

prevent fraudulent and manipulative acts and, in general, to protect investors and the public interest.¹²

The Commission believes that the proposed rule change may help to facilitate a smooth transition to decimal pricing. For example, proposed Rules 37(b)(10) and (11) should help to ensure that customer demand for automatic execution will continue to be satisfied in a decimals environment. Specifically, proposed Rule 37(b)(11) permits specialists to guarantee, on an issue-by-issue basis, automatic executions of orders that exceed the ITS BBO or NBBO size at the specified price. The Commission believes that decimal pricing could result in decreased quantities at each price, which would result in a corresponding decrease in the number of orders eligible for automatic execution on the Exchange. Thus, the proposed rule change benefits investors by providing specialists the flexibility to automatically execute orders larger than the current ITS BBO or NBBO size.

In addition, Rule 37(b)(10) currently requires all agency market orders from 100 to 599 shares that are not automatically executed because, among other things, the order exceeds the ITS BBO quantity, to be designated as "pending auto-stop orders." These orders are stopped and due an execution at the ITS BBO thirty seconds after entry into the Exchange's MAX system. As stated above, the Commission believes that decimal pricing may result in decreased quantities at each price, which in turn would result in fewer automatic executions. The Commission believes that the proposed rule change may help to alleviate this concern by eliminating the pending auto-stop function. The Commission believes that the removal of this provision will help to ensure demand for automatic execution continues to be satisfied.

Finally, proposed changes to Rule 37(d), (e), (f), and (g) amend the Exchange's automated price improvement algorithms to accommodate decimal pricing. Specifically, the proposal provides for a \$.01 price improvement to orders that meet the requirements of the applicable provisions of the rule. The Commission believes that the proposal will benefit investors and the public interest by continuing to provide an opportunity for price improvement for stocks that trade in decimals.

The Commission believes that it is consistent with the protection of investors and the public interest and

therefore finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **FEDERAL REGISTER**. The proposed rule change is designed to permit a smooth transition to decimal pricing, which is scheduled to begin in certain securities on August 28, 2000. In addition, the Commission notes that the proposed rule change is being approved on a pilot basis only, through February 28, 2001. In light of these factors, the Commission finds good cause to approve the proposed rule change on an accelerated basis.

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 fix six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Copies of the submissions, 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 at the Commission's Public Reference Room. Copies of such filings will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to the File No. SR-CHX-00-22 and should be submitted by September 21, 2000.

V. Conclusion

It Is Therefore Ordered, pursuant to section 19(b)(2) of the Act, that the proposed rule change (SR-CHX-00-22), as amended, is approved through February 28, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-22273 Filed 8-30-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43203; File No. SR-CHX-00-13]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change and Amendment Nos. 1 and 2 by The Chicago Stock Exchange, Incorporated Relating to Participation in Crossing Transactions Effected on the Exchange Floor

August 24, 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 May 3, 2000, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change, as described in Items I and II below, which Items have been prepared by the CHX. The CHX amended the proposal on August 22, 2000 and August 23, 2000, respectively.³ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to approve the proposed rule change, as amended, on an accelerated basis.

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

The Exchange proposes to amend Article XX, Rule 23 of the Exchange's rules governing participation in crossing transactions effected on the Exchange floor. The text of the proposed rule change is available at the Commission and the CHX.

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 CHX included statements concerning the purpose of, and basis for, the proposed rule change and discussed any

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Letter dated August 21, 2000, from Paul B. O'Kelly, Executive Vice President, CHX, to Alton S. Harvey, Office Head, Division of Market Regulation ("Division"), Commission ("Amendment No. 1"). Amendment No. 1 requests accelerated approval of the proposed rule change on a pilot basis through February 28, 2001. Amendment No. 1 also extends the provisions of Rule 23 to Nasdaq National Market securities. See also Letter dated August 22, 2000, from Paul B. O'Kelly, Executive Vice President, CHX, to Alton S. Harvey, Office Head, Division, Commission ("Amendment No. 2"). Amendment No. 2 withdraws the portion of Amendment No. 1 that extends Rule 23 to Nasdaq National Market securities.

