

dispute, or, if the requester/petitioner believes the application fails to contain information on a relevant matter as required by law, the identification of each failure and the supporting reasons for the requester's/petitioner's belief.

In addition, in accordance with 10 CFR 2.309 (f)(2), contentions must be based on documents or other information available at the time the petition is to be filed, such as the application, supporting safety analysis report, environmental report or other supporting document filed by an applicant or licensee, or otherwise available to the petitioner. On issues arising under the National Environmental Policy Act, the requester/petitioner shall file contentions based on the applicant's environmental report. The requester/petitioner may amend those contentions or file new contentions if there are data or conclusions in the NRC draft, or final environmental impact statement, environmental assessment, or any supplements relating thereto, that differ significantly from the data or conclusions in the applicant's documents. Otherwise, contentions may be amended or new contentions filed after the initial filing only with leave of the presiding officer.

Each contention shall be given a separate numeric or alpha designation within one of the following groups:

1. Technical—primarily concerns issues relating to matters discussed or referenced in the Safety Evaluation Report for the proposed action.
2. Environmental—primarily concerns issues relating to matters discussed or referenced in the Environmental Report for the proposed action.
3. Emergency Planning—primarily concerns issues relating to matters discussed or referenced in the Emergency Plan as it relates to the proposed action.
4. Physical Security—primarily concerns issues relating to matters discussed or referenced in the Physical Security Plan as it relates to the proposed action.
5. Miscellaneous—does not fall into one of the categories outlined above.

If the requester/petitioner believes a contention raises issues that cannot be classified as primarily falling into one of these categories, the requester/petitioner must set forth the contention and supporting bases, in full, separately for each category into which the requester/petitioner asserts the contention belongs with a separate designation for that category.

Requesters/petitioners should, when possible, consult with each other in preparing contentions and combine

similar subject matter concerns into a joint contention, for which one of the co-sponsoring requesters/petitioners is designated the lead representative. Further, in accordance with 10 CFR 2.309(f)(3), any requester/petitioner that wishes to adopt a contention proposed by another requester/petitioner must do so in writing within 10 days of the date the contention is filed, and designate a representative who shall have the authority to act for the requester/petitioner.

In accordance with 10 CFR 2.309 (g), a request for hearing and/or petition for leave to intervene may also address the selection of the hearing procedures, taking into account the provisions of 10 CFR 2.310.

III. Further Information

Documents related to this action, including the application for amendment and supporting documentation, are available electronically at the NRC's Electronic Reading Room at <http://www.nrc.gov/reading-rm/adams.html>. From this site, you can access the NRC's Agencywide Document Access and Management System (ADAMS), which provides text and image files of NRC's public documents. The ADAMS accession number for the document related to this Notice is ML072550166, Redacted Version of Amendment Request to Increase Uranium-235 Possession Limit. If you do not have access to ADAMS or if there are problems in accessing the documents located in ADAMS, contact the NRC Public Document Room (PDR) Reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdrr@nrc.gov.

These documents may also be viewed electronically on the public computers located at the NRC's PDR, O 1 F21, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852. The PDR reproduction contractor will copy documents for a fee.

Dated at Rockville, Maryland, this 9th day of October 2007.

For the Nuclear Regulatory Commission.

Peter J. Habighorst,

Chief, Fuel Manufacturing Branch, Division of Fuel Cycle Safety and Safeguards, Office of Nuclear Material Safety and Safeguards.
[FR Doc. E7-20583 Filed 10-17-07; 8:45 am]

BILLING CODE 7590-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-28013; File No. 812-13380]

MetLife Insurance Company of Connecticut, et al.

October 12, 2007.

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

ACTION: Notice of application for an order pursuant to section 26(c) of the Investment Company Act of 1940 (the "Act") approving certain substitutions of securities and an order of exemption pursuant to section 17(b) of the Act from section 17(a) of the Act.

