

2. 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, or affiliated persons of an affiliated person, 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.

3. Applicants believe that they may not rely on rule 17a-8 in connection with the Reorganization because the Trusts may be deemed to be affiliated by reasons other than having a common investment adviser. Applicants state that Societe D'Etudes, affiliate of the Adviser, owns more than 25% of the outstanding voting securities of each of the Trusts.

4. Section 17(b) of the Act provides that the SEC may exempt a transaction from the provisions of section 17(a) if the evidence establishes that the terms of the proposed transaction, 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 each registered investment company concerned and with the general purposes of the Act.

5. Applicants request an order under section 17(b) of the Act exempting them from section 17(a) to the extent necessary to complete the Reorganization. Applicants submit that the Reorganization satisfies the standards of section 17(b) of the Act. Applicants believe that the terms of Reorganization are fair and reasonable and do not involve overreaching. Applicants state that the Reorganization will be based on the Trusts' relative net asset values. In addition, applicants state that the Boards, including all of the Independent Trustees, have determined that the participation of each Trust in the Reorganization is in the best interests of each Trust and that such participation will not dilute the interests of shareholders of each Trust.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-21274 Filed 8-16-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23941; 813-200]

John Hancock Mutual Life Insurance Company, et al.; Notice of Application

August 11, 1999.

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

ACTION: Notice of application for an order under sections 6(b) and 6(e) of the Investment Company Act of 1940 (the "Act") exempting the applicants from all provision of the Act, except section 9, section 17 (other than certain provisions of paragraphs (a), (d), (f), (g), and (j), section 30 (except for certain provisions of sections 30(a), (b), (e), and (h)), and sections 36 through 53, and the rules and regulations under the Act.

SUMMARY OF APPLICATION: Applicants request an order to exempt certain limited liability companies and other entities formed for the benefit of key employees John Hancock Mutual Life Insurance Company ("John Hancock") and its affiliates from certain provisions of the Act. Each limited liability company or other entity will be an employees' securities company within the meaning of section 2(a)(13) of the Act.

APPLICANTS: John Hancock Employees' Securities Company I LLC ("Initial Company") and John Hancock, on behalf of other limited liability companies or other investment vehicles that may be formed in the future (together, with the Initial Company, the "Companies").

FILING DATES: The application was filed on October 22, 1998, and amended on February 18, 1999, May 17, 1999 and August 10, 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 mail. Hearing requests should be received by the SEC by 5:30 p.m. on September 7, 1999, and should be accomplished 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 who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. Applicants, c/o John A. Tisdale,

John Hancock Mutual Life Insurance Company, 200 Clarendon Street, Boston, Massachusetts 02117.

FOR FURTHER INFORMATION CONTACT:

Janet M. Grossnickle, Attorney-Adviser, at (202) 942-0526, or Nadya B. Roytblat, Assistant Director, 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 at the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549-0102 (tel. 202-942-8090).

Applicants' Representations

1. John Hancock is a mutual life insurance company organized under the laws of the Commonwealth of Massachusetts. John Hancock is also an investment adviser registered under the Investment Advisers Act of 1940 ("Advisers Act"). John Hancock and its affiliates as defined in rule 12b-2 of the Securities Exchange Act of 1934 (the "Exchange Act") are referred to in this notice collectively as the "John Hancock Group" and individually as a "John Hancock Group entity."

2. The Initial Company is a limited liability company organized under the laws of the State of Delaware. John Hancock formed the Initial Company to provide certain investment opportunities to certain key employees of the John Hancock Group. John Hancock is the sole Managing Member (as defined below) of the Initial Company.

3. The John Hancock Group may organize additional Companies in the future (the "Subsequent Companies"). Each Company will be either a limited liability company, a business trust, or a limited partnership formed as an "employees' securities company" within the meaning of section 2(a)(13) of the Act, and will operate as a closed-end, management investment company and may be diversified or non-diversified. The Companies will be established primarily for the benefit of highly compensated employees of the John Hancock Group as part of a program designed to create capital building opportunities that are competitive with those at other investment banking firms and to facilitate the recruitment of high caliber professionals. Participation in a Company will be voluntary.

