

retail public. Applicant further represents that, at no time, will it seek or accept the business of persons other than the Trusts, members of the Gates family, and any companies wholly-owned by the Gates family.

### Applicant's Legal Analysis

1. Section 202(a)(11) of the Advisers Act defines the term "investment adviser" to mean "any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities \* \* \*." Section 202(a)(11)(F) of the Advisers Act authorizes the SEC to exclude from the definition of "investment adviser" persons that are not within the intent of section 202(a)(11).

2. Section 203(a) of the Advisers Act requires investment advisers to register with the SEC. Section 203(b) of the Advisers Act provides exemptions from this registration requirement. Applicant asserts that it does not qualify for any of the exemptions provided by section 203(b). Applicant also asserts that it is not prohibited from registering with the SEC under section 203A of the Advisers Act because its principal office and place of business is located in Wyoming.<sup>1</sup>

3. Applicant requests that the SEC declare it to be a person not within the intent of section 202(a)(11). Applicant states that there is no public interest in requiring that it be registered under the Advisers Act because it offers its services only to members of the Gates family, its investment activities make up only a small portion of the overall services that it provides, most of the compensation that it receives is for services other than the rendering of investment advice, and it does not and will not hold itself out to the public as an investment adviser.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 01-6432 Filed 3-14-01; 8:45 am]

**BILLING CODE 8010-01-M**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44047; File No. SR-CTA-01-01]

### Consolidated Tape Association; Order Granting Approval of Seventh Charges Amendment to the Second Restatement of the Consolidated Tape Association Plan

March 7, 2001.

#### I. Introduction

On January 9, 2001, the Consolidated Tape Association Plan ("CTA Plan") participants<sup>1</sup> filed with the Securities and Exchange Commission ("Commission" or "SEC") an amendment to the Second Restatement of the CTA Plan pursuant to Rule 11Aa3-2<sup>2</sup> of the Securities Exchange Act of 1934 ("Act"). Notice of the proposed CTA Plan amendment was published in the **Federal Register** on January 22, 2001.<sup>3</sup> The Commission received no comments in response to the proposal. This order approves the proposed plan amendments.

#### II. Description of the Proposal

Currently, CTA Network B charges \$21.50 per month for the first ticker at each customer location and \$13.60 for any additional tickers at that location. CTA Network B proposes to eliminate the tiered pricing structure by eliminating the "First Ticker" premium charge. As proposed, each customer would be charge \$13.60 for each ticker at each location.

#### III. Discussion

The Commission finds that the proposed CTA Plan amendment is consistent with the Act and the rules and regulations thereunder.<sup>4</sup> Specifically, the Commission finds that approval of the amendment is consistent with Rule 11Aa3-2(c)(2)<sup>5</sup> of the Act.

The Commission notes that, in October 2000, it formed the Advisory Committee on Market Information to assist the Commission in evaluating issues relating to the public availability

<sup>1</sup> Each Plan participant executed the proposed amendments. The participants include the American Stock Exchange LLC, Boston Stock Exchange, Inc., Chicago Board Options Exchange, Inc., Chicago Stock Exchange Inc., Cincinnati Stock Exchange, Inc., National Association of Securities Dealers, Inc., New York Stock Exchange, Inc., Pacific Exchange, Inc. and Philadelphia Stock Exchange, Inc.

<sup>2</sup> 17 CFR 240.11Aa3-2.

<sup>3</sup> Securities Exchange Act Release No. 43841 (January 12, 2001), 66 FR 6719.

<sup>4</sup> The Commission has considered the proposed amendment's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>5</sup> 17 CFR 240.11Aa3-2(c)(2).

of market information in the equities and options markets. Two of the issues the Committee will be evaluating are how market information fees should be determined and how the fairness and reasonableness of fees should be evaluated.

