furnish the shareholders of the applicable Fund (or, if the Fund serves as a funding medium for a sub-account of a registered separate account, the unitholders of the sub-account who have allocated assets to that sub-account) all the information about the new Subadviser that would be included in a proxy statement. Such information will include any changes in such information caused by the addition of a new Subadviser. To meet this obligation, the Adviser will provide the shareholders of the applicable Funds (or, if the Fund serves as a funding medium for any sub-account of a registered separate account, the unitholders of the sub-account) with an information statement meeting the requirements of Regulation 14C and Schedule 14C under the Securities Exchange Act of 1934, as well as the requirements of Item 22 of Schedule 14A under that Act.

4. The Adviser will not enter into a Subadvisory Agreement with any Affiliated Subadviser without such Subadvisory Agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Fund (or, if the Fund serves as a funding medium for any sub-account of a registered separate account, pursuant to voting instructions provided by the unitholders of the sub-account).

5. At all times, a majority of each 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 Subadviser change is proposed for a Fund with an Affiliated Subadviser, the applicable Board, including a majority of the Independent Trustees, will make a separate finding, reflected in such Board's minutes, that the change is in the best interests of the applicable Fund and its shareholders (or, if the Fund serves as a funding medium for any sub-account of a registered separate account, in the best interests of the Fund and unitholders of any sub-account) and does not involve a conflict of interest from which the Adviser or the Affiliated Subadviser derives an inappropriate advantage.

7. The Adviser will provide general management services to each of the Funds relying on the requested order, including overall supervisory responsibility for the general management and investment of each Fund's securities portfolio, and, subject to Board review and approval, will: (a) Set each Fund's overall investment strategies; (b) recommend and select Subadvisers; (c) when appropriate, allocate and reallocate each Fund's assets among Subadvisers; (d) monitor and evaluate Subadviser performance; and (e) implement procedures reasonably designed to ensure Subadvisers comply with the related Fund's investment objectives, policies and restrictions.

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

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02–14945 Filed 6–12–02; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25607; 812–12592]

Pioneer America Income Trust, et al.; Notice of Application

June 7, 2002.

AGENCY: Securities and Exchange Commission (''Commission'').

ACTION: Notice of application for an order under section 12(d)(1)(J) of the Investment Company Act of 1940 (''Act'') for an exemption from sections 12(d)(1)(A) and (B) of the Act, under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act, and under section 17(d) of the Act and rule 17d–1 under the Act to permit certain joint transactions.

Applicants: Pioneer America Income Trust, Pioneer Balanced Fund, Pioneer Bond Fund, Pioneer Emerging Markets Fund, Pioneer Equity Income Fund, Pioneer Europe Fund, Pioneer Europe Select Fund, Pioneer Fund, Pioneer Global Consumers Fund, Pioneer Global Energy and Utilities Fund, Pioneer Global Financials Fund, Pioneer Global Health Care Fund, Pioneer Global High Yield Fund, Pioneer Global Industrials Fund, Pioneer Global Telecoms Fund, Pioneer Global Value Fund, Pioneer Growth Shares, Pioneer High Yield Fund, Pioneer Independence Fund, Pioneer Interest Shares, Pioneer International Equity Fund, Pioneer International Value Fund, Pioneer Large Cap Value Fund, Pioneer Mid Cap Growth Fund, Pioneer Mid Cap Value Fund, Pioneer Money Market Trust, Pioneer Real Estate Shares, Pioneer Science & Technology Fund, Pioneer Small Cap Value Fund, Pioneer Small Company Fund, Pioneer Strategic Income Fund, Pioneer Tax Free Income Fund, Pioneer Tax Managed Fund, Pioneer Value Fund, and Pioneer Variable Contracts Trust (each an ''Investment Company'' and collectively, the ''Investment Companies''), and Pioneer Investment Management, Inc. (''PIM'') and Pioneer Funds Distributor, Inc.

