was developed to describe and make available to the public information such as methods that are acceptable to the NRC staff for implementing specific parts of the agency's regulations, techniques that the staff uses in evaluating specific problems or postulated accidents, and data that the staff needs in its review of applications for permits and licenses.

Revision 2 of Regulatory Guide 10.3, ''Guide for the Preparation of Applications for Special Nuclear Material Licenses for Less than Critical Mass Quantities,'' was issued with a temporary identification as Draft Regulatory Guide DG–0014. This guide directs the reader to the type of information needed by the NRC staff to evaluate an application for a specific license for the receipt, possession, use, and transfer of special nuclear material (SNM) in less than ''critical mass'' quantities. As defined in Title 10, part 70, ''Domestic Licensing of Special Nuclear Material,'' of the *Code of Federal Regulations* (10 CFR part 70), SNM is defined as: (1) any isotope of plutonium, uranium 233 (U–233), uranium-235 (U–235), uranium enriched in the isotopes U–233 or U–235; or (2) any material artificially enriched by any of the foregoing; and any other material which the Commission determines to be special nuclear material, but does not include source material.

This regulatory guide endorses the methods and procedures contained in the current revision of NUREG–1556, Volume 17, ''Consolidated Guidance about Materials Licenses: Program-Specific Guidance about Special Nuclear Material of Less than Critical Mass Licenses,'' as a process that the NRC staff finds acceptable for meeting the regulatory requirements.

II. Further Information

In January 2008, DG–0014 was published with a public comment period of 60 days from the issuance of the guide. No comments were received and the public comment period closed on April 18, 2008. Electronic copies of Regulatory Guide 10.3, Revision 2 are available through the NRC's public Web site under ''Regulatory Guides'' at *http://www.nrc.gov/reading-rm/doc-collections/*.

In addition, regulatory guides are available for inspection at the NRC's Public Document Room (PDR), which is located at Room O–1F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852–2738. The PDR's mailing address is USNRC PDR, Washington, DC 20555–0001. The PDR can also be reached by telephone at (301) 415–4737 or (800) 397–4209, by fax at (301) 415–3548, and by e-mail to *pdr@nrc.gov.*

Regulatory guides are not copyrighted, and NRC approval is not required to reproduce them.

Dated at Rockville, Maryland, this 1st day of July, 2008.

For the Nuclear Regulatory Commission.

Stephen C. O'Connor,

Acting Chief, Regulatory Guide Development Branch, Division of Engineering, Office of Nuclear Regulatory Research.

[FR Doc. E8–15544 Filed 7–8–08; 8:45 am]

BILLING CODE 7590–01–P

PRESIDIO TRUST

Revised Notice of Public Meeting

AGENCY: The Presidio Trust.

ACTION: Revised Notice of Public Meeting.

SUMMARY: In accordance with § 103(c)(6) of the Presidio Trust Act, 16 U.S.C. 460bb note, Title I of Pub. L. 104–333, 110 Stat. 4097, as amended, and in accordance with the Presidio Trust's bylaws, notice was given that a public meeting of the Presidio Trust Board of Directors would be held commencing 6:30 p.m. on Monday, July 14, 2008, at the Officers' Club, 50 Moraga Avenue, Presidio of San Francisco, California. The location of the public meeting has changed. A public meeting of the Presidio Trust Board of Directors will be held commencing 6:30 p.m. on Monday, July 14, 2008, at the Presidio Herbst International Exhibition Hall, 385 Moraga Avenue, Presidio of San Francisco, California. The Presidio Trust was created by Congress in 1996 to manage approximately eighty percent of the former U.S. Army base known as the Presidio, in San Francisco, California.

The agenda for the meeting has been expanded. The purposes of this meeting are to approve budgets for four projects, to adopt a revised budget for Fiscal Year 2008, to receive public comment on the draft Supplemental Environmental Impact Statement for the Main Post, to provide an Executive Director's report, and to receive public comment on other matters in accordance with the Trust's Public Outreach Policy.

Time: The meeting will begin at 6:30 p.m. on Monday, July 14, 2008.

ADDRESSES: The meeting will be held at the Presidio Herbst International Exhibition Hall, 385 Moraga Avenue, Presidio of San Francisco.

FOR FURTHER INFORMATION CONTACT: Karen Cook, General Counsel, the Presidio Trust, 34 Graham Street, P.O. Box 29052, San Francisco, California 94129–0052, Telephone: 415.561.5300.

Dated: July 2, 2008.

Karen A. Cook,

General Counsel.

[FR Doc. E8–15582 Filed 7–8–08; 8:45 am]

BILLING CODE 4310–4R–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–28328; File No. 812–13401]

The Penn Mutual Life Insurance Company, et al.; Notice of Application

July 2, 2008.

AGENCY: Securities and Exchange Commission (''SEC'' or the ''Commission'').

ACTION: Notice of application for an order pursuant to Section 26(c) of the Investment Company Act of 1940 (''1940 Act''), approving certain substitutions of securities and for an order of exemption pursuant to Section 17(b) of the 1940 Act.