SUMMARY OF APPLICATION: The Substitution Applicants (defined below) request an order to permit certain unit investment trusts to substitute: (a) Shares of MetLife Investment Large Company Stock Fund for shares of MetLife Stock Index Portfolio; (b) shares of MetLife Investment Small Company Stock Fund for shares of Russell 2000 Index Portfolio; (c) shares of MetLife Investments International Stock Fund for shares of Morgan Stanley EAFE Index Portfolio; and (d) shares of MetLife Investment Diversified Bond Fund for shares of Lehman Brothers Aggregate Bond Index Portfolio. The shares are currently held by certain unit investment trusts to fund certain group and individual variable annuity contracts and variable life insurance policies (collectively, the "Contracts") issued by the Insurance Companies (defined below). The Applicants also hereby apply for an order of exemption pursuant to section 17(b) of the Act from section 17(a) of the Act to permit the Insurance Companies to carry out certain substitutions.

APPLICANTS: The MetLife Insurance Company of Connecticut ("MetLife of CT"), MetLife Life and Annuity Company of Connecticut ("MetLife LAN"), MetLife Investment Funds, Inc. ("MLIF") and Metropolitan Series Fund, Inc. ("Met Series Fund") (MLIF and Met Series Fund are referred to as the "Investment Companies" and Metlife of CT and MetLife LAN are referred to as the "Insurance Companies"), and MetLife of CT Separate Account Five for Variable Annuities ("Separate Account Five"), MetLife of CT Separate Account Six for Variable Annuities ("Separate Account Six"), MetLife of CT Fund U for Variable Annuities ("Fund U"), MetLife of CT Separate Account QP for Variable Annuities ("Separate Account QP"), MetLife of CT Separate Account QPN for Variable Annuities ("Separate Account QPN"), MetLife of CT Fund UL

II for Variable Life Insurance (“Fund UL II”), and MetLife of CT Fund UL for Variable Life Insurance (“Fund UL “), (together with Separate Account Five, Separate Account Six, Fund U, Separate Account QP, Separate Account QPN, Fund UL II, and Fund UL, the “Separate Accounts”). The Insurance Companies and the Separate Accounts are referred to herein collectively as the “Substitution Applicants.” The Insurance Companies, the Separate Accounts and the Investment Companies are referred to herein collectively as the “Applicants.”

FILING DATE: The application was filed on April 26, 2007 and amended and restated on October 11, 2007.

HEARING OF 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 the Secretary of the Commission and serving Applicants with a copy of the request personally by mail. Hearing requests should be received by the Commission by 5:30 p.m. on November 6, 2007 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 reasons for the request and the issue contested. Persons may request notification of a hearing by writing to the Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549. *Applicants:* Curtis A. Young, Senior Counsel—Securities Products and Regulation, MetLife Group, One MetLife Plaza, 27–01 Queens Plaza North, Long Island City, NY 11101.

FOR FURTHER INFORMATION CONTACT: Alison White, Senior Counsel, or Joyce M. Pickholz, Branch Chief, Office of Insurance Products, Division of

Investment Management, at (202) 551–6795.

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 Commission, 100 F Street, NE., Washington, DC 20549, (tel. (202–551–8090).

Applicant’s Representations

1. MetLife of CT, formerly known as The Travelers Insurance Company, is a stock life insurance company organized in 1863 under the laws of Connecticut. MetLife of CT is a wholly-owned subsidiary of MetLife, Inc. (“MetLife”) MetLife of CT’s principal place of business is located at One Cityplace, Hartford, Connecticut 06103. For purposes of the Act, MetLife of CT is the depositor and sponsor of Separate Account Five, Fund U, Separate Account QP, Separate Account QPN and Fund UL.

2. MetLife LAN, formerly known as The Travelers Life and Annuity Company, is a stock life insurance company organized in 1973 under the laws of Connecticut. MetLife LAN is an indirect wholly-owned subsidiary of MetLife, Inc. MetLife LAN’s principal place of business is located at One Cityplace, Hartford, Connecticut 06103. For purposes of the Act, MetLife LAN is the depositor and sponsor of Separate Account Six and Fund UL II.

