UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
INVESTMENT MANAGEMENT

ACT 1CA
SECTION 17(a)
RULE
PUBLIC AVAILABILITY 7-7-95

July 7, 1995

Mr. William M. Lyons
Executive Vice President
and General Counsel
Twentieth Century Mutual Funds
P.O. Box 418210
Kansas City, MO 64141-9210

Re: Twentieth Century Investors, Inc. - Cash Reserve Portfolio; Twentieth Century Premium Reserves, Inc. - Premium Capital Reserve Portfolio

Dear Mr. Lyons:

Your letter of July 6, 1995 requests our assurance that we would not recommend that the Commission take any enforcement action under sections 17(a) and 17(d) of the Investment Company Act of 1940 ("1940 Act") and the rules thereunder if Twentieth Century Companies, Inc. ("Affiliate"), the Cash Reserve fund, a series of Twentieth Century Investors, Inc. ("Cash Reserve"); and the Premium Capital Fund, a series of Twentieth Century Premium Reserves, Inc. ("Premium Capital"), effect the transaction summarized below and more fully described in your letter.

Cash Reserve and Premium Capital are money market funds that seek to maintain a stable net asset value per share of $1.00, and use the amortized cost method of valuation in valuing their portfolio securities as permitted by rule 2a-7 under the 1940 Act. Cash Reserve and Premium Capital each hold taxable notes issued by Orange County, California that mature on July 10, 1995 ("Securities") in the following amounts: (1) Cash Reserve: $38.5 million principal value (approximately 2.8 percent of net assets); and (2) Premium Capital: $1.5 million principal value (approximately 0.75 percent of net assets). The Securities pay interest at a rate equal to one-month LIBOR, and the maximum interest rate is "capped" at 12 percent. As a result of the Orange County bankruptcy filing on December 6, 1994, Cash Reserve and Premium Capital determined the fair values of the Securities to be less than their amortized cost values.

In December 1994, upon application of the Affiliate, Chase Manhattan Bank, N.A. ("Current LOC Provider") issued two irrevocable standby letters of credit ("Current LOCs") on behalf of Cash Reserve and Premium Capital in order to avoid any potential losses to shareholders of the funds ("Current LOC Arrangement").[1] Under the Current LOC

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[1] In your letter of December 13, 1994, you represented that the Current LOC Provider had the highest ratings on its short-term debt obligations from the "Requisite NRSROs" (as defined in paragraph (a)(13) of rule 2a-7 under the 1940 Act).

Arrangement, the Current LOCs provide for payment of up to $20 million ($19.25 million attributable to 50 percent of the principal value of the Securities held by Cash Reserve and $0.75 million attributable to 50 percent of the principal value of the Securities held by Premium Capital) of scheduled payments of principal and interest on the Securities in the event of a default by Orange County. The Current LOC Arrangement was entered into after the staff of the Division of Investment Management informed Cash Reserve, Premium Capital and the Affiliate on December 13, 1994 that it would not recommend to the Commission enforcement action against any of the parties if the Arrangement was effected. You represent that Cash Reserve and Premium Capital each are relying on the Current LOC Arrangement to value 50 percent of the principal value of the Securities held. The Current LOC Arrangement, by its terms, expires on July 10, 1995 (the final maturity date of the Securities).

Cash Reserve and Premium Capital have been informed that Orange County, in all likelihood, will not make the scheduled principal payments due on the Securities on July 10, 1995. Rather, Orange County is contemplating an amendment, substitution or extension of the Securities ("Amendment") that would, among other things, extend the maturity date of the Securities to June 30, 1996 and contain certain other terms to be negotiated ("Amended Securities"). A portion of the interest on the Amended Securities would be payable monthly, and a portion of the interest on the Amended Securities would be accrued and paid to Cash Reserve and Premium Capital at a later date.

