

## 5. Application of Effective Regulations

In concurrently exercising authority under this Order the Assistant Secretaries shall operate affected programs under regulations currently effective, unless otherwise authorized by the Secretary.

## 6. Reservation of Authority

a. The submission of reports and recommendations to the President and the Congress concerning the administration of the statutes listed in section 4. is reserved to the Secretary.

b. The authority delegated and the responsibilities assigned to the Director of the Office of Administrative Appeals by Secretary's Order 3-90 are reserved.

## 7. Redefinition of Authority

The Assistant Secretary for Occupational Safety and Health, the Assistant Secretary for Employment Standards, the Solicitor of Labor, the Chief Financial Officer, and the Assistant Secretary for Administration and Management may redelegate authority delegated by this Order.

## 8. Effective Dates and Geographic Scope

This Order is effective immediately. The delegations of authority and assignment of responsibilities of this Order expire on December 31, 1995, and have effect only in the Dallas Region, Southwest Division [excluding the State of New Mexico], unless modification of the geographic scope of the pilot program is made. Any such modification must be made by the written agreement of the Assistant Secretary for Occupational Safety and Health and the Assistant Secretary for Employment Standards, after consultation with the Solicitor of Labor, the Chief Financial Officer and the Assistant Secretary for Administration and Management. Such written agreement shall become effective upon approval by the Secretary and proper notice to the public.

## 9. Report

By August 15, 1995, or such other date established by the Secretary of Labor, the Assistant Secretary for Occupational Safety and Health and the Assistant Secretary for Employment Standards shall, after consultation with the Solicitor of Labor, the Chief Financial Officer, and the Assistant Secretary for Administration and Management, report to the Secretary on the findings of and the conclusions drawn from the pilot program and shall recommend further action for the

Secretary with respect to the pilot program.

**Robert B. Reich,**  
*Secretary of Labor.*

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## Pension and Welfare Benefits Administration

[Prohibited Transaction Exemption 95-01; Exemption Application No. D-09742, et al.]

### Grant of Individual Exemptions; Allied Old English, Inc. Employees' Profit Sharing Plan, et al.

**AGENCY:** Pension and Welfare Benefits Administration, Labor.

**ACTION:** Grant of Individual Exemptions.

**SUMMARY:** This document contains exemptions issued by the Department of Labor (the Department) from certain of the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (the Act) and/or the Internal Revenue Code of 1986 (the Code).

Notices were published in the **Federal Register** of the pendency before the Department of proposals to grant such exemptions. The notices set forth a summary of facts and representations contained in each application for exemption and referred interested persons to the respective applications for a complete statement of the facts and representations. The applications have been available for public inspection at the Department in Washington, D.C. The notices also invited interested persons to submit comments on the requested exemptions to the Department. In addition the notices stated that any interested person might submit a written request that a public hearing be held (where appropriate). The applicants have represented that they have complied with the requirements of the notification to interested persons. No public comments and no requests for a hearing, unless otherwise stated, were received by the Department.

The notices of proposed exemption were issued and the exemptions are being granted solely by the Department because, effective December 31, 1978, section 102 of Reorganization Plan No. 4 of 1978 (43 FR 47713, October 17, 1978) transferred the authority of the Secretary of the Treasury to issue exemptions of the type proposed to the Secretary of Labor.

### Statutory Findings

In accordance with section 408(a) of the Act and/or section 4975(c)(2) of the Code and the procedures set forth in 29

CFR Part 2570, Subpart B (55 FR 32836, 32847, August 10, 1990) and based upon the entire record, the Department makes the following findings:

- (a) The exemptions are administratively feasible;
- (b) They are in the interests of the plans and their participants and beneficiaries; and
- (c) They are protective of the rights of the participants and beneficiaries of the plans.

### Allied Old English, Inc. Employees' Profit Sharing Plan (the Plan) Located in Port Reading, New Jersey

[Prohibited Transaction Exemption 95-01; Application No. D-09742]

### Exemption

The restrictions of sections 406(a), 406(b)(1) and (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) through (E) of the Code, shall not apply to the loan (the Loan) of \$600,000 by the Plan to the Harold Ross Trust, a party in interest with respect to the Plan.

This exemption is conditioned upon the following requirements: (a) The terms of the Loan are at least as favorable to the Plan as those obtainable in an arm's length transaction with an unrelated party; (b) the Loan does not exceed twenty-five percent of the assets of the Plan at any time during the duration of the Loan; (c) the Loan is secured by a first deed of trust on certain real property (the Property) which has been appraised by an independent, qualified appraiser to ensure that the fair market value of the Property is at least 150 percent of the amount of the Loan; (d) the fair market value of the Property remains at least equal to 150 percent of the outstanding balance of the Loan throughout the duration of the Loan; (e) the independent, qualified fiduciary determines on behalf of the Plan that the Loan is in the best interests of the Plan and protective of the Plan's participants and beneficiaries; and (f) the independent, qualified fiduciary monitors compliance with the terms of the Loan and conditions of the exemption throughout the duration of the transaction, taking any action necessary to safeguard the Plan's interest, including foreclosure on the Property in the event of default.

**EFFECTIVE DATE:** This exemption is effective as of December 29, 1994.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption, refer to the notice of proposed exemption published on November 14, 1994, at 59 FR 56535.