

**FOR FURTHER INFORMATION CONTACT:**  
Sarah Lee, Budget Analysis Branch—  
202/395-3674.

Dated: August 21, 2002.

**Stephen A. Weigler,**  
*Deputy Assistant Director for Administration.*  
[FR Doc. 02-21695 Filed 8-26-02; 8:45 am]

**BILLING CODE 3110-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27562]

### Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

August 21, 2002.

Notice is hereby given that the following filing has been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application/declaration for a complete statements of the proposed transaction summarized below. The application/declaration is available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application/declaration should submit their views in writing by September 16, 2002, to the Secretary, Securities and Exchange Commission, Washington, DC 20549-0609, and serve a copy on the relevant applicant/declarant at the address specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After September 16, 2002, the application/declaration, as filed or as amended, may be granted and/or permitted to become effective.

#### Entergy Corporation (70-9749)

Entergy Corporation ("Entergy"), a registered public utility holding company, 639 Loyola Avenue, New Orleans, LA 70113, has filed a post-effective amendment under sections 6(a) and 7 of the Act and rule 54 under the Act to its previously filed application-declaration ("Application").

By order dated April 3, 2001 (HCAR No. 27371) the Commission authorized, among other things, Entergy to issue and sell through June 30, 2004 ("Authorization Period") short-term

debt in the form of notes to banks ("Notes") or commercial paper ("Paper," and collectively with "Notes," "Short-Term Debt") that will not exceed an outstanding aggregate principal amount of \$1.5 billion.

In this post-effective amendment, Entergy requests authority to issue and sell from time to time through the Authorization Period additional Short-Term Debt in an aggregate principal amount at any time outstanding not to exceed \$2 billion. Terms and conditions of Short-Term Debt previously authorized continue to apply to additional Short-Term Debt issued under this authority.

Entergy will use the proceeds from the financings for general corporate purposes, including (i) financing, in part, investments by and capital expenditures of Entergy and its subsidiaries, (ii) the repayment, redemption, refunding or purchase by Entergy of any of its securities under rule 42, and (iii) financing working capital requirements of Entergy and its subsidiaries.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-21777 Filed 8-26-02; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No.  
25714; 812-11794]

### National Equity Trust and Prudential Investment Management Services LLC; Notice of Application

August 21, 2002.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice of application under sections 6(c) and 17(b) of the Investment Company Act of 1940 (the "Act") for an exemption from section 17(a) of the Act.

**SUMMARY OF APPLICATION:** The requested order would supersede a prior order<sup>1</sup> and permit a terminating series of a unit investment trust to sell portfolio securities to a new series of the unit investment trust.

**APPLICANTS:** National Equity Trust (the "Trust"), Prudential Investment Management Services LLC (the "Sponsor"), and certain current or future unit investment trusts sponsored

by the Sponsor (together with the Trust, the "Trusts," and their series, the "Series").

**FILING DATES:** The application was filed on October 6, 1999, and amended on August 19, 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 September 16, 2002, and should be accompanied by proof of service on 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 may request notification of a hearing by writing to the Commission's Secretary.

**ADDRESSES:** Secretary, Commission, 450 5th Street, NW., Washington, DC 20549-0609. Applicants, c/o Richard Hoffman, Prudential Investment Management Services LLC, 100 Mulberry Street, Newark, NJ 07102.

**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 5th Street, NW., Washington, DC 20549-0102 (telephone (202) 942-8090).

#### Applicants' Representations

1. The Trust is a unit investment trust registered under the Act and sponsored by the Sponsor. Each Series will be created under the laws of one of the United States pursuant to a trust agreement, which will contain information specific to that Series, and which will incorporate by reference a master trust indenture between the Sponsor and a financial institution that is a bank within the meaning of section 2(a)(5) of the Act and that satisfies the criteria in section 26(a) of the Act (the "Trustee"). Applicants also request relief for any future Series sponsored by the Sponsor.<sup>2</sup>

<sup>2</sup> All entities that currently intend to rely on the order are named as applicants. Any existing or future Series that relies on the order will comply with the terms and conditions of the application.

<sup>1</sup> *National Equity Trust, et al.*, Investment Company Act Release Nos. 21135 (June 14, 1995) (notice) and 21197 (July 11, 1995) (order).

2. Each Series will hold a portfolio of equity securities of domestic and/or foreign companies. The Series generally are designed to seek either capital appreciation and/or dividend income.

3. Applicants state that many, if not all, securities in each Series' portfolio will be either (a) securities listed by the Sponsor on a "top picks" list disseminated to customers and the general public as securities recommended for purchase ("Top Picks Securities") and have (i) a minimum market capitalization of U.S. \$1 billion and (ii) had an average daily trading volume in the preceding 60 trading days of at least 50,000 shares equal in value to at least U.S. \$250,000 on an Exchange, as defined below, or (b) other securities that are actively traded (*i.e.*, have had an average daily trading volume in the preceding six months of at least 500 shares and equal in value to at least U.S. \$25,000) on an Exchange which is: (i) A national securities exchange which meets the qualifications of section 6 of the Securities Exchange Act of 1934, (ii) a foreign securities exchange which meets the qualifications set forth in the proposed amendments to rule 12d3-1(d)(6) under the Act<sup>3</sup> and that releases daily closing prices, or (iii) the Nasdaq-National Market System (the securities meeting these requirements are referred to in this notice as "Securities").

