

## ESTIMATE OF ANNUAL RESPONDENT BURDEN

[The estimated annual respondent burden is as follows]

| Forms #(s) | Annual responses | Time (Min) | Burden (Hrs) |
|------------|------------------|------------|--------------|
| G-88 ..... | 3,600            | 6          | 360          |

**ADDITIONAL INFORMATION OR COMMENTS:**

To request more information or to obtain a copy of the information collection justification, forms, and/or supporting material, please call the RRB Clearance Officer at (312) 751-3363. Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092. Written comments should be received within 60 days of this notice.

**Chuck Mierzwa,**

Clearance Officer.

[FR Doc. 01-31427 Filed 12-20-01; 8:45 am]

BILLING CODE 7905-01-M

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. IC-25318; 812-12726]

**HSBC Holdings plc, et al.; Notice of Application**

December 17, 2001.

**AGENCY:** Securities and Exchange Commission ("Commission").**ACTION:** Temporary order and notice of application for a permanent order under section 9(c) of the Investment Company Act of 1940 (the "Act").

**SUMMARY OF APPLICATION:** Applicants have received a temporary order exempting them and other entities of which Republic New York Securities Corporation ("RNYSC") is or becomes an affiliated person from section 9(a) of the Act, with respect to a cooperation and plea agreement entered into on December 17, 2001 between RNYSC and the U.S. Attorney for the Southern District of New York, until the Commission takes final action on the application for a permanent order. Applicants also have requested a permanent order.

*Applicants:* HSBC Holdings plc ("HSBC Holdings"), HSBC Asset Management (Americas) Inc. ("HAMU"), HSBC Asset Management (Taiwan) Ltd. ("HAMT") and Framlington Overseas Investment Management Ltd. ("Framlington").

*Filing Date:* The application was filed on December 17, 2001.

*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 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 January 11, 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, Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Applicants: Winthrop N. Brown, Esq., Milbank, Tweed, Hadley & McCloy, LLP, 1825 Eye Street, Suite 1100, Washington, DC 20006.

**FOR FURTHER INFORMATION CONTACT:** Jaea F. Hahn, Senior Counsel, at (202) 942-0614, or Mary Kay Frech, 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. HSBC Holdings is a U.K. corporation that, together with its subsidiaries and affiliates, provides a wide range of banking and financial services worldwide. HAMU, a New York corporation, is registered under the Investment Advisers Act of 1940 (the "Advisers Act") and acts as an investment adviser and subadviser to several registered investment companies ("funds"). HAMU is wholly owned by HSBC Bank USA ("HSBC Bank"), a New York state-chartered banking corporation and the principal U.S. bank subsidiary of HSBC Holdings. HAMT and Framlington, each indirect subsidiaries of HSBC Holdings, are registered under the Advisers Act and

act as investment advisers and subadvisers to funds.<sup>1</sup> An indirect wholly owned subsidiary of HSBC Holdings, HSBC USA Inc. ("HSBC USA"), is the parent company of RNYSC. HSBC Holdings acquired Republic New York Corporation, the then parent company of RNYSC, on December 31, 1999.

2. On December 17, 2001, the U.S. Attorney for the Southern District of New York filed a two-count information (the "Information") in the U.S. District Court for the Southern District of New York alleging conspiracy in violation of 18 U.S.C. 371 and securities fraud in violation of 15 U.S.C. 78j(b) and 78ff. The Information charges RNYSC with conspiring to defraud certain Japanese entities (the "Japanese Entities") as a result of the conduct of certain employees of RNYSC. The conduct arises out of the involvement of the Futures Division of RNYSC with its customers, which included various special purpose entities with "Princeton Global Management Limited" in their names, Princeton Economics International (together, "Princeton") and the latter's chairman, Martin Armstrong. Mr. Armstrong sold approximately \$3 billion (face value) of promissory notes to the Japanese Entities, the proceeds of which were deposited in Princeton accounts maintained at the Futures Division of RNYSC. Employees of the Futures Division of RNYSC issued letters containing inflated balances of the net asset values of certain of the Princeton accounts, some of which were provided by Mr. Armstrong to some of the Japanese Entities. The conduct at issue in the Information occurred over a four-year period beginning in 1995.