APPLICANTS: The Penn Mutual Life Insurance Company (''Penn Mutual''), The Penn Insurance and Annuity Company (''PIA''), Penn Mutual Variable Annuity Account III (''Variable Annuity Account III''), Penn Mutual Variable Life Account I (''Variable Life Account I''), and PIA Variable Annuity Account I (''Variable Annuity Account I'') (Variable Annuity Account III, Variable Life Account I, and Variable Annuity Account I are collectively referred to as the ''Separate Accounts'' and, collectively with Penn Mutual and PIA, the ''Section 26 Applicants''), Penn Series Funds, Inc. (''Penn Series'' and collectively with the Section 26 Applicants, the ''Section 17 Applicants'').

SUMMARY OF APPLICATION: The Section 26 Applicants request an order pursuant to Section 26(c) of the 1940 Act, approving the proposed substitution of certain shares of diversified portfolios of Penn Series, a registered investment company that is an affiliate of the Section 26 Applicants, for shares of other investment portfolios of underlying registered investment companies unaffiliated with the Section 26 Applicants (the ''Substitutions''). The registered investment companies support variable annuity and variable life insurance contracts issued by Penn Mutual and its subsidiary, PIA. The Section 17 Applicants also request an order pursuant to Section 17(b) of the 1940 Act exempting them, to the extent necessary, from Section 17(a) of the

1940 Act for the in-kind purchases and sales of shares of the Replacement Funds (as defined herein) in connection with the Substitutions.

FILING DATE: The application was filed on June 29, 2007, and amended on July 2, 2008.

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 Secretary of the Commission 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 24, 2008, 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 requester'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 of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090. Applicants, c/o Morgan, Lewis & Bockius LLP, 1111 Pennsylvania Avenue, NW., Washington, DC 20004, Attn: Michael Berenson, Esq.

FOR FURTHER INFORMATION CONTACT: Sonny Oh, Staff Attorney, or Zandra Bailes, Branch Chief, Office of Insurance Products, Division of Investment Management at (202) 551–6795.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch, 100 F Street, NE., Room 1580, Washington, DC 20549 (tel. (202) 551–8090).

Applicants' Representations

1. Penn Mutual is a mutual life insurance company organized in the Commonwealth of Pennsylvania and originally chartered in 1847. Penn Mutual is a diversified financial services company providing life insurance, annuities, disability income insurance, long-term care insurance, structured settlements, retirement and other products to individual and institutional customers.

2. Penn Mutual established Variable Annuity Account III on April 13, 1982. Variable Annuity Account III is registered under the 1940 Act as a unit investment trust and is used to fund variable annuity contracts issued by Penn Mutual. Ten variable annuity contracts funded by Variable Annuity Account III are affected by the application.

3. Penn Mutual established Variable Life Account I on January 27, 1987. Variable Life Account I is registered under the 1940 Act as a unit investment trust and is used to fund variable life insurance contracts issued by Penn Mutual. Eight variable life insurance contracts funded by Variable Life Account I are affected by the application.

4. PIA is a Delaware stock life insurance company. It is a wholly-owned subsidiary of Penn Mutual. PIA established Variable Annuity Account I on July 13, 1994. Variable Annuity Account I is registered under the 1940 Act as a unit investment trust and is used to fund variable annuity contracts issued by PIA. One variable annuity contract funded by Variable Annuity Account I is affected by the application.

5. Penn Series is registered under the 1940 Act as an open-end management investment company that offers shares of diversified portfolios (each, a "Fund," and collectively, the "Funds") for variable annuity and variable life insurance contracts (each, a "Contract," and collectively, the "Contracts") issued by Penn Mutual and its subsidiary, PIA. Each of Penn Series" twenty-nine separate Funds is a no-load mutual fund. Shares of each Fund may be purchased only by insurance companies for the purpose of funding variable annuity contracts and variable life insurance policies and by qualified pension plans. Penn Series was established as a Maryland corporation pursuant to Articles of Incorporation dated April 21, 1982. Independence Capital Management, Inc. ("ICMI"), a wholly-owned subsidiary of Penn Mutual, is a registered investment adviser under the Investment Advisers Act of 1940, as amended, and provides investment management services to each of the Funds. ICMI performs the day-to-day investment management services for nine of the Funds while the other twenty have sub-advisers. Penn Series and ICMI have "manager of managers" exemptive relief which permits one or more of the sub-advisers to be replaced without a vote of contract owners (the "Contract Owners").[1] Penn Mutual provides administrative and corporate services to Penn Series pursuant to an Administrative and Corporate Services Agreement and receives a fee from Penn Series for those services.

6. Purchase payments under the Contracts may be allocated to one or more sub-accounts of the Separate Accounts (the "Sub-Accounts"). Income, gains and losses, whether or not realized, from assets allocated to the Separate Accounts are, as provided in the Contracts, credited to or charged against the Separate Accounts without regard to other income, gains or losses of Penn Mutual or PIA, as applicable. The assets maintained in the Separate Accounts will not be charged with any liabilities arising out of any other business conducted by Penn Mutual or PIA, as applicable. Nevertheless, all obligations arising under the Contracts, including the commitment to make annuity payments or death benefit payments, are general corporate obligations of Penn Mutual or PIA. Accordingly, all of the assets of Penn Mutual and PIA are available to meet their respective obligations under the Contracts.

