

2a-7 each year.¹ The staff estimates that each of these funds spends an average of 539 hours each year to document credit risk analyses, and determinations regarding adjustable rate securities, asset backed securities, and securities subject to a demand feature or guarantee.² In addition, each year an estimated average of three money market funds each spends approximately one-half hour to record (in the board minutes) board determinations and actions in response to certain events of default or insolvency, and to notify the Commission of the event.³ Finally, Commission staff estimates that in the first year of operation, the board of directors, counsel, and staff of an average of 15 new money market funds each spends 38.5 hours to formulate and establish written procedures for stabilizing the fund's NAV and guidelines for delegating certain of the board's responsibilities to the fund's adviser. Based on these estimates, Commission staff estimates the total burden of the rule's paperwork requirements for money market funds to be 480,830 hours.⁴ This is an increase from the previous estimate of 319,211 hours. The increase is attributable to updated information from money market funds regarding hourly burdens, a more accurate calculation of the component parts of some information collection burdens, and the significant differences in burden hours reported by the funds selected at random to be surveyed in different submission years.

These estimates of burden hours are made solely for the purposes of the Paperwork Reduction Act. The estimates are not derived from a comprehensive or even a representative survey or study of Commission rules.

In addition to the burden hours, Commission staff estimates that money market funds will incur costs to preserve records, as required under rule 2a-7. These costs will vary significantly for individual funds, depending on the amount of assets under fund management and whether the fund preserves its records in a storage facility in hard copy or has developed and maintains a computer system to create

and preserve compliance records.⁵ Commission staff estimates that the amount an individual fund may spend ranges from \$100 per year to \$1 million. Based on an average cost of \$0.0000052 per dollar of assets under management for small and medium-sized funds to \$0.0000024 per dollar of assets under management for large funds,⁶ the staff estimates compliance with rule 2a-7 costs the fund industry approximately \$5 million.⁷ Based on responses from individuals in the money market fund industry, the staff estimates that some of the largest fund complexes have created computer programs for maintaining and preserving compliance records for rule 2a-7. Based on a cost of \$0.0000097 per dollar of assets under management for large funds, the staff estimates that the total annualized capital/startup costs range from \$0 for small funds to \$20 million for all large funds. Commission staff further estimates, however, that even absent the requirements of rule 2a-7, money market funds would spend at least half of the amount for capital costs (\$10 million) and for record preservation (\$2.5 million) to establish and maintain these records and the systems for preserving them as a part of sound business practices to ensure diversification and minimal credit risk in a portfolio for a fund that seeks to maintain a stable price per share.

The collections of information required by rule 2a-7 are necessary to obtain the benefits described above. Notices to the Commission will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Please direct general comments regarding the information above to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, New

Executive Office Building, Washington, DC 20503; and (ii) Kenneth A. Fogash, Acting Associate Executive Director/CIO, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: January 7, 2003.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 03-789 Filed 1-14-03; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Review

Upon written request, copies available from: Securities and Exchange Commission; Office of Filings and Information Services; Washington, DC 20549.

Extension:

Rule 12a-5, Sec File No. 270-85, OMB Control No. 3235-0079;
Rule 15c1-7, Sec File No. 270-146, OMB Control No. 3235-0134;
Rule 15Aj-1, Sec File No. 270-25, OMB Control No. 3235-0044.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget requests for extension of the previously approved collections of information discussed below.

- Rule 12a-5—Temporary Exemption of Substituted or Additional Securities.

Rule 12a-5 of the Securities Exchange Act of 1934 (the "Act") generally makes it unlawful for any security to be traded on a national securities exchange unless such security is registered on the exchange in accordance with the provisions of the Act and the rules and regulations thereunder.

Rule 12a-5 and form 26 were adopted by the Commission in 1936 and 1955 pursuant to sections 3(a)(12), 10(b), and 23(a) of the Act. Subject to certain conditions, rule 12a-5 affords a temporary exemption (generally for up to 120 days) from the registration requirements of section 12(a) of the Act for a new security when the holders of a security admitted to trading on a national securities exchange obtain the right (by operation of law or otherwise) to acquire all or any part of a class of another or substitute security of the same or another issuer, or an additional amount of the original security. The purpose of the exemption is to avoid an

¹ This estimate is based on information in the Money Fund Vision database, compiled by iMoneyNet (Sept. 6, 1999).

² This average is based on discussions with individuals at money market funds and their advisers. The amount of time may vary significantly for individual money market funds.

³ This number may vary significantly from year to year.

⁴ This estimate is based on the following calculation: $((891 \times 539) + (3 \times 1) + (15 \times 38.5)) = 480,830$.

⁵ The amount of assets under management in money market funds ranges from approximately \$100,000 to \$70.6 billion.