¹² In approving this rule change, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹³ 17 CFR 200.30-3(a)(12).

comments it received regarding the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The CHX 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 Exchange proposes to amend CHX Rule 23 governing participation in crossing transactions effected on the floor of the Exchange, which represent a significant component of Exchange volume.⁴ Under current Rule 23, if a floor broker presents a crossing transaction, another member may participate, or "break up," the transaction, by offering (after presentation of the proposed crossing transaction) to improve one side of the transaction by the minimum price variation. The floor broker is then effectively prevented from consummating the transaction as a "clean cross," which may be to the detriment of the floor broker's customer.⁵ In instances where the minimum price variation is relatively small, it is very inexpensive for a member to break up crossing transactions in this manner. Floor brokers are currently experiencing difficulty, for example, cleanly crossing transactions in stocks which trade in minimum price variations of $\frac{1}{64}$ th.

Given the number of products that are commencing trading in very small minimum price increments, as well as the certainty of small price increments once the securities industry makes the transition to decimal pricing, the floor broker community, and other CHX members, are concerned that much of the crossing business and corresponding Exchange volume could evaporate if the current rules are not amended to preclude breaking up crossing transactions. Accordingly, the Exchange's Decimalization Subcommittee and Floor Broker Tech Subcommittee have worked to achieve

⁴ In February and March of 2000, for example, share volume from brokered crossing transactions constituted approximately 13% of total share volume traded on the Exchange.

⁵ Some institutional customers prefer executing large crossing transactions at a single price and are willing to forego the opportunity to achieve the piecemeal price improvement that might result from the break up of the cross transaction by another Exchange member. Of course, the floor broker will still retain the ability to present both sides of the order at the post if the customers so desire.

consensus on the proposed rule change, which would strike a balance of interests of those members who are impacted by crossing transactions.

Under the proposed rule change, a floor broker would be permitted to consummate crossing transactions involving 5,000 shares or more⁶ without interference by any specialist or market maker if, prior to presenting the cross transaction, the floor broker first requests a quote for the subject security.⁷ These requests will place the specialist and other market makers on notice that the floor broker intends to cross within the bid-offer spread. This arrangement will ensure that a specialist or market maker retains the opportunity to better the cross price by updating their quote, but will preclude them from breaking up a cross transaction after the cross transaction is presented. The proposed rule change will be implemented on a pilot basis through February 28, 2001.

2. Statutory Basis

The CHX believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange. In particular, the CHX believes that the proposed rule is consistent with section 6(b)(5)⁸ of the Act in that it is designed to promote just and equitable principles of trade, to remove impediments to and to 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 inappropriate burden on competition.

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

The Exchange did not solicit or receive written comments on the proposed rule change.

⁶ According to the Exchange, specialists and market makers rarely participate with respect to transactions involving less than 5,000 shares. Telephone conversation between Kathleen Boege, Associate General Counsel, CHX, and Sonia Patton, Attorney, Division, Commission (August 23, 2000).

⁷ These updated quotes will not be directed solely to the floor broker. Anyone at the post may respond to the updated quotes.

⁸ 15 U.S.C. 78f(b)(5).

III. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change

The Commission finds that the proposed rule change, as amended, is consistent with the Act and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of section 6(b) of the Act.⁹ Specifically, the Commission finds that the proposed rule change is consistent with the section 6(b)(5)¹⁰ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and, in general, to protect investors and the public interest.¹¹

The Commission believes that the proposed rule change strikes a reasonable balance between the ability of floor brokers on the Exchange to execute crossing transactions and the ability of specialists and market makers to provide price improvement. In addition, the Commission believes that requiring floor brokers to request a quote in a particular security before presenting the transaction to be crossed will provide specialists and market makers both sufficient notice that the cross is about to occur between the bid and offer spread and an opportunity to improve their quote. The Commission notes that floor brokers would still retain the ability to present both sides of the order at the post if the customers so desire.

The Commission believes that it is consistent with the protection of investors and the public interest and therefore finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. The proposed rule change is designed to minimize possible negative effects on crossing transactions of decimal pricing, which is scheduled to begin in certain securities on August 28, 2000. In addition, the Commission notes that the proposed rule change is being approved on a pilot basis only, through February 28, 2001. In light of these factors, the Commission finds good cause to approve the proposed rule change on an accelerated basis.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing,

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ In approving this rule change, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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 submissions, 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 at the Commission's Public Reference Room. Copies of such filings will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to the File No. SR-CHX-00-13 and should be submitted by September 21, 2000.