7. Each of the Contracts permits allocations of accumulation value to available Sub-Accounts that invest in specific investment portfolios of underlying registered investment companies (the "Mutual Funds"). The Section 26 Applicants note that after the Substitutions, all of the Mutual Funds available under the Contracts will be Funds of Penn Series. Among the currently available Mutual Funds are portfolios of Neuberger Berman Advisers Management Trust, Fidelity Investments' Variable Insurance Products Fund, Fidelity Investments' Variable Insurance Products Fund V, Van Kampen's The Universal Institutional Funds, Inc., and Penn Series. All of these companies are registered under the 1940 Act as open-end management investment companies.

8. Each of the Contracts permits transfers of accumulation value from one Sub-Account to another Sub-Account at any time subject to certain restrictions. No sales charge applies to such a transfer of accumulation value among Sub-Accounts. Pursuant to the approval of the Commission and the insurance department of the Commonwealth of Pennsylvania, each of the Contracts reserves the right, upon notice to Contract Owners, to substitute shares of another mutual fund for shares of a Mutual Fund held by a Sub-Account.

9. The Section 26 Applicants propose the Substitutions to increase the level of fund management responsiveness compared to the current structure, which includes three unaffiliated investment company complexes. Currently, the Separate Accounts invest

[1] Investment Company Act Release Nos. 24376 (Notice) and 24428 (Order) (April 4, 2000 and April 28, 2000, respectively) File No. 812–11896.

in unaffiliated investment companies and changes due to investment performance, style drift, or management practice issues require substantial systems, filing, and printing resources, which slows the process to make changes, if necessary. Assuming Contract Owner approval, as discussed below, and because Penn Series and ICMI have ''manager of managers'' exemptive relief, the Section 26 Applicants assert that ICMI, as investment adviser, will be able to act more quickly and efficiently to protect Contract Owners' interests if the investment strategy, management team or performance of one or more of the sub-advisers does not meet expectations. The Replaced Funds (as defined herein) do not have such relief. In this regard, the Section 26 Applicants agree not to change the corresponding Replacement Fund's sub-adviser (with the exception of the Balanced Fund, which does not have a sub-adviser) without first obtaining Contract Owner approval at a meeting whose record date is after the Substitution is effective, of either (a) the sub-adviser change or (b) the ability of Penn Series and ICMI to rely on the manager-of-managers relief associated with the Replacement Fund.

10. The Replaced Funds involved in the Substitutions include five separate portfolios representing three investment company complexes. Currently there are 21 Mutual Funds offered under each Contract, and after the Substitutions, there will be 29 Mutual Funds offered under each Contract, all of which will be portfolios of Penn Series.[2] The investment objective and policies of each Replacement Fund will be the same as or substantially similar to the investment objective and policies of the corresponding Replaced Fund. Another benefit of the Substitutions is that relieving the Separate Accounts of the administrative burdens of interfacing with three unaffiliated investment company complexes is expected to simplify compliance, accounting and auditing and, generally, to allow Penn Mutual to administer the Contracts more efficiently.

11. The Substitutions will consist of the proposed substitutions of shares of the following Removed Portfolios with shares of the corresponding Replacement Portfolios:

(1) Shares of the Fidelity Investments' Variable Insurance Products Fund Equity-Income Portfolio will be replaced with shares of the Penn Series Large Core Value Fund, which has the substantially similar investment objective of total return by investing at least 80% of its net assets in securities of large capitalization companies.

(2) Shares of the Fidelity Investments' Variable Insurance Products Fund Growth Portfolio will be replaced with shares of the Penn Series Large Core Growth Fund, which has a substantially similar investment objective of capital appreciation by investing in common and preferred stocks of large capitalization U.S. companies.

(3) Shares of the Fidelity Investments' Variable Insurance Products Fund V Asset Manager Portfolio will be replaced with shares of the Penn Series Balanced Fund, which has the substantially similar investment objective of seeking long term growth and current income by utilizing a ''fund of funds'' strategy.

(4) Shares of the Neuberger Berman Advisers Management Trust Balanced Portfolio will be replaced with shares of the Penn Series Balanced Fund, which has the substantially similar investment objective of seeking long term growth and current income by utilizing a ''fund of funds'' strategy.

(5) Shares of Van Kampen's The Universal Institutional Funds, Inc. Emerging Markets Equity Portfolio will be replaced with shares of the Penn Series Emerging Markets Equity Fund, which has the same investment objective of capital appreciation by investing primarily in equity securities of issuers in emerging market countries.

