SECURITIES AND EXCHANGE COMMISSION

Request for Public Comment Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, D.C. 20549

Existing Collection of Information: Rule 10a–1, SEC File No. 270–413, OMB Control No. 3235-new

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 summary of collection for public comment.

Rule 10a–1 (17 CFR 240.10a–1) under the Securities Exchange Act of 1934 (''Exchange Act'') is intended to limit short selling of a security in a declining market, by requiring, in effect, that each successive lower price be established by a long seller. The price at which short sales may be effected is established by reference to the last sale price reported in the consolidated system or on a particular marketplace. Rule 10a–1 requires each broker or dealer that effects any sell order for a security registered on, or admitted to unlisted trading privileges, on a national securities exchange to mark the relevant order ticket either ''long'' or ''short.''

There are approximately 1,500 brokers and dealers registered with the national securities exchanges. The Commission has considered each of these respondents for the purposes of calculating the reporting burden under Rule 10a–1. Each of these approximately 1,500 registered broker-dealers effects sell orders for securities registered on, or admitted to unlisted trading privileges, on a national securities exchange. In addition, each respondent makes an estimated 55,663 annual responses, for an aggregate total of 83,493,861 responses per year. Each response takes approximately .000143 hours to complete. Thus, the total compliance burden per year is 11,902 burden hours.

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 calrity 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, N.W., Washington, DC 20549.

Dated: July 22, 1996.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–19568 Filed 7–31–96; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–22103; No. 812–9692]

ITT Hartford Life and Annuity Insurance Company, et. al.

July 26, 1996.

AGENCY: Securities and Exchange Commission (''Commission'').

ACTION: Notice of Application for an Order pursuant to the Investment Company Act of 1940 (the ''1940 Act'').

APPLICANTS: ITT Hartford Life and Annuity Insurance Company (''ITT Hartford''), Separate Account VL I of ITT Hartford Life and Annuity Insurance Company (the ''Account''), and Hartford Equity Sales Company (''HESCO'').

RELEVANT 1940 ACT SECTIONS: Order requested pursuant to Section 6(c) of the 1940 Act granting exemptions from Section 27(a)(3) thereof and Rules 6e–3(T)(b)(13)(ii) and 6e–3(T)(d)(1)(ii) thereunder.

SUMMARY OF APPLICATION: Applicants request an order to permit ITT Hartford, through the Account, to issue certain flexible premium variable life insurance contracts (''Contracts'') that provide for a front-end sales loan on premium payments in any given contract year up to a maximum amount (''Maximum Sales Load Premium'') and no sales load on premiums in excess of such Maximum Sales Load Premium (''Excess Premiums'') in any given contract year. Applicants also request exemptive relief to permit ITT Hartford, though separate accounts it establishes in the future, to issue flexible premium variable life insurance contracts that are materially similar to the Contracts.

FILING DATE: The application was filed on July 26, 1995, and amended on June 6, 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 Secretary of the Commission 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 August 20, 1996, and must 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 Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 5th Street, N.W., Washington, D.C. 20549. Applicants, c/o Scott K. Richardson, Assistant Counsel, ITT Hartford Insurance Companies, P.O. Box 2999, Hartford, Connecticut 06104–2999.

FOR FURTHER INFORMATION CONTACT: Kevin M. Kirchoff, Senior Counsel, or Patrice M. Pitts, Special Counsel, Office of Insurance Products (Division of Investment Management), at (202) 942–0670.

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

Applicants' Representations

1. ITT Hartford is a stock life insurance company engaged in the business of writing annuities and both individual and group life insurance in the District of Columbia and all states except New York. ITT Hartford is a wholly-owned subsidiary of Hartford Life Insurance Company.

2. The Account was established as a separate account of ITT Hartford on June 8, 1995, pursuant to the insurance law of the State of Connecticut. The Account is registered with the Commission pursuant to the 1940 Act as a unit investment trust. The Account presently consists of twenty-two subaccounts (''Subaccounts''), each of which will invest exclusively in certain open-end management investment companies.

