Dated at King of Prussia, Pennsylvania this 11th day of June, 2003.

For the Nuclear Regulatory Commission.

John D. Kinneman,

Chief, Nuclear Materials Safety Branch 2, Division of Nuclear Materials Safety, Region I.

[FR Doc. 03–15348 Filed 6–17–03; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension:

Form S–11, OMB Control No. 3235–0067, SEC File No. 270–064

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) the Securities and Exchange Commission (''Commission'') has submitted to the Office of Management and Budget request for extension of the previously approved collection of information discussed below.

Form S–11 is the registration statement form used to register securities issued in real estate investment trusts by issuers whose business is primarily that of acquiring and holding investment interest in real estate under the Securities Act of 1933. The information filed with the Commission permits verifications of compliance with securities law requirements and assures public availability and dissemination of such information. Information provided is mandatory. Approximately 150 issuers file Form S–11 annually and it takes approximately 1,892 hours per response for a total burden of 283,800 hours. It is estimated that 25% of the total burden hours (70,950 reporting burden) is prepared by the company. Finally, persons who respond to the collection of information contained in Form S–11 are not required to respond unless the form displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503; and (ii) Kenneth A. Fogash, Acting Associate Executive Director/CIO, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: June 10, 2003.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03–15311 Filed 6–17–03; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–26073; 812–12859]

Dresdner Bank AG, *et al.*; Notice of Application

June 11, 2003.

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

ACTION: Notice of application for an order under section 12(d)(1)(J) of the Investment Company Act of 1940 (the ''Act'') for an exemption from section 12(d)(1) of the Act, under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act, under section 6(c) of the Act for an exemption from section 17(e) of the Act, and under section 17(d) of the Act and rule 17d–1 under the Act to permit certain joint transactions.

Summary of Application: Applicants request an order to permit: (a) Certain registered investment companies and certain private investment companies to use cash collateral from securities lending transactions (''Cash Collateral'') to purchase shares (''Shares'') of certain registered open-end management investment companies (''Registered Investment Funds'') and private investment companies (''Private Investment Funds'', together with the Registered Investment Funds, the ''Investment Funds''); (b) certain registered investment companies to pay an affiliated lending agent a fee based on a share of the revenue derived from securities lending activities; (c) Dresdner Bank AG (''Bank''), Dresdner Kleinwort Wassertein Securities LLC (''DKWS'') and any other Dresdner Entity (as defined below) (each, an ''Affiliated Borrower'') to engage in principal transactions with, and receive brokerage commissions from, certain registered investment companies that are affiliated persons because they hold 5% or more of the outstanding voting securities of an Investment Fund; and (d) certain registered investment companies to lend portfolio securities to Affiliated Borrowers.

Applicants: Bank, DKWS and PIMCO Funds: Multi-Manager Series (the ''Trust'').

Filing Dates: The application was filed on July 19, 2002 and amended on June 2, 2003.

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 should be received by the Commission by 5:30 p.m. on July 7, 2003, 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, Commission, 450 Fifth Street, NW., Washington, DC 20549–0609. Applicants, c/o Robert Boyd, Dresdner Bank AG, New York Branch, 75 Wall Street, 31st Floor, New York, NY 10005.

FOR FURTHER INFORMATION CONTACT: Emerson S. Davis, Sr., Senior Counsel, at (202) 942–0714, 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 from the Commission's Public Reference Branch, 450 5th Street, NW., Washington DC 20549–0102 (telephone (202) 942–8090).

Applicants' Representations

1. The Bank, a German public limited company, is wholly-owned by Allianz AG (''Allianz''), a German international financial services company. DKWS, registered as a broker-dealer under the Securities Exchange Act of 1934, is a wholly-owned subsidiary of Allianz. The Trust, a Massachusetts business trust, is an open-end management investment company registered under the Act and advised by PIMCO Advisors Fund Management LLC, an investment adviser under the Investment Advisers Act of 1940 that is an indirect subsidiary of Allianz. Series of the Trust and any other registered management investment companies or series thereof currently or in the future advised by the Bank or any entity controlling, controlled by, or under common control with the Bank (the Bank and each

entity, a ''Dresdner Entity'') are referred to as ''Affiliated Lending Funds.'' [1]

2. The New York branch of the Bank operates a securities lending program (''Program''). Lenders in the Program include, among others: (a) Affiliated Lending Funds, (b) other registered management investment companies or series thereof (''Other Lending Funds,'' together with the Affiliated Lending Funds, the ''Registered Lending Funds'') and (c) investment entities excluded from the definition of investment company under section 3(c)(1) or 3(c)(7) of the Act (''Private Lending Funds,'' together with the Registered Lending Funds, the ''Lending Funds'').

