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Individuals requesting and/or approving access to Postal Service computers or information resources and Postal Service personnel charged with information systems security responsibilities.

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Neva Watson,

Attorney.

[FR Doc. 04–3496 Filed 2–18–04; 8:45 am]

BILLING CODE 7710–12–P

SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

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

Extension

Rule 15c3–1f, SEC File No. 270–440, OMB Control No. 3235–0496.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''Commission'') has submitted to the Office of Management and Budget a request for approval of extension on the following rule: 17 CFR 240.15c3–1f (Appendix F to Rule 15c3–1 (''Appendix F'')).

Appendix F requires a broker-dealer choosing to register, upon Commission approval, as an OTC derivative dealer to develop and maintain an internal risk management system based on Value-at-Risk (''VAR'') models. Appendix F also requires the OTC derivatives dealer to notify Commission staff of the system and of certain other periodic information including when the VAR model deviates from the actual performance of the OTC derivatives dealer's portfolio. It is anticipated that approximately six (6) broker-dealers will spend 1,000 hours per year complying with Appendix F. The total burden is estimated to be approximately 6,000 hours.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be 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 R. Corey Booth, Director/CIO, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549.

Dated: February 11, 2004.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 04–3576 Filed 2–18–04; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. IA–2215 / 803–175]

Criterion Research Group LLC; Notice of Application

February 11, 2004.

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

ACTION: Notice of Application for Exemption under the Investment Advisers Act of 1940 (''Advisers Act'').

APPLICANT: Criterion Research Group LLC.

RELEVANT ADVISERS ACT SECTIONS: Exemption requested under section 203A(c) from section 203A(a).

SUMMARY OF APPLICATION: Applicant requests an order to permit it to register with the Commission as an investment adviser.

FILING DATES: The application was filed on July 17, 2003, amended on October 24, 2003, and amended further on December 15, 2003.

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 Applicant with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on March 8, 2004 and should be accompanied by proof of service on Applicant, 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 may request notification of a hearing by writing to the Commission's Secretary.

ADDRESSES: Secretary, U.S. Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549–0609. Applicant, Neil Baron, Chairman, Criterion Research Group LLC, 317 Madison Avenue, Suite 210, New York, New York 10017.

FOR FURTHER INFORMATION CONTACT: Catherine E. Marshall, Attorney, or Jennifer L. Sawin, Assistant Director, Division of Investment Management, Office of Investment Adviser Regulation, at (202) 942–0719.

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.

Applicant's Representations

1. Applicant is a Delaware limited liability company with its principal place of business in New York, New York.

2. Applicant is offering an internet-based subscription service to institutional investors such as portfolio managers, pension plans, insurance companies and commercial bank trust departments. Applicant represents that it will not market, offer or provide its services to individuals. Applicant further represents that it will not provide its services to broker-dealers for distribution to brokerage customers or otherwise, including as contemplated by the Global Settlement Related to Analysts Conflicts of Interest,[1] unless Applicant first obtains an amended order from the Commission allowing it to do so.

3. Applicant's services consist of independent analysis regarding fixed income and equity securities and recommendations about the purchase

[1] The Global Settlement was entered into by ten large financial services firms with the Commission, the State of New York, the North American Securities Administrators Association, the NASD, the New York Stock Exchange, and other state securities regulators. The financial securities firms include: U.S. Bancorp Piper Jaffray, Inc.; Morgan Stanley & Co. Incorporated; Lehman Brother Inc.; Merrill Lynch, Pierce, Fenner & Smith Incorporated; J.P. Morgan Securities, Inc.; Goldman, Sachs & Co.; UBS Warburg LLC; Citigroup Global Markets Inc., f/k/a Saloman Smith Barney Inc.; Credit Suisse First Boston, LLC, f/k/a Credit Suisse First Boston Corporation, and Bear, Stearns & Co. Inc. The Global Settlement is comprised of ten Commission Final Judgments, ten Commission Litigation Releases, and is described in the Joint Press Release entitled ''Ten of Nation's Top Investment Firms Settle Enforcement Actions Involving Conflicts of Interest Between Research and Investment Banking,'' Press Release No. 2003–54 (Apr. 28, 2003) (*http://www.sec.gov/news/press/2003–54.htm*).

and sale of securities. Research and recommendations are distributed to clients through Applicant's Web site, which is updated 2 to 5 times per week. Applicant accepts questions and comments from clients. Applicant does not tailor its research, recommendations or responses to questions to its clients' individual risk preferences or investment needs.