3. HESCO, the principal underwriter for the Contracts, is registered as a broker-dealer pursuant to the Securities Exchange Act of 1934, and is a member of the National Association of Securities Dealers, Inc.

4. The Contracts are flexible premium variable life insurance policies. Contract owners choose the amount of premiums

they intend to pay (''Scheduled Premiums'') within a range determined by ITT Hartford based on a variety of factors, including the face amount of the Contract, the insured's sex (except where unisex rates apply), age at issue, and risk classification. Contract owners also may pay other premiums at any time (''Unscheduled Premiums''), subject to certain restrictions. The cash value under a Contract will, and the death benefit may, increase or decrease depending on the investment experience of the Subaccounts to which the premium payments have been allocated.

5. The Guideline Annual Premium, as provided by Rule 6e–3(T)(c)(8)(i), is the level annual premium necessary to provide the future benefits under the Contract through maturity, based on certain specified assumptions, which include mortality charges based on the 1980 Commissioners' Standard Ordinary Mortality Smoker or Non-Smoker Table, age last birthday, and assured annual net rate of return of at least 5 percent per year, and a reduction of the guaranteed fees and changes specified in the policy.

6. During a period which begins on the date the Contract is effective and continues for one to ten years as selected by the Contract owner (''Guarantee Period''), ITT Hartford will guarantee that the Contract will not lapse, regardless of the investment experience of the Subaccounts, if the Contract owner pays the Scheduled Premiums when due. In addition, Unscheduled Premiums will be allowed during the Guarantee Period. If the Contract owner does not pay all Scheduled Premiums during the Guarantee period, the Contract will stay in force as long as an amount calculated under the Contract exceeds the indebtedness under the Contract.

7. The Contracts provide for the payment of a death benefit to the beneficiary when the insured dies. The death benefit equals the death benefit less any indebtedness under the Contract and any due and unpaid monthly deduction amount occurring during a grace period.

8. ITT Hartford deducts a sales load from premium payments prior to allocating them to the account value of a Contract. The amount of the deduction is calculated using a percentage of the premiums paid during each Contract year, as specified in the Contract. The amount of the front-end sales load will be based on the amount of the Scheduled Premiums for the Contract, the Guarantee Period, and any Unscheduled Premiums paid. The maximum front-end sales load applied to any premium in the first Contract year will be 50 percent of the amount of premiums paid during the first Contract year, subject to the limits described below. Also subject to certain limits, the maximum front-end sales load in a Contract year will be 11 percent of premiums paid during Contract years two through ten and 3 percent of premiums paid in Contract years eleven and beyond.

9. No front-end sales load in excess of the Guideline Annual Premium will be imposed under the Contracts on premium payments in any Contract year. In the first Contract year, no sales load will be imposed on premiums that exceed the Scheduled Premium, if it is less than the Guideline Annual Premium. The maximum amount of a premium payment subject to a front-end sales load is the ''Maximum Sales Load Premium.''

10. A contingent deferred sales charge will be assessed against the account value of a Contract prior to a lapse or surrender if the Contract lapses or is surrendered within the first nine years (''Surrender Charge''). The amount of the Surrender Charge applicable to the first Contract year under a Contract will be established by ITT Hartford and will decrease by an equal amount each Contract year until it reaches zero during the tenth year. Generally, the shorter the Guarantee Period under a Contract, the lower the Surrender Charge that will apply to the Contract.

11. The aggregate of the front-end sales load and Surrender Charge assessed will not exceed 180 percent of the Guideline Annual Premium, or nine percent of the sum of the Guideline Annual Premium that would be paid over a twenty year period. In cases where the anticipated life expectancy of the insured named in the Contract is less than twenty years, the total sales load will be reduced to nine percent of the sum of the Guideline Annual Premium for the shorter period.

