

policies have been reviewed by the Board of Trustees and described in the prospectus/proxy statement. Applicants state that this is precisely the same process followed with respect to reorganizations that fit within the technical requirements of Rule 17a-8.

8. Applicants state that the proposed transactions are also consistent with the general purposes of the Act as stated in the Findings and Declaration of Policy in Section 1 of the Act, and that the proposed transactions do not result in any of the self-dealing abuses that the Act was designed to prevent.

9. Applicants represent that the terms of the proposed transactions are consistent with the provisions, policies and purposes of the Act in that they are reasonable and fair to all parties, do not involve overreaching, and are consistent with the investment objective and policies of each Transferor Portfolio and of each Acquiring Portfolio participating in the proposed transactions. The participation in the Reorganization by each portfolio is at respective net asset value, and not on a basis different or less advantageous than that of other participants. Contractholders will have the opportunity to provide voting instructions as to whether the Reorganization should be approved with respect to each Transferor Portfolio.

Conclusion

For the reasons stated herein, Applicants state that the terms of the contemplated transactions meet all the requirements of section 17(b) of the 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-23764; File No. 812-11412]

PFL Life Insurance Company, et al.

March 26, 1999.

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

ACTION: Notice of Application for Approval and Exemption under the Investment Company Act of 1940 (the "1940 Act" or "Act"). Order requested pursuant to section 26(b) of the 1940 Act approving the proposed substitution of securities and pursuant to section 17(b) of the 1940 Act exempting the proposed transaction from section 17(a) of the 1940 Act.

SUMMARY OF APPLICATION: Applicants seek an order approving the substitution of securities issued by the WRL Fund and held by the Accounts to support certain policies issued by the Companies (the "Policies"). Applicants also seek an order exempting them from Section 17(a) of the 1940 Act to the extent necessary to carry out the above-referenced substitution by redeeming securities in-kind or partly in-kind and using the redemption proceeds to purchase securities issued by the Endeavor Trust.

APPLICANTS: PFL Life Insurance Company ("PLF"), PLF Endeavor VA Separate Account (the "Endeavor Account"), AUSA Life Insurance Company, Inc. ("AUSA" and together with PLF the "Companies"), AUSA Endeavor Variable Annuity Account (the "AUSA Account" and together with the Endeavor Account the "Accounts"), Endeavor Series Trust (the "Endeavor Trust") and WRL Series Fund, Inc. (the "WRL Fund") (all collectively, the "Applicants").

FILING DATE: The application was filed on November 20, 1998, and amended and restated on February 16, 1999.

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 on this application by writing to the Secretary of the Commission and serving the 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 20, 1999, and should be accompanied by proof of service on the 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 Fifth Street, NW, Washington, DC 20549-0609. Applicants, Frank A. Camp, Esquire, PFL Life Insurance Company, 4333 Edgewood Road, NE, Cedar Rapids, Iowa 52499, Vincent J. McGuinness, Jr., Endeavor Series Trust, 2101 East Coast Highway, Suite 300, Corona del Mar, California 92625, Thomas E. Pierpan, Esquire, WRL Series Fund, Inc., 570 Carillon Parkway, St. Petersburg, Florida 33716. Copies to Frederick R. Bellamy, Esquire, Sutherland Asbill & Brennan LLP, 1275 Pennsylvania Avenue, NW, Washington, DC 20004-2415, Robert N. Hickey, Esquire, Sullivan & Worcester LLP, 1025

Connecticut Avenue, NW, Washington, DC 20036-5480.

FOR FURTHER INFORMATION CONTACT: Lorna MacLeod, Attorney, or Susan Olson, 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, 450 Fifth Street, NW, Washington, DC 20549 (tel. 202-942-8090).

Applicants' Representations

1. PFL, a stock life insurance company incorporated under the laws of Iowa, is the depositor and sponsor of the Endeavor Account. PFL is a wholly-owned indirect subsidiary of AEGON USA, Inc., which is a wholly-owned subsidiary of AEGON n.v. of the Netherlands. AEGON n.v. is a holding company whose subsidiaries engage primarily in the insurance business.

