

deducted from any payment does not exceed the proportionate amount deducted from any prior payment. This general proviso holds true unless the increase in sales load deduction is caused by reductions in the annual cost of insurance or reductions in sales load for amounts transferred to a variable life insurance policy from another plan of insurance. Applicants represent that neither exception applies in the present case.

4. Subsection (d)(1) of Rule 6e-3(T) provides relief similar to that provided by subsection (b)(13)(ii), but for sales charges deducted from other than premiums, and provided that the sales load deducted pursuant to any method permitted thereunder does not exceed the proportionate amount of sales load deducted prior thereto pursuant to the same method. Applicants represent that the express language of subsection (d)(1)(ii)(A) prohibits the actual deduction of proportionately greater amounts.

5. Applicants represent that although the Rider causes the Surrender Charge to increase over a limited period of time, the actual amount of the Surrender charge deducted in connection with the IL 2000 Series and the IL Plus Series never is proportionately greater than any Surrender Charge deducted prior thereto, because either: (a) There has been no prior Surrender Charge deduction; or (b) the prior deduction resulted from a face amount decrease to which the Rider does not apply, with the result that the Surrender Charge percentages applicable to the decrease are the higher percentages specified in the Policy.

6. Applicants state that, unlike under the IL 2000 Series and the IL Plus Series, however, under the COLI Series, the Rider applies to amounts of Surrender Charges imposed upon decreases in the face amount. Therefore, the effective rate of a Surrender Charge imposed upon a decrease in the face amount under the COLI Series during the first five Policy years may be lower than the Surrender Charge applicable to a later decrease in the face amount, surrender, or termination of a Policy. Applicants represent that this phenomenon results solely from the fact that the Rider—which is beneficial to policyowners—applies to decreases in face amount (as well as surrenders and Policy termination) under the COLI Series.

7. Applicants assert that Section 27(a)(3), in conjunction with the other sales charge limitations in the 1940 Act, was designed to address the perceived abuse of periodic payment plan certificates that deducted large amounts

of front-end sales charges so early in the life of the plan that an investor redeeming in the early periods would recoup little of his or her investment. Applicants contend that waiver of an amount of Surrender Charge otherwise payable under the Policy upon surrender through operation of the Rider does not present the abuses addressed in Section 27(a)(3); indeed, operation of the Rider could further the purposes of the 1940 Act.

8. Applicants also assert that one purpose behind Section 27(h)(3) of the 1940 Act, a provision similar to Section 27(a)(3), is to discourage unduly complicated sales charges. Applicants submit that this also may be deemed to be a purpose of Section 27(a)(3) and subsections (b)(3)(ii) and (d)(1) of Rule 6e-3(T). Applicants submit that the variation to the Policies' sales charge structure effected by the Rider is relatively straightforward and easily understood, as compared to that of many other variable life insurance Policies currently being offered. Moreover, Applicants represent that eligible policyowners will benefit from the sales charge structure effected by the Rider, and that the prospectuses for the Policies, or supplements thereto, will contain disclosure informing prospective eligible policyowners of the effect of the Rider on the sales charges under the Policies.

Applicants' Conclusion

Applicants submit that, for the reasons and based upon the facts set forth above, the requested exemptions from Section 27(a)(3) of the 1940 Act and subsections (b)(13)(ii) and (d)(1)(ii)(A) of Rule 6e-3(T) under the 1940 Act—to permit Equitable Variable to make a Rider available under the Policies—meet the standards of Section 6(c) of the 1940 Act. In this regard, Applicants submit that the exemptions are necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

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Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Entry of Limit-at-the-Close Orders

April 27, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on March 3, 1995, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change, and on April 18, 1995, filed Amendment No. 1 to the proposed rule change,¹ as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change would provide for a one-year pilot for the entry of limit-at-the-close ("LOC") orders² to offset a market-at-the-close ("MOC") order³ imbalance of 50,000 shares or more in all stocks for which MOC order imbalances are published.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

¹ Amendment No. 1 made non-substantive, clarifying changes to the proposal. See Letter from James E. Buck, Senior Vice President and Secretary, NYSE, to Glen Barrentine, Team Leader, SEC dated April 17, 1995.

² A LOC order is a limited price order entered for execution at the closing price if the closing price is within the limit specified. See Securities Exchange Act Release No. 33706 (March 3, 1994), 59 FR 111093.

³ A MOC order is a market order to be executed in its entirety at the closing price on the Exchange. See NYSE Rule 13.