

Information Technology, Securities and Exchange Commission, 450 5th Street, NW, Washington, DC 20549.

Dated: March 22, 2002.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-7753 Filed 3-29-02; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

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

Extensions

Regulation D and Form D; OMB Control No. 3235-0076; SEC File No. 270-72

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 extension of the previously approved collection of information discussed below.

Form D sets forth rules governing the limited offer and sale of securities without Securities Act registration. Those relying on Regulation D must file Form D. The purpose of the Form D notice is to collect empirical data, which provides a continuing basis for action by the Commission either in terms of amending existing rules and regulations or proposing new ones. In addition, the form allows the Commission to elicit information necessary in assessing the effectiveness of Regulation D and Section 4(6) as capital-raising devices for all businesses. Form D information is required to obtain or retain benefits under Regulation D. Approximately 13,518 issuers file Form D and it takes approximately 16 hours to prepare. It is estimated that 90% of the 216,288 burden hours (194,659 hours) is prepared by the company. Finally, persons who respond to the collection of information contained in Form D are not required to respond unless the collection of information displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102,

New Executive Office Building, Washington, DC 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: March 25, 2002.

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

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

Extension

Rule 15c2-11; SEC File No. 270-196; OMB Control No. 3235-0202

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 request for extension of the previously approved collection of information discussed below.

The Commission adopted Rule 15c2-11¹ (Rule 15c2-11 or Rule) in 1971 under the Securities Exchange Act of 1934² (Exchange Act) to regulate the initiation or resumption of quotations in a quotation medium by a broker-dealer for over-the-counter (OTC) securities. The Rule was designed primarily to prevent certain manipulative and fraudulent trading schemes that had arisen in connection with the distribution and trading of unregistered securities issued by shell companies or other companies having outstanding but infrequently traded securities. Subject to certain exceptions, the Rule prohibits brokers-dealers from publishing a quotation for a security, or submitting a quotation for publication, in a quotation medium unless they have reviewed specified information concerning the security and the issuer.

In February 1998, the Commission proposed amendments to strengthen the Rule's focus on abuses associated with microcap securities.³ In response to

comments on the proposal, the Commission repropose amendments to Rule 15c2-11 to tailor its provisions to cover those kinds of quotations and securities that we believe are more likely to be the subject of microcap abuses.⁴

Under these repropose amendments, the Rule will no longer apply to securities of larger issuers or those securities that have a substantial trading price or value of average daily trading volume. In addition, the Rule will only cover priced quotations, except in the case of the first quotation for a covered OTC security. The Commission has also proposed several revisions that require broker-dealers to obtain more information about non-reporting issuers, ease the Rule's recordkeeping requirements when broker-dealers can electronically access information about reporting issuers, and promote greater access to issuer information by customers and other broker-dealers. Because these proposed refinements will significantly revise the Rule's scope, we are publishing them to give interested persons an opportunity to provide us with their comments and views.

The information required to be reviewed is submitted by the respondents to the National Association of Securities Dealers Regulation ("NASDR") on Form 211 for review and approval. Based on information provided by the NASDR and the Pink Sheets LLC, it is estimated that as of January 4, 2002, there were approximately 1,876 covered OTC securities quoted exclusively in the OTC Bulletin Board, 3,942 quoted exclusively in the Pink Sheets, and 1,889 dually quoted on both for a total of 7,707 covered OTC securities.⁵ However, we believe that approximately 10% (771) of these securities would not be subject to the Rule, based on the exceptions that are included in this repropose Release and therefore approximately 6,936 securities would be subject to the Rule.⁶

According to NASDR estimates, we also believe that approximately 1,271 new applications from broker-dealers to initiate or resume publication of covered OTC securities in the OTC Bulletin Board and/or the Pink Sheets or

⁴ Securities Exchange Act Release No. 41110 (March 2, 1999) (Repropose Release).

⁵ Although there may be covered OTC securities quoted in other quotation mediums, the empirical data to include them in these estimations is not readily available.

⁶ Because the repropose excludes debt securities, there is no need to include the debt securities quoted in the Yellow Sheets in these burden estimates.

¹ 17 CFR 240.15c2-11.

² 15 U.S.C. 78a *et seq.*

³ Securities Exchange Act Release No. 39670 (February 17, 1998) (Propose Release).

other quotation mediums were approved by the NASDR for the 2001 calendar year. We estimate that 75% of the covered OTC securities were issued by reporting issuers, while the other 25% were issued by non-reporting issuers. We also estimate that broker-dealers publish priced quotations for approximately 90% of the covered OTC securities quoted in the OTC Bulletin Board and publish priced quotes for about 43% of the covered OTC securities quoted in the Pink Sheets. According to NASDR and Pink Sheets estimates, we believe that, on average, there are approximately 4.3 broker-dealers publishing priced quotations for each covered OTC security, and that at any given time there are approximately 400 broker-dealers that submit priced quotations for covered OTC securities. Finally, the Reproposed Rule's transition provision would not subject the broker-dealers quoting the securities of the estimated 6,936 potentially covered securities currently quoted to the Rule until the annual review requirement is triggered. Therefore, only those new applications that are submitted after the repropoals become effective would be subject to the initial review requirement.

