

**Record Source Categories:**

Record source categories include, but are not limited to, individuals covered by the system, their attorneys, or other representatives; NRC; collection agencies or contractors; employing agencies of debtors; and Federal, State and local agencies.

**Systems Exempted From Certain Provisions of the Act:**

None.

Dated at Rockville, MD, this 4th day of April 1996.

For the Nuclear Regulatory Commission.  
James M. Taylor,

*Executive Director for Operations.*

[FR Doc. 96-9455 Filed 4-16-96; 8:45 am]

BILLING CODE 7590-01-P

[Docket No. 040-00501]

**Notice of Removal From the Site Decommissioning Management Plan for the Cleveland Works Facility of the Aluminum Company of America, Inc. (ALCOA)**

This notice is to inform the public that the Nuclear Regulatory Commission is removing the Cleveland Works Facility of the Aluminum Company of America (ALCOA) in Cleveland, Ohio, from the Site Decommissioning Management Plan (SDMP). ALCOA used thorium at this site from the early 1900s and under license No. C-5023 from the Atomic Energy Commission (AEC) from 1954 until 1961. Surveys performed in 1989 and 1990 showed thorium contamination at several locations on the facility. Fugitive depleted uranium from Chemetron, Inc., an adjoining facility to the east, was also found on the site. ALCOA began site remediation/clean-up in 1991 and completed remediation/clean-up in 1995. Based on: (1) Remedial actions taken by ALCOA and Chemetron, (2) the NRC staff's review of ALCOA and Chemetron termination surveys, (3) ALCOA information on previous thorium waste disposal practices, and (4) the results of the NRC's confirmatory surveys, the NRC concludes that remediation/clean-up activities are complete and the site is suitable for unrestricted use. Removal from the SDMP will be reopened only if additional contamination, or noncompliance with remediation commitments is found indicating a significant threat to public health and safety.

For further information, contact John Buckley, Office of Nuclear Material Safety and Safeguards, Washington, DC 20555, telephone: (301) 415-6607.

Dated at Rockville, Maryland, this 9th day of April, 1996.

For the Nuclear Regulatory Commission.  
Robert A. Nelson,  
*Acting Chief, Low-Level Waste and Decommissioning Projects Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards.*

[FR Doc. 96-9454 Filed 4-16-96; 8:45 am]

BILLING CODE 7590-01-P

**SECURITIES AND EXCHANGE COMMISSION**

**Proposed Collection; Comment Request**

Upon Written Request, Copies Available  
From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549

Extension: Rule 17a-11, SEC File No. 270-94, OMB Control No. 3235-0085

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission ("Commission") is publishing the following summaries of collections for public comment.

Rule 17a-11 requires broker-dealers to give notice when certain specified events occur. Specifically, the rule requires broker-dealers to send notice promptly (but within 24 hours) after the broker-dealer's aggregate indebtedness is in excess of 1,200 percent of its net capital, its net capital is less than 5 percent of aggregate debt items or its total net capital is less than 120 percent of the broker-dealer's required minimum net capital. In addition, broker-dealers are required to give notice that if they fail to make and keep current books and records required by Rule 17a-3 or if they discover any material inadequacy as defined in Rule 17a-5(g).

The notice required by the rule alerts the Commission and self-regulatory organizations ("SROs"), which have oversight responsibility over broker-dealers, to those firms having financial or operational problems.

Because broker-dealers are required to file pursuant to Rule 17a-11 only when certain specified events occur, it is difficult to develop a meaningful figure for the cost of compliance with Rule 17a-11. It is anticipated that approximately 650 broker-dealers will each spend 1 hour per year complying with Rule 17a-11. The total cost is estimated to be approximately 650 hours. With respect to those broker-dealers that must give notice under Rule 17a-11, the cost is approximately \$10

per response for a total annual expense for all broker-dealers of \$6,500.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549.

Dated: April 9, 1996.  
Margaret H. McFarland,  
*Deputy Secretary.*  
[FR Doc. 96-9404 Filed 4-16-96; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21887; No. 812-9818]

**Companion Life Insurance Company, et al.**

April 10, 1996.

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

**ACTION:** Notice of application for an order under the Investment Company Act of 1940 ("1940 Act").

**APPLICANTS:** Companion Life Insurance Company ("Companion Life"), Companion Life Separate Account C ("Separate Account"), and Mutual of Omaha Investors Services, Inc. ("Services").

