

subject to a demand feature or guarantee.² In addition, each year an estimated average of 10 money market funds each spends approximately 2.5 hours to record (in the board minutes) board determinations and actions in response to certain events of default or insolvency, and to notify the Commission of the event.³ Finally, Commission staff estimates that in the first year of operation, the board of directors of an average of 10 new money market funds each spends 7 hours to formulate and establish written procedures for stabilizing the fund's NAV and guidelines for delegating certain of the board's responsibilities to the fund's adviser. Based on these estimates, Commission staff estimates the total burden of the rule's paperwork requirements for money market funds to be 319,211 hours.⁴ This is an increase from the previous estimate of 196,371 hours. The increase is attributable to updated information from money market funds regarding hourly burdens, and to a more accurate calculation of the component parts of some information collection burdens.

These estimates of burden hours are made solely for the purposes of the Paperwork Reduction Act. The estimates are not derived from a comprehensive or even a representative survey or study of Commission rules.

In addition to the burden hours, Commission staff estimates that money market funds will incur costs to preserve records, as required under rule 2a-7. These costs will vary significantly for individual funds, depending on the amount of assets under fund management and whether the fund preserves its records in a storage facility in hard copy or has developed and maintains a computer system to create and preserve compliance records.⁵ Commission staff estimates that the amount an individual fund may spend ranges from \$100 per year to \$2 million. Based on an average cost of \$.0000052 per dollar of assets under management for small and medium-sized funds to \$.000039 per dollar of assets under management for large funds,⁶ the staff

estimates compliance with rule 2a-7 costs the fund industry approximately \$51.6 million.⁷ Based on responses from individuals in the money market fund industry, the staff estimates that some of the largest fund complexes have created computer programs for maintaining and preserving compliance records for rule 2a-7. Based on a cost of \$.000068 per dollar of assets under management for large funds, the staff estimates that the total annualized capital/startup costs range from \$0 for small funds to \$88.4 million for all large funds. Commission staff further estimates, however, that even absent the requirements of rule 2a-7, money market funds would spend at least half of the amount for capital costs (\$44.2 million) and for record preservation (\$25.8 million) to establish and maintain these records and the systems for preserving them as a part of sound business practices to ensure diversification and minimal credit risk in a portfolio for a fund that seeks to maintain a stable price per share.

The collections of information required by rule 2a-7 are necessary to obtain the benefits described above. Notices to the Commission will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Please direct general comments regarding the information above to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503; and (ii) Michael Bartell, Associate Executive Director, 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: January 27, 2000.

Margaret H. McFarland,

Deputy Secretary.

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million or less in assets under management; (ii) medium—money market funds with more than \$50 million up to and including \$1 billion in assets under management; and (iii) large—money market funds with more than \$1 billion in assets under management.

⁷ The staff estimated the annual cost of preserving the required books and records by identifying the annual costs incurred by several funds and then relating this total cost to the average net assets of these funds during the year. With a total of \$204 billion under management in small and medium funds, and \$1,292.6 billion under management in large funds, the total amount was estimated as follows: (\$.0000052 × \$204 billion) + (\$.000039 × \$1,292.6 billion) = \$51.6 million.

SECURITIES AND EXCHANGE COMMISSION

Request Under Review by the Office of Management and Budget

[Extension: Rule 15c1-7, SEC File No. 270-146, OMB control No. 3235-0134]

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

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 a request for extension of the previously approved collection of information discussed below.

Rule 15c1-7 provides that any act of a broker-dealer designed to effect securities transactions with or for a customer account over which the broker-dealer (directly or through an agent or employee) has discretion will be considered a fraudulent, manipulative, or deceptive practice under the federal securities laws, unless a record is made of the transaction immediately by the broker-dealer. The record must include (a) the name of the customer, (b) the name, amount, and price of the security, and (c) the date and time when such transaction took place. The Commission estimates that 500 respondents collect information annually under rule 15c1-7 and that approximately 33,333 hours would be required annually for these collections.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

General comments regarding the estimated burden hours should be directed to the Desk Officer for the Securities and Exchange Commission at the address below. Any comments concerning the accuracy of the estimated average burden hours for compliance with Commission rules and forms should be directed to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549 and Desk Officer for Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503. Comments must be submitted to the Office of Management and Budget within 30 days of this notice.

² This average is based on discussions with individuals at money market funds and their advisers. The amount of time may vary significantly for individual money market funds.

³ This number may vary significantly from year to year.

⁴ This estimate is based on the following calculation: $((949 \times 336) + (10 \times 2.5) + 46 \times 7) = 319,211$.

⁵ The amount of assets under management in money market funds ranges from approximately \$100,000 to \$60.9 billion.

⁶ For purpose of this PRA submission, Commission staff used the following categories for fund sizes: (i) small—money market funds with \$50

Dated: January 24, 2000.

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-24267; File No. 812-11802]

The Lincoln National Life Insurance Company, et al.

January 28, 2000.

AGENCY: U.S. Securities and Exchange Commission (the "Commission" or "SEC")

ACTION: Notice of application for an order of approval under Section 26(b) of the Investment Company Act of 1940 (the "1940 Act" or "Act").

SUMMARY OF APPLICATION: Applicants seek an order to permit The Lincoln National Life Insurance Company ("Lincoln Life"), on behalf of Lincoln National Variable Annuity Account C (the "Account"), to substitute securities issued by certain management investment companies and held by the Account to support the eAnnuity™ individual variable annuity contract (the "eAnnuity Contract" or the "Contract") issued by Lincoln Life.