4. Each Series will terminate on a date after a specified period, generally one or two years. The Sponsor intends that, as each Series terminates, a new Series ("New Series") having the same or a similar investment objective or investment strategy, will be offered for the next period.

5. Each Series has a date or dates (the "Rollover Date") on which unitholders in that Series (the "Rollover Series") may at their option redeem their units in the Rollover Series and receive in return units of the New Series, which will be created on or about the Rollover Date. Applicants anticipate that there will be some overlap in the Securities selected for the portfolios of each

Rollover Series and the related New Series.

6. Applicants request an order to permit a Rollover Series to sell to a New Series, and a New Series to purchase from a Rollover Series, Securities at the closing sales prices of the Securities on an Exchange on the dates the Securities are sold (each a "Sale Date"). Absent the requested relief, Securities common to both Series must be purchased or sold in the securities markets rather than purchased or sold between the Series. This would result in both Series, and thus the unitholders, incurring brokerage commissions on Securities.

#### Applicants' Legal Analysis

1. Section 17(a) of the Act prohibits an affiliated person of a registered investment company from selling securities to, or purchasing securities from, the company. Section 2(a)(3) of the Act defines an "affiliated person" of another person to include, in pertinent part, any person directly or indirectly controlling, controlled by or under common control with, such other person. Each Series will be sponsored by the Sponsor. Because the Sponsor may be deemed to control a Series, each Series may be deemed to be under common control and an affiliated person of all the other Series.

2. Rule 17a-7 under the Act permits registered investment companies that might be deemed affiliated persons solely by reason of having common investment advisers, directors, and/or officers, to purchase securities from, or sell securities to, one another at an independently determined price, provided certain conditions are met. Applicants represent that they will comply with all of the provisions of rule 17a-7, other than paragraphs (e) and (f).

3. Paragraph (e) of rule 17a-7 requires an investment company's board of directors to adopt and monitor certain procedures to assure compliance with the rule. Paragraph (f) of the rule requires that a majority of the investment company's board of directors not be interested persons, as defined in section 2(a)(19) of the Act ("disinterested directors"), of the company and that the disinterested directors have independent legal counsel. Because a unit investment trust does not have a board of directors, the Trust would be unable to comply with these requirements.

4. Section 17(b) of the Act provides that the Commission will exempt a proposed transaction from section 17(a) if evidence establishes that: (a) The terms of the proposed transaction are reasonable and fair and do not involve overreaching; (b) the proposed

transaction is consistent with the policies of the registered investment companies involved; and (c) the proposed transaction is consistent with the general purposes of the Act. Section 6(c) of the Act provides that the Commission may exempt classes of transactions 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. Applicants request relief under sections 6(c) and 17(b) to permit a Rollover Series to sell Securities to a New Series and to permit the New Series to purchase the Securities.

5. Applicants state that the terms of the proposed transactions meet the standards of sections 6(c) and 17(b). Applicants represent that purchases and sales of Securities between Series will be consistent with the policy of each Series. Applicants state that to minimize the possibilities of overreaching, applicants agree that the Sponsor will certify to the Trustee, within five days of each sale from a Rollover Series to a New Series, (a) that the transaction is consistent with the policy of both the Rollover Series and the New Series, as recited in their respective registration statements and reports filed under the Act, (b) the date of the transaction, and (c) the closing sales price on the Exchange for Securities on the Sale Date. The Trustee will then countersign the certificate, unless, in the unlikely event that the Trustee disagrees with the closing sales price listed on the certificate, the Trustee immediately informs the Sponsor orally of the disagreement and returns the certificate within five days to the Sponsor with corrections duly noted. Upon the Sponsor's receipt of a corrected certificate, if the Sponsor can verify the corrected price by reference to an independently published list of closing sales prices for the date of the transactions, the Sponsor will ensure that the price of units of the New Series, and distributions to holders of the Rollover Series with regard to redemption of their units or termination of the Rollover Series, accurately reflect the corrected price. To the extent that the Sponsor disagrees with the Trustee's corrected price, the Sponsor and the Trustee will jointly determine the correct sales price by reference to a mutually agreeable, independently published list of closing sales prices for the date of the transaction.

<sup>3</sup> See Investment Company Act Release No. 17096 (Aug. 3, 1989) (proposing amendments to rule 12d3-1). The proposed amended rule defined a "Qualified Foreign Exchange" to mean a stock exchange in a country other than the United States where: (a) Trading generally occurred at least four days a week; (b) there were limited restrictions on the ability of registered investment companies to trade their holdings on the exchange; (c) the exchange had a trading volume in stocks for the previous year of at least U.S. \$ 7.5 billion; and (d) the exchange had a turnover ratio for the preceding year of at least 20% of its market capitalization. The version of the amended rule that was adopted did not include the part of the proposed amendment defining the term "Qualified Foreign Exchange."

