

Fund with a continuing Subaccount invested in the Government Fund; and (ii) the Subaccounts invested in the Bond Fund with the continuing Subaccount invested in the Government Fund. Applicants state that Allianz and Preferred could be said to be transferring unit values between their Subaccounts. The transfer of unit values may involve purchase and sale transactions between Subaccounts that are affiliated persons. Such transactions between Subaccounts may come within the scope of Sections 17(a)(1) and 17(a)(2) of the 1940 Act. Therefore, Applicants seek an exemption from Section 17(a) of the 1940 Act, pursuant to Section 17(b) of the 1940 Act, or, in the alternative, pursuant to Section 6(c) of the 1940 Act.

3. Section 17(b) of the 1940 Act provides that the Commission may grant an order exempting the transactions prohibited by Section 17(a) 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 register investment company concerned, as recited in its registration statement and reports filed under 1940 Act; and (c) the proposed transaction is consistent with the general purposes of the 1940 Act.

4. Section 6(c) of the 1940 Act authorizes the Commission, by order upon application, to conditionally or unconditionally grant an exemption from any provision, rule or regulation of the 1940 Act to the extent that the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

5. Applicants represent that the terms of the proposed transactions are: (a) Reasonable and fair, including the consideration to be paid and received, and do not involve overreaching; (b) are consistent with the policies of the Funds of the Trust; and (c) are consistent with the general purposes of the 1940 Act. Applicants state that the transactions effecting the Substitution, including the redemption of the shares of the Adjustable Fund and the Bond Fund and the purchase of shares of the Government Fund, will be effected in conformity with Section 22(c) of the 1940 Act and Rule 22c-1 thereunder. Moreover, the partial redemptions-in-kind of portfolio securities of the Funds will be effected in conformity with Rule 18f-1 under the 1940 Act, the majority

of the conditions of Rule 17a-7 under the 1940 Act, and the procedures of the Trust established pursuant to Rule 17a-7. In practical economic terms, Owner interests after the Substitution will not differ in any measurable way such interests immediately prior to the Substitution. In addition, Allianz and Preferred each maintain, based on their review of existing federal income tax laws and regulations and advice of counsel, that the Substitution will not give rise to any taxable income for Owners.

6. Applicants also assert that the proposed transactions are consistent with the investment policy of each investment company concerned in that the investment objectives of the Government Fund are sufficiently similar to the investment objectives of the Adjustable Fund and the Bond Fund.

7. Applicants maintain that the proposed transactions are consistent with the general purposes of the 1940 Act. Applicants state that the proposed transactions do not present any of the issues or abuses that the 1940 Act was designed to prevent. Moreover, Applicants assert that the requested exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act, as required by Section 6(c) of the 1940 Act. Owners will be fully informed of the terms of the Substitution through the amended prospectuses and the Notice, and will have an opportunity to reallocate investments prior to and following the Substitution.

Conclusion

For the reasons discussed above, Applicants assert that the requested order approving the Substitution pursuant to Section 26(b) of the 1940 Act is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act. Applicant further assert that the requested exemptions from Sections 17(a)(1) and 17(a)(2) of the 1940 Act in connection with the proposed Substitution meet the standards of Section 17(b) of the 1940 Act and are necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

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BILLING CODE 8010-01-M

Issuer Delisting; Notice of Application to Withdraw From Listing and Registration (Fountain Powerboat Industries, Inc., Common Stock, \$0.01 Par Value); File No. 1-10316

September 12, 1996.

Fountain Powerboat Industries, Inc. ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified security ("Security") from listing and registration on the American Stock Exchange, Inc. ("Amex").

The reasons alleged in the application for withdrawing the Security from listing and registration include the following:

According to the Company, its Board of Directors unanimously approved resolutions on May 22, 1996 to withdraw the Security from listing on the Amex and instead, to list the Security on the National Association of Securities Dealers Automated Quotations National Market System ("Nasdaq NMS").

The decision of the Board followed a lengthy study of the matter and was based upon the belief that listing the Security on the Nasdaq NMS will be more beneficial to its stockholders than the present listing on the Amex because of the perceived greater liquidity of the Nasdaq NMS.

Any interested person may, on or before October 3, 1996 submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 96-23837 Filed 9-17-96; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-22218/File No. 812-10082]

Metropolitan Life Insurance Company, et al.

September 12, 1996.

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

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

APPLICANTS: Metropolitan Life Insurance Company ("Metropolitan Life") and Metropolitan Life Separate Account UL ("Account UL").

RELEVANT 1940 ACT SECTIONS: Order requested under Section 6(c) of the Act for exemptions from Section 27(a)(3) of the Act and Rule 6e-3(T)(b)(13)(ii) thereunder.

