

Categories, which depicts the three categories: A, B, and C. To calculate the number of additional years of retention service credit, average the number of additional years received for the employees' three most recent annual placements in category A, B, or C during the 4-year period before the issuance of RIF notices. Use the following rules to determine the number of years for a given annual placement.

Rule 1—Employees whose annual OCS places them above the upper rail in category A shall not receive any additional years.

Exception to Rule 1—Category A employees on retained pay may have lacked the opportunity to contribute at the level of their retained pay. Therefore, they shall receive 12 additional years.

Rule 2—Employees whose OCS places them in categories B or C shall receive 12 additional years.

Rule 3—Substitute the annual performance rating of record under the previous performance management system for one or more CCAS process results if, before the issuance of RIF notices, (1) three complete CCAS cycles have not yet occurred or (2) an individual has not completed three cycles to obtain three CCAS process results. In such cases, consistent with the re-designated Table 7, Translation of Retention Service Credit, employees with ratings of record at or above Fully Successful or equivalent (Level 3) shall receive 12 additional years, while those with lower ratings of record shall not receive any additional years. After including both CCAS results and previous ratings of record, employees who still have only received one or two of these shall receive credit for performance on the basis of adding the value and dividing by the number of CCAS results and/or ratings of record actually received. Those who have no annual performance rating of record or CCAS results shall receive 12 additional years.

Change Section V. B. 4. to read:

The demonstration project does not use summary level designators. In this regard, the project differs from non-demonstration appraisal systems and programs established under 5 U.S.C. Chapter 43 and 5 CFR part 430. To accommodate this difference and to allow the CCAS contribution information to be used as equivalent ratings under 5 CFR part 430, translate retention service credit based on the employee's OCS for the 3 most recent years of the last 4 years while under the demonstration project to summary level designators for use by the gaining agency. The re-designated Table 7,

Translation of Retention Service Credit, shows how to do this translation.

Retention service credit	Appraisal rating level
12	Fully Successful or equivalent, Level 3.
0	Unsuccessful, Level 1.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46629; File No. SR-CBOE-2002-24]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment Nos. 1 and 2 by Chicago Board Options Exchange, Incorporated Amending Listing Standards for Options on Narrow-Based and Broad-Based Security Indexes

October 9, 2002.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 7, 2002, the Chicago Board Options Exchange, Incorporated ("CBOE" 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 CBOE. The CBOE filed Amendments No. 1 and 2 to the proposed rule change on August 6, 2002³ and August 29, 2002,⁴ respectively. The Commission is publishing this notice to solicit

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Letter dated August 6, 2002 from Madge Hamilton, Legal Division, CBOE, to Kelly Riley, Senior Special Counsel, Division of Market Regulation ("Division"), Commission ("Amendment No. 1"). Amendment No. 1 makes certain technical corrections to the proposed rule change.

⁴ See Letter dated August 29, 2002 from Madge Hamilton, Legal Division, CBOE, to Florence Harmon, Senior Special Counsel, Division, Commission ("Amendment No. 2"). Amendment No. 2 makes certain technical corrections to the proposed rule text and adds a requirement that component securities be registered under Section 12 of the Act. Amendment No. 2 also adds a requirement that the total number of securities in an index may not increase or decrease by more than 33 1/3% from the number of component securities in the index at the time of its initial listing. Amendment No. 2 also adds a requirement that cash settled index options be designated as AM-settled index options. Finally, Amendment No. 2 adds a new index weighting methodology known as "share weighting."

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 its rules regarding listing standards for options on narrow-based and broad-based security indexes. The text of the proposed rule change is set forth below. Additions are in italics; deletions are in brackets.

CHAPTER XXIV

Index Options

* * * * *

Rule 24.2 Designation of the Index

(a) The component securities of an index underlying an index option contract need not meet the requirements of Rule 5.3. Except as set forth in subparagraph (b) and (c) below, the listing of a class of index options on a new underlying index will be treated by the Exchange as a proposed rule change subject to filing with and approval by the Securities and Exchange Commission ("Commission") under Section 19(b) of the Exchange Act.