3. Separate Account Five, Separate Account Six, Fund U, Separate Account QP, Fund UL II, and Fund UL are registered under the Act as unit investment trusts for the purpose of funding the Contracts. Security interests under the Contracts have been registered under the Securities Act of 1933.

4. Separate Account QPN is exempt from registration under the Act. Security interests under the Contracts have been

registered under the Securities Act of 1933.

5. MLIF and Met Series Fund are each registered under the Act as open-end management investment companies of the series type, and their securities are registered under the Securities Act of 1933. MetLife Investment Funds Management LLC, an affiliate of MetLife, serves as investment adviser to MLIF. MetLife Advisers, LLC, an affiliate of MetLife, serves as investment adviser to the Met Series Fund.

6. The Contracts permit the Insurance Companies to substitute shares of one fund with shares of another, including a fund of a different registered investment company.

7. Each Insurance Company, on its behalf and on behalf of the Separate Accounts, proposes to make certain substitutions of shares of four funds of MLIF (the “Existing Funds”) held in sub-accounts of its respective Separate Accounts for certain series (the “Replacement Funds”) of the Met Series Fund.

8. Set forth below are the fees and expenses of each Existing Fund and its corresponding Replacement Fund, as well as a description of each fund’s investment objectives and principal investment policies. Additional information including asset sizes, risk factors, and comparable performance history for each Existing Fund and Replacement Fund can be found in the application.

9. MetLife Investment Large Company Stock Fund—MetLife Stock Index Portfolio: The MetLife Investment Large Company Stock Fund seeks maximum long-term total return by investing primarily in common stocks of well-established companies. The MetLife Stock Index Portfolio seeks to equal the performance of the S&P 500 Index. The Fund purchases the common stocks of all the companies in the S&P Index.

| | Management fees | Distribution (12b–1) fees | Other expenses | Acquired fund fees and expenses | Total annual expenses | Expense waivers | Net annual expenses |
|---|-----------------|---------------------------|----------------|---------------------------------|-----------------------|-----------------|---------------------|
| Existing Fund—MetLife Investment Large Company Stock Fund | .52% | ..... | .11% | ..... | .63% | ..... | .63% |
| Replacement Fund—MetLife Stock Index Portfolio | .25% | ..... | .05% | ..... | .30% | .01% | .29% |

10. MetLife Investment Small Company Stock Fund—Russell 2000® Index Portfolio: The MetLife Investment Small Company Stock Fund seeks

maximum long-term total return by investing primarily in common stocks of small companies. The Russell 2000® Index Portfolio seeks to equal the return

of the Russell 2000 Index. The Fund invests in a statistically selected sample of the 2000 stocks included in the Index.

| | Management fees | Distribution (12b-1) fees | Other expenses | Acquired fund fees and expenses | Total annual expenses | Expense waivers | Net annual expenses |
|---|-----------------|---------------------------|----------------|---------------------------------|-----------------------|-----------------|---------------------|
| Existing Fund—MetLife Investment Small Company Stock Fund | .64% | ..... | .14% | ..... | .78% | ..... | .78% |
| Replacement Fund—Russell 2000 Index Portfolio | .25% | ..... | .09% | .02% | .36% | .01% | .35% |

11. MetLife Investment International Stock Fund—Morgan Stanley EAFE Index Portfolio: The MetLife Investment International Stock Fund seeks

maximum long-term total return by investing primarily in common stocks of established non-U.S. companies. The Morgan Stanley EAFE Index Portfolio

seeks to equal the performance of the MSCI EAFE Index. The Fund invests in a statistically selected sample of the 1000 stocks included in the Index.

| | Management fees | Distribution (12b-1) fees | Other expenses | Acquired fund fees and expenses | Total annual expenses | Expense waivers | Net annual expenses |
|---|-----------------|---------------------------|----------------|---------------------------------|-----------------------|-----------------|---------------------|
| Existing Fund—MetLife Investment International Stock Fund | .73% | ..... | .20% | ..... | .93% | ..... | .93% |
| Replacement Fund—Morgan Stanley EAFE Index Portfolio | .30% | ..... | .13% | .02% | .01 | ..... | .44% |

