

Applicant's Address: 100 South Wacker Dr., Suite 2100, Chicago, IL 60606.

CDC MPT & Funds [File No. 811-9083]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. By December 17, 2001, all of applicant's shareholders had voluntarily redeemed their shares at net asset value. Expenses of \$15,000 incurred in connection with the liquidation were paid by CDC Investment Management Corporation, applicant's investment adviser, or its affiliates.

Filing Dates: The application was filed on January 23, 2002, and amended on March 4, 2002.

Applicant's Address: 1251 Avenue of the Americas, 16th Floor, New York, NY 10020.

Nations LifeGoal Funds, Inc. [File No. 811-7745]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On June 8, 2001, applicant transferred its assets to corresponding series of Nations Funds Trust based on net asset value. Expenses of \$152,386 incurred in connection with the reorganization were paid by Banc of America Advisors, LLC, applicant's investment adviser.

Filing Dates: The application was filed on February 8, 2002, and amended on February 26, 2002.

Applicant's Address: 111 Center Street, Suite 300, Little Rock, AR 72201.

FT Defined Portfolios LLC [File No. 811-10015]; First Defined Sector Fund [File No. 811-10017]

Summary: Each applicant seeks an order declaring that it has ceased to be an investment company. On November 30, 2001, each applicant made a liquidating distribution to its shareholders based on net asset value. Applicants incurred no expenses in connection with the liquidations.

Filing Date: The applications were filed on March 1, 2002. FT Defined Portfolios LLC filed an amended application on March 15, 2002.

Applicants' Address: 1001 Warrenville Road, Suite 300, Lisle, IL 60532.

Global Income Strategies Fund, Inc. (formerly Global High Yield Fund, Inc.) [File No. 811-8757]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. Applicant has never made a public offering of its securities and does not propose to make

a public offering or engage in business of any kind.

Filing Dates: The application was filed on February 27, 2002, and amended on March 20, 2002.

Applicant's Address: c/o Fund Asset Management, L.P., P.O. Box 9011, Princeton, NJ 08543-9011.

Merrill Lynch Real Estate Fund, Inc. [File No. 811-8389]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On April 3, 2001, applicant made a liquidating distribution to its shareholders based on net asset value. Applicant has retained \$35,236 to cover outstanding operating expenses. Applicant incurred no expenses in connection with the liquidation.

Filing Dates: The application was filed on October 9, 2001, and amended on March 8, 2002.

Applicant's Address: Merrill Lynch Investment Managers, L.P., 800 Scudders Mill Rd., Plainsboro, NJ 08536.

Mercantile Mutual Funds, Inc. [File No. 811-3567]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. By June 29, 2001, each of applicant's portfolios had transferred their assets to corresponding portfolios of Firststar Funds, Inc., based on net asset value. Expenses of \$590,908 incurred in connection with the reorganization were paid by Firststar Investment Research & Management Company, LLC, applicant's investment adviser.

Filing Dates: The application was filed on January 16, 2002, and amended on February 20, 2002.

Applicant's Address: 615 East Michigan St., PO Box 3011, Milwaukee, WI 53202-3011.

T. Rowe Price Short-Term U.S. Government Fund, Inc. [File No. 811-6386]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On October 31, 2000, applicant transferred its assets to T. Rowe Price Short-Term Bond Fund, Inc., based on net asset value. Expenses of \$12,686 incurred in connection with the reorganization were paid by T. Rowe Price Associates, applicant's investment adviser.

Filing Date: The application was filed on February 22, 2002.

Applicant's Address: 100 E. Pratt St., Baltimore, MD 21202.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-8207 Filed 4-4-02; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-25503; File No. 812-12636]

The Equitable Life Assurance Society of the United States, et al.

March 29, 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 "1940 Act") and an order of exemption pursuant to Section 17(b) of the Act.