Summary of Application:

The applicants request an order that would permit (a) certain registered management investment companies and certain entities that are excluded from the definition of investment company by section 3(c)(1), 3(c)(7) or 3(c)(11) of the Act to invest uninvested cash and cash collateral in (i) affiliated money market funds and/or short-term bond funds or (ii) one or more affiliated entities that operate as cash management investment vehicles and that are excluded from the definition of investment company by section 3(c)(1) or 3(c)(7) of the Act, and (b) the registered investment companies and the affiliated entities to continue to engage in purchase and sale transactions involving portfolio securities in reliance on rule 17a–7 under the Act.

Filing Dates:

The application was filed on August 8, 2001 and amended on June 4, 2002.

Hearing or Notification of Hearing:

An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary 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 July 2, 2002, and should be accompanied by proof of service on the 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 of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 Fifth Street, NW., Washington, DC 20549–0609; Applicants, c/o Martin J.

Wolin, *Esq.*, Pioneer Investment Management, Inc., 60 State Street, Boston, MA 02109.

FOR FURTHER INFORMATION CONTACT: Jean E. Minarick, Senior Counsel, at (202) 942–0527 or Nadya B. Roytblat, Assistant Director, at (202) 942–0564 (Division of Investment Management, Office of Investment Company Regulation).

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

Applicants' Representations

1. Each Investment Company is organized as a Massachusetts business trust or a Delaware business trust. Each Investment Company, other than Pioneer Interest Shares, is registered under the Act as an open-end management investment company. Pioneer Interest Shares is registered under the Act as a closed-end management investment company. Some of the Investment Companies have multiple series, each with separate investment objective and policies. PIM is an investment adviser registered under the Investment Advisers Act of 1940 and serves as investment adviser to each Investment Company (PIM and entities controlling, controlled by, or under common control with PIM, collectively, ''PIM'').[1]

2. Each Fund that is not a money market fund (a ''Participating Fund'') has, or may be expected to have cash that has not been invested in portfolio securities (''Uninvested Cash''). Uninvested Cash may result from a variety of sources, including dividends or interest received on portfolio securities, unsettled securities transactions, strategic reserves, matured investments, proceeds from liquidation of investment securities, dividend payments or money from investors. Certain Participating Funds also may participate in a securities lending program (''Securities Lending Program'') under which a Fund may lend its portfolio securities to registered broker-dealers or other institutional investors. The loans are secured by collateral, including cash collateral (''Cash Collateral'' and together, with Uninvested Cash, ''Cash Balances''), equal at all times to at least the market value of the securities loaned. Currently, the Participating Funds can invest Cash Balances directly in money market instruments or other short-term debt obligations. Applicants state that Participating Funds will either be management investment companies or their series that are registered under the Act (''Registered Participating Funds'') or investment vehicles that are excluded from the definition of investment company under section 3(c)(1), 3(c)(7) or 3(c)(11) of the Act (the ''Non-Registered Participating Funds'') for which PIM acts as trustee or investment adviser.

3. Applicants request an order to permit: (i) The Participating Funds to use their Cash Balances to purchase shares of one or more of the Funds that are money market funds or short-term bond funds (the ''Registered Central Funds'') or shares of one or more future entities for which PIM acts as trustee or investment adviser that operate as cash management investment vehicles and that are excluded from the definition of investment company pursuant to section 3(c)(1) and 3(c)(7) of the Act (the ''Non-Registered Central Funds'') (the Registered Central Funds and the Non-Registered Central Funds, collectively, the ''Central Funds''); (ii) the Central Funds to sell their shares to and purchase (redeem) such shares from the Participating Funds; (iii) the Participating Funds and Central Funds to continue to engage in interfund purchase and sale transactions (''Interfund Transactions''); and (iv) PIM to effect the above transactions.

4. The investment by each Registered Participating Fund in shares of the Central Funds will be in accordance with that Registered Participating Fund's investment policies and restrictions as set forth in its registration statement. The Registered Central Funds are or will be taxable or tax-exempt money market funds that comply with rule 2a–7 under the Act or short-term bond funds that invest in fixed-income securities and maintain a dollar-weighted average maturity of three years or less. The Non-Registered Central Funds will comply with rule 2a–7 under the Act.