**RELEVANT 1940 ACT SECTIONS:** Order requested under Section 6(c) of the 1940 Act granting exemptions from the provisions of Sections 2(a)(32), 22(c), 26(a)(2)(C), 27(c)(1), and 27(c)(2) of the Act and Rule 22c-1 thereunder.

**SUMMARY OF APPLICATION:** Applicants seek an order to permit the deduction of a mortality and expense risk charge and an enhanced death benefit charge from the assets of the Separate Account or any other separate account ("Other Accounts") established by Companion Life to support certain flexible premium individual deferred variable annuity contracts ("Contracts") as well as other

variable annuity contracts that are substantially similar in all material respects to the Contracts ("Future Contracts"). In addition, Applicants propose that the order extend to any broker-dealer other than Services, that may in the future serve as principal underwriter for the Contracts or Future Contracts, the same exemptions granted to Services ("Future Broker-Dealers"). Any such broker-dealer and will be registered under the Securities Exchange Act of 1934 ("1934 Act") as a broker-dealer and will be a member of the National Association of Securities Dealers, Inc. ("NASD").

**FILING DATE:** The application was filed on October 16, 1995 and was amended on April 4, 1996.

**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 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 May 6, 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 requestor'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 SEC.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 450 5th Street NW., Washington, D.C. 20549. Applicants, Kenneth W. Reitz, Esq., Mutual of Omaha Companies, Mutual of Omaha Plaza, 3-Law, Omaha, Nebraska 68175-1008.

**FOR FURTHER INFORMATION CONTACT:** Pamela K. Ellis, Senior Counsel, at (202) 942-0670, Office of Insurance Products (Division of Investment Management).

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

#### Applicants' Representations

1. Companion Life, a stock life insurance company, is incorporated in New York, and principally is engaged in the sale of life insurance and annuity policies in New York. Companion Life is a wholly owned subsidiary of United of Omaha Life Insurance Company. Both Companion and United of Omaha Life Insurance Company are Mutual of Omaha Companies.

2. The Separate Account is a separate account established by Companion Life

to fund the Contracts. The Separate Account is registered with the Commission as a unit investment trust under the 1940 Act, and the Contracts are registered as securities under the Securities Act of 1933.

3. Companion Life will establish for each investment option offered under the Contract a Separate Account subaccount ("Subaccount"), which will invest solely in a specific corresponding portfolio of certain designated investment companies ("Funds"). The Funds will be registered under the 1940 Act as open-end management investment companies. Each Fund series will have separate investment objectives and policies.

4. Services will serve as the distributor and principal underwriter of the Contracts, and also may serve in these capacities for the Future Contracts. Services, an affiliate of Companion Life, is registered under the 1934 Act as a broker-dealer and is a member of the NASD.

5. In addition, broker-dealers other than Services also may serve as distributors and principal underwriters of certain of the Contracts as well as the Future Contracts. Future Broker-Dealers will be registered under the 1934 Act as broker-dealers and will be members of the NASD.

6. The Contracts are individual flexible premium variable deferred annuity contracts. They may be purchased on a non-tax qualified basis ("Non-Qualified Contracts") or they may be purchased and used in connection with retirement plans or individual retirement accounts that qualify for favorable federal income tax treatment ("Qualified Contracts"). Both the Non-Qualified Contracts and the Qualified Contracts may be purchased with an initial premium of \$5,000, except under the electronic fund transfer program where the minimum initial purchase payment is \$2,000.<sup>1</sup> The minimum subsequent premium for both the Unqualified and Qualified Contracts is \$500 (or \$100 if made in connection with the electronic fund transfer program). Net purchase payments may be allocated to one or more of the Separate Account Subaccounts that have been established to support the Contracts. The Contracts also provide for the allocation of net purchase payments to the general account of Companion Life, where such purchase payments are credited with a predetermined fixed rate of interest.

7. The Contracts provide for a series of annuity payments beginning on the

annuity date. The Contract owner may select from several payout options which provide periodic annuity payments on a fixed basis.