3. The Registered Investment Funds will be open-end management investment companies registered under the Act and advised by a Dresdner Entity. The Private Investment Funds will rely on section 3(c)(1) or 3(c)(7) of the Act and will be advised by a Dresdner Entity. Shares of the Investment Funds will not be subject to any sales load, redemption fee, asset-based sales charge or service fee, as defined in rule 2830(b)(9) of the Conduct Rules of the National Association of Securities Dealers, Inc. (''NASD Conduct Rules''). Certain Investment Funds will hold themselves out as money market funds and will comply with rule 2a–7 under the Act. Other Investment Funds will seek to achieve a high level of current income consistent with the preservation of capital and the maintenance of liquidity and will invest in high quality securities with relatively short maturities.

4. Under the Program, the Bank will enter into an agreement (''Lending Agreement'') with each Lending Fund that appoints the Bank to serve as its lending agent and authorizes the Bank to enter into a master borrowing agreement (''Borrowing Agreement'') with persons designated by the Lending Fund as eligible to borrow its portfolio securities (each a ''Borrower''). Under the Lending Agreement, the Bank will invest any Cash Collateral received in the Program on behalf of a Lending Fund directly in various types of instruments, accounts and investment vehicles, including Shares of one or more Investment Funds. The Lending Agreement and the Borrowing Agreement will also establish for each transaction the initial and on-going collaterization requirements and the types of collateral that may be accepted. Personnel providing day-to-day lending agency services to the Affiliated Lending Funds will not provide investment advisory services to the Affiliated Lending Funds or participate in any way in the selection of portfolio securities for, or other aspects of the management of, the Affiliated Lending Funds. The duties to be performed by the Bank as lending agent with respect to any Registered Lending Fund will not exceed the parameters described in Norwest Minnesota, N.A., SEC No-Action Letter (pub. avail. May 25, 1995). The Bank will not purchase Shares of an Investment Fund with Cash Collateral unless participation in the Program has been approved by a majority of the directors or trustees of the Registered Lending Fund that are not ''interested persons'' within the meaning of section 2(a)(19) of the Act.

5. When a securities loan is collateralized by Cash Collateral, the Borrower is entitled to receive a fixed return on the collateral for the term of the loan (''Borrower's Rebate''). The difference between the Borrower's Rebate and the actual return on the investment of the collateral will be divided between the Lending Fund and the Bank in accordance with the terms of the Lending Agreement. When the collateral is not Cash Collateral, the Lending Agreement will set a loan fee to be paid by the Borrower, which likely will approximate the return the Lending Fund would receive had the Borrower delivered Cash Collateral. The amount of the fee will be divided between the Lending Fund and the Bank in accordance with the terms of the Lending Agreement.

6. The applicants request relief to permit: (a) The Lending Funds to invest Cash Collateral in the Investment Funds, (b) the Registered Lending Funds to pay the Bank a fee based on a share of the revenue derived from securities lending activities, (c) Affiliated Lending Funds to lend portfolio securities to the Affiliated Borrowers, and (d) a Dresdner Entity to engage in principal transactions with, and receive brokerage commissions from, the Other Lending Funds.

Applicants' Legal Analysis

A. Investment of Cash Collateral by the Lending Funds in the Investment Funds

1. Section 12(d)(1)(A) of the Act provides that no registered investment company may acquire securities of another investment company representing more than 3% of the acquired company's outstanding voting stock, more than 5% of the acquiring company's total assets, or, together with the securities of other investment companies, more than 10% of the acquiring company's total assets. Section 12(d)(1)(B) of the Act provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company's voting stock, or if the sale will cause more than 10% of the acquired company's voting stock to be owned by investment companies. Section 12(d)(1)(J) of the Act provides that the Commission may exempt any person or transaction from any provision of section 12(d)(1) if and to the extent that the exemption is consistent with the public interest and the protection of investors.

