

CSIM, the benefits of which are likely to be passed on to Fund shareholders.

### Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. Before a Fund may rely on the requested order, the operation of the Fund in the manner described in the application will be approved by a majority of the Fund's outstanding voting securities, as defined in the Act, or, in the case of a Fund whose public shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the sole shareholder prior to offering shares of the Fund to the public.

2. Each Fund will disclose in its prospectus the existence, substance and effect of any order granted pursuant to this application. In addition, each Fund will hold itself out to the public as employing the "manager of managers" approach described in this application. The prospectus will prominently disclose that CSIM has ultimate responsibility (subject to oversight by the Board) for the investment performance of a Fund due to its responsibility to oversee Sub-Advisers and recommend their hiring, termination, and replacement.

3. Within 90 days of the hiring of any new Sub-Adviser, CSIM will furnish shareholders of the affected Fund with all of the information about the new Sub-Adviser that would be contained in a proxy statement, except as modified by the order to permit the disclosure of Aggregate Fees. This information will include the disclosure of Aggregate Fees and any change in such disclosure caused by the addition of a new Sub-Adviser. CSIM will meet this condition by providing shareholders with an information statement meeting the requirements of Regulation 14C, Schedule 14C and Item 22 of Schedule 14A under the Exchange Act, except as modified by the order to permit the disclosure of Aggregate Fees.

4. CSIM will not enter into a sub-advisory agreement with any Affiliated Sub-Adviser without such agreement, including the compensation to be paid thereunder, being approved by the shareholders of the Fund.

5. At all times, a majority of the Board will be Independent Trustees and the nomination of new or additional Independent Trustees will be placed within the discretion of the then-existing Independent Trustees.

6. When a change of Sub-Adviser is proposed for a Fund with an Affiliated Sub-Adviser, the Board, including a

majority of the Independent Trustees, will make a separate finding, reflected in the Board minutes, that the change is in the best interests of the Fund and its shareholders and does not involve a conflict of interest from which CSIM or an Affiliated Sub-Adviser derives an inappropriate advantage.

7. CSIM will provide general management services to each Fund, and, subject to review and approval by the Board, will: (a) Set the Fund's overall investment strategies; (b) evaluate, select and recommend Sub-Advisers to manage all or a part of the Fund's assets; (c) when appropriate, allocate and reallocate the Fund's assets among multiple Sub-Advisers; (d) monitor and evaluate the Sub-Advisers' investment performance; and (e) implement procedures reasonably designed to ensure that the Sub-Advisers comply with the Fund's investment objective, policies, and restrictions.

8. No trustee or officer of the Trusts, or director or officer of CSIM will own directly or indirectly (other than through a pooled investment vehicle over which such person does not have control) any interest in a Sub-Adviser except for (a) ownership of interests in CSIM or an entity that controls, is controlled by or is under common control with CSIM; or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Sub-Adviser or an entity that controls, is controlled by, or is under common control with a Sub-Adviser.

9. Each Fund will disclose in its registration statement the Aggregate Fees.

10. Independent legal counsel, as defined in rule 0-1(a)(6) under the Act, will be engaged to represent the Independent Trustees. The selection of such counsel will be within the discretion of the then-existing Independent Trustees.

11. CSIM will provide the Board, no less frequently than quarterly, with information about CSIM's profitability on a per-Fund basis. The information will reflect the impact on profitability of the hiring or termination of any Sub-Adviser during the applicable quarter.

12. Whenever a Sub-Adviser is hired or terminated, CSIM will provide the Board information showing the expected impact on CSIM's profitability.

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

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

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**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of October 7, 2002: a closed meeting will be held on Thursday, October 10, 2002, at 2:30 p.m.

Commissioner Atkins, as duty officer, determined that no earlier notice thereof was possible.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(5), (7), (9)(B) and (10) and 17 CFR 200.402(a), (5), (7), (9)(ii) and (10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the Closed Meeting scheduled for Thursday, October 10, 2002 will be:

Institution and settlement of injunctive actions; and  
Institution of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: October 4, 2002.