APPLICANTS: For purposes of the order requested pursuant to Section 26(c), The Equitable Life Assurance Society of the United States ("Equitable"), Separate Account A of Equitable ("Separate Account A"), Separate Account FP of Equitable ("Separate Account FP"), Separate Account No. 45 of Equitable ("Separate Account 45"), Separate Account No. 49 of Equitable ("Separate Account 49") and Separate Account No. 301 of Equitable ("Separate Account 301") (collectively, the "Section 26 Applicants"). For purposes of the order pursuant to Section 17(b), Equitable, Separate Account A, Separate Account FP, Separate Account 45, Separate Account 49, Separate Account No. 65 of Equitable ("Separate Account 65"), Separate Account No. 66 of Equitable ("Separate Account 66"), Separate Account 301 (the separate accounts are collectively referred to herein as the "Separate Accounts" and individually as a "Separate Account") and EQ Advisors Trust (the "Trust") (collectively with Equitable and the Separate Accounts, the "Section 17 Applicants").

SUMMARY OF APPLICATION: Applicants request an order (a) approving the proposed substitution by certain insurance company separate accounts of Class IB shares of the EQ/Putnam International Equity Portfolio for Class IB shares of the EQ/T. Rowe Price International Stock Portfolio (the "Substitution"), and (b) to permit certain in-kind transactions in connection with the proposed Substitution ("In-Kind Transactions"). (The EQ/Putnam International Equity

Portfolio is referred to herein as the "Replacement Portfolio." The EQ/T. Rowe Price International Stock Portfolio is referred to herein as the "Removed Portfolio.")

FILING DATE: The application was filed on September 19, 2001 and amended and restated on March 21, 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 April 23, 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, U.S. Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Applicants: c/o Peter D. Noris, Executive Vice President and Chief Investment Officer, The Equitable Life Assurance Society of the United States, 1290 Avenue of the Americas, New York, New York 10104, and Arthur J. Brown, Esq., Kirkpatrick & Lockhart LLP, 1800 Massachusetts Avenue, NW, Washington, DC 20036.

FOR FURTHER INFORMATION CONTACT: Mark A. Cowan, Senior Counsel, or William Kotapish, Assistant Director, Office of Insurance Products, Division of Investment Management, at (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 (tel. (202) 942-8090).

Applicants' Representations

1. Equitable is a New York stock life insurance company that has been in business since 1859. Equitable is a wholly-owned subsidiary of AXA Financial, Inc. ("AXA Financial"). AXA Financial is a wholly-owned subsidiary of the global AXA Group, the holding company for an international group of insurance and related financial services companies.

2. Equitable serves as sponsor and depositor for each of the Separate

Accounts. Separate Account A, Separate Account 301, Separate Account 45 and Separate Account 49 fund certain variable annuity contracts. Separate Account FP funds certain variable life insurance policies. Separate Account 65 and Separate Account 66 fund group pension and profit-sharing plans under group annuity contracts issued by Equitable. (The variable annuity contracts and variable life insurance policies funded by the Separate Accounts are collectively referred to herein as the "Contracts.")

3. Each Separate Account is a segregated asset account of Equitable and, with the exception of Separate Account 65 and Separate Account 66, is registered with the Commission as a unit investment trust under the 1940 Act. Separate Account 65 and Separate Account 66 are excluded from registration under the 1940 Act pursuant to Section 3(c)(11) of the 1940 Act. Separate Account 65 and Separate Account 66 are not Section 26 Applicants.

4. The Trust is organized as a Delaware business trust. It is registered as an open-end management investment company under the 1940 Act. The Trust is a series investment company and currently offers 40 separate series (each a "Portfolio" and collectively, the "Portfolios"). Equitable currently serves as investment manager ("Manager") of each of the Portfolios. Both the Removed and Replacement Portfolios are series of the Trust. The Trust does not impose sales charges for buying and selling its shares. All dividends and other distributions with respect to a Portfolio's shares are reinvested in full and fractional shares of the Portfolio to which they relate. The Trust currently offers two classes of shares, Class IA and Class IB shares, which differ only in that Class IB shares are subject to a distribution plan adopted and administered pursuant to Rule 12b-1 under the 1940 Act. Under that distribution plan, up to 0.50% of the average daily net assets attributable to the Class IB shares of each Portfolio may be used to pay for distribution and shareholder services. The distributors for the Class IA and Class IB shares of each Portfolio are AXA Advisors, LLC ("AXA Advisors") and AXA Distributors, Inc. ("AXA Distributors"). Under the Distribution Agreements with respect to the promotion, sale and servicing of shares of each Portfolio, payments to AXA Advisors and AXA Distributors, with respect to activities under the distribution plan, are currently limited to payments at an annual rate equal to 0.25% of the average daily net assets of each Portfolio

