

6. Dr. Castillo states that the participation by the Plan in the Sales benefited the participants and beneficiaries of the Plan. In this regard, Dr. Castillo states that the cash received by the Plan from the Sales enabled the Plan to acquire the New Property. In so doing, the Plan acquired an asset that Dr. Castillo anticipates will provide a suitable rate of return to the Plan.

7. Dr. Castillo represents that the Sales were protective of the participants and beneficiaries of the Plan since the terms of the Sales were no less favorable to the Plan than the terms available between unrelated parties. In this regard, the Plan received the current fair market value of the Properties without incurring any of the costs or fees associated therein. In addition, Dr. Castillo states that the Sale was in the best interests of the Plan since it enabled the Plan to sell a non-appreciating asset that had limited marketability. Finally, Dr. Castillo states that the proposed exemption is administratively feasible in that the Sales involved one-time transactions for cash.

8. In summary, Dr. Castillo represents that the Sales satisfy the criteria of section 408(a) of the Act since:

(a) The terms and conditions of the Sales were at least as favorable to the Plan as those obtainable in similar arm's-length transactions involving unrelated parties;

(b) Each Sale was a one-time transaction for cash;

(c) The amount of cash received by the Plan for each Property equaled the fair market value of such Property as of the date of the Sales as determined by a qualified, independent appraiser; and

(d) The Plan did not pay any fees or commissions in connection with the Sales.

FOR FURTHER INFORMATION CONTACT: Christopher J. Motta of the Department, telephone (202) 693-8544. (This is not a toll-free number.)

DuPont Capital Management Corporation (DCMC), Located in Wilmington, DE

[Application Nos. D-11111, 11112, 11113]

Proposed Exemption

The Department is considering granting an exemption under the authority of section 408(a) of the Act and section 4975(c)(2) of the Code and in accordance with the procedures set forth in 29 CFR part 2570, Subpart B (55 FR 32836, 32847, August 10, 1990). If the exemption is granted, the restrictions of sections 406(a) of the Act and the sanctions resulting from the application of section 4975(a) and (b) of

the Code, by reason of section 4975(c)(1)(A) through (D) of the Code, shall not apply to the past extension of credit from the DuPont Pension and Retirement Plan, the Pioneer Hi-Bred International, Inc. Retirement Plan and the Protein Technologies International Retirement Plan (collectively, the Plans)⁹ to the Dow Chemical Company (Dow), a party in interest with respect to the Plans, as a result of the holding by the Plans of certain corporate debt securities (the Bonds) issued by Dow, for the period from October 25, 2000 until July 10, 2001 provided the following conditions were satisfied:

(a) The purchase of the Bonds by the Plans was a one-time transaction for cash;

(b) The Plans paid no more than the current fair market value for the Bonds at the time of the transaction, as determined by a reputable, independent, third party market source;

(c) The Bonds were sold on July 10, 2001 for \$1,975,320 at a profit of \$126,580 for the Plans;

(d) The purchase of the Bonds was not part of an agreement, arrangement or understanding designed to benefit Dow or any other party in interest with respect to the Plans; and

(e) The transaction represented less than .02% of each Plan's total assets.

Effective Date of Exemption

The proposed exemption, if granted, will be effective for the period from October 25, 2000 (the date of the acquisition of the Bonds by the Plans) until July 10, 2001 (the date the Bonds were sold).

Summary of Facts and Representations

1. The applicant is DuPont Capital Management Corporation (DCMC), a wholly owned subsidiary of E.I. duPont de Nemours and company (DuPont), and organized as a Delaware corporation with its principal office in Wilmington, Delaware. As of December 31, 2001, DCMC had total assets under its management with an aggregate market value of approximately \$19.3 billion. DCMC is an investment advisor, registered under the Investment Advisers Act of 1940, for the assets of the DuPont Pension Trust Fund (the Trust), which holds the assets of the Plans. DCMC has managed the assets of the Trust since July 1997. The aggregate

⁹ Because the Plans are funded through the same trust and each has an undivided interest in the assets of such trust, this application will treat the purchase of the Bonds (as defined herein) by the Plans as a single transaction and information concerning such purchase will be discussed on an aggregate basis.

fair market value of the Trust's assets is in excess of \$13 billion.

2. DuPont is the plan sponsor of the DuPont Pension and Retirement Plan. The applicant estimates that there are currently 156,677 participants and beneficiaries in the DuPont Pension and Retirement Plan. Pioneer Hi-Bred International Inc. and Protein Technologies International, each of which is a subsidiary of DuPont, are the plan sponsors of the Pioneer Hi-Bred International Inc. Retirement Plan and the Protein Technologies International Retirement Plan, respectively. The applicant represents that there are currently 5,000 participants and beneficiaries in the Pioneer Hi-Bred International, Inc. Retirement Plan, and 734 participants and beneficiaries in the Protein Technologies International Retirement Plan.

3. The applicant represents that DCMC provides investment management services to various employee benefit plans, including plans sponsored by DuPont and its subsidiaries (i.e., Pioneer Hi-Bred International, Inc. and Protein Technologies International) and affiliates (collectively, the DuPont Group), with respect to a spectrum of investments consisting primarily of domestic and international equities, fixed-income securities, and various alternative investments (including real estate, venture capital, and commodity futures). DCMC utilizes value-based investment strategies with the objective of achieving maximum return consistent with levels of risk suitable to each Plan.

4. DuPont and Dow participate in a 50/50 joint venture known as DuPont Dow Elastomers LLC (DDE), as a result of which Dow is a party in interest with respect to the Plans. In this regard, Dow is a party in interest with respect to the Plans under section 3(14)(I) of the Act because it is a 10% or more joint venturer of DDE. DDE is a party in interest with respect to the DuPont Pension and Retirement Plan under section 3(14)(G) of the Act, as an entity 50% owned by DuPont (which is a party in interest with respect to such Plan under section 3(14)(C) of the Act). DDE is a party in interest with respect to the Pioneer Hi-Bred International, Inc. Retirement Plan and the Protein Technologies International Retirement Plan under section 3(14)(G) of the Act, as an entity 50% owned by DuPont which is a party in interest with respect to such Plans under section 3(14)(E) of the Act. The annual sales of DDE represent less than 2% of DuPont's total annual sales.

5. According to the applicant, as a result of the inadvertent failure to