3. On December 17, 2001, RNYSC entered a plea of guilty to the charge in the Information pursuant to a written cooperation and plea agreement (the "Cooperation and Plea Agreement").<sup>2</sup> In the Cooperation and Plea Agreement, RNYSC agreed to compensate certain of

<sup>1</sup> Applicants request that any relief granted pursuant to the application also apply to any other entity of which RNYSC is or hereafter becomes an affiliated person (together with applicants, the "Covered Persons").

<sup>2</sup> Applicants have agreed to promptly file a copy of the Information and the Cooperation and Plea Agreement as an amendment to this Application.

the Japanese Entities by making restitution payments, and HSBC USA agreed to compensate the Japanese entities to the extent that the restitution amount exceeds the capital of RNYSC. As a result of the events leading up to the Information and the Cooperation and Plea Agreement, the Commodity Futures Trading Commission is entering an administrative order and simultaneously settling an administrative enforcement action against RNYSC alleging violations of sections 4b, 4d(a)(2), and 4(g) of the Commodity Exchange Act. Also as a result of the events leading to the Information and Cooperation and Plea Agreement, on December 17, 2001, the Commission entered an administrative order and simultaneously settled an administrative enforcement action against RNYSC alleging violations of section 17(a) of the Securities Act of 1933, as amended, and section 10(b) of the Securities Exchange Act of 1934, as amended, and revoking RNYSC's registrations as a broker-dealer.

#### Applicants' Legal Analysis

1. Section 9(a)(1) of the Act, in relevant part, prohibits a person from serving or acting in the capacity of an investment adviser, principal underwriter, or depositor for any registered investment company if the person has been convicted of any felony or misdemeanor involving the purchase or sale of any security or arising out of the person's conduct, among other things, as an underwriter, broker, dealer, investment adviser, or transfer agent. Section 9(a)(3) of the Act makes the prohibition in section 9(a)(1) applicable to a company any affiliated person of which has been convicted of a crime described in section 9(a)(1). The entry of the Cooperation and Plea Agreement makes the applicants subject to the prohibition in section 9(a)(3) of the Act. Other Covered Persons would be similarly disqualified pursuant to section 9(a)(3) of the Act were they to act in any of the capacities stated in section 9(a) of the Act with respect to a fund.

2. Section (c) of the Act provides that the Commission shall grant an application for an exemption from the disqualification provisions of section 9(a) of the Act if it is established that these provisions, as applied to applicants, are unduly or disproportionately severe or that applicants' conduct has been such as not to make it against the public interest or the protection of investors to grant the application. Applicants have filed an application pursuant to section 9(c) of the Act seeking temporary and

permanent orders exempting them from the provisions of section 9(a) of the Act.

3. Applicants state that the prohibitions of section 9(a) as applied to applicants and other Covered Persons would be unduly and disproportionately severe and that the conduct of applicants has been such as not to make it against the public interest or protection of investors to grant the application. Applicants state that, if the exemption were not granted, the prohibition in section 9(a) would have a severe impact on the businesses of applicants that involve providing investment advisory services to funds even though those businesses were not involved in the matters underlying the Cooperation and Plea Agreement.

4. Applicants state that the prohibitions of section 9(a) of the Act would be especially unfair as applied to applicants and other Covered Persons, because they became subject to the section 9(a) prohibition solely because RNYSC became an affiliated person of applicants after the conduct underlying the Cooperation and Plea Agreement occurred.

5. Applicants assert that their conduct has been such as not to make it against the public interest or the protection of investors to grant the exemption from section 9(a). Applicants state that the matters forming the basis of the Cooperation and Plea Agreement are unrelated to the investment company business of applicants. The activities of RNYSC giving rise to the Cooperation and Plea Agreement do not involve or relate in any way to investment advisory services for funds, and applicants have not been able to identify any fund clients of applicants or any stockholders of any investment company client of applicants as having been affected by the matters giving rise to the Cooperation and Plea Agreement.

