

Portfolio will fully record the Board's consideration in approving the advisory contract, including the considerations relating to fees referred to above.

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

4. Investment by an Investing Portfolio of Cash Balances in shares of the Money Market Funds will be in accordance with each Investing Portfolio's respective investment restrictions and will be consistent with each Investing Portfolio's policies as set forth in its prospectus and statement of additional information.

5. Each Investing Portfolio, each Money Market Fund, and any future Fund that may rely on the order shall be advised by BGFA, or a person controlling, controlled by, or under common control with BGFA.

6. No Money Market Fund in which an Investing Portfolio invests shall acquire securities of any other investment company in excess of the percentage limits contained in section 12(d)(1)(A) of the Act, except to the extent a Money Market Fund is an Underlying Feeder Fund.

7. Before an Investing Portfolio may participate in the Securities Lending Program, a majority of the Board (including a majority of the Independent Directors/Trustees) of the Investing Portfolio will approve of the Investing Portfolio's participation in the Securities Lending Program. Such directors/trustees also will evaluate the securities lending arrangement and its results no less frequently than annually and determine that any investment of Cash Collateral in the Money Market Funds is in the best interests of the shareholders of the Investing Portfolio.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01-21789 Filed 8-28-01; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44738; File No. SR-Amex-2001-60]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC Suspending the Collection of a Marketing Fee From Specialists and Registered Options Traders

August 22, 2001.

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 August 7, 2001, the American Stock Exchange LLC ("Amex") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III, below, which Items the Amex 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 Amex proposes to suspend collection of the marketing fee that it currently imposes on equity options transactions of specialists and registered options traders ("ROT's"). The text of the proposed rule change is available at the principal offices of 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 Amex included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it had received. The text of these statements may be examined at the places specified in Item IV below. The Amex 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 Amex proposes to suspend collection of the marketing fee that it currently imposes on equity options transactions of specialists and ROT's.

In July 2000, the Amex imposed a marketing fee of \$0.40 per contract on the transactions of specialists and ROT's in equity options.³ The Amex collects the fee and allocates the funds to the Amex's specialists, who may then use the funds to pay broker-dealers for orders that they direct to the Amex. The specialists, in their discretion, determine the specific terms governing the orders that qualify for payment and the amount of any payments. The Amex also instituted a rebate program whereby funds collected and unspent are returned to the specialists and ROT's.⁴

The Amex now proposes to suspend collection of the marketing fee for an indeterminate period of time. The Amex would also reserve the right to reinstate the program if it determines to do so. The Amex notes that the funds collected before the suspension of the program would continue to be allocated to the specialists and disbursed pursuant to the specialists' instructions. In addition, the rebate program mentioned above would remain in effect until all unspent money is returned to the specialists and ROT's.

2. Statutory Basis

The Amex believes that the proposed rule change is consistent with Section 6(b) of the Act⁵ and furthers the objectives of Section 6(b)(4) of the Act⁶ in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

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

The Amex does not believe that the proposed rule change will impose any inappropriate burden on competition.

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

The Amex neither solicited nor received any written comments with respect to the proposal.

³ See Securities Exchange Act Release No. 43228 (August 30, 2000), 65 FR 54330 (September 7, 2000) (SR-Amex-2000-38). Trades between ROT's and trades between specialists and ROT's were excluded from the marketing fee.

⁴ See Securities Exchange Act Release No. 44598 (July 26, 2001), 66 FR 41071 (August 6, 2001) (SR-Amex-2001-38).

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(4).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

The Amex has designated the foregoing proposed rule change as a fee change pursuant to Section 19(b)(3)(A)(ii) of the Act⁷ and Rule 19b-4(f)(2) thereunder,⁸ and therefore the proposal has become effective upon filing with the Commission. 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, D.C. 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 will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-2001-60 and should be submitted by September 19, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 01-21792 Filed 8-28-01; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44741; File No. SR-CBOE-2001-14]

Self Regulatory Organizations; Chicago Board Options Exchange, Inc.; Order Granting Approval to Proposed Rule Change Amending Rules Regarding Jurisdiction Over Former Members and Associated Persons for Failure To Honor an Exchange Arbitration Award

August 23, 2001.

On March 27, 2001, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to make amendments to its disciplinary and arbitration rules to extend the CBOE's disciplinary jurisdiction to cover former members and associated persons subject to CBOE arbitration awards. In particular, the proposed rule change provides that the failure to honor a CBOE arbitration award by a former CBOE member or associated person would subject former member or associated person to the disciplinary jurisdiction of the Exchange regardless of the date of termination of membership.

The proposed rule change was published for comment in the **Federal Register** on June 18, 2001.³ The Commission received no comments on the proposal.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange⁴ and, in particular, the requirements of Section 6 of the Act⁵ and the rules and regulations thereunder. The Commission finds specifically that the proposed rule change is consistent with Sections 6(b)(1) and Section 6(b)(6) of the Act,⁶ respectively, in that the proposed rule change satisfies the requirement that: (1) An exchange is so organized and has the capacity to be able to carry out the purposes of Section 6 of the Act and to

enforce compliance by its members and persons associated with its members with the provisions of Section 6 of the Act, the rules and regulations thereunder, and the rules of the exchange; and (2) the rules of an exchange provide that its members and persons associated with its members shall be appropriately disciplined for violation of the Act, the rules and regulations thereunder, or the rules of the exchange.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (File No. SR-CBOE-2001-04) be, and it hereby is, approved.

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

[FR Doc. 01-21793 Filed 8-28-01; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44739; File No. SR-ISE-00-22]

Self-Regulatory Organizations; International Securities Exchange LLC; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendments Nos. 1 and 2 to the Proposed Rule Change Relating to Market Maker Financial Requirements

August 22, 2001.

1. Introduction

On November 28, 2000, the International Securities Exchange LLC ("Exchange" or "ISE") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend and further define the calculations necessary to determine the minimum financial requirements for the Exchange's market makers, and specify certain reporting requirements when a market maker fails to maintain the minimum financial requirements. The proposed rule change was published for comment in the **Federal Register** on February 9, 2001.³ No comments were received on the proposed rule change. On March 13, 2001, ISE filed

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 44408 (June 11, 2001), 66 FR 32853.

⁴ In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78f.

⁶ 15 U.S.C. 78f(b)(1); (b)(6).

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 43922 (February 2, 2001), 66 FR 9735.

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

⁸ 17 CFR 240.19b-4(f)(2).

⁹ 17 CFR 200.30-3(a)(12).