

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 27826; 812-13350]

First Investors Equity Funds, et al.; Notice of Application

May 23, 2007

Agency: Securities and Exchange Commission (“Commission”).

Action: Notice of an application under section 6(c) of the Investment Company Act of 1940 (the “Act”) for an exemption from section 15(a) of the Act and rule 18f-2 under the Act.

Summary of Application: The requested order would permit certain registered open-end management investment companies to enter into and materially amend subadvisory agreements with subadvisers (“Subadvisors”) without shareholder approval.

Applicants: First Investors Equity Funds, First Investors Income Funds, First Investors Tax Exempt Funds, and First Investors Life Series Fund (the “Trusts”) and First Investors Management Company, Inc. (the “Advisor”).

Filing Dates: The application was filed on December 4, 2006, and amended on May 17, 2007.

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 Commission’s Secretary 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 June 19, 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 issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary.

Address: Secretary, Commission, 100 F Street, NE, Washington, DC 20549-1090. Applicants, First Investors Equity Funds et al, Kirkpatrick & Lockhart Preston Gates, LLP, 1601 K Street, N.W. Washington, D.C. 20006.

For Further Information Contact: Deepak T. Pai, Senior Counsel at (202) 551-6876, or Nadya Roytblat, Assistant Director, at (202) 551-6821 (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 Commission's Public Reference Branch, 100 F Street, NE, Washington, DC 20549-0102 (telephone (202) 551-5850).

Applicants' Representations:

1. The Trusts, each a Delaware statutory trust, are registered under the Act as open-end management investment companies. Each Trust currently offers one or more series ("Funds"), each of which has its own investment objectives, policies and restrictions.¹

2. The Advisor is registered under the Investment Advisers Act of 1940 (the "Advisers Act") and serves as investment adviser to each Fund pursuant to an investment advisory agreement with the respective Trust ("Advisory Agreement") that was approved by the board of trustees of the Trust (the "Board"), including a majority of the trustees who are not "interested persons," as defined in section 2(a)(19) of the Act ("Independent Trustees"), and the

¹ Applicants also request exemptive relief with respect to any other existing and future registered open-end management investment company or series thereof that (a) is advised by the Advisor or any entity controlling, controlled by or under common control with the Advisor; (b) uses the advisor/subadvisor structure that is described in the application; and (c) complies with the terms and conditions of the requested order (included in the term "Funds"). The requested relief will not extend to any Subadvisor that is an affiliated person as defined in Section 2(a)(3) of the 1940 Act, of the Fund or the Advisor, other than by reason of serving as a Subadvisor to one or more of the Funds (an "Affiliated Subadvisor"). If the name of any Fund contains the name of a Subadvisor, the name of the Advisor will precede the name of the Subadvisor.

shareholders of each Fund. Under the Advisory Agreement, the Advisor receives a fee from each Fund based on the average daily net assets of the Fund. Under the Advisory Agreement, the Advisor may delegate investment advisory responsibilities to one or more Subadvisors who have discretionary authority to invest all or a portion of the Fund's assets pursuant to a separate subadvisory agreement ("Subadvisory Agreement"). The Advisor selects Subadvisors based on the Advisor's continuing evaluation of their skills in managing assets pursuant to particular investment styles. Each Subadvisor is and will be an investment adviser registered under the Advisers Act. For its services to a Fund, the Advisor pays each Subadvisor out of the investment advisory fee the Advisor receives from the Fund. Applicants request relief to permit the Advisor, subject to Board approval, to enter into and materially amend Subadvisory Agreements without shareholder approval.

Applicants' Legal Analysis:

1. Section 15(a) of the Act provides, in relevant part, that it is unlawful for any person to act as an investment adviser to a registered investment company except pursuant to a written contract that has been approved by the vote of a majority of the company's outstanding voting securities. Rule 18f-2 under the Act provides that each series or class of stock in a series company affected by a matter must approve such matter if the Act requires shareholder approval.

2. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction or any class or classes of persons, securities, or transactions from any provision of the Act, or from any rule thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act. Applicants believe that their requested relief meets this standard.

3. Applicants state that the Funds' shareholders rely on the Advisor, subject to oversight by the Board, to select the Subadvisors best suited to achieve a Fund's investment objectives. Applicants assert that from the perspective of the investor, the role of the Subadvisors is comparable to that of individual portfolio managers employed by traditional investment advisory firms. Applicants contend that requiring shareholder approval of Subadvisory Agreements would impose costs and unnecessary delays on the Funds and may preclude the Advisor from acting promptly in a manner considered advisable by the Board. Applicants also note that the Advisory Agreement will remain subject to the shareholder approval requirements in section 15(a) of the Act and rule 18f-2 under the Act.

Applicants' Conditions:

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. Before a Fund may rely on the order requested in the application, the operation of the Fund in the manner described in the application will be approved by a majority of the Fund's outstanding voting securities, as defined in the Act, or, in the case of a Fund whose public shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the initial shareholder(s) before offering the Fund's shares to the public.

2. Each Fund relying on the requested order will disclose in its prospectus the existence, substance, and effect of any order granted pursuant to this application. In addition, each Fund will hold itself out to the public as employing the management structure described in the application. The prospectus will prominently disclose that the Advisor has ultimate

responsibility, subject to oversight by the Board, to oversee the Subadvisors and recommend their hiring, termination and replacement.

3. Within 90 days of the hiring of any new Subadvisor, the Advisor will furnish shareholders of the affected Fund all information about the new Subadvisor that would be included in a proxy statement. To meet this obligation, the Advisor will provide shareholders of the applicable Fund with an information statement meeting the requirements of Regulation 14C, Schedule 14C and Item 22 of Schedule 14A under the Securities Exchange Act of 1934.

4. The Advisor will not enter into a Subadvisory Agreement with any Affiliated Subadvisor without that Subadvisory Agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Fund.

5. At all times, at least a majority of each Fund's Board will be Independent Trustees, and the nomination of new or additional Independent Trustees will be at the discretion of the then-existing Independent Trustees.

6. When a Subadvisor change is proposed for a Fund with an Affiliated Subadvisor, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Board minutes, that the change is in the best interests of the Fund and its shareholders and does not involve a conflict of interest from which the Advisor or the Affiliated Subadvisor derives an inappropriate advantage.

7. The Advisor will have overall supervisory responsibility for the general management and investment of the Fund's assets, and, subject to review and approval by the Board, will (i) set each Fund's overall investment strategies, (ii) evaluate, select and recommend Subadvisors to manage all or a part of a Fund's assets, (iii) when appropriate, allocate and reallocate a Fund's assets among multiple Subadvisors, (iv) monitor and evaluate the

performance of the Subadvisors, and (v) implement procedures reasonably designed to ensure that the Subadvisors comply with each Fund's investment objective, policies and restrictions.

8. No trustee or officer of a Trust, or director or officer of the Advisor will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by such person) any interest in a Subadvisor, except for (a) ownership of interests in the Advisor or any entity that controls, is controlled by, or is under common control with the Advisor, or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Subadvisor or an entity that controls, is controlled by or is under common control with a Subadvisor.

9. The requested order will expire on the effective date of rule 15a-5 under the Act, if adopted.

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

Florence E. Harmon
Deputy Secretary