6. Applicants undertake to provide the funds that are advised or sub-advised by them with all information concerning the Cooperation and Plea Agreement and the exemptive application necessary for those funds to fulfill their disclosure and other obligations under the federal securities laws.

7. Applicants state that the employees of RNYSC who were identified by HSBC Holdings and RNYSC as having been responsible for the matters underlying the Cooperation and Plea Agreement are no longer employed by RNYSC or any Covered Person. Applicants also state that neither they nor any other Covered Person has ever previously applied for an exemption pursuant to section 9(c) of the Act.

#### Applicants' Conditions

Applicants agree that any order granting the requested relief shall be subject to the following conditions:

1. Any temporary exemption granted pursuant to the application shall be without prejudice to, and shall not limit the Commission's rights in any manner with respect to, any Commission investigation of, or administrative proceedings involved or against, applicants, including without limitation, the consideration by the Commission of a permanent exemption from section 9(a) of the Act requested pursuant to the application or the revocation or removal of any temporary exemptions granted under the Act in connection with the application.

2. Neither applicants nor any of the other Covered Persons will employ any of the former employees of RNYSC who have previously or who may subsequently be identified as having been responsible for the conduct underlying the Cooperation and Plea Agreement, in any capacity without first making further application to the Commission pursuant to section 9(c).

#### Temporary Order

The Commission has considered the matter and finds that applicants have made the necessary showing to justify granting of a temporary exemption.

Accordingly,

*It Is Hereby Ordered*, under section 9(c), that applicants are granted a temporary exemption from the provisions of section 9(a), effective forthwith, solely with respect to the Cooperation and Pleas Agreement, subject to the conditions in the application, until the Commission takes final action on the application for a permanent order.

By the Commission.

**Jonathan G. Katz,**  
*Secretary.*

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permanent order.

By the Commission.

**Jonathan G. Katz,**

*Secretary.*

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## SOCIAL SECURITY ADMINISTRATION

### Statement of Organization, Functions and Delegations of Authority

This statement amends Part S of the Statement of the Organization, Functions and Delegations of Authority which covers the Social Security Administration (SSA). Notice is given that Chapter S8 for the Office of the Inspector General (OIG) is being amended to reflect the retitling of five Divisions and the amendment to some of their functions. The new material and changes are as follows:

#### *Section S8C.10 The Office of Audit—(Organization)*

Retitle:

E. The Operational Audit Division (OAD)(S8CE) to the Southern Audit Division (SAD).

F. The Disability Program Audit Division (DPAD)(S8CG) to the Northern Audit Division (NAD).

G. The Program Benefits Audit Division (PBAD)(S8CH) to the Western Audit Division (WAD).

H. The Systems Audit Division (SAD)(S8CK) to the Data Analysis and Technology Audit Division (DATAD).

I. The Financial Management and Performance Monitoring Audit Division (FMPMAD)(S8CL) to the Financial Audit Division (FAD).

#### *Section S8C.20 The Office Audit—(Functions)*

Retitle and Amend in its entirety:

E. The Operational Audit Division (OAD)(S8CE) to the Southern Audit Division (SAD). Plans, and conducts, oversees and reports on the results of audits related to the SSA's Retirement, Survivors, and Disability Insurance Program; and the Supplemental Security Income Program. Specific audit responsibilities may include: Enumeration, Retirement, Survivors and Disability Insurance Initial Claims and Postentitlement Operations; Earnings Operations; Supplemental Security Income Initial Claims and Postentitlement Operations; Field Office Operations; Hearings and Appeals; Disability Determination Services; Representative Payees, Performance Measures; and various general management and administrative issues related to, but not limited to facilities management, personnel, payroll, and budgeting.