4. John Hancock will act as the managing member of the Initial Company (together with any John Hancock Group entity that acts as a

Company's managing member or general partner, the "Managing Member"). The Managing Member will manage and operate each of the Companies. The Managing Member will be authorized to delegate management responsibility to a John Hancock Group entity. A John Hancock Group entity will act as the investment adviser to a Company and will register as an investment adviser under the Advisers Act, if required under applicable law.

5. The Managing Member of a Company may charge the Company an annual management fee, a flat administrative charge or a carried interest, including a fee meeting the requirements of rule 205-3 under the Advisers Act. Both the management fee and the administrative fee, if any, will serve to reimburse the Managing Member for its costs of managing the Company, and will include expenses charged by a John Hancock Group entity for services actually rendered to the Company, but without any additional markup. Any management fee charged to a Company will not be duplicative of any management fee charged to a Client Fund (as defined below). A Managing Member may receive reimbursement of its out-of-pocket expenses, including the allocable portion of the salaries of its employees who work on the Companies' affairs.

6. Interests in the Companies ("Interests") will be offered without registration in reliance on section 4(2) of the Securities Act of 1933 (the "Securities Act"), or Regulation D under the Securities Act, and will be sold without a sales load only to "Eligible Employees" and other "Qualified Participants," in each case as defined below, or to a John Hancock Group entity (collectively, "Members"). Prior to offering Interests to an Eligible Employee or Qualified Family Member (as defined below), the Managing Member must reasonably believe that such individual will be a sophisticated investor capable of understanding and evaluating the risks of participating in the Company and is able to afford a complete loss of any investment. An Eligible Employee is an individual who is a current or former employee, officer, or director of John Hancock Group and, except for certain individuals ("ESC Investors") who manage the day-to-day affairs of the Company in question and certain individuals ("JH Investors") who manage the day-to-day affairs of the Client Funds or the Co-Investors (both as defined below), meets the standards of an accredited investor under rule 501(a)(6) of Regulation D under the Securities Act (an "Accredited Investor").

7. ESC Investors, who also will qualify as Eligible Employees, will have primary responsibility for operating the Company in which they invest. These responsibilities will include, among other things, monitoring investments for the Company, communicating with the Members in the Company, maintaining the books and records of the Company, addressing day-to-day tax issues involving the Company, and evaluating investments for the Company. Each ESC Investor will (a) be closely involved with the knowledgeable about the Company's affairs and investments, (b) be an officer or employee of John Hancock Group, and (c) have reportable income from all sources (including any profit sharing and bonuses) in the two calendar years immediately preceding the ESC Investor's participation in the Company in excess of \$100,000 and have a reasonable expectation of reportable income of at least \$100,000 in the years in which the ESC Investor invests in a Company.

8. JH Investors, who also will qualify as Eligible Employees, will have primary responsibility for operating (i) the investment partnerships or other investment entities managed by John Hancock ("Client Funds") in which the Companies invest, provided that such Client Funds represent the sole investments of the Company in which the JH Investor invests or (ii) any other investor organized or managed by a John Hancock Group entity that generally will co-invest with such Client Funds on a *pari passu* basis (the "Co-Investors"). These responsibilities will include, among other things, monitoring investments for the Client Funds or Co-Investors, communicating with the members or other representatives of the Client Funds or Co-Investors, maintaining the books and records of the Client Funds or Co-Investors, addressing day-to-day tax issues involving the Client Funds or Co-Investors, marketing units in the Client Funds or Co-Investors, and evaluating investments for the Client Funds or Co-Investors. Each JH Investor will (a) be closely involved with and knowledgeable about the affairs and investments of the Client Funds or Co-Investors, (b) be an officer or employee of John Hancock Group, (c) have a graduate degree in business, law or accounting, (d) have a minimum of five years of consulting, investment banking or similar business experience, and (e) have reportable income from all sources (including any profit sharing and bonuses) in the two calendar years immediately preceding the JH Investor's participation in the Company in excess

of \$100,000 and have a reasonable expectation of reportable income of at least \$140,000 in the years in which the JH Investor invests in a Company. In addition, a JH Investor will not be permitted to invest in any year more than 10% of such person's income from all sources for the immediately preceding year in the aggregate in a Company and in all other Companies in which that JH Investor has previously invested.