As a result of these developments, you state that the Affiliate, Cash Reserve and Premium Capital plan to replace the Current LOC Arrangement with a new LOC arrangement ("New LOC Arrangement") that is summarized below and more fully described in your letter of July 6. On July 6, 1995, the Affiliate applied for two irrevocable standby letters of credit ("New LOCs") to be issued by State Street Bank and Trust Company ("New LOC Provider") on behalf of Cash Reserve and Premium Capital ("New LOC Arrangement").[2] Under the New LOC Arrangement, the New LOCs would provide for payment to the funds in the aggregate of $26 million as follows: (1) Cash Reserve would be entitled to draw up to $25 million ($22 million attributable to approximately 59 percent of the principal value of the Amended Securities held and $3 million attributable to interest due on the entire principal value of the Amended Securities held); and (2) Premium Capital would be entitled to draw up to $1 million ($0.75 million attributable to 50 percent of the principal value of the Amended Securities held and $0.25 million attributable to interest due on the entire principal value of the Amended Securities held). Cash Reserve and Premium Capital would have the unconditional right to draw on the New LOCs if scheduled interest and principal were not paid when due under any circumstances, including Orange County's repudiation of its obligations under the Amended Securities, and a failure to pay that is premised on violations of certain provisions of the California state constitution and California law. The Affiliate would agree to reimburse the New LOC Provider for any payments made to Cash Reserve and Premium Capital under the New LOCs.

The Affiliate reserves the right under the New LOC Arrangement to purchase the Amended Securities from Cash Reserve and Premium Capital on or before June 30, 1996 (the maturity date of the Amended Securities). If the Affiliate exercises this right, the New

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[2] The New LOC Provider currently has the highest ratings on its short-term debt obligations from the "Requisite NRSROs" (as defined in paragraph (a)(13) of rule 2a-7 under the 1940 Act).

LOCs would expire, and the New LOC Provider's obligations under the New LOC Arrangement would be discharged.

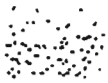
Cash Reserve will value approximately 59 percent of the principal value of the Amended Securities held, and Premium Capital will value approximately 50 percent of the principal value of the Amended Securities held, based on the New LOC Arrangement as soon as it is effected. The balance of the Amended Securities held by the funds will be valued without reference to the New LOC Arrangement.

You represent that the boards of directors of Cash Reserve and Premium Capital, including a majority of the directors who are not "interested persons" as defined in section 2(a)(19) of the 1940 Act, have determined that it is in the best interests of the funds and their shareholders not to draw under the Current LOC Arrangement, but, rather, to accept the Amended Securities subject to the New LOCs and the New LOC Arrangement. This determination was based, in part, on an evaluation of the credit quality of the New LOC Provider, and the interest rate provided under the New LOC Arrangement. You also represent that the boards of directors of the Cash Reserve and Premium Capital have determined that the Amended Securities, together with the New LOCs and the New LOC Arrangement, are "Eligible Securities" as defined in paragraph (a)(5) of rule 2a-7 and present minimal credit risks as required by paragraph (c)(3) of that rule. Finally, you have concluded that the amount provided under the New LOCs attributable to interest can reasonably be expected to cover any interest due on the maturity of the entire principal value of the Amended Securities held by the funds.

On the basis of the facts and representations in your letters of July 6, 1995 and December 13, 1994, we will not recommend enforcement action under sections 17(a) and 17(d) of the 1940 Act and the rules thereunder if the New LOC Arrangement is effected. You should note that any different facts or representations might require a different conclusion. Moreover, this response expresses the Division's position on enforcement action only and does not express any legal conclusions on the issues presented.

Sincerely,

Robert E. Plaze
Assistant Director



TWENTIETH CENTURY
COMPANIES INC.

July 6, 1995

VIA FACSIMILE AND FEDERAL EXPRESS

Robert E. Plaze
Assistant Director
Office of Disclosure and Investment
Adviser Regulation
Division of Investment Management
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Mail Stop 10-6
Washington, D.C. 20549

Re: Twentieth Century Investors, Inc. - Cash Reserve
Twentieth Century Premium Reserves, Inc. - Premium Capital Reserve

Dear Mr. Plaze:

As discussed, I enclose herewith our no-action request under Sections 17(a) and 17(d) of the Investment Company Act of 1940.