### Applicants' Conditions

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

1. Each sale of Securities by a Rollover Series to a New Series will be effected at the closing price of the Securities sold on the applicable Exchange on the Sale Date, without any brokerage charges or other remuneration except customary transfer fees, if any.

2. The nature and conditions of such transactions will be fully disclosed to investors in the appropriate prospectus of each Rollover Series and New Series.

3. The Trustee of each Rollover Series and New Series will (a) review the procedures discussed in the application relating to the sale of Securities from a Rollover Series and the purchase of Securities for deposit in a New Series and (b) make such changes to the procedures as the Trustee deems necessary that are reasonably designed to comply with paragraphs (a) through (d) of rule 17a-7.

4. A written copy of these procedures and a written record of each transaction pursuant to the order will be maintained as provided in rule 17a-7(g).

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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### SECURITIES AND EXCHANGE COMMISSION

#### Sunshine Act Meetings

**FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT:** [67 FR 54506, August 22, 2002].

**STATUS:** Open meetings/closed meetings.

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

**DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING:** Tuesday, August 27, 2002 at 10 a.m., Wednesday, August 28, 2002 at 10 a.m., and Thursday, August 29, 2002, at 10 a.m.

**CHANGE IN THE MEETING:** Additional meeting/time change/delete items.

An additional Open Meeting will be held on Wednesday, August 28, 2002, at 10 a.m., in Room 1C30, the William O. Douglas Room. The Closed Meeting previously announced to be held on Wednesday, August 28, 2002 at 10 a.m., has been rescheduled to immediately follow the open meeting on Wednesday, August 28, 2002.

The following additional item will be considered at an Open Meeting scheduled for Tuesday, August 27, 2002, at 10 a.m.:

The Commission will consider whether to adopt rules that would require a registered investment company's principal executive and financial officers to certify Form N-SAR, implementing Section 302 of the Sarbanes-Oxley Act of 2002. In addition, the Commission will consider whether to propose amendments to its rules and forms that would (1) Designate the shareholder reports of management investment companies as reports filed under the Securities Exchange Act of 1934, and (2) require each registered management investment company's principal executive officer and principal financial officer to certify the information contained in its shareholder reports in the manner required by Section 302 of the Sarbanes-Oxley Act of 2002.

The following item previously scheduled for the open meeting on Tuesday, August 27, 2002, at 10 a.m., is now scheduled for the open meeting on Wednesday, August 28, 2002, at 10 a.m.:

The Commission will consider whether the National Association of Securities Dealers, Inc. ("NASD") and the Nasdaq Stock Market, Inc. ("Nasdaq") have satisfied the conditions that must be implemented prior to or at the same time as Nasdaq's implementation of a new order display and collection facility ("SuperMontage"). The conditions, which were imposed by the Commission in a prior order granting conditional approval of the SuperMontage, include an alternative display facility established by the NASD for the display of market maker and ECN quotes.

The following items will not be considered at the closed meeting scheduled for Wednesday, August 28, 2002, immediately following the 10 a.m. open meeting:

- Formal orders of investigation;
- Litigation matter;
- Institution and settlement of injunctive actions;

- Institution and settlement of administrative proceedings of an enforcement nature; and

The following items have been added to the closed meeting scheduled for Thursday, August 29, 2002:

- Formal orders of investigation;
- Litigation matter;
- Regulatory matter bearing enforcement implications;

- Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings of an enforcement nature; and

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

For further information please contact the Office of the Secretary at (202) 942-7070.

Dated: August 22, 2002.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-21961 Filed 8-23-02; 1:33 pm]

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### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46384; File No. SR-Amex-2002-64]

#### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment Nos. 1 and 2 by the American Stock Exchange LLC to Suspend Transaction Charges for Certain Exchange Traded Funds

August 20, 2002.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 26, 2002, the American Stock Exchange LLC ("Amex" 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 Exchange. The Amex amended the proposed rule change on August 14, 2002.<sup>3</sup> On August 15, 2002, the Amex again amended the proposed rule change.<sup>4</sup> The Exchange filed the proposal pursuant to Section 19(b)(3)(A) of the Act,<sup>5</sup> and Rule 19b-4(f)(6)

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See August 12, 2002 letter from Geraldine Brindisi, Vice President and Corporate Secretary, Amex, to Nancy Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, and attachments ("Amendment No. 1"). Amendment No. 1 completely replaced and superseded the original filing.

<sup>4</sup> See August 14, 2002 letter from Geraldine Brindisi, Vice President and Corporate Secretary, Amex, to Nancy Sanow, Assistant Director, Division, Commission, and attachments ("Amendment No. 2"). In Amendment No. 2, the Amex added the text of the Regulatory Fee to the Equity Fee Schedule. The text was inadvertently omitted from Amendment No. 1. For purposes of calculating the 60-day abrogation period, the Commission considers the period to have commenced on August 15, 2002, the date the Amex filed Amendment No. 2.

<sup>5</sup> 15 U.S.C. 78s(b)(3)(A).