2. Applicants request an exemption under section 12(d)(1)(J) to permit the Lending Funds to invest Cash Collateral in Shares of the Registered Investment Funds in excess of the limits imposed by section 12(d)(1)(A), and each Registered Investment Fund to sell its Shares to the Lending Funds in excess of the limits in section 12(d)(1)(B).

3. Applicants state that none of the abuses meant to be addressed by section 12(d)(1) of the Act will be created by the proposed investment of Cash Collateral in the Registered Investment Funds. Applicants represent that the proposed arrangement will not result in an inappropriate layering of fees because Shares of the Investment Funds will be sold without a sales load, redemption fee, asset-based sales charge or service fee as defined in the NASD Conduct Rules. Applicants also represent that no Investment Fund will acquire shares of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

4. Sections 17(a)(1) and 17(a)(2) of the Act prohibit an affiliated person of a registered investment company, or any affiliated person of the affiliated person (''second-tier affiliate'') from selling any security to, or purchasing any security from, the registered investment company. Section 2(a)(3) of the Act defines an ''affiliated person'' of another person to include: any person directly or indirectly owning, controlling, or holding with power to vote 5% or more of the outstanding voting securities of the other person; any person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other person; any person directly or indirectly controlling, controlled by, or under common control with, the other person; and, in the case of an investment company, its investment adviser. Control is defined

[1] All existing Affiliated Lending Funds that currently intend to rely on the requested relief have been named as applicants. Any other existing or future entity may rely on the requested relief only in accordance with the terms and conditions of the application.

in section 2(a)(9) of the Act to mean ''the power to exercise a controlling influence over the management or policies of a company, unless such power is solely the result of an official position with such company.''

5. Applicants state that because Dresdner Entities will serve as investment advisers to Affiliated Lending Funds and the Investment Funds, the Dresdner Entities could be deemed to control the Affiliated Lending Funds and the Investment Funds, and the Dresdner Entities are under common control. Accordingly, the Affiliated Lending Funds and the Investment Funds may be deemed to be under common control and affiliated persons of each other. Further, applicants state that if any Other Lending Fund acquires 5% or more of an Investment Fund's Shares, the Investment Fund may be deemed an affiliated person of the Other Lending Fund. As a result, applicants state that the sale of Shares of the Investment Funds to the Registered Lending Funds, and the redemption of such Shares in connection with the investment of Cash Collateral may be prohibited under Section 17(a).

6. Section 17(b) of the Act authorizes the Commission to exempt a transaction from section 17(a) if 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, and the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act. Section 6(c) of the Act authorizes the Commission to exempt any person or transaction from any provision of the Act if the exemption is necessary or 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.

7. Applicants request an order under sections 6(c) and 17(b) of the Act to permit the Registered Lending Funds to invest Cash Collateral in Shares of the Investment Funds. Applicants submit that the terms of the proposed transactions, including the consideration to be paid or received, are reasonable and fair, do not involve overreaching and are consistent with the general purposes of the Act as well as the policies of the respective Registered Lending Funds. The Registered Lending Funds will purchase and redeem Shares on the same terms and the same basis as the Shares are purchased and redeemed by all other shareholders of the Investment Funds. Applicants state that the Registered Lending Funds will only be permitted to invest in an Investment Fund if that Investment Fund invests in instruments that the Registered Lending Fund has previously determined are acceptable medium for the investment for Cash Collateral. Applicants state that Cash Collateral of a Registered Lending Fund that is a money market fund will not be used to acquire Shares of any Investment Fund that does not comply with rule 2a–7 under the Act. Applicants further state that the investment of Cash Collateral will comply with all present and future Commission and staff positions concerning securities lending arrangements. Applicants also state that the Private Investment Funds will comply with the provisions of the Act dealing with affiliated transactions, leveraging and issuing senior securities, and rights of redemption.