12. MetLife Investment Diversified Bond Fund—Lehman Brothers® Aggregate Bond Index Portfolio: The MetLife Investment Diversified Bond

Fund seeks maximum long-term total return by investing primarily in fixed income securities. The Lehman Brothers® Aggregate Bond Index

Portfolio seeks to equal the performance of the Lehman Brothers Aggregate Bond Index and invests in a sampling of bonds included in the Index.

| | Management fees | Distribution (12b-1) fees | Other expenses | Acquired fund fees and expenses | Total annual expenses | Expense waivers | Net annual expenses |
|--|-----------------|---------------------------|----------------|---------------------------------|-----------------------|-----------------|---------------------|
| Existing Fund—MetLife Investment Diversified Bond Fund | .41% | ..... | .09% | ..... | .50% | ..... | .50% |
| Replacement Fund—Lehman Brothers® Aggregate Bond Index Portfolio | .25% | ..... | .06% | ..... | .31% | .01 | .30% |

Applicant’s Legal Analysis

1. The Substitution Applicants request that the Commission issue an order pursuant to section 26(c) of the Act approving the proposed substitutions.

2. The Contracts permit the applicable Insurance Company, subject to compliance with applicable law, to substitute shares of another investment company for shares of an investment company held by a sub-account of the Separate Accounts. The prospectuses for the Contracts and the Separate Accounts contain appropriate disclosure of this right.

3. The proposed Replacement Fund for each Existing Fund has an investment objective that is at least substantially similar to that of the Existing Fund. Moreover, the principal investment policies of the Replacement Funds are similar to those of the corresponding Existing Funds. In addition, the Existing Funds are not being offered for new sales, and are not available as new investment options under Contracts previously or currently offered by the Insurance Companies or,

if available, are not available for additional contributions and/or transfers from other investment options under Contracts.

4. The Substitution Applicants submit there is little likelihood that significant additional assets, if any, will be allocated to the Existing Funds and, therefore, because of the cost of maintaining such Funds as investment options under the Contracts, it is in the interest of shareholders to substitute the applicable Replacement Funds which are currently being offered as investment options by the Insurance Companies.

5. Applicants submit that because the Replacement Funds are managed as index funds or managed to replicate the return of an index, each Replacement Fund has lower management fees and lower total operating expenses than the corresponding Existing Fund. Contract owners with balances invested in the Replacement Fund will therefore have a lower expense ratio. However, the Substitution Applicants agree that the Insurance Companies will not increase total separate account charges (net of

any reimbursements or waivers) for any existing owner of the Contracts on the date of the substitutions for a period of two years from the date of the substitutions.

6. The substitution will not negatively impact the ability of contract owners to choose from a variety of funds available in the products. Of all the variable products affected by this substitution, the minimum number of funds currently available in any product before the substitution is 23, and after the substitution the minimum number available will be 22 funds (of the four Replacement Funds, one is already available in this product, leading to a decrease of one in the number of available funds).

7. The Substitution Applicants assert that the replacement of the Existing Funds with the Replacement Funds is consistent with the protection of Contract owners and the purposes fairly intended by the policies and provisions of the Act.

8. The Substitution Applicants represent that by disclosure in the prospectuses for the variable annuity

Contracts, and supplements to the prospectuses for the life insurance Contracts, each Insurance Company will notify all owners of the Contracts of its intention to take the necessary actions, including seeking the order requested by this Application, to substitute shares of the funds as described herein.

9. The disclosure in the prospectuses and the prospectus supplements will advise Contract owners that from the date of the prospectuses and the supplements until the date of the proposed substitution, owners are permitted to make one transfer of Contract value (or annuity unit exchange) out of the Existing Fund sub-account to one or more other sub-accounts without the transfer (or exchange) being treated as one of a limited number of permitted transfers (or exchanges) or a limited numbers of transfers (or exchanges) permitted without a transfer charge.

