

necessary or appropriate in furtherance of the purpose of the Act.

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

The Exchange has neither solicited nor received any written comments with respect to the proposed rule change.

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, 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 Amex. All submissions should refer to File No. SR-Amex-99-30 and should be submitted by March 15, 2000.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

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⁸ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42425; File No. SR-NYSE-00-07]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Inc. Relating to the Interpretation of Exchange Rules 15 and 390

February 14, 2000.

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 February 14, 2000, the New York Stock Exchange, Inc. ("NYSE" 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.³ Pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder, the Exchange has designated this proposal as one that does not significantly affect the protection of investors or the public interest, and does not impose any significant burden on competition. Thus, the proposal is effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

1. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of an interpretation of Exchange Rules 15 and 390 to permit members, member organizations, and affiliated persons (as defined in Rule 390) to effect transactions in NYSE-listed stocks in the over-the-counter market by means of the Intermarket Trading System ("ITS").⁴

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ On February 14, 2000, the day of filing, the Exchange also submitted an amendment to the proposed rule change. See Letter from Daniel Odell, Assistant Secretary, Exchange, to Nancy Sanow, Senior Special Counsel, Division of Market Regulation, Commission, dated February 14, 2000 ("Amendment No. 1"). Amendment No. 1 stated that the Exchange characterized the rule filing as non-controversial, and requested that it become effective pursuant to Section 19(b)(3)(A) of the Act, 15 U.S.C. 78s(b)(3)(A), and Rule 19b-4(f)(6) thereunder, 17 CFR 240.19b-4(f)(6). Amendment No. 1 also requested that the Commission waive the five day pre-filing requirement and the 30 day implementation delay for non-controversial filings.

⁴ NYSE Rule 390 limits the ability of members of the Exchange to effect transactions in NYSE-listed stocks in the over-the-counter market. NYSE Rule 15 governs the use of the ITS.

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 Exchange 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 and is set forth in Sections A, B, and C below.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to interpret Rules 15 and 390 to apply those rules in a manner that is consistent with the objectives of the Commission in expanding the ITS/CAES linkage,⁵ and that is consistent with the Exchange's filing to rescind Rule 390 and thereby eliminate restrictions on trading NYSE-listed stocks in the over-the-counter market.⁶ The interpretation provides that members, member organizations, and affiliated persons (as defined in Rule 390) may effect, either as principal or agent, transactions in any ITS-eligible security listed on the Exchange in the over-the-counter market by means of ITS.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)⁷ that an Exchange have rules that are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not

⁵ On December 13, 1999, the Commission adopted amendments to the ITS plan to expand the ITS/Computer Assisted Execution System ("CAES") linkage to all listed securities. This amendment is effective February 14, 2000. Prior to the amendment, the ITS/CAES linkage applied only to "Rule 19c-3" securities *i.e.*, securities listed after April 26, 1979. See Securities Exchange Act Release No. 42212 (December 13, 1999), 64 FR 70297 (December 16, 1999).

⁶ On December 10, 1999, the Exchange filed a proposed rule change to rescind Rule 390. See File No. SR-NYSE-99-48.

⁷ 15 U.S.C. 78f(b)(5).

necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

This proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder because the proposal: (1) does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not become operative prior to 30 days after the date of filing or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange, however, is required to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the filing date of the proposed rule change, or such shorter time as designated by the Commission.

The Exchange has requested that the Commission accelerate the operative date of the proposed rule change and waive the five-day pre-filing notice requirement contained in rule 19b-4(f)(6)(iii), so that trading in Exchange-listed securities may proceed in a manner consistent with the Commission's recent amendment to the ITS Plan to expand the ITS/CAES linkage.

The Commission finds that it is appropriate to waive the five-day pre-filing notice requirement, and to designate the proposal to become operative upon filing, because the immediate implementation of the proposed rule change is consistent with the dictates of Section 6(b)(5) of the Act, in that the immediate implementation of the proposal would promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors and the public interest. The Commission recently amended the ITS plan to expand the ITS/CAES linkage to encompass all listed securities because the Commission believed that step was necessary to fully implement the 1975 congressional mandate to create a national market system linking the exchanges and the over-the-counter

market. The Commission determined that this expansion would increase broker-dealers' ability to obtain the best price available for their customers, promote competition in listed securities, help ensure equivalent access to the markets, and provide for additional liquidity and more efficient executions. The expanded ITS/CAES linkage became effective on February 14, 2000. The NYSE's proposed interpretation of Rules 15 and 390—to permit members to use ITS to effect transactions in any ITS-eligible securities listed on the NYSE—is consistent with the Commission's action and will help NYSE members benefit from the widened ITS/CAES linkage.⁸

At any time within 60 days of the filing of such 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.

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 N.W., Washington, D.C. 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 at 450 Fifth Street, N.W., Washington, D.C. 20549. 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-NYSE-00-07 and should be submitted by March 15, 2000.

⁸ In reviewing this proposal, the Commission has considered its impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-42431; File No. SR-PCX-99-49)

Self-Regulatory Organizations; Order Granting Approval of Proposed rule Change by the Pacific Exchange, Inc. Relating to Financial Reports and Related Notices (EDGAR Rule Filing)

February 16, 2000.

I. Introduction

On November 9, 1999, the Pacific Exchange, Inc. ("PCX" or "Exchange") Submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change relating to financial reports and related notices. The proposed rule change was published for comment in the **Federal Register** on December 8, 1999.³ No comments were received. This order approves the proposed rule change.

II. Description of the Proposal

PCX Rule 3.3(t)(1) requires that companies applying for listing on the PCX enter into agreements with the Exchange and become subject to its rules, regulations and policies applicable to listed companies. Pursuant to the listing agreement with the Exchange and Commission rules under the Act, each listed company is required to submit materials to be filed pursuant to the Act.⁴

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 42193 (Dec. 1, 1999), 64 Fr 68713.

⁴ Materials to be filed pursuant to the Act include Forms 8-K Current Report, 10-Q Quarterly Report, 10-K Annual Report, or other annual report forms for issuers using other than Form 10-K; any proxy soliciting material; Forms 3 and 4, reports of the Company's officers, directors, and holders of more than 10% of the registered equity security (one signed copy, except when a company having securities listed on another national securities exchange has taken advantage of SEC Regulation 240.16a-1(c) and has designated another exchange as the only exchange with which such reports are to be filed. Designating an exchange may be accomplished by filing a letter with the Securities and Exchange Commission with a copy to each exchange on which the stock is listed).