APPLICANTS: The Lincoln National Life Insurance Company and Lincoln National Variable Annuity Account C (together, the "Applicants").

FILING DATE: The Application was filed on October 5, 1999.

HEARING OR NOTIFICATION OF HEARING:

An Order granting the Application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the Secretary of the SEC and serving the Applicants with a copy of the request, personally or by mail. Hearing requests must be received by the SEC by 5:30 p.m. on February 23, 2000, and should be accompanied by proof of service on the 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 Secretary of the SEC.

ADDRESSES: Secretary, U.S. Securities and Exchange Commission, 450 Fifth Street, NW, Washington, D.C. 20549-0609. Applicants, Brian Burke, Esq., The Lincoln National Life Insurance Company, 1300 South Clinton Street, Fort Wayne, IN 46802. Copies to Kimberly J. Smith, Esq., Sutherland Asbill & Brennan LLP, 1275

Pennsylvania Avenue, NW, Washington, DC 20004-2415.

FOR FURTHER INFORMATION CONTACT:

Lorna MacLeod, Senior Counsel, or Susan Olson, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

SUPPLEMENTARY INFORMATION: Following is a summary of the Application. The complete Application is available for a fee from the SEC's Public Reference Branch.

Applicants' Representations

1. Lincoln Life, a stock life insurance company incorporated under the laws of the State of Indiana, is the depositor and sponsor of the Lincoln National Account C. Lincoln Life is wholly owned by Lincoln National Corporation, a publicly-held insurance holding company.

2. The Account is registered under the Act as a unit investment trust (File No. 811-3214). The assets of the Account support certain individual variable annuity contracts, including the eAnnuity Contract, and interests in the Account offered through such contracts have been registered under the Securities Act of 1933 ("1933 Act") on Form N-4 (Reg. File Nos. 333-50817). Twenty-one sub-accounts are currently available as investment options under the Contract.

3. Each of the twenty-one sub-accounts invests in a corresponding open-end management investment company that is registered on Form N-1A (each a "Fund") or a portfolio thereof. The twenty-one funds/portfolios are: Lincoln National Aggressive Growth Fund, Inc., Lincoln National Bond Fund, Inc., Lincoln National Capital Appreciation Fund, Inc., Lincoln National Equity-Income Fund, Inc., Lincoln National Global Asset Allocation Fund, Inc., Lincoln National Growth and Income Fund, Inc., Lincoln National International Fund, Inc., Lincoln National Managed Fund, Inc., Lincoln National Money Market Fund, Inc., Lincoln National Social Awareness Fund, Inc., Lincoln National Special Opportunities Fund, Inc., Delaware Group Premium Fund, Inc.—Growth and Income Series, Delaware Group Premium Fund, Inc.—Global Bond Series, Delaware Group Premium Fund, Inc.—Trend Series, BT Insurance Funds Trust—Equity 500 Index Fund, BT Insurance Funds Trust—Small Cap Index Fund, American Century Variable Portfolios, Inc.—VP International Fund, Baron Capital Funds Trust—Baron Capital Asset Fund, Neuberger Berman Advisors Management Trust—("AMT")

Partners Portfolio, Neuberger Berman Advisors Management Trust—("AMT") Mid Cap Growth Portfolio, Janus Aspen Series—Worldwide Growth Portfolio.

4. The Contract reserves to Lincoln Life the right, subject to Commission approval, to substitute shares of another open-end management investment company for shares of an open-end management investment company held by a sub-account of the Account. The prospectus for the Contract discloses this right.

5. Currently, Contract owners may transfer cash value in unlimited amounts among and between the sub-accounts available as investment options under the Contract without the imposition of a transfer charge. The Contract reserves to Lincoln Life the right to restrict transfer privileges.

6. Applicants state that in 1999 they received notice from Putnam Investment Management, Inc. ("Putnam") that it no longer wished to serve as sub-advisor to any fund made available through the eAnnuity Contract. Putnam currently serves as sub-advisor to two such portfolios of the Fund: Lincoln National Aggressive Growth Fund (the "Aggressive Growth Fund") and Lincoln National Global Asset Allocation fund (the "Global Asset Allocation Fund"). Lincoln Investment Management, Inc., is the advisor to the fund. Applicants assert that this notice is consistent with Putnam's business plan to make Putnam-managed investments available through financial advisors, including brokers or other financial intermediaries, and not sold directly to investors. The eAnnuity Contract is sold directly to the public via the internet. Applicants state that Putnam further notified Lincoln Life that it would not continue as sub-advisor to the Aggressive Growth Fund and the Global Asset Allocation Fund if they continued to be available through the eAnnuity Contract. At present, Fund management does not seek to replace Putnam as sub-advisor to the two funds, which are available through a number of other Lincoln Life variable contracts that are sold through financial advisors. For this reason, Lincoln Life has determined that the Aggressive Growth Fund and the Global Asset Allocation Fund (the "Replaced Funds") are appropriate candidates for substitution within the eAnnuity Contract.

7. The Applicants propose to replace the portfolios with two comparable portfolios that are currently offered through the eAnnuity Contract. Applicants propose to replace shares of the Aggressive Growth Fund with shares of the AMT Mid Cap Growth Portfolio,