Applicant's Legal Analysis

1. On October 11, 1996, the National Securities Markets Improvement Act of 1996 was enacted. Title III of that Act, the Investment Advisers Supervision Coordination Act (''Coordination Act''), added new section 203A to the Advisers Act. Under section 203A(a)(1),[2] an investment adviser that is regulated or required to be regulated as an investment adviser in the state in which it maintains its principal office and place of business is prohibited from registering with the Commission unless the investment adviser (i) has assets under management of not less than $25 million or (ii) is an investment adviser to an investment company registered under the Investment Company Act of 1940 (''Investment Company Act''). Section 203A(a)(2) defines the phrase ''assets under management'' as the ''securities portfolios with respect to which an investment adviser provides continuous and regular supervisory or management services.''[3]

2. Applicant states that it does not qualify for registration as an investment adviser with the Commission. Applicant states that it does not have any assets under management; Applicant states that it does not actively manage any securities portfolios, either on a discretionary or a nondiscretionary basis, and does not provide ''continuous and regular supervisory or management services'' with respect to client accounts. Applicant also states that it does not serve as an investment adviser or subadviser to an investment company registered under the Investment Company Act. Applicant further states that it does not qualify for any exemption from the prohibition on registration with the Commission as provided in rule 203A–2 under the Advisers Act.

3. Applicant notes that section 203A(c) of the Advisers Act authorizes the Commission to permit an investment adviser to register with the SEC if prohibiting registration would be ''unfair, a burden on interstate commerce, or otherwise inconsistent with the purposes of [section 203A].''[4]

4. Applicant argues that prohibiting it from registering as an investment adviser with the Commission would be inconsistent with the purposes of section 203A. Applicant submits that Congress intended section 203A to divide responsibility for regulating investment advisers between the Commission and the states. Applicant argues that Congress determined that the states should be responsible for regulating advisers ''whose activities are likely to be concentrated in their home state,'' and that ''larger advisers, with national businesses'' should be regulated by the Commission and ''be subject to national rules.''[5] Applicant asserts that Congress chose the ''assets under management'' requirement as a rough guide for this division, on the theory that investment advisers with $25 million or more of assets under management are likely to be national investment advisers that should be regulated by the Commission, while investment advisers managing less than $25 million in assets are likely to be smaller advisers that should be subject to the local rules of the states.

5. Applicant submits that Congress recognized that the ''assets under management'' requirement does not precisely differentiate national investment advisers from local investment advisers, and that some national investment advisers may not qualify for registration with the Commission under the test formulated by Congress. Applicant states that Congress acknowledged that ''the definition of 'assets under management' * * * may, in some cases, exclude firms with a national or multistate practice from being able to register with the Commission.''[6] Applicant further states that Congress intended the Commission to use its exemptive authority under section 203A(c) to remedy any unfairness, burdens or inconsistencies caused by the assets under management requirement by permitting, ''where appropriate, the registration of such firms with the Commission.''[7]

6. Applicant argues that its activities affect the national securities markets and that it engages in a business of the type Congress contemplated when it provided the Commission with exemptive authority under section 203A(c). Applicant asserts that its services can be analogized to those of pension consultants because its services can affect large amounts of assets held throughout the United States. Applicant states that its activities, like those of pension consultants exempted by rule from the prohibition on registration with the Commission,[8] have an effect on billions of dollars of institutional investors in the national securities markets because it provides services exclusively to institutional clients across the country.

7. Applicant submits further that prohibiting it from registering with the Commission is inconsistent with the purposes of section 203A. Applicant argues that the states do not have a primary interest in regulating advisory services to institutional clients. Applicant notes that, in section 203A, Congress preserved the states' ability to regulate certain investment adviser representatives of advisers registered with the Commission. Applicant further notes that under the Commission's definition of investment adviser representative,[9] only personnel who work principally with individual, rather than institutional, clients are subject to state regulation. Applicant argues that this definition recognizes that, consistent with Congress' intent in the Coordination Act, the states' primary interest is in oversight of representatives who have an individual, not an institutional, clientele. Applicant submits that in fashioning this definition, the Commission noted its belief that distinguishing between retail and other clients was consistent with the intent of Congress as reflected in the Coordination Act.

8. Applicant argues that it is the type of investment adviser that Congress intended the Commission to consider exempting under section 203A(c). Applicant states that it provides services only to institutions and that it believes that its business will remain fully institutional. Applicant represents that it will not market, offer or provide its services to individual investors.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 04–3536 Filed 2–18–04; 8:45 am]

BILLING CODE 8010–01–P

[2] 15 U.S.C. 80b–3a(a)(1).

[3] 15 U.S.C. 80b–3a(a)(2).

[4] 15 U.S.C. 80b–3a(c).

[5] S. Rep. No. 104–293 (1996) at 4.

[6] *Id.*

[7] *Id.* at 5.

[8] *See* 17 CFR 275.203A–2(b).

[9] *See* 17 CFR 275.203A–3(a)(1).