

indirectly.<sup>18</sup> If necessary, Applicants also request authority for PG&E to acquire ETrans and Gen on an interim basis, between the time that utility assets are transferred to ETrans and Gen and the Reorganization is completed.<sup>19</sup>

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-26825 Filed 10-21-02; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-25769; File No. 812-12873]

### London Pacific Life & Annuity Company; Notice of Application

October 16, 2002.

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

**ACTION:** Notice of application for an Order of approval pursuant to section 26(c) and Order of exemption pursuant to Sections 6(c) and 17(b) of the Investment Company Act of 1940 ("1940 Act").

*Applicants:* London Pacific Life & Annuity Company, LPLA Separate Account One and LPT Variable Insurance Series Trust (collectively, the "Applicants").

**SUMMARY:** Applicants seek an order approving the substitution of the shares of the portfolios ("Replaced Portfolios") of the LPT Variable Insurance Series Trust (the "LPT Trust") with shares of certain portfolios ("Substituting Portfolios") of the MFS(R) Variable Insurance Trust ("MFS Trust") as follows: (1) Shares of the RS Diversified Growth Portfolio with shares of the MFS New Discovery Series; (2) shares of the Harris Associates Value Portfolio with shares of the MFS Value Series; (3) shares of the LPA Core Equity Portfolio with shares of the MFS Value Series; (4) shares of the Strong Growth Portfolio with shares of the MFS Investors Growth Stock Series; and (5) shares of the MFS Total Return Portfolio with shares of the MFS Total Return Series. Applicants also seek an order of exemption pursuant to section 17(b) of the 1940 Act to permit certain in-kind redemptions and purchases in connection with the substitution.

**DATES:** The initial Application was filed on August 23, 2002. The amended and restated application was filed on October 2, 2002.

*Hearing or Notification of Hearing:* An order granting the amended and restated application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Secretary of the Commission and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on November 6, 2002, and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified may request notification of a hearing by writing to the Secretary of the SEC.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609.

Applicants, c/o Lynn K. Stone, Blazzard, Grodd & Hasenauer, P.C., PO Box 5108, Westport, Connecticut, 06881. Copies to George C. Nicholson, London Pacific Life & Annuity Company, 3101 Poplarwood Court, Raleigh, North Carolina, 27604.

**FOR FURTHER INFORMATION CONTACT:**

Curtis A. Young, Senior Counsel, or Lorna J. MacLeod, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

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

### Applicants' Representations

1. London Pacific Life & Annuity Company ("London Pacific") was organized in 1927 in North Carolina as a stock life insurance company. London Pacific is authorized to sell life insurance and annuities in 40 states and the District of Columbia. London Pacific's ultimate parent is London Pacific Group Limited, an international fund management firm chartered in Jersey, Channel Islands.

2. On July 3, 2002, the Commissioner of Insurance ("Commissioner") of the North Carolina Department of Insurance issued an order ("Summary Order") declaring that London Pacific was under the supervision of the Commissioner. The Summary Order requires London

Pacific to obtain prior written approval from the Commissioner before undertaking a number of various actions. Supplementary Instructions issued by the Commissioner, effective July 9, 2002, require London Pacific to make certain reports to the Commissioner or its representative and to limit payment to affiliates. The Supplementary Instructions also require that certain transactions are to be expressly approved by the North Carolina Department of Insurance during the period of supervision of London Pacific unless London Pacific is subsequently otherwise notified. On August 6, 2002, an Order of Rehabilitation and Preliminary Injunction was issued in the Superior Court of Wake County, North Carolina. The Commissioner was appointed as Rehabilitator of London Pacific. As Rehabilitator, the Commissioner is authorized to take possession of all of London Pacific's assets and properties, and continue to operate their businesses and manage their properties as deemed appropriate, pursuant to applicable North Carolina Insurance Law.

3. LPLA Separate Account One ("Separate Account") is a segregated asset account of London Pacific. The Separate Account was established by London Pacific on November 21, 1994, under North Carolina insurance laws. The Separate Account is used to fund certain Contracts issued by London Pacific. The Separate Account is divided into subaccounts, each of which invests in and reflects the investment performance of a specific underlying registered investment company or portfolio thereof. The Separate Account is registered as a unit investment trust under the 1940 Act.

