

Employer and its affiliates participate in the Plan. The Plan had assets of \$80.8 million as of April 24, 1995.

3. On April 19, 1990, Society National Bank (now, Key Bank) as trustee for the Society Corporation Employee Stock Purchase and Savings Plan (now, the Plan) entered into an agreement with Confederation's Atlanta, Georgia office to purchase the GIC. Under the terms of the GIC, the Plan deposited \$1 million at a guaranteed interest rate of 9.4% for 5 years. Pursuant to the terms of the GIC, interest of \$94,000 was to be paid on April 16 of each year until the expiration date of the GIC on April 16, 1995. On April 16, 1995 a final payment of \$1,094,000 was due to the Plan. In accordance with the terms of the GIC, all interest due was paid to the Plan through April 1994.

On August 11, 1994, the Canadian operations of Confederation were placed in conservatorship and rehabilitation by Canadian regulators. The next day, August 12, 1994, the Michigan Insurance Commission similarly placed Confederation's United States operations into conservatorship and rehabilitation.<sup>14</sup> Consequently, on April 16, 1995, the final payment of \$1,094,000 due the Plan under the GIC was not paid. In addition, the applicant represents that it is uncertain as to what portion of the defaulted interest and principal will be paid to the Plan and what timeframe and payment terms will be forthcoming as part of the rehabilitation proceedings.

4. In order to prevent any loss to the Plan, the Employer wishes to make the Loan under the terms described herein. The amount of the Loan will be the final payment due the Plan under the GIC (\$1,094,000) plus interest on such amount from April 16, 1995, at the rate of interest earned by the Plan's Bond Fund to the date of the Loan.

The applicant represents that the Bond Fund is primarily invested in the Victory Limited Term Income Fund which is an open-end mutual fund (the Mutual Fund). The Mutual Fund prospectus states that the Mutual Fund invests in high grade fixed income securities with an average maturity of between two and five years. In addition, the Bond Fund holds a second GIC which is not the subject of this proposed exemption. For the three month period

ended March 31, 1995, the Bond Fund had a return of 2.87%.

5. No interest or other expenses will be paid by the Plan pursuant to the transaction. Repayment of the Loan is limited to the amounts received by the Plan from Confederation or any other responsible third parties making payment on behalf of Confederation. The Employer will have no recourse against the Plan or any participants or beneficiaries for additional funds to repay the Loan. To the extent the amounts received from Confederation and responsible third parties are insufficient to repay the Loan, repayment will be waived. In no event will the repayment exceed the amount of the Loan.

6. In summary, the applicant represents that the proposed transaction will satisfy the criteria of section 408(a) of the Act because: (a) The Plan will receive the full amount due under the GIC plus interest from the GIC's maturity date to the date of the Loan; (b) no interest or other expenses will be paid by the Plan; (c) the repayment of the Loan is restricted to amounts received from Confederation and other responsible third parties with respect to the GIC; (d) the repayment will not exceed the amount of the Loan; and (e) repayment will be waived to the extent that the proceeds received with respect to the GIC are less than the amount of the Loan.

**NOTICE TO INTERESTED PERSONS:** Notice to interested persons will be provided within 30 days of the publication of this Notice in the **Federal Register**. Comments and requests for a hearing are due 60 days from the date of publication of this Notice in the **Federal Register**.

**FOR FURTHER INFORMATION CONTACT:** Charles S. Edelstein of the Department, telephone (202) 219-8881. (This is not a toll-free number.)

#### General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under section 408(a) of the Act and/or section 4975(c)(2) of the Code does not relieve a fiduciary or other party in interest of disqualified person from certain other provisions of the Act and/or the Code, including any prohibited transaction provisions to which the exemption does not apply and the general fiduciary responsibility provisions of section 404 of the Act, which among other things require a fiduciary to discharge his duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in a

prudent fashion in accordance with section 404(a)(1)(b) of the act; nor does it affect the requirement of section 401(a) of the Code that the plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries;

(2) Before an exemption may be granted under section 408(a) of the Act and/or section 4975(c)(2) of the Code, the Department must find that the exemption is administratively feasible, in the interests of the plan and of its participants and beneficiaries and protective of the rights of participants and beneficiaries of the plan;

(3) The proposed exemptions, if granted, will be supplemental to, and not in derogation of, any other provisions of the Act and/or the Code, including statutory or administrative exemptions and transitional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

(4) The proposed exemptions, if granted, will be subject to the express condition that the material facts and representations contained in each application are true and complete and accurately describe all material terms of the transaction which is the subject of the exemption. In the case of continuing exemption transactions, if any of the material facts or representations described in the application change after the exemption is granted, the exemption will cease to apply as of the date of such change. In the event of any such change, application for a new exemption may be made to the Department.

Signed at Washington, DC, this 26th day of June, 1995.

**Ivan Strasfeld,**

*Director of Exemption Determinations,  
Pension and Welfare Benefits Administration,  
Department of Labor.*

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## NATIONAL SCIENCE FOUNDATION

### Notice of Permit Applications Received Under the Antarctic Conservation Act

**SUMMARY:** Notice is hereby given that the National Science Foundation (NSF) has received a waste management permit application from Adventure Network International (ANI) associated with touristic activities at several locations in Antarctica, submitted to NSF pursuant to regulations issued under the Antarctic Conservation Act of 1978.

<sup>14</sup> The Department notes that the decisions to acquire and hold the GIC are governed by the fiduciary responsibility provisions of Part 4, Subtitle B, of Title I of the Act. In this regard, the Department is not herein proposing relief for any violations of Part 4 which may have arisen as a result of the acquisition and holding of the GIC by the Plan.