acting promptly in a manner considered advisable by the Board. Applicants note that the Management Agreement will remain subject to the shareholder approval requirements of section 15(a) of the Act and rule 18f-2 under the Act.

Applicants' Conditions

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

1. Before a Portfolio may rely on the requested order, the operation of the Portfolio in the manner described in the application will be approved by a majority of the Portfolio's outstanding voting securities (or, if the Portfolio serves as a funding medium for any sub-account of a registered separate account, pursuant to voting instructions provided by the owners of variable annuity and variable life insurance contracts (''Owners'') who have allocated assets to that sub-account), or in the case of a Portfolio whose public shareholders (or Owners through a sub-account of a registered separate account) purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the sole initial shareholder(s) before the shares of such Portfolio are offered to the public (or to Owners through a sub-account of a registered separate account).

2. Each Portfolio relying on the requested order will hold itself out to the public as employing the management structure described in the application. In addition, each Portfolio will disclose in its prospectus the existence, substance and effect of any order granted pursuant to the application. The prospectus will prominently disclose that the Adviser has ultimate responsibility (subject to oversight by the Board) to oversee the Subadvisers and recommend their hiring, termination and replacement.

3. Within 90 days of the hiring of any new Subadviser, the Adviser will furnish the shareholders of the relevant Portfolio (or, if the Portfolio serves as a funding medium for a sub-account of a registered separate account, the Owners who have allocated assets to that sub-account) all information about the new Subadviser that would be included in a proxy statement. To meet this condition, the Adviser will provide the shareholders (or Owners, if the Portfolio serves as a funding medium for any sub-account of a registered separate 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 an Affiliated Subadviser without such Subadvisory Agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Portfolio (or, if the Portfolio serves as a funding medium for any sub-account of a registered separate account, then pursuant to voting instructions of the Owners who have allocated assets to that sub-account).

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

6. When a change of Subadviser is proposed for a Portfolio with an Affiliated Subadviser, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Board minutes, that such change of Subadviser is in the best interests of the Portfolio and its shareholders (or, if the Portfolio serves as a funding medium for any sub-account of a registered separate account, in the best interests of the Portfolio and the Owners who have allocated assets to the sub-account) and that the change 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 Portfolio, including overall supervisory responsibility for the general management and investment of each Portfolio's assets, and, subject to review and approval by the Board, will: (a) Set each Portfolio's overall investment strategies; (b) evaluate, select and recommend Subadvisers to manage all or a part of a Portfolio's assets; (c) when appropriate, allocate and reallocate a Portfolio's assets among multiple Subadvisers; (d) monitor and evaluate the performance of Subadvisers; and (e) implement procedures reasonably designed to ensure Subadvisers comply with the related Portfolio's investment objectives, policies and restrictions.

8. No trustee or officer of the Trust or director or officer of the Adviser will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by such 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. 02–27662 Filed 10–30–02; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [67 FR 65617, October 25, 2002]

STATUS: Open Meeting.

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

DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING: Wednesday, October 30, 2002 at 10 a.m., and Thursday, October 31, 2002 at 10 a.m.

CHANGE IN THE MEETING: Cancellation of Meeting/Additional Meetings.

The Open Meeting scheduled for Thursday, October 31, 2002, has been cancelled, and rescheduled for Wednesday, November 6, 2002, at 10 a.m., in Room 6600. In addition to the Open Meeting scheduled for Wednesday, November 6, 2002, at 10 a.m., the Commission will hold Closed Meetings on Monday, November 4, 2002, at 10 a.m., and on Wednesday, November 6, 2002, immediately following the Open Meeting.

Commissioner Goldschmid, 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 Meetings. 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)(A), (9)(B), and (10) and 17 CFR 200.402(a)(5), (7), 9(i), 9(ii) and (10), permit consideration of the scheduled matters at the Closed Meetings.

The subject matter of the Closed Meeting scheduled for Monday, November 4, 2002 will be: formal orders of investigation; institution and settlement of injunctive actions; and institution and settlement of administrative proceedings of an enforcement nature.

