

**OFFICE OF PERSONNEL  
MANAGEMENT**
**Proposed Collection: Comment  
Request for Review of Expiring  
Information Collection: OPM 1647**

**AGENCY:** Office of Personnel Management.

**ACTION:** Notice.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104-13, May 22, 1995), this notice announces that the Office of Personnel Management intends to submit to the Office of Management and Budget a request for renewal of authorization for information collection. OPM Form 1647, Combined Federal Campaign Eligibility Application, is used to review the eligibility of national, international, and local charitable organizations that wish to participate in the Combined Federal Campaign.

We estimate 1,400 Form 1647's will be completed annually. Each form takes approximately three hours to complete. The annual estimated burden is 4,200 hours.

Comments are particularly invited on:

- Whether this collection of information is necessary for the proper performance of functions of the Office of Personnel Management, and whether it will have practical utility;
- Whether our estimate of the public burden of this collection is accurate, and based on valid assumptions and methodology; and
- Ways in which we can minimize the burden of the collection of information on those who are to respond, through use of the appropriate technological collection techniques or other forms of information technology.

For copies of this proposal, contact Mary Beth Smith-Toomey on 202/606-2150, FAX 202/418-3251, or E-mail to mbtoomey@opm.gov. Please include a mailing address with your request.

**DATES:** Comments on this proposal should be received within 60 calendar days from the date of this publication.

**ADDRESSES:** Send or deliver comments to: Curtis Rumbaugh, Office of CFC Operations, U.S. Office of Personnel Management, 1900 E Street, NW., Room 5450, Washington, DC 20415.

Office of Personnel Management.

**Kay Coles James,**  
Director.

[FR Doc. 02-19097 Filed 7-26-02; 8:45 am]

**BILLING CODE 6325-01-P**

**SECURITIES AND EXCHANGE  
COMMISSION**

[Release No. IC-25670; 813-198]

**Credit Suisse First Boston, Inc.; Notice  
of Application**

July 23, 2002.

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

**ACTION:** Notice of an application under sections 6(b) and 6(e) of the Investment Company Act of 1940 ("Act") for an exemption from all provisions of the Act, except section 9, section 17 (other than certain provisions of paragraphs (a), (d), (e), (f), (g), and (j)), sections 30(c), (d), (f), (g), (i) and (j), and sections 36 through 53, and the rules and regulations thereunder.

*Summary of Application:* Credit Suisse First Boston, Inc. ("CSFB") requests an order to supersede an existing order ("Prior Order")<sup>1</sup> exempting CSFB and certain partnerships ("Partnerships") formed for the benefit of key employees of CSFB and its affiliates from certain provisions of the Act. Each Partnership will be an "employees' securities company" within the meaning of section 2(a)(13) of the Act. *Filing Dates:* The application was filed on November 3, 1998, and amended on July 10, 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 applicant 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 19, 2002, and should be accompanied by proof of service on applicant, 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 SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicant, Eleven Madison Avenue, New York, NY 10010.

**FOR FURTHER INFORMATION CONTACT:** Christine Y. Greenlees, Senior Counsel, at (202) 942-0581, or Nadya B. Roytblat, Assistant Director, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

<sup>1</sup> *Credit Suisse First Boston, Inc.*, Investment Company Act Release Nos. 22808 (Sept. 3, 1997) (notice) and 22836 (Sept. 29, 1997) (order).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (tel. 202-942-8090).

**Applicant's Representations**

1. CSFB, a Delaware corporation, is a subsidiary of Credit Suisse First Boston, a Swiss bank, which is, in turn, a subsidiary of Credit Suisse Group, a Swiss corporation. CSFB and its affiliates as defined in rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act") ("Affiliates" and, together with CSFB, the "Credit Suisse Group") provide a range of financial, banking, insurance, advisory, and investment services to corporations, governments, and other clients throughout the world. Credit Suisse First Boston Corporation ("CSFB Corporation"), a broker-dealer registered under the Exchange Act, is a wholly-owned subsidiary of CSFB.