12. For each Replaced Fund and each Replacement Fund, the investment objective, principal risks, investment adviser, sub-adviser (if applicable), fee structure, expenses for the fiscal year ending December 31, 2007 and assets as of December 31, 2007 are shown in the tables that follow:

SUBSTITUTION 1

	Replaced fund	Replacement fund
Fund Name	Variable Insurance Products Fund Equity-Income Portfolio	Penn Series Large Core Value Fund
Investment Objective	Seeks reasonable income. The Fund will also consider the potential for capital appreciation. The fund's goal is to achieve a yield which exceeds the composite yield on the securities comprising the Standard & Poor's 500℠ Index (S&P 500®). Normally invests at least 80% of its assets in equity securities. Normally invests primarily in income-producing equity securities, which tends to lead to investments in large cap ''value'' stocks. Potentially invests in other types of equity securities and debt securities, including lower-quality debt securities. Invests in domestic and foreign issuers. Uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.	Seeks total return. The Fund invests primarily in value stocks of large capitalization companies. Under normal conditions, the Fund invests at least 80% of its net assets in securities of large capitalization companies. For this Fund, large capitalization companies are those companies having market capitalizations equal to or greater than the median capitalization of companies included in the Russell 1000 Value Index. The Fund primarily invests in dividend-paying stocks. The Fund may also invest in fixed income securities, such as convertible debt securities, of any credit quality (including securities rated below investment grade), real estate investment trusts and non-income producing stocks.
Principal Risks	• Stock Market Volatility • Interest Rate Changes • Foreign Exposure • Issuer-Specific Changes • ''Value'' Investing	• Stock Market Volatility • Interest Rate Changes • ''Value'' Investing • Foreign Exposure

[2] Contemporaneous with the proposed Substitutions, 9 new Mutual Funds will be available under each Contract.

SUBSTITUTION 1—Continued

	Replaced fund	Replacement fund
Significant Principal Risk Disparities	None	
Adviser/Sub-adviser	Fidelity Management & Research Company	ICMI/Eaton Vance Management
Total Fund Asset Level as of 12/31/07.	$10,948,929,549	N/A
Total Amount of Replaced Fund Assets held by all Contract Owners.	$194,949,289	N/A
Mgmt. Fee	0.46%	0.46%
Mgmt. Fee Schedule	0.46%	0.46%
12b–1 Fee	N/A	N/A
Other Expenses	0.09%	0.27%
Total Annual Operating Expenses	0.55%	0.73%
Fee Reduction	0.01%	0.19%
Net Total Annual Expenses	0.54%	0.54%

SUBSTITUTION 2

	Replaced fund	Replacement fund
Fund Name	Variable Insurance Products Fund Growth Portfolio	Penn Series Large Core Growth Fund
Investment Objective	Seeks to achieve capital appreciation. Normally investing primarily in common stocks. Invests in companies that the Adviser believes have above-average growth potential (stocks of these companies are often called "growth" stocks). Invests in domestic and foreign issuers. Uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.	Seeks to achieve long-term capital appreciation. Invests primarily in common and preferred stocks of large capitalization U.S. companies. Under normal conditions, the Fund invests at least 80% of its net assets in securities of large capitalization companies. For this Fund, large capitalization companies are those with market capitalizations within the range of companies comprising the Russell 1000 Growth Index at the time of purchase. The Fund invests principally in equity securities of large capitalization companies that offer the potential for capital growth, with an emphasis on identifying companies that have the prospect for improving sales and earnings growth rates, enjoy a competitive advantage and have effective management with a history of making investments that are in the best interests of shareholders.
Principal Risks	• Stock Market Volatility • Foreign Exposure • Issuer-Specific Changes • "Growth" Investing	• Stock Market Volatility • Foreign Exposure • "Growth" Investing
Significant Principal Risk Disparities	None	
Adviser/Sub-adviser	Fidelity Management & Research Company	ICMI/Wells Capital Management Incorporated
Total Fund Asset Level as of 12/31/07.	$8,032,463,930	N/A
Total Amount of Replaced Fund Assets held by all Contract Owners.	$211,463,358	N/A
Mgmt. Fee	0.56%	0.56%
Mgmt. Fee Schedule	0.56%	0.56%
12b–1 Fee	N/A	N/A
Other Expenses	0.09%	0.27%
Total Annual Operating Expenses	0.65%	0.83%
Fee Reduction	0.01%	0.19%
Net Total Annual Expenses	0.64%	0.64%

SUBSTITUTION 3

	Replaced fund	Replacement fund
Fund Name	Variable Insurance Products Fund V Asset Manager Portfolio	Penn Series Balanced Fund

