

Dated: March 15, 1999.

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-2371; 812-11322]

The Brinson Funds, et al.; Notice of Application

March 17, 1999.

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

ACTION: Notice of application for exemption under sections 6(c) and 17(b) of the Investment Company Act of 1940 (the "Act") from section 17(a) of the Act.

SUMMARY OF APPLICATION: Applicants seek an order to permit redemptions in-kind of shares of certain registered investment companies by certain shareholders who are affiliated persons of the investment companies.

APPLICANTS: The Brinson Funds ("Brinson"), Brinson Relationship Funds (the "Trust"), and Brinson Partners, Inc. ("Partners").

FILING DATES: The application was filed on September 24, 1998, and amended on March 3, 1999.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on April 12, 1999 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 SEC's Secretary.

ADDRESSES: Secretary, SEC 450 5th Street, NW, Washington, D.C. 20549-0609. Applicants, Brinson Partners, Inc., 209 South LaSalle Street, Chicago, IL 60604-1295.

FOR FURTHER INFORMATION CONTACT: Lisa McCrea, Attorney Adviser, at (202) 942-0562, 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 SEC's Public Reference Branch, 450 5th Street, NW., Washington, DC 20549-0102 (tel. 202-942-8090).

Applicants' Representations

1. Brinson, a Delaware business trust, is an open-end management investment company registered under the Act, and currently consists of thirteen series (the "Brinson Funds"). The Trust, a Delaware business trust, is an open-end management investment company registered under the Act, and currently consists of seventeen series (the "Trust Funds"). The Brinson Funds, the Trust Funds, and other registered open-end management investment companies or series thereof that may in the future be advised by Partners or any person controlling, controlled by, or under common control with Partners, are referred to collectively as the "Funds."

2. Partners is registered as an investment adviser under the Investment Advisers Act of 1940. Partners provides investment advisory services to the Funds, and manages the daily investment and business affairs of the Funds, subject to the policies of the boards of trustees of Brinson and the Trust (the "Boards"). Each of the Boards has three trustees, all of whom are not "interested persons" as defined in section 2(a)(19) of the Act (the "Non-Interested Trustees").

3. The prospectuses of the Brinson Funds and the Trust Funds provide that, if condition exist which make cash payments undesirable, any request for redemption of a Fund's shares may be honored by making payment in whole or in part in securities. The payment would be made on a pro rata basis, monitored by Partners, which the securities valued in the same manner as they would be for purposes of computing the Fund's net asset value. This redemption procedure presently applies to all shareholders other than shareholders who are "affiliated persons" of the Funds within the meaning of section 2(a)(3) of the Act ("Non-Covered Shareholders").

4. Applicants request relief to permit the Funds to satisfy redemption requests made by shareholders who are "affiliated persons" of the Funds solely within the meaning of section 2(a)(3)(A) of the Act ("Covered Shareholders") because they own 5% or more of a Fund's outstanding shares by distributing portfolio securities in kind.

Applicant's Legal Analysis

1. Section 17(a)(2) of the Act makes it unlawful for an affiliated person of a registered investment company or an affiliated person of such a person, acting as principal, to knowingly "purchase" from such registered investment company any security or other property (except securities of which the seller is the issuer). Under section 2(a)(3)(A) of the Act, an "affiliated person" includes any person owning 5% or more of the outstanding voting securities of such other person. Applicants state that to the extent that an in-kind redemption could be deemed to involve the purchase of portfolio securities by a Covered Shareholder, the proposed redemption in-kind would be prohibited by section 19(a)(2).

2. Section 17(b) authorizes the SEC to exempt a proposed transaction from section 17(a) provided that: (a) the terms of the proposed transaction, including the consideration to be paid or received, are fair and reasonable and do not involve overreaching on the part of any person concerned; (b) the transaction is consistent with the policy of each registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act.

3. Section 6(c) of the Act provides that the SEC may exempt classes of persons or transactions from the Act, where an 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 Act.

4. Applicants request an order under sections 6(c) and 17(b) of the Act exempting them from the provisions of section 17(a) of the Act to permit Covered Shareholders to redeem their shares in-kind from the Funds. The requested order would not apply to redemptions by shareholders who are affiliated persons of the Fund within the meaning of sections 2(a)(3)(B) through (F) of the Act.

5. Applicants submit that the proposed transactions meet the standards set forth in sections 6(c) and 17(b) of the Act. Applicants assert that the terms of the proposed in-kind redemptions are reasonable and fair. Applicants state that Covered Shareholders who wish to redeem shares receive the same "in-kind" distribution of securities and cash on the same basis as Non-Covered Shareholders wishing to redeem shares. Applicants further state that the securities to be distributed in-kind will be valued in the same manner as that

used by each Fund to determine its net asset value.