F. The Disability Program Audit Division (DPAD)(S8CG) to the Northern Audit Division (NAD). Plans, conducts, oversees and reports on the results of audits related to SSA's Retirement, Survivors and Disability Insurance Program; and the Supplemental Security Income Program. Specific audit responsibilities may include: Enumeration, Retirement, Survivors and Disability Insurance Initial Claims and Postentitlement Operations; Earnings Operations; Supplemental Security Income Initial Claims and Postentitlement Operations; Field Office Operations; Hearings and Appeals; Disability Determination Services; Representative Payees, Performance Measures; and various general management and administrative issues related to, but not limited to, facilities management, personnel Payroll, and budgeting.

G. The Program Benefits Audit Division (PBAD)(S8CH) to the Western Audit Division (WAD). Plans, conducts, oversees and reports on the results of audits related to SSA's Retirement, Survivors and Disability Insurance Program; and the Supplemental Security Income Program. Specific audit responsibilities may include: Enumeration, Retirement, Survivors and Disability Insurance Initial Claims and Postentitlement Operations; Earnings Operations; Supplemental Security Income Initial Claims and Postentitlement Operations; Field Office Operations; Hearings and Appeals; Disability Determination Services; Representative Payees, Performance Measures; and various general management and administrative issues related to, but not limited to, facilities management, personnel, payroll, and budgeting.

Retitle:

H. The Systems Audit Division (SAD)(S8CK) to the Data Analysis and Technology Audit Division (DATAD). Retitle and Add:

I. The Financial Management and Performance Monitoring Audit Division (FMPMAD)(S8CL) to the Financial Audit Division (FAD).

4. The division may also perform various financial related audits of SSA's Retirement, Survivors and Disability Insurance Program; and the Supplemental Security Income Program. Specific audit responsibilities may include: Enumeration, Retirement, Survivors and Disability Insurance Initial Claims and Postentitlement Operations; Earnings Operations; Supplemental Security Income Initial Claims and Postentitlement Operations; Field Office Operations; Hearings and Appeals; Disability Determination Services and Representative Payees.

Dated: December 10, 2001.

**James G. Huse,**

*Inspector General for SSA.*

[FR Doc. 01-31455 Filed 12-20-01; 8:45 am]

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## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket No. 301-120]

### Extension of Investigation and Request for Public Comment: Wheat Trading Practices of the Canadian Wheat Board

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice and request for comments.

**SUMMARY:** The United States Trade Representative (Trade Representative) has decided to extend his investigation of the wheat trading practices of the Government of Canada and the Canadian Wheat Board until January 22, 2002. The Office of the United States Trade Representative (USTR) invites public comments on the issues in the investigation.

**DATES:** Comments are due on or before 5 pm on Monday, January 14, 2002.

**ADDRESS:** Comments should be submitted (i) electronically, to [FR0011@ustr.gov](mailto:FR0011@ustr.gov), with Docket 301-120 in the subject line, or (ii) by mail, to Sybia Harrison, Staff Assistant to the Section 301 Committee, ATTN: Docket 301-120, Office of the United States Trade Representative, 1724 F Street, NW, Room 217, Washington, DC 20508, with a confirmation copy sent electronically or by fax to 202-395-9458.

**FOR FURTHER INFORMATION CONTACT:** Sharon Bomer Lauritsen, Director of Agricultural Affairs, (202) 395-6127, or William Busis, Associate General Counsel, (202) 395-3150. For information concerning procedures for submitting public comments, please contact Sybia Harrison, Staff Assistant to the Section 301 Committee, (202) 395-3419.

**SUPPLEMENTARY INFORMATION:** On September 8, 2000, the North Dakota Wheat Commission filed a petition pursuant to section 302(a) of the Trade Act of 1974, as amended (the Trade Act) (19 U.S.C. 2412(a)), alleging that certain wheat trading practices of the Government of Canada and the Canadian Wheat Board (CWB) are unreasonable, and that such practices burden or restrict U.S. commerce. In response to the petition, the Trade