4. The Separate Account supports certain variable annuity contracts (collectively, the "Contracts") issued by London Pacific. As of May 1, 2002, the Contracts are no longer available for new sales and existing Owners are not permitted to make additional contributions to the Contracts. Each of the Contracts gives London Pacific the right to substitute one or more underlying mutual funds or portfolios for others. These contractual provisions have also been disclosed in the prospectuses relating to the Contracts.

5. The LPT Trust was established as a Massachusetts business trust on January 23, 1995. The LPT Trust is comprised of five separate series ("Portfolios" or "Replaced Portfolios"). The LPT Trust is registered as an open-end management investment company under the 1940 Act (File No. 811-8960) and its shares are registered as securities under the 1933 Act (File No. 033-

<sup>18</sup> See *supra*, at n.8.

<sup>19</sup> Applicants also state that, if necessary, PG&E will claim exemption from registration by rule 2 under the Act for the interim period during which it will hold all of the ownership interests in Newco.

88792). The shares of the LPT Trust are sold exclusively to the Separate Account of London Pacific to fund benefits under the Contracts. LPIMC Insurance Marketing Services (“LPIMC”) is the investment adviser for the LPT Trust. LPIMC is a wholly-owned subsidiary of London Pacific. LPIMC has engaged sub-advisers for each of the Portfolios of the LPT Trust

to make investment decisions and place orders.

6. Applicants request the Commission’s approval to effect the substitutions of the shares of the Replaced Portfolios with shares of certain portfolios of the MFS Trust (the “Substitution”). The Substituting Portfolios are each a series of the MFS Trust, an open-end management investment company registered under

the 1940 Act (File No. 811–08326), the shares of which are registered as securities under the 1933 Act (File No. 33–74668). Applicants represent that the Substituting Portfolios, in general, have similar investment objectives to, more assets, better performance and lower expense ratios than, the Replaced Portfolios. The Replaced Portfolios and the corresponding Substituting Portfolios are as follows:

| Replaced portfolios                     | Substituting portfolios            |
|---|------------------------------------|
| RS Diversified Growth Portfolio .....   | MFS New Discovery Series.          |
| Harris Associates Value Portfolio ..... | MFS Value Series.                  |
| LPA Core Equity Portfolio .....         | MFS Value Series.                  |
| Strong Growth Portfolio .....           | MFS Investors Growth Stock Series. |
| MFS Total Return Portfolio .....        | MFS Total Return Series.           |

7. For the shares of each Replaced Portfolio held on behalf of the Separate Account at the close of business on the date selected for the Substitution, London Pacific will redeem those shares for cash or in-kind. Simultaneously, London Pacific, on behalf of the Separate Account Applicant, will place a purchase order for shares of each Substituting Portfolio so that each purchase will be for the exact amount of the redemption proceeds, which may be partly or wholly-in kind. Accordingly, at all times monies attributable to Owners then invested in the Replaced Portfolio will remain fully invested and will result in no change in the amount of any Owner’s contract value, death benefit or investment in the Separate Account Applicant.

8. In connection with the redemption of all shares of each Replaced Portfolio, it is anticipated that the Replaced Portfolio will incur brokerage fees and expenses in connection with such redemption. To alleviate the potential impact, the redemptions for certain Replaced Portfolios will be effected partly for cash and partly for portfolio securities redeemed “in-kind”. In addition, Applicants will use the in-kind and cash redemption proceeds to purchase shares of the Substituting Portfolio. In effecting the in-kind redemptions and transfers, the LPT Trust has informed the Applicants that it will comply with the requirements of Rule 17a-7 under the 1940 Act and the procedures established thereunder by the Board of Trustees of the LPT Trust.

9. As noted above, the portfolio securities received from the in-kind redemptions will be used together with the cash proceeds to purchase the shares of the Substituting Portfolios. The Applicants have determined that partially effecting the redemption of shares of the Replaced Portfolios “in-

kind” is appropriate, based on the similarity of certain types of portfolio securities that may be held by the Replaced Portfolio and its corresponding Substituting Portfolio. The LPT Trust has advised the Applicants that the valuation of any “in-kind” redemptions will be made on a basis consistent with the normal valuation procedures of the Replaced Portfolio and that of the Substituting Portfolio.