8. Section 17(d) of the Act and rule 17d–1 under the Act prohibit any affiliated person or principal underwriter for a registered investment company, or any second tier affiliate, acting as principal, from effecting any transaction in connection with any joint enterprise or other joint arrangement or profit sharing plan in which the investment company participates, without an order of the Commission. Under rule 17d–1, in passing on applications for orders under section 17(d), the Commission considers whether the participation of the registered investment company is consistent with the provisions, policies, and purposes of the Act and the extent to which the participation is on a basis different from or less advantageous than that of other participants.

9. Applicants state that the Lending Funds (by purchasing and redeeming Shares of the Investment Funds), the Dresdner Entities (by managing the portfolio securities of the Affiliated Lending Funds and Investment Funds at the same time that the Affiliated Lending Funds' Cash Collateral is invested in Shares), the Bank (by acting as lending agent, investing Cash Collateral in Shares, and receiving a portion of the revenue generated by securities lending transactions), and the Investment Funds (by selling Shares to and redeeming Shares from the Lending Funds) could be deemed to be participants in a joint enterprise or other joint arrangement within the meaning of section 17(d) of the Act and rule 17d–1 under the Act. Applicants request an order in accordance with section 17(d) and rule 17d–1 to permit the transactions incident to the investment of Cash Collateral of the Lending Funds in the Investment Funds.

10. Applicants state that the investment by the Lending Funds in Shares will be on the same basis and will be indistinguishable from any other shareholder account maintained by the Investment Funds. In addition, applicants state that all investors in Shares will be subject to the same eligibility requirements imposed by the Investment Funds and all Shares will be priced in the same manner and will be redeemable under the same terms.

B. Payment of Lending Agent Fees to the Bank

1. Applicants also believe that a lending agent agreement between the Registered Lending Funds and the Bank, under which compensation is based on a share of the revenue generated by the Program, may be a joint enterprise or other joint arrangement within the meaning of section 17(d) of the Act and rule 17d–1 under the Act. Consequently, applicants request an order permitting the Registered Lending Funds to pay, and the Bank, as lending agent, to accept fees based on a share of the revenue generated by securities lending transactions under the Program.

2. Applicants propose that each Affiliated Lending Fund adopt the following procedures to ensure that the proposed fee arrangement and the other terms governing the relationship with the Bank, as lending agent, will meet the standards of rule 17d–1:

(a) In connection with the approval of the Bank as lending agent for an Affiliated Lending Fund and implementation of the proposed fee arrangement, a majority of the board of directors or trustees of the Affiliated Lending Fund (the ''Board''), including a majority of the directors or trustees that are not ''interested persons'' as defined in section 2(a)(19) of the Act (''Independent Directors''), will determine that (i) the Lending Agreement with the Bank is in the best interests of the Affiliated Lending Fund and its shareholders, (ii) the services to be performed by the Bank are appropriate for the Affiliated Lending Fund, (iii) the nature and quality of the services provided by the Bank are at least equal to those services offered and provided by others, and (iv) the fees for the Bank's services are within the range of, but in any event no higher than, the fees charged by the Bank to comparable unaffiliated securities lending clients for services of the same nature and quality.

(b) Each Affiliated Lending Fund's Lending Agreement with the Bank for lending agent services will be reviewed annually by the Board and will be approved for continuation only if a majority of the Board, including a

majority of Independent Directors, makes the findings referred to in paragraph (a) above.

(c) In connection with the initial implementation of an arrangement whereby the Bank will be compensated as lending agent based on a percentage of the revenue generated by an Affiliated Lending Fund's participation in the Program, the Affiliated Lending Fund's Board shall secure a certificate from the Bank attesting to the factual accuracy of clause (iv) in paragraph (a) above. In addition, the Board will request and evaluate, and the Bank shall furnish, such information and materials as the Board, with and upon the advice of agents, consultants or counsel, determines to be appropriate in making the findings referred to in paragraph (a) above. Such information shall include, in any event, information concerning the fees charged by the Bank to other institutional investors for providing similar services.

(d) The Board of each Affiliated Lending Fund, including a majority of the Independent Directors, will (i) determine at each regular quarterly meeting that the loan transactions during the prior quarter were effected in compliance with the conditions and procedures set forth in the application and (ii) review no less frequently than annually the conditions and procedures set forth in the application for continuing appropriateness.