2. Under the Prior Order, CSFB has offered and proposes to continue to offer various investment programs for the benefit of certain key employees. These programs may be structured as different Partnerships, or as separate plans within the same Partnership. Each Partnership will be a limited partnership or other investment vehicle formed as an "employees' securities company" within the meaning of section 2(a)(13) of the Act, and will operate as a closed-end, non-diversified, management investment company.<sup>2</sup> The Partnerships

<sup>2</sup> Applicant also may implement a pretax plan arrangement ("Pretax Plan"). In this case, no investment vehicle will be formed with respect to such Pretax Plan. Pursuant to a Pretax Plan, Credit Suisse Group will enter into arrangements with certain Eligible Employees, as defined below, of Credit Suisse Group, which will generally provide that (a) an Eligible Employee will defer a portion of his or her compensation payable by Credit Suisse Group, (b) such deferred compensation will be treated as having been notionally invested in investments designated for these purposes pursuant to the specific compensation plan, and (c) an Eligible Employee will be entitled to receive cash, securities or other property at the times and in the amounts set forth in the specific compensation plan, where the aggregate amount received by such Eligible Employee would be based upon the investment performance of the investments designated for these purposes pursuant to such compensation plan. The Pretax Plan will not actually purchase or sell any securities. Credit Suisse Group expects to offer, through Pretax Plans, economic benefits comparable to what would have been offered in an arrangement where an investment vehicle is formed. For purposes of the application, a Partnership will be deemed to be formed with respect to each Pretax Plan and each reference in the application to "Partnership," "capital contribution," "General Partner," "Limited Partner," "loans," and "Interest" will be deemed to refer to the Pretax Plan, the notional capital contribution to the Pretax Plan, Credit Suisse

will be established primarily for the benefit of highly compensated employees of Credit Suisse Group as part of a program designed to create capital building opportunities that are competitive with those at other investment banking firms and to facilitate the recruitment of high caliber professionals. Participation in a Partnership will be voluntary.

3. The general partner of each Partnership will be an Affiliate of CSFB ("General Partner"). The General Partner will manage, operate, and control each of the Partnerships. The General Partner will be authorized to delegate investment management responsibility to a Credit Suisse Group entity, a committee of Credit Suisse Group employees, or certain unaffiliated third-party investment managers in connection with a "third party sponsored program."<sup>3</sup> The ultimate responsibility for the Partnerships' investments will remain with the General Partner. Any Credit Suisse Group entity that is delegated the responsibility of making investment decisions for a Partnership will register as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act") if required under applicable law. The General Partner, Credit Suisse Group or any employees of the General Partner or Credit Suisse Group may be entitled to receive a performance-based fee (such as a "carried interest") based on the gains and losses of the investment program or of the Partnership's investment portfolio.<sup>4</sup>

4. Interests in the Partnerships ("Interests") will be offered without

Group, a participant of the Pretax Plan, notional loans, and participation rights in the Pretax Plan, respectively.

<sup>3</sup>In a "third party sponsored program," a Partnership will co-invest with an investment fund, pooled investment vehicle or separate account for which entities or persons unaffiliated with the Credit Suisse Group are the sponsors or over which such entities or persons exercise investment discretion. Under a third party sponsored program, a Partnership will only be permitted to invest if a Credit Suisse Group entity will co-invest with the Partnership in the portfolio investments making up the third party sponsored program.

<sup>4</sup>A carried interest is an allocation to the General Partner, Limited Partner or the Credit Suisse Group entity acting as the investment adviser to a Partnership based on net gains in addition to the amount allocable to such entity in proportion to its capital contributions. A General Partner, Limited Partner or Credit Suisse Group entity that is registered as an investment adviser under the Advisers Act may charge a carried interest only if permitted by rule 205-3 under the Advisers Act. Any carried interest paid to a General Partner, Limited Partner or Credit Suisse Group entity that is not registered under the Advisers Act also will comply with rule 205-3 as if such General Partner, Limited Partner or Credit Suisse Group entity were so registered.

registration in reliance on section 4(2) of the Securities Act of 1933 (the "Securities Act"), or Regulation D under the Securities Act, and will be sold only to "Eligible Employees" and "Qualified Participants," in each case as defined below, or to Credit Suisse Group entities (collectively, "Participants").<sup>5</sup> Prior to offering Interests to an Eligible Employee, the General Partner must reasonably believe that the Eligible Employee will be a sophisticated investor capable of understanding and evaluating the risks of participating in the Partnership without the benefit of regulatory safeguards.

5. An "Eligible Employee" is (a) an individual who is a current or former employee, officer, director, or "Consultant" of Credit Suisse Group and, except for certain individuals who manage the day-to-day affairs of the Partnership in question ("Managing Employees")<sup>6</sup> and a limited number of other employees of Credit Suisse Group,<sup>7</sup> meets the standards of an accredited investor under rule 501(a)(6) of Regulation D under the Securities Act, or (b) an entity that is a current or former "Consultant" of Credit Suisse Group and meets the standards of an accredited investor under rule 501(a) of Regulation D.<sup>8</sup> Eligible Employees will be experienced professionals in the investment banking and securities businesses, or in related administrative,

<sup>5</sup> If applicant implements a Pretax Plan, participation rights in such Pretax Plan will only be offered to Eligible Employees who are current employees or Consultants, as defined below, of Credit Suisse Group.