6. Applicants state that the proposed in-kind redemptions are consistent with the investment policies of the Funds. Applicants also state that the proposed in-kind redemptions are consistent with the general purposes of the Act because there will not be discriminatory practices on the part of investment company affiliates to the detriment of other security holders.

Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. The portfolio securities distributed pursuant to a redemption in-kind (the "In-Kind Securities") will be limited to securities that are traded on a public securities market or for which quoted bid and asked prices are available.

2. The In-Kind Securities will be distributed on a pro-rata basis after excluding: (a) securities which, if distributed, would be required to be registered under the Securities Act of 1933; (b) securities issued by entities in countries which (i) restrict or prohibit the holding of securities by non-nationals other than through qualified investment vehicles, such as a Fund, or (ii) permit transfers of ownership of securities to be effected only by transactions conducted on a local stock exchange; and (c) certain portfolio assets (such as forward foreign currency exchange contracts, futures and options contracts and repurchase agreements) that, although they may be liquid and marketable, must be traded through the marketplace or with the counterparty to the transaction in order to effect a change in beneficial ownership. Cash will be paid for that portion of a Fund's assets represented by cash equivalents (such as certificates of deposit, commercial paper and repurchase agreements) and other assets which are not readily distributable (including receivable and prepaid expenses), net of all liabilities (including accounts payable). In addition, a Fund will distribute cash in lieu of securities held in its portfolio not amounting to round lots (or which would not amount to round lots if included in the in-kind distribution), fractional shares and accruals on such securities.

3. The In-Kind Securities will be valued in the same manner as they would be valued for purposes of computing a Fund's net asset value, which, in the case of securities traded on a public securities market for which quotations are available, is their last reported sales price on the exchange on which the securities are primarily

traded or the last sales price on the national securities market, or, if the securities are not listed on an exchange or the national securities market, or if there is no such reported price, the average of the most recent bid and asked price (or, if no such price is available, the last quoted bid price).

4. The Trusts' Boards, including a majority of the Non-Interested Trustees, will determine no less frequently than annually: (a) whether the In-Kind Securities, if any, have been distributed in accordance with conditions 1 and 2; (b) whether the In-Kind Securities, if any, have been valued in accordance with condition 3; and (c) whether the distribution of any such In-Kind Securities is consistent with the policies of each affected Fund as reflected in its prospectus. In addition, the Boards will make and approve such changes as they deem necessary in the procedures for monitoring the applicants' compliance with the terms and conditions of the application.

5. The relevant Funds will maintain and preserve for a period of not less than six years from the end of the fiscal year in which the proposed in-kind redemption occurs, the first two years in an easily accessible place, a written record of each such redemption setting forth a description of each security distributed, the identity of the Covered Shareholder, the terms of the distribution, and the information or materials upon which the valuation was made.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23743; File No. 812-11454]

Western Reserve Life Assurance Co. Of Ohio, et al.

March 17, 1999.

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

ACTION: Notice of application for an order under Section 6(c) the Investment Company Act of 1940 (the "1940 Act") granting relief from Rule 6e-2(c)(1) and from certain provisions of the Act and Rules thereunder specified in paragraph (b) of Rule 6e-2; and from Sections 2(a)(32) and 27(i)(2)(A) of the Act and Rules 6e-2(b)(12) and 22c-1.

APPLICANTS: Western Reserve Life Assurance Co. of Ohio ("Western Reserve"), WRL Series Life Account ("Western Reserve Separate Account"), PFL Life Insurance Company ("PFL"), Legacy Builder Variable Life Separate Account ("PLF Separate Account"), and AFSG Securities Corporation ("AFSG") (collectively, the "Applicants").

SUMMARY OF APPLICATION: Applicants seek exemptive relief to the extent necessary: (1) to permit them to offer and sell certain variable life insurance policies with modified single premiums ("Policies"); and (2) to permit other NASD member broker-dealers which may become the principal underwriter for such Policies ("Future Underwriters") to offer and sell such Policies.

FILING DATE: The application was filed on January 7, 1999.

HEARING OR NOTIFICATION OF HEARING: The Commission will issue an order granting the application 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, in person or by mail. The Commission should receive hearing requests by 5:30 p.m. on April 12, 1999, and the requests 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 requester's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. Applicants, c/o Thomas E. Pierpan, Esq., Western Reserve Life Assurance Co. of Ohio, 570 Carillon Parkway, St. Petersburg, Florida 33716; and Frank A. Camp, Esq., PFL Life Insurance Company, 4333 Edgewood Road, NE, Cedar Rapids, Iowa 52499.

FOR FURTHER INFORMATION CONTACT: Kevin P. McNery, Senior Counsel, or Susan M. Olson, Branch Chief, 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 is available for a fee from the SEC's Public Reference Branch, Mail Stop 1-2, 450 Fifth St., N.W., Washington, D.C. 20549-0102 (tel (202) 942-8090).