

Fund, such Plan will execute a fund participation agreement with such Insurance Products Fund including the conditions set forth herein to the extent applicable. A Plan will execute an investor application containing an acknowledgment of this condition at the time of its initial purchase of any Insurance Products Fund.

Conclusion

For the reasons summarized above, Applicants assert that the requested exemptions are 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.

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-22601; File No. 812-10486]

General American Life Insurance Company, et al.

April 4, 1997.

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

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

APPLICANTS: General American Life Insurance Company ("General American") and General American Capital Company ("Capital Company") (collectively, "Applicants").

RELEVANT 1940 ACT SECTIONS: Order requested under Section 17(b) of the 1940 Act granting an exemption from the provisions of Section 17(a) of the 1940 Act.

SUMMARY OF APPLICATION: Applicants seek an order permitting the assets of General American's Separate Account Twenty ("Separate Account") to be transferred to the Small-Cap Equity Fund series of Capital Company in exchange for shares of the Small-Cap Equity Fund series.

FILING DATE: The application was filed on January 10, 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 Secretary and serving Applicants with a

copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on April 29, 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. Any person may request notification of a hearing by writing to the Commission's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington D.C. 20549. Applicants, c/o Matthew P. McCauley, Esq., General American Life Insurance Company, 700 Market Street, St. Louis, Missouri 63101. Copies to Stephen E. Roth, Esq., Sutherland, Asbill & Brennan, L.L.P., 1275 Pennsylvania Avenue, N.W., Washington, D.C. 20004-2404.

FOR FURTHER INFORMATION CONTACT:

Joyce Merrick Pickholz, Senior Counsel, or Patrice M. Pitts, 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 may be obtained for a fee from the Public Reference Branch of the Commission.

Applicants' Representations

1. General American is a mutual life insurance company organized under the laws of Missouri. The Separate Account was established in September 1985 as a separate investment account of General American to support benefits payable under the variable portion of certain group variable annuity contracts issued by General American ("Contracts"). The Separate Account is exempted from the definition of investment company pursuant to Section 3(c)(11) of the 1940 Act, and interests in the Separate Account are exempt securities pursuant to Section 3(a)(2) of the 1940 Act. The Contracts provide retirement benefits under tax-qualified retirement programs.

2. The Separate Account currently consists of a single portfolio of assets, primarily equity securities. The investment objective of the Separate Account is to provide a rate of return that corresponds to the performance of the common stock of small companies, while incurring a level of risk that is generally equal to the risks associated with small company common stock in general. The Separate Account is passively managed to attempt to replicate the return of the bottom

capitalization quintile of the New York Stock Exchange traded securities.

3. Capital Company is a registered open-end diversified management investment company organized as a series fund. Capital Company serves as a funding vehicle for variable annuity contracts and variable life insurance policies issued by General American and affiliated insurance companies. Currently, shares of Capital Company are offered to General American Separate Account Two, General American Separate Account Eleven, unregistered separate accounts of General American, and separate accounts of RGA Reinsurance Company, Security Equity Life Insurance Company, Cova Financial Services Life Insurance Company, Cova Financial Life Insurance Company, and First Cova Life Insurance Company, all affiliates of General American.

4. Capital Company consists of seven investment portfolios: the S&P 500 Index Fund; Money Market Fund; Bond Index Fund; Managed Equity Fund; Asset Allocation Fund; International Index Fund; and Mid-Cap Equity Fund. Capital Company offers its shares at net asset value and without sales charge, directly to the separate accounts without an underwriter or distributor. General American pays any distribution expenses and costs arising from any activity intended primarily to result in the sale of shares issued by Capital Company.

5. Conning Asset Management Company ("Adviser") serves as the investment advisor to Capital Company and to the Separate Account. The advisor is wholly owned by Conning Corporation which, in turn, is wholly owned by General American Holding Company, a wholly owned subsidiary of General American.

6. The Board of Directors of Capital Company has determined that it would be desirable to add a new series to Capital Company to be called the Small-Cap Equity Fund ("Fund").¹ The Fund's investment objective will be identical to that of the Separate Account. Because the investment objectives, policies, and restrictions of the Fund would mirror those of the Separate Account, management of General American proposes to transfer the assets of the Separate Account to the Fund (the "Transfer") in exchange for shares of the Fund. The Separate Account would in

¹ On February 15, 1997, a post-effective amendment to Capital Company's current registration statement on Form N-1A was filed for the purpose of adding the Small-Cap Equity Fund as a new series of Capital Company. The registration statement (File No. 33-10145) will become effective on May 1, 1997.

effect be converted to a unit investment trust-type separate account that would invest in a corresponding series of Capital Company.