10. The disclosure in the prospectuses and the prospectus supplements also will inform Contract owners that the Insurance Company will not exercise any rights reserved under any Contract to impose additional restrictions on transfers until at least 30 days after the proposed substitutions.

11. The disclosure in the prospectuses and the prospectus supplements will also advise Contract owners that for at least 30 days following the proposed substitutions, the Insurance Companies will permit Contract owners affected by the substitutions to make one transfer of Contract value (or annuity unit exchange) out of the Replacement Fund sub-account to one or more other sub-accounts without the transfer (or exchange) being treated as one of a limited number of permitted transfers (or exchanges) permitted without a transfer charge. Other than the restrictions concerning market timing/excessive trading, as disclosed in the prospectuses, the Contracts currently permit transfers of all or part of contract value between the variable funding options at any time.

12. The proposed substitutions will take place at relative net asset value with no change in the amount of any Contract owner's Contract value, cash value, or death benefit or in the dollar value of his or her investment in the Separate Accounts.

13. The process for accomplishing the transfer of assets from each Existing Fund to its corresponding Replacement Fund will be determined on a case-by-case basis. In most cases, it is expected that the substitutions will be effected by redeeming shares of an Existing Fund for cash and using the cash to purchase

shares of the Replacement Fund. In certain other cases, it is expected that the substitutions will be effected by redeeming the shares of an Existing Fund in-kind; those assets will then be contributed in-kind to the corresponding Replacement Fund to purchase shares of that Fund.

14. Contract owners will not incur any fees or charges as a result of the proposed substitutions, nor will their rights or an Insurance Company's obligations under the Contracts be altered in any way. All expenses incurred in connection with the proposed substitutions, including brokerage, legal, accounting, and other fees and expenses, will be paid by the Insurance Companies. In addition, the proposed substitutions will not impose any tax liability on Contract owners. The proposed substitutions will not cause the Contract fees and charges currently being paid by existing Contract owners to be greater after the proposed substitutions than before the proposed substitutions. No fees will be charged on the transfers made at the time of the proposed substitutions because the proposed substitutions 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.

15. In addition to the prospectuses and prospectus supplements distributed to owners of Contracts, within five business days after the proposed substitutions are completed, Contract owners will be sent a written notice informing them that the substitutions were carried out and that they may make one transfer of all Contract value or cash value under a Contract invested in any one of the sub-accounts on the date of the notice to one or more other sub-accounts available under their Contract at no cost and without regard to the usual limit on the frequency of transfers from the variable account options to the fixed account options. The notice will also reiterate that (other than with respect to "market timing" activity) the Insurance Company will not exercise any rights reserved by it under the Contracts to impose additional restrictions on transfers or to impose any charges on transfers until at least 30 days after the proposed substitutions.

16. The Insurance Companies will also send each Contract owner current prospectuses for the Replacement Funds involved to the extent that they have not previously received a copy.

17. Each Insurance Company also is seeking approval of the proposed substitutions from any state insurance

regulators whose approval may be necessary or appropriate.

18. The Substitution Applicants agree that for those who were Contract owners on the date of the proposed substitutions, the Insurance Companies will reimburse, on the last business day of each fiscal period (not to exceed a fiscal quarter) during the twenty-four months following the date of the proposed substitutions, those Contract Owners whose subaccount invests in the Replacement Fund such that the sum of the Replacement Fund's operating expenses (taking into account fee waivers and expense reimbursements) and subaccount expenses (asset-based fees and charges deducted on a daily basis from subaccount assets and reflected in the calculation of subaccount unit values) for such period will not exceed, on an annualized basis, the sum of the Existing Fund's operating expenses (taking into account fee waivers and expense reimbursements) and subaccount expenses for fiscal year 2006.

19. The Applicants request an order under section 17(b) exempting them from the provisions of section 17(a) to the extent necessary to permit the Insurance Companies to carry out each of the proposed substitutions.

