

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Jonathan G. Katz,**

*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43002; File No. SR-Phlx-00-45]

### Self-Regulatory Organization; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc., Eliminating References to the Semi-Annual Payment of Dues in By-Law Article XIV, Section 14-1

June 30, 2000.

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> notice is hereby given that on June 5, 2000, the Philadelphia Stock Exchange, Inc. ("Phlx" 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 Phlx. 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 Phlx proposes to eliminate a reference to the semi-annual billing of dues in By-law Article XIV, Section 14-1 to reflect a recent amendment to the schedule of dues, fees and charges.<sup>3</sup>

#### 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 Phlx 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. The Phlx has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

#### 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 eliminate a reference to the semi-annual billing of dues in Article XIV of the By-laws to make Article XIV consistent with the recently amended schedule of dues, fees and charges.<sup>4</sup> The amendment eliminates a provision in the By-laws that requires the payment of dues and foreign currency options users fees on a semi-annual basis. The Board, when it amended the fee schedule, authorized the billing of dues and foreign currency options users fees on a monthly basis. The Phlx believed that the amended fee schedule would improve the efficiency of the billing process, allow members, member organizations, participants, and participant organizations to more accurately measure operating expenses on a monthly basis, and reduce operational cash flow burdens that may have resulted from the semi-annual billing schedule. To make Article XIV, Section 14-1 consistent with the amended fee schedule, Phlx proposes to eliminate the reference to semi-annual billing.

##### 2. Statutory Basis

The Phlx believes that the proposed rule change is consistent with Section 6 of the Act,<sup>5</sup> in general, and with Section 6(b)(4),<sup>6</sup> in particular, in that it provides for an equitable allocation of dues, fees, and other charges among its members.

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

The Phlx does not believe that the proposed rule change will impose any burden on competition.

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

No written comments were received in response to Circular 57-00, dated March 29, 2000.<sup>7</sup>

<sup>4</sup> *Id.*

<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(4).

<sup>7</sup> According to the Phlx, the proposed amendment to By-Law Article XIV Section 14-1 was initially approved by the Board on March 22, 2000 and was noticed to the membership in Circular 57-00 on March 28, 2000 in compliance with Exchange By-law Article XXII, Section 22-2. No written request for a special meeting regarding the proposed amendment was filed with Office of the Secretary. On April 11, 2000 the Secretary conducted a poll of the Board of Governors which resulted in unanimous consent in writing to adopt the

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

Because the foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange, it has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>8</sup> and subparagraph (f)(2) of Rule 19b-4 thereunder.<sup>9</sup> At any time within 60 days of the filing of the 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 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 Phlx. All submissions should refer to File No. SR-Phlx-00-45 and should be submitted by July 31, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

**Jonathan G. Katz,**

*Secretary.*

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proposed amendment to the By-Law and authorized the filing of the amendment with the Commission.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

<sup>10</sup> 17 CFR 200.30-3(a)(12).

<sup>9</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See Securities and Exchange Act Release No. 42457 (March 3, 2000) (SR-Phlx-99-61).