(including the Removed and Replacement Portfolios) attributable to its Class IB shares.

5. The Trust has received an exemptive order from the Commission ("Multi-Manager Order") that permits the Manager, or any entity controlling, controlled by, or under common control (within the meaning of Section 2(a)(9) of the 1940 Act) with the Manager, subject to certain conditions, including approval of the Board of Trustees of the Trust, and without the approval of shareholders to: (i) Select a new investment adviser or additional investment advisers ("Advisers") for each Portfolio; (ii) enter into new Investment Advisory Agreements with Advisers ("Advisory Agreements") and/or materially modify the terms of any existing Advisory Agreement; (iii) terminate any existing Adviser and replace the Adviser; and (iv) continue the employment of an existing Adviser on the same contract terms where the Advisory Agreement has been assigned because of a change of control of the Adviser.

6. Equitable, on its own behalf and on behalf of the Separate Accounts, proposes to exercise its contractual right to substitute a different eligible investment fund for the Removed Portfolio as a funding option under the Contracts. The Section 26 Applicants propose to substitute Class IB shares of the Replacement Portfolio for Class IB shares of the Removed Portfolio. Although each Portfolio of the Trust is authorized to issue Class IA shares, neither of the Portfolios involved in the proposed Substitution has issued any Class IA shares to date. Accordingly, no Class IA shares are involved in the proposed Substitution.

7. The Section 26 Applicants propose the Substitution as part of a continued and overall business plan by Equitable to make its Contracts more competitive and thus more attractive to existing Contract owners, and to prospective purchasers. The Substitution is also intended to simplify the prospectuses and related materials with respect to the Contracts and the investment options available through the Separate Accounts. Additionally, the Substitution will substitute shares of the Replacement Portfolio for shares of the Removed Portfolio, which has an investment objective, policies and risks substantially similar to those of the Replacement Portfolio. Furthermore, Equitable believes that the Substitution ultimately may enable Equitable to reduce certain of the costs that it incurs in administering the Contracts by consolidating overlapping and duplicative Portfolios. Finally, the

Substitution is designed to provide Contract owners with an opportunity to continue their investment in a similar Portfolio without interruption and without any cost to them. In this regard, Equitable will bear all expenses incurred in connection with the Substitution and related filings and notices, including legal, accounting, brokerage and other fees and expenses. On the effective date of the Substitution, the amount of any Contract owner's or participant's Contract value or the dollar value of a Contract owner's or participant's investment in the relevant Contract will not change as a result of the Substitution.

8. The investment objective of the Replacement Portfolio is to seek capital appreciation. To achieve this objective, the Replacement Portfolio invests primarily in equity securities of companies located in a number of different countries. Under normal circumstances, a majority of the Replacement Portfolio's assets will be invested in companies located in at least three different countries outside the United States. The countries in which the Replacement Portfolio may invest include emerging market countries. The Replacement Portfolio will not limit its investments to any particular type of company, although it generally invests in large capitalization companies, and will invest in companies whose earnings its Adviser believes to be in a relatively strong growth trend or whose securities the Adviser considers to be undervalued. The primary risks associated with an investment in the Replacement Portfolio are: (i) General equity investment risk; (ii) foreign securities risk (both emerging markets and regulatory risks); (iii) small-capitalization and mid-capitalization company risk; (iv) derivatives risk; and (v) liquidity risk.