SUBSTITUTION 3—Continued

	Replaced fund	Replacement fund
Investment Objective	Seeks to obtain high total return with reduced risk over the long term by allocating its assets among stocks, bonds, and short-term instruments. Allocates the fund's assets among stocks, bonds, and short-term and money market instruments. Maintains a neutral mix over time of 50% of assets in stocks, 40% of assets in bonds, and 10% of assets in short-term and money market instruments. Adjusts allocation among asset classes gradually within the following ranges: stock class (30%–70%), bond class (20%–60%), and short-term/money market class (0%–50%). Invests in domestic and foreign issuers. Analyzes an issuer using fundamental and/or quantitative factors and evaluating each security's current price relative to estimated long-term value to select investments.	Seeks long-term growth and current income using a "fund-of-funds" strategy. The Fund invests in a combination of other Penn Series Funds (each, an "underlying fund" and, together, the "underlying funds") in accordance with its target asset allocation. These underlying funds invest their assets directly in equity, fixed income, money market and other securities in accordance with their own investment objectives and policies. The underlying funds are managed using both indexed and active management strategies. The Fund intends to invest primarily in a combination of underlying funds; however, the Fund may invest directly in equity and fixed income securities and cash equivalents, including money market securities. Under normal circumstances, the Fund will invest 50%–70% of its assets in stock and other equity underlying funds, 30%–50% of its assets in bond and other fixed income funds, and 0%–20% of its assets in money market funds. The Fund's allocation strategy is designed to provide a mix of the growth opportunities of stock investing with the income opportunities of bonds and other fixed income securities. The Fund's underlying equity fund allocation will primarily track the performance of the large capitalization company portion of the U.S. stock market. The Fund's underlying fixed income fund allocation will be invested primarily in a broad range of investment grade fixed income securities (although up to 10% of the underlying fund may be invested in non-investment grade securities), and is intended to provide results consistent with the broad U.S. fixed income market.
Principal Risks	• Stock Market Volatility • Interest Rate Changes • Foreign Exposure • Prepayment	• Stock Market Volatility • Asset Allocation • Interest Rate Changes • Underlying Funds
Significant Principal Risk Disparities	Penn Series Balanced Fund utilizes a fund-of-funds investment strategy. Accordingly, the Fund is subject to the risks of the underlying funds (Penn Series Index 500 Fund, Penn Series Quality Bond Fund and Penn Series Money Market Fund). These risks include those associated with both equity and fixed income investing (e.g. stock market volatility and interest rate changes) that are similar to those of the Replaced Fund. The Fund is also subject to asset allocation risk, which is the risk that the selection of underlying funds and the amount of assets allocated to the selected underlying funds will cause the Fund to underperform other funds with a similar investment objective.	
Adviser	Fidelity Management & Research Company	ICMI
Total Fund Asset Level as of 12/31/07.	$1,911,400,918	N/A
Total Amount of Replaced Fund Assets held by all Contract Owners.	$31,940,165	N/A
Mgmt. Fee	0.51%	0.00%
Mgmt. Fee Schedule	0.51%	0.00%
12b–1 Fee	N/A	N/A
Acquired Fund Fees and Expenses	N/A	0.45%
Other Expenses	0.12%	0.22%
Total Annual Operating Expenses	0.63%	0.67%
Fee Reduction	0.00%	0.05%
Net Total Annual Expenses	0.63%	0.62%

SUBSTITUTION 4

	Replaced fund	Replacement fund
Fund Name	Neuberger Berman Advisers Management Trust Balanced Portfolio	Penn Series Balanced Fund

SUBSTITUTION 4—Continued

	Replaced fund	Replacement fund
Investment Objective	The Fund seeks growth of capital and reasonable current income without undue risk to principal. To pursue these goals, the Fund allocates its assets between stocks—primarily those of mid-capitalization companies, which it defines as those with a total market capitalization within the market capitalization range of the Russell Midcap Index—and in investment grade bonds and other debt securities from U.S. government and corporate issuers. The Portfolio Managers normally allocates anywhere from 50% to 70% of its net assets to stock investments, with the balance allocated to debt securities (at least 25%) and operating cash.	Seeks long-term growth and current income by using a "fund-of-funds" strategy. The Fund invests in a combination of other Penn Series Funds (each, an "underlying fund" and, together, the "underlying funds") in accordance with its target asset allocation. These underlying funds invest their assets directly in equity, fixed income, money market and other securities in accordance with their own investment objectives and policies. The underlying funds are managed using both indexed and active management strategies. The Fund intends to invest primarily in a combination of underlying funds; however, the Fund may invest directly in equity and fixed income securities and cash equivalents, including money market securities. Under normal circumstances, the Fund will invest 50%–70% of its assets in stock and other equity underlying funds, 30%–50% of its assets in bond and other fixed income funds, and 0%–20% of its assets in money market funds. The Fund's allocation strategy is designed to provide a mix of the growth opportunities of stock investing with the income opportunities of bonds and other fixed income securities. The Fund's underlying equity fund allocation will primarily track the performance of the large capitalization company portion of the U.S. stock market. The Fund's underlying fixed income fund allocation will be invested primarily in a broad range of investment grade fixed income securities (although up to 10% of the underlying fund may be invested in non-investment grade securities), and is intended to provide results consistent with the broad U.S. fixed income market.
Principal Risks	• Stock and Bond Market Volatility • Interest Rate Changes • Mid-Capitalization Company Risk	• Stock Market Volatility • Asset Allocation • Interest Rate Changes • Underlying Funds
Significant Principal Risk Disparities	Penn Series Balanced Fund utilizes a fund-of-funds investment strategy. Accordingly, the Fund is subject to the risks of the underlying funds (Penn Series Index 500 Fund, Penn Series Quality Bond Fund and Penn Series Money Market Fund). These risks include those associated with both equity and fixed income investing (e.g., stock market volatility and interest rate changes) that are similar to those of the Replaced Fund. The Fund is also subject to asset allocation risk, which is the risk that the selection of underlying funds and the amount of assets allocated to the selected underlying funds will cause the Fund to underperform other funds with a similar investment objective.	
Adviser/Subadviser	Neuberger Berman Management Inc./Neuberger Berman, LLC	ICMI
Total Fund Asset Level as of 12/31/07.	$78,363,158	N/A
Total Amount of Replaced Fund Assets Held by all Contract Owners.	$49,790,470	N/A
Mgmt. Fee	0.85% (includes both investment advisory and administrative services)	0.00%
Mgmt. Fee Schedule	First $250 million 0.55% From $250 million to $500 million 0.525% From $500 to $750 million 0.50% From $750 million to $1 billion 0.475% From $1 billion to $1.5 billion 0.45% From $1.5 billion to $4 billion 0.425% More than $4 billion 0.40%	0.00%
12b–1 Fee	N/A	N/A
Acquired Fund Fees and Expenses	N/A	0.45%
Other Expenses	0.32%	0.22%
Total Annual Operating Expenses	1.17%	0.67%
Fee Reduction	—	0.05%
Net Total Annual Expenses	1.17%	0.62%