7. On the effective date of the Transfer, General American, on behalf of the Separate Account, would transfer the portfolio assets and related liabilities of the Separate Account to the Fund in return for shares of the Fund. General American would record shares issued by the Fund as assets of the Separate Account. The Transfer would be carried out in compliance with Section 22(c) of the 1940 Act and Rule 22c-1 thereunder. The value of the net assets of the Separate Account would be determined as of the business day immediately preceding the effective date of the Transfer. The number of shares of the Fund to be issued to the Separate Account would be determined by dividing the value of net assets to be transferred from the Separate Account by the current per share value of the Fund's shares. Accordingly, the interests of the Separate Account owners in the Fund immediately following the Transfer would be equivalent to their interests in the assets of the Separate Account immediately prior to the Transfer.

Applicants' Legal Analysis

1. Section 17(a) of the 1940 Act provides, in pertinent part, that it is unlawful for any affiliated person of a registered investment company, or any affiliated person of such person, "(1) Knowingly to sell any security or other property to such registered company * * *; [or] (2) knowingly to purchase from such registered company * * * any security or other property. * * *"

2. Section 2(a)(3) of the 1940 Act defines the term "affiliated person" of another person to include, in pertinent part, "(A) any person directly or indirectly owning, controlling, or holding with power to vote, 5 per centum or more of the outstanding voting securities of such other person; (B) any person 5 per centum or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other person; (C) any person directly or indirectly controlling, controlled by, or under common control with, such other person; * * * [and] (E) if such other person is an investment company, any investment adviser thereof. * * *"

3. Applicants state that each of them may be deemed to be an affiliated person or an affiliated person of an affiliated person of the other Applicant under Section 2(a)(3) of the 1940 Act and the Transfer may be deemed to entail one or more purchases or sales of

securities or property between the Applicants.

4. Section 17(b) of the 1940 Act provides that, notwithstanding Section 17(a), any person may file with the Commission an application for an order exempting a proposed transaction from one or more provisions of that subsection and that the Commission shall grant such application and issue such order of exemption if evidence establishes that "(1) 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; (2) 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 1940 Act]; and (3) the proposed transaction is consistent with the general purposes of [the 1940 Act]."

5. Applicants submit that the proposed Transfer would benefit the Fund. According to the Applicants, when a new series of an investment company is established, expenses usually remain relatively high and investments are limited until the asset size of the new series reaches a high enough level to support expenses and permit the necessary latitude in investment discretion. The transfer of the Separate Account's assets (valued at approximately \$47.5 million as of November 1, 1996) to the Fund would avoid these problems.

6. Applicants represent that the Transfer would be effected in conformity with Section 22(c) of the 1940 Act and Rule 22c-1 thereunder. Applicants further represent that, after the Transfer, Contract owners would have interests that, in practical economic terms, do not differ in any measurable way from such interests immediately prior to the Transfer.

7. Applicants state that the Transfer would not require the liquidation of any assets of the Separate Account or Capital Company because the Transfer would take the form of an exchange of portfolio securities of the Separate Account for shares of the Fund. Because the investment policies and restrictions of the Separate Account are identical to those of the Fund, the only sale of Separate Account assets following the transfer would be those arising in the ordinary course of business. Therefore, neither the Separate Account nor Capital Company will incur any extraordinary costs, such as brokerage commissions, in effecting the transfer of assets, as would be the case if the Separate Account were required to liquidate its portfolio in order to

purchase shares of the Fund, and the Fund, in turn, were to use such purchase proceeds for investment in portfolio securities. Nor will the Separate Account be forced to sustain losses caused by the untimely sale of one or more of its portfolio securities.

8. Applicants submit that the transfer of assets of the Separate Account to the Fund, which assets have been purchased under investment objectives, policies, and restrictions identical to those of the Fund, would be consistent with the objectives and policies of the Fund.

9. Applicants submit that the Transfer would be consistent with the general purposes of the 1940 Act by avoiding the possibility that the Fund or the Separate Account would incur unnecessary expenses or losses in connection with the Transfer.

Conclusion

For the reasons and upon the facts set forth above, the terms of the proposed Transfer, including the consideration to be paid and received, are: (a) fair and reasonable and do not involve overreaching on the part of any person concerned; (b) consistent with the policy of each registered investment company concerned, as recited in its registration statements and reports filed under the 1940 Act; and, (c) consistent with the general purposes of the 1940 Act. Accordingly, Applicants submit that the terms of the proposed Transfer meet the standards for exemption from Section 17(a) of the 1940 Act as set forth in Section 17(b) thereof.

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

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (Greif Bros. Corporation, Class A Common Stock, Without Par Value) File No. 1-566

April 7, 1997.

Greif Bros. Corporation ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified security ("Security")