8. The Contracts provide for a death benefit if the annuitant dies during the accumulation period. Any applicable premium taxes not previously deducted will be deducted from the death benefit payable. The standard death benefit is the greater of: (1) the accumulation value (without deduction of the contingent deferred sales charge, as defined below) on the later of the date on which due proof of death or an election of payout option is received by Companion Life's service office less any charge for applicable premium taxes; or (2) the sum of all net purchase payments, less any partial withdrawals. If the Contract owner elected the enhanced death benefit and dies before age 81, Companion Life will provide an enhanced death benefit that will equal the greater of: (1) the accumulation value as of the end of the valuation period during which due proof of death and an election of a payout option are received by Companion Life's service center; (2) the greatest anniversary value,<sup>2</sup> plus any subsequent net purchase payments and less any subsequent partial withdrawals; and (3) the sum of all net purchase payments less any partial withdrawals, accumulated at a 4.5% annual rate of interest, up to a maximum of two times each purchase payment. If the Contract owner elected the enhanced death benefit and dies after attaining age 81, the enhanced death benefit under the Contract will equal the greatest of:

(1) the accumulation value as of the end of the valuation period during which due proof of death and an election of a payout option are received by Companion Life's service center; (2) the greatest anniversary value up to the last Contract anniversary before the Contract owner attains age 81, plus any subsequent purchase payments and less any subsequent partial withdrawals; and (3) the sum of all net purchase payments paid prior to the last Contract anniversary before the Contract owner attained age 81, less any partial withdrawals, accumulated at a 4.5% annual rate of interest, up to a maximum of two times each purchase payment.

9. Certain charges and fees are assessed under the Contracts. There is no transfer fee charged for the first 12 transfers from Subaccounts of the Separate Account in each Contract year. Subsequent transfers within a Contract

<sup>1</sup> Companion Life reserves the right to increase or decrease these amounts.

<sup>2</sup> The anniversary value equals the accumulation value on the Contract anniversary.

year, however, will be assessed a fee of \$10 per transfer.

10. Companion Life will deduct an administration charge from each Subaccount of the Separate Account. The charge is equal, on an annual basis, to .20% of the net asset value of each Subaccount.

11. An annual policy fee of \$30 will be charged against each Contract. This charge will be deducted pro rata from each Subaccount in which the Contract owner is invested at the end of each Contract year prior to the annuity starting date (and upon a complete surrender) to compensate Companion Life for the administrative services provided to Contract owners. Currently, this fee is waived if the accumulation value exceeds \$50,000.

12. Applicants represent that the transfer fee, administration charge, and the annual policy fee will not increase regardless of the actual cost incurred. In addition, Applicants represent that these charges are at cost with no anticipation of profit.

13. A contingent deferred sales charge ("CDSC") may be imposed on certain withdrawals. The amount of the CDSC decreases annually from 7% to 0% over 8 Contract years. For the purposes of determining the CDSC, withdrawals will be allocated first to premiums on a first-in, first-out basis so that all withdrawals are allocated to premiums to which the lowest (if any) CDSC applies, then to earnings. In addition, there is a free withdrawal amount equal to up to 15% of accumulation value each Contract year. A CDSC also will not be applied on the annuity starting date if the accumulation value is applied after the second Contract anniversary to provide lifetime annuity payments. No CDSC will be imposed as a result of any death benefit payment, or, under Qualified Plans, any refund of contributions paid in excess of the Contract owner's deductible amounts. Applicants state that the CDSC will not increase.

14. Companion Life proposes to direct a daily mortality and expense risk charge. Companion Life represents that this charge is equal to an effective annual rate of 1.00% of the net asset value of the Separate Account, and that it will not increase. Of this amount, approximately .75% is for mortality risk and .25% is for expense risks.

15. Companion Life assumes the mortality risk that the life expectancy of the annuitant will be greater than that assumed in the guaranteed annuity purchase rates, thus requiring Companion Life to pay out more in annuity income than it had planned. Additional mortality risks assumed by Companion Life are that it will waive

the CDSC in the event of the death of the owner and Companion Life's contractual obligation to provide a standard and an enhanced death benefit prior to the annuity date. Thus, Companion Life assumes the risk that it may not be able to cover its distribution expenses and that the owner may die at a time when the amount of the death benefit payable exceeds the then net surrender value of the Contracts. The expense risk assumed by Companion Life is that the contract administration charge will be insufficient to cover the cost of administering the Contracts.