V. Conclusion

It Is Therefore Ordered, pursuant to section 19(b)(2) of the Act, that the proposed rule change (SR-CHX-00-13), as amended, is approved through February 28, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-22274 Filed 8-30-00; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Data Collection Available for Public Comments and Recommendations

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice announces the Small Business Administration's intentions to request approval on a new and/or currently approved information collection.

DATES: Submit comments on or before October 30, 2000.

ADDRESSES: Send all comments regarding these information collections are necessary for the proper performance of the function of the agency, whether the burden estimate are accurate, and if there are ways to minimize the estimated burden and enhance the quality of the collections, to

George Solomon, Supervisory Business Development Officer, Office of Business Initiatives, Small Business Administration, 409 3rd Street, SW., Suite 6100.

FOR FURTHER INFORMATION CONTACT:

George Solomon, Supervisory Business Development Officer, 202-205-6024 or Curtis B. Rich, Management Analyst, 202-205-7030.

SUPPLEMENTARY INFORMATION:

Title: "National Training Participant Evaluation Questionnaire."

Form No: 20.

Description of Respondents: Individuals Receiving SBA Training and Counseling Assistance.

Annual Responses: 26,000.

Annual Burden: 6,500.

Title: "SBA Counseling Evaluation."

Form No: 1419.

Description of Respondents: Small Business Clients.

Annual Responses: 2,800.

Annual Burden: 476.

ADDRESSES: Send all comments regarding whether this information collection is necessary for the proper performance of the function of the agency, whether the burden estimate is accurate, and if there are ways to minimize the estimated burden and enhance the quality of the collection, to Alicia McPhie, Chief Equal Employment and Opportunity, Office of Equal Employment Opportunity & Civil Rights Compliance, Business Administration, 409 3rd Street, SW., Suite 6400.

FOR FURTHER INFORMATION CONTACT:

Alicia McPhie, Chief Equal Employment and Opportunity, 202-205-6750 or Curtis B. Rich, Management Analyst, 202-205-7030.

SUPPLEMENTARY INFORMATION:

Title: "Notice to New Borrowers."

Form No: 793.

Description of Respondents: Companies are required to keep records in order for SBA to determine the compliance status of the recipient.

Annual Responses: 26,420.

Annual Burden: 6,044.

ADDRESSES: Send all comments regarding whether this information collection is necessary for the proper performance of the function of the agency, whether the burden estimate is accurate, and if there are ways to minimize the estimated burden and enhance the quality of the collection, to Jacqueline Fleming, National Training Coordinator, Office of Minority Enterprise Development, Small Business Administration, 409 3rd Street, SW., Suite 8000.

FOR FURTHER INFORMATION CONTACT:

Jacqueline Fleming, National Training

Coordinator, 202-205-6177 or Curtis B. Rich, Management Analyst, 202-205-7030.

SUPPLEMENTARY INFORMATION:

Title: "8(a) Electronic Application follow-up Survey."

Form No: N/A.

Description of Respondents: Potential 8(a) Applicants.

Annual Responses: 106.

Annual Burden: 17.

Jacqueline White,

Chief, Administrative Information Branch.

[FR Doc. 00-22234 Filed 8-30-00; 8:45 am]

BILLING CODE 8025-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3271]

State of Minnesota; Amendment #4

In accordance with a notice from the Federal Emergency Management Agency, effective August 14, 2000, the above-numbered Declaration is hereby amended to include Chippewa County, Minnesota as a disaster area due to damages caused by severe storms, flooding, and tornadoes beginning on May 17, 2000, and continuing through July 26.

In addition, applications for economic injury loans from small businesses located in the contiguous counties of Kandiyohi and Swift in the State of Minnesota may be filed until the specified date at the previously designated location. Any counties contiguous to the above-named primary county and not listed herein have been previously declared.

All other information remains the same, i.e., the deadline for filing applications for physical damage is August 29, 2000 and for economic injury the deadline is March 30, 2001. (Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: August 23, 2000.

Herbert L. Mitchell,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 00-22235 Filed 8-30-00; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3276]

State of Ohio

As a result of the President's major disaster declaration on August 21, 2000, I find that Lucas County, Ohio constitutes a disaster area due to damages caused by severe storms and

¹² 17 CFR 200.30-3(a)(12).