

4. On May 5, 1995, applicant transferred its assets and liabilities to the Acquiring Fund in exchange for shares of the Acquiring Fund on the basis of the relative net asset values per share of applicant and the Acquiring Fund. Applicant's net assets on such date amounted to \$76,655,258.68, or \$7.68 per shares. The shares of the Acquiring Fund received by applicant were distributed to applicant's shareholders based on the relative net asset values per share of the two funds. No brokerage fees were paid in connection with the reorganization.

5. Expenses of approximately \$144,000 incurred in connection with the reorganization were paid by applicant. The expenses consisted of legal fees of approximately \$77,500, printing costs of approximately \$43,000, taxes of approximately \$10,000, and accounting costs of approximately \$13,500. Applicant states that legal and printing costs similar to those actually incurred would have been borne by applicant had the reorganization not occurred as applicant had a policy that, under prevailing market conditions, likely would have required applicant to seek shareholder consent to convert applicant into an open-end fund.

6. Applicant states that subsequent to the filing of the Form N-8F, it will file articles of dissolution with the State of Maryland to terminate applicant's legal existence.

7. There are no securityholders to whom distributions in complete liquidation of their interests have not been made. Applicant has retained no assets. Applicant has no debts or other liabilities that remain outstanding. Applicant is not a party to any litigation or administrative proceeding.

8. Applicant is not now engaged, nor does it propose to engage, in any business activities other than those necessary for the winding up of its affairs.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,
Secretary.

[FR Doc. 97-7050 Filed 3-19-97; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-22567; File No. 812-10454]

Citicorp Life Insurance Company, et al.

March 14, 1997.

AGENCY: The Securities and Exchange Commission (the "Commission").

ACTION: Notice of application for an order pursuant to the Investment Company Act of 1940 ("1940 Act").

APPLICANTS: Citicorp Life Insurance Company ("Citicorp Life"), First Citicorp Life Insurance Company ("First Citicorp Life," together with Citicorp Life, the "Companies"), Citicorp Life Variable Annuity Separate Account ("Citicorp Life Account") and First Citicorp Life Variable Annuity Separate Account ("First Citicorp Life Account," together with the Citicorp Life Account, the "Accounts").

RELEVANT 1940 ACT SECTIONS: Order requested under Section 26(b).

SUMMARY OF THE APPLICATION:

Applicants seek an order to permit the substitution of shares of certain portfolios of the Fidelity Variable Insurance Products Fund ("Fidelity VIP") and the AIM Variable Insurance Funds, Inc. for shares of portfolios of the Landmark VIP Funds currently held by the Accounts to support individual flexible premium deferred variable annuity contracts (collectively, the "Contracts") issued by the Companies.

FILING DATES: The application was filed on December 5, 1996, and amended on March 3, 1997.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Secretary of the Commission and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on April 8, 1997, 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 requestor's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Applicants, c/o Richard M. Zuckerman, Esq., Citicorp Life Insurance Company, 800 Silver Lake Boulevard, Dover, Delaware 19901.

FOR FURTHER INFORMATION CONTACT:

Ethan D. Corey, Senior Counsel, or Kevin M. Kirchoff, Branch Chief, Office of Insurance Products (Division of Investment Management), at (202) 942-0670.

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from the Public Reference Branch of the Commission.

Applicants' Representations

1. Citicorp Life is a stock life insurance company organized under the laws of the State of Arizona in 1971. Citicorp Life is a wholly owned subsidiary of Citibank Delaware which is a wholly owned subsidiary of Citicorp Holdings, Inc. In turn, Citicorp Holdings, Inc. is a wholly owned subsidiary of Citicorp. Citicorp Life is the depositor and sponsor of the Citicorp Life Account.

2. First Citicorp Life is a stock life insurance company organized under the laws of the State of New York in 1978. First Citicorp Life is a wholly owned subsidiary of Citicorp Life. First Citicorp Life is the depositor and sponsor of the First Citicorp Life Accounts.