(b) Notwithstanding paragraph (a) above, the Exchange may trade options on a narrow-based security index pursuant to Rule 19b-4(e) of the Securities Exchange Act of 1934, if each of the following conditions is satisfied:

(1) *The index is a security index.* [The options are designated as A.M.-settled index options:]

(i) *that has 9 or fewer component securities; or*

(ii) *in which a component security comprises more than 30 percent of the index's weighting; or*

(iii) *in which the 5 highest weighted component securities in the aggregate comprise more than 60 percent of the index's weighting or*

(iv) *in which the lowest weighted component securities comprising, in the aggregate, 25 percent of the index's weighting have an aggregate dollar value of average daily trading volume of less than \$50,000,000 (or in the case of an index with 15 or more component securities, \$30,000,000), except that if there are two or more securities with equal weighting that could be included in the calculation of the lowest weighted component securities comprising, in the aggregate, 25 percent of the index's weighting, such securities shall be ranked from lowest to highest dollar value of average daily trading volume and shall be included in the calculation based on their ranking starting with the lowest ranked security;*

(2) The index is capitalization-weighted, *modified capitalization-weighted*, price-weighted, *share weighted*, [or] equal dollar-weighted, or *modified equal-dollar weighted*], and consist of ten or more component securities[.];

(3) Each component security in the index has a *minimum* market capitalization of at least \$75 million, except that [for] each of the lowest weighted [component] securities in the index that in the aggregate account for no more than 10% of the weight of the index[,] *may have a minimum* [the] market capitalization of only [is at least] \$50 million[.];

(4) *The average daily trading* [Trading] volume in each of the preceding six months for each component security in the index is at least 45,500 shares, [has been at least one million shares for each of the last six months,] except that [for] each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index[,] *may have an average daily trading volume of only 22,750* [has been at least 500,000] shares for each of the last six months[.];

(5) In a capitalization-weighted index the lesser of: (1) the five highest weighted component securities in the index each have had an average daily trading volume of at least 90,000 shares over the past six months; or (2) the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of component securities in the index each have had an average *daily* [monthly] trading volume of at least 90,000 [2,000,000] shares over the past six months[.];

[(6) No single component security represents more than 25% of the weight of the index, and the five highest weighted component securities in the index do not in the aggregate account for more than 50% (60% for an index consisting of fewer than 25 component securities) of the weight of the index.]

[(7)] (6) *Subject to subparagraphs (4) and (5) above, the c[C]omponent securities that account for at least 90% of the total index weight [of the index] and at least 80% of the total number of component securities in the index [satisfy] must meet the requirements of Rule 5.3 applicable to individual underlying securities[.];*

[(8)] (7)(i) Each [All] component [securities] security in the index is a [are] “reported security [securities]” as defined in Rule 11Aa3-1 under the Exchange Act[.]; or

[(9)] (ii) [Non-U.S. component] Foreign securities [(stocks or ADRs)] or

ADRs thereon that are not subject to comprehensive surveillance sharing agreements do not [in the aggregate] represent more than 20% of the weight of the index[.];

[(10)] (8) The current underlying index value will be reported at least once every fifteen seconds during the time the index options are traded on the Exchange[.];

[(11)] (9) An equal dollar-weighted index will be rebalanced at least once every calendar [quarter] year[.];

[(12)] (10) If [an] *the* underlying index is maintained by a broker-dealer, the index is calculated by a third party who is not a broker-dealer, and the broker-dealer has in place an *information barrier* [erected a “Chinese Wall”] around its personnel who have access to information concerning changes in and adjustments to the index[.];

(11) *Each component security in the index is registered pursuant to section 12 of the Exchange Act; and*

(12) *Cash settled index options are designated as Am-settled index options.*

(c) *Notwithstanding paragraph (a) above, the Exchange may trade options on a broad-based security index pursuant to Rule 19b-4(e) of the Securities Exchange Act of 1934, if each of the following conditions is satisfied;*

