

ISCC to enter into a relationship with entities such as INDEVAL, the Mexican securities clearing and depository company. However, ISCC will still be required to file a proposed rule change pursuant to Section 19(b) of the Act before entering into a clearing, settlement, or custody service relationship with any entity.

(b) The proposed change will facilitate the prompt and accurate clearance and settlement of securities transactions, and therefore, the proposed rule change is consistent with the requirements of the Act, specifically Section 17A of the Act, and the rules and regulations thereunder.

(B) Self-Regulatory Organization's Statement on Burden on Competition

ISCC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments have been solicited or received. ISCC will notify the Commission of any written comments received by ISCC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for the Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(e)(4) thereunder in that the proposal effects a change in an existing service that does not adversely affect the safeguarding of securities or funds and does not significantly affect the respective rights of the clearing agency or persons using the service. At any time within sixty days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the

Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street NW., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number SR-ISCC-95-01 and should be submitted by March 9, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.²

Margaret H. McFarland,

Deputy Secretary.

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[Rel. No. IC-20895; File No. 812-9244]

First SunAmerica Life Insurance Company, et al.; Notice of Application

February 10, 1995.

AGENCY: Securities and Exchange Commission ("SEC" or "Commission")

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "Act" or "1940 Act").

APPLICANTS: First SunAmerica Life Insurance Company ("First SunAmerica"), FS Variable Separate Account ("Separate Account"), and SunAmerica Capital Services, Inc.

RELEVANT ACT SECTIONS: Order requested under Section 6(c) for exemptions from Sections 26(a)(2) and 27(c)(2).

SUMMARY OF APPLICATION: Applicants request exemptions from Sections 26(a)(2) and 27(c)(2) of the Act to the extent necessary to allow first SunAmerica to deduct from the Separate Account the mortality and expense risk charges and the distribution expense charge imposed under the individual flexible payment deferred annuity contracts ("Contracts") to be funded in the Separate Account.

FILING DATE: The application was filed on September 16, 1994 and amended on February 3, 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 March 7, 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street NW., Washington, D.C. 20549. Applicants, c/o Routier, Mackey and Johnson, P.C., 1700 K Street NW., Suite 1003, Washington, D.C. 20006.

FOR FURTHER INFORMATION CONTACT: Edward P. Macdonald, Staff Attorney, or Wendy Friedlander, Deputy Chief, at (202) 942-0670, Office of Insurance Products, Division of Investment Management.

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

Applicants' Representations

1. First SunAmerica is a stock life insurance company organized under the laws of the State of New York and is admitted to conduct a life insurance and annuity business in that state. SunAmerica Capital Services, Inc., the distributor for the Contracts, is a broker-dealer registered under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc.

2. The Separate Account was established by First SunAmerica to fund variable annuity contracts. The Contracts that are the subject of the application provide for accumulation of contract values and payment of annuity benefits on a fixed and variable basis. The Contracts will be initially funded through eighteen portfolios of the Separate Account; each portfolio will invest its assets in the shares of one of four available series of the Anchor Series Trust or one of fourteen available series of the SunAmerica Series Trust. Both the Anchor Series Trust and the SunAmerica Series Trust are registered under the 1940 Act as diversified, open-end, management investment companies and the securities they issue are registered under the Securities Act of 1933 (the "1933 Act"). Additional underlying funds may become available in the future. Prior to the issuance of any Contracts, the Separate Account

² 17 CFR 200.30-3(a)(12) (1994).