Notwithstanding this ongoing evaluation, the Commission has decided to approve the proposed plan amendment. The proposed amendment should reduce the amount of fees paid by customers to CTA Network B for last sale information. Thus, the proposed amendment is consistent with, and should further, one of the principal objectives for the national market system set forth in Section 11A(a)(1)(C)(iii)<sup>6</sup> of the Act—increasing the availability of market information to broker-dealers and investors. The Commission wishes to emphasize, however, that its review of market data fees and revenues is ongoing and may require reevaluation of the fee structures contained in the proposed CTA Plan amendment at some point in the future.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 11A of the Act,<sup>7</sup> and the rules thereunder, that the proposed amendment to the CTA Plan (SR-CTA-01-01) is approved.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 01-6393 Filed 3-14-01; 8:45 am]

**BILLING CODE 8010-01-M**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

**Federal Register Citation of Previous Announcement: [66 FR 14423, March 12, 2001]**

**STATUS:** Closed meeting.

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

**DATE PREVIOUSLY ANNOUNCED:** March 7, 2001.

**CHANGE IN THE MEETING:** Cancellation of Meeting.

The closed meeting scheduled for Wednesday, March 14, 2001 at 2 p.m. has been cancelled.

<sup>6</sup> 15 U.S.C. 78k-1(a)(1)(C)(iii).

<sup>7</sup> 15 U.S.C. 78k-1.

<sup>8</sup> 17 CFR 200.30-3(a)(27).

<sup>1</sup> Wyoming does not currently regulate investment advisers.

Dated: March 12, 2001.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01-6557 Filed 3-13-01; 11:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44046; File No. SR-CBOE-00-51]

### Self Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment Nos. 1 and 2 Thereto by the Chicago Board Options Exchange, Inc. Relating To Adoption of Generic Listing Standards Applicable to Index Portfolio Receipts and Index Portfolio Shares Pursuant to Rule 19b-4(e) Under the Securities Exchange Act of 1934

March 7, 2001.

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 October 26, 2000, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The CBOE filed Amendment Nos. 1<sup>3</sup> and 2<sup>4</sup> to the proposed rule change on

November 29, 2000, and February 28, 2001, respectively. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to approve the proposal, as amended, on an accelerated basis.

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

The Exchange proposes to amend its listing standards for Index Portfolio Receipts ("IPRs") (CBOE Rule 31.5L) and Index Portfolio Shares ("IPSS") (CBOE Rule 31.5M) to provide standards that permit listing and trading, or trading pursuant to unlisted trading privileges ("UTP"), of certain products pursuant to Rule 19b-4(e) under the Act.<sup>5</sup> The Exchange also proposes related amendments to CBOE's minimum increment rule (CBOE Rule 30.33) and hours of trading for non-option securities rule (CBOE Rule 30.4).<sup>6</sup> The text of the proposed rule change is available upon request from the Office of the Secretary, CBOE or the Commission.

#### 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 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 III 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 listing standards for IPRs and IPSS are currently found in CBOE Rule 31.5.<sup>7</sup> These standards are

similar to those maintained by other exchanges.<sup>8</sup> The Exchange proposed to amend its current listing standards for IPRs and IPSS, contained in CBOE Rule 31.5, to provide standards that permit listing and trading, or trading pursuant to UTP, of various IPRs and IPSS products pursuant to Rule 19b-4(e) under the Act.<sup>9</sup> The Exchange believes that application of Rule 19b-4(e) to these securities will further the intent of that rule by allowing trading to begin in these securities, subject to the proposed generic standards, without the need for notice and comment and Commission approval. The Exchange believes that this new procedure has the potential to reduce the time frame for bringing these securities to market or for trading them pursuant to UTP.