Applicants' Legal Analysis

I. Investment of Cash Balances by the Participating Funds in the Central Funds

A. Section 12(d)(1)

1. Section 12(d)(1)(A) of the Act provides that no investment company may acquire securities of a registered investment company if such securities represent more than 3% of the acquired company's outstanding voting stock, more than 5% of the acquiring company's total assets, or if such securities, together with the securities of other acquired investment companies, represent more than 10% of the acquiring company's assets. Section 12(d)(1)(B) of the Act provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company's voting stock, or if the sale will cause more than 10% of the acquired company's voting stock to be owned by investment companies. Any entity that is excluded from the definition of investment company under section 3(c)(1) or 3(c)(7) of the Act is deemed to be an investment company for the purposes of the 3% limitation specified in sections 12(d)(1)(A) and (B) with respect to purchases by and sales to such company.

2. Section 12(d)(1)(J) of the Act provides that the Commission may exempt any person, security, or transaction from any provision of section 12(d)(1) if and to the extent that such exemption is consistent with the public interest and the protection of investors. Applicants request relief under section 12(d)(1)(J) to permit the Participating Funds to use their Cash Balances to acquire shares of the Registered Central Funds in excess of the percentage limitations in section 12(d)(1)(A), provided however, that in all cases a Registered Participating Fund's aggregate investment of Uninvested Cash in shares of the Central Funds will not exceed 25% of the Registered Participating Fund's total assets at any time. Applicants also request relief to permit the Registered Central Funds to sell their securities to the Participating Funds in excess of the percentage limitations in section 12(d)(1)(B).

3. Applicants state that the proposed arrangement will not result in the abuses that sections 12(d)(1)(A) and (B) were intended to prevent. Applicants state that there is no threat of redemption to gain undue influence over the Registered Central Funds due

[1] Applicants request that any relief granted also apply to (a) any other registered investment company or series thereof for which PIM currently is or in the future may act as investment adviser and (b) any entity excluded from the definition of investment company under section 3(c)(1), section 3(c)(7) or section 3(c)(11) of the Act, now existing or established in the future, for which PIM currently is or in the future may serve as investment adviser of trustee exercising investment discretion, that operates as a cash management investment vehicle (''Funds,'' and together with the ''Investment Companies'' and any existing or future series of the Investment Companies, the ''Funds''). All Funds that currently intend to rely on the requested order are named as applicants. Any other existing or future Fund will rely on the order only in accordance with the terms and conditions of the application.

to the highly liquid nature of each Registered Central Fund's portfolio. Applicants state that the proposed arrangement will not result in inappropriate layering of fees. Shares of the Central Funds sold to the Participating Funds will not be subject to a sales load, redemption fee, distribution fee under a plan adopted in accordance with rule 12b–1 under the Act or service fee (as defined in rule 2830(b)(9) of the National Association of Securities Dealers Inc. Conduct Rules (''NASD Conduct Rules''). If a Central Fund offers more than one class of shares in which a Registered Participating Fund may invest, the Registered Participating Fund will invest its Cash Balances only in the class with the lowest expense ratio at the time of investment. In addition, if PIM collects a fee from a Central Fund for acting as its investment adviser with respect to assets invested by a Registered Participating Fund, when approving an investment advisory contract under section 15 of the Act, the board of trustees of each Registered Participating Fund (''Board''), including a majority who are not ''interested persons,'' as defined in section 2(a)(19) of the Act (''Independent Trustees''), will consider to what extent, if any, the advisory fees charged to the Registered Participating Fund by PIM should be reduced to account for reduced services provided to the Registered Participating Fund as a result of the investment of Uninvested Cash in the Central Fund. Applicants represent that no Central Fund will acquire securities of any other investment company in excess of the limitations contained in section 12(d)(1)(A) of the Act.

