

principal transactions, not charging any brokerage commission for the execution of orders for which the DPM acts as both agent and principal and not representing discretionary orders. The CBOE represented that its current rules will continue to prohibit DPMs from circumventing their obligations.⁷ Therefore, the Commission believes that the regulatory concerns that CBOE Rule 8.91(d) was intended to address will continue to be prevented. The Commission expects the CBOE to surveil its DPMs and affiliated floor brokers to ensure that they are not using their affiliations to circumvent CBOE rules.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,⁸ that the proposed rule change (File No. SR-CBOE-2002-16) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release 34-46135; File No. 600-23]

Self-Regulatory Organizations; Government Securities Clearing Corporation; Notice of Filing and Order Approving an Extension of Temporary Registration as a Clearing Agency

June 27, 2002.

The Securities and Exchange Commission ("Commission") is publishing this notice and order to solicit comments from interested persons and to extend the Government Securities Clearing Corporation's ("GSCC") temporary registration as a clearing agency through June 30, 2003. On May 24, 1988, pursuant to sections 17A(b) and 19(a) of the Act¹ and Rule

⁷ For example, according to the CBOE, its Rule 6.43, Manner of Bidding and Offering, prohibits a DPM from directing its trades to particular members. Also, according to the CBOE, its Rule 7.4, Obligations for Orders, requires a DPM to "use due diligence to execute the orders placed in his custody at the best prices available to him under the Rules of the Exchange." Finally, the CBOE represented that its Rule 4.1, Just and Equitable Principles of Trade, provides a general protection from any illicit intentions by stating that: "No member shall engage in acts or practices inconsistent with just and equitable principles of trade. Persons associated with members shall have the same duties and obligations as members under the Rules of this Chapter [IV]."

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78q-1(b) and 78s(a).

17Ab2-1 promulgated thereunder,² the Commission granted GSCC registration as a clearing agency on a temporary basis for a period of three years.³ The Commission subsequently has extended GSCC's registration through June 30, 2002.⁴ GSCC requested that the Commission extend GSCC's temporary registration until such time as the Commission is prepared to grant GSCC permanent registration.⁵

The Commission today is extending GSCC's temporary registration as a clearing agency in order that GSCC may continue to act as a clearing agency while the Commission seeks comment on granting GSCC permanent registration as a clearing agency.⁶ GSCC acts as the central clearing entity for the U.S. Government securities trading and financing marketplaces.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing application. Such written data, views, and arguments will be considered by the Commission in granting registration or instituting proceedings to determine whether registration should be denied in accordance with section 19(a)(1) of the Act.⁷ Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Copies of the application for registration and all written comments will be available for inspection at the Commission's Public Reference Room, 450 Fifth Street, NW, Washington, DC 20549-0102. All submissions should refer to File No. 600-23 and should be submitted by July 24, 2002.

It is therefore ordered that GSCC's temporary registration as a clearing agency (File No. 600-23) be and hereby is extended through June 30, 2003.

² 17 CFR 240.17Ab2-1.

³ Securities Exchange Act Release No. 25740 (May 24, 1988), 53 FR 19639.

⁴ Securities Exchange Act Release Nos. 25740 (May 24, 1988), 53 FR 19639; 29236 (May 24, 1991), 56 FR 24852; 32385 (June 3, 1993), 58 FR 32405; 35787 (May 31, 1995), 60 FR 30324; 36508 (November 27, 1995), 60 FR 61719; 37983 (November 25, 1996), 61 FR 64183; 38698 (May 30, 1997), 62 FR 30911; 39696 (February 24, 1998), 63 FR 10253; 41104 (February 24, 1999), 64 FR 10510; 41805 (August 27, 1999), 64 FR 48682; 42335 (January 12, 2000), 65 FR 3509; 43089 (July 28, 2000), 65 FR 48032; 43900 (January 29, 2001), 66 FR 8988; 44553 (July 13, 2001), 66 FR 37714; and 45164 (December 18, 2001), 66 FR 66957.

⁵ Letter from Jeffrey Ingber, Managing Director, General Counsel, and Secretary, GSCC (June 4, 2002).

⁶ The Commission continues to consider two issues related to GSCC's permanent registration status: (1) GSCC's organizational structure after its integration with The Depository Trust & Clearing Corporation and (2) the appropriate standard of care for GSCC.

⁷ 15 U.S.C. 78s(a)(1).

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release 34-46136; File No. 600-22]

Self-Regulatory Organizations; MBS Clearing Corporation; Notice of Filing and Order Approving a Request for an Extension of Temporary Registration as a Clearing Agency

June 27, 2002.

Pursuant to section 19(a) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 5, 2002, MBS Clearing Corporation ("MBSCC") filed with the Securities and Exchange Commission ("Commission") a request that the Commission grant MBSCC full registration as a clearing agency or in the alternative extend MBSCC's temporary registration as a clearing agency until such time as the Commission is able to grant MBSCC permanent registration.² The Commission is publishing this notice and order to solicit comments from interested persons and to extend MBSCC's temporary registration as a clearing agency through June 30, 2003.

On February 2, 1987, pursuant to sections 17A(b) and 19(a) of the Act³ and Rule 17Ab2-1 promulgated thereunder,⁴ the Commission granted MBSCC registration as a clearing agency on a temporary basis for a period of eighteen months.⁵ The Commission subsequently has extended MBSCC's registration through June 30, 2002.⁶

The Commission today is extending MBSCC's temporary registration as a

⁸ 17 CFR 200.30-3(a)(1506).

¹ 15 U.S.C. 78s(a).