Because the repropoal amendments would require the first broker-dealer publishing a quotation (priced or unpriced) for a particular security to collect issuer information, we believe that during the first year after the repropoal amendments are effective, broker-dealers that are publishing the first quotations (whether priced or unpriced) for covered OTC securities in the aggregate would have to conduct approximately 1,143 initial reviews of issuer information. This estimate is based on the assumption that the NASDR will, in the first year after the repropoals become effective, approve approximately 10% fewer Form 211 filings than the 1,271 approved in 2001. We believe that it will take a broker-dealer about 4 hours to collect, review, record, retain, and supply to the NASDR the information pertaining to a reporting issuer, and about 8 hours to collect, review, record, retain, and supply to the NASDR the information pertaining to a non-reporting issuer.

We therefore estimate that broker-dealers who are the first to publish the first quote for a covered OTC security of a reporting issuer will require 3,813 hours ($1,271 \times 75\% \times 4$) to collect, review, record, retain, and supply to the NASDR the information required by the Rule as repropoal. We estimate that after the repropoals have become effective the broker-dealers who are the first to publish the first quote for a

covered OTC security of a non-reporting issuer (priced or unpriced) will require 2,542 hours ($1,271 \times 25\% \times 8$) to collect, review, record, retain, and supply to the NASDR the information required by the Rule. We therefore estimate the total annual burden hours for the first broker-dealers to be 6,355 hours ($3,813 + 2,542$).

The Rule also would require an annual review for broker-dealers publishing priced quotations for covered OTC securities. We have estimated that each issuer is quoted by about 4.3 broker-dealers. We are assuming that of the universe of approximately 6,936 potentially affected covered OTC securities, broker-dealers would publish priced quotations for approximately 90% of the OTC Bulletin Board securities or 3,049 securities ($(3,765 \times 90\%) \times 90\%$) and for 43% of the Pink Sheet securities or 1,525 securities ($(3,942 \times 90\%) \times 43\%$).⁷ Therefore, we estimate that priced quotations will be published for approximately 4,574 ($3,049 + 1,525$) covered OTC securities. Given that about 75% of OTC stocks are issued by reporting issuers and the other 25% by non-reporting issuers, and that it would take a broker-dealer 4 and 8 hours, respectively, to meet the requirements of the repropoal Rule for these issuers, we estimate the burden hours as follows: for reporting issuers we estimate approximately 58,996 hours ($3,430 \times 4.3 \times 4$), and for non-reporting issuers we estimate approximately 39,319 hours ($1,143 \times 4.3 \times 8$). Therefore, we estimate the total annual paperwork burden hours for all broker-dealers to be 104,670 hours ($6,355 + 58,996 + 39,319$).

Regarding the burden on issuers to provide broker-dealers with the required information, we believe that the 2,202 issuers of covered OTC securities (based on our estimate that 75% of the 6,936 potentially covered OTC securities are reporting issuers) will not bear any additional hourly burdens under the repropoal amendments because these issuers already report the required information to the Commission through mandated periodic filings. Further, reporting issuer information is widely available to broker-dealers through a variety of media. However, non-reporting issuer information is not widely available. Consequently, these issuers must provide the information required by the repropoal amendments to requesting broker-dealers before

⁷ Some securities have priced quotations published in both of these quotation systems. To avoid double counting, such securities are counted as OTC Bulletin Board securities.

quotations in their securities can be published. We believe that the 1,734 issuers of non-reporting covered OTC securities (based on an estimate that 25% of the 6,936 potentially covered OTC securities are non-reporting) will spend an average of 9 hours each to collect, prepare, and supply the information required by the proposal to the first broker-dealer that requests this information. Thereafter, we estimate that it will take an average of 1 hour for an issuer to provide the same information to the remaining 3.3 broker-dealers that request the information. Accordingly, we estimate that 1,734 non-reporting issuers annually will incur 15,606 hours ($1,734 \times 9 \times 1$) to comply with the first broker-dealer's request for information, and 5,722 hours ($1,734 \times 1 \times 3.3$) to comply with the subsequent 3.3 broker-dealer requests for an annual total of 21,328 burden hours ($15,606 + 5,722$). On average, therefore, each non-reporting issuer would spend approximately 12.3 burden hours ($21,328/1,734$) per year to comply with these requests.

We estimate the collection of information will require approximately 125,998 burden hours annually ($104,670 + 21,328$) from approximately 2,134 respondents (400 broker-dealers and 1,734 issuers).