B. Section 17(a) of the Act

1. Section 17(a) of the Act makes it unlawful for any affiliated person of a registered investment company, acting as principal, to sell or purchase any security to or from the investment company. Section 2(a)(3) of the Act defines an affiliated person of an investment company to include any person directly or indirectly owning, controlling, or holding with power to vote 5% or more of the outstanding voting securities of the other person, any person 5% or more of whose outstanding securities are directly or indirectly owned, controlled, or held with power to vote by the other person, any person directly or indirectly controlling, controlled by, or under common control with the other person, and any investment adviser to the investment company. Because the Participating Funds and the Central Funds have PIM as investment adviser or trustee exercising investment discretion, they may be deemed to be under common control and thus affiliated persons of each other. In addition, if a Participating Fund purchases more than 5% of the voting securities of a Central Fund, the Central Fund and the Participating Fund may be affiliated persons of each other. As a result, section 17(a) would prohibit the sale of the shares of Central Funds to the Participating Funds, and the redemption of the shares by the Participating Funds.

2. Section 17(b) of the Act authorizes the Commission to exempt a transaction from section 17(a) of the Act if the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act. Section 6(c) of the Act permits the Commission to exempt persons or transactions from any provision of the Act, if the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

3. Applicants submit that their request for relief to permit the purchase and redemption of shares of the Central Funds by the Participating Funds satisfies the standards in sections 6(c) and 17(b) of the Act. Applicants note that shares of the Central Funds will be purchased and redeemed at their net asset value, the same consideration paid and received for these shares by any other shareholder. Applicants state that the Registered Participating Funds will retain their ability to invest Cash Balances directly in money market instruments as authorized by their respective investment objectives and policies. Applicants state that a Registered Central Fund has the right to discontinue selling shares to any of the Participating Funds if the Central Fund's Board or PIM determines that such sale would adversely affect the Central Fund's portfolio management and operations.

C. Section 17(d) of the Act and Rule 17d–1 Under the Act

1. Section 17(d) of the Act and rule 17d–1 under the Act prohibit an affiliated person of a registered investment company, acting as principal, from participating in or effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates, unless the Commission has approved the joint arrangement. Applicants state that the Participating Funds and the Central Funds, by participating in the proposed transactions, and PIM, by managing the proposed transactions, could be deemed to be participating in a joint arrangement within the meaning of section 17(d) and rule 17d–1.

2. In considering whether to approve a joint transaction under rule 17d–1, the Commission considers whether the investment company's participation in the joint transaction is consistent with the provisions, policies and purposes of the Act, and the extent to which the participation is on a basis different from or less advantageous than that of other participants. Applicants state that the investment by the Participating Funds in shares of the Central Funds would be on the same basis and no different from or less advantageous than that of other participants. Applicants submit that the proposed transactions meet the standards for an order under rule 17d–1.

II. Interfund Transactions

1. Applicants state that certain Funds currently rely on rule 17a–7 under the Act to conduct Interfund Transactions. Rule 17a–7 under the Act provides an exemption from section 17(a) for a purchase or sale of certain securities between a registered investment company and an affiliated person (or an affiliated person of an affiliated person), provided that certain conditions are met, including that the affiliation between the registered investment company and the affiliated person (or an affiliated person of the affiliated person) must exist solely by reason of having a common investment adviser, common directors and/or common officers. Applicants state that the Participating Funds and Central Funds may not be able to rely on rule 17a–7 when purchasing or selling portfolio securities to each other, because some of the Participating Funds may own 5% or more of the outstanding voting securities of a Central Fund and, therefore, an affiliation would not exist solely by reason of the transacting Funds having a common investment adviser, common directors and/or common officers.

2. Applicants request relief under sections 6(c) and 17(b) of the Act to permit the Interfund Transactions. The Interfund Transactions for which relief is requested are transactions between Registered Participating Funds and Non-Registered Central Funds and between Non-Registered Participating Funds and Registered Central Funds. Applicants submit that the requested relief satisfies

the standards for relief in sections 6(c) and 17(b). Applicants state that the Funds will comply with rule 17a–7 under the Act in all respects, other than the requirement that the participants be affiliated solely by reason of having a common investment adviser, common directors and/or common officers. Applicants state that the additional affiliation created under sections 2(a)(3)(A) and (B) does not affect the other protections provided by rule 17a–7, including the integrity of the pricing mechanism employed and oversight by each Fund's Board.