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

[FR Doc. 02-25739 Filed 10-4-02; 4:53 pm]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46588; File No. SR-Amex-2002-77]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC To Amend the Account Type Codes Under Exchange Rule 719

October 2, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934

(“Act”),<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on September 20, 2002, the American Stock Exchange LLC (“Amex” or “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The Exchange proposes to amend the account type codes under Exchange Rule 719. The text of the proposed rule change appears below. New text is in italics.

#### Comparison of Exchange Transactions

##### Rule 719

(a) through (d) No change.

##### Commentary

.01 No change.

.02 Regardless of whether or not a registered clearing agency is being used for comparison and/or settlement, each clearing member organization shall submit the following trade data and audit trail information with respect to contracts for securities entered into on the Exchange to a registered clearing agency in such form and within such time periods as may be described by the registered clearing agency or the Exchange:

- (1) Name or identifying symbol of the security,
- (2) The clearing firm’s number or alpha symbol as may be used from time to time, in regard to its side of the contract,
- (3) The executing broker’s badge number or alpha symbol as may be used from time to time, in regard to its side of the contract,
- (4) Trade date,
- (5) The time the trade was executed,
- (6) Number of shares or quantity of security,
- (7) Transaction price,
- (8) The clearing firm’s number or alpha symbol as may be used from time to time, in regard to the contra side of the contract,
- (9) The executing broker badge number or alpha symbol as may be used from time to time, in regard to the contra side of the contract,
- (10) The terms of settlement,

(11) Specialist, registered trader, and market maker acronyms in regards to options transactions,

(12) Account type code—equities only. The current account type codes for equity transactions are as follows. Members should use the most restrictive account type code available. Thus, for example, members only should use the “A” account type code for an agency transaction when no other account type code accurately describes the trade. These codes may be changed from time to time as the Exchange may determine:

S—Specialist principal transaction in a specialty security (regardless of the account or clearing member).

G—Registered Equity Trader, Registered Equity Market Maker and Registered Option Trader market maker transactions in the equities and ETFs in which they are registered as a market maker regardless of the clearing member, and Registered Option Trader and option specialist transactions in an underlying Paired Security if the underlying Paired Security is an equity other than an ETF (e.g., SPY, DIA, QQQ, HOLDRS, Sector SPDRs).

P—Amex Option Specialist or Market Maker transaction *in the underlying of* an Amex “paired security” if the underlying of the Paired Security is an ETF (e.g., SPY, DIA, QQQ, HOLDRS, Sector SPDRs) (regardless of the clearing member).

O—Proprietary transactions cleared for a competing market maker that is affiliated with the clearing member.

T—Transactions cleared for the account of an unaffiliated member’s competing market maker.

R—Transactions cleared for the account of a non-member competing market maker.

I—Transactions cleared for the account of an individual investor.

E—Short exempt transactions cleared for the proprietary account of a clearing member organization or affiliated member/member organization.

F—Short exempt transactions cleared for the proprietary account of an unaffiliated member/member organization.

H—Short exempt transactions cleared for an individual customer account.

B—Short exempt transactions cleared for all agency customer accounts.

L—Short exempt transaction cleared for a competing market maker that is affiliated with the clearing member.

X—Short exempt transaction cleared for the account of an unaffiliated member competing market maker.

Z—Short exempt transaction cleared for the account of a non-member competing market maker.

W—Proprietary transactions not specified above and cleared for the

account of an unaffiliated member/member organization.

A—Transactions cleared for all agency customer accounts.

P—Transactions not specified above and cleared for the proprietary account of a clearing member organization or affiliated member/member organization.

V—Proprietary transactions cleared for the account of a non-member broker dealer that is not a competing market maker.

3—*Transactions cleared for a Nasdaq market maker that is affiliated with the clearing member that resulted from telephone access to the specialist.*

4—*Transactions cleared for a member’s Nasdaq market maker that is not affiliated with the clearing member that resulted from telephone access to the specialist.*

5—*Transactions cleared for a non-member Nasdaq market maker that is not affiliated with the clearing member that resulted from telephone access to the specialist.*

New York Stock Exchange program trade audit trail account type codes as used from time to time also are acceptable.

