

Rule 10A-1 implements the reporting requirements in Section 10A of the Exchange Act, which was enacted by Congress on December 22, 1995 as part of the Private Securities Litigation Reform Act of 1995, Public Law No. 104-67. Under section 10A and Rule 10A-1 reporting occurs only if a registrant's board of directors receives a report from its auditors that (1) there is an illegal act material to the registrant's financial statements, (2) senior management and the board have not taken timely and appropriate remedial action, and (3) the failure to take such action is reasonably expected to warrant the auditor's modification of the audit report or resignation from the audit engagement. The board of directors must notify the Commission within one business day of receiving such a report. If the board fails to provide that notice, then the auditor, within the next business day, must provide the Commission with a copy of the report that it gave to the board.

Likely respondents are those registrants filing audited financial statements under the Securities Exchange Act of 1934 and the Investment Company Act of 1940.

It is estimated that Rule 10A-1 results in an aggregate additional reporting burden of 10 hours per year. The estimated average burden hours are solely for purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even a representative survey or study of the costs of SEC rules or forms.

There are no recordkeeping retention periods in Rule 10A-1. Because of the one business day reporting periods, recordkeeping retention periods should not be significant.

Filing the notice or report under Rule 10A-1 is mandatory once the conditions noted above have been satisfied. Because these notices and reports discuss potential illegal acts, they are considered to be investigative records and are kept confidential.

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.

General 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, 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: July 9, 2002.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-17973 Filed 7-16-02; 8:45 am]

**BILLING CODE 8010-01-P**

## 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 15c3-1, SEC File No. 270-197, OMB Control No. 3235-0200

Rule 17a-10, SEC File No. 270-154 OMB Control No. 3235-0122

Rule 17a-19 and Form X-17a-19, SEC File No. 270-148, OMB Control No. 3235-0133

Form BDW, SEC File No. 270-17, OMB Control No. 3235-0018

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 ("OMB") requests for extension of the previously approved information collections under the Securities Exchange Act of 1934 discussed below.

Rule 15c3-1 (17 C.F.R. 240.15c3-1) requires a broker or dealer registered with the Commission to maintain at all times sufficient liquid assets in excess of liabilities to promptly satisfy the claims of customers in the event the broker or dealer fails. The rule facilitates monitoring the financial condition of brokers and dealers by the Commission and the various self-regulatory organizations. There are approximately 8,000 broker-dealer respondents registered with the Commission who incur an aggregate burden of 950 hours per year to comply with this rule.

Rule 17a-10 (17 CFR 240.17a-10) requires broker-dealers that are exempted from the filing requirements of paragraph (a) of Rule 17a-5 (17 CFR section 240.17a-5) to file with the Commission an annual statement of income (loss) and balance sheet. It is anticipated that approximately 1,100 broker-dealers will spend 12 hours per year complying with Rule 17a-10. The total burden is estimated to be approximately 13,200 hours.

Rule 17a-19 (17 CFR 240.17a-19) and Form X-17A-19 requires National

Securities Exchanges and Registered National Securities Associations to file a Form X-17A-19 with the Commission within 5 days of the initiation, suspension or termination of a member in order to notify the Commission that a change in designated examining authority may be necessary.

It is anticipated that approximately eight National Securities Exchanges and Registered National Securities Associations collectively will make 2,600 total annual filings pursuant to Rule 17a-19 and that each filing will take approximately 15 minutes. The total burden is estimated to be approximately 650 total annual hours.

Broker-dealers and notice-registered broker-dealers use Form BDW (17 CFR 249.501a) to withdraw from registration with the Commission, the self-regulatory organizations, and the states. It is estimated that approximately 900 fully registered broker-dealers annually will incur an average burden of 15 minutes, or 0.25 hours, to file for withdrawal on Form BDW via the internet with Web CRD, a computer system operated by the National Association of Securities Dealers, Inc. that maintains information regarding fully registered broker-dealers and their registered personnel. It is further estimated that 140 futures commission merchants that are notice-registered broker-dealers annually will incur an average burden of 15 minutes, or 0.25 hours, to file for withdrawal on Form BDW by sending the completed Form BDW to the National Futures Association, which maintains information regarding notice-registered broker-dealers on behalf of the Commission. The annualized compliance burden per year for both fully registered and notice-registered broker-dealers is 260 hours.

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.

General comments regarding the estimated burden hours should be directed to the following persons: (i) Nathan Knuffman, 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 the Office of Management and Budget within 30 days of this notice.

Dated: July 9, 2002.

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25655; 812-12640]

### The Phoenix Edge Series Fund and Phoenix Variable Advisors, Inc.; Notice of Application

July 10, 2002.

**AGENCY:** Securities and Exchange Commission ("SEC" or "Commission").

**ACTION:** Notice of application for an exemption under section 6(c) of the Investment Company Act of 1940 ("Act") from section 15(a) of the Act and rule 18f-2 under the Act.