Applicants' Conditions

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

1. Shares of the Central Funds sold to and redeemed by the Participating Funds will not be subject to a sales load, redemption fee, distribution fee under a plan adopted in accordance with rule 12b–1 under the Act, or service fee (as defined in rule 2830(b)(9) of the NASD Conduct Rules).

2. If PIM collects a fee from a Central Fund for acting as investment adviser with respect to assets invested by a Registered Participating Fund, before the next meeting of the Board of the Registered Participating Fund that invests in the Central Fund is held for the purpose of voting on an advisory contract under section 15 of the Act, PIM will provide the Board with such information as the Board may request to evaluate the effect of the investment of Uninvested Cash in the Central Funds upon the direct and indirect compensation to PIM. Such information will include specific information regarding the approximate cost to PIM of, or portion of the advisory fee under the existing advisory contract attributable to, managing the Uninvested Cash of the Registered Participating Fund that can be expected to be invested in the Central Funds. In connection with approving any advisory contract for a Registered Participating Fund, the Board, including a majority of the Independent Trustees, shall consider to what extent, if any, the advisory fees charged to the Registered Participating Fund by PIM should be reduced to account for reduced services provided to the Registered Participating Fund by PIM as a result of the Uninvested Cash being invested in the Central Funds. The minute books of the Registered Participating Fund will record fully the Board's consideration in approving the advisory contract, including the considerations relating to fees referred to above.

3. Each Registered Participating Fund will invest Uninvested Cash in, and hold shares of, the Central Funds only to the extent that the Registered Participating Fund's aggregate investment of Uninvested Cash in the Central Funds does not exceed 25% of the Registered Participating Fund's total assets. For purposes of this limitation, each Registered Participating Fund or series thereof will be treated as a separate investment company.

4. Investment by a Registered Participating Fund in shares of the Central Funds will be in accordance with each Registered Participating Fund's respective investment restrictions and will be consistent with each Registered Participating Fund's investment policies as set forth in its prospectus and statement of additional information.

5. Each Fund that may rely on the order will be advised by PIM or will have PIM as its trustee.

6. No Central Fund will acquire securities of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

7. The Non-Registered Central Funds will comply with the requirements of sections 17(a), (d), and (e), and 18 of the Act as if the Non-Registered Central Funds were registered open-end investment companies. With respect to all redemption requests made by a Participating Fund, the Non-Registered Central Funds will comply with section 22(e) of the Act. PIM will adopt procedures designed to ensure that each Non-Registered Central Fund complies with sections 17(a), (d), and (e), 18 and 22(e) of the Act. PIM will also periodically review and update as appropriate such procedures and will maintain books and records describing such procedures, and maintain the records required by rules 31a–1(b)(1), 31a–1(b)(2)(ii), and 31a–1(b)(9) under the Act. All books and records required to be made pursuant to this condition will be maintained and preserved for a period of not less than six years from the end of the fiscal year in which any transaction occurred, the first two years in an easily accessible place, and will be subject to examination by the Commission and its staff.

8. Each Non-Registered Central Fund will comply with rule 2a–7 under the Act. With respect to such Non-Registered Central Fund, PIM will adopt and monitor the procedures described in rule 2a–7(c)(7) and will take such other actions as are required to be taken under those procedures. A Participating Fund may only purchase shares of a Non-Registered Central Fund if PIM determines on an ongoing basis that the Non-Registered Central Fund is in compliance with rule 2a–7. PIM will preserve for a period of not less than six years from the date of determination, the first two years in an easily accessible place, a record of such determination and the basis upon which the determination was made. This record will be subject to examination by the Commission and its staff.

9. Each Participating Fund will purchase and redeem shares of any Non-Registered Central Fund as of the same time and at the same price, and will receive dividends and bear its proportionate share of expenses on the same basis, as other shareholders of the Non-Registered Central Fund. A separate account will be established in the shareholder records of each Non-Registered Central Fund for the account of each Participating Fund that invests in such Non-Registered Central Fund.

