

For premium payment years beginning in—	The required interest rate is—
December 2001	4.35
January 2002	5.48
February 2002	5.45
March 2002	5.40
April 2002	5.71
May 2002	5.68
June 2002	5.65
July 2002	5.52
August 2002	5.39
September 2002	5.08

Multiemployer Plan Valuations Following Mass Withdrawal

The PBGC's regulation on Duties of Plan Sponsor Following Mass Withdrawal (29 CFR part 4281) prescribes the use of interest assumptions under the PBGC's regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044). The interest assumptions applicable to valuation dates in October 2002 under part 4044 are contained in an amendment to part 4044 published elsewhere in today's **Federal Register**. Tables showing the assumptions applicable to prior periods are codified in appendix B to 29 CFR part 4044.

Issued in Washington, DC, on this 6th day of September, 2002.

Joseph H. Grant,

Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation.

[FR Doc. 02-23345 Filed 9-12-02; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Existing Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension: Rule 0-1 [17 CFR 270.0-1], SEC File No. 270-472, OMB Control No. 3235-0531

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the Securities and Exchange Commission (the "Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for extension and approval.

Investment companies ("funds") are formed as corporations or business trusts under State law and, like other

corporations and trusts, must be operated for the benefit of their shareholders.¹ Funds are unique, however, in that they are "organized and operated by people whose primary loyalty and pecuniary interest lie outside the enterprise."² As described below, this "external management" of most funds presents inherent conflicts of interest and potential for abuses.

An investment adviser typically organizes a fund and is responsible for its day-to-day operations. The adviser provides the seed money, officers, employees, and office space, and usually selects the initial board of directors. In many cases, the investment adviser sponsors several funds that share administrative and distribution systems as part of a "family of funds." As a result of this extensive involvement, and the general absence of shareholder activism, many investment advisers typically dominate the funds they advise.³

Investment advisers to funds are themselves generally organized as corporations, which have their own shareholders. These shareholders have an interest in the fund that is quite different from the interests of the fund's shareholders. For example, while fund shareholders ordinarily prefer lower fees (to achieve greater returns), shareholders of the fund's investment adviser might want to maximize profits through higher fees. And while fund shareholders might prefer that advisers use brokers that charge the lowest possible commissions, advisers might prefer brokers that will provide investment research in exchange for commissions. These types of conflicts (and others) resulted in the pervasive abuses in the fund industry that led Congress in 1940 to enact legislation regulating the activities of mutual funds.⁴

The Investment Company Act of 1940 ("Investment Company Act" or "Act") establishes a comprehensive regulatory scheme designed to protect fund investors by addressing the conflicts of interest between funds and their investment advisers and other affiliated persons. The Investment Company Act places significant responsibility on the board of directors in overseeing the

operations of the fund and policing conflicts of interest.⁵

Independent fund directors represent the interests of shareholders, acting as watchdogs for investors and providing a check on management. On January 2, 2001, the Commission adopted amendments to ten exemptive rules under the Act that were designed to enhance the effectiveness of boards of directors of funds and to better enable investors to assess the independences of those directors.⁶ In the Adopting Release, the Commission amended rule 0-1 to add a definition of "independent legal counsel." The Adopting Release amended the exemptive rules to require that any person who acts as legal counsel to the independent directors of any fund relying on the rules must be an "independent legal counsel." This requirement was added because independent directors can better perform the responsibilities assigned to them under the Act and the rules if they have the assistance of a truly independent legal counsel.

Rule 0-1 provides that a person is an independent legal counsel if a fund's independent directors determine (and record the basis for that determination in the minutes of their meeting) that any representation of the fund's investment adviser, principal underwriter, administrator (collectively, "management organizations") or their "control persons"⁷ during the past two years is or was sufficiently limited that it is unlikely to adversely affect the professional judgment of the person in providing legal representation. In addition, the independent directors must have obtained an undertaking from the counsel to provide them with information necessary to make their determination and to update promptly that information when the person begins to represent, or materially increases his representation of, a management organization or control person. Generally, the independent directors must re-evaluate their determination at least annually.

Any fund that relies on an exemptive rule in the Adopting Release is required to use the definition of independent legal counsel contained in rule 0-1. We assume that approximately 4,050 funds

¹ See generally James M. Storey and Thomas M. Clyde, *Mutual Fund Law Handbook* 7.2 (1998).

² Division of Investment Management, SEC, *Protecting Investors: A Half Century of Investment Company Regulation* 251 (1992).

³ See SEC, *Report on the Public Policy Implications of Investment Company Growth*, H.R. Rep. No. 2337, 89th Cong., 2d. Sess. 12, 127, 148 (1966) (stating that funds generally are formed by their advisers and remain under their control, and that advisers' influence permeates fund activities).

