[Investment Company Act Release No. 22582; 812–10532]

INTRUST Kansas Tax Exempt Bond Fund, et al.; Notice of Application

March 25, 1997.

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

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

APPLICANTS: INTRUST Kansas Tax Exempt Bond Fund (the ''Acquiring Fund''), a series of INTRUST Funds Trust (''INTRUST Funds''), SEI Kansas Tax Free Income Portfolio (the ''Reorganizing Portfolio''), a series of the SEI Tax Exempt Trust (''SEI Trust''), INTRUST Bank, N.A. (''INTRUST''), and SEI Fund Management (''SEI'').

RELEVANT ACT SECTIONS: Order requested under section 17(b) granting and exemption from section 17(a).

SUMMARY OF APPLICATION: Applicants request an order to permit the Acquiring Fund to acquire all of the assets and assume all of the stated liabilities of the Reorganizing Portfolio. Because of certain affiliations, applicants may not rely on rule 17a–8 under the Act.

FILING DATES: The application was filed on February 25, 1997. Applicants have agreed to file an amendment during the notice period, the substance of which is included in this notice.

HEARING OR NOTIFICATION OF HEARING: An order granting the application 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 21, 1997, 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 Fifth Street, N.W., Washington, D.C. 20549. Applicants: INTRUST Funds Trust, 3435 Stelzer Road, Columbus, Ohio 43219; SEI Tax Exempt Trust, Oaks, Pennsylvania 19456; INTRUST Bank, N.A., 105 North Main Street, Box One, Wichita, Kansas 67201; SEI Fund Management, Oaks, Pennsylvania 19456.

FOR FURTHER INFORMATION CONTACT: John K. Forst, Staff Attorney, at (202) 942–0569, or Mary Kay Frech, 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 from the SEC's Public Reference Branch.

Applicants' Representations

1. The INTRUST Funds, organized as a Delaware business trust, and SEI Trust, organized as a Massachusetts business trust, are registered under the Act as open-end management investment companies. INTRUST is the investment adviser to the Acquiring Fund and the Reorganizing Portfolio. SEI is the administrator of the Reorganizing Portfolio.

2. INTRUST and its affiliates provide a variety of trust, fiduciary, custodial, investment management, and other services to, among others, individuals, corporations, pension plans, and profit sharing plans. As of February 18, 1997, INTRUST and its affiliates collectively held of record 99.10% of the outstanding shares of the Reorganizing Portfolio. Except with respect to certain defined benefit plans sponsored by INTRUST and its affiliates, (a) neither INTRUST nor its affiliates has any economic interest in any such shares, and (b) all such shares being held of record by INTRUST and its affiliates are held by it for the benefit of others in trust, agency, or other fiduciary or representative capacity. In certain instances, INTRUST and its affiliates may hold or share voting discretion, investment discretion or both with respect to the shares held of record.

3. The Acquiring Fund and Reorganizing Portfolio have the same investment objectives and policies. The Reorganizing Portfolio offers two classes of shares, Class A and Class B. Class A shares are offered primarily to persons purchasing through a trust investment manager or an account managed or administered by a financial institution. All issued and outstanding Class B shares currently are held by SEI and will be redeemed by the Reorganizing Portfolio as part of the reorganization. The Acquiring Fund offers two classes of shares, Institutional Service Class (''Service Class'') and Institutional Premium Class. Shareholders of the Reorganizing Portfolio's Class A shares will receive Service Class shares of the Acquiring Fund. Service Class shares are sold without a sales charge, but are subject to a rule 12b–1 plan which provides for a payment of up to .25% of average daily net assets. The Service Class will not incur 12b–1 plan expenses during its first year of operation. Service Class shares may be subject to service organization fees.

4. The Acquiring Fund will acquire all of the assets and assume all of the stated liabilities of the Reorganizing Portfolio in exchange for Service Class shares of the Acquiring Fund. Immediately after the reorganization, Service Class shares of the Acquiring Fund will be distributed to shareholders of the Reorganizing Portfolio. The number of shares of the Acquiring Fund to be issued to shareholders of the Reorganizing Portfolio will be determined on the basis of the relative net asset values per share and the aggregate net assets of the Acquiring Fund computed as of the date of the closing and at the time at which the Acquiring Fund ordinarily determines its net asset value.

5. The Boards of Trustees of SEI Trust and INTRUST Funds approved the Agreement and Plan of Reorganization (''Reorganization Agreement'') on November 25, 1996, and September 16, 1996, respectively. Each Board of Trustees, including a majority of trustees who are not ''interested persons'' as defined in section 2(a)(19) of the Act, found that participation in the reorganization was in the best interest of the Reorganizing Portfolio and the Acquiring Fund, respectively, and that the interests of existing shareholders of the funds would not be diluted as a result of the reorganization. In reaching their determinations, each Board of Trustees considered a number of factors, including: (a) the reorganization will be effected at net asset value; (b) all costs of the Reorganizing Portfolio and Acquiring Fund associated with the reorganization will be paid by INTRUST; (c) shareholders of the Reorganizing Portfolio must approve the Reorganization Agreement; (d) each reorganization is expected to be tax-free to the parties thereto and their shareholders; (e) shareholders of the Reorganizing Portfolio will have a broader array of INTRUST-advised investment options; and (f) the investment objectives and policies of the Acquiring Fund and the Reorganizing Portfolio are the same.