⁶ For purpose of this PRA submission, Commission staff used the following categories for fund sizes: (i) Small—money market funds with \$50 million or less in assets under management, (ii) medium—money market funds with more than \$50 million up to and including \$1 billion in assets under management; and (iii) large—money market funds with more than \$1 billion in assets under management.

⁷ The staff estimated the annual cost of preserving the required books and records by identifying the annual costs incurred by several funds and then relating this total cost to the average net assets of these funds during the year. With a total of \$191.3 billion under management in small and medium funds, and \$2,078 billion under management in large funds, the total amount was estimated as follows: $(\$0.0000052 \times \$191.3 \text{ billion}) + (\$0.0000024 \times \$2,078 \text{ billion}) = \5 million .

interruption of exchange trading to afford time for the issuer of the new security to list and register it, or for the exchange to apply for unlisted trading privileges.

Under paragraph (d) of rule 12a-5, after an exchange has taken action to admit any security to trading pursuant to the provisions of the rule, the exchange is required to file with the Commission a notification on form 26. Form 26 provides the Commission with certain information regarding a security admitted to trading on an exchange pursuant to rule 12a-5, including: (1) The name of the exchange, (2) the name of the issuer, (3) a description of the security, (4) the date(s) on which the security was or will be admitted to when-issued and/or regular trading, and (5) a brief description of the transaction pursuant to which the security was or will be issued.

The Commission generally oversees the national securities exchanges. This mission requires that, under section 12(a) of the Act specifically, the Commission receive notification of any securities that are permitted to trade on an exchange pursuant to the temporary exemption under rule 12a-5. Without rule 12a-5 and form 26, the Commission would be unable fully to implement these statutory responsibilities.

There are currently eight national securities exchanges subject to rule 12a-5. While approximately 40 form 26 notifications are filed annually, the reporting burdens are not typically spread evenly among the exchanges.¹ For purposes of this analysis of burden, however, the staff has assumed that each exchange files an equal number (five) of form 26 notifications. Each notification requires approximately 20 minutes to complete. Each respondent's compliance burden, then, in a given year would be approximately 100 minutes (20 minutes/report \times 5 reports = 100 minutes), which translates to just over 13 hours in the aggregate for all respondents (8 respondents \times 100 minutes/respondent = 800 minutes, or 13 1/3 hours).

Based on the most recent available information, the Commission staff estimates that the cost to respondents of completing a notification on form 26 is, on average, \$14.35 per response. The staff estimates that the total annual related reporting cost per respondent is \$71.75 (5 responses/respondent \times \$14.35 cost/response), for a total annual related cost to all respondents of \$574

(\$71.75 cost/respondent \times 8 respondents).

Compliance with rule 12a-5 is required to obtain the benefit of the temporary exemption from registration offered by the rule. Rule 12a-5 does not have a record retention requirement *per se*. However, responses made pursuant to rule 12a-5 are subject to the recordkeeping requirements of rules 17a-3 and 17a-4 of the Act. Information received in response to rule 12a-5 shall not be kept confidential; the information collected is public information.

- Rule 15c1-7—Discretionary Accounts.

Rule 15c1-7 provides that any act of a broker-dealer designed to effect securities transactions with or for a customer account over which the broker-dealer (directly or through an agent or employee) has discretion will be considered a fraudulent, manipulative, or deceptive practice under the federal securities laws, unless a record is made of the transaction immediately by the broker-dealer. The record must include (a) the name of the customer, (b) the name, amount, and price of the security, and (c) the date and time when such transaction took place.

The information required by the rule is necessary for the execution of the Commission's mandate under the Exchange Act to prevent fraudulent, manipulative, and deceptive acts and practices by broker-dealers. This is used by the Commission and the various self-regulatory organizations in compliance examinations to determine whether such trades have occurred.

The Commission estimates that 500 respondents collect information annually under rule 15c1-7 and that approximately 33,333 hours would be required annually for these collections.

Rule 15c1-7 does not have a record retention requirement *per se*. However, responses made pursuant to rule 15c1-7 are subject to the recordkeeping requirements of rules 17a-3 and 17a-4. Compliance with rule 15c1-7 is mandatory. Because the information is gathered by the Commission during compliance examinations, it is accorded confidential treatment pursuant to regulation 200.80(b)(7) under the Freedom of Information Act, 17 CFR 200.80(b)(7).

- Rule 15Aj-1—Amendments and Supplements to Registration Statements of Securities Associations.

Rule 15Aj-1 implements the requirements of sections 15A, 17, and 19 of the Act by requiring every association registered as, or applying for registration as, a national securities association or as an affiliated securities

association to keep its registration statement up-to-date by making periodic filings with the Commission on form X-15Aj-1 and form X-15Aj-2.