(e) Each Affiliated Lending Fund will (i) maintain and preserve permanently in an easily accessible place a written copy of the procedures and conditions described in the application and (ii) maintain and preserve for a period of not less than six (6) years from the end of the fiscal year in which any loan transaction pursuant to the Program occurred, the first two (2) years in an easily accessible place, a written record of each such loan transaction setting forth a description of the security loaned, the identity of the person on the other side of the loan transaction, the terms of the loan transaction, and the information or materials upon which the determination was made that each loan was made in accordance with the procedures set forth above and the conditions to the application.

3. With respect to Other Lending Funds, applicants state that the affiliations with the Bank arise solely as result of the investment of Cash Collateral in the Investment Funds. Applicants state that a Dresdner Entity would not have any influence over the decisions made by any Other Lending Fund, and that any fee arrangement between the Other Lending Funds and the Bank will be the product of arm's-length bargaining.

C. Lending to Affiliated Borrowers

1. Section 17(a)(3) of the Act makes it unlawful for any affiliated person of a registered investment company or second-tier affiliate, acting as principal, to borrow money or other property from the registered investment company. Under section 2(a)(3)(C) of the Act, an Affiliated Borrower would be deemed a second-tier affiliate of Affiliated Lending Funds for which Dresdner Entities serve as investment advisers. In addition, applicants state that to the extent that an Affiliated Lending Fund or Other Lending Fund acquires Shares of an Investment Fund, an Affiliated Borrower also could be deemed a second-tier affiliate of the Affiliated Lending Fund or Other Lending Fund. Accordingly, section 17(a)(3) would prohibit the Affiliated Borrowers from borrowing securities from the Registered Lending Funds.

2. As noted above, section 17(d) and rule 17d–1 generally prohibit joint transactions involving registered investment companies and their affiliates unless the Commission has approved the transaction. Applicants request relief under sections 6(c) and 17(b) of the Act exempting the Registered Lending Funds from section 17(a)(3), and under section 17(d) and rule 17d–1 to permit the Registered Lending Funds to lend portfolio securities to Affiliated Borrowers.

3. Applicants state that each loan to an Affiliated Borrower by an Affiliated Lending Fund will be made with a spread that is no lower than that applied to comparable loans to unaffiliated Borrowers.[2] Applicants further state that at least 50% of the loans made by the Affiliated Lending Funds, on an aggregate basis, will be made to unaffiliated Borrowers. Moreover, all loans will be made with spreads that are no lower than those set forth in a schedule of spreads which will be established by each Affiliated Lending Fund's Board and a majority of the Independent Directors and monitored by an officer of the Affiliated Lending Fund. The Board, including a majority of the Independent Directors, also will review quarterly reports on all lending activity.

[2] A ''spread'' is the compensation earned by a Lending Fund from a securities loan, which compensation is in the form either of a lending fee payable by the Borrower to the Lending Fund (when non-cash collateral is posted) or of the excess retained by the Lending Fund over a rebate rate payable by the Lending Fund to the Borrower (when Cash Collateral is posted and then invested by the Lending Fund).

D. Transactions by Other Lending Funds with Dresdner Entities

1. As noted above, sections 17(a)(1), (2) and (3) prohibit certain principal transactions between a registered investment company and its affiliates. To the extent that a Dresdner Entity and the Investment Funds are deemed to be under common control, they could be affiliated persons of one another. Applicant also asserts that each Dresdner Entity that serves as investment adviser to an Investment Fund could be deemed an affiliated person of the Investment Fund and a second-tier affiliate of an Other Lending Fund that owns 5% or more of an Investment Fund.

2. Applicants request relief under sections 6(c) and 17(b) from section 17(a) to permit principal transactions between Other Lending Funds and Dresdner Entities where the affiliation between the parties arises solely as a result of an investment by an Other Lending Fund in Shares of the Investment Funds. Applicants state that there will be no element of self-dealing because the Dresdner Entities will have no influence over the decisions made by any Other Lending Fund. Applicants assert that each transaction will be the product of arm's length bargaining. Because the interests of the Other Lending Funds' investment advisers are solely and directly aligned with those of the Other Lending Funds, applicants believe it is reasonable to conclude that the consideration paid to or received by the Other Lending Funds in connection with a principal transaction with a Dresdner Entity will be reasonable and fair.