<sup>6</sup> A Managing Employee may invest in a Partnership if he or she meets the definition of "knowledgeable employee" in rule 3c-5(a)(4) under the Act as if the Partnership were a "covered company" within the meaning of the rule.

<sup>7</sup> With respect to any Partnership, up to 35 employees (including Managing Employees, except to the extent that a Managing Employee meets the requirements of rule 501(a)(4) under the Securities Act), may be permitted to invest his or her own funds in the Partnership if, at the time of the employee's investment, he or she (a) has a graduate degree in business, law, or accounting, (b) has a minimum of five years of consulting, investment banking or similar business experience, and (c) has had reportable income from all sources of at least \$100,000 in each of the two most recent years and a reasonable expectation of income from all sources of at least \$140,000 in each year in which such person will be committed to make investments in a Partnership. In addition, such an employee will not be permitted to invest in any year more than 10% of his or her income from all sources for the immediately preceding year in the aggregate in such Partnership and in all other partnerships in which he or she has previously invested.

<sup>8</sup> A "Consultant" is a person or entity whom Credit Suisse Group has engaged on retainer to provide services and professional expertise on an ongoing basis as a regular consultant or as a business or legal adviser and who shares a community of interest with Credit Suisse Group and Credit Suisse Group employees.

financial, accounting, legal, or operational activities.

6. A "Qualified Participant" (a) is an Eligible Family Member or Qualified Investment Vehicle (in each case as defined below) of an Eligible Employee, and (b) if the individual or entity is purchasing an Interest from a Partnership, comes within one of the categories of an "accredited investor" under rule 501(a) of Regulation D. An "Eligible Family Member" is a spouse, parent, child, spouse of child, brother, sister, or grandchild of an Eligible Employee, including step and adoptive relationships. A "Qualified Investment Vehicle" is (a) a trust of which the trustee, grantor and/or beneficiary is an Eligible Employee, (b) a partnership, corporation or other entity controlled by an Eligible Employee,<sup>9</sup> or (c) a trust or other entity established solely for the benefit of Eligible Family Members of an Eligible Employee.

7. The terms of a Partnership will be fully disclosed to each Eligible Employee and, if applicable, to a Qualified Participant of the Eligible Employee, in a partnership agreement (the "Partnership Agreement"), which will be furnished at the time the Eligible Employee is invited to participate in the Partnership. Each Partnership will send audited financial statements to each Participant within 120 days or as soon as practicable after the end of its fiscal year, except for any Partnership that was formed to make a single portfolio investment (in which case audited financial statements will be prepared for either the Partnership or the entity that is the single portfolio investment).<sup>10</sup> In

<sup>9</sup> The inclusion of partnerships, corporations, or other entities controlled by an Eligible Employee in the definition of "Qualified Investment Vehicle" is intended to enable Eligible Employees to make investments in the Partnerships through personal investment vehicles over which they exercise investment discretion or vehicles the management or affairs of which they otherwise control. In the case of a partnership, corporation, or other entity controlled by a Consultant entity, individual participants will be limited to senior level employees, members, or partners of the Consultant who will be required to qualify as an "accredited investor" under rule 501(a)(6) of Regulation D and who will have access to the directors and officers of the General Partner.

<sup>10</sup> If applicant implements a Pretax Plan, Eligible Employees participating in such Pretax Plan will be furnished with a copy of the Pretax Plan, which will set forth at a minimum the same terms of the proposed investment program as those that would have been set forth in a Partnership Agreement for a Partnership. The Credit Suisse Group will prepare an audited informational statement with respect to the investments deemed to be made by such Pretax Plan, including, with respect to each investment, the name of the portfolio company and the amount deemed invested by such Pretax Plan in the portfolio company. The Credit Suisse Group will send each participant of such Pretax Plan a separate statement prepared based on the audited

Continued

addition, as soon as practicable after the end of each tax year of a Partnership, each Participant will receive a report showing the Participant's share of income, credits, deductions, and other tax items.

8. Interests in a Partnership will be non-transferable except with the prior written consent of the General Partner.<sup>11</sup> No person will be admitted into a Partnership unless the person is an Eligible Employee, a Qualified Participant of an Eligible Employee, or a Credit Suisse Group entity. No sales load will be charged in connection with the sale of Interests.