20. Section 17(a)(1) of the Act, in relevant part, prohibits any affiliated person of a registered investment company, or any affiliated person of such person, acting as principal, from knowingly selling any security or other property to that company. Section 17(a)(2) of the Act generally prohibits the persons described above, acting as principals, from knowingly purchasing any security or other property from the registered company.

21. Because shares held by a separate account of an insurance company are legally owned by the insurance company, the Insurance Companies and their affiliates collectively own of record substantially all of the shares of MLIF and Met Series Fund. Therefore, MLIF and Met Series Fund and their respective funds are arguably under the control of the Insurance Companies notwithstanding the fact that Contract owners may be considered the beneficial owners of those shares held in the Separate Accounts. If MLIF and Met Series Fund and their respective funds are under the control of the Insurance Companies, then each Insurance Company is an affiliated person or an affiliated person of an affiliated person of MLIF and Met Series Fund and their respective funds. If MLIF and Met Series Fund and their respective funds are under the control of

the Insurance Companies, then MLIF and Met Series Fund and their respective funds are affiliated persons of the Insurance Companies.

22. Regardless of whether or not the Insurance Companies can be considered to control MLIF and Met Series Fund and their respective funds, because the Insurance Companies own of record more than 5% of the shares of each of them and are under common control with each Existing Fund's and Replacement Fund's investment adviser, the Insurance Companies are affiliated persons of both MLIF and Met Series Fund and their respective funds. Likewise, their respective funds are each an affiliated person of the Insurance Companies.

23. Because the substitutions may be effected, in whole or in part, by means of in-kind redemptions and purchases, the substitutions may be deemed to involve one or more purchases or sales of securities or property between affiliated persons. The proposed transactions may involve a transfer of portfolio securities by the Existing Funds to the Insurance Companies; immediately thereafter, the Insurance Companies would purchase shares of the Replacement Funds with the portfolio securities received from the Existing Funds. Accordingly, as the Insurance Companies and certain of the Existing Funds listed above, and the Insurance Companies and the Replacement Funds, could be viewed as affiliated persons of one another under section 2(a)(3) of the Act, it is conceivable that this aspect of the substitutions could be viewed as being prohibited by section 17(a).

24. Section 17(b) of the Act provides that the Commission may, upon application, grant an order exempting any transaction from the prohibitions of section 17(a) if the evidence establishes that:

(a) The terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned;

(b) the proposed transaction is consistent with the policy of each registered investment company concerned, as recited in its registration statement and records filed under the Act; and (c) the proposed transaction is consistent with the general purposes of the Act.

25. The Applicants submit that for all the reasons described herein the terms of the proposed in-kind redemptions of shares of the Existing Funds and in-kind purchases of shares of the Replacement Funds by the Insurance Companies,

including the consideration to be paid and received, are reasonable and fair and do not involve overreaching on the part of any person concerned. The Applicants also submit that the proposed in-kind redemptions and purchases by the Insurance Companies are consistent with the policies of MLIF and the Met Series Fund. Finally, the Applicants submit that the proposed substitutions are consistent with the general purposes of the Act.

26. To the extent that the in-kind redemptions by the Insurance Companies of the Existing Funds' shares and in-kind purchases by the Insurance Companies of the Replacement Funds' shares are deemed to involve principal transactions among affiliated persons, the procedures described below should be sufficient to assure that the terms of the proposed transactions are reasonable and fair to all participants. The Applicants maintain that the terms of the proposed in-kind redemption and purchase transactions, including the consideration to be paid and received by each fund involved, are reasonable, fair and do not involve overreaching principally because the transactions will conform with all but one of the conditions enumerated in Rule 17a-7. The proposed transactions will take place at relative net asset value in conformity with the requirements of section 22(c) of the Act and Rule 22c-1 thereunder with no change in the amount of any Contract owner's contract value or death benefit or in the dollar value of his or her investment in any of the Separate Accounts. Contract owners will not suffer any adverse tax consequences as a result of the substitutions. The fees and charges under the Contracts will not increase because of the substitutions. Even though the Separate Accounts, the Insurance Companies, MLIF and Met Series Fund may not rely on Rule 17a-7, the Applicants believe that the Rule's conditions outline the type of safeguards that result in transactions that are fair and reasonable to registered investment company participants and preclude overreaching in connection with an investment company by its affiliated persons. In addition, any in-kind redemptions will only be made in accordance with the conditions set out in the *Signature Financial Group* no-action letter (December 29, 1999).