16. In the event the mortality and expense risk charges are more than sufficient to cover Companion Life's costs and expenses, any excess will be a profit to Companion Life. The cost of distributing the Contracts will be met from funds derived from the CDSC and from Companion Life's general account, which may include amounts derived from the mortality and expense risk charge.

17. There will be a charge made each year for expenses related to the enhanced death benefit. Companion Life deducts this charge through the cancellation of accumulation units at each Contract anniversary and at surrender to compensate it for the increased risks associated with providing the enhanced death benefit. The charge at full surrender will be a pro-rata portion of the annual charge. Companion Life guarantees that this charge will never exceed an annual rate of .35% of the average death benefit amount.<sup>3</sup>

18. If premium taxes are assessed, Companion Life may deduct a charge for aggregate premium taxes paid with respect to a particular Contract from purchase payments of from accumulation value (upon complete surrender, death of any Contract owner, or at the annuity starting date).

In addition, no charges are currently made for any other federal, state, or local taxes. Companion Life, however, may deduct charges for such taxes (or the economic burden thereof) from the Separate Account in the future. In such case, Companion Life will either seek exemptive relief to the extent necessary to permit the deduction of such taxes or treat those deductions as deductions of sales load.<sup>4</sup>

<sup>3</sup> The average death benefit amount is the mean of the death benefit amount on the most recent Contract anniversary and the death benefit amount on the immediately preceding Contract anniversary.

<sup>4</sup> Applicants represent that they will file an amendment to their application during the notice period to reflect this representation.

#### Applicants' Legal Analysis

1. 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.

2. Section 26(a)(2)(C) and 27(c)(2) of the 1940, in relevant part, prohibit a registered unit investment trust, its depositor or principal underwriter, from selling periodic payment plan certificates unless the proceeds of all payments, other than sales loads, are deposited with a qualified bank and held under arrangements which prohibit any payment to the depositor or principal underwriter except a reasonable fee, as the Commission may prescribe, for performing bookkeeping and other administrative duties normally performed by the bank itself.

3. Applicants request exemptions from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act to the extent necessary to permit the deduction from the net assets of the Separate Account and the Other Accounts in connection with the Contracts and Future Contracts of the 1.00% charge for the assumption of mortality and expense risks, and .35% of the average death benefit amount for the enhanced death benefit charge, and that the foregoing exemptions extend to Future Broker-Dealers.

4. Applicants assert that the terms of the relief requests with respect to any Future Contracts funded by the Separate Account or Other Accounts, as well as for Future Broker-Dealers, are consistent with the standards enumerated in Section 6(c) of the 1940 Act. Without the requested relief, Applicants would have to request and obtain exemptive relief for each new Other Account it establishes to fund any Future Contract, as well as for each Future Broker-Dealer that distributes the Contracts or the Future Contracts. Applicants submit that any such additional request for exemption would present no issues under the 1940 Act that have not already been addressed in this application, and that investors would not receive any benefit or additional protections thereby.

Applicants submit that the requested relief is appropriate in the public interest, because it would promote competitiveness in the variable annuity contract market by eliminating the need for Applicants to file redundant exemptive applications, thereby

reducing their administrative expenses and maximizing the efficient use of their resources. The delay and expense involved in having repeatedly to seek exemptive relief would reduce Applicant's ability effectively to take advantage of business opportunities as they arise.

Applicants further submit that the requested relief is consistent with the purposes of the 1940 Act and the protection of investors for the same reasons. Applicants thus believe that the requested exemption is 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 1.00% per annum mortality and expense risk charge is within the range of industry practice for comparable annuity contracts. This representation is based upon an analysis of publicly available information about similar industry products, taking into consideration such factors as, among others, the current charge levels and benefits provided, the existence of expense charge guarantees, guaranteed death benefits, and guaranteed annuity rates. Companion Life will maintain at its principal offices, available to the Commission, a memorandum setting forth in detail the products analyzed in the course of, and the methodology and results of, Applicants' comparative review.

