

imposes a total burden of approximately 1 hour for an adviser. Based on our experience with these filings, we estimate that we will receive 15 Form ADV-NR filings annually. Based on the 60 minute per respondent estimate, the Commission estimates a total annual burden of 15 hours for this collection of information.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Kenneth A. Fogash, Acting Associate Executive Director/CIO, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW Washington, DC 20549.

Dated: February 6, 2003.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 03-3490 Filed 2-11-03; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Comment Request

Upon Written Request, Copies Available

From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension:

Form N-23C-1—SEC File No. 270-230, OMB Control No. 3235-0230;

Rule 19a-1—SEC File No. 270-240, OMB Control No. 3235-0216;

Rule 22d-1—SEC File No. 270-275, OMB Control No. 3235-0310;

Rule 30b2-1—SEC File No. 270-213, OMB Control No. 3235-0220;

Form ADV-E—SEC File No. 270-318, OMB Control No. 3235-0361;

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the Securities and Exchange Commission (the "Commission") is soliciting comments on the collections of information summarized below. The Commission plans to submit these existing

collections of information to the Office of Management and Budget ("OMB") for extension and approval.

Section 23(c) of the Investment Company Act of 1940 [15 U.S.C. 80a-23(c)] ("Investment Company Act" or "Act") prohibits a registered closed-end investment company ("closed-end fund" or "fund") from purchasing any security it issues except on a securities exchange, pursuant to tender offers, or under such other circumstances as the Commission may permit by rules or orders designed to ensure that purchases are made in a manner that does not unfairly discriminate against any holders of the securities to be purchased. Rule 23c-1 [17 CFR 270.23c-1] under the Act permits a closed-end fund that meets certain requirements to repurchase its securities other than on an exchange or pursuant to a tender.

A registered closed-end fund that relies on Rule 23c-1 may purchase its securities for cash if, among other conditions set forth in the rule, certain conditions are met: (i) Payment of the purchase price is accompanied or preceded by a written confirmation of the purchase; (ii) the purchase is made at a price not above the market value, if any, or the asset value of the security, whichever is lower, at the time of the purchase; and (iii) if the security is stock, the issuer has, within the preceding six months, informed stockholders of its intention to purchase stock of the class by letter or report addressed to all the stockholders of the class.

In addition, the issuer must file with the Commission, on or before the tenth day of the month following the date in which the purchase occurs, two copies of Form N-23C-1. The form requires the issuer to report all purchases it has made during the month, together with a copy of any written solicitation to purchase securities under Rule 23c-1 sent or given during the month by or on behalf of the issuer to ten or more persons.

The purpose of Rule 23c-1 is to protect shareholders of closed-end funds from fraud in connection with the repurchase by funds of their own securities. The purpose of the rule's requirement that the fund file Form N-23C-1 with the Commission is to allow the Commission to monitor funds' repurchase of securities as well as any written solicitation used by the fund to effect those repurchases, and to make that information available to the public. Investors may seek this information when determining whether to invest in certain funds. The requirement to file Form N-23C-1 applies to a closed-end

fund only when the fund has repurchased its securities. If the information provided in the form were collected less frequently than a month after repurchases occur, the Commission and investing public would lack current information about closed-end funds that repurchase their own securities.

Commission staff estimates that each year approximately 30 closed-end funds use the repurchase procedures under Rule 23c-1, and that these funds file a total of 180 forms each year. The number of forms filed by each fund ranges from 1 to 12 depending on the number of months in which the fund repurchases its securities under Rule 23c-1. Commission staff estimates that each response requires 1 burden hour to prepare and file Form N-23C-1 with a copy of any written solicitation to purchase securities under the rule (if necessary).<sup>1</sup> The total annual burden of the rule's paperwork requirements is estimated to be 180 hours.

Section 19(a) [15 U.S.C. 80a-19(a)] of the Investment Company Act makes it unlawful for any registered investment company to pay any dividend or similar distribution from any source other than the company's net income, unless the payment is accompanied by a written statement to the company's shareholders which adequately discloses the sources of the payment. Section 19(a) authorizes the Commission to prescribe the form of the statement by rule.

Rule 19a-1 [17 CFR 270.19a-1] under the Act is entitled: "Written Statement to Accompany Dividend Payments by Management Companies." Rule 19a-1 sets forth specific requirements for the information that must be included in statements made under Section 19(a) by registered investment companies. The rule requires that the statement indicate what portions of the payment are made from net income, net profits and paid-in capital.<sup>2</sup> When any part of the payment is made from net profits, the rule requires that the statement disclose certain other information relating to the appreciation or depreciation of portfolio securities. If an estimated portion is

<sup>1</sup> The burden hour estimates are based upon consultation with lawyers and accountants familiar with the practices of fund boards and the staff of investment advisers.