*Summary of Application:* The order would permit applicants to enter into and materially amend subadvisory agreements without shareholder approval.

*Applicants:* The Phoenix Edge Series Fund (the "Fund") and Phoenix Variable Advisors, Inc. (the "Advisor").

*Filing Dates:* The application was filed on September 26, 2001, and amended on July 9, 2002.

*Hearing or Notification of Hearing:* An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on August 5, 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 may request notification of a hearing by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants, One American Row, P.O. Box 5056, Hartford, CT, 06102-5056.

**FOR FURTHER INFORMATION CONTACT:** Keith A. Gregory, Senior Counsel, at (202) 942-0611, 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 from the SEC's Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549-0102 (tel. (202) 942-8090).

### Applicants' Representations

1. The Fund is a Massachusetts business trust registered under the Act as an open-end management investment company. The Fund is presently comprised of twenty-seven series, each with its own investment objectives, policies, and restrictions. Shares of the Fund are currently offered only to the separate accounts of Phoenix Life Insurance Company ("Phoenix"), PHL Variable Insurance Company, and Phoenix Life and Annuity Company to fund benefits under variable annuity and variable life insurance contracts issued by those companies.

2. The Advisor, a Delaware corporation, serves as the investment adviser to certain series of the Fund that use the management structure described in the application (each a "Series" and collectively, the "Series")<sup>1</sup>. The Advisor is registered under the Investment Advisers Act of 1940 (the "Advisers Act") and is an indirect, wholly owned subsidiary of Phoenix.

3. The Fund, on behalf of the Series, has entered into an investment advisory agreement with the Advisor (the "Advisory Agreement"), pursuant to which the Advisor serves as the investment adviser to the Series. The Advisory Agreement has been approved by a majority of the Fund's board of trustees ("Board"), including a majority of the trustees who are not "interested persons," as defined in section 2(a)(19) of the Act, of the Fund or the Advisor ("Independent Trustees"), and each Series' shareholder(s). Under the terms of the Advisory Agreement, the Advisor, subject to oversight by the Board, has supervisory responsibility for the

<sup>1</sup> The Applicants also request relief with respect to current or future series of the Fund and any other registered open-end management investment companies and their series that: (a) Are advised by the Advisor or any entity controlling, controlled by, or under common control with the Advisor; (b) use the management structure described in the application; and (c) comply with the terms and conditions in the application ("Future Series," included in the term "Series"). The Fund is the only registered open-end management investment company that currently intends to rely on the requested order. Applicants state that if a Series has the name of any Subadvisor, as defined below, in the Series' name, the Series' name will be preceded by the name of the Advisor (such as "Phoenix," which is the name of the Advisor in conducting its business) or the name of the entity controlling, controlled by, or under common control with the Advisor that serves as the primary adviser to such Series.

investment program of each Series. The Advisor also evaluates, selects, and recommends subadvisors ("Subadvisors") to manage all or a portion of the assets of each Series. Each Subadvisor is, or will be, an investment adviser registered, or exempt from registration, under the Advisers Act, and performs services pursuant to a written agreement with the Advisor ("Subadvisory Agreement"). As compensation for its services, the Advisor receives a fee from the Fund at annual rates based on a percentage of the applicable Series' average daily net assets. Each Subadvisor will be paid by the Advisor out of the fees received by the Advisor from the Series.

4. The Advisor selects Subadvisors based on continuing quantitative and qualitative evaluation of their skills and proven abilities in managing assets pursuant to a specific investment style. The Advisor monitors compliance of Subadvisors with the investment objectives and related policies of each Series and reviews the performance of each Subadvisor in order to assure continuing quality of performance. The Advisor may recommend to the Board reallocation of Series' assets among Subadvisors, if necessary, or recommend that the Fund employ or terminate particular Subadvisors, to the extent the Advisor deems appropriate to achieve the overall objectives of a particular Series.

5. Applicants request an order to permit the Advisor, subject to oversight by the Board, to enter into and materially amend Subadvisory Agreements without obtaining shareholder approval. The requested relief will not extend to any Subadvisor that is an affiliated person, as defined in section 2(a)(3) of the Act, of the Fund or the Advisor, other than by reason of serving as a Subadvisor to one or more of the Series ("Affiliated Subadvisor"). None of the current Subadvisors is an Affiliated Subadvisor.

### Applicants' Legal Analysis

1. Section 15(a) of the Act provides, in relevant part, that it is unlawful for any person to act as an investment adviser to a registered investment company except pursuant to a written contract that has been approved by a vote of the company's outstanding voting securities. Rule 18f-2 under the Act provides, in relevant part, that each series or class of stock in a series company affected by a matter must approve the matter if the Act requires shareholder approval.

2. Section 6(c) of the Act authorizes the Commission to exempt persons or transactions from the provisions of the