###### 2. Generic Listing Criteria

The Exchange is proposing to implement generic listing criteria that are intended to ensure that a substantial portion of the weight of an index or portfolio underlying IPSS or IPRs is composed of securities with substantial market capitalization and trading volume. The proposed amendments to CBOE Rule 31.5 provide that the Exchange may approve for trading pursuant to Rule 19b-4(e) a series of IPRs or IPSS if the components that, in the aggregate, account for at least 90 percent of the weight of the underlying index or portfolio have a minimum market value of at least \$75 million. In addition, the component stocks representing at least 90 percent of the weight of the index or portfolio must have a minimum monthly trading volume during each of the last six months of at least 250,000 shares. Moreover, the most heavily weighted component stocks in an underlying index or portfolio cannot together exceed 25% of the weight of the index or portfolio, and the five most heavily weighted component stocks cannot together exceed 65% of the weight of the index or portfolio. The index or portfolio must include a minimum of 13 stocks,<sup>10</sup> and all securities in an

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

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

<sup>3</sup> See Letter from Angelo Evangelou, Attorney, CBOE, to Florence Harmon, Senior Special Counsel, Division of Market Regulation ("Division"), SEC, dated November 28, 2000 ("Amendment No. 1"). Amendment No. 1 provides, among other things, amendments to CBOE's minimum increment rule (Rule 30.33) and hours of trading for non-option securities rule (Rule 30.4), as well as a technical correction and other minor changes to proposed CBOE Rules 31.5M and 31.5L.

<sup>4</sup> See Letter from Angelo Evangelou, Attorney, CBOE, to Florence Harmon, Senior Special Counsel, Division, SEC, dated February 26, 2001 ("Amendment No. 2"). Amendment No. 2 revises the proposal to: (1) Move certain disclosure-related language concerning IPSS from proposed CBOE Rule 31.5M.02 to a new proposed subparagraph (b) of CBOE Rule 30.56 clarifying that the disclosure provisions of that subparagraph are only applicable to a series of IPSS if, among other things, that series is not subject to prospectus delivery requirements under the Securities Act of 1933; (2) modify the rule text of CBOE's special provisions for IPRs rule (Rule 30.54) to clarify that the disclosure provisions of CBOE Rule 30.54 are only applicable to series of IPRs that are the subject of an SEC order exempting certain prospectus delivery requirements under section 24(d) of the Investment Company Act of 1940 and are not otherwise subject to prospectus delivery requirements under the Securities Act of 1933; (3) add clarifying language to CBOE Rule 30.54(a) to make clear throughout that rule that IPRs may be based on an index or a portfolio; and (4) to amend CBOE Rule 30.54(b) to provide that the

written descriptive disclosure document required by this rule must be in a form approved by the CBOE or prepared by the unit investment trust issuing the subject IPRs.

<sup>5</sup> 17 CFR 240.19b-4(e). Rule 19b-4(e) permits self-regulatory organizations ("SROs") to list and trade new derivatives products that comply with existing SRO trading rules, procedures, surveillance programs and listing standards, without submitting a proposed rule change under section 19(b). See Securities Exchange Act Release No. 40761 (December 8, 1998), 63 FR 70952 (December 22, 1998).

<sup>6</sup> See Amendment No. 1, *supra* note 3.

<sup>7</sup> See Securities Exchange Act Release Nos. 39581 (January 26, 1998), 63 FR 5579 (February 3, 1998)

(approving SR-CBOE-97-38 relating to listing and trading of IPRs); and 42833 (May 26, 2000), 65 FR 35679 (June 5, 2000) (approving SR-CBOE-00-11 relating to listing and trading of IPSS).

<sup>8</sup> See American Stock Exchange ("Amex") Rules 1000 (Portfolio Depository Receipts) and 1000A (Index Fund Shares).

<sup>9</sup> See *supra* note 5.

<sup>10</sup> Thirteen stocks is the minimum number to permit qualification as a regulated investment company under Subchapter M of the Internal Revenue Code. Under Subchapter M of the Internal Revenue Code, for a fund to qualify as a regulated investment company the securities of a single issuer can account for no more than 25% of a fund's total assets, and at least 50% of a fund's total assets must be comprised of cash (including government