

out of the fee paid to the Adviser by a Fund.

3. Applicants request an order to permit the Adviser, subject to Board approval, to enter into and materially amend Sub-advisory Agreements without obtaining shareholder approval. The requested relief will not extend to any Sub-adviser that is an affiliated person, as defined in section 2(a)(3) of the Act, of the Fund or the Adviser, other than by reason of serving as a Sub-adviser to one or more of the Funds ("Affiliated Sub-adviser"). None of the current Sub-advisers is an Affiliated Sub-adviser.

Applicants' Legal Analysis

1. Section 15(a) of the Act provides, in relevant part, that it is unlawful for any person to act as an investment adviser to a registered investment company except under a written contract that has been approved by the vote of a majority of the company's outstanding voting securities. Rule 18f-2 under the Act provides that each series or class of stock in a series company affected by a matter must approve such matter if the Act requires shareholder approval.

2. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction or any class or classes of persons, securities, or transactions from any provisions of the Act, or from any rule thereunder, if and to the extent that such 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. Applicants believe that the requested relief meets this standard for the reasons discussed below.

3. Applicants state that the Funds' shareholders rely on the Adviser to select the Sub-advisers best suited to achieve a Fund's investment objectives. Applicants assert that, from the perspective of the investor, the role of the Sub-advisers is comparable to that of individual portfolio managers employed by traditional investment advisory firms. Applicants contend that requiring shareholder approval of each Sub-advisory Agreement would impose costs and unnecessary delays on the Funds, and may preclude the Adviser from acting promptly in a manner considered advisable by the Board. Applicants also note that each Advisory Agreement will remain subject to section 15(a) of the Act and rule 18f-2 under the Act.

Applicants' Conditions

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

1. Before a Fund may rely on the requested order, the operation of the Fund in the manner described in the application will be approved by a majority of the Fund's outstanding voting securities, as defined in the Act, or, in the case of a Fund whose public shareholders purchase shares on the basis of a prospectus containing disclosure contemplated by condition 2 below, by the initial shareholder(s) before offering shares of that Fund to the public.

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

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

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

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

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

7. The Adviser will provide general management services to each Fund,

including overall supervisory responsibility for the general management and investment of each Fund's assets, and, subject to review and approval by the Board, will (a) set the Fund's overall investment strategies; (b) evaluate, select, and recommend Sub-advisers to manage all or part of the Fund's assets; (c) when appropriate, allocate and reallocate a Fund's assets among multiple Sub-advisers; (d) monitor and evaluate the performance of Sub-advisers; and (e) implement procedures reasonably designed to ensure that the Sub-advisers comply with each Fund's investment objectives, policies and restrictions.

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

9. The requested order will expire on the effective date of rule 15a-5 under the Act, if adopted.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-26370]

Notice of Applications for Deregistration Under Section 8(f) of the Investment Company Act of 1940

February 27, 2004.

The following is a notice of applications for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of February, 2004. A copy of each application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth St., NW., Washington, DC 20549-0102 (tel. 202-942-8090). An order granting each application will be issued unless the SEC orders a hearing. Interested persons may request a hearing on any application by writing to the SEC's Secretary at the address below and

serving the relevant applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on March 23, 2004, and should be accompanied by proof of service on the applicant, 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 who wish to be notified of a hearing may request notification by writing to the Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549-0609. For Further Information Contact: Diane L. Titus at (202) 942-0564, SEC, Division of Investment Management, Office of Investment Company Regulation, 450 Fifth Street, NW, Washington, DC 20549-0504.

Readington Holdings, Inc. [File No. 811-10055]

Summary: Applicant, a closed-end investment company, seeks an order declaring that it has ceased to be an investment company. On December 23, 2003, applicant made a liquidating distribution to its shareholders, based on net asset value. The holders of applicant's Class A senior stock received a priority distribution, as provided in applicant's certificate of incorporation, prior to the remaining assets being distributed to the holders of applicant's Class B junior stock. Expenses of \$100,000 incurred in connection with the liquidation were paid by applicant.

Filing Date: The application was filed on February 12, 2004.

Applicant's Address: One Merck Dr., Whitehouse Station, NJ 08889.

