

Applicants believe that their requests for approval meet the standards set forth in Section 26(c) and are consistent with applicable precedent.

5. The Contracts expressly reserve to the applicable Insurance Company the right, subject to compliance with applicable law, to substitute shares of another investment company for shares of an investment company held by a sub-account of the Separate Accounts. The prospectuses for the Contracts and the Separate Accounts contain appropriate disclosure of this right.

6. With respect to each proposed substitution, Contract owners with balances invested in the Replacement Portfolios will have a lower expense ratio in most cases. Moreover, it is expected that the expense reimbursement arrangements for the Existing Portfolios will be discontinued in the near future which will result in a dramatic increase in the expenses of the Existing Portfolios causing them to far exceed those of the Replacement Portfolios.

7. The proposed Replacement Portfolio for each Existing Portfolio has an investment objective that is at least substantially similar to that of the Existing Portfolio. Moreover, the principal investment policies of the Replacement Portfolios are similar to those of the corresponding Existing Portfolios.

8. In each case, the applicable Insurance Companies believe that it is in the best interests of the Contract owners to substitute the Replacement Portfolio for the Existing Portfolio. The Insurance Companies believe that the advisers and sub-advisers of the Replacement Portfolios will, over the long term, be positioned to provide at least comparable performance to that of the Existing Portfolios' adviser or sub-advisers.

9. The Applicants anticipate that Contract owners will be better off with the array of sub-accounts offered after the proposed substitutions than they have been with the array of sub-accounts offered prior to the substitutions. The proposed substitutions retain for Contract owners the investment flexibility which is a central feature of the Contracts. If the proposed substitutions are carried out, all Contract owners will be permitted to allocate purchase payments and transfer Contract values and accumulation values between and among

approximately the same number of sub-accounts as they could before the proposed substitutions.

Conclusion

Applicants submit, for all of the reasons stated herein, that their request meets the standards set out in Section 26(c) of the Act and that an Order should, therefore, be granted.

Accordingly, Applicants request an Order pursuant to Section 26(c) of the Act approving the substitution.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. E5-3257 Filed 6-22-05; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51862; File No. SR-NASD-2005-039]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change to Incorporate the Brut System Book Feed into the TotalView Entitlement

June 16, 2005.

On March 30, 2005, the National Association of Securities Dealers, Inc. ("NASD"), through its subsidiary, the Nasdaq Stock Market, Inc. ("Nasdaq"), filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to incorporate Brut's System Book Feed into the TotalView entitlement. The proposed rule change was published for comment in the **Federal Register** on May 17, 2005.³ The Commission received no comments on the proposal.

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a self-regulatory organization.⁴ In particular,

¹ 17 CFR 200.30-3(a)(12).

² 15 U.S.C. 78s(b)(1).

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).

the Commission believes that the proposed rule change is consistent with Section 15A(b)(5) of the Act,⁵ which requires, among other things, that the rules of the association provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the association operates or controls.

Nasdaq has proposed to modify NASD Rule 7010(q)(1) to incorporate Brut's System Book Feed within Nasdaq's TotalView entitlement. Nasdaq's TotalView data feed provides information regarding all quotes and orders in the Nasdaq Market Center (including, but not limited, to Brut orders), while the Brut System Book Feed, contains the same information with respect to orders in Brut. In the Notice, Nasdaq stated that it would make this proposal effective on July 1, 2005.

The Commission believes that the inclusion of the Brut System Book Feed into Nasdaq's TotalView entitlement for fee purposes should enable Nasdaq to equitably charge for Brut depth of book information, regardless of the source from which it is received. In approving the proposed rule change, the Commission notes that Nasdaq has stated that TotalView subscribers may obtain the Brut System Book Feed upon request of Nasdaq. In addition, the Commission notes that Nasdaq has stated that, in order to ease the transition of market participants to a single platform, it intends to distribute Brut order information via both TotalView and the System Book Feed as long as Brut remains a separate Nasdaq facility.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁶ that the proposed rule change (File No. SR-NASD-2005-039) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. E5-3263 Filed 6-22-05; 8:45 am]

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⁴ The Commission has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78o-3(b)(5).

⁶ 15 U.S.C. 78s(b)(2).