6. Applicants also assert that the charge equal to an annual rate of .35% of the average death benefit amount for Contracts and Future Contracts issued with the enhanced death benefit is reasonable in relation to the risks assumed by Companion Life. In arriving at this determination, Companion Life projected its expected cost in providing this benefit by using the price of put options which could be used to hedge the risk inherent in providing the enhanced death benefit. Companion Life undertakes to maintain at its home office a memorandum, available to the Commission, setting forth in detail the methodology used in determining that the risk charge equal to an annual rate of .35% of the average death benefit amount under certain Contracts and Future Contracts for the enhanced death benefit is reasonable in relation to risks assumed by Companion Life under the Contracts and Future Contracts.

7. Companion Life has concluded that there is a reasonable likelihood that the Separate Accounts and Other Accounts' proposed distribution financing arrangements will benefit the Separate Accounts and their investors. Companion Life represents that it will

maintain and make available to the Commission upon request a memorandum setting forth the basis of such conclusion.

8. The Separate Account and Other Accounts will be invested only in management investment companies that undertake, in the event the company should adopt a plan for financing distribution expenses pursuant to Rule 12b-1 under the 1940 Act, to have such plan formulated and approved by the company's board members, the majority of whom are not "interested persons" of the management investment company within the meaning of Section 2(a)(19) of the 1940 Act.

9. Section 2(a)(32) of the 1940 Act defines a redeemable security as any security under the terms of which the holder, upon its presentation to the issuer, is entitled to receive approximately his proportionate share of the issuer's current net assets, or the cash equivalent thereof. Sections 22(c) and 27(c)(1) of the 1940 Act and Rule 22c-1 thereunder, in pertinent part, prohibit a registered investment company, its depositor, or principal underwriter, from selling periodic payment plan certificates unless such certificates are redeemable securities.

10. Applicants request exemptions from Sections 2(a)(32), 22(c), and 27(c)(1) of the 1940 Act, and Rule 22c-1 thereunder, to permit the deduction upon surrender of the prorated enhanced death benefit charge equal to .35% of the average death benefit.

11. Applicants assert that the enhanced death benefit charge is assessed to compensate Companion Life for the increased risk it bears if the Contract owner elects the enhanced death benefit. The death benefit represents an optional insurance benefit that Companion Life may provide through the life of the Contract or Future Contract for which it is entitled to receive compensation. Normally, the enhanced death benefit charge accrues each Contract year and is deducted retroactively on each Contract anniversary, for that prior Contract year. By deducting a prorated enhanced death benefit charge upon a Contract owner's surrender, Companion Life is compensated by the Contract owner for the additional risk the company bears during the period between the last Contract anniversary and the date of surrender.

12. Applicants further assert that the assessment of the prorated enhanced death benefit charge upon surrender does not alter a Contract owner's current net asset value. As previously discussed, Companion Life deducts the enhanced death benefit charge through

the cancellation of a Contract owner's accumulation units. Accordingly, the assessment of the prorated enhanced death benefit charge upon surrender, or at any other time during the life of a Contract or Future Contract, will not alter the Contract or Future Contract's current net asset value.

13. In addition, Applicants assert that the assessment of a prorated enhanced death benefit charge upon a Contract owner's surrender, which is fully disclosed in the prospectus for the Contract, should not be construed as a restriction on redemption. Applicants maintain that the Contracts and Future Contracts are and will be redeemable securities and that the imposition of the prorated enhanced death benefit charge upon surrender represents nothing more than the proportionate deduction of an insurance charge that could otherwise be deducted daily through the life of the Contract or Future Contract. Moreover, as stated previously, Applicants only assess the charge if the Contract owner has elected the enhanced death benefit.

#### Conclusion

For the reasons set forth above, Applicants represent that the exemptions requested are necessary and 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.*

[FR Doc. 96-9402 Filed 4-16-96; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21885; 812-9972]

#### UAM Funds, Inc., et al.; Notice of Application

April 10, 1996.

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

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

**APPLICANTS:** UAM Funds, Inc., UAM Funds Trust, AEW Commercial Mortgage Securities Fund, Inc., ("AEW") (collectively, the "Existing Funds"); Acadian Asset Management, Inc., Aldrich, Eastman & Waltch, L.P., Barrow, Hanley, Mewhinney & Strauss, Inc., C.S. McKee & Company, Inc., Cambiar Investors, Inc., Chicago Asset Management Company, Cooke & Bieler, Inc., Dewey Square Investors Corp.,