<sup>2</sup> Rule 19a-1 requires, among other things, that every written statement made under Section 19 of the Act by or on behalf of a management company clearly indicate what portion of the payment per share is made from the following sources: net income for the current or preceding fiscal year, or accumulated undistributed net income, or both, not including in either case profits or losses from the sale of securities or other properties; accumulated undistributed net profits from the sale of securities or other properties; and paid-in surplus or other capital source.

subsequently determined to be significantly inaccurate, a correction must be made on a statement made under Section 19(a) or in the first report to shareholders following the discovery of the inaccuracy. The purpose of Rule 19a-1 is to afford fund shareholders adequate disclosure of the sources from which dividend payments are made.

The Commission staff estimates that approximately 8,400 portfolios of management companies may be subject to Rule 19a-1 each year.<sup>3</sup> The total average annual burden for Rule 19a-1 per portfolio is estimated to be approximately 30 minutes.<sup>4</sup> The total annual burden for all portfolios is therefore estimated to be approximately 4,200 burden hours.

Rule 22d-1 [17 CFR 270.22d-1] under the Act provides registered investment companies that issue redeemable securities an exemption from Section 22(d) of the Investment Company Act to the extent necessary to permit scheduled variations in or elimination of the sales load on fund securities for particular classes of investors or transactions, provided certain conditions are met. The rule imposes an annual burden per series of a fund of approximately 15 minutes, so that the total annual burden for the approximately 6,100 series of funds that might rely on the rule is estimated to be 1,525 hours.

Rule 30b2-1 [17 CFR 30b2-1] under the Investment Company Act requires the filing of four copies of every periodic or interim report transmitted by or on behalf of any registered investment company to its stockholders.<sup>5</sup> This requirement ensures that the Commission has information in its files to perform its regulatory functions and to apprise investors of the operational and financial condition of registered investment companies.<sup>6</sup>

<sup>3</sup> The Commission staff estimates that there are approximately 3,800 registered investment companies that are "management companies" as defined by the Act, and each may have one or more separate portfolios that report dividends to shareholders. The Commission's records indicate that those 3,800 management companies have approximately 8,400 portfolios that report paying dividends, and so may be subject to Rule 19a-1.

<sup>4</sup> According to respondents, no more than approximately 15 minutes is needed to make the determinations required by the rule and include the required information in the shareholders' dividend statements. The Commission staff estimates that, on average, each portfolio mails two notices per year to meet the requirements of the rule, for an average total annual burden of approximately 30 minutes.

<sup>5</sup> Most filings are made via the Commission's electronic filing system; therefore, paper filings under Rule 30b2-1 occur only in exceptional circumstances. Electronic filing eliminates the need for multiple copies of filings.

<sup>6</sup> Annual and periodic reports to the Commission become part of its public files and, therefore, are

It is estimated that approximately 3,700 registered management investment companies are required to send reports to stockholders at least twice annually. In addition, under recently proposed amendments to Rule 30b2-1, if adopted, each registered investment company would be required to file with the Commission new form N-CSR, certifying the financial statements. The annual burden of filing the reports is included in the burden estimate of form N-CSR.

Form ADV-E [17 CFR 279.8] is the cover sheet for accountant examination certificates filed pursuant to Rule 206(4)-2 under the Investment Advisers Act by investment advisers retaining custody of client securities or funds. Registrants each spend approximately three minutes, annually, complying with the requirements of the form.

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act. The estimate is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms.

Written comments are invited on: (a) Whether the collections of information is necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burdens of the collections of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burdens of the collections of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Kenneth A. Fogash, Acting Associate Executive Director/CIO, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549.

Dated: February 5, 2003.

**Margaret H. McFarland,**

*Deputy Secretary.*

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available for use by prospective investors and stockholders.

## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

#### Extension:

Rule 15g-3, SEC File No. 270-346, OMB Control No. 3235-0392;  
Rule 15g-4, SEC File No. 270-347, OMB Control No. 3235-0393;  
Rule 15g-5, SEC File No. 270-348 OMB, Control No. 3235-0394;  
Rules 17Ad-6 and 17Ad-7, SEC File No. 270-151, OMB Control No. 3235-0291.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collections of information summarized below. The Commission plans to submit these existing collections of information to the Office of Management and Budget for extension and approval.

- Rule 15g-3 Broker or Dealer Disclosure of Quotations and other Information Relating to the Penny Stock Market.

Rule 15g-3 under the Securities Exchange Act of 1934 (the "Exchange Act") requires that brokers and dealers disclose to customers current quotation prices or similar market information in connection with transactions in penny stocks. It is estimated that approximately 270 respondents incur an average burden of 100 hours annually to comply with the rule.

- Rule 15g-4 Disclosure of compensation to brokers or dealers.

Rule 15g-4 under the Exchange Act requires brokers and dealers effecting transactions in penny stocks for or with customers to disclose the amount of compensation received by the broker-dealer in connection with the transaction. It is estimated that approximately 270 respondents incur an average of 100 hours annually to comply with the rule.

- Rule 15g-5 Disclosure of compensation of associated persons in connection with penny stock transactions.

Rule 15g-5 under the Exchange Act requires brokers and dealers to disclose to customers the amount of compensation to be received by their sales agents in connection with penny stock transactions. This rule was adopted by the Commission to increase the level of disclosure to investors concerning penny stocks generally and