(1) *The index is a security index*

(i) *that has 10 or more component securities;*

(ii) *in which no component security comprises less than 30 percent of the index’s weighting;*

(iii) *in which the 5 highest weighted component securities in the aggregate comprise less than 60 percent of the index’s weighting; and*

(iv) *in which the lowest weighted component securities comprising, in the aggregate, 25 percent of the index’s weighting have an aggregate dollar value of average daily trading volume of more than \$50,000,000 (or in the case of an index with 15 or more component securities, \$30,000,000), except that if there are two or more securities with equal weighting that could be included in the calculation of the lowest weighted component securities comprising, in the aggregate, 25 percent of the index’s weighting, such securities shall be ranked from lowest to highest dollar value of average daily trading volume and shall be included in the calculation based on their ranking starting with the lowest ranked security;*

(2) *The index is capitalization-weighted, modified capitalization-weighted, price-weighted, share-weighted, equal dollar-weighted, or modified equal-dollar weighted;*

(3) *Each component security in the index has a minimum market capitalization of at least \$75 million, except that each of the lowest weighted securities in the index that in the aggregate account for no more than 10% of the weight of the index may have a minimum market capitalization of only \$50 million;*

(4) *The average daily trading volume in each of the preceding six months for each component security in the index is at least 45,500 shares, except that each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index may have an average daily trading volume of only 22,750 shares for each of the last six months;*

(5) *In a capitalization-weighted index the lesser of: (1) the five highest weighted component securities in the index each have had an average daily trading volume of at least 90,000 shares over the past six months; or (2) the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of component securities in the index each have had an average daily trading volume of at least 90,000 shares over the past six months;*

(6) *Subject to subparagraphs (4) and (5) above, the component securities that account for at least 90% of the total index weight and at least 80% of the total number of component securities in the index must meet the requirements of Rule 5.3 applicable to individual underlying securities;*

(7)(i) *Each component security in the index is a “reported security” as defined in Rule 11a 3-1 under the Exchange Act; or*

(ii) *Foreign securities or ADRs thereon that are not subject to comprehensive surveillance sharing agreements do not represent more than 20% of the weight of the index;*

(8) *The current underlying index value will be reported at least once every fifteen seconds during the time the index options are traded on the Exchange;*

(9) *An equal dollar-weighted index will be rebalanced at least once every calendar year;*

(10) *If the underlying index is maintained by a broker-dealer, the index is calculated by a third party who is not a broker-dealer, and the broker-dealer has in place an information barrier around its personnel who have access to information concerning changes in and adjustments to the index;*

(11) Each component security in the index is registered pursuant to Section 12 of the Exchange Act; and

(12) Cash settled index options are designated as AM-settled index options.

[(c)](d) The following maintenance listing standards shall apply to each class of index options originally listed pursuant to paragraph (b) or (c) above:

(1) The index meets the criteria of paragraph (b)(1) or (c)(1) of this Rule; [The conditions stated in subparagraphs (b)(1), (3), (6), (7), (8), (9), (10), (11) and (12) must continue to be satisfied, provided that the conditions stated in subparagraphs (b)(6) must be satisfied only as of the first day of January and July in each year:]

(2) Subject to subparagraphs (4) and (9) below, the component securities that account for at least 90% of the total index weight and at least 80% of the total number of component securities in the index must meet the requirements of Rule 5.3;

(3) Each component security in the index has a market capitalization of at least \$75 million, except that each of the lowest weighted component securities that in the aggregate account for no more than 10% of the weight of the index may have a market capitalization of only \$50 million;

(4) The average daily trading volume in each of the preceding six months for each component security in the index is at least 22,750 shares, except that each of the lowest weighted component securities in the index that in the aggregate account for not more than 10% of the weight of the index may have an average daily trading volume of at least 18,200 shares for each of the last six months;