27. The boards of MLIF and Met Series Fund have adopted procedures, as required by paragraph (e)(1) of Rule 17a-7, pursuant to which the series of each may purchase and sell securities to and from their affiliates. The Applicants will carry out the proposed Insurance Company in-kind redemptions and

purchases in conformity with all of the conditions of Rule 17a-7 and each series' procedures thereunder, except that the consideration paid for the securities being purchased or sold may not be entirely cash. Nevertheless, the circumstances surrounding the proposed substitutions will be such as to offer the same degree of protection to each Existing Fund and Replacement Fund from overreaching that Rule 17a-7 provides to them generally in connection with their purchase and sale of securities under that Rule in the ordinary course of their business. In particular, the Insurance Companies (or any of their affiliates) cannot effect the proposed transactions at a price that is disadvantageous to any of the Existing Funds or Replacement Funds. Although the transactions may not be entirely for cash, each will be effected based upon (1) the independent market price of the portfolio securities valued as specified in paragraph (b) of Rule 17a-7, and (2) the net asset value per share of each Existing Fund and corresponding Replacement Fund valued in accordance with the procedures disclosed in its respective Investment Company's registration statement and as required by Rule 22c-1 under the Act. No brokerage commission, fee, or other remuneration will be paid to any party in connection with the proposed in-kind purchase transactions.

28. The sale of shares of Replacement Funds for portfolio securities, as contemplated by the proposed Insurance Company in-kind purchases, will be consistent with the investment policies and restrictions of the Replacement Funds because (1) the shares will be sold at their net asset value, and (2) the portfolio securities will be of the type and quality that the Replacement Funds would each have acquired with the proceeds from share sales had the shares been sold for cash. To assure that the second of these conditions is met, MetLife Advisers, LLC and the subadviser, as applicable, will examine the portfolio securities being offered to each Replacement Fund and accept only those securities as consideration for shares that it would have acquired for each such fund in a cash transaction.

29. The Applicants submit that the proposed Insurance Company in-kind redemptions and purchases, as described herein, are consistent with the general purposes of the Act as stated in the Findings and Declaration of Policy in Section 1 of the Act. The proposed transactions do not present any of the conditions or abuses that the Act was designed to prevent.

30. The Applicants request that the Commission issue an order pursuant to section 17(b) of the Act exempting the Separate Accounts, the Insurance Companies, MLIF, Met Series Fund and each Replacement Fund from the provisions of section 17(a) of the Act to the extent necessary to permit the Insurance Companies on behalf of the Separate Accounts to carry out, as part of the substitutions, the in-kind redemption and purchase of shares of the Existing Fund and Replacement Funds which may be deemed to be prohibited by section 17(a) of the Act.

31. The Applicants represent that the proposed in-kind redemptions and purchases meet all of the requirements of section 17(b) of the Act and that an exemption should be granted, to the extent necessary, from the provisions of section 17(a).

Conclusion

Applicants assert that for the reasons summarized above the proposed substitutions and related transactions meet the standards of section 26(c) of the Act and are consistent with the standards of section 17(b) of the Act and that the requested orders should be granted.

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

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E7-20542 Filed 10-17-07; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56650; File No. SR-Amex-2007-35]

Self-Regulatory Organizations; American Stock Exchange LLC; Order Granting Approval of a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Relating to the Criteria for Securities That Underlie Options Traded on the Exchange

October 12, 2007.