⁴ See Storey and Clyde, *supra* note 1.

⁵ For instance, Fund directors must approve investment advisory and distribution contracts [15 U.S.C. 80a-15(a), (b), and (c)].

⁶ Role of Independent Directors of Investment Companies, *Investment Company Act Release No. 24816* (Jan. 2, 2001) [66 FR 3735 (Jan. 16, 2001)] ("Adopting Release").

⁷ A "control person" is any person—other than a fund—directly or indirectly controlling controlled by, or under common control, with any of the fund's management organizations. See 17 CFR 270.01(a)(6)(iv)(B).

rely on at least one of the exemptive rules annually.⁸ We further assume that the independent directors of approximately one-third (1,336) of those funds would need to make the required determination in order for their counsel to meet the definition of independent legal counsel.⁹ We estimate that each of these 1,336 funds would be required to spend, on average, 0.75 hours annually to comply with the proposed recordkeeping requirement concerning this determination, for a total annual burden of approximately 1,002 hours. Based on this estimate, the total annual cost for all funds of this proposed definition would be approximately \$22,712. To calculate this total annual cost, the Commission staff assumed that two-thirds of the total annual hour burden (668 hours) would be incurred by professionals with an average hourly wage rate of \$27 per hour, and one-third of that annual hour burden (334 hours) would be incurred by clerical staff with an average hourly wage rate of \$14¹⁰ per hour.¹¹

These burden hour estimates are based upon the Commission staff's experience and discussions with the fund industry. The estimates of average burden hours are made solely for the purposes of the Paperwork Reduction Act. These estimates are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules.

Written comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burdens of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burdens of the collection of information on respondents, including through the use of automated collection techniques or

⁸ Based on statistics compiled by Commission staff, we estimate that there are approximately 4,500 funds that could rely on one or more of the exemptive rules. Of those funds, we assume that approximately 90 percent (4,050) actually rely on at least one exemptive rule annually.

⁹ We assume that the independent directors of the remaining two-thirds of those funds will choose not to have counsel (but instead rely in some circumstances on counsel who does not represent them), so that no determination by the independent directors would be necessary.

¹⁰ The Commission's estimates concerning the wage rate for professional time and for clerical time are based on salary information for the securities industry compiled by the Securities Industry Association. See Securities Industry Association, *Report on Management and Professional Earnings in the Securities Industry* (September 2001).

¹¹ $(668 \times \$27/\text{hour}) + (334 \times \$14/\text{hour}) = \$22,712$.

other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please 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: September 6, 2002.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-23353 Filed 9-12-02; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [67 FR 57255, September 9, 2002].

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING: Tuesday, September 10, 2002, at 10 a.m.

CHANGE IN THE MEETING: Additional Item.

The following item was added to the Closed Meeting scheduled for Tuesday, September 10, 2002 at 10 a.m. Formal Order of Investigation.

Commissioner Goldschmid, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: September 10, 2002.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-23436 Filed 9-11-02; 9:36 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [67 FR 57255, September 9, 2002].

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING: Tuesday, September 10, 2002, at 10 a.m.

CHANGE IN THE MEETING: Additional Meeting.

The Securities and Exchange Commission will hold an additional meeting during the week of September 9, 2002: An additional Closed Meeting will be held on Thursday, September 12, 2002, at 4 p.m.

Commissioner Goldschmid, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

The subject matter of the Closed Meeting to be held on Thursday, September 12, 2002, will be: Amicus consideration.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: September 10, 2002.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-23437 Filed 9-11-02; 9:36 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46467]

Self-Regulatory Organizations; Approval of Chicago Board Options Exchange, Inc. Fingerprinting Plan

September 6, 2002.

On July 12, 2002, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") submitted to the Securities and Exchange Commission ("Commission" or "SEC") an amended fingerprinting plan ("Amended Plan") pursuant to Rule 17f-2(c)¹ under the Securities Exchange Act of 1934 ("Act").² The Amended Plan³ supersedes and replaces the Exchange's current fingerprinting plan.⁴ The Exchange believes that the Amended Plan will be a significant improvement over the current CBOE fingerprinting plan. It establishes procedures for the electronic capture and submission of fingerprints.

¹ 17 CFR 240.17f-2(c).

² 15 U.S.C. 78a et seq.

³ Attached hereto as Exhibit A.

⁴ The Exchange's current fingerprinting plan was approved by the Commission on January 27, 1984. See Securities Exchange Act Release No. 20607 (January 27, 1984), 49 FR 4298 (February 3, 1984).