9. A Qualified Participant is an Eligible Employee, Qualified Family Member (as defined below) or Qualified Investment Vehicle (as defined below). A "Qualified Family Member" is a spouse, parent, child, spouse of child, brother, sister, or grandchild of an Eligible Employee, and must be an Accredited Investor. A "Qualified Investment Vehicle" is a trust or other investment vehicle established for the benefit of an Eligible Employee or Qualified Family Members. A Qualified Investment Vehicle must be either (i) an accredited investor or (ii) an entity for which an Eligible Employee or Qualified Family Member is a settlor and principal investment decision-maker.

10. The terms of investment in a Company will be fully disclosed to each Qualified Participant in a private placement memorandum, which will be furnished at the time the Eligible Employee is invited to participate in the Company. Each Company will send audited financial statements to each Member as soon as practicable after the end of its fiscal year. In addition, each member will receive a report setting forth such tax information as shall be necessary for the preparation by the Member of his or her federal and state income tax returns.

11. Interests in a Company will be non-transferable except with the prior written consent of the Managing Member. No person will be admitted into a Company as a Member unless the person is a Qualified Participant or a John Hancock Group entity.

12. A Member's interest in a Company may be subject to repurchase if: (a) The Eligible Employee's relationship with John Hancock Group is terminated for cause; or (b) the Eligible Employee accepts employment of any nature with a firm that the Managing Member determines is competitive with any business of John Hancock Group. Upon repurchase, the Managing Member will pay to the Member the lesser of (a) the amount actually paid by the Member to acquire the Interest (less prior distributions, plus interest and dividends), and (b) the fair value of the

Interest as determined at the time of termination in good faith by the Managing Member.

13. Subject to the terms of the applicable limited liability company agreement (for other constitutive documents), a Company will be permitted to enter into transactions involving (a) a John Hancock Group entity, (b) a Client Fund or other portfolio company, (c) any Member or any person or entity affiliated with a Member, or (d) any partner or other investor in any entity in which a Company invests. These transactions may include a Company's purchase or sale of an investment or an interest from or to any John Hancock Group entity or Client Fund, acting as principal. Prior to entering into these transactions, the Managing Member must determine that the terms are fair to the Members. A Company will not acquire any security by a registered investment company if immediately after the acquisition, the Company will own more than 3% of the outstanding voting stock of the registered investment company.

Applicants' Legal Analysis

1. Section 6(b) of the Act provides, in part, that the SEC will exempt employees' securities companies from the provisions of the Act to the extent that the exemption is consistent with the protection of investors. Section 6(b) provides that the SEC will consider, in determining the provisions of the Act from which the company should be exempt, the company's form of organization and capital structure, the persons owning and controlling its securities, the price of the company's securities and the amount of any sales load, how the company's funds are invested, and the relationship between the company and the issuers of the securities in which it invests. Section 2(a)(13) defines an employees' security company, in relevant part, as any investment company all of whose securities are beneficially owned (a) by current or former employees, or persons on retainer, of one or more affiliated employers, (b) by immediate family members of such persons, or (c) by such employer or employers together with any of the persons in (a) or (b).

2. Section 7 of the Act generally prohibits investment companies that are not registered under section 8 of the Act from selling or redeeming their securities. Section 6(e) provides that, in connection with any order exempting an investment company from any provision of section 7, certain provisions of the Act, as specified by the SEC, will be applicable to the company and other persons dealing with the company as

though the company were registered under the Act. Applicants request an order under sections 6(b) and 6(e) of the Act exempting the Companies from all provisions of the Act, except section 9, section 17 (other than certain provisions of paragraphs (a), (d), (e), (f), (g), and (j)), sections 36 through 53 of the Act, and the rules and regulations under the Act.

3. Section 17(a) generally prohibits any affiliated person of a registered investment company, or any affiliated person of an affiliated person, acting as principal, from knowingly selling or purchasing any security or other property to or from the company. Applicants request an exemption from section 17(a) to permit: (a) a member of the John Hancock Group or a Client Fund, acting as principal, to engage in any transaction directly or indirectly with any Company or any entity controlled by such Company; (b) a Company to invest in or engage in any transaction with any entity, acting as principal (i) in which such Company, any company controlled by such Company or any John Hancock Group entity or a Client Fund has invested or will invest or (ii) with which such Company, and company controlled by such Company or any John Hancock Group entity is or will otherwise become affiliated; and (c) a partner or other investor in any entity in which a Company invests, acting as a principal, to engage in transactions directly or indirectly with the related Company or any company controlled by such Company.