SUMMARY OF APPLICATION: Applicants seek an order to the extent necessary to permit the front-end sales charge imposed under certain flexible premium variable life insurance policies ("Policies") to be eliminated for payments in excess of one annual target premium in any Policy year.

FILING DATE: The application was filed on April 9, 1996.

HEARING OF NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing on this application by writing to the Secretary of the SEC and serving Applicants with a copy of the request, personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m., on October 7, 1996, 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 the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, c/o Christopher P. Nicholls, Esq., Metropolitan Life Insurance Company Law Department, One Madison Avenue, New York, NY 10010.

FOR FURTHER INFORMATION CONTACT: Joyce Merrick Pickholz, Senior Counsel,

or Patrice M. Pitts, Special Counsel, Office of Insurance Products, at (202) 942-0670.

SUPPLEMENTARY INFORMATION: Following is a summary of the application. The complete application is available for a fee from the Commission's Public Reference Branch.

Applicants' Representations

1. Metropolitan Life, incorporated under the laws of the State of New York in 1866, has been engaged in the life insurance business under its current name since 1868. Metropolitan Life is registered as a broker-dealer under the Securities Exchange Act of 1934 and is the principal underwriter for Account UL.

2. Account UL, established by Metropolitan Life pursuant to New York Insurance Law on December 13, 1988, is registered as a unit investment trust under the Act. There are currently seven investment divisions in Account UL. The assets of each investment division are invested in a separate class (or series) of stock issued by Metropolitan Series Fund, Inc. ("Fund"). Assets are allocated to Account UL from time to time in connection with flexible premium variable life insurance policies issued by Metropolitan Life in reliance on Rule 6e-3(T) under the Act, including the Policies.

3. The Policies provide for premium flexibility, together with a death benefit and a cash surrender value that may increase or decrease daily depending, in part, on the investment performance of the Fund.

4. The insurance proceeds, payable when the insured under the Policy dies, will equal the death benefit of the particular Policy, plus any additional rider benefits, minus any indebtedness under the Policy, and minus any due and unpaid charges accruing during a grace period. One of several death benefit options may be elected by the Policy owner.

5. The initial cash value of a Policy is the amount of premium allocated to Account UL and the Fixed Account, after deduction of the initial charges. The cash value increases or decreases daily depending on the investment experience of the investment division to which amounts are allocated, as well as interest declared for the Fixed Account.

6. The owner may surrender a Policy at any time while the insured is living. The cash surrender value is the cash value of a Policy less any indebtedness. The owner may also make partial withdrawals from a Policy, subject to certain restrictions.

7. A charge, currently equal to 2.25% of each premium payment, will be

deducted from each premium payment, representing an average rate expected to be paid on premiums received in all states over the lifetimes of the insureds covered by the Policies. This charge may be increased for Policies not yet issued, in order to correspond with changes in state premium tax levels.

8. A charge, currently equal to 1.20% of each premium payment will be deducted from each premium payment to cover the estimated cost of the federal income tax treatment of the Policies' deferred acquisition costs—commonly referred to as the "DAC tax." This charge may be increased, subject to certain conditions, for Policies not yet issued, in order to correspond with changes in the federal income tax treatment of the Policies' deferred acquisition costs.

9. A sales charge is deducted from each premium payment received by Metropolitan Life. The sales charge may be up to 9% of premiums paid in each of the first ten Policy years and up to 3% of premiums paid in each Policy year thereafter, until the total of such payments in each such Policy year equals one annual target premium. Under the Policies, the sales charge will be 0% for payments made in excess of one annual target premium in any Policy year. Currently, the annual target premium for the Policies is the estimated annual amount that satisfies the "7 pay" test for determining modified endowment status under the Internal Revenue Code. However, Manufacturers Life reserves the right to modify the definition of target premium for Policies issued in the future.

10. An administrative charge of up to 1.05% of premiums paid is deducted from all premium payments to compensate Metropolitan Life for expenses incurred in administering, issuing and underwriting the Policies. The administrative charge is reduced by 1% on the portion of any premium paid in a Policy year that exceeds the target premium.

11. At the present time, a charge of \$25, subject to certain exceptions, will be assessed against the cash value of a Policy when amounts are transferred among the investment divisions of Account UL, and between the investment divisions and the Fixed Account, more than six times in any Policy year. Metropolitan Life reserves the right in the future to assess a charge against all transfers.

12. A cost of insurance charge will be deducted monthly from cash value based upon Metropolitan Life's amount at risk under the Policy, the attained age and risk classification of the insured, the sex of the insured (with certain