action with a view only to the interests of owners of its VA Contracts and VLI Contracts. Notwithstanding the foregoing, each Participating Insurance Company will not be obligated to establish a new funding medium for any group of VA Contracts or VLI Contracts if an offer to do so has been declined by a vote of a majority of the VA Contract owners or VLI Contract owners adversely affected by the conflict.

f. If a material irreconcilable conflict arises because of a Participating Insurance Company's decision to disregard the voting instructions of VLI Contract owners or VA Contract owners and that decision represents a minority position or would preclude a majority vote at any Fund shareholder meeting, then, at the request of the Trust's Board of Trustees, the Participating Insurance Company will redeem the shares of the Trust to which the disregarded voting instructions relate. No charge or penalty, however, will be imposed in connection with such a redemption.

g. Each Participating Insurance Company and VLI Account will continue to rely on Rule 6e–2(b)(15) and/or Rule 6e–3(T)(b)(15), as appropriate, and to comply with all of the appropriate Rule's conditions. In the event that Rule 6e–2 and/or Rule 6e–3(T) is amended, or any successor rule is adopted, each Participating Insurance Company and VLI Account will instead comply with such amended or successor rule.

h. Each Participating Insurance Company will maintain at its home office available to the Commission a list of its officers, directors and employees who participate directly in the management and administration of any separate account organized as a UIT or of any Fund. These individuals will continue to be subject to the automatic disqualification provisions of Section 9(a).

3. In addition to the foregoing conditions, Applicants consent to the following conditions and represent and agree that if the exemptions requested are granted, the Trust will not sell shares of any Fund to a Qualified Plan if such sale would result in the Qualified Plan owning 10% or more of that Fund's outstanding shares unless the Qualified Plan first enters into a participation agreement with the Trust containing provisions that require the following:

a. The trustees or plan committees of the Qualified Plan will: (i) monitor the Qualified Plan's operations and those of the Trusts for the purpose of identifying any material irreconcilable conflicts or potential material irreconcilable conflicts between or among the interests of Qualified Plan participants, VA Contract owners and VLI Contract owners; (ii) report any such conflicts or potential conflicts to a Trust's Board of Trustees; (iii) provide the Board, at least annually, with all information reasonably necessary for the Board to consider any issues raised by such existing or potential conflicts and any other information and reports that the Board may reasonably request; (iv) inform the Board whenever it (or another fiduciary) disregards the voting instructions of Qualified Plan participants (of a Qualified Plan that provides voting rights to its participants); and (v) ensure that the Qualified Plan votes Trust shares as required by applicable law and governing Qualified Plan documents. The trustees or plan committees of the Qualified Plan will carry out these obligations with a view only to the interests of Qualified Plan participants in its Qualified Plan.

b. In the event that a material irreconcilable conflict of interest arises between Qualified Plan investors and VA Contract owners, VLI Contract owners or other investors in the Trust, each Qualified Plan will, at its own expense, take whatever action is necessary to remedy such conflict as it adversely affects that Qualified Plan or participants in that Qualified Plan up to and including: (i) Establishing a new registered management investment company; and (ii) withdrawing Qualified Plan assets subject to the conflict from the Trusts and reinvesting such assets in a different investment medium (including another Fund of the Trusts) or submitting the question of whether such withdrawal should be implemented to a vote of all affected Qualified Plan investors, and, as appropriate, segregating the assets of any group of such participants that votes in favor of such withdrawal, or offering to such participants the option of making such a change. Each Qualified Plan will carry out the responsibility to take the foregoing action with a view only to the interests of Qualified Plan investors in its Qualified Plan. Notwithstanding the foregoing, no Qualified Plan will be obligated to establish a new funding medium for any group of participants or Qualified Plan investors if an offer to do so has been declined by a vote of a majority of the Qualified Plan's participants or Qualified Plan investors adversely affected by the conflict.

c. If a material irreconcilable conflict arises because of a Qualified Plan trustee's (or other fiduciary's) decision to disregard the voting instructions of Qualified Plan participants (of a Qualified Plan that provides voting rights to its participants) and that decision represents a minority position or would preclude a majority vote at any shareholder meeting, then, at the request of the Trust's Board of Trustees, the Qualified Plan will redeem the shares of that Trust to which the disregarded voting instructions relate. No charge or penalty, however, will be imposed in connection with such a redemption.

4. Applicants also represent and agree that if the exemptions requested are granted, a Trust will not sell shares of any Fund to a Qualified Plan until the Qualified Plan executes an application containing an acknowledgment of the condition that the Trust cannot sell shares of any Fund to such Qualified Plan if such sale would result in that Qualified Plan owning 10% or more of that Fund's outstanding shares unless that Qualified Plan first enters into a participation agreement as described above.