9. Applicants state that the Removed Portfolio has an investment objective, policies and risks that are substantially similar to those of the Replacement Portfolio in that it also seeks to achieve long-term growth of capital through investment primarily in common stocks of established foreign companies. The Removed Portfolio invests substantially all of its assets in common stocks of established companies outside of the United States. The Adviser broadly diversifies the Portfolio's investments among developed and emerging market countries throughout the world. Stock selection reflects a growth style. The Removed Portfolio may purchase the stock of companies of any size, but typically focuses on large capitalization companies, and to a lesser extent, medium-sized companies. The primary risks associated with an investment in the Removed Portfolio are: (i) general equity investment risk; (ii) growth investing risk; (iii) foreign securities risk (including currency, emerging markets, regulatory, political/economic and geographic risks); and (iv) liquidity risk. Applicants assert that, after the proposed Substitution, a Contract owner or participant who allocated value to the Removed Portfolio would continue to have value allocated to a Replacement Portfolio that seeks capital appreciation through investment in foreign company stocks, and would have assumed a substantially similar level of risk.

10. The first chart below compares the advisory fees and total expenses of the Class IB shares of the Replacement Portfolio and the Removed Portfolio for the six month period ended June 30, 2001 (annualized) and the one year period ended December 31, 2001. The management fee for the Replacement Portfolio is identical to that for the Removed Portfolio. The net total expense ratio for the Replacement

Portfolio was also identical to that of the Removed Portfolio for the corresponding period. With respect to the Removed and Replacement Portfolios for the period ended December 31, 2001, this is as a result of a management fee waiver and expense reimbursement agreement in effect for each of these Portfolios until April 30, 2002. Absent this agreement, the total expense ratio of the Replacement Portfolio would have been slightly higher than that of the Removed Portfolio. Applicants state that the proposed Substitution would replace the Removed Portfolio with the Replacement Portfolio, which currently has, and will have after the Substitution, a larger asset size. Generally speaking, larger funds tend to have lower expenses than comparable funds that are smaller. This is because, with a larger asset size, fixed fund expenses are spread over a larger base, lowering the expense ratios. Also, larger funds may have lower trading expenses, potentially resulting in higher returns. Applicants state that it is anticipated that the net total expense ratio of the Replacement Portfolio will be no higher than that of the Removed Portfolio as a result of the proposed Substitution due to the fee waiver and expense reimbursement agreement. In addition, it is anticipated that the total expense ratio of the Replacement Portfolio will be lower than that of the Removed Portfolio as a result of the Substitution, absent any fee waivers or expense reimbursements. The second chart below includes the fees and expenses of the Class IB shares of the Replacement Portfolio on a *pro forma* basis assuming that the Substitution had been in effect for the one year period ended December 31, 2001.

	Replacement portfolio EQ/Putnam International Equity Port- folio (Class IB)		Removed portfolio EQ/T. Rowe Price International Stock Portfolio (Class IB)	
	Six month period ended 6/30/2001 (annualized)	One year period ended 12/31/2001	Six month period ended 6/30/2001 (annualized)	One year period ended 12/31/2001
Net Assets	\$344,446,000	\$330,234,330	\$201,898,000	\$202,104,053
Management Fee ¹	0.85%	0.85%	0.85%	0.85%
Rule 12b-1 Fee	0.25%	0.25%	0.25%	0.25%
Other Expenses	0.15%	0.24%	0.15%	0.19%
Total Expenses	1.25%	1.34%	1.25%	1.29%
Fee Waiver and/or Expense Reimbursement	NA	0.09%	NA	0.04%
Net Expenses	1.25%	1.25%	1.25%	1.25%

¹ The management fee for the Replacement Portfolio on an annual basis is equal to 0.850% of the first \$1 billion; 0.800% of the next \$1 billion; 0.775% of the next \$3 billion; 0.750% of the next \$5 billion; and 0.725% thereafter. The management fee for the Removed Portfolio on an annual basis is equal to 0.850% of the first \$1 billion; 0.800% of the next \$1 billion; 0.775% of the next \$3 billion; 0.750% of the next \$5 billion; and 0.725% thereafter.

