

hours for all exchanges. In addition, since approximately 52 responses are received by the Commission annually from issuers wishing to remove their securities from listing and registration on exchanges, the Commission staff estimates that the aggregate annual reporting hour burden on issuers would be, assuming on average two reporting hours per response, 104 annual burden hours for all issuers. Accordingly, the total annual hour burden for all respondents to comply with Rule 12d2-2 is 791 hours.

Rule 17Ab2-1 (17 CFR 240.17Ab2-1) and Form CA-1 (17 CFR 249b.200) require clearing agencies to register with the Commission and to meet certain requirements with regard to, among other things, a clearing agency's organization, capacities, and rules. The information is collected from the clearing agency upon the initial application for registration on Form CA-1. Thereafter, information is collected by amendment to the initial Form CA-1 when material changes in circumstances necessitates modification of the information previously provided to the Commission.

The Commission uses the information disclosed on Form CA-1 to (i) determine whether an applicant meets the standards for registration set forth in Section 17A of the Exchange Act, (ii) enforce compliance with the Exchange Act's registration requirement, and (iii) provide information about specific registered clearing agencies for compliance and investigatory purposes. Without Rule 17Ab2-1, the Commission could not perform these duties as statutorily required.

There are currently thirteen registered clearing agencies and five clearing agencies that have been granted an exemption from registration. The Commission staff estimates that each initial Form CA-1 requires approximately 130 hours to complete and submit for approval. Hours required for amendments to Form CA-1 that must be submitted to the Commission in connection with material changes to the initial CA-1 can vary, depending upon the nature and extent of the amendment. Since the Commission only receives an average of one submission per year, the aggregate annual burden associated with compliance with Rule 17Ab2-1 and Form CA-1 is 130 hours. Based upon the staff's experience, the average cost to clearing agencies of preparing and filing the initial Form CA-1 is estimated to be \$17,911.

Rule 17Ad-3(b) (17 CFR 240.17Ad-3) requires registered transfer agents which for each of two consecutive months have failed to turnaround at

least 75% of all routine items in accordance with the requirements of Rule 17Ad-2(a) or to process at least 75% of all routine items in accordance with the requirements of Rule 17Ad-2(a) to send to the chief executive officer of each issuer for which such registered transfer agent acts a copy of the written notice required under Rule 17Ad-2(c), (d), and (h). The issuer may use the information contained in the notices in several ways: (1) To provide an early warning to the issuer of the transfer agent's non-compliance with the Commission's minimum performance standards regarding registered transfer agents, and (2) to assure that issuers are aware of certain problems and poor performances with respect to the transfer agents that are servicing the issuer's securities. If the issuer does not receive notice of a registered transfer agent's failure to comply with the Commission's minimum performance standards then the issuer will be unable to take remedial action to correct the problem or to find another registered transfer agent. Pursuant to Rule 17Ad-3(b), a transfer agent that has already filed a Notice of Non-Compliance with the Commission pursuant to Rule 17Ad-2 will only be required to send a copy of that notice to issuers for which it acts when that transfer agent fails to turnaround 75% of all routine items or to process 75% of all items.

The Commission estimates that of the five transfer agents that filed the Notice of Non-Compliance pursuant to Rule 17Ad-2, only two transfer agents will meet the requirements of Rule 17Ad-3(b). If a transfer agent fails to meet the minimum requirements under 17Ad-3(b), such transfer agent is simply sending a copy of a form that had already been produced for the Commission. The Commission estimates a requirement will take each respondent approximately one hour to complete, for a total annual estimate burden of two hours at cost of approximately \$60.00 for each hour.

Written comments are invited on: (a) Whether the existing collection of information is necessary for the proper performance of the functions of the agency, including whether the information continues to have practical utility; (b) the accuracy of the agency's estimate of the burden of the existing collection of information; (c) ways to enhance the quality, utility, and clarity of the information being collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to

comments and suggestions submitted in writing within 60 days of this publication.

Direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549.

Dated: June 5, 2002.

Jill M. Peterson,
Assistant Secretary.

[FR Doc. 02-15134 Filed 6-14-02; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Rel No. IC-25609; 812-12356]

SBM Certificate Company; Notice of Application

June 11, 2002.

AGENCY: Securities and Exchange Commission ("Commission").

ACTION: Notice of application under section 28(c) of the Investment Company Act of 1940 (the "Act").

SUMMARY OF APPLICATION: Applicant seeks an order pursuant to section 28(c) of the Act approving certain proposed custodial arrangements.

Applicant: SBM Certificate Company ("SBM").

FILING DATES: The application was filed on December 7, 2000, and amended on May 23, 2002 and June 7, 2002.