SUBSTITUTION 5

	Replaced fund	Replacement fund
Fund Name	The Universal Institutional Funds, Inc. Emerging Markets Equity Portfolio	Penn Series Emerging Markets Equity Fund
Investment Objective	Seeks long-term capital appreciation by investing primarily in growth-oriented equity securities of issuers in emerging market countries. Seeks to maximize returns by investing in growth-oriented equity securities in emerging markets. Combines top-down country allocation with bottom-up stock selection. Investment selection criteria include attractive growth characteristics, reasonable valuations and company managements with strong shareholder value orientation. Invests at least 80% of the Portfolio's assets in equity securities located in emerging market countries.	Seeks to achieve capital appreciation. Under normal circumstances, at least 80% of the Fund's assets will be invested in equity securities located in emerging market countries. For this Fund, an issuer is considered to be located in an emerging market country if, at the time of investment: (i) Its principal securities trading market is in an emerging market country, (ii) alone or on a consolidated basis it derives 50% or more of its annual revenue from goods produced, sales made or services performed in emerging market countries, or (iii) it is organized under the laws of, or has a principal office in, an emerging market country. The Fund invests primarily in equity securities, including common and preferred stocks, convertible securities, rights and warrants to purchase common stock, and depositary receipts.
Principal Risks	• Stock Market Volatility • Foreign Exposure • Emerging Markets	• Stock Market Volatility • Foreign Exposure • Emerging Markets • Small Cap • Currency
Significant Principal Risk Disparities	Small cap companies may be more vulnerable to adverse business or economic events than larger, more established companies. Investing in currency involves the risk that currencies will decline in value relative to the U.S. dollar, or in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency hedged.	
Adviser/Subadviser	Morgan Stanley Investment Management Inc./Morgan Stanley Investment Management Company	ICMI/Van Kampen Asset Management
Total Fund Asset Level as of 12/31/07.	$1,673,500,000	N/A
Total Amount of Replaced Fund Assets Held by all Contract Owners.	$135,575,219	N/A
Mgmt. Fee	1.21%	1.18%
Mgmt. Fee Schedule	First $500 million 1.25% From $500 million to $1 billion 1.20% From $1 billion to $2.5 billion 1.15% More than $2.5 billion 1.00%	1.18%
12b–1 Fee	N/A	N/A
Other Expenses	0.37%	0.40%
Acquired Fund Fees and Expenses	0.02%	0.02%
Total Annual Operating Expenses	1.60%	1.60%
Fee Reduction	0.00%	0.00%
Net Total Annual Expenses	1.60%	1.60%

13. The Section 26 Applicants represent that the Substitutions will take place at the Replaced Funds' relative net asset values determined on the date of the Substitutions in accordance with Section 22 of the 1940 Act and Rule 22c-1 thereunder with no change in the total value of amounts held under a Contract for a Contract Owner in all Sub-Accounts of the Separate Account (the ''Account Value'') or death benefit or in the dollar value of his or her investment in any of the Sub-Accounts. Accordingly, there will be no financial impact on any Contract Owner. The Substitutions will generally be effected by having each of the Sub-Accounts that invests in the Replaced Funds redeem its shares at the net asset value calculated on the date of the Substitutions and purchase shares of the respective Replacement Funds at the net asset value calculated on the same date.

14. Alternatively, a Replaced Fund may redeem the interest ''in-kind,'' for example, if it determines that a cash redemption might adversely affect its shareholders. In that case, the Substitutions will be effected by the Sub-Account contributing all the securities it receives from the Replaced Fund for an amount of Replacement Fund shares equal to the fair market value of the securities contributed. All in-kind redemptions from a Replaced Fund of which any of the Section 26 Applicants is an affiliated person will be effected in accordance with the conditions set forth in the Commission's no-action letter issued to *Signature Financial Group, Inc.* (available December 28, 1999). In-kind purchases of shares of a Replacement Fund will be conducted as described in Section VI of the application.

