, "affiliated person of another person" is defined in Section 2(a)(3)(E) as, "if such other person is an investment company, any investment adviser thereof" and in section 2(a)(3)(F) as, "if such other person is an unincorporated investment company not having a board of directors, the depositor thereof." Therefore, as the investment adviser to the MML Fund and the depositor of the Separate Account, MassMutual is an affiliate of each thereby rendering the MML Fund and the Separate Account second tier affiliates of each other.

9. Accordingly, Applicants are, to the extent necessary, also seeking relief from Section 17(a). Section 17(b) of the Act provides that the Commission may grant an order exempting transactions prohibited by section 17(a) of the Act upon application if evidence establishes that: (a) 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; (b) the proposed transaction is consistent with the investment policy of each registered investment company concerned, as recited in its registration statement and reports filed under the Act; and (c) the proposed transaction is consistent with the general purposes of the Act.

10. Applicants represent that the terms of the proposed transaction as described in this application are (a) reasonable and fair, including the consideration to be paid and received, and do not involve overreaching, (b) consistent with the policies of the affected registered investment

companies, and (c) consistent with the general purposes of the Act.

11. Applicants submit that the described in-kind redemption transaction is reasonable and fair. It is expected that policyowners will benefit from an in-kind redemption as proposed by virtue of the fact that the MML Fund will be able to acquire portfolio securities that are consistent with its objectives and policies without incurring (or lessening) any brokerage costs and, at the same time, the Dreyfus Fund will also save brokerage costs.

12. The transaction pursuant to which the substitution will be effected, including the possible redemption of shares of the Dreyfus Fund on an in-kind basis and the corresponding purchase of shares of the MML Fund, will be effected in conformity with section 22(c) of the Act and Rule 22c-1 thereunder. Policyowners will not incur any fees or charges as a result of the transfer of value pursuant to the substitution. Policyowners' rights and privileges and Applicants' obligations under the Policy thereunder will not be affected by the substitution. Expenses incurred in connection with the substitution, including legal, accounting, brokerage, and other expenses, will not be borne by policyowners. Policy values will remain unchanged and fully invested following the consummation of the substitution. Accordingly, policyowner interests after the substitution, in practical economic terms, will not differ in any measurable way from such interests immediately prior to the substitution. In each case, therefore, the consideration to be received and paid is reasonable and fair.

13. The investment objectives and policies of the MML Fund are substantially similar to the investment objectives and policies of the Dreyfus Fund. In this regard, the substitution is consistent with the findings required by section 17(b) of the Act.

14. The substitution is consistent with the general purposes of the Act as enunciated in the Findings and Declaration of Policy in section 1 of the Act. The proposed transaction does not present any of the issues or abuses that the Act is designed to prevent. Policyowners will be fully informed as to the terms of the substitution, as described above, and will have an opportunity to reallocate investments prior to and following the substitution.

15. Applicants request an order of the Commission pursuant to section 26(c) of the Act approving the substitution and an order of exemption pursuant to section 17(b) of the Act in connection with aspects of the substitution that may be deemed to be prohibited by Section

17(a), as described above. Section 26(c), in pertinent part, provides that the Commission shall issue an order approving a substitution of securities if the evidence establishes that it is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. For the reasons and upon the facts set forth above, the requested order meets the standards set forth in Section 26(c) and should, therefore, be granted. Section 17(b) of the Act provides that the Commission may grant an order exempting transactions prohibited by section 17(a) of the Act upon application subject to certain conditions. Applicants represent that the proposed in-kind redemption transactions meet all of the requirements of section 17(b) of the Act and that an exemption should be granted, to the extent necessary, from the provisions of Section 17(a).

#### Applicants' Conclusion

Applicants assert that, for the reasons summarized above, the requested orders approving the substitution and exempting the in-kind transaction should be granted.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-1572 Filed 1-22-02; 8:45 am]

**BILLING CODE 8010-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25366; 812-12642]

#### Wells Fargo Funds Trust, et al.; Notice of Application

January 15, 2002.

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

**ACTION:** Notice of an application under section 6(c) of the Investment Company Act of 1940 ("Act") for an exemption from section 15(f)(1)(A) of the Act.

**SUMMARY OF APPLICATION:** The requested order would permit Wells Fargo Funds Trust ("Funds Trust") not to reconstitute its board of trustees to meet the 75 percent non-interested director requirement of section 15(f)(1)(A) of the Act in order for Wells Fargo Funds Management, LLC ("Funds Management") to rely upon the safe harbor provisions of section 15(f).

**APPLICANTS:** Funds Trust and Funds Management.

**FILING DATES:** The application was filed on October 1, 2001 and amended on January 8, 2002.

**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 Commission's Secretary 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 February 11, 2002, 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 Commission's Secretary.

**ADDRESSES:** Secretary, Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Applicants, 525 Market Street, 12th Floor, San Francisco, California 94105.

**FOR FURTHER INFORMATION CONTACT:** Emerson S. Davis, Sr., Senior Counsel, at (202) 942-0714, or Nadya B. Roytblat, Assistant Director, 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 Commission's Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549-0102 (tel. 202-942-8090).

#### Applicants' Representations

1. Funds Trust is an open-end management investment company registered under the Act and consists of sixty-seven series ("Funds Trust Series"). Funds Management, a wholly owned subsidiary of Wells Fargo & Company ("Wells Fargo"), currently serves as investment adviser to sixty-two of the Funds Trust Series, and will serve as investment adviser to a newly created series (the "Successor Fund"). Funds Management is registered under the Investment Advisers Act of 1940 ("Advisers Act"). The SIFE Trust Fund ("SIFE Fund") is an open-end management investment company registered under the Act. SIFE, a privately held company, serves as investment adviser to SIFE Fund and is registered under the Advisers Act.

2. On August 24, 2001, Wells Fargo and SIFE entered into an agreement providing for the acquisition of the outstanding shares of SIFE by Wells Fargo. The transaction is anticipated to