Subject to certain exceptions, the Rule prohibits brokers-dealers from publishing a quotation for a security, or submitting a quotation for publication, in a quotation medium unless they have reviewed specified information concerning the security and the issuer. The broker-dealer is required to retain the information for three years, the first two years in an easily accessible place. The broker-dealer must also make the information reasonably available upon request to any person expressing an interest in a proposed transaction in the security with such broker or dealer. The collection of information that is submitted to the NASDR for review and approval is currently not available to the public from the NASDR.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10202, New Executive Office Building, Washington, DC 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology,

Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: January 31, 2002.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-7752 Filed 3-29-02; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27511]

Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

March 26, 2002.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by April 16, 2002 to the Secretary, Securities and Exchange Commission, Washington, DC 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After April 16, 2002, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Pepco Holdings Inc., et al. (70-9913)

Pepco Holdings, Inc. ("PHI"), a Delaware corporation and its parent company, Potomac Electric Power Company ("Pepco"), a public utility company; POM Holdings, Inc. ("POM"), a holding company subsidiary of Pepco; Pepco Energy Services, a service company subsidiary of Pepco; Pepco's direct and indirect nonutility subsidiaries ("Pepco Nonutilities"), all

located at 1900 Pennsylvania Avenue NW, Washington, DC 20068; and Conectiv, a Delaware corporation and a registered public utility holding company, Conectiv Resource Partners, Inc. ("CRP"), a service company subsidiary of Conectiv and Conectiv's direct and indirect nonutility subsidiaries ("Conectiv Nonutilities") located at 800 King Street, Wilmington, Delaware 19801, (collectively, "Applicants"), have filed a joint application-declaration ("Application") under sections 5, 6(a), 7, 9(a), 10, 12(b), 12(c), 13(b), 32 and 33 of the Act, and rules 42, 43, 45, 46, 52, 53, 54, 80-88, 90 and 91.

I. Introduction

Applicants request authority for transactions associated with the acquisition of Conectiv and Pepco by PHI ("Transaction"). Applicants propose that upon the satisfaction of certain conditions, including receipt of all necessary regulatory approvals, Pepco and Conectiv will become subsidiaries of PHI. PHI was incorporated under the laws of Delaware on February 9, 2001, as a direct, wholly owned subsidiary of Pepco to become the parent company of Pepco and Conectiv. After consummation of the Transaction, PHI will register as a public utility holding company under section 5 of the Act and maintain its headquarters in Washington, DC.

II. Summary of Requests

Applicants request authorization in the Merger Application for PHI to form two wholly owned subsidiaries that will merge with and into Pepco and Conectiv ("Mergers"). Pepco stockholders will receive one share of PHI's common stock for each share of Pepco common stock held prior to the Mergers. Conectiv common stockholders and Class A common stockholders will receive either cash or PHI common stock, subject to proration, in order that the aggregate consideration paid to all Conectiv stockholders will be fifty percent cash and fifty percent stock. As a result of the Transaction, all of the outstanding shares of common stock of PHI will be held by the former stockholders of Conectiv and Pepco and each share of each other class of capital stock of Conectiv and Pepco shall be unaffected and remain outstanding.

Upon completion of the Merger, PHI will own, directly or indirectly, all of the issued and outstanding common stock of six public utility subsidiary companies: Pepco, Atlantic City Electric Company ("ACE"), Delmarva Power & Light Company ("Delmarva"), Conectiv

Delmarva Generation, Inc. ("CDG"), Conectiv Pennsylvania Generation, Inc. ("CPGI") and Conectiv Atlantic Generation, LLC ("CAG"). PHI also will hold, directly or indirectly, all of the nonutility subsidiaries and investments currently owned by Pepco and Conectiv ("PHI Nonutilities").

In addition, Applicants request: (i) To retain the nonutility businesses and subsidiaries of Pepco and Conectiv; (ii) to retain Conectiv's gas operations ("Conectiv Gas System"); (iii) following a transition period, to either (a) extend the role of CRP as a system service company to provide services to all associate companies in the PHI system or (b) form a new system service company as a direct subsidiary of PHI; (iv) to deviate from the "at cost" standards of the Act with respect to services provided to certain subsidiaries; (v) to reorganize PHI's direct and indirect, wholly owned, nonutility subsidiaries without the need to seek further Commission authorization, (vi) to enter into a tax allocation agreement and (vii) to engage in energy-related activities outside of the United States.

III. Parties to the Transaction

A. Pepco

Pepco is a public utility company within the meaning of the Act. Pepco transmits and distributes electric energy to 1.9 million people in Washington DC and major portions of Prince George's and Montgomery counties in suburban Maryland. Pepco is regulated as a public utility in Washington DC, Maryland, and, to a limited extent, in Pennsylvania and Virginia where it owns transmission lines and other jurisdictional assets.

Pepco's transmission facilities are interconnected with those of other transmission owners that are members of PJM, an Independent System Operator ("ISO") approved by the Federal Energy Regulatory Commission ("FERC"). PJM administers all transmission service within the PJM region. Pepco has an investment in the Keystone-Conemaugh 500kV system ("EHV") that traverses most of Pennsylvania.

Pepco is also engaged in the sale of electricity, natural gas and telecommunications in markets throughout the mid-Atlantic region through its wholly owned nonutility subsidiary, POM. In May 1999, Pepco reorganized its nonutility subsidiaries into two major operating groups to compete for market share in deregulated markets. As part of the reorganization, POM was created as the parent company of its two wholly owned subsidiaries,