

application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (tel: 202-942-8090).

Applicants' Representations

1. The Fund is an open-end management investment company organized under the laws of the State of Delaware in 1997 and registered under the Act. The Fund consists of 17 series and is designed primarily for institutional investors.

2. GEAM is an investment adviser registered under the Investment Advisers Act of 1940 and serves as the investment adviser to the Fund. GEAM is a direct wholly-owned subsidiary of General Electric Company ("GE").

3. GE Capital Asset Maintenance Plan Master Trust and Asset Management Plan for GE Affiliated Companies (the "Affiliated Investors") are qualified retirement plans and trusts maintained by GE and its affiliates. The Affiliated Investors currently own more than 5% of certain series of GE Funds ("Redeeming Series"), an open-end management investment company organized under the laws of the Commonwealth of Massachusetts in 1992 and registered under the Act.¹ GE Funds offers shares primarily to retail and smaller institutional investors who generally do not meet the requirements for investment in the Fund. The Affiliated Investors first invested in GE Funds in 1995.

4. Applicants propose that the Affiliated Investors redeem in-kind all of their shares of the Redeeming Series and immediately invest all the proceeds of the redemptions in corresponding series of the Fund ("Fund Series") with substantively the same investment objectives and strategies as the Redeeming Series (the "Purchase").² The Purchase will occur as soon as practicable after the relief requested in the application is granted or on November 1, 2000, whichever is later.³ The securities to be delivered to the

Fund in connection with the Purchase will be valued in the same manner as they would be valued for purposes of computing the net asset value for the Fund Series. The Affiliated Investors have determined to redeem their interests in the Redeeming Funds and invest in the corresponding Fund Series to benefit from the lower fund operating expenses of the Fund Series. Applicants state that, since the Affiliated Investors are pension plans, it is expected that they will be long-term investors in the Fund.

Applicants' Legal Analysis

1. Section 17(a)(1) of the Act, in pertinent part, prohibits an affiliated person of a registered investment company, or any affiliated person of such person, acting as principal, from selling to or purchasing from such registered investment company, any security or other property.

2. Section 2(a)(3)(C) of the Act defines an "affiliated person" of another person to include any person directly or indirectly controlling, controlled by, or under common control with, such other person, and if the other person is an investment company, any investment adviser of the company. Applicants state that the Affiliated Investors may be deemed to be controlled by or under common control with the Fund's investment adviser by virtue of being a pension plan sponsored by GE or a GE-affiliated entity. The Affiliated Investors, therefore, are affiliated persons of the Fund, and the Purchase may be prohibited by section 17(a) of the Act.

3. Section 17(b) of the Act provides that the SEC shall exempt a transaction from the restrictions of section 17(a) if evidence establishes that 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; the proposed transaction is consistent with the policy of each registered investment company concerned, as recited in its registration statement and reports filed under the Act; and the proposed transaction is consistent with the general purposes of the Act.

4. Applicants submit that the terms of the Purchase satisfy the standards set forth in section 17(b). Applicants state that Fund's board of trustees ("Board"), including all of the non-interested trustees, has determined that the Purchase is in the best interests of the shareholders of the Fund Series. Applicants also state that the Purchase will comply with rule 17a-7(c) and (d)

of the Act and the conditions set forth below.

Applicants' Conditions

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

1. The securities to be transferred to the Fund Series in the Purchase will be valued in the same manner as they would be valued for purposes of computing the Fund Series' net asset values.

2. At the next regular meeting following the Purchase, the Board, including a majority of the disinterested trustee, will determine (a) whether the securities transferred in the Purchase were valued in accordance with condition 1; and (b) whether the acquisition of the securities was consistent with the policies of the Fund Series as reflected in their registration statements and reports filed under the Act.

3. The Fund will maintain and preserve for a period of not less than six years from the end of the fiscal year in which the Purchase occurs, the first two years in an easily accessible place, a written record of the Purchase setting forth a description of each security transferred, the terms of the transfer, and the information or materials upon which the determinations required by condition 2 were made.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-26033 Filed 10-10-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Rel No. IC-24675; 812-12176]

Scudder Pathway Series, et al; Notice of Application

October 3, 2000.

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

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

Summary of Application: Applicants request an order to permit Scudder Income Fund ("Income"), a series of Scudder Portfolio Trust (the "Trust"), to acquire substantially all of the assets and all of the liabilities of Scudder Corporate Bond Fund ("Corporate Bond"), also a series of the Trust (the "Reorganization"). Because of certain

¹ As of June 30, 2000, the Affiliated Investors owned 11.27% of the GE Funds International Equity Fund, 7.25% of the GE Funds U.S. Equity Fund, 8.87% of the GE Funds Strategic Investment Fund, and 5.02% of the GE Funds Fixed Income Fund.

² The Redeeming Series will rely on and adhere to all of the conditions enumerated in the no-action letter issued by SEC staff to *Signature Financial Group, Inc.* (publicly available Dec. 28, 1999) in connection with the redemptions in-kind of the Affiliated Investors' shares in the Redeeming Series.

