

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 will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-Amex-2002-34 and should be submitted by May 16, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45774; File No. SR-CBOE-2002-15]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to CBOE Rule 8.51

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 Chicago Board Options Exchange, Inc. ("CBOE" 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 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 adopt a new interpretation and policy under CBOE Rule 8.51. Below is the text of the proposed rule change. Additions are italicized.

Rule 8.51 Trading Crowd Firm Disseminated Market Quotes

(a)-(b) No change.

* * * Interpretations and Policies:

.01-.08 No change.

.10 *For purposes of determining when the firm quote obligations under Rule 8.51 attach in respect of orders received at a PAR workstation in a DPM trading crowd and how the exemptions to that obligation provided in paragraph (e) of that Rule apply, the responsible broker or dealer shall be deemed to receive an order, and an order shall be deemed to be presented to the responsible broker or dealer, at the time the order is received on the DPM's PAR workstation.*

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 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

The proposed rule change provides an interpretation of CBOE Rule 8.51 to clarify when the firm quotation obligation of the trading crowd under that rule arises in the case of orders received at PAR workstations in DPM trading crowds, and to interpret how the exemptions from that obligation apply in the case of such orders. CBOE Rule 8.51(b)(1) obligates "the responsible broker or dealer to sell (buy) at least the established number of contracts at the offer (bid) which is displayed when the responsible broker or dealer receives a buy (sell) order at the trading station where the reported security is located

for trading." Paragraph (e) of CBOE Rule 8.51 provides certain exemptions from the firm quote obligation that are tied to when an order is "presented." For purposes of CBOE Rule 8.51 "the responsible broker or dealer" is defined as the trading crowd in a series or class of option.³ This proposed rule change adds Interpretation and Policy .10 to make it clear that for the purposes of CBOE Rule 8.51 in respect of orders received at a PAR workstation in a DPM trading crowd, the responsible broker or dealer is deemed to receive an order, and an order is deemed to be presented to the responsible broker or dealer, at the time the order is received on the DPM's PAR workstation.⁴

2. Statutory Basis

By clarifying the time when firm quote obligations attach under CBOE Rule 8.51 in respect of orders received over PAR workstations in DPM trading crowds, the Exchange believes that the proposed rule change will promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and protect investors and the public interest, and will not permit unfair discrimination between customers, issuers, brokers or dealers, in furtherance of the objectives of Section 6(b)(5) of the Exchange Act.⁵

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

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

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

No written comments were solicited or received with respect to the proposed rule change.

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

Because the foregoing rule change constitutes a stated policy, practice, or interpretation with respect to the

³ The Commission noted in the approval order of SR-CBOE-2002-07 that "any member of the trading crowd who submits a manual quote that improves the Exchange's disseminated quote would be considered to be the responsible broker or dealer pursuant to Rule 11Ac1-1(c) under the Act." Exchange Act Release No. 45677 (March 29, 2002), 67 FR 16476, 16477 (April 5, 2002).

⁴ In SR-CBOE-01-67 filed with the Commission in December 2001, the Exchange proposed an Interpretation and Policy .09, which makes clear that a trading crowd may voluntarily agree to honor its disseminated quotes for a larger number of contracts than required by rule.

⁵ 15 U.S.C. 78f(b)(5).

¹² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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.

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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).