10. To engage in Interfund Transactions, the Participating Funds and the Central Funds will comply with rule 17a–7 under the Act in all respects other than the requirement that the parties to the transaction be affiliated persons (or affiliated persons of affiliated persons) of each other solely by reason of having a common investment adviser, or investment advisers which are affiliated persons of each other, common directors and/or common officers, solely because a Participating Fund and a Central Fund might become affiliated persons within the meaning of section 2(a)(3)(A) and (B) of the Act.

11. The net asset value per share with respect to shares of a Non-Registered Central Fund will be determined separately for each Non-Registered Central Fund by dividing the value of the assets belonging to that Non-Registered Central Fund, less the liabilities of that Non-Registered Central Fund, by the number of shares outstanding with respect to that Non-Registered Central Fund.

12. Before a Registered Participating Fund may participate in the Securities Lending Program, a majority of the Board (including a majority of the Independent Trustees) will approve the Registered Participating Fund's participation in the Securities Lending Program. No less frequently than annually, the Board also will evaluate, with respect to each Registered Participating Fund, any securities lending arrangement and its results and determine that any investment of Cash Collateral in the Central Funds is in the best interests of the Registered Participating Fund.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02–14946 Filed 6–12–02; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [67 FR 40034, June 11, 2002].

STATUS: Open Meeting.

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

DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING: Wednesday, June 12, 2002, at 10:00 a.m.

CHANGE IN THE MEETING: Change in Subject Matter.

The subject matter of the previously announced item to be considered at the Open Meeting scheduled for Wednesday, June 12, 2002 has been changed to:

The Commission will consider whether to publish in the **Federal Register** a notice that the Evangelical Christian Credit Union has submitted an application for an exemption to permit it to offer to sweep account balances into no-load money market funds without being registered as a broker-dealer. The notice would request public comment on whether the relief requested should be granted pursuant to Sections 15(a)(2) and 36(a)(1) of the Securities Exchange Act of 1934, whether such relief should be extended to all credit unions with deposits insured by the National Credit Union Share Insurance Fund, and whether such an exemption would raise issues that should be considered in connection with amendments to the May 11, 2001 interim final rules implementing the functional regulation exceptions from broker-dealer registration of the Gramm-Leach-Bliley Act.

Commissioner Glassman, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

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: June 11, 2002.

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 02–15056 Filed 6–11–02; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–46044; File No. SR–CHX–2002–14]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Stock Exchange, Inc. to Delete Rule Provisions Relating to the Trading of Options

June 6, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on April 26, 2002, the Chicago Stock Exchange, Inc. (''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 CHX. The Commission is publishing this notice to solicit comments on the proposed rule change 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 CHX rules to delete provisions governing or relating to the trading of options on the CHX. The text of the proposed rule change is available from the Office of the Secretary of the Commission or the CHX.

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 proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The CHX 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 proposes to amend certain provisions of the CHX rules which govern or make reference to the trading of options on the CHX. In 1980, the Commission approved changes to the Exchange's bylaws and rules that deleted most references to the Exchange's operation of an options market.[3] Since that time, the Exchange has not operated an options market, but has served as an self-regulatory organization participant on the Options Self-Regulatory Council (''OSRC'') for essentially informational purposes.

Given changes in the options market and obligations of OSRC participants, the Exchange believes that it is no longer advisable, from either a regulatory or economic perspective, to continue serving on the OSRC.[4] Accordingly, the Exchange believes that it is appropriate to delete from the CHX rules all remaining references to the trading of options and handling of options orders. Removal of these remaining options rules will then excuse the Exchange from any obligation to serve on the OSRC.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act[5] in general, and furthers the objectives of Section 6(b)(5)[6] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments and to perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

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

The Exchange believes that no burden will be placed on competition as a result of the proposed rule change.

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

No written comments were either solicited or received.

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)

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 17075 (August 19, 1980), 45 FR 56486 (August 25, 1980).

[4] If the CHX were to continue to serve, it would be responsible for a *pro rata* share of OSCR member examination costs, which are significant. CHX believes that there is no rationale that supports CHX payment of examination costs attributable to exchanges that are actively trading options, given that CHX does not presently trade options and would have to propose significant rule changes should it elect to commence options trading in the future.

[5] 15 U.S.C. 78f(b).

[6] 15 U.S.C. 78f(b)(5).