I. Introduction

On April 5, 2007, the American Stock Exchange LLC (“Amex” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² a proposed rule change to amend certain rules to permit the initial and continued listing and

trading on the Exchange of options on Index Multiple Exchange Traded Fund Shares (“Multiple Fund Shares”) and Index Inverse Exchange Traded Fund Shares (“Inverse Fund Shares”) (collectively, the “Fund Shares”). On August 20, 2007, the Exchange filed Amendment No. 1 to the proposed rule change.³ The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on September 6, 2007.⁴ The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change as modified by Amendment No. 1.

II. Description of the Proposal

The purpose of the proposed rule change is to revise Amex Rules 915 and 916 to enable the listing and trading on the Exchange of options on Multiple Fund Shares⁵ and Inverse Fund Shares.⁶ Multiple and Index Fund Shares differ from traditional exchange-traded fund (“ETFs”) shares in that they do not merely correspond to the performance of a given index, but rather attempt to match a multiple or inverse of such underlying index performance. Current Multiple Fund Shares trading on the Exchange include the ProShares Ultra Funds and Index Inverse Fund Shares trading on the Exchange include the Short Funds and UltraShort Funds.⁷

In order to achieve investment results that provide either a positive multiple or inverse of the benchmark index,

³ Amendment No. 1 superseded and replaced the original filing in its entirety.

⁴ See Securities Exchange Act Release No. 56336 (August 29, 2007), 72 FR 51281.

⁵ Multiple Fund Shares seek to provide investment results, before fees and expenses, that correspond to a specified multiple of the percentage performance on a given day of a particular foreign or domestic stock index.

⁶ Inverse Fund Shares seek to provide investment results, before fees and expenses, that correspond to the inverse (opposite) of the percentage performance on a given day of a particular foreign or domestic stock index by a specified multiple.

⁷ See Securities Exchange Act Release Nos. 52553 (October 3, 2005), 70 FR 59100 (October 11, 2005) (SR-Amex-2004-62) (approving the listing and trading of the Ultra Funds and Short Funds) and 54040 (June 23, 2006), 71 FR 37629 (June 30, 2006) (SR-Amex-2006-41) (approving the listing and trading of the UltraShort Funds). The Ultra Funds are expected to gain, on a percentage basis, approximately twice (200%) as much as the underlying benchmark index and should lose approximately twice (200%) as much as the underlying benchmark index when such prices decline. The Short Funds are expected to achieve investment results, before fees and expenses, that correspond to the inverse or opposite of the daily performance (–100%) of an underlying benchmark index. Lastly, the UltraShort Funds are expected to achieve investment results, before fees and expenses that correspond to twice the inverse or opposite of the daily performance (–200%) of the underlying benchmark index.

Multiple Fund Shares or Inverse Fund Shares may hold a combination of financial instruments, including, among other things, stock index futures contracts; options on futures; options on securities and indices; equity caps, collars and floors; swap agreements; forward contracts; repurchase agreements; and reverse repurchase agreements (the “Financial Instruments”). The underlying portfolios of Multiple Fund Shares generally will hold at least 85% of their assets in the component securities of the underlying relevant benchmark index. The remainder of any assets are devoted to Financial Instruments that are intended to create the additional needed exposure to such Underlying Index necessary to pursue its investment objective. Normally, 100% of the value of the underlying portfolios of Inverse Fund Shares will be devoted to Financial Instruments and money market instruments, including U.S. government securities and repurchase agreements (the “Money Market Instruments”).

Currently, Commentary .06 to Amex Rule 915 provides securities deemed appropriate for options trading shall include shares or other securities (“Exchange-Traded Fund Shares”) that are principally traded on a national securities exchange or through the facilities of a national securities association and defined as an “NMS stock” under Rule 600 of Regulation NMS, and that (i) represent an interest in a registered investment company organized as an open-end management investment company, a unit investment trust or a similar entity which holds securities constituting or otherwise based on or representing an investment in an index or portfolio of securities; (ii) represent interest in a trust or other similar entity that holds a specified non-U.S. currency and/or currencies deposited with the trust or similar entity when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non-U.S. currency and/or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency and/or currencies, if any, declared and paid by the trust; or (iii) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or non-U.S. currency (“Commodity Pool ETFs”).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.