The Kenwood Funds [File No. 811-7521]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On December 23, 2003, applicant transferred its assets to Profit Funds Investment Trust, based on net asset value. Expenses of \$65,260 incurred in connection with the reorganization were paid by the Kenwood Group, applicant's investment adviser, and Profit Investment Management, the acquiring fund's investment adviser.

Filing Dates: The application was filed on December 24, 2003, and amended on February 12, 2004.

Applicant's Address: 10 South La Salle St., Suite 3610, Chicago, IL 60603.

Mercury Index Funds, Inc. [File No. 811-9605]

Summary: Applicant seeks an order declaring that it has ceased to be an

investment company. On April 15, 2003, applicant made a liquidating distribution to its shareholders, based on net asset value. Expenses of \$5,200 incurred in connection with the liquidation were paid by Mercury Aggregate Bond Index Fund, applicant's sole remaining series.

Filing Dates: The application was filed on December 9, 2003, and amended on February 11, 2004.

Applicant's Address: 800 Scudders Mill Rd., Plainsboro, NJ 08536.

Gintel Fund [File No. 811-3115]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On October 31, 2003, applicant transferred its assets to The Tocqueville Fund series of The Tocqueville Trust, based on net asset value. Applicant has transferred certain claims arising out of the settlement of a securities litigation matter to a liquidating trust for the benefit of applicant's former shareholders. Any amounts ultimately paid to the liquidating trust in connection with this settlement will be distributed pro rata to applicant's former shareholders. Expenses of \$47,243 incurred in connection with the reorganization were paid by Gintel Asset Management, Inc., applicant's investment adviser, and Tocqueville Asset Management, L.P., the acquiring fund's investment adviser.

Filing Dates: The application was filed on December 23, 2003, and amended on February 10, 2004.

Applicant's Address: 500 B Monroe Turnpike, Box 141, Monroe, CT 06468.

Papp Focus Fund, Inc. [File No. 811-8601]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On January 28, 2004, applicant made a liquidating distribution to its shareholders, based on net asset value. Expenses of \$20,364 incurred in connection with the liquidation were paid by L. Roy Papp & Associates LLP, applicant's investment adviser.

Filing Date: The application was filed on February 3, 2004.

Applicant's Address: 6225 North 24th St., Suite 150, Phoenix, AZ 85016.

Phoenix Duff & Phelps Utilities Bond Fund, Inc. [File No. 811-9251]

Summary: Applicant, a closed-end investment company, 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 Date: The application was filed on October 24, 2003, and amended on February 3, 2004.

Applicant's Address: 55 East Monroe St., Chicago, IL 60603.

Acacia Life Insurance Co. [File No. 811-10369]

Summary: Applicant, a separate account of Acacia Life Insurance Company, seeks an order declaring that it has ceased to be an investment company. Applicant has not made any public offering of its securities and is not now engaged, or intending to engage, in any business activities other than those necessary for winding up its affairs.

Filing Dates: The application was filed on December 19, 2003, and amended on February 3, 2004.

Applicant's Address: 7315 Wisconsin Avenue, Bethesda, MD 20814.

Acacia Life Insurance Co. [File No. 811-10367]

Summary: Applicant, a separate account of Acacia Life Insurance Company, seeks an order declaring that it has ceased to be an investment company. Applicant has not made any public offering of its securities and is not now engaged, or intending to engage, in any business activities other than those necessary for winding up its affairs.

Filing Date: The application was filed on February 3, 2004.

Applicant's Address: 7315 Wisconsin Avenue, Bethesda, MD 20814.

Acacia Life Insurance Co. Regent 2001 [File No. 811-10403]

Summary: Applicant, a separate account of Acacia Life Insurance Company, seeks an order declaring that it has ceased to be an investment company. Applicant has not made any public offering of its securities and is not now engaged, or intending to engage, in any business activities other than those necessary for winding up its affairs.

Filing Dates: The application was filed on December 19, 2003, and amended on February 3, 2004.

Applicant's Address: 7315 Wisconsin Avenue, Bethesda, MD 20814.

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

Margaret H. McFarland,
Deputy Secretary.

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