12. If a Contract is surrendered during the first two Contract years, the Contract owner may be entitled to a refund of some of the front-end sales load or Surrender Charge assessed. The refund will be equal to the excess, if any, of the actual front-end sales load and Surrender Charge assessed under the Contract over:

(a) the sum of 30 percent of the aggregate premium payments less than or equal to one Guideline Annual Premium plus 10 percent of such payments greater than one, but not more than two, Guideline Annual Premium(s); and

(b) 9 percent of each premium payment exceeding two Guideline Annual Premiums.

13. On a designated date each month, ITT Hartford will deduct from the account value, from the fixed account and each of the Subaccounts funding a Contract on a pro-rata basis, the following charges:

(a) a cost of insurance charge;

(b) a mortality and expense risk charge that varies proportionately from .90 percent of account value annually for a Contract with a one-year Guarantee Period to .60 percent for a Contract with a ten-year Guarantee Period;

(c) an administrative charge of $8.33 per month initially, guaranteed not to increase during the Guarantee Period, and guaranteed not to exceed $12.00 per month after the Guarantee Period;

(d) during the first Contract year, a monthly charge for underwriting and issuance costs of $8.33 per month, plus an amount that varies based on the age of the insured and the initial face amount of the Contract;

(e) a percentage of each premium to pay premium taxes, varying by locale, depending on tax rates in effect; [1]

(f) if applicable, charges for additional benefits provided by riders to the Contract; and

(g) if applicable, a charge for a special insurance class rating of the insured.

Applicants' Legal Analysis

1. Pursuant to Section 6(c) of the 1940 Act, the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities or transactions, from any provision or provisions of the 1940 Act or from any rule or regulation 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 1940 Act.

2. Section 27(a)(3) of the 1940 Act provides, in effect, that the amount of sales charge deducted from any of the first twelve monthly payments on a periodic payment plan certificate by any registered investment company issuing such certificates or any depositor or underwriter for such company may not exceed proportionately the amount deducted from any other such payment and that the amount deducted from any subsequent payment may not exceed proportionately the amount deducted from any other subsequent payment (''stair-step'' provisions).

[1] Currently, no charge is assessed for Federal, state and local income taxes attributable to premiums, however ITT Hartford reserves the right to assess such a charge in the future.

3. Rules 6e–3(T)(b)(13)(ii) and 6e–3(T)(d)(1)(ii) provide exemptions from Section 27(a)(3), provided that the proportionate amount of sales charge deducted from any payment does not exceed the proportionate amount deducted from any prior payment, unless an increase is caused by reductions in the annual cost of insurance or reductions in sales load for amounts transferred to a variable life insurance contract from another plan of insurance.

4. Under the sales load structure of the Contracts, in any given year no front-end sales load will be deducted from premiums paid in excess of the Maximum Sales Load Premium. Thus, a Contract owner could pay a premium in any given Contract year from which no front-end sales load deduction is made (because cumulative premiums paid that year exceeded the Maximum Sales Load Premium), then pay the initial premium in the next Contract year from which a front-end sales load will be deducted. The exemptions from Section 27(a)(3) of the 1940 Act provided by Rules 6e–3(T)(b)(13)(ii) and 6e–3(T)(d)(1)(ii) do not appear to provide relief under these circumstances. Accordingly, pursuant to Section 6(c), Applicants request an exemption from the provisions of Section 27(a)(3) of the 1940 Act and Rules 6e–3(T)(b)(13)(ii) and 6e–3(T)(d)(1)(ii) thereunder to the extent necessary to permit them to deduct sales charges from premiums paid pursuant to the Contracts in the manner described above.

5. Applicants assert that the sales load structure in the Contracts is designed to give Contract owners flexibility with respect to premium payments while permitting ITT Hartford to deduct only those charges deemed necessary to support the benefit guarantees under the Contracts. The sales load structure was designed to reflect ITT Hartford's operating expenses in connection with sales of the Contracts. Applicants submit that the deduction of a front-end sales load on only the premiums paid up to the Maximum Sales Load Premium does not implicate the policy concerns that underlie the stair-step provisions of Section 27(a)(3).

