

Portfolio's *Total Assets* (or, in the case of a Portfolio that is not subject to rule 2a-7, the percentage of the total of its cash, cash items and *Eligible Securities*) represented by *Second Tier Securities* acquired from JPMSI.

(c) Each Portfolio will maintain records sufficient to verify compliance with the volume limitations contained in condition (3), above. JPMSI will provide the Portfolios with all records and information necessary to implement this requirement.

(d) Each Portfolio will maintain records sufficient to verify compliance with the repurchase agreement requirements contained in condition (2), above.

The records required by this condition (8) will be maintained and preserved in the same manner as records required under rule 31a-1(b)(1).

9. Guidelines—Each of the compliance departments of the Advisers and of JPMSI (the "Compliance Departments") will prepare and, as necessary update guidelines for personnel of the Advisers or JPMSI, as the case may be, to make certain that transactions conducted pursuant to the exemption comply with the conditions of the exemption, and that the parties generally maintain arm's length relationships. In training personnel of JPMSI, particular emphasis will be given to the fact that the Portfolios are to receive rates as favorable as other institutional purchasers buying the same quantities. The Compliance Departments will periodically monitor the activities of JPMSI and the Advisers to make certain that the conditions set forth in the exemption are adhered to.

10. Audit Committee Review—The Audit Committees, consisting of Trustees who are not "interested persons" as defined in section 2(a)(19) of the Act ("Independent Trustees"), will prepare, periodically review and update the guidelines for the Advisers and JPMSI to ensure that transactions conducted pursuant to the exemption comply with the conditions set forth therein and that the above procedures are followed in all respects. The respective Audit Committees will periodically monitor the activities of the Portfolios, the Advisers and JPMSI in this regard to ensure that these matters are being accomplished.

11. Scope of Exemption—Applicants expressly acknowledge that any order issued on the application would grant relief from section 17(a) of the Act only, and would not grant relief from any other section of, or rule under, the Act including, without limitation, rule 2a-7.

12. Board Review—The Trustees, including a majority of the Independent

Trustees, have approved the Portfolio's participation in transactions conducted pursuant to the exemption and have determined that such participation by the Portfolios is in the best interests of the Portfolios and their investors. The minutes of the meetings of the Trustees at which this approval was given reflect in detail the reasons for the Trustees' determinations. The Trustees will review no less frequently than annually the Portfolios' participation in transactions conducted pursuant to the exemption during the prior year and determine whether the Portfolios' participation in such transactions continues to be in the best interests of the Portfolios and their investors. Such review will include (but not be limited to) (a) a comparison of the volume of transactions in each type of security conducted pursuant to the exemption to the market presence of JPMSI in the market for that type of security, and (b) a determination that the Portfolios are maintaining appropriate trading relationships with other sources for each type of security to ensure that there are appropriate sources for the quotations required by condition (4) above. The minutes of the meetings of the Trustees at which such determinations are made will reflect in detail the reasons for the Trustees' determinations.

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

**Jill M. Peterson,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission held the following additional meeting during the week of May 13, 2002:

An additional closed meeting was held on Tuesday, May 14, 2002, at 11 a.m.

Commissioner Glassman, as duty officer, determined that no earlier notice thereof was possible.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries attended the closed meeting. Certain staff members who had an interest in the matter were also present.

The General Counsel of the Commission, or his designee, certified

that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(5), (7), (9)(B), and (10) and 17 CFR 200.402(a), (5), (7), 9(ii) and (10), permit consideration of the scheduled matter at the closed meeting.

The subject matter of the closed meeting held on Tuesday, May 14, 2002, was:

Institution and settlement of an administrative proceeding of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: May 15, 2002.

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 02-12638 Filed 5-15-02; 4:15 pm]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45921; File No. SR-CHX-2002-12]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Stock Exchange, Incorporated to Amend the Rules Relating to the Composition of the CHX's Minor Rule Violation Panel

May 14, 2002.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 26, 2002, the Chicago Stock Exchange, Incorporated ("CHX" 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 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 CHX proposes to amend the rules relating to the composition of the CHX's Minor Rule Violation Panel ("Panel"). The text of the proposed rule change is below. Proposed additions are in italics; proposed deletions are in brackets.

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

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