3. The board of directors of Citicorp Life established the Citicorp Life Account on July 6, 1994. The Citicorp Life Account is registered under the 1940 Act as a unit investment trust (File No. 811-8628). Initially, the Citicorp Life Account invested exclusively in shares of the following portfolios: (1) The U.S. Government, Equity, Balanced and International Equity Funds of the Landmark VIP Funds; (2) the Growth Portfolio of the Variable Insurance Products Fund; (3) the AIM V.I. Capital Appreciation Fund of AIM Variable Insurance Funds, Inc.; and (4) the World Government and Money Market Series of the MFS Variable Insurance Trust.

4. The board of directors of First Citicorp Life established the First Citicorp Life Account on July 6, 1994. The First Citicorp Life Account is registered under the 1940 Act as a unit investment trust (File No. 811-8732). Since inception, the First Citicorp Life Account invested in the same investment portfolios as those initially available under the Citicorp Life Account.

5. The Landmark VIP Funds was organized as a Massachusetts business trust on August 22, 1991. It is registered under the 1940 Act as an open-end management investment company (File No. 811-6401). The Landmark VIP Funds is a series investment company that is currently comprised of four investment portfolios: the Landmark VIP U.S. Government Fund, the Landmark VIP Balanced Fund, the Landmark VIP Equity Fund and the Landmark VIP International Equity Fund (collectively, the "Removed Funds"). Citibank, N.A., a wholly-owned subsidiary of Citicorp, is the investment adviser to the Landmark VIP Funds.

6. The Landmark VIP U.S. Government Fund seeks to earn current income and preserve capital by

investing primarily in U.S. government securities and repurchase agreements involving U.S. government securities. The Landmark VIP Balance Fund seeks to earn high current income by investing in a broad range of securities, to preserve capital, and to provide growth potential with reduced risk. The Landmark VIP Equity Fund seeks long-term capital growth; dividend income, if any, is incidental to this investment objective. The fund seeks to achieve its objective by investing primarily in common stocks of domestic issuers, with emphasis on established companies. The Landmark VIP International Equity Fund seeks long-term capital growth; dividend income, if any, is incidental to this investment objective. The fund seeks to achieve its objective by investing primarily in common stocks of non-U.S. issuers, including issuers in developing countries, with an emphasis on established companies.

7. Citibank, N.A. currently reimburses the expenses of each Landmark VIP Fund to maintain the following expense

ratios: U.S. Government Fund, 0.60%; Equity Fund, 0.75%; Balanced Fund, 0.70%; and International Equity Fund, 1.20%. The expense reimbursement arrangements, however, are voluntary and may be discontinued by Citibank N.A. at any time.

8. Applicants state that the Removed Funds as individual investment options have not generated substantial Contract owner interest since their inception. Each Removed Fund is relatively small when compared with many other similar investment portfolios of open-end management investment companies available as investment vehicles for variable annuity products. As a result, the annual expense ratios of these funds, absent any expense reimbursement, have been higher than the ratios of most similar but larger portfolios. Furthermore, the performance of the Removed Funds since their inception, although not poor, has been unremarkable given overall performance during that period. The following charts provide size, expense

and performance information for the Landmark VIP Funds.

Landmark VIP funds	Net assets at year-end (in millions) ¹	Expense ratio ² (percent)
U.S. Government Fund:		
1995	\$1.292	9.07
1996	1,400	7.55
Equity Fund:		
1995	1.894	7.83
1996	2.675	4.88
Balanced Fund:		
1995	1.827	7.32
1996	2.488	4.76
International Equity Fund:		
1995	4.515	4.84
1996	5.057	4.83

¹ Net assets for 1996 are as of September 30, 1996.

² Expense ratios for 1996 are for the nine-month period ended September 30, 1996 and have been annualized.

Landmark VIP funds	Standard total return ¹		
	Inception of funds through 9/30/96 (percent)	1996 (percent)	1995 (percent)
U.S. Government Fund	4.17	-1.72	10.51
Equity Fund	18.50	12.08	20.47
Balanced Fund	12.12	6.36	15.53
International Equity Fund	4.96	3.30	5.47

¹ Total returns for 1995 are for the period from March 10, 1995 through December 31, 1995 and have been annualized. Total returns for 1996 are for the nine-month period ended September 30, 1996 and have not been annualized.

