

it takes approximately 2 hours per response for total burden of 10 hours.

Schedule 14D-9F is used by any issuer incorporated or organized under the laws of Canada or any Canadian province or territory that is foreign private issuer (the "subject company"), or by any director or officer of such issuer, where the issuer's is the subject of a cash tender or exchange offer for a class of securities filed on Schedule 14D-1F. The information required to be filed with the Commission is intended to permit verification of compliance with the securities law requirements and assures the public availability of such information. Approximately 5 respondents file Schedule 14D-9F and it takes approximately 2 hours per response for total burden of 10 hours.

Written comments are invited on: (a) Whether these proposed collections of information are 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 Fifth Street, NW., Washington, DC 20549.

Dated: June 2, 2003.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 03-14828 Filed 6-11-03; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47991; File No. SR-CBOE-2001-60]

### Self-Regulatory Organizations; Order Approving Proposed Rule Change and Amendments No. 1, 2, 3, 4, 5, 6, 7, and 8 by the Chicago Board Options Exchange, Inc. To Initiate a Pilot Program That Allows the Listing of Strike Prices at One-Point Intervals for Certain Stocks Trading Under \$20

June 5, 2003.

#### I. Introduction

On December 12, 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"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to initiate a one-year pilot program that will allow the Exchange to list options on selected stocks trading below \$20 at one-point intervals ("1\$ Strike Pilot Program" or "Pilot Program"). The Exchange filed Amendments No. 1, 2, 3, 4, 5, 6, 7, and 8 to the proposed rule change on March 13, 2002,<sup>3</sup> June 21, 2002,<sup>4</sup> December 6, 2002,<sup>5</sup> March 7, 2003,<sup>6</sup> March 25, 2003,<sup>7</sup> April 16, 2003,<sup>8</sup> April 24, 2003,<sup>9</sup> and April 25, 2003,<sup>10</sup> respectively. The proposed rule change, as amended, was published for comment in the **Federal Register** on

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

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

<sup>3</sup> See letter from Steve Youhn, Attorney, CBOE, to Deborah Flynn, Assistant Director, Division of Market Regulation ("Division"), Commission, dated March 12, 2002 ("Amendment No. 1").

<sup>4</sup> See letter from James M. Flynn, Attorney II, Legal Division, CBOE, to Elizabeth King, Associate Director, Division, Commission, dated June 20, 2002 ("Amendment No. 2").

<sup>5</sup> See letter from Steve Youhn, Attorney, Legal Division, CBOE, to Deborah Flynn, Assistant Director, Division, Commission, dated December 5, 2002 ("Amendment No. 3").

<sup>6</sup> See letter from James M. Flynn, Attorney II, Legal Division, CBOE, to Deborah Flynn, Assistant Director, Division, Commission, dated March 6, 2003 ("Amendment No. 4").

<sup>7</sup> On March 25, 2003, the Exchange filed Amendment No. 5, which supercedes the original filing and Amendments No. 1, 2, 3, and 4 in their entirety.

<sup>8</sup> See letter from James M. Flynn, Attorney II, Legal Division, CBOE, to Deborah Flynn, Assistant Director, Division, Commission, dated April 15, 2003 ("Amendment No. 6").

<sup>9</sup> See letter from James M. Flynn, Attorney II, Legal Division, CBOE, to Deborah Flynn, Assistant Director, Division, Commission, dated April 22, 2003 ("Amendment No. 7").

<sup>10</sup> See letter from James M. Flynn, Attorney II, Legal Division, CBOE, to Deborah Flynn, Assistant Director, Division, Commission, dated April 25, 2003 ("Amendment No. 8").

May 5, 2003.<sup>11</sup> The Commission received one comment letter on the proposed rule change.<sup>12</sup> This order approves the proposed rule change, as amended, through June 5, 2004.

#### II. Description of the Proposal

CBOE proposes to amend CBOE Rule 5.5, Interpretation and Policy .01 to implement the \$1 Strike Pilot Program. The Pilot Program will operate for a one-year period beginning June 5, 2003, and ending on June 5, 2004. The Pilot Program will allow CBOE to list options on selected stocks trading below \$20 at one-point intervals, provided that the strike prices are \$20 or less, but not less than \$3. For an option to be eligible for inclusion in the Pilot Program, the underlying stock must close below \$20 in its primary market on the previous business day. CBOE may select up to five individual stocks to be included in its Pilot Program. In addition, CBOE may list \$1 strike prices in any equity option included in the \$1 strike pilot program of any other options exchange. CBOE will only list \$1 strike prices that fall within a \$5 range of the underlying stock price. CBOE will not list long-term options series ("LEAPS") at \$1 strike price intervals, nor will CBOE list \$1 strike prices at levels that "bracket" existing \$2.50 intervals (e.g., \$7 and \$8 strikes around a \$7.50 strike). As the \$2.50 intervals are phased-out, the Exchange will introduce the \$1 prices that bracket the phased-out prices.

CBOE Rule 5.5, Interpretation and Policy .03 will govern the addition of expiration months for \$1 strike series. Upon expiration of the near-term month, CBOE may list an additional expiration month provided that the underlying stock closes below \$20 on its primary market on expiration Friday. If the underlying stock closes at or above \$20 on expiration Friday, CBOE will not list an additional month for a \$1 strike series until the stock again closes below \$20.

At any time, CBOE may cease listing \$1 strike prices on existing series by submitting a cessation notice to the Options Clearing Corporation ("OCC"). As discussed above, if the underlying stock closes at or above \$20 on expiration Friday, CBOE will not list any additional months with \$1 strike prices until the stock subsequently closes below \$20. If the underlying stock does not subsequently close below \$20, thereby precluding the listing of

<sup>11</sup> See Securities Exchange Act Release No. 47753 (April 29, 2003), 68 FR 23784.

<sup>12</sup> See letter from Steven Dillinger, Cornerstone Partners, LP, to Margaret H. McFarland, Deputy Secretary, Commission, dated May 26, 2003 ("Cornerstone Letter").