

Plan in that it provides the Plan with the cash it needs to fund Withdrawal Events and permits the Employer to pursue any claims that the Plan may have against the Plan's former GIC placement advisor. UMB represents that, under this arrangement, the Employer, not the Plan bears the risk of an uncertain recovery on a claim that would be expensive and time consuming for the Plan to pursue. If the Employer does bring any claim or cause of action against Buck, UMB has agreed to monitor the division of any recovery obtained in such litigation to assure that the Plan receives the portion to which it is entitled.

6. The Employer represents that it wishes to enter into the proposed transaction in order to protect the Plan participants from the effects of a prolonged rehabilitation process and from any potential loss resulting from Confederation's inability to meet its obligations under the GIC. In this regard, the Employer represents that the proposed transaction would ensure the availability of benefits equivalent to those anticipated by participants prior to the failure of Confederation, at no additional cost to participants. In addition, the Employer represents that the Loans will contribute to the Plan's ability to fund Withdrawal Events. The Employer also represents that the Loans will be non-interest-bearing and the Plan will not incur any expenses in connection with the proposed transaction.

7. Repayment of the Loans under the Agreement is limited to payments made to the Plan by or on behalf of Confederation, or its successor, or any other responsible third parties. No other assets of the Plan will be available for repayment of the Loans. If the payments by or on behalf of Confederation are not sufficient to fully repay the Loans, the Loan Agreement provides that the Employer will have no recourse against the Plan, or against any participants or beneficiaries of the Plan, for the unpaid amount. To the extent the Plan receives GIC proceeds in excess of the total amount of the Loans, such additional amounts will be retained by the Plan and allocated among the accounts of the Plan's participants.

8. In summary, the applicant represents that the proposed transaction satisfies the criteria of section 408(a) of the Act because: (1) The transaction will preserve the Plan's ability to timely fund participants' benefits; (2) The transaction will preserve any cause of action that may exist against the Plan's GIC placement advisor; (3) The Plan will not incur any expenses with respect to the transaction; (4) Repayment of the

Loans will be made only from amounts paid to the Plan by Confederation, its successor, or any other third party; (5) If the payments by or on behalf of Confederation are not sufficient to fully repay the Loans, the Employer will have no recourse against the Plan, or against any participants or beneficiaries of the Plan, for the unpaid amount; and (6) Repayment of the Loans will be waived with respect to the amount by which the Loans exceed the amount the Plan receives from GIC proceeds.

FOR FURTHER INFORMATION CONTACT: Virginia J. Miller of the Department, telephone (202) 219-8971. (This is not a toll-free number.)

BlackRock Financial Management L.P. (BlackRock), Located in New York, New York; Proposed Exemption

[Application No. D-09963]

The Department is considering granting an exemption under the authority of section 408(a) of the Act and section 4975(c)(2) of the Code and in accordance with the procedures set forth in 29 CFR Part 2570, Subpart B (55 FR 32836, 32847, August 10, 1990). If the exemption is granted, the restrictions of sections 406(a)(1)(A) and 406(b)(2) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) of the Code, shall not apply to the proposed cross-trading of equity or debt securities between various accounts managed by BlackRock (the Accounts) where at least one Account involved in any cross-trade is an employee benefit plan account (Plan Account) for which BlackRock acts as a fiduciary.

Conditions and Definitions

This proposed exemption is subject to the following conditions:

1. (a) A Plan's participation in the cross-trade program is subject to a written authorization executed in advance by a fiduciary with respect to each such Plan, the fiduciary of which is independent of BlackRock;

(b) The authorization referred to in paragraph (a) is terminable at will without penalty to such Plan, upon receipt by BlackRock of written notice of termination; and

(c) Before an authorization is made, the authorizing Plan fiduciary must be furnished with any reasonably available information necessary for the authorizing fiduciary to determine whether the authorization should be made, including (but not limited to) a copy of this exemption (if granted), an explanation of how the authorization may be terminated, a description of

BlackRock's cross-trade practices, and any other reasonably available information regarding the matter that the authorizing fiduciary requests.

2. (a) No more than three (3) business days prior to the execution of any cross-trade transaction, BlackRock must inform an independent fiduciary of each Plan involved in the cross-trade transaction: (i) That BlackRock proposes to buy or sell specified securities in a cross-trade transaction if an appropriate opportunity is available; (ii) the current trading price for such securities; and (iii) the total number of shares to be acquired or sold by each such Plan;

(b) Prior to each cross-trade transaction, the transaction must be authorized either orally or in writing by the independent fiduciary of each Plan involved in the cross-trade transaction;

(c) If a cross-trade transaction is authorized orally by an independent fiduciary, BlackRock will provide written confirmation of such authorization in a manner reasonably calculated to be received by such independent fiduciary within one (1) business day from the date of such authorization;

(d) The authorization referred to in this paragraph (2) will be effective for a period of three (3) business days; and

(e) No more than ten (10) days after the completion of a cross-trade transaction, the independent fiduciary authorizing the cross-trade transaction must be provided a written confirmation of the transaction and the price at which the transaction was executed.

3. (a) Each cross-trade transaction is effected at the current market value for the security on the date of the transaction, which shall be, for equity securities, the closing price for the security on the date of the transaction, and for debt securities, the fair market value for the security as determined in accordance with paragraph (b) of Rule 17a-7 issued by the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940 (the 1940 Act);

(b) The cross-trade transaction is effected at a price that: (1) In the case of any equity security, is within 10 percent of the closing price for the security on the day before the date on which BlackRock receives authorization from the independent Plan fiduciary to engage in the cross-trade transaction; and (2) in the case of any debt security, is within 10 percent of the fair market value of the security on the last valuation date preceding the date on which BlackRock receives authorization by the independent Plan fiduciary to engage in the cross-trade transaction as