## 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 Act.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99–14207 Filed 6–3–99; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 35–27033]**

## Filings Under the Public Utility Holding Company Act of 1935, as Amended (''Act'')

May 28, 1999.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the

application(s) and/or declaration(s) should submit their views in writing by June 22, 1999, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549–0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After June 22, 1999, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

**Conectiv, et al. (70–9499)**

Conectiv, a registered public utility holding company, Atlantic City Electric Company (''ACE''), and Delmarva Power & Light Company (''Delmarva''), both utility subsidiaries of Conectiv (''Applicants''), all located at 800 King Street, Wilmington, Delaware 19899, have filed a declaration under section 12(c) of the Act and rules 46(a) and 54 under the Act.

Applicants note that each of the states in which ACE and Delmarva operate, i.e., New Jersey, Delaware, Maryland and Virginia, has enacted restructuring legislation that is intended to result in competition for the supply component of the price ACE and Delmarva charge to their retail customers. Applicants state that because of this legislation, certain costs that ACE and Delmarva have incurred to serve their customers (''stranded costs'') may not be recoverable from these customers. Applicants expect that the utility commissions in Delaware, Maryland and Virginia will issue orders in the second and third quarters (''Restructuring Orders'') that will allow applicants to quantify the amount of stranded costs that ACE and Delmarva will have to charge to their retained earnings.

Applicants state that these charges may have an effect on Applicants' abilities to pay dividends out of retained earnings. For this reason, each Applicant seeks authority to pay dividends out of capital or unearned surplus should the charges to retained earnings exceed its level of retained earnings at the time of the charge.

Specifically, Conectiv requests authority to pay dividends with respect to its common stock and Class A common stock for up to six quarters in amounts that would aggregate up to approximately $144 million.[1] ACE requests authority to pay dividends out of capital or unearned surplus to preferred stockholders and to Conectiv as the holder of ACE common stock for up to four quarters in amounts that would aggregate up to approximately $52 million.[2] Delmarva requests authority to pay dividends out of capital or unearned surplus to preferred stockholders and to Conectiv as the holder of Delmarva common stock for up to four quarters in amounts that would aggregate up to approximately $52.4 million.[3]

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99–14208 Filed 6–3–99; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

**[Release No. IC–23856]**

## Applications for Deregistration Under Section 8(f) of the Investment Company Act of 1940

May 28, 1999.

The following is a notice of applications for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of May, 1999. A copy of each application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth St., N.W., Washington, DC 20549–0102 (tel. 202–942–8090). An order granting each application will be issued unless the SEC orders a hearing. Interested persons may request a hearing on any application by writing to the SEC's Secretary at the address below and serving the relevant applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on June 22, 1999, and should be accompanied by proof of service on the applicant, 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 Secretary, SEC, 450 Fifth Street, N.W., Washington, DC 20549–0609. For Further Information Contact: Diane L. Titus, at (202) 942–0564, SEC, Division of Investment Management, Office of Investment Company Regulation, 450 Fifth Street, N.W., Washington, DC 20549–0506.

**Alameda-Contra Costa Medical Association Collective Investment Trust For Retirement Plans [File No. 811–5887]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. Between November 18, 1998, and January 5, 1999, a pro rata distribution was made to each securityholder of each of applicant's portfolios based on net asset value. Expenses of approximately $35,000 were incurred in connection with the liquidation and were paid by applicant's sponsor and administrator, the Alameda-Contra Costa Medical Association.

*Filing Dates:* The application was filed on April 21, 1999, and amended on May 21, 1999.

*Applicant's Address:* 6230 Claremont Avenue, Oakland, California 94618.

**Bascom Hill Balanced Fund, Inc. [File No. 811–4825]**

**Bascom Hill Investors, Inc. [File No. 811–2825]**

**Madison Bond Fund, Inc. [File No. 811–5952]**

*Summary:* EAch applicant seeks an order declaring that it has ceased to be an investment company. On June 13, 1997, Bascom Hill Balanced Fund, Inc. and Bascom Hill Investors, Inc. transferred their assets and liabilities to a corresponding series of Mosaic Equity Trust based on net asset value. On June 13, 1997, Madison Bond Fund, Inc. transferred its assets and liabilities to Mosaic Income Trust based on net asset value. Expenses of approximately $12,000, $10,000, and $8,000, respectively, were incurred in connection with the reorganizations and were paid by Madison Investment Advisors, Inc., investment adviser of each applicant.

*Filing Dates:* Each application was filed on February 17, 1999, and amended on May 12, 1999.

*Applicants' Address:* 6411 Mineral Point Road, Madison, Wisconsin 53705.

**The Highland Family of Funds [File No. 811–7867]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On March 13, 1998, applicant made its final liquidating distribution to its remaining securityholders at net asset value per

[1] This represents approximately ten percent of Conectiv's capital surplus as of March 31, 1999.

[2] This represents eleven percent of the ACE capital surplus as of March 31, 1999.

[3] This represents approximately ten percent of Delmarva's capital surplus as of March 31, 1999.