

2. Applicant never made a public offering of its shares. Applicant's only shareholder was its sponsor, Shearson Lehman Brothers, which invested \$100,000 in applicant as initial capital.

3. The Trustees of applicant, including the Trustees who are not interested persons, unanimously approved a Plan of Dissolution, Liquidation and Termination (the "Plan") providing for the dissolution of applicant, the liquidation of the applicant's assets and the distribution of all proceeds of such liquidation. Applicant's sole shareholder approved the Plan on July 21, 1994. Pursuant to the Plan, applicant's net assets were distributed in cash to applicant's sole shareholder.

4. No expenses of the Plan were borne by the shareholders of applicant. All such expenses were borne by applicant's adviser and administrator. Applicant has no known debts or other liabilities which remain outstanding.

5. Applicant has no shareholders and no assets. Applicant is not a party to any litigation or administrative proceeding. Applicant is not engaged in, nor does it propose to engage in, any business activities other than those necessary to wind up its affairs. Applicant intends to file a Certificate of Cancellation with the Commonwealth of Massachusetts to terminate its existence.

For the SEC, by the Division of Investment Management, under delegated authority.

**Margaret H. McFarland,**

*Deputy Secretary.*

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[Rel. No. IC-21151; 812-9484]

### **American Partners Life Insurance Company, et al.**

June 20, 1995.

**AGENCY:** Securities and Exchange Commission ("SEC").

**ACTION:** Notice of Application for Exemption under the Investment Company Act of 1940 (the "Act").

**APPLICANTS:** American Partners Life Insurance Company ("American Partners Life"), APL Variable Annuity Account 1 (the "Variable Account"), and American Express Financial Advisors Inc. ("American Express Financial").

**RELEVANT ACT SECTIONS:** Order requested under section 6(c) of the Act that would exempt applicants from sections 26(a)(2)(C) and 27(c)(2) of the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to permit American Partners Life to deduct a mortality and

expense risk charge from the assets of the Variable Account in connection with the offering of certain flexible premium individual deferred variable annuity contracts as well as other variable annuity contracts.

**FILING DATE:** The application was filed on February 16, 1995, and amended on June 6, 1995.

**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 SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on July 17, 1995, 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 writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 5th Street N.W., Washington, D.C. 20549. Applicants, c/o Mary Ellyn Minenko, Counsel, American Partners Life Insurance Company, IDS Tower 10, Minneapolis, MN 55440.

**FOR FURTHER INFORMATION CONTACT:** James M. Curtis, Senior Counsel, at (202) 942-0563, or Robert A. Robertson, Branch Chief, (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

### **Applicants' Representations**

1. American Partners Life is a wholly-owned subsidiary of IDS Life Insurance Company ("IDS Life"). IDS Life is a stock life insurance company organized under the laws of the State of Minnesota. IDS Life is a wholly-owned subsidiary of American Express Financial Corporation, a Delaware corporation.

2. The Variable Account was established as a separate account under the laws of the State of Arizona to fund variable annuities issued by American Partners Life. The Variable Account is registered as a unit investment trust under the Act. The Variable Account has filed with the SEC a registration statement on Form N-4 in connection with the offering of certain flexible premium individual deferred variable annuity contracts ("Contracts") issued by American Partners Life. The Variable

Account will be used to fund these Contracts.

3. Applicants request that exemptive relief permit the deduction of a mortality and expense risk charge from the assets of any subaccounts or variable accounts established by APL to support future individual deferred variable annuity contracts that are substantially similar in all material respects to the Contract.

4. Each subaccount of the Variable Account will invest solely in the shares of one of the corresponding funds of a registered investment company (the "Funds"). Currently, there are six subaccounts that will invest in the shares of six corresponding Funds. The Funds currently available for investment by the subaccounts are registered open-end management investment companies managed by IDS Life. American Partners Life plans to create additional subaccounts and/or variable accounts to invest in additional Funds which will be available as future investment options.

5. American Express Financial is the principal underwriter of the Variable Account. American Express Financial is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc.

6. The Contracts are individual deferred combination fixed/variable annuity contracts. The Contracts allow the owners to elect to have contract values accumulate in the Variable Account as well as in a fixed account.

7. Contract owners must make an initial lump sum purchase payment or set up installment payments. Contract owners may make additional purchase payments under the Contracts. The initial purchase payment must be at least \$2,000 for nonqualified Contracts and \$1,000 for qualified Contracts. The installment payments must be set up for at least \$100 monthly or \$50 biweekly. Installment payments must total at least \$1000 in the first year. After making the initial purchase payment or setting up the installment payments, Contract owners may make additional payments of at least \$100 for nonqualified and qualified Contracts. The maximum first year payment(s) is \$1 million up to age 75; \$500,000 for ages 76-85; and \$50,000 for ages 86-90. The maximum is based on the Contract owner's age or the age of the annuitant (whomever is older) on the effective date of the Contract. The maximum payment for each subsequent year is \$50,000. American Partners Life reserves the right to increase maximum limits or reduce age limits. The Contracts provide for allocation of purchase payments to