Total returns for the period from inception through September 30, 1996 for the Landmark VIP Funds have been annualized.

9. Fidelity VIP was organized as a Massachusetts business trust on November 13, 1981, and is registered under the 1940 Act as an open-end management investment company (File No. 811-3329). Fidelity VIP is a series investment company that is currently comprised of five investment portfolios: Money Market Portfolio, High Income Portfolio, Equity-Income Portfolio, Growth Portfolio and Overseas Portfolio. Fidelity Management & Research Company is the investment adviser of Fidelity VIP. The Fidelity VIP Growth Portfolio seeks capital appreciation by investing primarily in common stocks but may also invest in other types of securities, including bonds and preferred stocks. The Fidelity VIP Equity-Income Portfolio seeks reasonable income by investing, under normal circumstances, at least 65% of its assets in income producing equity securities. The fund may also invest in debt securities convertible into common stock.

10. AIM Variable Insurance Funds, Inc. was organized as a Maryland corporation on January 22, 1993 and is registered under the 1940 Act as an open-end management investment company (File No. 811-07451). AIM Variable Insurance Funds, Inc. is a series investment company that is currently composed of nine investment portfolios: AIM V.I. Capital Appreciation Fund, AIM V.I. Diversified Income Fund, AIM V.I. Global Utilities Fund, AIM V.I. Government Securities Fund, AIM V.I. Growth Fund, AIM V.I. Growth and Income Fund, AIM V.I. International Equity Fund, AIM V.I. Money Market Fund and AIM V.I. Value Fund. AIM Advisors, Inc. is the investment adviser of AIM Variable Insurance Funds, Inc.

11. The AIM V.I. Government Securities Fund seeks a high level of current income consistent with reasonable concern for safety of principal by investing in debt securities issued, guaranteed or otherwise backed

by the United States government. The AIM V.I. International Equity Fund seeks long-term growth of capital by investing in a diversified portfolio of international equity securities the issuers of which are considered by AIM Advisors, Inc. to have strong earnings momentum.

12. The following charts provide size, expense and performance information for the AIM V.I. Government Securities Fund, the Fidelity VIP Growth Portfolio, the Fidelity VIP Equity-Income Portfolio and the AIM V.I. International Equity Fund (collectively, the "Substitute Funds").

Substitute funds	Net assets at year-end (in millions) ¹	Expense ratio (percent) ²
AIM V.I. Government Securities Fund:		
1995	\$19.50	1.19

Substitute funds	Net assets at year-end (in millions) ¹	Expense ratio (percent) ²	Substitute funds	Net assets at year-end (in millions) ¹	Expense ratio (percent) ²	Substitute funds	Net assets at year-end (in millions) ¹	Expense ratio (percent) ²
1996	22.90	0.90	Fidelity VIP Equity-Income Portfolio:			1996	143.30	0.97
Fidelity VIP Growth Portfolio:			1995	4,869.80	0.61	¹ Net assets for 1996 are as of September 30, 1996.		
1995	4,158.80	0.70	1996	6,352	0.55	² Expense ratios for 1996 are for the nine-month period ended September 30, 1996 and have been annualized. The expense ratios for 1996 are unaudited.		
1996	5,777.40	0.67	AIM V.I. International Equity Fund:					
			1995	82.30	1.15			

Substitute funds	Standard total return		
	Inception of fund through 9/30/96 ¹ (percent)	1996 ² (percent)	1995 ³ (percent)
AIM V.I. Government Securities Fund	4.18	-0.20	15.56
Fidelity VIP Growth Portfolio	14.98	5.93	35.36
Fidelity VIP Equity-Income Portfolio	13.05	3.12	35.09
AIM V.I. International Equity Fund	13.80	13.25	17.24

¹ Total returns for the period from inception through September 30, 1996 for the Substitute Funds have been annualized.