³ The Affiliated Investors will purchase shares of the following Fund Series with the proceeds of their redemptions: GE Institutional International Equity Fund, GE Institutional U.S. Equity Fund, GE Institutional Strategic Investment Fund and GE Institutional Fixed Income Fund.

affiliations, applicants may not rely on rule 17a-8 under the Act.

Applicants: Scudder Pathway Series ("Pathway"), the Trust, and Scudder Kemper Investments, Inc. ("Scudder Kemper").

Filing Dates: The application was filed on July 21, 2000 and amended on October 2, 2000.

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 October 26, 2000, 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 who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants, Two International Place, Boston, Massachusetts, 02110.

FOR FURTHER INFORMATION CONTACT: Julia H. Kim, Senior Counsel, at (202) 942-0528, or Janet M. Grossnickle, Branch Chief, 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 Fifth Street, NW., Washington, DC 20549-0102 (tel. 202-942-8090).

Applicants' Representation

1. The Trust, a Massachusetts business trust, is registered under the Act as an open-end management investment company and currently offers four series. Corporate Bond and Income (each a "Fund," and together, the "Funds") are two of the four series of the Trust. Pathway, a Massachusetts business trust registered under the Act as an open-end management investment company, has three series, each of which operates as a fund of funds pursuant to an order from the SEC.¹ One series offered by pathway, the Balanced Portfolio, owns more than 5% of the outstanding voting shares of each of Corporate Bond and Income. Scudder Kemper, a Delaware corporation, is

registered as an investment adviser under the Investment Advisers Act of 1940, and serves as the investment adviser to the Funds and Pathway.

2. On February 7, 2000, the board of trustees of the Trust (the "Board"), including the trustees who are not "interested persons," as defined in section 2(a)(19) of the Act ("Independent Trustees"), unanimously approved an agreement and plan of reorganization (the "Plan") between the Funds. Under the Plan, Income will acquire all or substantially all of the assets and all of the liabilities of Corporate Bond, in exchange for Class S shares of Income (the "Reorganization"). The shareholders of Corporate Bond will receive Class S shares of Income having an aggregate net asset value equal to the aggregate net asset value of Corporate Bond shares held by the shareholders, as determined at the close of business on the business day immediately preceding the day of the closing of the Reorganization ("Closing Date"). The value of the assets of the Funds will be determined in accordance with the valuation procedures described in each Fund's then-current prospectus and statement of additional information. Corporate Bond will distribute Class S shares of Income, pro rata, to Corporate Bond's shareholders and will liquidate. The Closing Date is expected to be at the end of October.

3. Applicants state that the investment objectives and policies of Income and Corporate Bond are substantially similar and that both have identical investment restrictions. No sales charges will be imposed on Corporate Bond shareholders in connection with the Reorganization.

4. The Board, including the Independent Trustees, determined that the Reorganization is in the best interests of each Fund and its shareholders, and that the interests of the existing shareholders of each Fund would not be diluted by the Reorganization. In assessing the Reorganization, the Board considers various factors, including: (a) The fee and expense ratios of the Funds; (b) the terms and conditions of the Reorganization; (c) compatibility of each Fund's investment objectives, policies, and restrictions; (d) Scudder Kemper's agreement to provide administrative services at a fixed rate for an initial three-year term; (e) the services available to the shareholders of the Funds; (f) the costs of the Reorganization; (g) the prospects for Income to attract additional assets; (h) the tax consequences of the Reorganization; and (i) the investment performances of the Funds. Scudder

Kemper will bear Corporate Bond's costs associated with the Reorganization. Income will bear up to \$450,559 for its share of Reorganization costs, with Scudder Kemper paying any Reorganization costs allocated to Income in excess of \$450,559.

5. The Reorganization is subject to a number of conditions, including that: (a) The Plan is approved by the shareholders of Corporate Bond; (b) the Funds receive an opinion of counsel that all regulatory consents, authorizations, approvals or filings have been obtained or made; (c) all consents of other parties have been obtained; (d) that all representations and warranties of the Trust on behalf of each Fund in the Plan be true and correct in all material respects; (e) Income adopt a new investment management agreement and enter into an administrative services agreement with Scudder Kemper, each in a form reasonably satisfactory to Corporate Bond; and (f) the Funds receive an opinion from counsel that the Reorganization will be tax-free. Either Fund may terminate the Plan upon a material breach of the Plan by the other or if any condition set forth in the Plan has not been fulfilled or waived by the party entitled to its benefits. Applicants agree not to make any material changes to the Plan without prior Commission approval.

6. A registration statement on Form N-14 containing a combined prospectus/proxy statement was filed with the Commission on March 3, 2000 and became effective on April 7, 2000. Proxy solicitation materials were mailed to Corporate Bond shareholders on or about April 18, 2000, and definitive proxy materials were filed with the Commission on April 25, 2000. The shareholders of Corporate Bond approved the Plan at a special meeting held on July 13, 2000.