10. The full net asset value of the redeemed shares held by the Separate Account Applicant will be reflected in the Owners’ contract values following the Substitution. The Applicants represent that the Owners will not bear, directly or indirectly, any expenses, including brokerage expenses, for the Substitution so that the full net asset value of redeemed shares of the Replaced Portfolio held by the Separate Account Applicant will be reflected in the Owners’ contract values following the Substitution.

11. The LPT Trust is fully advised of the terms of the Substitution. Applicants anticipate that until the Substitution occurs, the LPT Trust will conduct the trading of portfolio securities in accordance with the investment objectives and strategies stated in the LPT Trust’s prospectus and in a manner that provides for the anticipated redemptions of shares held by the Separate Account Applicant.

12. Applicants have determined that the Contracts allow the Substitution as described in the application, and that the transactions can be consummated as described therein under applicable insurance laws and under the Contracts. In addition, prior to effecting the Substitution, Applicants will have complied with any regulatory requirements they believe are necessary to complete the transactions in each

jurisdiction where the Contracts are qualified for sale.

13. Affected Owners will not incur any fees or charges, directly or indirectly, as a result of the Substitution, nor will the rights or obligations of London Pacific under the Contracts be altered in any way. The proposed Substitution will not have any adverse tax consequences to Owners. The proposed Substitution will not cause Contract fees and charges currently being paid by existing Owners to be greater after the proposed Substitution than before the proposed Substitution. The proposed Substitution will not be treated as a transfer for the purpose of assessing transfer fees. Moreover, London Pacific will allow the Owners, with respect to shares substituted, to transfer the contract values held in the subaccount invested in the Substituting Portfolio for a period of thirty-one days without collecting transfer fees or imposing any additional restrictions on transfers. The Contracts provide that there are currently no restrictions on the number of transfers that can be made. Currently, London Pacific does not assess a transfer fee on the first 12 transfers made in a contract year. Moreover, such a transfer will not be counted as a transfer request under any contractual provisions of the Contracts that limit the number of transfers that may be made without charge.

14. In anticipation of the filing of this Application, the Applicants have supplemented the prospectuses for the Contracts to reflect the proposed Substitution. Within five days after the Substitution, London Pacific will send to Owners written notice of the Substitution, substantially in the form attached to the Application as Exhibit C (the “Notice”), identifying the shares of the Replaced Portfolios that have been

eliminated and the shares of the Substituting Portfolios that have been substituted. London Pacific will include in such mailing the applicable prospectus supplement for the Contracts of the Separate Account Applicant describing the Substitution. In addition, London Pacific will provide a copy of the prospectus for the Substituting Portfolios with the Notice. Owners will be advised in the Notice that for a period of thirty-one days from the mailing of the Notice, Owners may transfer all assets, as substituted, to any other available subaccount without limitation or transfer charge (the "Free Transfer Period").

#### Applicants' Legal Analysis

1. Section 26(c) (formerly, Section 26 (b)) of the 1940 Act provides that "[i]t shall be unlawful for any depositor or trustee of a registered unit investment trust holding the security of a single issuer to substitute another security for such security unless the [SEC] shall have approved such substitution." Section 26(b) of the 1940 Act (now section 26 (c)) was enacted as part of the Investment Company Act Amendments of 1970. Prior to the enactment of these amendments, a depositor of a unit investment trust could substitute new securities for those held by the trust by notifying the trust's security holders of the substitution within five (5) days after the substitution. In 1966, the SEC, concerned with the high sales charges then common to most unit investment trusts and the disadvantageous position in which such charges placed investors who did not want to remain invested in the substituted security, recommended that section 26 be amended to require that a proposed substitution of the underlying investments of a trust receive prior Commission approval.

2. The purposes, terms and conditions of the Substitution are consistent with the principles and purposes of section 26(c) and do not entail any of the abuses that section 26(c) is designed to prevent. Simply put, Owners will be assessed no charges whatsoever in connection with the Substitution and their annual fund expense ratios are expected to decrease. In addition, to the extent an Owner does not wish to participate in the Substitution, he or she is free to transfer to any other option available under the relevant Contract prior to the Substitution and within 31 days after the date of the Notice for the Substitution without any transfer fee. Moreover, as discussed below, Owners will be substituted into a Substituting Portfolio whose investment objectives are substantially similar to those of the Replaced Portfolio.