Rule 15Aj-1 requires a securities association to promptly notify the Commission after the discovery of any inaccuracy in its registration statement or in any amendment or supplement thereto by filing an amendment to its registration statement on form X-15Aj-1 correcting such inaccuracy. The rule also requires an association to promptly notify the Commission of any change which renders no longer accurate any information contained or incorporated in its registration statement or in any amendment or supplement thereto by filing a current supplement on form X-15Aj-1. Rule 15Aj-1 further requires an association to file each year with the Commission an annual consolidated supplement on form X-15Aj-2.

The information required by rule 15Aj-1 and forms X-15Aj-1 and X-15Aj-2 is intended to enable the Commission to carry out its statutorily mandated oversight functions and to assure that registered securities associations are in compliance with the Act. This information is also made available to members of the public. Without the requirements imposed by the rule, the Commission would be unable to fulfill its regulatory responsibilities.

There is presently only one registered securities association, which registered in 1939, subject to the rule. The burdens associated with rule 15Aj-1 requirements have been borne by only one securities association since rule 15Aj-1 was adopted. Furthermore, the burdens associated with rule 15Aj-1 vary depending on whether amendments and current supplements are filed on form X-15Aj-1 in addition to an annual consolidated supplement filed on form X-15Aj-2. The Commission staff estimates the burden in hours necessary to comply with the rule by filing an amendment or a current supplement on form X-15Aj-1 to be approximately one-half hour, with a related cost of \$12, per response. The Commission staff estimates the burden in hours necessary to comply with the rule by filing an annual consolidated supplement on form X-15Aj-2 to be approximately three hours, with a related cost of \$96. Therefore, the Commission staff estimates that the total annual related reporting cost associated with the rule to be upwards of \$96, assuming a minimum filing of an annual consolidated statement on form X-15Aj-2, with additional filings on form X-15Aj-1 correspondingly increasing such reporting cost.

¹ In fact, some exchanges do not file any notifications on form 26 with the Commission in a given year.

Compliance with rule 15Aj-1 is mandatory. Information received in response to rule 15Aj-1 shall not be kept confidential; the information collected is public information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (a) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503; and (b) Kenneth A. Fogash, Acting Associate Executive Director/CIO, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Comments must be submitted to Office of Management and Budget within 30 days of this notice.

Dated: January 7, 2003.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03-790 Filed 1-14-03; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available

From: Securities and Exchange Commission; Office of Filings and Information Services; Washington, DC 20549.

Extension:

Rule 202(a)(11)-1, SEC File No. 270-471, OMB Control No. 3235-0532.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

The title for the collection of information is "Certain Broker-Dealers Deemed Not To Be Investment Advisers." Proposed rule 202(a)(11)-1 under the Investment Advisers Act of 1940 ("Advisers Act") would allow broker-dealers registered with the Commission to manage non-discretionary brokerage accounts without being subject to the Advisers Act regardless of the form of

compensation charged those accounts provided that certain conditions are met. The rule would require that all advertisements for brokerage accounts charging an asset-based fee and all agreements and contracts governing the operation of those accounts contain a prominent statement that the accounts are brokerage accounts. This collection of information is necessary so that customers are not confused with respect to the services that they are receiving, *i.e.*, to prevent customers and prospective customers from mistakenly believing that the account is an advisory account subject to the Advisers Act. The collection will assist customers in making informed decisions regarding whether to establish accounts.

The respondents to this collection of information are all broker-dealers that are registered with the Commission. The Commission has estimated that the average annual burden for ensuring compliance with the disclosure element of the rule is 5 minutes per broker-dealer taking advantage of the rule. If all of the approximately 8,100 broker-dealers registered with the Commission took advantage of the rule, the total estimated annual burden would be 673 hours (.083 hours \times 8,100 brokers).

The proposed rule imposes no additional requirements regarding record retention. The collection of information requirements under the proposed rule is mandatory. Any information received by the Commission related to the proposed rule would be kept confidential, subject to the provisions of the Freedom of Information Act, 5 U.S.C. 552. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10202, New Executive Office Building, Washington, DC 20503; and (ii) Kenneth A. Fogash, Acting Associate Executive Director/CIO, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: January 8, 2003.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03-792 Filed 1-14-03; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47128; File No. SR-Amex-2002-100]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC To Renumber Footnotes in the Member Fee Schedule

January 6, 2003.

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 December 4, 2002 the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 seeks to renumber footnotes in the Member Fees section of the Exchange's Member Fee Schedule.

The proposed fee schedule is available at the Amex and at 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 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 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

On September 26, 2002, the Exchange filed SR-Amex-2002-78 pursuant to Section 19(b)(3)(A) of the Act³ to

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).