authorized to view under the Rules of Operation and Procedure.

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[Rel. No. IC-21561; File No. 812-9588]

American Skandia Life Assurance Corporation, et al.

December 1, 1995.

AGENCY: U.S. Securities and Exchange Commission ("SEC" or "Commission").

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

APPLICANTS: American Skandia Life Assurance Corporation ("ASLAC"), American Skandia Life Assurance Corporation Variable Account B (Class 1) ("Account B—Class 1"), American Skandia Life Assurance Corporation Variable Account B (Class 2) ("Account B—Class 2"), and American Skandia Marketing, Inc. ("ASM").

RELEVANT 1940 ACT SECTIONS: Sections 6(c), 17(a), 17(b), 17(d) and 26(b) of the 1940 Act and Rule 17d–1 thereunder.

SUMMARY OF APPLICATION: Applicants seek an order of approval under Section 26(b) of the 1940 Act and exemptions from Sections 6(c), 17(a), 17(b), 17(d) of the 1940 Act and Rule 17d–1 thereunder. The requested order would exempt Applicants from those Sections of the 1940 Act and the Rule set out above to the extent necessary to permit certain underlying mutual funds of the separate account to be substituted for certain other underlying mutual funds. FILING DATE: The application was filed on May 2, 1995 and amended on November 17, 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 Secretary of the SEC 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 December 26, 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 who wish to be notified of a hearing may request notification by writing to the Secretary of the SEC. ADDRESSES: SEC, Secretary, 450 Fifth Street, NW., Washington, DC 20549. Applicants: John T. Buckley, Esq.,

Werner & Kennedy 1633 Broadway,

New York, New York 10019 and American Skandia Life Assurance Corporation, c/o Jeffrey M. Ulness, Esq., One Corporate Drive, Shelton, CT 06484.

FOR FURTHER INFORMATION CONTACT: Edward P. Macdonald, Staff Attorney, or Brenda D. Sneed, Chief (Office of Insurance Products), Division of Investment Management, at (202) 942– 0670.

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

Applicants' Representations

- 1. ASLAC, the depositor of both Account B—Class 1 and Account B—Class 2 (collectively, the "Separate Account"), is a stock life insurance company organized under the laws of the State of Connecticut and whollyowned by American Skandia Investment Holding Corporation ("ASIHC"), which is an indirect wholly-owned subsidiary of Skandia Insurance Company Ltd., a corporation organized under the laws of the Kingdom of Sweden.
- 2. ASM, the underwriter of variable annuity contracts issued through the Separate Account and offered by ASLAC, is registered with the SEC and is a member of the NASD. ASM is 100% owned by ASIHC.
- 3. The Separate Account is a separate account of ASLAC, and is registered under the 1940 Act as a unit investment trust. ASLAC established the Separate Account to the purpose of funding certain flexible purchase payment deferred variable annuity contracts (the "Contracts"). Account B—Class 1 subaccounts each invest exclusively in one of the corresponding portfolios of six open-end management investment companies. The following five Contracts are funded, through the sub-accounts of Account B-Class 1: American Skandia Advisors Plan ("ASAP") [32]; 1 ASAP II [21]; 2 the LifeVest Personal Security Annuity ("PSA") [32]; the Alliance Capital Navigator Annuity ("Alliance Navigator") [15]; and the StageCoach Variable Annuity ("StageCoach") [8] (collectively, the "Class 1 Contracts").

Account B—Class 2 sub-accounts each invest exclusively in one of the corresponding portfolios of six openend management investment companies. ASLAC currently offers two Contracts that invest in Account B—Class 2: the Wrap Fee Contracts ("Wrap Fee") [42].

4. Under the Contracts affected by the proposed substitutions, six open-end management investment companies currently offer shares of several of their portfolios to the Separate Account: The Alger American Fund ("Alger Fund"); Alliance Variable Products Series Fund, Inc. ("AVP"); Neuberger & Berman Advisers Management Trust ("AMT"); American Skandia Trust ("AST"); and Scudder Variable Life Investment Fund ("Scudder"). In addition, six portfolios of the Janus Aspen Series ("Janus") are offered to Account B-Class 2 but not Account B-Class 1. All such investment companies in which the Separate Account invest are collectively referred to as "Underlying Funds."

5. The proposed substitutions would result in a reduction in variable investment options and corresponding portfolios available as follows. ASAP and PSA would be reduced to 21 (a reduction of 11 each) and Wrap Fee would be reduced to 21 (a reduction of 21). Applicants state that funding such varied products through a consolidated fund structure will aid in the growth of the Underlying Funds resulting in lower operating costs through economies of scale. Applicants further state that regardless of whether one Contract achieves more popularity or appeal, or is no longer marketed by ASLAC, the interests of Contract owners will be protected by like underlying portfolios of all ASLAC nonproprietary variable

6. Of the Underlying Funds, only AST is affiliated with ASLAC or the Separate Account. None of the Underlying Funds, their investment managers, or underwriters are affiliated with ASLAC, the Separate Account or AST through any corporate ownership.

7. Applicants state that in the registration statements filed by the Separate Account, ASLAC expressly reserved the right both on its own behalf and on behalf of the Separate Account to eliminate sub-accounts, combine two or more sub-accounts, or substitute one or more Underlying Funds for others in which its sub-accounts are invested.

8. ASLAC, on its own behalf and on behalf of the Separate Account, proposes to effect the following substitutions of shares of the following portfolios (the "Transferee Portfolios") for shares of other portfolios (the "Transferor Portfolios") (collectively, the "Substitution(s)"): (i) the AST Phoenix Balanced Asset Portfolio will be substituted for the Alger Balanced, Alliance Total Return, AMT Balanced, Scudder Balanced, and Janus Aspen

¹The numbers in brackets denote the number of portfolios which are currently available under the Contracts.

² ASAP II, the Alliance Navigator and the Stagecoach Contracts will not be subject to the proposed substitutions.