15. The Section 26 Applicants state that the Substitutions will be described in a supplement to the prospectuses for the Contracts (''Supplements'') filed with the Commission and mailed to Contract Owners. The Supplements will provide Contract Owners with notice of the Substitutions and describe the reasons for engaging in the Substitutions. The Supplements will also inform Contract Owners with assets allocated to a Sub-Account investing in the Replaced Funds that no additional amount may be invested in the Replaced

Funds on or after the date of the Substitutions. In addition, the Supplements will inform affected Contract Owners that they will have the opportunity to reallocate Account Value once (as described below):

- Prior to the Substitutions, from each Sub-Account investing in a Replaced Fund, and
- for 30 days after the Substitutions, from each Sub-Account investing in a Replacement Fund to Sub-Accounts investing in other Mutual Funds available under the respective Contracts, without diminishing the number of free transfers that may be made in a given contract year and without the imposition of any transfer charge or limitations, other than any applicable limitations in place to deter potentially harmful excessive trading or limitations on the number of transfers to or from the fixed accounts available with the variable annuity contracts. To the extent a Contract Owner has Account Value allocated to more than one Sub-Account investing in a Replaced Fund, the Contract Owner will be permitted one reallocation from each Sub-Account. If a Contract Owner reallocates on the same day from all affected Sub-Accounts to which the Contract Owner has Account Value allocated, they will have exhausted the number of permitted reallocations.

16. Within five days after a Substitution, Penn Mutual and PIA will send their affected Contract Owners written confirmation that a Substitution has occurred. The prospectuses for the Contracts, as revised by the Supplements, will reflect the Substitutions. Each Contract Owner will be provided with a prospectus for the Replacement Funds before the Substitutions.

17. Penn Mutual and PIA assert that they will pay all expenses and transaction costs of the Substitutions, including all legal, accounting and brokerage expenses relating to the Substitutions. No costs will be borne by Contract Owners. Affected Contract Owners will not incur any fees or charges as a result of the Substitutions, nor will their rights or the obligations of the Section 26 Applicants under the Contracts be altered in any way. The Substitutions will not cause the fees and charges under the Contracts currently being paid by Contract Owners to be greater after the Substitutions than before the Substitutions. The Substitutions will have no adverse tax consequences on Contract Owners and will in no way alter the tax benefits to Contract Owners. Further, the Substitutions will in no way alter any of the life insurance or annuity benefits available to Contract Owners under the Contracts.

18. The Section 26 Applicants believe that their request satisfies the standards for relief pursuant to Section 26(c) of the 1940 Act, as set forth below, because the affected Contract Owners will have:

(1) Account Value allocated to a Sub-Account invested in a Replacement Fund with an investment objective and policies that are the same or substantially similar to the investment objective and policies of the Replaced Fund; and

(2) Replacement Funds whose current total annual expenses are equal to or lower than those of the Replaced Funds for their 2007 fiscal year. In addition, the Section 26 Applicants represent that with respect to Contract Owners on the date of the proposed Substitutions, Penn Mutual and PIA, as applicable, will reimburse, on the last business day of each fiscal quarter during the two years following the date of the proposed Substitutions, the Sub-Accounts investing in the applicable Replacement Fund such that the sum of the Replacements Fund's net operating expense ratio (taking into account any expense waivers or reimbursements) and Sub-Account expense ratio (asset-based fees and charges deducted on a daily basis from Sub-Account assets and reflected in the calculation of Sub-Account unit value) for such period will not exceed, on an annualized basis, the sum of the corresponding Replaced Fund's net operating expense ratio (taking into account any expense waivers or reimbursements) and Sub-Account expense ratio for fiscal year 2007.

Applicants' Legal Analysis

15. Section 26(c) of the 1940 Act makes it unlawful for any depositor or trustee of a registered unit investment trust holding the security of a single issuer to substitute another security for such security unless the Commission approves the substitution. The Commission will approve such a substitution if the evidence establishes that it is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

2. The Section 26 Applicants assert that the purposes, terms and conditions of the Substitutions are consistent with the principles and purposes of Section 26(c) and do not entail any of the abuses that Section 26(c) is designed to prevent. The Section 26 Applicants have reserved the right to make such a substitution under the Contracts and this reserved right is disclosed in each Contract's prospectus.

3. The Section 26 Applicants argue that substitutions have been common where the substituted fund has investment objectives and policies that are similar to those of the eliminated fund, and current expenses that are similar to or lower than those of the eliminated fund. The Section 26 Applicants note that in all cases, the investment objectives and policies of the Replacement Funds are sufficiently similar to those of the corresponding Replaced Funds that affected Contract Owners will have reasonable continuity in investment expectations. Accordingly, the Section 26 Applicants conclude that the Replacement Funds are appropriate investment vehicles for those affected Contract Owners who have Account Value allocated to the Replaced Funds.

4. The Section 26 Applicants argue that because of the foregoing representations and conditions, the Substitutions will not result in the type of costly forced redemption that Section 26(c) was intended to guard against and are consistent with the protection of investors and the purposes fairly intended by the 1940 Act.

5. Section 17(a)(1) of the 1940 Act, in relevant part, prohibits any affiliated person of a registered investment company, or any affiliated person of such person, acting as principal, from knowingly selling any security or other property to that company. Section 17(a)(2) of the 1940 Act generally prohibits the persons described above, acting as principal, from knowingly purchasing any security or other property from the registered company.

