

Dated: July 15, 2005.

**Jonathan G. Katz,**

*Committee Management Officer.*

[FR Doc. E5-3900 Filed 7-20-05; 8:45 am]

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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, Public Law 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of July 18, 2005:

A Closed Meeting will be held on Thursday, July 21, 2005 at 2 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), (9)(B), and (10) and 17 CFR 200.402(a) (3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.

Commissioner Atkins, as duty officer, voted to consider the items listed for the closed meeting in closed session and that no earlier notice thereof was possible.

The subject matters of the Closed Meeting scheduled for Thursday, July 21, 2005, will be:

Formal orders of investigations;  
Institution and settlement of injunctive actions; and  
Institution and settlement of administrative proceedings 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) 551-5400.

Dated: July 18, 2005.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 05-14460 Filed 7-18-05; 4:01 pm]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52032; File No. SR-CBOE-2002-03]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Approving a Proposed Rule Change and Amendment Nos. 1 and 2 Thereto Relating to Customer Portfolio and Cross-Margining Requirements

July 14, 2005.

#### I. Introduction

On January 15, 2002, the Chicago Board Options Exchange, Incorporated ("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<sup>2</sup> thereunder, a proposed rule change seeking to amend its rules, for certain customer accounts, to allow member organizations to margin listed, broad-based, market index options, index warrants, futures, futures options and related exchange-traded funds according to a portfolio margin methodology. The CBOE seeks to introduce the proposed rule as a two-year pilot program that would be made available to member organizations on a voluntary basis.

The proposed rule change was published in the **Federal Register** on March 29, 2002.<sup>3</sup> The Commission received two comment letters in response to the March 29, 2002 **Federal Register** notice.<sup>4</sup> On April 2, 2004, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>5</sup> The proposed rule change and Amendment No. 1 were published in the **Federal Register** on December 27, 2004.<sup>6</sup> The Commission

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

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

<sup>3</sup> See Securities Exchange Act Release No. 45630 (March 22, 2002), 67 FR 15263 (March 29, 2002).

<sup>4</sup> See letter from Carl E. Vander Wilt, Federal Reserve Bank of Chicago, to Jonathan G. Katz, Secretary, Commission, dated July 18, 2002 ("Vander Wilt Letter"); and e-mail from Mike Ianni, Private Investor to [rule-comments@sec.gov](mailto:rule-comments@sec.gov), dated November 7, 2002 ("Ianni E-mail").

<sup>5</sup> See letter from Richard Lewandowski, Vice President, Division of Regulatory Services, CBOE, to Michael A. Macchiaroli, Associate Director, Division of Market Regulation ("Division"), Commission, dated April 1, 2004 ("Amendment No. 1"). The CBOE proposed Amendment No. 1 to make corrections or clarifications to the proposed rule, or to reconcile differences between the proposed rule and a parallel filing by the NYSE. See Securities Exchange Act Release No. 46576 (October 1, 2002), 67 FR 62843 (October 8, 2002) (File No. SR-NYSE-2002-19).

<sup>6</sup> See Securities Exchange Act Release No. 50886 (December 20, 2004), 69 FR 77275 (December 27, 2004); see also Securities Exchange Act Release No. 50885 (December 20, 2004), 69 FR 77287 (December 27, 2004).

received eleven comment letters in response to the December 27, 2004 **Federal Register** notice.<sup>7</sup>

On April 15, 2005, the Exchange filed Amendment No. 2<sup>8</sup> to the proposed rule change. The proposed rule change and Amendment Nos. 1 and 2 were published in the **Federal Register** on May 3, 2005.<sup>9</sup> The Commission received one comment in response to the May 3, 2005 **Federal Register** notice.<sup>10</sup>

The comment letters and the Exchange's responses to the comments<sup>11</sup> are summarized below.

<sup>7</sup> See letter from Anthony J. Saliba, President, LiquidPoint, LLC, to Jonathan G. Katz, Secretary, Commission, dated January 21, 2005 ("Saliba Letter"); letter from Barbara Wierzynski, Executive Vice President and General Counsel, Futures Industry Association ("FIA"), and Gerard J. Quinn, Vice President and Associate General Counsel, Securities Industry Association ("SIA"), to Jonathan G. Katz, Secretary, Commission, dated January 14, 2005 ("Wierzynski/Quinn Letter"); letter from Craig S. Donohue, Chief Executive Officer, Chicago Mercantile Exchange, to Jonathan G. Katz, Secretary, Commission, dated January 18, 2005 ("Donohue Letter"); letter from Robert C. Sheehan, Chairman, Electronic Brokerages Systems, LLC, to Jonathan G. Katz, Secretary, Commission, dated January 19, 2005 ("Sheehan Letter"); letter from William O. Melvin, Jr., President, Acorn Derivatives Management, to Jonathan G. Katz, Secretary, Commission, dated January 19, 2005 ("Melvin Letter"); letter from Margaret Wiermanski, Chief Operating & Compliance Officer, Chicago Trading Company, to Jonathan G. Katz, Secretary, Commission, dated January 20, 2005 ("Wiermanski Letter"); e-mail from Jeffrey T. Kaufmann, Lakeshore Securities, L.P., to Jonathan G. Katz, Secretary, Commission, dated January 24, 2005 ("Kaufmann Letter"); letter from J. Todd Weingart, Director of Floor Operations, Mann Securities, to Jonathan G. Katz, Secretary, Commission, dated January 25, 2005 ("Weingart Letter"); letter from Charles Greiner III, LDB Consulting, Inc., to Jonathan G. Katz, Secretary, Commission, dated January 26, 2005 ("Greiner Letter"); letter from Jack L. Hansen, Chief Investment Officer and Principal, The Clifton Group, to Jonathan G. Katz, Secretary, Commission, dated February 1, 2005 ("Hansen Letter"); and letter from Barbara Wierzynski, Executive Vice President and General Counsel, Futures Industry Association, and Ira D. Hammerman, Senior Vice President and General Counsel, Securities Industry Association, to Jonathan G. Katz, Secretary, Commission, dated March 4, 2005 ("Wierzynski/Hammerman Letter").

<sup>8</sup> See Partial Amendment No. 2 ("Amendment No. 2"). The Exchange submitted this partial amendment, pursuant to the request of Commission staff, to remove the paragraph under which any affiliate of a self-clearing member organization could participate in portfolio margining, without being subject to the \$5 million equity requirement.

<sup>9</sup> See Securities Exchange Act Release No. 34-51614 (April 26, 2005), 70 FR 22935 (May 3, 2005); see also Securities Exchange Act Release No. 34-51615 (April 26, 2005), 70 FR 22953 (May 3, 2005).

<sup>10</sup> See letter from William H. Navin, Executive Vice President, General Counsel, and Secretary, The Options Clearing Corporation, to Jonathan G. Katz, Secretary, Commission, dated May 27, 2005 ("Navin Letter").

<sup>11</sup> See letter from Timothy H. Thompson, Senior Vice President, Chief Regulatory Officer, Regulatory Services Division, CBOE, to Michael A. Macchiaroli, Associate Director, Division of Market Regulation, Commission, dated May 2, 2005 ("CBOE Response"). The Commission received the