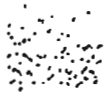
Please let me know if you have additional questions or comments.

Very truly yours,

William M. Lyons
Executive Vice President
and General Counsel

WML/mro

Enclosure



TWENTIETH CENTURY

COMPANIES INC.

July 6, 1995

VIA FACSIMILE AND FEDERAL EXPRESS

Robert E. Plaze
Assistant Director
Office of Disclosure and Investment
Adviser Regulation
Division of Investment Management
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Mail Stop 10-6
Washington, D.C. 20549

Re: Twentieth Century Investors, Inc. - Cash Reserve
Twentieth Century Premium Reserves, Inc. - Premium Capital Reserve

Dear Mr. Plaze:

We are writing on behalf of Twentieth Century Companies, Inc. ("Affiliate"), an affiliated person of the Cash Reserve fund ("Cash Reserve") of Twentieth Century Investors, Inc. ("TCI") and the Premium Capital Reserve fund ("Premium Capital") of Twentieth Century Premium Reserves, Inc. ("TCPR"). We seek assurance from the staff of the Division of Investment Management ("Division") that it will not recommend enforcement action to the Commission under Sections 17(a) or 17(d) of the Investment Company Act of 1940 ("1940 Act") or the rules thereunder if Cash Reserve, Premium Capital and the Affiliate enter into the arrangement described below.

TCI and TCPR are registered with the Commission under the 1940 Act as open-end management investment companies. Cash Reserve and Premium Capital are "series" funds within TCI and TCPR. Cash Reserve and Premium Capital are money market funds that seek to maintain stable net asset values of $1.00 per share and use the amortized cost method of valuation in valuing their portfolio securities. Approximately 2.8% of Cash Reserve's net assets and .75% of Premium Capital's net assets as of July 5, 1995, consisted of certain debt securities ("Securities") fully described below. The market value of the Securities is less than their amortized cost value (i.e. par value plus accrued interest).

The Securities are:

Cash Reserve:

1. Issuer: County of Orange, California
2. Issue: 1994-95 Taxable Notes
3. Letter of Credit Provider: State Street Bank and Trust Company
4. Principal Amount of Securities Held: $38.5 Million
5. Final Maturity of Securities: July 10, 1995
6. CUSIP Number of Securities: 684201EL6

Premium Capital:

1. Issuer: County of Orange, California
2. Issue: 1994-95 Taxable Notes
3. Letter of Credit Provider: State Street Bank and Trust Company
4. Principal Amount of Securities Held: $1.5 Million
5. Final Maturity of Securities: July 10, 1995
6. CUSIP Number of Securities: 684201EL6

On July 6, 1995, the Affiliate applied for two irrevocable standby letters of credit to be issued by State Street Bank and Trust Company ("LOC Provider"), a bank which has the highest short-term ratings from the "Requisite NRSROs" (as such term is defined in paragraph (a)(13) of Rule 2a-7 under the 1940 Act), for the benefit of Cash Reserve and Premium Capital. These irrevocable standby letters of credit provide for payment to Cash Reserve and Premium Capital of up to $22.75 million ($22 million with respect to Cash Reserve and $.75 million with respect to Premium Capital) of scheduled payments of principal of the Securities through the date of final maturity.

The letters also provide for payment to Cash Reserve and Premium Capital of all scheduled payments of interest (including interest accrued to date) on the entire principal amount of the Securities through the date of final maturity (which date may be extended to June 30, 1996, as described below). It is expected that payments of interest on the entire principal amount of the Securities through the date of final maturity will not exceed $3 million in the case of Cash Reserve and $250,000 in the case of Premium Capital. Thus, the letters will provide an aggregate of up to $25 million and $1 million which can be drawn upon by Cash Reserve and Premium Capital, respectively.