4. Applicants state that an exemption from section 17(a) is consistent with the protection of investors and the purposes of the Companies. Applicants state that the Members in each Company will be fully informed of the extent of the Company's dealings with the John Hancock Group. Applicants also state that, as professionals engaged in financial services businesses, Members will be able to evaluate the attendant risks. Applicants assert that the community of interest among the Members and John Hancock Group will serve to reduce any risk of abuse.

5. Section 17(d) of the Act and rule 17d-1 under the Act prohibit any affiliated person or principal underwriter of a registered investment company, or any affiliated person of an affiliated person or principal underwriter, acting as principal, from participating in any joint arrangement with the company unless authorized by the SEC. Applicants request relief to permit affiliated persons of each Company, or affiliated persons of any of these persons, to participate in any joint arrangement in which the Company or

a company controlled by the Company is a participant.

6. Applicants submit that it is likely that suitable investments will be brought to the attention of a Company because of its affiliation with John Hancock Group, John Hancock Group's large capital resources, and its experience in structuring complex transactions. Applicants also submit that the types of investment opportunities considered by a Company often require each investor to make funds available in an amount that may be substantially greater than what a Company may make available on its own. Applicants contend that, as a result, the only way in which a Company may be able to participate in these opportunities may be to co-invest with other persons, including its affiliates. Applicants note that each Company will be organized for the benefit of Eligible Employees as an incentive for them to remain with John Hancock Group and for the generation and maintenance of goodwill. Applicants believe that, if co-investments with John Hancock Group are prohibited, the appeal of the Companies would be significantly diminished.

7. Applicants state that the possibility that permitting co-investments by John Hancock Group and a Company might lead to less advantageous treatment of the Company is minimal in light of the John Hancock Group's intention in establishing a Company so as to reward Eligible Employees and to attract and retain highly qualified personnel, and because senior officers and directors of John Hancock Group entities will be investing in the Company. In addition, applicants assert that strict compliance with section 17(d) would cause the Company to forego investment opportunities simply because a Member or other affiliated person of the Company (or any affiliate of the affiliated person) made a similar investment.

8. Section 17(f) designates the entities that may act as investment company custodians, and rule 17f-1 imposes certain requirements when the custodian is a member of a national securities exchange. Applicants request an exemption from section 17(f) and rule 17f-1 to permit the Managing Member to make certain approvals and ratifications, rather than a majority of the board of directors of a Company, as would be required by rule 17f-1 (a) and (d). Applicants also request an exemption from the rule 17f-1(b)(4) requirement that an independent accountant periodically verify the assets held by the custodian. Applicants

further request an exemption from rule 17f-1(c)'s requirement of transmitting to the SEC a copy of any contract executed pursuant to rule 17f-1. Applicants state that, because of the community of interest between John Hancock Group and the Companies and the independent audit of annual financial statements, compliance with these requirements would be unnecessarily burdensome and expensive. Applicants will comply with all other requirements of rule 17f-1.

9. Section 17(g) and rule 17g-1 generally require the bonding of officers and employees of a registered investment company who have access to its securities or funds. Rule 17g-1 requires that a majority of directors who are not interested persons take certain actions and give certain approvals relating to fidelity bonding. Applicants request relief to permit the Managing Member's officers and directors, who may be deemed interested persons, to take actions and make determinations set forth in the rule. Applicants state that, because all the directors of the Managing Member will be affiliated persons, a Company could not comply with rule 17g-1 without the requested relief. Applicants also state that each Company will comply with all other requirements of rule 17g-1.

10. Section 17(j) and paragraph (a) of rule 17j-1 make it unlawful for certain enumerated persons to engage in fraudulent or deceptive practices in connection with the purchase or sale of a security held or to be acquired by a registered investment company. Rule 17j-1 also requires that every registered investment company adopt a written code of ethics and that every access person of a registered investment company report personal securities transactions. Applicants request an exemption from the provisions of rule 17j-1, except for the anti-fraud provisions of paragraph (a), because they are unnecessarily burdensome as applied to the Companies.