(5) Each component security in the index is

(i) a "reported security" as defined in Rule 11A3-1 under the Exchange Act; or

(ii) Foreign securities or ADRs thereon that are not subject to comprehensive surveillance sharing agreements do not represent more than 20% of the weight of the index;

(6) The current underlying index value will be reported at least once every fifteen seconds during the time the index options are traded on the Exchange;

(7) An equal dollar-weighted index will be rebalanced at least once every calendar year;

(8) If the underlying index is maintained by a broker-dealer, the index is calculated by a third party who is not a broker-dealer, and the broker-dealer has in place an information barrier around its personnel who have access to information concerning

changes in and adjustments to the index;

(9) In a capitalization-weighted index the lesser of: (1) the five highest weighted component securities in the index each have had an average daily trading volume of at least 45,500 shares over the past six months; or (2) the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of stocks in the index each have had an average daily trading volume of at least 45,500 shares over the past six months;

[(2)](10) The total number of component securities in the index may not increase nor decrease by more than 33⅓% from the number of component securities in the index at the time of its initial listing; [and in no event may be less than nine component securities:

(3) Trading volume of each component security in the index must be at least 500,000 shares for each of the last six months, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, trading volume must be at least 400,000 shares for each of the last six months:

(4) In a capitalization-weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of stocks in the index each have had an average monthly trading volume of at least 1,000,000 shares over the past six months.]

(11) Each component security in the index is registered pursuant to Section 12 of the Exchange Act; and

(12) In the event a class of index options listed on the Exchange fails to satisfy the maintenance listing standards set forth herein, the Exchange shall not open for trading any additional series of options of that class unless such failure is determined by the Exchange not to be significant and the Commission concurs in that determination, or unless the continued listing of that class of index options has been approved by the Commission under section 19(b)(2) of the Exchange Act.

* * * * *

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

In its filing with the Commission, CBOE 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 text of these statements may be examined at the places specified in Item IV below. The CBOE 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 CBOE states that the proposed rule change amends CBOE Rule 24.2 to make it consistent with listing standards applicable to futures on narrow-based security indexes, as defined and permitted under the Commodity Futures Modernization Act of 2000 ("CFMA"), and adds listing standards for options on broad-based security indexes. The CBOE states that the proposed rule change adopts criteria, which follows, for the most part, the definition of "narrow-based security index" in the CFMA and makes changes to CBOE's current listing standards for options on narrow-based security indexes to conform with the Bulletin issued by the Division that suggested listing standards for futures on a narrow-based security index ("Division's Bulletin").⁵ The proposed rule change would amend the current initial listing standards for options on narrow-based security indexes in CBOE Rule 24.2, amend CBOE Rule 24.2 to add new initial listing standards for options on broad-based security indexes, and provide for maintenance standards for both narrow-based security indexes and broad-based security indexes.

The CBOE states that the proposed rule change incorporates the definition of a narrow-based security index in the CFMA⁶ into the listing standards for options on a narrow-based security index. Thus, the proposed rule change would require that the index be a narrow-based security index:

(1) That has 9 or fewer component securities, or

(2) In which a component security comprises more than 30% of the index's weighting, or

(3) In which the 5 highest weighted component securities in the aggregate comprise more than 60% of the index's weighting, or

(4) In which the lowest weighted component securities comprising, in the

⁵ U.S. Securities and Exchange Commission, Division of Market Regulation: Staff Legal Bulletin No. 15: Listing Standards for Trading Security Futures Products (September 5, 2001).

⁶ Section 201 of the CFMA; 15 U.S.C. 78c(a)(55)(B).

aggregate, 25% of the index's weighting have an aggregate dollar value of averaged daily trading volume of less than \$50 million (or in the case of an index with 15 or more component securities, \$30 million), except that if there are 2 or more securities with equal weighting that could be included in the calculation of the lowest weighted component securities comprising, in the aggregate, 25% of the index's weighting, such securities shall be ranked from lowest to highest dollar value of average daily trading volume and shall be included in the calculation based on their ranking starting with the lowest ranked security.