² Letter from Jeffrey F. Ingber, Managing Director, General Counsel, and Secretary, MBSCC (June 4, 2002).

³ 15 U.S.C. 78q-1(b) and 78s(a).

⁴ 17 CFR 240.17Ab2-1.

⁵ Securities Exchange Act Release No. 24046 (February 2, 1987), 52 FR 4218.

⁶ Securities Exchange Act Release Nos. 25957 (August 2, 1988), 53 FR 29537; 27079 (July 31, 1989), 54 FR 34212; 28492 (September 28, 1990), 55 FR 41148; 29751 (September 27, 1991), 56 FR 50602; 31750 (January 21, 1993), 58 FR 6424; 33348 (December 15, 1993), 58 FR 68183; 35132 (December 21, 1994), 59 FR 67743; 37372 (June 26, 1996), 61 FR 35281; 38784 (June 27, 1997), 62 FR 36587; 39776 (March 20, 1998), 63 FR 14740; 41211 (March 24, 1999), 64 FR 15854; 42568 (March 23, 2000), 65 FR 16980; 44089 (March 21, 2001), 66 FR 16961; 44831 (September 21, 2001), 66 FR 49728; and 45607 (March 20, 2002), 67 FR 14755.

clearing agency so that MBSCC may continue to act as a clearing agency while the Commission seeks comment on granting MBSCC permanent registration as a clearing agency. MBSCC provides for the safe and efficient clearance and settlement of transactions in mortgage backed securities.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing application. Such written data, views, and arguments will be considered by the Commission in granting registration or institution proceedings to determine whether registration should be denied in accordance with section 19(a)(1) of the Act.⁷ Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Copies of the amended application for registration and all written comments will be available for inspection at the Commission's Public Reference Room, 450 Fifth Street, NW, Washington, DC 20549. All submissions should refer to File No. 600-22 and should be submitted by July 24, 2002.

It is therefore ordered that MBSCC's temporary registration as a clearing agency (File No. 600-22) be and hereby is extended through June 30, 2003.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-16707 Filed 7-2-02; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46124; File No. SR-MSRB-2002-06]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Disclosures in Connection With New Issues

June 26, 2002.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ notice is hereby given that on June 21, 2002 the Municipal Securities Rulemaking Board ("Board" or "MSRB") filed with the Securities and Exchange Commission ("Commission" or "SEC") a proposed rule change (File No. SR-MSRB-2002-06). The proposed

rule change is described in Items I, II, and III below, which Items have been prepared by the Board. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Board is filing herewith a proposed amendment to Rule G-32, on disclosures in connection with new issues, as well as amendments to Rule G-8, on books and records, and Rule G-9, on preservation of records (hereafter referred to as "the proposed rule change"). Below is the text of the proposed rule change. New language is italicized; deletions are in brackets.

Rule G-32. Disclosures in Connection With New Issues

(a) Customer Disclosure Requirements. No broker, dealer or municipal securities dealer shall sell, whether as principal or agent, any new issue municipal securities to a customer unless such broker, dealer or municipal securities dealer delivers to the customer no later than the settlement of the transaction:

(i) a copy of the official statement in final form prepared by or on behalf of the issuer or, if an official statement in final form is not being prepared by or on behalf of the issuer, a written notice to that effect together with a copy of an official statement in preliminary form, if any; provided, however, that:

(A) No change

(B) (1) No change

(2) sends to the customer a copy of the official statement in final form, by first class mail or other equally prompt means, no later than the business day following receipt thereof by the broker, dealer or municipal securities dealer; [and]

(B) *if two or more customers share the same address, a broker, dealer or municipal securities dealer may satisfy the delivery obligations set forth in this section (a)(i) by complying with the requirements set forth in Rule 154 of the Securities Act of 1933, on delivery of prospectuses to investors at the same address. In addition, any such broker, dealer or municipal securities dealer shall comply with paragraph (c) of Rule 154, on revocation of consent, if subject to the delivery requirements in section (a)(i)(A) of this rule, concerning a customer who participates in a periodic municipal fund security plan or a non-periodic municipal fund security program; and*

(ii) No change.

(b) through (d) No change.

Rule G-8. Books and Records To Be Made by Brokers, Dealers and Municipal Securities Dealers

(a) Description of Books and Records to be Made. Except as otherwise specifically indicated in this rule, every broker, dealer and municipal securities dealer shall make and keep current the following books and records, to the extent applicable to the business of such broker, dealer or municipal securities dealer:

(i)-(xii) No change.

(xiii) Records Concerning Deliveries of Official Statements. A record of all deliveries to purchasers of new issue municipal securities, of official statements or other disclosures concerning the underwriting arrangements required under rule G-32[,] *and, if applicable, a record evidencing compliance with section (a)(i)(C) of rule G-32.*

(xiv)-(xxi) No change.

(b)-(g) No change.

Rule G-9. Preservation of Records

(a) No change.

(b) Records to be Preserved for Three Years. Every broker, dealer and municipal securities dealer shall preserve the following records for a period of not less than three years:

(i)-(ix) No change.

(x) all records of deliveries of rule G-32 disclosures *and, if applicable, a record evidencing compliance with section (a)(i)(C) of rule G-32* required to be retained as described in rule G-8(a)(xiii);

(xi)-(xv) No change.

(c)-(g) No change.

* * * * *

(a) Not applicable.

II. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The texts of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

SEC Rule 154, on delivery of prospectuses to investors at the same address, permits a broker-dealer or

⁷ 15 U.S.C. 78s(a)(1).

⁸ 17 CFR 200.30-3(a)(30).

¹ 15 U.S.C. 78s(b)(1).