11. Applicants request an exemption from the requirements in sections 30(a), 30(b) and 30(e), and the rules under those sections, that registered investment companies prepare and file with the SEC and mail to their shareholders certain periodic reports and financial statements. Applicants contend that the forms prescribed by the SEC for periodic reports have little relevance to the Companies and would entail administrative and legal costs that outweigh any benefit to the Members.

Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. Each proposed transaction otherwise prohibited by section 17(a) or section 17(b) of the Act and rule 17d-1 under the Act to which a Company is a party (the "Section 17 Transactions") will be effected only if the Managing Member determines that: (a) the terms of the transaction, including the consideration to be paid or received, are fair and reasonable to the members and do not involve overreaching of the company or its Members on the part of any person concerned; and (b) the transaction is consistent with the interests of the members, the Company's organizational documents, and the Company's reports to its Members. In addition, the Managing Members will record and preserve a description of all Section 17 Transactions, the Managing Member's findings, the information or materials upon which their findings are based, and the basis for the findings. All such records will be maintained for the life of the Companies and at least two years thereafter, and will be subject to examination by the SEC and its staff.¹

2. In connection with the Section 17 Transactions, the Managing Member will adopt, and periodically review and update, procedures designed to ensure that reasonable inquiry is made, prior to the consummation of any Section 17 Transaction, will respect to the possible involvement in the transaction of any affiliated person or promoter of or principal underwriter for the Company, or any affiliated person of such person, promoter, or principal underwriter.

3. The Managing Member will not invest the funds of any Company in any investment in which an "Affiliated Co-Investor" (as defined below) has acquired or proposes to acquire the same class of securities of the same issuer, where the investment involves a joint enterprise or other joint arrangement within the meaning of rule 17d-1 in which the Company and an Affiliated Co-Investor are participants, unless any such Affiliated Co-Investor, prior to disposing of all or part of its investment, (a) gives the Managing Member sufficient, but not less than one days, notice of its intent to dispose of its investment, and (b) refrains from disposing of its investment unless the Company has the opportunity to dispose of the Company's investment prior to or concurrently with, on the same terms as,

¹ Each Company will preserve the accounts, books and other documents required to be maintained in an easily accessible place for the first two years.

and pro rata with the Affiliated Co-Investor. The term "Affiliated Co-Investor" with respect to any Company means any person who is an "affiliated person" (as defined in the Act) of the Company or an affiliated person of such person. The restrictions contained in this condition, however, shall not be deemed to limit or prevent the disposition of an investment by an Affiliated Co-Investor: (a) To its direct or indirect wholly-owned subsidiary, to any company (a "Parent") of which the Affiliated Co-Investor is a direct or indirect wholly-owned subsidiary, or to a direct or indirect wholly-owned subsidiary of its Parent; (b) to immediate family members of the Affiliated Co-Investor or a trust or other investment vehicle established for any such family member; or (c) when the investment is comprised of securities that are (i) listed on any exchange registered as a national securities exchange under section 6 of the Exchange Act; (ii) national market system securities pursuant to section 11A(a)(2) of the Exchange Act and rule 11Aa2-1 thereunder; or (iii) government securities as defined in section 2(a)(16) of the Act.

4. Each Company and the Managing Member will maintain and preserve, for the life of each such Company and at least two years thereafter, such accounts, books, and other documents as constitute the record forming the basis for the audited financial statements that are to be provided to the members, and each annual report of the Company required to be sent to the Members, and agree that all such records will be subject to examination by the SEC and its staff.²

5. The Managing Member of each Company will send to each Member in the Company who had an interest in a Company, at any time during the fiscal year then ended, Company financial statement audited by the Company's independent accountants. At the end of each fiscal year, the Managing Member will make a valuation or have a valuation made of all of the assets of the company as of the fiscal year end in a manner consistent with customary practice with respect to the valuation of assets of the kind held by the company. In addition, within 90 days after the end of each fiscal year of each Company or as soon as practicable thereafter, the Managing Member of the Company will send a report to each person who was a Member in the company at any time during the fiscal year then ended,

² Each Company will preserve the accounts, books and other documents required to be maintained in an easily accessible place for the first two years.

setting forth such tax information as shall be necessary for the preparation by the member of his or its federal and state income tax returns, and a report of the investment activities of the Company during that year.