2. AUSA, a stock life insurance company incorporated under the laws of New York, is the depositor and sponsor of AUSA Account. AUSA is a wholly-owned indirect subsidiary of AEGON USA, Inc.

3. The Endeavor Account is registered under the Act as a unit investment trust (File No. 811-6032). The assets of the Endeavor Account support certain flexible premium variable annuity policies, and interests in the Endeavor Account offered through such policies have been registered under the Securities Act of 1933 ("1933 Act") on Form N-4 (File Nos. 33-33085 and 33-56908). Thirteen sub-accounts are available under the policies that invest exclusively in corresponding portfolios of two management investment companies.

4. The AUSA Account is registered under the Act as a unit investment trust (File No. 811-8750). The assets of the AUSA Account support certain flexible premium variable annuity policies, and interests in the AUSA Account offered through such policies have been registered under 1933 Act on Form N-4 (File No. 33-83560). Eleven sub-accounts are available under the policies. The sub-accounts invest in eleven of the thirteen portfolios in which the Endeavor Account policies invest.

5. The Endeavor Trust is a diversified open-end management investment company, registered on Form N-1A, that offers a selection of managed investment portfolios. The following ten portfolios are current available to both Accounts: Endeavor Asset Allocation

Portfolio, Endeavor Money Market Portfolio, T. Rowe Price International Stock Portfolio, T. Rowe Price Equity Income Portfolio, T. Rowe Price Growth Stock Portfolio, Dreyfus Small Cap Value Portfolio, Dreyfus U.S. Government Securities Portfolio, Endeavor Value Equity Portfolio, Endeavor Opportunity Value Portfolio, and Endeavor Enhanced Index Portfolio. Two additional portfolios—Endeavor Select 50 Portfolio and Endeavor High Yield Portfolio—are available only to the Endeavor Account.

6. Since January 1, 1999, Endeavor Management Company has been the manager of the Endeavor Trust. Previously, the manager of the trust had been Endeavor Investment Advisers, which was a general partnership between Endeavor Management Company and AUSA Financial Markets, Inc. (an affiliate of PFL and AUSA). The manager contracts with sub-advisers to provide investment services to the portfolios of the trust.

7. The WRL Fund is a diversified open-end management investment company that is registered on Form N-1A. Of eighteen investment portfolios currently offered by the fund, only one—the WRL Growth Portfolio—is available to policies issued from the Accounts.

8. The investment adviser of the WRL Fund is WRL Investment Management, Inc., a subsidiary of Western Reserve. Western Reserve is a wholly-owned indirect subsidiary of AEGON USA and, therefore, an affiliate of PFL and AUSA. WRL Investment Management, Inc. has contracted with Janus Capital Corporation to provide investment services to the WRL Growth Portfolio.

9. The Policies reserve to PFL and AUSA, as applicable, the right, subject to Commission approval, to substitute shares of another open-end management investment company or portfolio for shares of an open-end management investment company held by a sub-account of the relevant Account. The Statement of Additional Information for the Endeavor Account policies and the Prospectus for the AUSA Account policies disclose this right.

10. Currently, an unlimited amount of transfers of cash value can be made among and between the sub-accounts available as investment options under the Policies without the imposition of a transfer charge. Transfers are subject to a minimum amount of the lesser of \$500 or the entire sub-account value. All the Policies reserve to PFL or AUSA, as applicable, the right to restrict transfers, or to charge up to \$10 for any transfer in excess of twelve per Policy year.

11. PFL and AUSA propose to substitute shares of the Endeavor Janus Growth Portfolio of the Endeavor Trust for shares of the WRL Growth Portfolio of the WRL Fund held in the Endeavor Account and the AUSA Account. The proposed substitutions will cause all the investment options available under the Policies to be consolidated into one series investment company—the Endeavor Trust.

12. The Endeavor Janus Growth Portfolio of the Endeavor Trust was created specifically for the proposed substitutions. The Endeavor Janus Growth Portfolio has identical investment objectives and substantially similar investment policies to those of the WRL Growth Portfolio. Like the WRL Growth Portfolio, it is sub-advised by Janus Capital Corporation and pays an advisory fee of 0.80% of average daily assets. The WRL Growth Portfolio's total expenses for the year ended December 31, 1997, were 0.87%. Endeavor Management Company has agreed to waive fees and reimburse expenses that exceed 0.87% of the Endeavor Janus Growth Portfolio's assets for at least one year.