9. An Eligible Employee's interest in a Partnership may be subject to repurchase or cancellation if: (a) The Eligible Employee's relationship with Credit Suisse Group is terminated for cause; (b) the Eligible Employee becomes a consultant to or joins any firm that the General Partner determines, in its reasonable discretion, is competitive with any business of Credit Suisse Group; or (c) the Eligible Employee voluntarily resigns from employment with Credit Suisse Group. Upon repurchase or cancellation, the General Partner will pay to the Eligible Employee at least the lesser of (a) the amount actually paid by the Eligible Employee to acquire the Interest (less prior distributions, plus interest), and (b) the fair market value of the Interest as determined at the time of repurchase or cancellation by the General Partner. The terms of any repurchase or cancellation will apply equally to any Qualified Participant of an Eligible Employee.

10. Subject to the terms of the applicable Partnership Agreement, a Partnership will be permitted to enter into transactions involving (a) a Credit Suisse Group entity, (b) a portfolio company, (c) any Partner or person or entity affiliated with a Partner, (d) an investment fund or separate account that is organized for the benefit of investors who are not affiliated with Credit Suisse Group and over which a Credit Suisse Group entity will exercise investment discretion ("Third Party Fund"), or (e) any person or entity who is not affiliated with Credit Suisse Group and is a partner or other investor in a Third Party Fund or a third party sponsored program that is not affiliated with Credit Suisse Group (a "Third

informational statement within 120 days after the end of the fiscal year of the Credit Suisse Group or as soon as practicable thereafter.

<sup>11</sup> If applicant implements a Pretax Plan, an Eligible Employee's participation rights in such plan may not be transferred, other than to a Qualified Participant in the event of the Eligible Employee's death.

Party Investor"). Prior to entering into any of these transactions, the General Partner must determine that the terms are fair to the Partners.

11. A Partnership will not invest more than 15% of its assets in securities issued by registered investment companies (with the exception of temporary investments in money market funds). A Partnership will not acquire any security issued by a registered investment company if immediately after the acquisition, the Partnership will own more than 3% of the outstanding voting stock of the registered investment company.

12. A Credit Suisse Group entity (including the General Partner) acting as agent or broker may receive placement fees, advisory fees, or other compensation from a Partnership or a portfolio company in connection with a Partnership's purchase or sale of securities, provided that such placement fees, advisory fees, or other compensation can be deemed to be "usual and customary." Such fees or other compensation will be deemed "usual and customary" only if (a) the Partnership is purchasing or selling securities with other unaffiliated third parties, including Third Party Funds or Third Party Investors who are similarly purchasing or selling securities, (b) the fees or other compensation being charged to the Partnership are also being charged to the unaffiliated third parties, including Third Party Funds or Third Party Investors, and (c) the amount of securities being purchased or sold by the Partnership does not exceed 50% of the total amount of securities being purchased or sold by the Partnership and the unaffiliated third parties, including Third Party Funds and Third Party Investors. Credit Suisse Group entities, including the General Partner, also may be compensated for services to entities in which the Partnerships invest and to entities that are competitors of these entities, and may otherwise engage in normal business activities.

#### **Applicant's Legal Analysis**

1. Section 6(b) of the Act provides, in part, that the SEC will exempt employees' securities companies from the provisions of the Act to the extent that the exemption is consistent with the protection of investors. Section 6(b) provides that the SEC will consider, in determining the provisions of the Act from which the company should be exempt, the company's form of organization and capital structure, the persons owning and controlling its securities, the price of the company's securities and the amount of any sales load, how the company's funds are

invested, and the relationship between the company and the issuers of the securities in which it invests. Section 2(a)(13) defines an employees' securities company, in relevant part, as any investment company all of whose securities are beneficially owned (a) by current or former employees, or persons on retainer, of one or more affiliated employers, (b) by immediate family members of such persons, or (c) by such employer or employers together with any of the persons in (a) or (b).

2. Section 7 of the Act generally prohibits investment companies that are not registered under section 8 of the Act from selling or redeeming their securities. Section 6(e) of the Act provides that, in connection with any order exempting an investment company from any provision of section 7, certain provisions of the Act, as specified by the SEC, will be applicable to the company and other persons dealing with the company as though the company were registered under the Act. Applicant requests an order under sections 6(b) and 6(e) of the Act exempting the Partnerships from all provisions of the Act, except section 9, section 17 (other than certain provisions of paragraphs (a), (d), (e), (f), (g), and (j)), sections 30(c), (d), (f), (g), (i) and (j), and sections 36 through 53, and the rules and regulations under those sections.