COMBINED PORTFOLIO [One Year Period Ended 12/31/2001]	
Net Assets	\$532,338,383
Management Fee	0.85%
Rule 12b-1 Fee	0.25%
Other Expenses	0.17%
Total Expenses	1.27%
Fee Waiver and/or Expense Reimbursement	0.02%

COMBINED PORTFOLIO mdash;Continued [One Year Period Ended 12/31/2001]	
Net Expenses	1.25%

11. The chart below compares the average annual total returns for the Class IB shares of the Replacement Portfolio and the Removed Portfolio for

one year, three years and since inception, for the period ended December 31, 2001. The historical performance of the Replacement Portfolio for the time periods listed below has been more favorable than that of the Removed Portfolio, although there is no guarantee that this will be the case in the future.

Portfolio (Benchmark Index)	One year ended 12/31/01	Three years ended 12/31/01	Since inception (05/1/97)
Putnam Portfolio	(21.55)%	3.29%	8.18%
T. Rowe Price Portfolio	(21.79)%	(5.69)%	(1.33)%
MSCI EAFE Index	(21.44)%	(5.05)%	1.19%

12. The Section 26 Applicants will file with the Commission prospectuses and prospectus supplements that notify Contract owners and participants of Equitable's intention to substitute the Replacement Portfolio for the Removed Portfolio. The prospectuses and prospectus supplements, as appropriate, also will describe the Substitution, the Replacement and Removed Portfolio and the impact of the Substitution on fees and expenses at the underlying fund level. The Section 26 Applicants will send the appropriate prospectus or prospectus supplement (or other notice, in the case of Contracts no longer actively marketed and for which there are a relatively small number of existing Contract owners ("Inactive Contracts")), as appropriate, containing this disclosure to all existing and new Contract owners and participants.

13. At or after the time the Commission approves the Application, the Section 26 Applicants will send to existing Contract owners and participants a supplement to the relevant Contract prospectus (or other notice in the case of Inactive Contracts) that discloses to such Contract owners and participants that the Application has been approved. Together with this disclosure, the Section 26 Applicants will send to any of those existing Contract owners and participants who have not previously received a prospectus for the Replacement Portfolio a prospectus and/or prospectus supplement for the Replacement Portfolio. New purchasers of Contracts will be provided with a Contract prospectus and/or supplement containing disclosure that the Commission has issued an order approving the Substitution, as well as a prospectus for the Replacement Portfolio. The Contract prospectus and/or supplement and the prospectus and/

or prospectus supplement for the Trust, including the Replacement Portfolio, will be delivered to purchasers of new Contracts in accordance with all applicable legal requirements.

14. Contract owners and participants will be sent a notice of the Substitution before the Substitution Date. The notice will inform Contract owners and participants that the Substitution will be effected on the Substitution Date and that they may transfer assets from the Removed Portfolio (or from the Replacement Portfolio following the Substitution Date) to another investment option available under their Contract without the imposition of any applicable transfer charges, limitations, fees, or other penalties that might otherwise be imposed for a period beginning thirty (30) days before the Substitution Date and ending no earlier than thirty (30) days following the Substitution Date and such transfers will not count against the limit, if any, on the number of free transfers permitted under the Contracts. Within five days after the Substitution Date, Equitable will mail (i) a written notice to all Contract owners and participants affected by the Substitution informing them that the Substitution was completed and restating that they may transfer assets from the Replacement Portfolio to another investment option available under their Contract free of any applicable transfer charges, limitations, fees, or other penalties that might otherwise be imposed through a date at least thirty (30) days following the Substitution Date and such transfers will not count against the limit, if any, on the number of free transfers permitted under the Contracts and (ii) a confirmation of the transactions.

15. The Substitution will be effected by redeeming shares of the Removed Portfolio in-kind on the Substitution

Date at its net asset value and using the proceeds of those in-kind redemptions to purchase shares of the Replacement Portfolio at its net asset value on the same date.