(13) Account type code—options only. The current account type codes for option transactions are as follows. Members should use the most restrictive account type code available. These codes may be changed from time to time as the Exchange may determine:

S—Specialist principal transaction in a specialty security (regardless of the account or clearing member)

C—Transactions cleared for the account of an individual investor

F—Transactions cleared for the account of a broker-dealer that is not a registered market maker in the security

P—Registered trader market maker transaction regardless of the clearing member

N—Transactions cleared for the account of a non-member market maker

(14) Such other information as the Exchange may from time to time require. Clearing members may not “summarize” multiple trades in the same security, executed at the same price with the same contra clearing firm as this results in degradation of the audit trail.

\* \* \* \* \*

### II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange 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*

(1) Purpose

The Exchange's rules require clearing members to submit to comparison different types of information for each transaction that they clear. These requirements are set forth in Exchange Rule 719. Among the different data that clearing firms must submit for each trade is an account type code. These codes identify the type of account for which the trade was effected (e.g., a customer, market maker or specialist). The Exchange uses these codes for purposes of market oversight and transaction fee billing.

The Exchange is proposing three modifications to the account type codes. Going forward, the number "3" would be used to identify transactions that resulted from telephone access to the Amex specialist effected for a Nasdaq market maker that is affiliated with the clearing member. The number "4" would be used to identify transactions that resulted from telephone access to the specialist effected for a Nasdaq market maker that is an Amex member but is not affiliated with the member clearing the trade. Finally, the number "5" would be used to identify transactions that resulted from telephone access to the specialist effected for a Nasdaq market maker that is not an Amex member and is not affiliated with the clearing member. The Exchange is making these changes to identify the trades that result from telephone access to the specialist so that these trades will not be charged a transaction fee.<sup>3</sup> No other change would be made to Rule 719.

(2) Statutory Basis

The Exchange believes that the proposed rule change is consistent with

section 6(b) of the Act<sup>4</sup> in general and furthers the objectives of section 6(b)(5),<sup>5</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

*B. Self-Regulatory Organization's Statement on Burden on Competition*

The proposed rule change will impose no burden on competition.

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were solicited or received with respect to the proposed rule change.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing rule change has become effective pursuant to section 19(b)(3)(A) of the Act<sup>6</sup> and paragraph (f)(1) and (3) of Rule 19b-4<sup>7</sup> thereunder because it constitutes a states policy, practice or interpretation with respect to the meaning, administration, or enforcement of an existing rule and is concerned solely with the administration of the self-regulatory organization. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. 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 submission, all subsequent amendments, all written statements

with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-2002-77 and should be submitted by October 30, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

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

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-46592; File No. SR-CHX-2002-28]

**Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 by the Chicago Stock Exchange, Incorporated To Amend the CHX Membership Dues and Fees Schedule to Reduce Tape A and Tape B Specialist Credits, Reduce Floor Broker Earned Credits, and Increase the OTC Specialist Fixed Fees**

October 2, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 3, 2002, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. On September 30, 2002, the CHX amended the proposal.<sup>3</sup> The Exchange has

<sup>8</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See September 27, 2002 letter from Ellen J. Neely, Senior Vice President and General Counsel, CHX, to Nancy J. Sanow, Division of Market Regulation, Commission ("Amendment No. 1") Amendment No. 1 completely replaces and supersedes the original filing. For purposes of calculating the 60-day abrogation period, the Commission considers the period to have commenced on September 30, 2002, the date the CHX filed Amendment No. 1.

<sup>3</sup> The Exchange states that Section IX of the Nasdaq Unlisted Trading Privileges Plan ("Plan") provides in part that no Plan Participant can impose any fee or charge with respect to transactions in Nasdaq securities effected with Nasdaq market makers which are communicated to the floor by telephone pursuant to the Plan. See Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis.

<sup>4</sup> 15 U.S.C. 78f(b).

<sup>5</sup> 15 U.S.C. 78f(b)(5).

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4(f)(1) and (3).