3. Section 17(a) generally prohibits any affiliated person of a registered investment company, or any affiliated person of an affiliated person, acting as principal, from knowingly selling or purchasing any security or other property to or from the company. Applicant requests an exemption from section 17(a) to permit: (a) A Credit Suisse Group entity or a Third Party Fund, acting as principal, to engage in any transaction directly or indirectly with any Partnership or any company controlled by the Partnership; (b) any Partnership to invest in or engage in any transaction with any Credit Suisse Group entity, acting as principal, (i) in which the Partnership, any company controlled by the Partnership, or any Credit Suisse Group entity or Third Party Fund has invested or will invest, or (ii) with which the Partnership, any company controlled by the Partnership, or any Credit Suisse Group entity or Third Party Fund is or will become affiliated; and (c) any Third Party Investor, acting as principal, to engage in any transaction directly or indirectly with a Partnership or any company controlled by the Partnership.

4. Applicant states that an exemption from section 17(a) is consistent with the protection of investors and is necessary to promote the purpose of the

Partnerships. Applicant states that the Participants in each Partnership will be fully informed of the extent of the Partnership's dealings with Credit Suisse Group. Applicant also states that, as professionals employed in the investment banking and securities businesses, Participants will be able to understand and evaluate the attendant risks. Applicant asserts that the community of interest among the Participants and Credit Suisse Group will provide the best protection against any risk of abuse.

5. Section 17(d) of the Act and rule 17d-1 under the Act prohibit any affiliated person or principal underwriter of a registered investment company, or any affiliated person of an affiliated person or principal underwriter, acting as principal, from participating in any joint arrangement with the company unless authorized by the SEC. Applicant requests relief to permit affiliated persons of each Partnership, or affiliated persons of any of these persons, to participate in any joint arrangement in which the Partnership or a company controlled by the Partnership is a participant.

6. Applicant submits that it is likely that suitable investments will be brought to the attention of a Partnership because of its affiliation with Credit Suisse Group's large capital resources, and its experience in structuring complex transactions. Applicant also submits that the types of investment opportunities considered by a Partnership often require each investor to make funds available in an amount that may be substantially greater than what a Partnership may make available on its own. Applicant contends that, as a result, the only way in which a Partnership may be able to participate in these opportunities may be to co-invest with other persons, including its affiliates. Applicant notes that each Partnership will be organized for the benefit of Eligible Employees as an incentive for them to remain with Credit Suisse Group and for the generation and maintenance of goodwill. Applicant believes that, if co-investments with Credit Suisse Group are prohibited, the appeal of the Partnerships would be significantly diminished. Applicant asserts that Eligible Employees wish to participate in co-investment opportunities because they believe that (a) the resources of Credit Suisse Group enable it to analyze investment opportunities to an extent that individual employees would not be able to duplicate, (b) investments made by Credit Suisse will not be generally available to investors even of the financial status of the Eligible

Employees, and (c) Eligible Employees will be able to pool their investment resources, thus achieving greater diversification of their individual investment portfolios.

7. Applicant asserts that the flexibility to structure co-investments and joint investments will not involve abuses of the type section 17(d) and rule 17d-1 were designed to prevent. Applicant states that the concern that permitting co-investments by Credit Suisse Group and a Partnership might lead to less advantageous treatment of the Partnership should be mitigated by the fact that Credit Suisse Group will be acutely concerned with its relationship with the investors in the Partnership, and the fact that senior officers and directors of Credit Suisse Group entities will be investing in the Partnership. In addition, applicant asserts that strict compliance with section 17(d) would cause the Partnership to forego investment opportunities simply because a Participant or other affiliated person of the Partnership (or any Affiliate of the affiliated person) made a similar investment.

8. Co-investments with Third Party Funds, or by a Credit Suisse Group entity pursuant to a contractual obligation to a Third Party Fund, will not be subject to condition 3 below. Applicant notes that it is common for a Third Party Fund to require that Credit Suisse Group invest its own capital in Third Party Fund investments, and that Credit Suisse Group investments be subject to substantially the same terms as those applicable to the Third Party Fund. Applicant believes it is important that the interests of the Third Party Fund take priority over the interests of the Partnerships, and that the Third Party Fund not be burdened or otherwise affected by activities of the Partnerships. In addition, applicant asserts that the relationship of a Partnership to a Third Party Fund is fundamentally different from a Partnership's relationship to Credit Suisse Group. Applicant contends that the focus of, and the rationale for, the protections contained in the requested relief are to protect the Partnerships from any overreaching by Credit Suisse Group in the employer/employee context, whereas the same concerns are not present with respect to the Partnerships and a Third Party Fund.