6. Applicants submit that ITT Hartford could avoid the stair-step issue simply by imposing the higher front-end sales load equally on premium payments up to the Maximum Sales Load Premium and on Excess Premiums, subject to the maximum permissible limits. Applicants assert that, while this sales load structure would qualify under the Rule 6e–3(T)(b)(13)(ii) exemption from Section 27(a)(3), it would be to the detriment of Contract owners, who benefit from the absence of a front-end sales load in connection with Excess Premiums.

7. Applicants assert that, in two letters responding to requests for no-action assurance, the Commission staff concluded that Section 27(a)(3), in conjunction with the other sales charge limitations in the 1940 Act, was designed to address the perceived abuse of periodic payment plan certificates that deducted large amounts of front-end sales charges so early in the life of the plan that investors redeeming in the early periods would recoup little of their investments. Applicants submit that the sales charge structure for the Contracts would not have this effect. On the contrary, by not imposing a front-end sales load on premiums paid in any Contract year in excess of the Maximum Sales Load Premium, Applicants assert that a greater proportion of the sales load charges will be deducted later than otherwise would be the case.

8. Applicants submit that one purpose behind Section 27(h)(3) of the 1940 Act, a provision similar to Section 27(a)(3), is to discourage unduly complicated sales charges. This may also be deemed to be a purpose of Section 27(a)(3) and Rule 6e–3(T)(b)(13)(ii). By limiting front-end sales charges to premiums up to the Maximum Sales Load Premium, Applicants submit that the sales charge structure under the Contracts is not unduly complicated.

9. Applicants also request exemptive relief to permit ITT Hartford, through separate accounts it establishes in the future, to issue flexible premium variable life insurance contracts that are materially similar to the Contracts. Applicants believe that, without such relief, they would have to apply for and obtain orders granting exemptive relief in connection with future contracts that are materially similar to the Contracts under similar circumstances.

10. Applicants submit that their request for exemptive relief for future separate accounts established by ITT Hartford would promote competitiveness in the variable life insurance contract market by eliminating the need for redundant exemptive applications, thereby reducing Applicants' administrative expenses and maximizing the efficient use of their resources. Applicants further submit that the delay and expense involved in having repeatedly to seek exemptive relief would impair their ability effectively to take advantage of business opportunities as they arise. Further, if Applicants were required repeatedly to seek exemptive relief with respect to the same issues addressed in this application, investors would not receive any benefit or additional protection.

Conclusion

For the reasons summarized 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. 96–19565 Filed 7–31–96; 8:45 am]

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[Rel. No. IC–22102; 812–10102]

LB Series Fund, Inc. et al.; Notice of Application

July 26, 1996.

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

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: LB Series Fund, Inc., Lutheran Brotherhood Family of Funds (''LB Family of Funds''), Lutheran Brotherhood, Lutheran Brotherhood Research Corp., and all subsequently registered management investment companies advised by Lutheran Brotherhood or any entity under common control with Lutheran Brotherhood (together with the LB Series Funds and LB Family of Funds, the ''Funds'').

RELEVANT ACT SECTIONS: Order requested (a) under section 6(c) of the Act for an exemption from sections 13(a)(2), 13(a)(3), 18(f)(1), 22(f), and 22(g) of the Act and rule 2a–7 thereunder; (b) under sections 6(c) and 17(b) of the Act for an exemption from section 17(a)(1) of the Act; and (c) pursuant to section 17(d) of the Act and rule 17d–1 thereunder to permit certain joint transactions.

SUMMARY OF APPLICATION: Applicants request an order that would permit each applicant investment company to establish deferred compensation plans for its trustees who are not interested persons of the company.

FILING DATES: The application was filed on April 23, 1996 and amended on July 16, 1996.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a