3. Section 17(e) of the Act makes it unlawful for any affiliated person of a registered investment company, or any second-tier affiliate, acting as a broker in connection with the sale of securities to or by that registered investment company, to receive from any source a commission for effecting the transaction that exceeds specified limits. Rule 17e–1 provides that a commission shall be deemed an usual and customary broker's commission if certain procedures are followed by the registered investment company.

4. Applicants request relief under section 6(c) from section 17(e) to the extent necessary to permit Dresdner Entities to receive fees or commissions for acting as broker or agent in connection with the purchase or sale of securities for any Other Lending Fund for which a Dresdner Entity becomes a second-tier affiliate solely because of the investment by the Other Lending Fund in Shares of Investment Funds.

5. Applicants submit that brokerage or similar transactions by Dresdner Entities for the Other Lending Funds raise no possibility of self-dealing or any concern that the Other Lending Funds would be managed in the interest of the Dresdner Entities. Applicants believe that each transaction between an Other Lending Fund and a Dresdner Entity would be the product of arm's length bargaining because each investment adviser to an Other Lending Fund would have no interest in benefiting a Dresdner Entity at the expense of an Other Lending Fund.

Applicants' Conditions

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

General

1. The securities lending program of each Registered Lending Fund will comply with all present and future applicable guidelines of the Commission and its staff regarding securities lending arrangements.

2. The approval of an Affiliated Lending Fund's Board, including a majority of the Independent Directors, shall be required for the initial and subsequent approvals of the Bank's service as lending agent for the Affiliated Lending Fund pursuant to the Program, for the institution of all procedures relating to the Program as it relates to the Affiliated Lending Fund, and for any periodic review of loan transactions for which the Bank acted as lending agent pursuant to the Program.

3. No Registered Lending Fund will purchase Shares of any Investment Fund unless participation in the Program has been approved by a majority of the Independent Directors of the Registered Lending Fund. The Independent Directors will evaluate the Program no less frequently than annually and determine that investing Cash Collateral in the Investment Funds is in the best interests of the shareholders of the Registered Lending Fund.

Investment of Cash Collateral

4. Investment in Shares of an Investment Fund by a particular Registered Lending Fund will be consistent with the Registered Lending Fund's investment objectives and policies. A Registered Lending Fund that complies with rule 2a-7 under the Act will not invest its Cash Collateral in an Investment Fund that does not comply with the requirements of rule 2a–7 under the Act.

5. Investment in Shares of an Investment Fund by a particular Registered Lending Fund will be in accordance with the guidelines regarding the investment of Cash Collateral specified by the Registered Lending Fund in the Lending Agreement. A Registered Lending Fund's Cash Collateral will be invested in a particular Investment Fund only if that Investment Fund has been approved for investment by the Registered Lending Fund and if that Investment Fund invests in the types of instruments that the Registered Lending Fund has authorized for the investment of its Cash Collateral.

6. An Investment Fund will not acquire securities of any investment company in excess of the limits in Section 12(d)(1)(A).

7. Shares will not be subject to a sales load, redemption fee, asset-based sales charge or service fee (as defined in rule 2830(b)(9) of the NASD Conduct Rules).

Private Investment Funds

8. Each Registered Lending Fund will purchase and redeem Shares of a Private Investment Fund as of the same time and at the same price, and will receive dividends and bear its proportionate share of expenses on the same basis as other shareholders of the Private Investment Fund. A separate account will be established in the shareholder records of the Private Investment Fund for the account of each Registered Lending Fund.

9. Each Private Investment Fund in which a Registered Lending Fund invests will comply with the requirements of sections 17(a), (d), and (e), and 18 of the Act as if the Private Investment Fund were a registered open-end investment company. With respect to all redemption requests made by a Registered Lending Fund, the Private Investment Fund will comply with section 22(e) of the Act. The Dresdner Entity serving as investment adviser, trustee, general partner or managing member of a Private Investment Fund will adopt procedures designed to ensure that the Private Investment Fund will comply with the requirements of sections 17(a), (d), and (e), 18, and 22(e) of the Act, will periodically review and periodically update as appropriate such procedures, will maintain books and records describing such procedures, and will maintain the records required by rules 31a–1(b)(1), 31a–1(b)(2)(ii), and 31a–1(b)(9) under the Act. All books and records required to be maintained pursuant to this condition will be maintained and preserved for a period of not less than six years from the end of the fiscal year in which any transaction occurred, the first two years in an easily accessible place, and will be subject to examination by the Commission and its staff.