The CBOE states that the proposed rule change also makes other modifications to be consistent with the Division's Bulletin. The proposed rule change requires that all component securities of a narrow-based and broad-based security index be registered pursuant to Section 12 of the Act. Consistent with the Division's Bulletin, the proposed rule change would also permit an index to be modified capitalization-weighted index. The Division's Bulletin lists modified capitalization-weighted in its sample initial eligibility criteria for a security futures product based on an index

composed of two or more securities as comparable to listing standards for options traded on a national securities exchange or national securities association.⁷ The proposed rule change proposes two additional weighting methodologies, modified equal-dollar weighted and share-weighted. The CBOE states that it is relevant that Commission has approved options on certain individual modified equal-dollar weighted indexes.⁸

The CBOE states that a share-weighted index is designed to mimic the value of a portfolio consisting of two or more securities. The weight of each component security is calculated by multiplying the price of the component security by an adjustment factor. Adjustment factors are chosen to reflect the investment objective deemed appropriate by the designer of the index.⁹ The value of the index is calculated by adding the weight of each component security and dividing the total by an index divisor.¹⁰

Unlike other indexes currently available, share-weighted indexes do not require divisor changes in order to adjust for corporate actions. Rather, a change is made to the adjustment factor for a particular stock undergoing the corporate action. Thus, only the stock

undergoing the corporate action is affected, which mimics the impact on a replicating portfolio. For example, the index is adjusted for a stock split by multiplying the adjustment factor of the affected stock by its split ratio. The index is adjusted for spin-offs and other distributions, excluding regular cash dividends, by taking the value of the property being distributed and then changing the adjustment factor to reflect the purchase of additional shares of the index component. Unlike a capitalization-weighted index, share-weighted indexes are not adjusted to reflect changes in the number of outstanding shares of its constituents. For example, if a company issued additional shares, this would not impact a share-weighted index. Example: Adjusting a share-weighted index to reflect a 2-for-1 stock split in the shares of one of its components.

Consider the following share-weighted index. Stock 2 has declared a 2-for-1 split and the prices listed below represent the closing prices for each index component on the business day immediately prior to the ex-distribution date. The index divisor, which was chosen to yield a benchmark level of 100, is 1.00. Therefore, the closing index level prior to the ex-date is 91.00.

Component	Price (P _i)	Adjustment factor (A _i)	P _i x A _i	Component weight (in percent)
Stock 1	\$23	\$1.25	28.75	31.59
Stock 2	92	0.5	46	50.55
Stock 3	5	1.25	6.25	6.87
Stock 4	8	1.25	10	10.99
Total			91	100.00

As shown in the table below, the adjustment to reflect the 2-for-1 split would require that the Adjustment Factor for Stock 2 be multiplied by the split ratio (2), thereby changing it from 0.5 to 1.0. The post-split price of Stock

2 (\$46) is adjusted by dividing the pre-split price (\$92) by the split ratio.

The product of the new Adjustment Factor and the post-split price of Stock 2 is exactly the same as product of the old Adjustment Factor and pre-split

price of Stock 2. Furthermore, the sum of the products (P_i x A_i and individual component weights are exactly the same as before the split, and the index divisor remains unchanged at 1.00.

⁷ See III.A.(ii)(a) of the Division's of Market Regulation: Staff Legal Bulletin No. 15: Listing Standards for Trading Security Futures Products (September 5, 2001). See also Securities Exchange Act Release No. 42787, 65 FR 33598 (May 24, 2000) (amending Rule 1000A to permit the index underlying a series of Index Fund Shares to be calculated based on modified market capitalization weighting methodology, among others); Securities Exchange Act Release No. 43912 (January 31, 2001), 66 FR 9401 (February 7, 2001) (permitting an index underlying a series of Index Fund Shares to be calculated on modified market capitalization); and Philadelphia Stock Exchange Rule 1009A(b)(2), which permits a narrow-based index to be modified capitalization-weighted.