16. In-kind redemptions and contributions will be done in a manner consistent with the investment objectives, policies and diversification requirements of the Replacement Portfolio and the Removed Portfolio. Equitable, in consultation with the Replacement Portfolio's Adviser, will review the In-Kind Transactions to assure that the assets are suitable for the Replacement Portfolio. All assets and liabilities will be valued based on the normal valuation procedures of the Removed Portfolio and the Replacement Portfolio, as set forth in the Trust's registration statement.

17. No transfer or similar charges will be imposed by the Section 26 Applicants and, on the Substitution Date, all Contract values will remain unchanged and fully invested. Contract owners and participants will not incur any fees or charges as a result of the proposed Substitution, nor will their rights or Equitable's obligations under the Contracts be altered in any way. All expenses in connection with the proposed Substitution, including any brokerage, legal, accounting, and other fees and expenses will be paid by Equitable. The proposed Substitution will not impose any tax liability on Contract owners or participants or cause the Contract charges currently being paid by Contract owners and participants to be greater after the proposed Substitution than before the proposed Substitution. All Contract-level fees will remain the same after the proposed Substitution. The proposed Substitution will not alter in any way the benefits, including tax benefits to Contract owners and participants, or

Equitable's obligations under the Contracts. In addition, the proposed Substitution will not be treated as a transfer for purposes of assessing transfer charges or computing the number of permissible transfers under the Contracts.

18. The Section 26 Applicants request that the Commission issue an order pursuant to Section 26(c) of the 1940 Act approving the Substitution of Class IB shares of the EQ/Putnam International Equity Portfolio for Class IB shares of the EQ/T. Rowe Price International Stock Portfolio. The Section 17 Applicants request that the Commission issue an order pursuant to Section 17(b) of the 1940 Act granting an exemption from Section 17(b) to the extent necessary to permit the In-Kind Transactions.

Applicable Law

Section 26(c) of the 1940 Act

1. Section 26(c) of the 1940 Act prohibits the depositor of a registered unit investment trust that invests in the securities of a single issuer from substituting the securities of another issuer without Commission approval. Section 26(c) provides that "[t]he Commission shall issue an order approving such 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 this title." Section 26(c) protects the expectation of investors that the unit investment trust will accumulate shares of a particular issuer and is intended to insure that unnecessary or burdensome sales loads, additional reinvestment costs and other charges will not be incurred due to unapproved substitution of securities.

2. The proposed Substitution involves a substitution of securities within the meaning of Section 26(c) of the 1940 Act. The Applicants, therefore, request an order from the Commission pursuant to Section 26(c) approving the proposed Substitution.

3. Equitable has reserved the right under the Contracts to substitute shares of another eligible investment fund for any of the current Portfolios. The prospectuses for the Contracts and the Separate Accounts contain appropriate disclosure of this right. The Section 26 Applicants have reserved this right of substitution both to protect themselves and their Contract owners in situations where either might be harmed or disadvantaged by events affecting the issuer of the securities held by a Separate Account and to preserve the opportunity to replace such shares in situations where a substitution could

benefit Equitable and its Contract owners.

4. The Replacement Portfolio and Removed Portfolio have substantially similar investment objectives, policies and risks. In addition, the proposed Substitution retains for Contract owners the investment flexibility that is a central feature of the Contracts. Any impact on the investment programs of affected Contract owners, including the appropriateness of the available investment options, should therefore be negligible.

5. Applicants also maintain that the ultimate effect of the Substitution would be to consolidate overlapping and duplicative investment options in a single Portfolio. This consolidation will permit Equitable to present information to its Contract owners and participants in a simpler and more concise manner. The anticipated streamlining of the disclosure documents should provide Contract owners and participants with a simpler presentation of the available investment options under their Contracts and related financial information.