9. Section 17(e) of the Act and rule 17e-1 under the Act limit the compensation an affiliated person may receive when acting as agent or broker for a registered investment company. Applicant requests an exemption from section 17(e) to permit a Credit Suisse Group entity (including the General

Partner) that acts as an agent or broker to receive placement fees, advisory fees, or other compensation from a Partnership in connection with the purchase or sale by the Partnership of securities, provided that the fees or other compensation can be deemed "usual and customary." Applicant states that for the purposes of the application, fees or other compensation will be deemed "usual and customary" only if (a) the Partnership is purchasing or selling securities alongside other unaffiliated third parties, including Third Party Funds or Third Party Investors, who are similarly purchasing or selling securities, (b) the fees or other compensation being charged to the Partnership are also being charged to the unaffiliated third parties, including Third Party Funds and Third Party Investors, and (c) the amount of securities being purchased or sold by the Partnership does not exceed 50% of the total amount of securities being purchased or sold by the Partnership and the unaffiliated third parties, including Third Party Funds or Third Party Investors. Applicant asserts that, because Credit Suisse Group does not wish it to appear as if it is favoring the Partnerships, compliance with section 17(e) would prevent a Partnership from participating in transactions where the Partnership is being charged lower fees than unaffiliated third parties. Applicant asserts that the fees or other compensation paid by a Partnership to a Credit Suisse Group entity will be the same as those negotiated at arm's length with unaffiliated third parties.

10. Rule 17e-1(b) under the Act requires that a majority of directors who are not "interested persons" (as defined in section 2(a)(19) of the Act) take actions and make approvals regarding commissions, fees, or other remuneration. Rule 17e-1(c) under the Act requires that a majority of the directors not be interested persons, that those directors select and nominate other disinterested directors and that any person who acts as legal counsel for the disinterested directors be an independent legal counsel. Applicant requests an exemption from rule 17e-1 to the extent necessary to permit each Partnership to comply with the rule without having a majority of the directors of the General Partner who are not interested persons take actions and make determinations as set forth in paragraph (b) of the rule and without having to satisfy the standards set forth in paragraph (c) of the rule. Applicant states that because all the directors of the General Partner will be affiliated persons, without the relief requested, a

Partnership could not comply with rule 17e-1. Applicant states that each Partnership will comply with rule 17e-1(b) by having a majority of the directors of the Partnership take actions and make approvals as are set forth in rule 17e-1. Applicant states that each Partnership will comply with all other requirements of rule 17e-1.

11. Section 17(f) of the Act designates the entities that may act as investment company custodians, and rule 17f-1 under the Act imposes certain requirements when the custodian is a member of a national securities exchange. Applicant requests an exemption from section 17(f) and rule 17f-1 to permit a Credit Suisse Group entity to act as custodian of Partnership assets without a written contract, as would be required by rule 17f-1(a). Applicant also requests an exemption from the rule 17f-1(b)(4) requirement that an independent accountant periodically verify the assets held by the custodian. Applicant states that, because of the community of interest between Credit Suisse Group and the Partnerships and the existing requirement for an independent audit, compliance with these requirements would be unnecessarily burdensome and expensive. Applicant will comply with all other requirements of rule 17f-1.

12. Section 17(g) of the Act and rule 17g-1 under the Act generally require the bonding of officers and employees of a registered investment company who have access to its securities or funds. Rule 17g-1 requires that a majority of directors who are not interested persons take certain actions and give certain approvals relating to fidelity bonding. Applicant requests exemptive relief to permit the General Partner's directors, who may be deemed interested persons, to take actions and make determinations set forth in the rule. Applicant states that, because all directors of the General Partner will be affiliated persons, a Partnership could not comply with rule 17g-1 without the requested relief. Specifically, each Partnership will comply with rule 17g-1 by having a majority of the Partnership's directors take actions and make determinations as are set forth in rule 17g-1. Applicant also states that each Partnership will comply with all other requirements of rule 17g-1.

13. Section 17(j) of the Act and paragraph (b) of rule 17j-1 under the Act make it unlawful for certain enumerated persons to engage in fraudulent or deceptive practices in connection with the purchase or sale of a security held or to be acquired by a registered investment company. Rule

17j-1 also requires that every registered investment company adopt a written code of ethics and that every access person of a registered investment company report personal securities transactions. Applicant requests an exemption from the provisions of rule 17j-1, except for the anti-fraud provisions of paragraph (b), because they are unnecessarily burdensome as applied to the Partnerships.