6. INTRUST voluntarily has agreed to limit through May 1, 1998 the actual total operating expense ratio of the Acquiring Fund to the actual total operating expense ratio of the Reorganizing Portfolio as of December 31, 1996. The expenses incurred in connection with entering into and carrying out the provisions of the Reorganization Agreement, whether or

not consummated, will be paid by INTRUST.

7. The INTRUST Funds or SEI Trust may terminate the Reorganization Agreement without liability on the part of the terminating party (a) on or prior to January 1, 1998, with the consent of the other or (b) after that date by either party on written notice at any time prior to the consummation of the reorganization, if the conditions to that party's obligation to perform have not been satisfied. The INTRUST Funds and SEI Trust agree not to make any changes to the Reorganization Agreement that would have a material adverse effect on the application without prior SEC approval.

Applicants' Legal Analysis

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

2. Section 2(a)(3) of the Act defines the term ''affiliated person'' of another person to include any person directly or indirectly owning, controlling, or holding with power to vote, five percent or more of the outstanding voting securities of such other person.

3. Rule 17a–8 under the Act 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 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.

4. Applicants may not rely on rule 17a–8 in connection with the reorganization because the Acquiring Funds and the Reorganizing Portfolio may be deemed to be affiliated for reasons other than those set forth in the rule. As noted above, INTRUST and its affiliates hold of record more than 5% of the outstanding shares of the Reorganizing Portfolio.

5. Section 17(b) of the Act provides that the SEC may exempt a transaction from the provisions of section 17(a) if evidence establishes that the terms of the proposed transactions, including the consideration to be paid, 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 the registered investment company concerned and with the general purposes of the Act.

6. Applicants submit that the reorganization meets the standard for relief under section 17(b), in that the terms of the reorganization are reasonable and fair and do not involve overreaching on the part of any person concerned; and the reorganization is consistent with the general purposes of the Act and with the policies of the Acquiring Fund and the Reorganizing Portfolio.

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

Margaret H. McFarland,

Deputy Secretary.

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[Release No. IC–22583; File No. 812–10510]

John Hancock Mutual Life Insurance Company, et al.

March 25, 1997.

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

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

APPLICANTS: John Hancock Mutual Life insurance Company (''John Hancock''), John Hancock Mutual Variable Life Insurance Account UV (''Account UV''), John Hancock Variable Life Insurance Company (''JHVLICO''), John Hancock Variable Life Account V (''Account V''), John Hancock Variable Life Account U (''Account U''), John Hancock Variable Life Account S (''Account S,'' together with Account UV, Account V and Account U, the ''Existing Accounts''), John Hancock Variable Series Trust I (''Trust''), any other separate accounts established by John Hancock or JHVLICO in the future to support variable life insurance contracts (''Other accounts,'' together with the existing Accounts, the ''Accounts'') and John Hancock Distributors, Inc. (''Distributors'').

RELEVANT 1940 ACT SECTIONS: Order requested pursuant to Section 6(c) of the 1940 Act to amend certain orders previously issued by the Commission granting exemptive relief from all sections of the 1940 Act specified in Rule 6e–2(b) under the 1940 Act (other than Sections 7 and 8(a)); Sections 2(a)(32), 2(a)(35), 9(a), 13(a), 15(a), 15(b), 22(c), and 22(d) of the 1940 Act; all rules specified in Rule 6e–2(b); and Rules 6e–2(a)(2), 6e–2(b)(1), 6e–2(b)(12), 6e–2(b)(13)(iv), 6e–2(b)(15), 6e–2(c)(1), 6e–2(c)(4) and 22c–1 under the 1940 Act.

SUMMARY OF THE APPLICATION: Applicants seek an order amending orders issued by the Commission in connection with File Nos. 812–5959, 812–8428, 812–6424, 812–6835, 812–8426, 812–8858 and 812–8446 (the ''Existing Orders''): (i) to add Distributors as a party; (ii) to specify that Distributors, or any other company that may be appointed as such in the future (''Future Underwriter''), is or will be the principal underwriter with respect to the variable annuity contracts (''VA Contracts''), the variable life insurance policies (''VLI Policies'') and the Trust's shares (''Trust Shares'') referred to in the applications granted by the Existing Orders; and (iii) to provide Distributors or any Future Underwriter certain exemptive relief that was previously granted by the Existing Orders to John Hancock in its capacity as principal underwriter of the VLI Policies and Trust Shares.

FILING DATE: The application was filed on January 24, 1997.

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 Commission's Secretary 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 April 21, 1997, 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 Commission's Secretary.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants: c/o Sandra M. DaDalt, Associate Counsel, John Hancock Mutual Life Insurance Company, John Hancock Place, P.O. Box 111, Boston, Massachusetts 02117.

FOR FURTHER INFORMATION CONTACT: Ethan D. Corey, Senior Counsel, or Kevin M. Kirchoff, Branch Chief, 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 Commission's Public Reference Branch.