6. Thus, the Substitution protects the Contract owners and participants who have allocated Contract value to the Removed Portfolio by: (i) providing an underlying investment option for sub-accounts invested in the Removed Portfolio that is substantially similar to the Removed Portfolio; (ii) providing such Contract owners and participants with simpler and more focused disclosure documents; and (iii) providing such Contract owners and participants with an investment option with an identical management fee and total expense ratio as the current investment option.

7. Applicants assert that the proposed Substitution is not of the type that Section 26(c) was designed to prevent. Unlike traditional unit investment trusts where a depositor could only substitute investment securities in a manner which permanently affected all the investors in the trust, the Contracts provide each Contract owner and participant with the right to exercise his or her own judgment, and transfer Contract values and cash values into and among other investment options available to Contract owners and participants under their Contracts. Additionally, the Substitution will not, in any manner, reduce the nature or quality of the available investment options. Moreover, the Section 26 Applicants will offer Contract owners and participants the opportunity to transfer amounts out of the affected sub-accounts without any cost or other penalty that may otherwise have been

imposed until thirty days after the Substitution Date. The Substitution, therefore, will not result in the type of costly forced redemption that Section 26(c) was designed to prevent.

8. The proposed Substitution is also unlike the type of substitution which Section 26(c) was designed to prevent in that by purchasing a Contract, Contract owners and participants select much more than a particular underlying fund in which to invest their Contract values. They also select the specific type of insurance coverage offered by the Section 26 Applicants under the applicable Contract, as well as numerous other rights and privileges set forth in the Contract. Contract owners also may have considered Equitable's size, financial condition, and its reputation for service in selecting their Contract. These factors will not change as a result of the proposed Substitution.

9. Applicants have agreed to the following terms and conditions of the Substitution:

a. The investment objectives, policies and risks of the Replacement Portfolio are substantially similar to the investment objectives, policies and risks of the Removed Portfolio, providing Contract owners and participants with a means to continue their investment goals and risk expectations;

b. The total expense ratio for the Class IB shares of the Replacement Portfolio will be equal to or less than that of the Class IB shares of the Removed Portfolio, assuming that the assets of the Replacement Portfolio do not decrease significantly from the present asset level. In this regard, for those Contract owners or participants who were Contract owners or participants on the date of the Substitution, Equitable will waive its management fee with respect to the Replacement Portfolio and/or reimburse expenses incurred by the Replacement Portfolio during the twenty-four months following the Substitution to the extent necessary to ensure that the total expense ratio for any period (not to exceed a fiscal quarter) for the Class IB shares of the Replacement Portfolio does not exceed 1.25% of the Replacement Portfolio's average daily net assets (on an annualized basis);

c. Investments in the Replacement Portfolio may be temporary investments for Contract owners and participants as each Contract owner and participant may exercise his or her own judgment as to the most appropriate investment alternative available. In this regard, the proposed Substitution retains for Contract owners and participants the investment flexibility which is a central feature of the Contracts. Additionally,

for a period beginning 30 days before the Substitution Date, and ending no earlier than 30 days after the Substitution, Contract owners and participants will be permitted to transfer value among the various investment options available under their Contract free of any otherwise applicable transfer charges, limitations, fees, or other penalties that might otherwise be imposed and such transfers will not count against the limit, if any, on the number of free transfers permitted under the Contracts;

d. The Substitution will be effected at the relative net asset values of the respective shares of the Removed Portfolio and the Replacement Portfolio, without the imposition of any transfer or similar charge by the Section 26 Applicants, and with no change in the amount of any Contract owner's or participant's Contract value or in the dollar value of his or her investment in such Contract;

e. Contract owners and participants will not incur directly or indirectly related fees or charges as a result of the Substitution. Equitable will bear all expenses incurred in connection with the Substitution and related filings and notices, including legal, accounting, brokerage and other fees and expenses. The Substitution will not cause the Contract fees and charges currently being paid by existing Contract owners to be greater after the Substitution than before the Substitution;

f. The Substitution will not be counted as a new investment selection in determining the limit, if any, on the total number of Portfolios that Contract owners and participants can select during the life of a Contract;