Hearing or Notification of Hearing: An order granting the requested relief 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 July 8, 2002, 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 reason 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.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Applicant, 5101 River Road, Suite 101, Bethesda, Maryland, 20816.

FOR FURTHER INFORMATION CONTACT: Julia Kim Gilmer, Senior Counsel, at (202) 942-0528, or Janet M. Grossnickle, Branch Chief, at (202) 942-0564 (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 at the Commission's Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549-0102 (tel. 202-942-8090).

Applicants Representations

1. Applicant, a Maryland corporation, is a face-amount certificate company registered under the Act. Applicant currently intends to offer four face-amount certificates ("Certificates") registered under the Securities Act of 1933. In the future, applicant may offer additional Certificates. The Certificates are fixed income securities that entitle the holder to receive, at maturity, the face amount of the Certificate and interest credited thereon, less withdrawals and applicable fees and charges. To meet its payment obligations, applicant is required to maintain a minimum amount of reserves in "qualified investments" as defined in section 28(b) of the Act ("Reserves").

2. Applicant proposes to enter into custodial arrangements with regard to its Reserves with one or more banks that meet certain requirements ("Custodians"). Applicant seeks an order approving the proposed form of custody agreement ("Agreement") to be entered into by applicant with each Custodian. Under the requested order, applicant would be able to select and change Custodians in its discretion.

3. Each Custodian will maintain the Reserves to ensure that applicant meets its payment obligations under the terms and conditions of any outstanding Certificate. If applicant were to default on any obligation under a Certificate, each Custodian would be authorized to cure the default by liquidating so much of the Reserves held by it as necessary to discharge the obligation. In addition, each Custodian will perform the duties and functions typically performed by a custodian, such as securities registration and delivery, income collection, periodic reporting, and other safekeeping and processing functions.

Applicants Legal Analysis

1. Section 28(c) of the Act requires a registered face-amount certificate company to maintain the Reserves with a custodian that meets the requirements of section 26(a)(1) of the Act and in accordance with such terms and conditions as the Commission shall prescribe and as appropriate for the protection of investors. Under section 26(a)(1), a custodian generally must be

a bank that has at all times an aggregate capital, surplus, and undivided profits of a specified minimum amount which may not be less than \$500,000.

2. Applicant requests an order under section 28(c) of the Act approving the Agreement. Applicant states that the Agreement contains provisions to maintain and safeguard the Reserves, including provisions governing (i) the holding, segregation, registration, depositing, and delivery of securities, (ii) the payment of monies and maintenance of bank accounts, and (iii) the management of real estate and real estate related investments, as well as establishing procedures to cure any defaults by applicant on its obligations under the Certificates and procedures for periodic reporting and inspection of the assets.¹ Applicant represents that it will seek an amended order from the Commission for any material changes in the substantive provisions of the Agreement.

3. Applicant states that it may seek to terminate Custodians and employ new Custodians for many reasons, including: (i) The availability of superior or specialized services through other Custodians; (ii) dissatisfaction with the quality of a Custodian's services; (iii) fee increases or the availability of comparable services from other Custodians at more competitive rates; (iv) changes in a Custodian's management, location, financial condition, or methods of operation; (v) regulatory developments or actions affecting the ability or qualification of a Custodian to serve as such; or (vi) a determination by a Custodian to cease offering its services.

4. Applicant will only enter into an Agreement approved by its board of directors ("Board"), including a majority of directors who are not interested persons within the meaning of Section 2(a)(19) of the Act ("Disinterested Directors"). In addition, the continuance of any Agreement would be subject to annual review by the Board, including a majority of the Disinterested Directors, to determine whether the quality of services provided by the Custodian remains satisfactory and the fees are reasonably competitive. Applicant submits, for all the reasons stated above, that its request is consistent with the protection of investors.

¹ Applicant states it will comply with rule 17f-4 under the Act as if it were a registered management investment company to the extent an Agreement permits a Custodian to maintain any portion of the Reserves in a securities depository.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-15177 Filed 6-14-02; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46045; File No. SR-CBOE-2002-28]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to a Reduction of the Fees Charged to Public Customers for Transactions in the CBOE Mini-NDX Index (MNXTM) Options

June 6, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4² thereunder, notice is hereby given that on May 31, 2002, the Chicago Board Options Exchange, Inc. ("Exchange" or "CBOE") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the CBOE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The CBOE is proposing to modify its Fee Schedule to reduce the fees charged to public customers for transactions in the CBOE Mini-NDX Index (MNXTM).

The text of the proposed rule change is available at the CBOE and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the CBOE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The CBOE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.