² Total returns for 1996 are for the nine-month period ended September 30, 1996 and have not been annualized.

³ Total returns for 1995 are for the twelve-month period ended December 31, 1995.

13. Each Substitute Fund is substantially larger than its counterparts among the Removed Funds and also has lower expense ratios and has either outperformed or performed comparably relative to the corresponding Removed Fund.

14. The management fees of each Substitute Fund are comparable to those of each Removed Fund. Each Removed Fund pays a monthly management fee based on its average daily net assets at the following annual rates: U.S. Government Fund, 0.40%; Equity Fund, 0.50%; Balanced Fund, 0.40%; and International Equity Fund, 1.00%. By contrast, each Substitute Fund pays a monthly management fee based on its average daily net assets at the following annual rates as of December 31, 1995, as follows: AIM V.I. Government Securities Fund, 0.50%; Fidelity VIP Growth Portfolio, 0.61%; Fidelity VIP Equity-Income Portfolio, 0.51%; and AIM V.I. International Equity Fund, 0.75%.¹

15. Citicorp Life and First Citicorp Life have both determined that the small size and high expense ratio of the Removed Funds compared to the Substitute Funds cause the Removed Funds to be good candidates for consolidation with the Substitute Funds.

¹ Fidelity VIP also pays a group fee rate based on the average net assets of all mutual funds advised by Fidelity Management & Research Company. The management fee rate presented for the Fidelity VIP Growth Portfolio and Fidelity VIP Equity-Income Portfolio includes the group fee rate.

16. Applicants propose that Citicorp Life and First Citicorp Life substitute: (1) shares of the AIM V.I. Government Securities Fund for shares of the Landmark VIP U.S. Government Fund; (2) shares of the Fidelity VIP Growth Portfolio for shares of the Landmark VIP Equity Fund; (3) shares of the Fidelity VIP Equity-Income Portfolio for shares of the Landmark VIP Balanced Fund; and (4) shares of the AIM V.I. International Equity Fund for shares of the Landmark VIP International Equity Fund held by corresponding subaccounts of the Accounts (the "Proposed Substitution"). Applicants propose to have Citicorp Life and First Citicorp Life redeem shares of each Removed Fund in cash and purchase with the proceeds shares of the Substitute Fund identified above.

17. The Proposed Substitution will take place at relative net asset value with no change in the amount of any Contract owner's cash value or death benefit or in the dollar value of his or her investment in any of the Accounts. Contract owners will not incur any fees or charges as a result of the Proposed Substitution nor will their rights or Citicorp Life's or First Citicorp Life's obligations under the Contracts be altered in any way. All expenses incurred in connection with the Proposed Substitution, including legal, accounting and other fees and expenses, will be paid by Citicorp Life or First Citicorp Life. In addition, the Proposed

Substitution will not result in the impositions of any tax liability on Contract owners. The Proposed Substitution will not cause the Contract fees and charges currently being paid by existing Contract owners to be greater after the Proposed Substitution than before the Proposed Substitution. The Proposed Substitution will not be treated as a transfer for the purpose of assessing transfer charges or for determining the number of remaining permissible transfers in a Contract Year. Citicorp Life and First Citicorp Life will not exercise any right either may have under the Contracts to impose additional restrictions on transfers under any of the Contracts for a period of at least 30 days following the Proposed Substitution.

18. By supplements to the prospectuses for the Contracts and the Accounts dated December 5, 1996, all owners and prospective owners of the Contracts were notified of Citicorp Life's and First Citicorp Life's intention to take the necessary actions, including seeking the order requested by the Applicants.

19. In addition to the prospectus supplements distributed to owners and prospective owners of Contracts, within 5 days after the Proposed Substitution, any owners who were affected by the substitution will be sent a written notice informing them that the substitutions were carried out and that they may make one transfer of all cash value

under a Contract invested in any one of the affected subaccounts to another subaccount(s) until 30 days after the substitution without that transfer counting as one of a limited number of transfers permitted in a Contract year free of charge.