g. The Substitution will not alter or affect the insurance benefits or rights of Contract owners or participants or the terms and obligations of the Contracts;

h. Contract owners and participants would not incur any adverse tax consequences as a result of the Substitution;

i. Contract owners and participants affected by the Substitution will be sent written confirmation of the Substitution that identifies the Substitution made on behalf of the Contract owner or participant within five days following the Substitution;

j. For those Contract owners or participants who were Contract owners or participants on the date of the Substitution, Equitable will not increase sub-account or Contract expenses for a period of twenty-four months following the Substitution Date; and

k. Contract owners and participants may withdraw amounts under the Contract or terminate their interest in a

Contract, under the conditions that currently exist, including payment of any applicable withdrawal or surrender charge.

Section 17(a) of the 1940 Act

1. Section 17(a)(1) of the 1940 Act prohibits any affiliated person of a registered investment company, or any affiliated person of such a person, acting as principal, from knowingly selling any security or other property to that company. Section 17(a)(2) of the 1940 Act generally prohibits the same persons, acting as principals, from knowingly purchasing any security or other property from the registered investment company.

2. Section 17(b) of the 1940 Act provides that the Commission may, upon application, issue an order exempting any proposed transaction from Section 17(a) if: (i) the terms of the proposed transactions are reasonable and fair and do not involve overreaching on the part of any person concerned; (ii) the proposed transactions are consistent with the policy of each registered investment company concerned; and (iii) the proposed transactions are consistent with the general purposes of the 1940 Act.

3. The Section 17 Applicants request an order pursuant to Section 17(b) of the 1940 Act exempting them from the provisions of Section 17(a) to the extent necessary to permit them to carry out the In-Kind Transactions.

4. The Section 17 Applicants submit that the terms of the proposed In-Kind Transactions, including the consideration to be paid and received are reasonable and fair and do not involve overreaching on the part of any person concerned. The In-Kind Transactions will be effected at the respective net asset values of the Removed Portfolio and the Replacement Portfolio, as determined in accordance with the procedures disclosed in the registration statement for the Trust and as required by Rule 22c-1 under the 1940 Act. The In-Kind Transactions will not change the dollar value of any Contract owner's or participant's investment in any of the Separate Accounts, the value of any Contract, the accumulation value or other value credited to any Contract, or the death benefit payable under any Contract. After the proposed In-Kind Transactions, the value of a Separate Account's investment in the Replacement Portfolio will equal the value of its investments in the Removed Portfolio (together with the value of any pre-existing investments in the

Replacement Portfolio) before the In-Kind Transactions.

5. Applicants state that the Section 17 Applicants will assure themselves that the In-Kind Transactions will be in substantial compliance with the conditions of Rule 17a-7. To the extent that the In-Kind Transactions do not comply fully with the provisions of paragraphs (a) and (b) of Rule 17a-7, the Section 17 Applicants assert that the terms of the In-Kind Transactions provide the same degree of protection to the participating companies and their shareholders as if the In-Kind Transactions satisfied all of the conditions enumerated in Rule 17a-7. The Section 17 Applicants also assert that the proposed In-Kind Transactions by the Section 17 Applicants do not involve overreaching on the part of any person concerned. Furthermore, the Section 17 Applicants represent that the proposed Substitution will be consistent with the policies of the Removed Portfolio and the Replacement Portfolio, as recited in the Trust's current registration statement.

6. Applicants also assert that the proposed In-Kind Transactions are consistent with the general purposes of the 1940 Act and that the proposed In-Kind Transactions do not present any conditions or abuses that the 1940 Act was designed to prevent.

Conclusion

For the reasons set forth in the Application, the Section 26 Applicants and the Section 17 Applicants each respectively state that the proposed Substitution and the related In-Kind Transactions meet the standards of Section 26(c) of the 1940 Act and Section 17(b) of the 1940 Act, respectively, and respectfully request that the Commission issue an order of approval pursuant to Section 26(c) of the 1940 Act and Section 17(b) of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

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