10. The net asset value per Share with respect to Shares of the Private Investment Funds will be determined separately for each Private Investment Fund by dividing the value of the assets belonging to that Private Investment Fund, less the liabilities of that Private Investment Fund, by the number of Shares outstanding with respect to that Private Investment Fund.

11. Any Private Investment Fund that operates as a money market fund and uses the amortized cost method of valuation, as defined in rule 2a-7 under the Act, will comply with rule 2a-7. With respect to each such Private Investment Fund, the Dresdner Entity serving as investment adviser, trustee, general partner or managing member shall adopt and monitor the procedures described in rule 2a-7(c)(7) under the Act and will take such other actions as are required to be taken pursuant to these procedures. The Registered Lending Funds may only purchase Shares of such Private Investment Fund if the Dresdner Entity serving as investment adviser, trustee, general partner or managing member determines on an ongoing basis that the Private Investment Fund is in compliance with rule 2a-7. Such investment adviser, trustee, general partner or managing member shall preserve for a period not less than six years from the date of determination, the first two years in an easily accessible place, a record of such determination and the basis upon which the determination was made. This record will be subject to examination by the Commission and its staff.

Loans to Affiliated Borrowers

12. The Affiliated Lending Funds, on an aggregate basis, will make at least 50% of their portfolio securities loans to unaffiliated Borrowers.

13. An Affiliated Lending Fund will not make any loan to an Affiliated Borrower unless the income attributable to such loan fully covers the transaction costs incurred in making the loan.

14. a. All loans will be made with spreads no lower than those set forth in a schedule of spreads which will be established and may be modified from time to time by each Affiliated Lending Fund's Board and by a majority of the Independent Directors (the ''Schedule of Spreads'').

b. The Schedule of Spreads will set forth rates of compensation to the Affiliated Lending Funds that are reasonable and fair and that are

determined in light of those considerations set forth in the application.

c. The Schedule of Spreads will be uniformly applied to all Borrowers of the Affiliated Lending Fund's portfolio securities, and will specify the lowest allowable spread with respect to a loan of securities to any Borrower.

d. If a security is lent to an unaffiliated Borrower with a spread higher than the minimum set forth in the Schedule of Spreads, all comparable loans to Affiliated Borrowers will be made at no less than the higher spread.

e. The securities lending program for each Affiliated Lending Fund will be monitored on a daily basis by an officer of each Affiliated Lending Fund who is subject to section 36(a) of the Act. This officer will review the terms of each loan to Affiliated Borrowers for comparability with loans to unaffiliated Borrowers and conformity with the Schedule of Spreads, and will periodically, and at least quarterly, report his or her findings to the Affiliated Lending Fund's Board, including a majority of the Independent Directors.

15. The total value of securities loaned to any one Borrower on the approved list of Borrowers of securities from an Affiliated Lending Fund will be in accordance with a schedule to be approved by the Board of each Affiliated Lending Fund, but in no event will the total value of securities loaned to any one Affiliated Borrower exceed 10% of the net assets of the Affiliated Lending Fund, computed at market.

16. The Boards of the Affiliated Lending Funds, including a majority of the Independent Directors, (a) will determine no less frequently than quarterly that all transactions with the Affiliated Borrowers effected during the preceding quarter were effected in compliance with the requirements of the procedures adopted by the Boards and the conditions of this order if granted and that such transactions were conducted on terms that were reasonable and fair; and (b) will review no less frequently than annually such requirements and conditions for their continuing appropriateness.