6. Whenever a Company makes a purchase from or sale to an entity affiliated with the Company by reason of a 5% or more investment in such entity by a John Hancock Group director, officer, employee, or person on retainer, such individual will not participate in the Managing Member's determination of whether or not to effect the purchase or sale.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-21273 Filed 8-16-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-23945; 812-11652]

Oppenheimer Senior Floating Rate Fund, et al.; Notice of Application

August 12, 1999.

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

ACTION: Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 ("Act") for an exemption from sections 18(c) and 18(i) of the Act, under sections 6(c) and 23(c)(3) of the Act for an exemption from rule 23c-3 under the Act, and pursuant to section 17(d) of the Act and rule 17d-1 under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain registered closed-end investment companies to issue multiple classes of shares, and impose asset-based distribution fees and early withdrawal charges.

APPLICANTS: Oppenheimer Senior Floating Rate Fund ("Fund"), OppenheimerFunds Distributor, Inc. ("Distributor"), and OppenheimerFunds, Inc. ("Adviser").

FILING DATES: The application was filed on June 10, 1999. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected 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 September 1, 1999, 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 who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549-0609; Andrew J. Donohue, Esq., OppenheimerFunds, Inc., Two World Trade Center, New York, NY 10048.

FOR FURTHER INFORMATION CONTACT: John K. Forst, Attorney Advisor, 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 at the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549-0102 (telephone (202) 942-8090).

Applicants' Representations

1. The Fund is a closed-end management investment company registered under the Act and organized as a Massachusetts business trust. The Adviser is registered under the Investment Advisers Act of 1940 and will serve as investment adviser to the Fund. The Distributor, a broker-dealer registered under the Securities Exchange Act of 1934, will distribute the Fund's shares. Applicants request that the order also apply to any other registered closed-end investment company for which the Adviser or the Distributor or any entity controlling, controlled by, or under common control with the Adviser or the Distributor acts as investment adviser or principal underwriter.¹

2. The Fund's investment objective is to seek a high level of current income and preservation of capital. The Fund will invest primarily in senior secured floating rate loans made by commercial banks, investment banks and finance companies to commercial and industrial borrowers ("Loans"). Under normal circumstances, at least 80% of the Fund's total assets will be invested in Loans. Up to 20% of the Fund's total assets may be invested in U.S. dollar-

denominated loans to certain foreign borrowers, junior debt obligations, short-term investment-grade or non-investment-grade debt obligations, secured and unsecured loans and equity securities, including stocks and warrants.

3. The Fund intends to continuously offer its shares to the public at net asset value. The Fund's shares will not be offered or traded in the secondary market and will not be listed on any exchange or quoted on any quotation medium. The Fund intends to operate as an "interval fund" pursuant to rule 23c-3 under the Act and make periodic repurchase offers to its shareholders.

4. The Fund seeks the flexibility to be structured as a multiple-class fund and currently intends to offer three classes of shares. The Fund will offer Class B Shares at net asset value without a front-end sales charge, but subject to an early withdrawal charge ("EWC") on shares that are repurchased by the Fund within five years of the end of the month in which they were purchased. Class B shares will automatically convert to Class A shares 72 months after the end of the month in which they were purchased. The Fund may in the future offer Class A shares with a front-end sales charge. The Fund will offer Class C shares at net asset value without a front-end sales charge, but subject to an EWC on shares that are repurchased by the Fund within one year of the end of the month in which they were purchased. Class A, Class B, and Class C shares will be subject to an annual shareholder service fee of up to .25% of average daily net assets. Class A, Class B, and Class C shares will be subject to an annual distribution fee of up to .75% of average daily net assets. Applicants represent that the service and distribution fees will comply with the provisions of rule 2830(d) of the Conduct Rules of the National Association of Securities Dealers, Inc. ("NASD") as if the Fund were an open-end investment company. Applicants also represent that the Fund will disclose in its prospectus the fees, expenses and other characteristics of each class of shares offered for sale, as is required for open-end multi-class funds under Form N-1A.

5. All expenses incurred by the Fund will be allocated among the various classes of shares based on the net assets of the Fund attributable to each class, except that the net asset value and expenses of each class will reflect distribution fees, service fees (including transfer agency fees), and any other incremental expenses attributable to that class. Expenses of the Fund allocated to a particular class of shares

¹ Any registered closed-end investment company relying on this relief in the future will do so in a manner consistent with the terms and conditions of the application.