14. Applicant requests an exemption from the requirements in sections 30(a), 30(b), and 30(e) of the Act, and the rules under those sections, that registered investment companies prepare and file with the Commission and mail to their shareholders certain periodic reports and financial statements. Applicant contends that the forms prescribed by the Commission for periodic reports have little relevance to the Partnerships and would entail administrative and legal costs that outweigh any benefit to the Participants. Applicant requests exemptive relief to the extent necessary to permit each Partnership to report annually to its Participants. Applicant also requests an exemption from section 30(h) of the Act to the extent necessary to exempt the General Partner of each Partnership and any other persons who may be deemed to be members of an advisory board of a Partnership from filing Forms 3, 4, and 5 under section 16(a) of the Exchange Act with respect to their ownership of Interests in the Partnership. Applicant asserts that, because there will be no trading market and the transfers of Interests will be severely restricted, these filings are unnecessary for the protection of investors and burdensome to those required to make them.

#### Applicant's Conditions

Applicant agrees that any order granting the requested relief will be subject to the following conditions:

1. Each proposed transaction otherwise prohibited by section 17(a) or section 17(d) of the Act and rule 17d-1 under the Act to which a Partnership is a party (the "Section 17 Transactions") will be effected only if the General Partner determines that: (a) The terms of the transaction, including the consideration to be paid or received, are fair and reasonable to the Partners and do not involve overreaching of such Partnership or its Partners on the part of any person concerned; and (b) the transaction is consistent with the interests of the Partners, such Partnership's organizational documents, and such Partnership's reports to its Partners. In addition, the General Partner will record and preserve a description of all Section 17

Transactions, the General Partner's findings, the information or materials upon which the General Partner's findings are based, and the basis therefor. All records relating to an investment program will be maintained until the termination of such investment program and at least two years thereafter, and will be subject to examination by the SEC and its staff.<sup>12</sup>

2. In connection with the section 17 Transactions, the General Partner will adopt, and periodically review and update, procedures designed to ensure that reasonable inquiry is made, prior to the consummation of any section 17 Transaction, with respect to the possible involvement in the transaction of any affiliated person or promoter of or principal underwriter for such Partnership, or any affiliated person of such a person, promoter, or principal underwriter.

3. The General Partner will not invest the funds of any Partnership in any investment in which a "Co-Investor" (as defined below) has acquired or proposes to acquire the same class of securities of the same issuer, where the investment involves a joint enterprise or other joint arrangement within the meaning of rule 17d-1 in which the Partnership and a Co-Investor are participants, unless any such Co-Investor, prior to disposing of all or part of its investment, (a) gives the General Partner sufficient, but not less than one day's, notice of its intent to dispose of its investment, and (b) refrains from disposing of its investment unless the Partnership has the opportunity to dispose of the Partnership's investment prior to or concurrently with, on the same terms as, and pro rata with the Co-Investor. The term "Co-Investor" with respect to any Partnership means any person who is: (a) An "affiliated person" (as defined in section 2(a)(3) of the Act) of the Partnership (other than a Third Party Fund); (b) a Credit Suisse Group entity; (c) an officer or director of a Credit Suisse Group entity; or (d) an entity (other than a Third Party Fund) in which the General Partner acts as a general partner or has a similar capacity to control the sale or other disposition of the entity's securities. The restrictions contained in this condition, however, shall not be deemed to limit or prevent the disposition of an investment by a Co-Investor: (a) To its direct or indirect wholly-owned subsidiary, to any company (a "parent") of which such Co-Investor is a direct or

<sup>12</sup> Each Partnership will preserve the accounts, books and other documents required to be maintained in an easily accessible place for the first two years.

indirect wholly-owned subsidiary, or to a direct or indirect wholly-owned subsidiary of its parent; (b) to immediate family members of such Co-Investor, including step and adoptive relationships, or a trust or other investment vehicle established for any such family member; (c) when the investment is comprised of securities that are listed on any exchange registered as a national securities exchange under section 6 of the Exchange Act; (d) when the investment is comprised of securities that are national market system securities pursuant to section 11A(a)(2) of the Exchange Act and rule 11Aa2-1 thereunder; (e) when the investment is comprised of securities that are listed on or traded on any foreign securities exchange or board of trade that satisfies regulatory requirements under the law of the jurisdiction in which such foreign securities exchange or board of trade is organized similar to those that apply to a national securities exchange or a national market system for securities; or (f) when the investment is comprised of securities that are government securities as defined in section 2(a)(16) of the Act.

