

meaning, administration, or enforcement of an existing rule of the Exchange, it has become effective pursuant to Section 19(b)(3)(A)(i) of the Act⁶ and subparagraph (f)(1) of Rule 19b-4⁷ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-2002-15 and should be submitted by May 16, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45780; File No. SR-DTC-2001-04]

Self-Regulatory Organizations; The Depository Trust Company; Order Granting Approval of Proposed Rule Change Relating to the Implementation of the Global Corporate Action Hub Service

April 18, 2002.

On March 30, 2001, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change, File No. SR-DTC-2001-04, pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the **Federal Register** on November 13, 2001.² No comment letters were received. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

I. Description

The Global Corporate Action Hub ("GCAH") is a new service that will provide efficient means of systemically transmitting corporate actions information and consolidating related messages between investment managers and their multiple custodians. GCAH will: (1) Provide a single, automated point of access through a centralized communications conduit for custodians and investment managers; (2) standardize corporate action market practice and embrace the recently released ISO 15022 MT56X message formats; (3) use Internet-based technology to provide easy access to all parties; (4) offer a seamless exchange of information between bank and broker custodians, investment managers, and DTC; and (5) enhance service delivery by providing an efficient, industry-wide corporate action processing solution.

Under the GCAH, each custodian will create the corporate action message for its recipients, who are investment managers servicing mutual customers. Custodians may, but are not required to, use information supplied by DTC in creating their corporate action message. Regardless of whether or not custodians use information supplied by DTC, custodians remain responsible for the content of the messages. Using event-specific templates with standardized election options, each custodian will provide or validate the terms and

conditions, then will add account and position information for each customer. GCAH will route these announcements, along with those generated by other custodians, to the specified investment managers. DTC will ensure that mandatory fields are completed but will not edit, change, or validate the terms and conditions of the announcements that remain unique to the custodians.

Each investment manager will receive all of its custodians' announcements and any DTC announcements for a single event on a single display. Investment managers will select their election option for voluntary offers. Investment managers will have the opportunity to make their election decisions for all accounts, for accounts handled by individual custodians, or by customer account, and their election decisions will be sent to the custodians using GCAH. Investment managers will receive status updates reflecting the state of the message (e.g., unread).

GCAH contains built-in, real-time status flow monitoring that keeps all parties informed at all times of a transaction's status, with each party seeing changing status indicators that effectively track the progressive stages in the communication process. The GCAH home page includes summary alerts to highlight pending transactions and deadlines. Additional protection is provided by an e-mail alert built into the system that provides warning messages well in advance of transaction deadlines. Each party, therefore, sees both status indicators and affirmative messages.

Users of GCAH who are not DTC participants will sign an agreement substantially in the form of the agreement attached as Exhibit B to DTC's filing. "Participant Operating Procedures" containing more detailed information about GCAH are attached to DTC's filing as Exhibit C.

II. Discussion

Section 17A(b)(3)(F)³ of the Act requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions. The GCAH service will facilitate efficient, industry-wide corporate action processing. GCAH will provide its users with a single point of access to automated, real-time transaction information. The GCAH service will allow DTC to further standardize and automate the processing of corporate actions. Therefore, the Commission finds that DTC's proposed rule change is consistent with its obligation under

⁶ 15 U.S.C. 78s(b)(3)(A)(i).

⁷ 17 CFR 240.19b-4(f)(1).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 45025 (November 5, 2001), 66 FR 56869.

³ 15 U.S.C. 78q-1(b)(3)(F).

section 17A(b)(3)(F) of the Act to remove impediments to and perfect the mechanism of the national system for clearance and settlement.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular section 17A of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to section 19(b)(2) of the Act, that the proposed rule change (File No. SR-DTC-2001-04) be and hereby is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁴

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45772; File No. SR-ISE-2002-09]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the International Securities Exchange LLC Relating to Fee Changes

April 17, 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 15, 2002, the International Securities Exchange LLC ("ISE") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which the ISE has prepared. 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 ISE is proposing to lower the ceiling from \$750,000 to \$650,000 for each of the ten payment-for-order-flow funds that it maintains. The text of the proposed rule change is available at the ISE 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 ISE included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it had received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The ISE 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

The purpose of the proposed rule change is to establish a lower ceiling from \$750,000 to \$650,000 for each of the ten payment-for-order-flow funds that the ISE maintains.³ The ISE established this ceiling in November 2001 and has been monitoring the levels of the payment-for-order flow funds.⁴ The ISE continues to pay out of these funds less money than has been collected, and the ISE believes that lowering the cap to \$650,000 will provide sufficient money for Primary Market Makers to maintain the payment-for-order-flow program while lessening the economic burden on the market makers that pay the fees.

The basis for this proposed rule change is the requirement under Section 6(b)(4) of the Act⁵ that an exchange have an equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

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

The ISE believes that the proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

³ Under ISE Rule 802(b), the ISE has divided the options it trades into ten groups, with one Primary Market Maker assigned to each group. The ISE maintains a payment-for-order-flow fund for each group, consisting of the fees collected from market makers trading options in that group. The Primary Market Maker for the group is responsible for arranging and making all payments to Electronic Access Members for order flow sent to the ISE in options in that group.

⁴ See Securities Exchange Act Release No. 45128 (December 4, 2001), 66 FR 64325 (December 12, 2001).

⁵ 15 U.S.C. 78f(b)(4).

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

The ISE has not solicited, and does not intend to solicit, comments on this proposed rule change. The ISE has not received any unsolicited written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁶ and Rule 19b-4(f)(2)⁷ thereunder. At any time within 60 days after the filing of the proposed rule change, the Commission may summarily abrogate the rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of the filing will also be available for inspection and copying at the principal office of the ISE. All submissions should refer to ISE-2002-09 and should be submitted by May 16, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

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¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 19b-4(f)(2).

⁸ 17 CFR 200.30-3(a)(12).