As long as the letter of credit support facility remains in place, $22 million principal amount of the Securities held by Cash Reserve and $.75 million principal amount of the Securities held by Premium Reserve will be priced at par. The remaining principal amount of

the Securities will be priced according to valuation procedures adopted by the Board of Directors of TCI and TCPR and consistent with the requirements of the 1940 Act and regulations thereunder.

Cash Reserve and Premium Capital will take such actions as are required to receive payment under the letters of credit in the event of any default in the payment of interest or principal under the Securities.

The Affiliate will reimburse the LOC Provider for any amounts paid by the LOC Provider under the letters of credit. However, the letter of credit arrangements may be terminated (without payment by the LOC Provider to Cash Reserve or Premium Capital) in the event the Affiliate elects to purchase the Securities from Cash Reserve and Premium Capital at par (plus accrued interest) at or prior to maturity.

It is our understanding that Orange County is contemplating an amendment, substitution or extension of the Securities (the "Amendment") that would extend the maturity date to June 30, 1996 and contain certain other terms to be negotiated (including a new interest rate, some portion of which, rather than being due and payable monthly, may accrue to the new maturity date). If such an amendment, substitution or extension is effected prior to the final maturity of the Securities (July 10, 1995), the letters of credit will provide for payment to Cash Reserve and Premium Capital only in the event of Orange County's failure to make scheduled payments of interest or principal under the Securities as so amended, substituted or extended.

The Affiliate has agreed with the Board of Directors of TCI and TCPR that, regardless of the terms of the Securities, if Orange County fails to make scheduled payments of interest or principal because it repudiates its obligations under a theory that the Securities were not validly issued, that the issuance of the securities exceeds the "debt limitation" provisions of applicable law, or for any other reason, the letters of credit can be drawn upon by Cash Reserve and Premium Capital to support their respective net asset values.

The TCI and TCPR Board of Directors (including a majority of the directors who are not "interested persons" as defined in Section 2(a)(19) of the 1940 Act) has been advised of and have approved the proposed letter of credit arrangements described above. In connection with its approval, the Board of Directors, upon the representations and recommendations of the Affiliate, determined that, if this were a new investment decision, the Securities as supported by the proposed letters of credit would be "eligible securities" (as defined in paragraph (a)(5) of Rule 2a-7) presenting minimal credit risk to Cash Reserve and Premium Capital and their shareholders. The Board of Directors further determined that it was in the best interests of Cash Reserve, Premium Capital and their shareholders to not draw under the letter of credit arrangements that currently exist, but, rather, to consent to the Amendment and to the establishment of the new and extended letter of credit arrangements described in this letter. The Board of Directors made such

determinations after consideration of a number of factors, including the specific interest rate and other terms of the Amendment and the creditworthiness of the LOC provider.

The Affiliate is an "affiliated person of an affiliated person" under Section 2(a)(3) of the 1940 Act because it is the parent company of the investment adviser to TCI and TCPR. The proposed arrangement may fall within Section 17(d) of the 1940 Act, which makes it unlawful for any affiliated person of a registered investment company to effect any transaction in which such registered company is a joint or a joint and several participant with such person, or Section 17(a)(2) of the 1940 Act, which makes it unlawful for any affiliated person of a registered investment company (or any affiliated person of such person acting as principal) to knowingly purchase any security or other property from the investment company.

Cash Reserve, Premium Capital and the Affiliate believe that it would be in the best interests of the shareholders of Cash Reserve and Premium Capital if the irrevocable standby letters of credit are issued and the Affiliate is obligated to pay to the LOC Provider any amounts paid by it to Cash Reserve or Premium Capital. On behalf of Cash Reserve, Premium Capital and the Affiliate, we hereby request that the Division staff give its assurance that it will not recommend that the Commission take enforcement action against TCI, TCPR, Cash Reserve, Premium Capital or the Affiliate under Section 17(d) if the Affiliate acts in such capacity or under Section 17(a) if the Affiliate purchases the Securities from Cash Reserve or Premium Capital as noted above.