3. Applicants submit that the Substitution does not present the type of costly forced redemption or other harms that section 26(c) was intended to guard against and is consistent with the protection of investors and the purposes fairly intended by the 1940 Act for the following reasons:

(1) The Substitution will continue to fulfill Owners' objectives and risk expectations, because the investment objectives of each Substituting Portfolio are substantially similar to those of each Replaced Portfolio.

(2) After receipt of the Notice informing an Owner of the Substitution, an Owner may request that his or her assets be reallocated to another subaccount at any time during the Free Transfer Period. The Free Transfer Period provides sufficient time for Owners to consider their reinvestment options;

(3) The Substitution will be at net asset value of the respective shares, without the imposition of any transfer or similar charge;

(4) Neither the Owners, the Replaced Portfolio nor the Substituting Portfolio will bear any costs of the Substitution, including brokerage fees, and accordingly, the Substitution will have no impact on the Owners' Contract values;

(5) The Substitution will in no way alter the contractual obligations of London Pacific or the rights and privileges of Owners under the Contracts;

(6) The Substitution will in no way alter the tax benefits to Owners; and

(7) The Substitution is expected to confer certain economic benefits on Owners by virtue of enhanced asset size and lower expenses, as described below.

4. The Applicants have determined that each Substituting Portfolio is an appropriate replacement for each Replaced Portfolio and an appropriate investment vehicle for the Owners because they share similar investment objectives. The investment objectives of each Replaced Portfolio and of each Substituting Portfolio and an explanation as to why Applicants believe they are similar are contained below.

#### Replaced Portfolio

RS Diversified Growth Portfolio

#### Substituting Portfolio

MFS New Discovery Series

The investment objective for the RS Diversified Growth Portfolio is long-term capital growth. The investment objective for the MFS New Discovery Series is capital appreciation.

The RS Diversified Growth Portfolio invests at least 65% of its total assets in common and preferred stocks and warrants of small-to-medium sized companies that have a market capitalization of \$3 billion or less. The subadviser may invest a larger percentage of the assets of the Portfolio in a single company than do other investment advisers. The MFS New Discovery Series invests, under normal market conditions, at least 65% of its net assets in equity securities of emerging growth companies. Equity securities include common stocks and related securities, such as preferred stocks, convertible securities and depositary receipts for those securities. While emerging growth companies may be of any size, the series will generally focus on smaller capitalization emerging growth companies that are early in their life cycle. Small cap companies are defined by MFS as those companies with market capitalizations within the range of market capitalizations in the Russell 2000 Stock Index as of November 30, 2001, between \$4.1 million and \$8.4 billion.

#### Replaced Portfolio

Harris Associates Value Portfolio

#### Substituting Portfolio

MFS Value Series

The investment objective for the Harris Associates Value Portfolio is long-term capital appreciation. The MFS Value Series seeks capital appreciation and reasonable income.

The Harris Associates Value Portfolio invests at least 65% of its total assets in stocks or securities that can be converted into stocks. The subadviser tries to find undervalued stocks for the Portfolio. The subadviser may invest up to 25% of the assets in securities of non-U.S. companies and may invest up to 25% of the assets in lower quality, higher-yielding, bonds (junk bonds). The MFS Value Series invests, under normal market conditions, at least 65% of its net assets in income producing equity securities of companies which the adviser believes are undervalued in the market relative to their long term potential. Equity securities include common stocks and related securities, such as preferred stocks, convertible securities and depositary receipts for those securities. While the series may invest in companies of any size, the series generally focuses on undervalued companies with large market capitalizations. The series seeks to achieve a gross yield that exceeds that of the Standard & Poor's 500 Composite Stock Index. The series may invest in

junk bonds. The series may invest in foreign securities through which it may have exposure to foreign currencies.

#### Replaced Portfolio

LPA Core Equity Portfolio

#### Substituting Portfolio

MFS Value Series

The LPA Core Equity Portfolio seeks long-term capital growth and income. The MFS Value Series seeks capital appreciation and reasonable income.

The LPA Core Equity Portfolio will invest at least 80% of its assets in the stocks of large, well-established companies that have a market capitalization greater than \$1 billion. Under normal circumstances, the subadviser will invest the assets of the Portfolio equally among a list of stocks of approximately 100 companies that it considers to be "corporate leaders," primarily in The Dow Jones Industrial Average. The MFS Value Series invests, under normal market conditions, at least 65% of its net assets in income producing equity securities of companies which the adviser believes are undervalued in the market relative to their long term potential. Equity securities include common stocks and related securities, such as preferred stocks, convertible securities and depository receipts for those securities. While the series may invest in companies of any size, the series generally focuses on undervalued companies with large market capitalizations. The series seeks to achieve a gross yield that exceeds that of the Standard & Poor's 500 Composite Stock Index. The series may invest in junk bonds. The series may invest in foreign securities through which it may have exposure to foreign currencies.