Applicants' Legal Analysis

1. Section 26(b) of the 1940 Act requires the depositor of a registered unit investment trust holding the securities of a single issuer to obtain Commission approval before substituting the securities held by the trust. Specifically, Section 26(b) states:

It shall be unlawful for any depositor or trustee of a registered unit investment trust holding the security of a single issuer to substitute another security for such security unless the Commission shall have approved such substitution. The Commission shall issue an order approving such substitution if the evidence establishes that it is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of this title.

2. Applicants state that the Proposed Substitution appears to involve a substitution of securities within the meaning of Section 26(b) of the 1940 Act and request that the Commission issue an order pursuant to Section 26(b) of the 1940 Act approving the Proposed Substitution.

3. The Contracts all provide to Citicorp Life or First Citicorp Life the right, subject to Commission approval, to substitute shares of another open-end management investment company for shares of an open-end management investment company held by a subaccount of the relevant Account. Applicants assert that the prospectuses for the Contracts and the Accounts contain appropriate disclosure of this right.

4. The Proposed Substitution would effectively consolidate the assets of each Substitute Fund with those of the corresponding Removed Fund resulting, in all cases, in a fund with lower future expense ratios than the past expense ratios of the Removed Fund.

Each of the Substitute Funds is substantially larger than the Removed Fund that it would replace. Each Substitute Fund has also had more favorable expense ratios over the last two years than the Removed Fund it would replace. Moreover, as of January 31, 1997, the Removed Funds were no longer available for new investment, and most likely will experience the net redemption of their shares. Applicants assert that, therefore, it is highly likely that in the near future each Removed Fund's asset base will decrease and,

accordingly, each Removed Fund's expense ratio will increase.

5. Each Substitute Fund has performed favorably over the past two years and since its inception in comparison to the Removed Fund that it would replace. Applicants therefore anticipate that, after the Proposed Substitution, the Substitute Funds will provide Contract owners with more favorable or comparable overall investment results than would be the case if the Proposed Substitution do not take place.

6. Each of the Substitute Funds is a suitable and appropriate investment vehicle for Contract owners. Each of the Substitute Funds has substantially identical investment objectives to the Removed Fund that it would replace.

7. Applicants generally submit that the Proposed Substitution meet the standards that the Commission and its staff have applied to substitutions that have been approved in the past.

Conclusion

Applicants submit that, for the reasons summarized above, the Proposed Substitution are consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-7044 Filed 3-19-97; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 22565; 811-8156]

The Global Privatization Fund, Inc.; Notice of Application

March 14, 1997.

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

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

APPLICANT: The Global Privatization Fund, Inc.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant seeks an order declaring that it has ceased to be an investment company.

FILING DATES: The application was filed on July 26, 1996 and was amended on February 6, 1997.

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 applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on April 8, 1997, and should be accompanied by proof of service on applicant, 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 Fifth Street, N.W., Washington, D.C. 20549. Applicant, 1345 Avenue of the Americas, New York, New York 10105.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Senior Counsel, at (202) 942-0572 (Division of Investment Management, Office of Investment Company Regulation).

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.

Applicant's Representations

1. Applicant is a closed-end management investment company that is organized as a corporation under the laws of Maryland. Applicant registered under the Act and filed a registration statement on Form N-2 on November 16, 1993. Applicant's registration statement was declared effective on February 18, 1994, and applicant commenced a public offering of its shares shortly thereafter.

2. On June 27, 1995, applicant's board of directors considered and approved a sale of substantially all of the assets and liabilities of applicant to the Alliance Worldwide Privatization Fund, Inc. (the "Acquiring Fund"), a registered open-end investment company. The board of directors made the findings required by rule 17a-8 under the Act, *i.e.*, that the reorganization was in the best interest of applicant and that there would be no dilution, by virtue of the proposed exchange, in the value of shares held at that time by applicant's shareholders.¹ In determining that applicant should enter into the reorganization, the directors considered, among other things, the investment objectives and policies of applicant and the Acquiring Fund.

¹ Rule 17a-8 provides an exemption from section 17(a) for certain reorganizations among registered investment companies that may be affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers.