interest through the purchase date at the Contract Rate; (3) The Plan will incur no expenses with respect to the proposed transaction; and (4) In the event the Employer receives payments with respect to the GIC Interest in excess of the purchase price paid the Plan, such excess will be paid to the Plan.

FOR FURTHER INFORMATION CONTACT: Ronald Willett of the Department, telephone (202) 219-8881. (This is not a toll-free number.)

General Information

The attention of interested persons is directed to the following:

1. The fact that a transaction is the subject of an exemption under section 408(a) of the Act and/or section 4975(c)(2) of the Code does not relieve a fiduciary or other party in interest of disqualified person from certain other provisions of the Act and/or the Code, including any prohibited transactions provisions to which the exemption does not apply and the general fiduciary responsibility provisions of section 404 of the Act, which among other things require a fiduciary to discharge his duties respecting the plan solely in the interests of the participants and beneficiaries of the plan and in a prudent fashion in accordance with section 404(a)(1)(b) of the act; nor does it affect the requirement of section 401(a) of the Code that the plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries;

2. Before an exemption may be granted under section 408(a) of the Act and/or section 4975(c)(2) of the Code, the Department must find that the exemption is administratively feasible, in the interests of the plan and of its participants and beneficiaries and protective of the rights of participants and beneficiaries of the plan;

3. The proposed exemptions, if granted, will be supplemental to, and not in derogation of, any other provisions of the Act and/or the Code, including statutory or administrative exemptions and transitional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

4. The proposed exemptions, if granted, will be subject to the express condition that the material facts and representations contained in each application are true and complete, and that each application accurately describes the material terms of the transaction which is the subject of the exemption.

The Applicants believe that the aforementioned language should have referred to an MS Broker-Dealer, as a party in interest rather than to MS&Co because the exemption application contemplated that an MS Broker-Dealer, other than MS&Co, might be borrowing securities from a plan with respect to which such MS Broker-Dealer, but not necessarily MS&Co, is a party in interest. Therefore, the Department has amended the first paragraph of the Exemption to read as follows:

"The restrictions of sections 406(a)(1)(A) through (D) and 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 lending of securities to Morgan Stanley & Co., Incorporated (MS&Co) and to any other U.S. registered broker-dealers affiliated with Morgan Stanley Trust Company (the Affiliated Broker-Dealer, collectively, the MS Broker-Dealers) by employee benefit plans with respect to which MS&Co is a party in interest* * *"

On March 12, 1996, the Department published in the Federal Register (61 FR 10032) a notice granting an individual exemption (the Exemption) on behalf of MS&Co and MSTC (collectively, the Applicants). The first paragraph of the Exemption states, in pertinent part, that "the restrictions of sections 406(a)(1)(A) through (D) and 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 lending of securities to Morgan Stanley & Co., Incorporated (MS&Co) and to any other U.S. registered broker-dealers affiliated with Morgan Stanley Trust Company (the Affiliated Broker-Dealer, collectively, the MS Broker-Dealers) by employee benefit plans with respect to which MS&Co is a party in interest * * *"
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.

**Sprague Electric Company Retirement and Savings Plan (the Plan) Located in Cincinnati, Ohio**

[Prohibited Transaction Exemption 96-44; Exemption Application No. D-10049, 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).

Notes 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.

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 April 4, 1996, at 61 FR 15140.

**Comments**

The Department received three written comments from retired participants of the Plan with respect to the notice of the proposed exemption. These comments did not relate to the subject Sale transaction. Accordingly, after giving full consideration to the entire record, the Department has determined to grant the exemption.

**FOR FURTHER INFORMATION CONTACT:** Mr. C. E. Beaver of the Department, telephone (202) 219–8881. (This is not a toll-free number.)

**Dauphin Deposit Bank and Trust Company Located in Harrisburg, Pennsylvania**

[Prohibited Transaction Exemption 96-45; Application No. D-10187]

Section I—Exemption for In-Kind Transfer of CIF Assets

The restrictions of sections 406(a) and 406(b) 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 (F) of the Code, shall not apply, as of May 31, 1996 to the proposed in-kind transfer of assets of plans for which Dauphin Deposit Bank and Trust Company (Dauphin) acts as a fiduciary (the Client Plans), other than plans established and maintained by Dauphin (the Bank Plans), that are held in certain collective investment funds maintained by Dauphin (CIFs) in exchange for shares of the Marketvest Funds (the Funds), open-end investment companies registered under the Investment Company Act of 1940 (the 1940 Act), in situations where Dauphin acts as investment advisor for the Fund and may provide some other "Secondary Service" to the Fund as defined in Section V(h). In connection with the termination of such CIFs, provided that the following conditions and the general conditions of Section III are met:

(a) No sales commissions or other fees are paid by the Client Plans in connection with the purchase of Fund shares through the in-kind transfer of CIF assets, and no redemption fees are payable in connection with the sale of such shares by the Client Plans to the Funds.

(b) Each Client Plan receives shares of a Fund which have a total net asset value that is equal to the value of the Plan’s pro rata share of the assets of the...