13. By supplements to the prospectuses for the Policies, all owners and prospective owners of the Policies will be notified of PFL's and AUSA's intention to take the necessary actions, including seeking the order requested by this application, to substitute portfolios as described. The supplements will advise owners and prospective owners that after the date of the proposed substitution, the Endeavor Janus Growth Portfolio will replace the WRL Growth Portfolio as the underlying investment for such sub-accounts. In addition, the supplements will inform owners and prospective owners that neither PFL nor AUSA will exercise any right reserved by it under any of the Policies to impose restrictions or fees on transfers until at least thirty days after the proposed substitutions.

14. Before the date of the proposed substitutions, affected owners will be provided with a prospectus (or preliminary prospectus) for the Endeavor Janus Growth Portfolio. Thus, any owner affected by either substitution will have received prospectus disclosure for the Endeavor Janus Growth Portfolio in advance of the proposed substitutions.

15. On the date of the substitution, PFL and AUSA, on behalf of the Endeavor Account and the AUSA Account, respectively, will redeem shares of the WRL Growth Portfolio held by the Accounts. To the extent practical, redemptions will be effected substantially in-kind. The WRL Fund

will transfer the redemption proceeds (securities and cash) to the Endeavor Trust, and shares of the Endeavor Janus Growth Portfolio of equal value will be issued to the Endeavor and AUSA Accounts. The purpose of transferring assets in-kind is to avoid commission expenses.

16. Applicants assert that the proposed in-kind transfers, including the consideration to be paid and received, are reasonable and fair and do not involve overreaching on the part of any person involved. The transfers will be based on the independent market price of the security valued as specified in paragraph (b) of Rule 17a-7 and the net asset value per share of the Endeavor Janus Growth Portfolio and the WRL Growth Portfolio valued in accordance with procedures disclosed in the portfolios' registration statements. Additionally, Applicants assert that the transfers will be effected in a manner consistent with the investment objectives and policies of the substituted portfolio. Endeavor Management Company and Janus Capital Corporation will examine the portfolio securities being offered to the Endeavor Janus Growth Portfolio and accept only those securities that could otherwise have been acquired for the portfolio in a cash transaction.

17. The proposed substitutions will take place at relative net asset value with no change in the amount of any Policy owner's cash value or death benefit or in the dollar value of his or her investment in any of the Accounts. Policy owners will not incur any additional fees or charges as a result of the proposed substitutions nor will their rights or PFL's and AUSA's obligations under the Policies be altered in any way. All expenses incurred in connection with the proposed substitutions, including legal, accounting and other fees and expenses, will be paid by PFL and/or Endeavor Management Company. In addition, the proposed substitutions will not impose any tax liability on Policy owners. The proposed substitutions will not cause the Policy fees and charges currently paid by existing Policy owners to be greater after the proposed substitutions than before the proposed substitutions. Neither PFL nor AUSA currently impose any restriction or fee on transfers under the Policies, and neither will exercise any right it may have under the Policies to impose restrictions on transfers under the Policies for a period of at least thirty days following the substitution.

18. Within five business days after the proposed substitutions any owner who was affected by the substitutions will be

sent a written notice stating that the substitutions were carried out and that they may transfer all cash value under a Policy invested in each of the affected sub-accounts to other available sub-account(s). The notice will reiterate that neither PFL nor AUSA will exercise any right reserved by it under any of the Policies to impose restrictions or fees on transfers until at least thirty days after the proposed substitutions.