The following item previously scheduled for the Open Meeting on Thursday, October 31, 2002, at 10 a.m. is now scheduled for the Open Meeting on Wednesday, October 30, 2002, at 10 a.m.:

The Commission will consider whether to propose amendments to the definition of terms used in the exception from the definition of dealer for banks under Section 3(a)(5) of the Securities Exchange Act of 1934. The Commission will consider whether to propose amendments to the related exemption for banks, savings associations, and savings banks as well as propose a new exemption concerning securities lending. These proposals relate to the implementation of the specific exceptions for banks from the definitions of ''broker'' and ''dealer'' that were amended by the Gramm-Leach-Bliley Act.

The following item previously scheduled for the Open Meeting on Thursday, October 31, 2002, at 10 a.m., is now scheduled for the Open Meeting on Wednesday, November 6, 2002 at 10 a.m.

The Commission will consider proposed rules establishing standards of professional conduct for attorneys who appear and practice before the Commission in any way in the representation of issuers, as required by Section 307 of the Sarbanes-Oxley Act of 2002. These standards would include a rule requiring an attorney to report ''evidence of a material violation of securities laws or breach of fiduciary duty or similar violation by the company or any agent thereof'' to the chief legal counsel or the chief executive officer of the company (or the equivalent); and, if they do not respond appropriately to the evidence, requiring the attorney to report the evidence to the audit committee, another committee of independent directors, or the full board of directors.

The subject matter of the Closed Meeting scheduled for Wednesday, November 6, 2002 will be: settlement of injunctive actions; and adjudicatory matter.

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 28, 2002.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02–27774 Filed 10–28–02; 5:01 pm]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–46716; File No. SR–CBOE–2002–59]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to Margin Requirements for Broker-Dealer Accounts

October 24, 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 September 25, 2002, the Chicago Board Options Exchange, Inc. (''CBOE'') 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 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 CBOE proposes to amend its margin rule pertaining to the accounts of broker-dealers in order to establish parity with the requirements for Joint Back Office (''JBO'') participants.[3] The text of the proposed rule change appears below. New text is in italics; deletions are in [brackets].

* * * * *

Chicago Board Options Exchange, Inc. Rules

CHAPTER XII

Margins

No change to Rules 12.1 and 12.2.

Rule 12.3 Margin Requirements

(a) through (f)—(no change).

(g)(i) Broker-Dealer Account. A member organization may carry the proprietary account of another broker-dealer, which is registered with the SEC, upon a margin basis which is satisfactory to both parties, provided the requirements of Regulation T of the Board of Governors of the Federal Reserve System are adhered to and the account is not carried in a deficit equity condition. The amount of any deficiency between the equity maintained in the account and the [margin required by the other provisions of this Rule] *haircut requirements calculated pursuant to Rule 15c3–1 (Net Capital) of the Exchange Act* shall be deducted in computing the Net Capital of the member organization under Rule 15c3–1 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

CBOE is proposing a change to CBOE Rule 12.3(g)—Margin Requirements (Broker-Dealer Account). When a member organization carries the proprietary account of another broker-dealer, CBOE Rule 12.3(g)(i), in effect, exempts the account from the minimum maintenance margin requirements imposed by CBOE Rule 12.3 and allows the member organization to carry the account on a margin basis that is satisfactory to both parties. However, the rule currently requires that if account equity is below the minimum maintenance margin requirements of CBOE Rule 12.3, the carrying member organization must deduct the amount of the deficiency in computing its net capital under Rule 15c3–1 under the Act.[4] The CBOE proposes to change the amount that must be deducted for net capital purposes under Rule 12.3(g)(i) to the amount, if any, by which the equity maintained in the account is below the haircut requirements prescribed by Rule 15c3–1.

The New York Stock Exchange, Inc. (''NYSE'') has a comparable rule (Rule 431(e)(6)(A)) that was amended in February 2000[5] to eliminate the maintenance margin standard and

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

[2] 17 CFR 240.19b–4.

[3] A JBO participant purchases an ownership interest in a clearing broker-dealer. Regulation T of the Board of Governors of the Federal Reserve System permits a clearing broker-dealer to finance transactions of its JBO owners on a good faith basis rather than pursuant to the margin otherwise required by Regulation T.

[4] 17 CFR 240.15c3–1.

[5] *See* Securities Exchange Act Release No. 42453 (February 24, 2000), 65 FR 11620 (March 3, 2000) (SR–NYSE–97–28).