This no-action assurance, if provided, will supersede and replace in its entirety similar no-action assurance that was provided by the Division staff in response to a letter from the undersigned dated December 13, 1994 (the "December 13 Letter"). The letter of credit arrangements described herein will become effective on July 12, 1995, immediately upon the termination of the existing letter of credit support facility that was referenced in the December 13 Letter.

If you have any questions or other communications concerning this matter, please call the undersigned at (816) 340-4770.

Very truly yours,

William M. Lyons
Executive Vice President
and General Counsel

WML/mro

NOTE FROM THE DIVISION OF INVESTMENT MANAGEMENT: CONFIDENTIAL TREATMENT WAIVED.

TWENTIETH CENTURY

COMPANIES INC.

December 13, 1994

FREEDOM OF INFORMATION ACT
CONFIDENTIAL TREATMENT REQUESTED

VIA FACSIMILE AND FEDERAL EXPRESS

Robert E. Plaze
Assistant Director
Office of Disclosure and Investment
Adviser Regulation
Division of Investment Management
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Mail Stop 10-6
Washington, D.C. 20549

Re: Orange County

Dear Mr. Plaze:

As discussed, I enclose herewith our no-action request under Section 17(d) of the Investment Company Act of 1940.

Please let me know if you have additional questions or comments.

Very truly yours,

William M. Lyons
Executive Vice President
and General Counsel

WML/mro

Enclosure

NOTE FROM THE DIVISION OF INVESTMENT MANAGEMENT: CONFIDENTIAL TREATMENT WAIVED.

TWENTIETH CENTURY

COMPANIES INC.

December 13, 1994

FREEDOM OF INFORMATION ACT
CONFIDENTIAL TREATMENT REQUESTED

VIA FACSIMILE AND FEDERAL EXPRESS

Robert E. Plaze
Assistant Director
Office of Disclosure and Investment
Adviser Regulation
Division of Investment Management
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Mail Stop 10-6
Washington, D.C. 20549

Re: Twentieth Century Investors, Inc. - Cash Reserve
Twentieth Century Premium Reserves, Inc. - Premium Capital Reserve

Dear Mr. Plaze:

We are writing on behalf of Twentieth Century Companies, Inc. ("Affiliate"), an affiliated person of the Cash Reserve fund ("Cash Reserve") of Twentieth Century Investors, Inc. ("TCI") and the Premium Capital Reserve fund ("Premium Capital") of Twentieth Century Premium Reserves, Inc. ("TCPR"). We seek assurance from the staff of the Division of Investment Management ("Division") that it will not recommend enforcement action to the Commission under Section 17(d) of the Investment Company Act of 1940 ("1940 Act") or the rules thereunder if Cash Reserve, Premium Capital and the Affiliate enter into the arrangement described below.

TCI and TCIP are registered with the Commission under the 1940 Act as open-end management investment companies. Cash Reserve and Premium Capital are "series" funds within TCI and TCPR. Cash Reserve and Premium Capital are money market funds that seek to maintain stable net asset values of $1.00 per share and use the amortized cost method of valuation in valuing their portfolio securities. Approximately 2.8% of Cash Reserve's net assets and 2.3% of Premium Capital's net assets as of December 9, 1994, consisted of certain debt

securities ("Securities") fully described below. The market value of the Securities is less than their amortized cost value (i.e. par value plus accrued interest).

