



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 20, 1998

Lisa B. Schwartz, Esq.
Sullivan & Cromwell
125 Broad Street
New York, NY 10004-2498

Dear Ms. Schwartz:

This is in response to your letters, dated March 10 and May 4, 1998, on behalf of Dresdner Bank AG, Frankfurt am Main, Germany ("Dresdner"), requesting an extension of the period, until June 30, 1999, within which to comply with a commitment made to the Board by Dresdner in connection with its proposal to acquire RCM Capital Management, San Francisco, California ("RCM").

On May 30, 1996, the Board approved a notice by Dresdner to acquire RCM and thereby engage, among other things, in providing certain advisory and administrative services to open-end investment companies.^{1/} In conjunction with its notice, Dresdner made a number of commitments to the Board, including that Dresdner would not acquire any shares of a mutual fund for which it provides advisory services and that a profit sharing plan of RCM employees ("Plan") would not own more than 5 percent of the shares of any mutual fund advised by Dresdner.

At the time of the Order, the Plan already owned more than 5 percent of the shares of two funds: the RCM International Growth Equity Fund and the RCM Global Technology Fund ("Global Tech Fund"). Dresdner committed that the Plan's ownership stakes in these two funds would be brought into compliance with the 5 percent limit by May 30, 1998. The Board relied on these and other commitments in determining that Dresdner's relationships with these funds were consistent with the Glass-Steagall Act, the Bank Holding

^{1/} Dresdner Bank AG, 82 Federal Reserve Bulletin 676 (1996) ("Order").

Company Act, and the Board's interpretations thereunder. Dresdner has now requested a thirteen-month extension of the period within which to reduce to 5 percent or less the ownership of the Plan of shares of the Global Tech Fund.

Based on all the facts of record, the Director of the Division of Banking Supervision and Regulation, acting pursuant to authority delegated by the Board (12 C.F.R. 265.7(a)(2)), and after consulting with the General Counsel, has approved Dresdner's request for an extension, until June 30, 1999, to reduce the ownership of the Plan in the Global Tech Fund to 5 percent or less of the shares of the fund. The Director's action is based on the representations set forth in your letters on behalf of Dresdner. This approval should not be construed as granting relief from any other conditions or commitments to which Dresdner, RCM, or the Plan may be subject.

Very truly yours,



Jennifer J. Johnson

Deputy Secretary of the Board

cc: Federal Reserve Bank of New York