

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).

The Exchange proposed to amend its filing requirements so that a company that electronically files documents with the Commission will be deemed to have satisfied its comparable filing requirements with the PCX.

Specifically, the Exchange proposed that materials required to be filed pursuant to the Act, pursuant to PCX Rule 3.3(t)(1)(ii), except for Form 8-Ks and Preliminary Final Proxy Materials, be considered effectively filed with the Exchange upon filing such documents through the SEC's EDGAR system. The Exchange proposed to continue to require that listed issuers manually file one copy of all Form 8-Ks and Preliminary Final Proxy Materials with the PCX in order to be able to appropriately monitor significant corporate events.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of Section 6 of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁵ In particular, the Commission finds that the proposed rule change is consistent with and furthers the objectives of Section 6(b)(5)⁶ of the Act. Section 6(b)(5) of the Act requires, among other things, that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to remove impediments to and perfect the mechanism of a free and open market, and to protect investors and the public interest.

Specifically, the Commission believes that the proposed rule change will aid companies listing on the PCX by streamlining the requirements associated with making routine financial reports available. By permitting these companies to satisfy their obligation to provide financial reports through the EDGAR system, PCX listed companies are relieved of the burden and costs of providing separate paper copies of their SEC filings to the Exchange. Because filings made through EDGAR are available to the public, there is no need to provide additional copies to the Exchange. The proposed rule change is especially appropriate because it reduces the reliance on paper submissions and promotes the use of

⁵ In reviewing this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. The proposed rule change should improve efficiency and competition because it reduces duplicative filing burdens and reduces costs for listing companies. 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78o-4(b)(2)(C)

technology in a regulatory framework. The Commission also believes that requiring companies to provide paper copies of certain filings is appropriate because the Exchange should receive affirmative notification in these cases. The Commission believes that the proposed rule change balances the goal of efficiency with the Exchange's interest in obtaining certain information regarding the activities of listed companies.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2)⁷ of the Act, that the proposed rule change (SR-PCX-99-49) is approved.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-42419; File No. SR-PCX-99-39, Amendment Nos. 1 and 2)

Self-Regulatory Organizations; Notice of Filing of Amendment Nos. 1 and 2 to the Proposed Rule Change by the Pacific Exchange, Inc. Creating PCX Equities, Inc.

February 11, 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 November 24, 1999, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") Amendment No. 1 to the proposed rule change, File No. SR-PCX-99-39 as described in Items I, II and III below, which Items have been prepared by the Exchange.³

¹ 15 U.S.C. 78s(b)(2).

² 17 CFR 200.30-3(a)(12).

³ 15 U.S.C. 78s(b)(1)

⁴ 17 CFR 240.19b-4.

⁵ See Letter from Brandon Becker, Wilmer, Cutler, & Pickering, to Belinda Blaine, Associate Director, Division of Market Regulation ("Division"), Commission, dated November 24, 1999 ("Amendment No. 1"). On January 10, 2000, the Exchange submitted the Form 19b-4 for Amendment No. 1 to the proposed rule change. See Letter from Kathryn Beck, Senior Vice President, General Counsel and Corporate Secretary, PCX, to Kelly Riley, Attorney, Division, dated January 7, 2000. In Amendment No. 1, the Exchange submitted: (1) a letter amendment that changes provisions of the proposed rule language; (2) a summary of the proposed changes for implementing the PCX restructuring (Attachment No. 1 to

The Exchange submitted the proposed rule change to the Commission on October 7, 1999, which was published in the **Federal Register** on December 6, 1999 ("Original Notice")⁴ On January 10, 2000, the Exchange submitted Amendment No. 2 to the proposed rule change.⁵ The Commission is publishing this notice to solicit comments on Amendment Nos. 1 and 2 to the proposed rule change from interested persons.

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

As described in the Original Notice, the PCX proposes to create a Delaware Stock corporation to be called PCX Equities, Inc. ("PCX Equities"), which will be a wholly-owned subsidiary of the PCX, and to transfer to PCX Equities all of the assets and liabilities that solely support the equities trading business and/or equities clearing business of the PCX. The PCX also proposes to authorize PCX Equities to issue Equity Trading Permits ("ETPs") and Equity Automated Systems Access Permits ("Equity ASAPs") that will entitle holders of the permits to trade equity securities at the new PCX Equities. PCX proposes to amend the Original Notice. The amended proposed rules for implementing the restructuring, including (1) the amended rules for PCX Equities, Inc.; (2) the amended rules for the PCX; and (3) the Plan of Delegation of Functions from the PCX Parent to PCX Equities, are available for inspection at the places specified in Item IV below.

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

In its Original Notice 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.⁶ The Exchange has prepared summaries, set forth in sections A, B, and C below, of

Amendment No. 1); (3) a PCX Equities, Inc. Cross Reference Table (Attachment No. 2 to Amendment No. 1); and (4) The Plan of Delegation of Functions by the Pacific Exchange, Inc. to PCX Equities, Inc. (Attachment No. 4 to Amendment No. 1).

⁴ See Securities Exchange Act Release No. 42178 (November 24, 1999), 64 FR 68136.

⁵ See Letter from Brandon Becker, Wilmer, Cutler & Pickering, to Nancy J. Sanow, Senior Special Counsel, Division, SEC, dated January 7, 2000 ("Amendment No. 2"). In Amendment No. 2, the Exchange submitted answers to questions posed by the Division and made substantive to the proposed rule language, as amended by Amendment No. 1.

⁶ See *supra* note 4.