The Securities are:

Cash Reserve:

1. Issuer: County of Orange, California
2. Issue: 1994-95 Taxable Notes
3. Letter of Credit Provider: Chase Manhattan Bank, N.A.
4. Principal Amount of Securities Held: $38.5 Million
5. Final Maturity of Securities: July 10, 1995
6. CUSIP Number of Securities: 684201EL6

Premium Capital:

1. Issuer: County of Orange, California
2. Issue: 1994-95 Taxable Notes
3. Letter of Credit Provider: Chase Manhattan Bank, N.A.
4. Principal Amount of Securities Held: $1.5 Million
5. Final Maturity of Securities: July 10, 1995
6. CUSIP Number of Securities: 684201EL6

On December 13, 1994, the Affiliate applied for two irrevocable standby letters of credit to be issued by Chase Manhattan Bank, N.A. ("LOC Provider"), a bank which has the highest short-term ratings from the "Requisite NRSROs" (as such term is defined in paragraph (a)(13) of rule 2a-7 under the 1940 Act), for the benefit of Cash Reserve and Premium Capital. These irrevocable standby letters of credit provide for payment to Cash Reserve and Premium Capital of up to $20 million ($19.25 million with respect to Cash Reserve and $.75 million with respect to Premium Capital) of scheduled payments of interest and principal of the Securities through the date of final maturity to avoid potential portfolio shareholder loss on the Securities. Cash Reserve and Premium Capital will take such actions as are required to receive payment under the letters of credit in the event of any default in the payment of interest or principal under the Securities.

The Affiliate will reimburse the LOC Provider for any amounts paid by the LOC Provider under the letters of credit. However, the letter of credit arrangements may be terminated (without payment by the LOC Provider to Cash Reserve or Premium Capital) in the event the Affiliate elects to purchase the Securities from Cash Reserve and Premium Capital at par (plus accrued interest) at or prior to maturity. The Affiliate hereby undertakes to obtain exemptive relief from the Commission staff under Section 17(a) prior to any such purchase of the Securities.

The TCI and TCPR board of directors has been advised of the proposed arrangement described above.

The Affiliate is an "affiliated person of an affiliated person" under Section 2(a)(3) of the 1940 Act because it is the parent company of the investment adviser to TCI and TCPR. The proposed arrangement may fall within Section 17(d) of the 1940 Act, which makes it unlawful for any affiliated person of a registered investment company to effect any transaction in which such registered company is a joint or a joint and several participant with such person.

Cash Reserve, Premium Capital and the Affiliate believe that it would be in the best interests of the shareholders of Cash Reserve and Premium Capital if the irrevocable standby letters of credit are issued and the Affiliate is obligated to pay to the LOC Provider any amounts paid by it to Cash Reserve or Premium Capital. On behalf of Cash Reserve, Premium Capital and the Affiliate, we hereby request that the Division staff give its assurance that it will not recommend that the Commission take enforcement action against TCI, TCPR, Cash Reserve, Premium Capital or the Affiliate under Section 17(d) if the Affiliate acts in such capacity.

This letter is being submitted solely for the staff's use in connection with considering the above no-action request with the understanding that confidentiality pertains to each page. This letter and the information contained herein is considered to be a confidential or private internal document that is commercially valuable.

Therefore, in accordance with the Commission's procedures with respect to Freedom of Information Act ("FOIA") requests (17 CFR Sec. 200.83), we hereby request confidential treatment of the information contained herein. This letter has been appropriately labeled to indicate the intention to maintain confidential status. This letter is submitted with the further request that it be kept in a non-public file and that access to it by any third party who is not a member of the Commission or its staff be denied, except as provided by the Privacy Act of 1974, or unless such access is specifically permitted by existing law.

We understand that upon receipt of any FOIA request for the enclosed materials, the Commission staff will make an initial determination as to whether access to the information should be granted. If, in the staff's view, no grounds exist which would justify the withholding of the information, the staff will ask that within ten days of the receipt of the FOIA request, appropriate persons will submit substantiation for affording continued confidential treatment and for withholding of the information. In such circumstances, the undersigned should be telephoned immediately.

If you have any questions or other communications concerning this matter, please call the undersigned at (816) 340-4770.

Very truly yours,

William M. Lyons
Executive Vice President
and General Counsel

WML/mro