#### Replaced Portfolio

Strong Growth Portfolio

#### Substituting Portfolio

MFS Investors Growth Stock Series

The Strong Growth Portfolio seeks long-term capital growth and income.

The MFS Investors Growth Stock Series seeks long-term growth of capital and future income rather than current income. The Strong Growth Portfolio will invest at least 65% of its assets in stocks and securities that can be converted into stocks, which may include a substantial amount of stocks of companies that have a market capitalization of \$3 billion or less. The Strong Growth Portfolio may invest up to 35% of its assets in debt obligations such as bonds, including up to 5% in junk bonds. The subadviser may also

invest up to 25% of the assets in foreign securities, including investments directly in securities of non-U.S. Companies or depository receipts. The MFS Investors Growth Stock Series invests, under normal market conditions, at least 80% of its net assets in common stocks and related securities, such as preferred stocks, convertible securities and depository receipts for those securities, of companies which MFS believes offer better than average prospects for long-term growth. The series typically invests in large cap companies (market capitalizations of \$10 billion or higher). The series may invest in foreign securities through which it may have exposure for foreign currencies. The series has engaged and may engage in active and frequent trading to achieve its principal investment strategies.

#### Replaced Portfolio

MFS Total Return Portfolio

#### Substituting Portfolio

MFS Total Return Series

Both these portfolios seek to provide above average income (compared to a portfolio invested entirely in equity securities) consistent with the prudent employment of capital and secondarily to provide a reasonable opportunity for growth of capital and income.

The MFS Total Return Portfolio seeks to meet its goal by investing between 40% and 75% of its assets in stocks and securities that can be converted into stocks and at least 25% of its assets in debt obligations, including up to 20% in lower-quality, higher-yielding bonds (junk bonds). The MFS Total Return Series, under normal market conditions, invests at least 40%, but not more than 75%, of its net assets in common stocks and related securities, such as preferred stocks, bonds, warrants and rights convertible into stock, and depository receipts for those securities, and at least 25% of its net assets in non-convertible fixed income securities.

5. Accordingly, Applicants have specifically determined that the Substituting Portfolios are appropriate investment vehicles for Owners who have allocated values to the Replaced Portfolios and that the Substitution will be consistent with Owners' investment objectives.

6. As of December 31, 2001, each Substituting Portfolio had lower expense ratios than its corresponding Replaced Portfolio. Further, since the Trust's inception, London Pacific has voluntarily reimbursed certain operating expenses of each Portfolio of the Trust. The Commissioner, as Rehabilitator of

London Pacific, has determined that state insurance laws preclude London Pacific from continuing to reimburse expenses of the Trust. Therefore, effective August 31, 2002, expenses of the Trust will no longer be reimbursed.

7. Applicants believe that the addition of assets resulting from the Substitution will likely result in lower expense ratios for the Owners that have allocated their contract values to the Substituting Portfolios. Even in the one instance where the management fee of the Substituting Portfolio is higher (*i.e.*, with respect to substitution of the MFS Value Series for shares of the LPA Core Equity Portfolio), the overall expense ratio of the Substituting Portfolio is significantly lower.

8. With respect to the LPA Core Equity subaccount of the London Pacific Separate Account investing in the MFS Value Series, Applicants represent that there will be no increase in the contract charges from their current levels for a period of at least two years from the date of the Commission order requested herein.

9. (i) London Pacific will not receive, for 3 years from the date of the substitutions, any direct or indirect benefits from the Substituting Portfolios, their advisors or underwriters (or their affiliates), in connection with assets representing contract values of contracts affected by the substitutions, at a higher rate than it had received from the Replaced Portfolios, their advisors or underwriters (or their affiliates), including without limitation 12b-1 shareholder service, administration or other service fees, revenue sharing or other arrangements in connection with such assets; and (ii) the substitutions and the selection of the Replacement Portfolios were not motivated by any financial consideration paid or to be paid to London Pacific by the Replacement Portfolios, their advisors or underwriters, or their respective affiliates.

