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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 10a-1, SEC File No. 270-413, OMB Control No. 3235-0475,

Rule 12d2-1 SEC File No. 270-98, OMB Control No. 3235-0081

Rule 12d2-2 SEC File No. 270-86, OMB Control No. 3235-0080

Rule 17Ab2-1 and Form CA-1 SEC File No. 270-203, OMB Control No. 3235-0195

Rule 17Ad-3(b) SEC File No. 270-424, OMB Control No. 3235-0473

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) is soliciting comments on the collections of information summarized below. The Commission plans to submit these existing collections of information to the Office of Management and Budget for extension and approval.

Rule 10a-1 (17 CFR 240.10a-1) under the Securities Exchange Act of 1934 (Exchange Act) is designed to limit short selling of a security in a declining market by requiring, in effect, that each successive lower price be established by a long seller. The price at which short sales may be effected is established by reference to the last sale price reported in the consolidated system or on a particular marketplace. Rule 10a-1 requires each broker or dealer that effects any sell order for a security registered on, or admitted to unlisted trading privileges on, a national securities exchange to mark the relevant order ticket either "long" or "short."

There are approximately 7,258 brokers and dealers registered with the national securities exchanges. The Commission has considered each of these respondents for the purposes of calculating the reporting burden under Rule 10a-1. Each of these approximately 7,258 registered broker-dealers effects sell orders for securities registered on, or admitted to unlisted trading privileges on, a national securities exchange. In addition, each respondent makes an estimated 59,071 annual responses, for an aggregate total of 428,743,000 responses per year. Each response takes approximately .000139

hours (.5 seconds) to complete. Thus, the total compliance burden per year is 59,595 burden hours.

Rule 12d2-1 (17 CFR 240.12d2-1) was adopted in 1935 pursuant to Sections 12 and 23 of the Exchange Act. The Rule provides the procedures by which a national securities exchange may suspend from trading a security that is listed and registered on the exchange. Under Rule 12d2-1, an exchange is permitted to suspend from trading a listed security in accordance with its rules, and must promptly notify the Commission of any such suspension, along with the effective date and the reasons for the suspension.

Any such suspension may be continued until such time as the Commission may determine that the suspension is designed to evade the provisions of Section 12(d) of the Exchange Act and Rule 12d2-2 thereunder.¹ During the continuance of such suspension under Rule 12d2-1, the exchange is required to notify the Commission promptly of any change in the reasons for the suspension. Upon the restoration to trading of any security suspended under the Rule, the exchange must notify the Commission promptly of the effective date of such restoration.

The trading suspension notices serve a number of purposes. First, they inform the Commission that an exchange has suspended from trading a listed security or reintroduced trading in a previously suspended security. They also provide the Commission with information necessary for it to determine that the suspension has been accomplished in accordance with the rules of the exchange, and to verify that the exchange has not evaded the requirements of Section 12(d) of the Exchange Act and Rule 12d2-2 thereunder by improperly employing a trading suspension. Without the Rule, the Commission would be unable to fully implement these statutory responsibilities.

There are nine national securities exchanges that are subject to Rule 12d2-1. The burden of complying with the Rule is not evenly distributed among the exchanges since there are many more securities listed on the New York Stock Exchange, Inc. ("NYSE") and the American Stock Exchange LLC ("Amex") than on the other exchanges.² However, for purposes of this filing, it is assumed that the number of responses is evenly divided among the exchanges.

¹ Rule 12d2-2 prescribes the circumstances under which a security may be delisted, and provides the procedures for taking such action.

² In fact, some exchanges do not file any trading suspension reports in a given year.

Since approximately 173 responses under Rule 12d2-1 are received annually by the Commission from the national securities exchanges, the resultant aggregate annual reporting hour burden would be, assuming on average one-half reporting hour per response, 86.5 annual burden hours for all exchanges.

Rule 12d2-2 (17 CFR 240.12d2-2) and Form 25 (17 CFR 249.25) were adopted in 1935 and 1952, respectively, pursuant to Sections 12 and 23 of the Exchange Act. Rule 12d2-2 sets forth the conditions and procedures under which a security may be delisted. Rule 12d2-2 also requires, under certain circumstances, that the Exchange file with the Commission a Form 25 to delist the Security. Form 25 provides the Commission with the name of the security, the effective date of the delisting, and the date and type of event causing the delisting.

Delisting notices and applications for delisting serve a number of purposes. First, the reports and notices required under paragraphs (a) and (b) of Rule 12d2-2 (which do not require Commission action) inform the Commission that a security previously traded on an exchange is no longer traded. In addition, the applications for delisting required under paragraphs (c) and (d) of Rule 12d2-2 provide the Commission with the information necessary for it to determine that the delisting has been accomplished in accordance with the rules of the exchange and whether the delisting should be subject to any terms and conditions necessary for the protection of investors. Further, delisting applications are available to members of the public who may wish to comment or submit information to the Commission regarding the applications. Without the Rule, the Commission lacks the information necessary for it to fully meet these statutory responsibilities.

There are nine national securities exchanges that are subject to Rule 12d2-2 and Form 25. The burden of complying with Rule 12d2-2 and Form 25 is not evenly distributed among the exchanges, however, since there are many more securities listed on the NYSE and the Amex than on the other exchanges. However, for purposes of this filing, the staff has assumed that the number of responses is evenly divided among the exchanges. Since approximately 687 responses under the Rule and Form are received annually by the Commission from the national securities exchanges, the resultant aggregate annual reporting hour burden would be, assuming on average one hour per response, 687 annual burden

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.

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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,