4. Each Partnership and the General Partner will maintain and preserve, for the life of such Partnership and at least two years thereafter, such accounts, books, and other documents as constitute the record forming the basis for the audited financial statements that are to be provided to the Participants in such Partnership, and each annual report of such Partnership required to be sent to such Participants, and agree that all such records will be subject to examination by the SEC and its staff.<sup>13</sup>

5. The General Partner of each Partnership will send to each Participant in such Partnership who had an interest in any capital account of the Partnership, at any time during the fiscal year then ended, Partnership financial statements audited by the Partnership's independent accountants, except in the case of a Partnership formed to make a single portfolio investment. In such cases, financial statements will be unaudited, but each Participant will receive financial statements of the single portfolio investment audited by such entity's independent accountants. At the end of each fiscal year and at other times as necessary in accordance with customary practice, the General Partner will make a valuation or have a valuation made of all of the assets of the Partnership as of

the fiscal year end in a manner consistent with customary practice with respect to the valuation of assets of the kind held by the Partnership. In addition, within 120 days after the end of each fiscal year of each Partnership or as soon as practicable thereafter, the General Partner of such Partnership will send a report to each person who was a Participant in such Partnership at any time during the fiscal year then ended, setting forth such tax information as shall be necessary for the preparation by the Participant of his, her or its U.S. federal and state income tax returns, and a report of the investment activities of the Partnership during that fiscal year.

6. In any case where purchases or sales are made by a Partnership from or to an entity affiliated with such Partnership by reason of a 5% or more investment in such entity by a Credit Suisse Group director, officer, or employee, such individual will not participate in such Partnership's determination of whether or not to effect such purchase or sale.

For the Commission, by the Division of Investment Management, under delegated authority.

**Margaret H. McFarland,**  
*Deputy Secretary.*

[FR Doc. 02-19121 Filed 7-26-02; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

### eConnect; Order of Suspension of Trading

July 25, 2002.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of eConnect, a Nevada corporation. Questions have been raised about the accuracy of publicly disseminated information concerning, among other things, the value of an investment of corporate bonds in eConnect by another company; the projected opening date of Bank eConnect; the value of a purchase order from another company for eConnect's eCashPads and the ability of that company to pay for the eCashPads.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to section 12(k) of the Securities Exchange Act of 1934, that trading in the above

listed company is suspended for the period from 9:30 a.m. EDT, July 25, 2002, through 11:59 p.m. EDT, on August 7, 2002.

By the Commission.

**Margaret H. McFarland,**  
*Deputy Secretary.*

[FR Doc. 02-19219 Filed 7-25-02; 12:31 pm]

**BILLING CODE 8010-01-P**

## DEPARTMENT OF TRANSPORTATION

### Coast Guard

[USCG-2002-12741]

### Great Lakes Pilotage Advisory Committee

**AGENCY:** Coast Guard, DOT.

**ACTION:** Notice of meeting; addition to agenda.

**SUMMARY:** The Coast Guard is modifying the agenda for the July 29-30, 2002, meeting of the Great Lakes Pilotage Advisory Committee (GLPAC) to add member discussion and selection of a candidate to recommend to the Secretary of Transportation for appointment as the seventh GLPAC member. The meeting will be open to the public.

**DATES:** GLPAC will meet on Monday, July 29, 2002, from 1:30 p.m. to 5 p.m. and on Tuesday, July 30, 2002, from 9 a.m. to 4 p.m. The meeting may close early if all business is finished.

**ADDRESSES:** GLPAC will meet in Deck Room B of the Maritime Institute of Technology, 5700 Hammonds Ferry Road, Linthicum Heights, Maryland. Send written material and requests to make oral presentations to Margie Hegy, Commandant (G-MW), U.S. Coast Guard Headquarters, 2100 Second Street SW., Washington, DC 20593-0001. This notice is available on the Internet at <http://dms.dot.gov>.

**FOR FURTHER INFORMATION CONTACT:** Margie Hegy, Executive Director of GLPAC, telephone 202-267-0415, fax 202-267-4700.

**SUPPLEMENTARY INFORMATION:** Notice of the meeting is given under the Federal Advisory Committee Act, 5 U.S.C. App. 2. We had planned to have the selection of the seventh member at a closed session of the GLPAC, however we have reevaluated that decision in order to expedite the selection of this member. The revised agenda is printed below.

### Agenda of Meeting

The agenda includes the following:  
(1) Automatic Identification System (AIS) Technology and Training Requirements.

<sup>13</sup> Each Partnership will preserve the accounts, books and other documents required to be maintained in an easily accessible place for the first two years.