⁸ Securities Exchange Act Release No. 36623 (December 21, 1995), 60 FR 67379 (December 29, 1995) (approving options on the CBOE Automotive Index, which is modified equal-dollar weighted). In the Commission's release adopting final rules regarding new derivative securities products, it noted that "[t]he index underlying a new derivative securities product should be constructed according to established criteria for initial inclusion of new component securities. SROs seeking to rely on the proposed amendment should employ objective index construction standards that include a minimum number of component securities and a fixed and objective weighting methodology (e.g., capitalization weighted, price weighted, equal-dollar weighted or modified equal-dollar weighted.)" (footnote omitted.) Securities Exchange

Act Release No. 40761, 63 FR 70952, 70961 (December 22, 1998). See also Securities Exchange Act Release No. 42787, 65 FR 33598 (May 24, 2000) (amending Rule 1000A to permit the index underlying a series of Index Fund Shares to be calculated based on modified equal-dollar weighting methodology, among others).

⁹ For example, an index designer might want to apply an adjustment factor in order to prevent one or a few components from dominating the weight of the index. This is similar to an adjustment factor in other types of weighting methods such as modified capitalization weighted indexes.

¹⁰ The index "divisor" is calculated to yield a benchmark index level (50, 100, 200, etc. as of a particular date.

Component	Price (P _i)	Adjustment factor (A _i)	P _i x A _i	Component weight (in percent)
Stock 1	\$23	1.25	28.75	31.59
Stock 2	46	1.0	46	50.55
Stock 3	5	1.25	6.25	6.87
Stock 4	8	1.25	10	10.99
Total			91	100.00

The proposed rule change also amends paragraph (c) to add listing standards for options on a broad-based security index. The CBOE states that these listing standards follow, for the most part, the listing standards for options on narrow-based security indexes. However, the criteria specifically discussed above, regarding the composition of a narrow-based security index, was reversed for the composition of a broad-based security index. For example, for a broad-based security index the index must have 10 or more component securities.

The proposed rule change amends the maintenance standards by moving them to new paragraph (d) and making them applicable to both the narrow-based security indexes and the broad-based security indexes. The CBOE states that the maintenance standards listed in the proposed rule change also follows the Division's Bulletin for the most part. CBOE believes that the proposed rule change would assist CBOE in providing new products to the marketplace in an efficient and expeditious manner. The CBOE states that this in turn would benefit investors by providing them with new products, in a more timely fashion and provide more competition.

2. Statutory Basis

CBOE believes the proposed rule change, as amended, is consistent with Section 6(b) of the Act¹¹ in general and furthers the objectives of Section 6(b)(5)¹² in particular in that it should promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest. CBOE believes that the adoption of the proposed rule change will enable CBOE to act expeditiously in listing new options on narrow-based and broad-based security indexes. In addition, CBOE believes that the proposed rule change would remove impediments to a free and open market place by providing competition for new products. CBOE states that the proposed

rule change would permit CBOE to more effectively bring new products to the marketplace for competition, as well as permit CBOE to compete with other new products in the marketplace, such as security futures.

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

CBOE states that this proposed rule change, as amended, does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the CBOE consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. The Commission solicits comment on whether the existing position limits are adequate to address manipulation concerns for both cash settled and physically settled index options, particularly narrow-based index options. 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 CBOE. All submissions should refer to File No. SR-CBOE-2002-24 and should be submitted by November 6, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Jill M. Peterson,

Assistant Secretary.

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DEPARTMENT OF STATE

[Public Notice 4162]

Culturally Significant Objects Imported for Exhibition; Determinations: Giorgio De Chirico and the Myth of Ariadne

ACTION: Notice.

SUMMARY: Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, and Delegation of Authority No. 236 of October 19, 1999, as amended, I hereby determine that the objects to be included in the exhibition "Giorgio De Chirico and the Myth of Ariadne," imported from abroad for temporary exhibition within the United States, are of cultural significance. The objects are imported pursuant to loan

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ 17 CFR 200.30-3(a)(12).