10. The assets of the Replaced Portfolios have continued to decline. As of July 29, 2002, the assets of the Replaced Portfolios totaled \$28,343,852 as compared to a total of \$44,853,295 at December 31, 2001.

11. London Pacific anticipates that the discontinuance of the Trust expense reimbursement arrangement, described elsewhere herein, will result in a substantial increase in Trust expenses and a corresponding decrease in the performance of the Portfolios.

12. Section 17(a)(1) of the 1940 Act prohibits any affiliated person of a registered investment company, or an affiliated person of an affiliated person, from selling any security or other

property to such registered investment company. Section 17(a)(2) of the 1940 Act prohibits any of the persons described above from purchasing any security or other property from such registered investment company. Section 2(a)(3) of the 1940 Act defines the term "affiliated" person. The proposed Substitution will be effected in part through in-kind redemptions and purchases and may be deemed to entail the indirect purchase of shares of a related Substituting Portfolio with portfolio securities of the Replaced Portfolio and the indirect sale of securities of the Replaced Portfolio for shares of the Substituting Portfolio.

13. Section 17(b) of the 1940 Act provides that the Commission may grant an Order exempting transactions prohibited by section 17(a) of the 1940 Act upon application if evidence establishes that:

1. The terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve over-reaching on the part of any person concerned;

2. The proposed transaction is consistent with the investment policy of each registered investment company concerned, as recited in its registration statement and reports filed under the 1940 Act; and

3. The proposed transaction is consistent with the general purposes of the 1940 Act. The Applicants represent that the terms of the proposed transactions, as described in this Application are: reasonable and fair, including the consideration to be paid and received; do not involve over-reaching; are consistent with the policies of the Replaced Portfolios of the Trust; and are consistent with the general purposes of the 1940 Act.

14. Applicants represent that for all the reasons stated above, with regard to section 26(c) of the 1940 Act, the Substitution is reasonable and fair. It is expected that existing and future Owners will benefit from the consolidations of assets in each Substituting Portfolio. The transactions effecting the Substitution will be effected in conformity with section 22(c) of the 1940 Act and Rule 22c-1 thereunder. Moreover, the partial in-kind redemptions of portfolios' securities of the Replaced Portfolios will be effected in conformity with Rule 17a-7 under the 1940 Act and the procedures of the Trust established pursuant to Rule 17a-7. The Owners' interests after the Substitution, in practical economic terms, will not differ in any measurable way from such interests immediately prior to the

Substitution. In each case, the consideration to be received and paid is, therefore, reasonable and fair.

#### Applicants' Conclusions

Applicants submit, for all of the reasons stated herein, that their requests meet the standards set out in sections 6(c), 17(b) and 26(c) of the 1940 Act and that an Order should, therefore, be granted. Accordingly, Applicants request an Order pursuant to sections 6(c), 17(b) and 26(c) of the 1940 Act approving the Substitution.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-26850 Filed 10-21-02; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

**FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT:** [67 FR 63713, October 15, 2002].

**STATUS:** Closed meeting.

**PLACE:** 450 Fifth Street, NW., Washington, DC.

**DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING:** Thursday, October 17, 2002, at 10 a.m.

**CHANGE IN THE MEETING:** Time Change.

The Closed Meeting scheduled for Thursday, October 17 at 10 a.m. was changed to Thursday, October 17, 2002, at 11 a.m.

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 17, 2002.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-26927 Filed 10-18-02; 11:13 am]

**BILLING CODE 8010-01-U**

## 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 meeting during the week of October 21, 2002: A Closed

Meeting will be held on Tuesday, October 22, 2002, at 10 a.m.

Commissioner Glassman, 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 Tuesday, October 22, 2002, will be:

Institution and settlement of administrative proceedings of an enforcement nature;

Institution and settlement of injunctive actions; and  
Adjudicatory matters.

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 17, 2002.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-26932 Filed 10-18-02; 11:12 am]

**BILLING CODE 8010-01-U**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46655; File No. SR-Amex-2001-06]

### Self-Regulatory Organizations; Notice of Filing of a Proposed Rule Change and Amendment Nos. 1, 2 and 3 Thereto by the American Stock Exchange LLC Relating to Relief and Temporary Specialists

October 11, 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 February 14, 2001, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission")

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

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