17. The Affiliated Lending Funds will maintain and preserve permanently in an easily accessible place a written copy of the procedures (and any modifications thereto) which are followed in lending securities, and shall maintain and preserve for a period of not less than six years from the end of the fiscal year in which any loan occurs, the first two years in an easily accessible place, a written record of each loan setting forth the number of shares loaned, the face amount of the securities loaned, the fee received (or the rebate rate remitted), the identity of the Borrower, the terms of the loan, and any other information or materials upon which the finding was made that each loan made to an Affiliated Borrower was fair and reasonable, and that the procedures followed in making such loan were in accordance with the procedures and other undertakings set forth in the application.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03–15312 Filed 6–17–03; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 26076; 812–12674]

Franklin Gold and Precious Metals Fund, et al.; Notice of Application

June 12, 2003.

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

ACTION: Notice of application for an order under section 12(d)(1)(J) of the Investment Company Act of 1940 (''Act'') for an exemption from sections 12(d)(1)(A) and (B) of the Act, under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act, and under section 17(d) of the Act and rule 17d–1 under the Act to permit certain joint transactions.

APPLICANTS: Franklin Gold and Precious Metal Fund, Franklin Capital Growth Fund, Franklin High Income Trust, Franklin Custodian Funds, Inc., Franklin California Tax-Free Income Fund, Inc., Franklin New York Tax-Free Income Fund, Franklin Federal Tax-Free Income Fund, Franklin Tax-Free Trust, Franklin California Tax-Free Trust, Franklin New York Tax-Free Trust, Franklin Investors Securities Trust, Institutional Fiduciary Trust, Franklin Value Investors Trust, Franklin Managed Trust, Franklin Municipal Securities Trust, Franklin Floating Rate Master Trust, Franklin Strategic Mortgage Portfolio, Franklin Strategic Series, Adjustable Rate Securities Portfolios, Franklin Templeton International Trust, Franklin Global Trust, Franklin Real Estate Securities Trust, Franklin Templeton Global Trust, Franklin Templeton Variable Insurance Products Trust, Franklin Universal Trust, Franklin Multi-Income Trust, Franklin Templeton Fund Allocator Series, Franklin Money Fund, Franklin Templeton Money Fund Trust, Franklin Federal Money Fund, Franklin Tax-Exempt Money Fund, Franklin Mutual Series Fund Inc., Franklin Floating Rate Trust, The Money Market Portfolios (collectively, the ''Franklin Funds''); Templeton Growth Fund, Inc., Templeton Funds, Inc., Templeton Global Smaller Companies Fund, Inc., Templeton Income Trust, Templeton Capital Accumulator Fund (formerly, Templeton Capital Accumulator Fund Inc.), Templeton Global Opportunities Trust, Templeton Institutional Funds, Inc., Templeton Developing Markets Trust, Templeton Global Investment Trust, Templeton Emerging Markets Fund (formerly Templeton Emerging Markets Fund, Inc.), Templeton Global Income Fund, Inc., Templeton Emerging Markets Income Fund, Templeton China World Fund, Inc., Templeton Dragon Fund, Inc., Templeton Russia and East European Fund, Inc. (formerly, Templeton Russia Fund, Inc.) (collectively, the ''Templeton Funds'') FTI Funds; (the Franklin Funds, the Templeton Funds and the FTI Funds are collectively, together with any other registered management investment company or series thereof advised by an Adviser, as defined below, the ''Franklin Templeton Funds''); Franklin Advisers, Inc., Franklin Advisory Services, LLC, Franklin Investment Advisory Services Inc., Franklin Mutual Advisers, LLC, Franklin Private Client Group, Inc., Templeton/Franklin Investment Services Inc., Templeton Investment Counsel, LLC, Franklin Templeton Asset Strategies, LLC, Fiduciary International, Inc., Franklin Templeton Investment Management Limited, Franklin Templeton Investments (Asia) Limited, Franklin Templeton Investments Corp., Templeton Asset Management LTD., Templeton Global Advisors Limited, Fiduciary Investment Management International, Inc., Fiduciary Trust International Limited, FTI Institutional, LLC (''Advisers''), together with any entity controlling, controlled by, or under common control with Advisers that acts in the future as investment adviser for the Franklin Templeton Funds, the Unregistered Funds (as defined below), or a Managed Account (as defined below) (included in the term ''Advisers''); the Advisers on behalf of certain private investment companies or series thereof that are excluded from the definition of ''investment company'' pursuant to section 3(c)(1), section 3(c)(7) or section 3(c)(11) of the 1940 Act for which one of the Advisers