Legal Analysis

1. Section 26(b) of the Act requires the depositor of a registered unit investment trust holding the securities of a single issuer to obtain Commission approval before substituting the securities held by the trust. Specifically, the section provides that "(i)t shall be unlawful for any depositor or trustee of a registered unit investment trust holding the security of a single issuer to substitute another security for such security unless the Commission shall have approved such substitution." The section further provides that the Commission shall issue an order approving such substitution of the evidence establishes that it is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

2. Applicants request an order pursuant to section 26(b) of the 1940 Act approving the substitution. Applicants assert that the proposed substitutions meet the standards that the Commission and its staff have applied to substitutions that have been approved in the past and are consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

3. Section 17(a)(1) of the Act, in relevant part, prohibits any affiliated person of a registered investment company, or any affiliated person of such person, acting as principal, from knowingly selling any security or other property to that company. Section 17(a)(2) of the Act generally prohibits any of such affiliated persons, acting as principals, from knowingly purchasing any security or other property from the registered investment company. The transfer of proceeds emanating out of the redemption in-kind of shares of the WRL Growth Portfolio and the purchase of shares of the Endeavor Janus Growth Portfolio may be deemed to involve the purchase and sale of securities between the WRL Fund and the Endeavor Trust or more indirectly between the WRL Fund and the Accounts and between the Accounts and the Endeavor Trust. PFL, AUSA, the Accounts, the WRL Fund and the Endeavor Trust may all be considered affiliates or affiliates of

affiliates of each other subject to the restrictions of section 17(a). PFL and AUSA, through various separate accounts, own of record a majority of shares of the Endeavor Trust and, along with Western Reserve, all of the shares of the WRL Fund. In addition, the Endeavor Trust and the WRL Fund may be under the control of (or under common control with) PFL and AUSA.

4. Section 17(b) provides that the Commission may grant an order exempting a proposed transaction provided: (i) 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; (ii) 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 (iii) the proposed transaction is consistent with the general purposes of the Act.

5. Applicants request an order pursuant to section 17(b) of the Act exempting them from section 17(a) of the Act to the extent necessary to carry out the substitution by redeeming securities in-kind or partly in-kind. Applicants assert that the terms of the proposed substitutions as set forth herein, including the consideration to be paid and received, are reasonable and fair to: (1) The Endeavor Trust and the Endeavor Janus Growth Portfolio, (2) the WRL Fund and the WRL Growth Portfolio, and (3) policy owners invested in the WRL Growth Portfolio; and do not involve overreaching on the part of any person concerned.

Applicants assert that the proposed substitution will conform to all the conditions of Rule 17a-7 and each fund's procedures thereunder, except that the consideration paid for securities being purchased or sold may not be entirely cash. To the extent that in-kind transactions do not comply with the requirements of Rule 17a-7, applicants assert that the proposed transactions provide the same degree of protection as provided by the conditions of the rule. Applicants further assert that the proposed transaction is consistent with the policy of: (1) the Endeavor Trust and the Endeavor Janus Growth Portfolio, and (2) the WRL Fund and the WRL Growth Portfolio, as recited in its current registration statement and are consistent with the general purposes of the 1940 Act.

6. Applicants assert that consolidating all investment options for the Policies under the Endeavor Trust will result in overall benefits to Policy owners, by simplifying the disclosure required in

each Policy's prospectus and by making the Accounts less cumbersome to administer.

Conclusion

Applicants submit that, for all the reasons stated above, the proposed substitutions are consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 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-23763; File No. 81-11464]

Sun Capital Advisers Trust, et. al

March 25, 1999.

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

ACTION: Notice of application for an order pursuant to section 6(c) of the Investment Company Act of 1940 ("1940 Act") granting exemptive relief from sections 9(a), 13(a), 15(a) and 15(b) of the 1940 Act and rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder.

SUMMARY OF APPLICATION: Applicants seek an order to permit shares of Sun Capital Advisers Trust ("Trust") and any other similar investment companies that Sun Capital Advisers, Inc. ("Sun Advisers" or "Adviser") may in the future serve or manage as investment adviser, administrator, principal underwriter or sponsor (the Trust and these similar investment companies; the "Funds"), to be sold to and held by: (1) Separate accounts funding variable annuity and variable life insurance contracts issued by both affiliated life insurance companies; and (2) qualified pension and retirement plans outside of the separate account context for which shares of the Funds would be held by the trustees of those plans ("Qualified Plans" or "Plans").

APPLICANTS: Sun Capital Advisers Trust and Sun Capital Advisers, Inc.

FILING DATE: The application was filed on January 11, 1999.

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