Applicants' Legal Analysis

1. Section 17(a) of the Act generally prohibits an affiliated person of a registered investment company, or an affiliated person of that person, acting as principal, from selling any security to, or purchase any security from, that company. Section 2(a)(3) of the Act defines an "affiliated person" of another person to include (a) any person directly or indirectly owning, controlling, or holding with power to vote 5% or more of the outstanding voting securities of the other person; (b) any person 5% or more of whose outstanding voting securities are directly owned a controlled or held with power to vote by the other person; (c) any person directly or indirectly controlling, controlled by or under common control with the other

¹ Scudder Global Fund, Inc., Investment Company Act Rel. No. 222104 (July 26, 1996) (notice) and 22168 (August 23, 1996) (order).

person; and (d) if the other person is an investment company, any investment adviser of that company.

2. Rule 17a-8 under the Act generally exempts from the prohibitions of section 17(a) mergers, consolidations, or purchases or sales of substantially all of the assets of registered investment companies that are affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers, provided that certain conditions set forth in the rule are satisfied. Applicants believe that they may not be able to rely on rule 17a-8 in connection with the Reorganization because the Funds may be deemed to be affiliated by reasons other than those set forth in the rule. Applicants state that the Balanced Portfolio of Pathway owns more than 5% of the outstanding voting securities of each of the Funds and did not use mirror or pass-through voting when it voted its Corporate Bond shares in favor of the Reorganization.

3. Section 17(b) of the Act provides, in relevant part, that the Commission may exempt a transaction from the provisions of section 17(a) if the evidence establishes that 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, and that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

4. Applicants request an order under section 17(b) of the Act exempting them from section 17(a) to the extent necessary to consummate the Reorganization. Applicants submit that the Reorganization satisfies the standards of section 17(b) of the Act. Applicants also state that the Board, including the Independent Trustees, determined that the participation of each Fund in the Reorganization is in the best interests of each Fund and its shareholders and that such participation will not dilute the interests of shareholders of each Fund. Applicants further state that the terms of the Reorganization are fair and reasonable and do not involve overreaching. In addition, applicants state that the Reorganization will be based on the Funds' relative net asset values.

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

Margaret H. McFarland,

Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

Announcement of SBA Export Express—a New Pilot Loan Guaranty Program for Exporters

Department of Commerce statistics indicate that small businesses with fewer than 20 employees represent approximately 65 percent of all exporters in the U.S. The SBA recognizes that many of these exporters have financing needs that are too small to be met profitably by traditional lending sources. SBA is mandated under the Small Business Act to increase the access of small businesses to capital for the purpose of fostering international trade. To that end, the Agency has developed a pilot loan guaranty program called SBA Export Express. This pilot will streamline the processing of small export loans by allowing a lender to use its own documents based on its use of established and proven credit review and analysis procedures for loans of similar size and type. SBA Export Express is a sub-program of SBAExpress, conforming to its already established policies and procedures. Its difference from SBAExpress lies in its exclusive focus on existing and potential small business exporters.

To be eligible for this pilot loan guaranty program, an applicant must demonstrate that loan proceeds will enable their company to enter a new export market or expand an existing export market. To fulfill this requirement, a business plan must be submitted to the lender with information provided to establish a reasonable likelihood of expanded export sales. In addition, applicants must have been in operation, though not necessarily in exporting, for at least 12 months.

SBA Export Express proceeds are to be used by small businesses to develop or expand their export markets. SBA Export Express proceeds may be used to finance: standby letters of credit that are used as bid or performance bonds; revolving lines of credit for export purposes; term loans; and other financing to enable small business concerns, including small business export trading companies and export management companies, to develop

foreign markets. Proceeds may also be used for the acquisition, construction, renovation, modernization, improvement or expansion of productive facilities or equipment to be used in the United States in the production of goods or services involved in international trade.

To encourage participating lenders to address more aggressively the needs of small business exporters, SBA's percent of loan guaranty under SBAExpress will be the same as that for the regular 7(a) loans, or currently 75 percent (80 percent if the loan amount is \$100,000 or less). The maximum loan amount eligible for SBA Export Express will be \$150,000.

Recognizing that technical assistance can be crucial to the success of small business exporters, the SBA Export Express program requires a technical assistance component, delivered through the SBA personnel at U.S. Export Assistance Centers (USEACs). This assistance may include training offered by: the Export Trade Assistance Partnership (ETAP) Program; International Trade Centers (located at Small Business Development Centers); Service Corps of Retired Executives; District Export Councils; or the Export Legal Assistance Network (E-LAN).

Participation in the SBA Export Express program will be granted to any lender that has been approved for participation in SBAExpress. SBA Export Express will adopt the abbreviated SBAExpress loan application, which will be submitted to the Agency's centralized processing center in Sacramento. The processing center will determine the borrower's eligibility and issue a SBA loan number.

FOR FURTHER INFORMATION CONTACT: Paul Kirwin of SBA at 202-205-7261.

Dated: July 17, 2000.

Jeanne Sclater,

Associate Deputy Administrator for Capital Access.

[FR Doc. 00-25992 Filed 10-10-00; 8:45 am]

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SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Proposed Request and Comment Request

In compliance with Public Law 104-13, the Paperwork Reduction Act of 1995, SSA is providing notice of its information collections that require submission to the Office of Management and Budget (OMB). SSA is soliciting comments on the accuracy of the agency's burden estimate; the need for