6. Section 17(b) of the 1940 Act provides that the Commission may, upon application, grant an order exempting any transaction from the prohibitions of Section 17(a) if the evidence establishes that: (1) 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; (2) the proposed transaction is consistent with the policy of each registered investment company concerned, as recited in its registration statement and records filed under the 1940 Act; and (3) the proposed transaction is consistent with the general purposes of the 1940 Act.

7. Accordingly, the Section 17 Applicants are seeking relief, to the extent necessary, from Section 17(a) for the in-kind purchases and sales of Replacement Fund Shares.

8. The Section 17 Applicants submit that the terms of the proposed in-kind purchases of shares of the Replacement Funds by the Separate Accounts,

including the consideration to be paid and received, as described in this Application, are reasonable and fair and do not involve overreaching on the part of any person concerned. The Section 17 Applicants also submit that the proposed in-kind purchases by the Separate Accounts are consistent with the policies of Penn Mutual and PIA and the individual Replacement Funds. Finally, the Section 17 Applicants submit that the proposed Substitutions are consistent with the general purposes of the 1940 Act.

9. To the extent that the Separate Accounts' in-kind purchases of Replacement Fund shares are deemed to involve principal transactions between entities which are affiliates of affiliates, the Section 17 Applicants maintain that the terms of the proposed in-kind purchase transactions, including the consideration to be paid and received by each Replacement Fund involved, are reasonable, fair and do not involve overreaching. In addition, although not applicable, the Section 17 Applicants represent that the in-kind transactions will conform with all of the conditions enumerated in Rule 17a–7, except that the consideration paid for the securities being purchased or sold may not be entirely cash.

10. The proposed transactions will take place at relative net asset value in conformity with the requirements of Section 22(c) of the 1940 Act and Rule 22c–1 thereunder with no change in the amount of any Contract Owner's Account Value or death benefit or in the dollar value of his or her investment in any Sub-Account. Contract Owners will not suffer any adverse tax consequences as a result of the Substitutions. The fees and charges under the Contracts will not increase because of the Substitutions.

11. Even though they may not rely on Rule 17a–7, the Section 17 Applicants believe that the Rule's conditions outline the type of safeguards that result in transactions that are fair and reasonable to registered investment company participants and preclude overreaching. Nevertheless, the circumstances surrounding the proposed Substitutions will be such as to offer the same degree of protection to each Replacement Fund from overreaching that Rule 17a–7 provides to them generally in connection with their purchase and sale of securities under that Rule in the ordinary course of their business. In particular, Penn Mutual and PIA (or any of their affiliates) cannot effect the proposed transactions at a price that is disadvantageous to any of the Replacement Funds. Moreover, although the transactions may not be entirely for cash, the Section 17 Applicants assert that each will be effected based upon (1) the independent market price of the portfolio securities valued as specified in paragraph (b) of Rule 17a–7, and (2) the net asset value per share of each Replacement Fund involved valued in accordance with the procedures disclosed in its registration statement and as required by Rule 22c–1 under the 1940 Act. No brokerage commission, fee, or other remuneration will be paid to any party in connection with the proposed transactions.

12. The Section 17 Applicants also argue that the sale of shares of Replacement Funds for investment securities, as contemplated by the proposed in-kind transactions, is consistent with the investment policy and restrictions of the Replacement Funds because (1) the shares are sold at their net asset value, and (2) the portfolio securities are of the type and quality that the Replacement Funds would each have acquired with the proceeds from share sales had the shares been sold for cash. To assure that the second of these conditions is met, the adviser or sub-adviser, as applicable of a Replacement Fund will undertake to examine the portfolio securities being offered to each Replacement Fund and accept only those securities as consideration for shares that it would have acquired for each such fund in a cash transaction.

13. The Section 17 Applicants also assert that the proposed in-kind transactions are consistent with the general purposes of the 1940 Act as stated in the Findings and Declaration of Policy in Section 1 of the 1940 Act and do not present any of the conditions or abuses that the 1940 Act was designed to prevent.

Conclusion:

For the reasons set forth in the application, the Applicants each respectfully request that the Commission issue an order of approval pursuant to Section 26(c) of the 1940 Act and an order of exemption pursuant to Section 17(b) of the 1940 Act.

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

Florence E. Harmon,

Acting Secretary.

[FR Doc. E8–15514 Filed 7–8–08; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94–409, that the Securities and Exchange Commission will hold a Closed Meeting on July 10, 2008 at 2 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(5), (7), (9)(B), and (10) and 17 CFR 200.402(a)(5), (7), 9(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.

Commissioner Atkins, as duty officer, voted to consider the items listed for the Closed Meeting in closed session.

The subject matter of the Closed Meeting scheduled for July 10, 2008 will be:

Formal orders of investigation;

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings of an enforcement nature;

Amicus consideration; and

Other matters related to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 551–5400.

Dated: July 2, 2008.

Florence E. Harmon,

Acting Secretary.

[FR Doc. E8–15480 Filed 7–8–08; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release Nos. 33–8941; 34–58097; File No. 4–560]

Roundtable on Fair Value Accounting Standards

AGENCY: Securities and Exchange Commission.

ACTION: Notice of roundtable discussion; request for comment.