

provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by October 3, 2000, to the Secretary, Securities and Exchange Commission, Washington, DC 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After October 3, 2000, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

#### **Entergy Corporation (70-8839)**

Entergy Corporation ("Entergy"), 639 Loyola Avenue, New Orleans, Louisiana 70113, a registered holding company, has filed a post-effective amendment under sections 6(a) and 7 of the Act and rules 42 and 54 under the Act to its declaration previously filed under the Act.

By prior Commission orders dated June 6, 1996 and March 25, 19997 (HCAR Nos. 26541 and 26693) ("Orders"), Entergy was authorized, through December 30, 2000, to issue and sell up to 30 million shares of its authorized but unissued common stock, par value \$0.01 ("Common Stock") or Common Stock acquired through public or private transactions, under its Dividend Reinvestment and Stock Purchase Plan ("Plan"). As of June 28, 2000, Entergy had 13,139,294 shares of Common Stock authorized to be issued under the Plan. Entergy now proposes to extend the time in which it may sell up to 30 million shares of its Common Stock under the Plan through June 30, 2006. All other provisions of the Plan will remain as authorized in the Orders.

The purchase price of the newly issued shares of Common Stock issued under the plan will generally be the weighted average of the daily high and low sales prices of the Common Stock on the New York Stock Exchange during

each pricing period, consisting of the twelve trading days immediately preceding the monthly investment date. The purchase price for shares purchased on the open market will be the weighted average price paid by the Plan, including brokerage fees and commissions.

For the Commission by the Division of Investment Management, pursuant to delegated authority.

**Margaret H. McFarland,**

*Deputy Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-43277; File No. SR-OCC-00-07]**

### **Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Relating to Adjustment Increments and Decimalization**

September 11, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on August 9, 2000, The Options Clearing Corporation ("OCC") filed with the Securities Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by OCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

The proposed rule change clarifies OCC's existing policies on minimum adjustment increments and rounding and proposes new minimum adjustment increments and rounding provisions with respect to decimal strike prices. The proposed rule change also states OCC's intention to restate existing strike prices in decimals when decimal strike prices are introduced for new series in the same class of options.

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

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.<sup>2</sup>

#### *(A) Self-Regulatory Organization's Statements of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

The purpose of the proposed amendments to Article I, Section 1 and Article VI, Section 11 of OCC's By-Laws is to clarify OCC's existing policies regarding minimum adjustment increments and rounding and to state the minimum adjustment increments and rounding provisions that will apply during and after the transition to decimal strike prices. The proposed amendments also announce OCC's intention to restate existing strike prices in decimals when decimal strike prices are introduced for new series in the same class of options so long as that can be done without changing the absolute value of the existing strike prices.

Article VI, Section 11 of OCC's By-Laws currently states that, "as a general rule," OCC will adjust to the "nearest trading increment," which is defined in Article I of the By-Laws as the minimum trading increment specified by the primary exchange for the underlying security. OCC's practice, as disclosed in the options disclosure document, is to round to the nearest eighth when making adjustments. OCC follows this practice even where the trading increment for the underlying security may be one-sixteenth rather than one-eighth. With decimalization, the potential exists for even smaller minimum trading units. OCC intends to continue its disclosed policy of rounding to the nearest eighth in the case of fractional prices and to round to the nearest cent in the case of decimal prices. Thus, adjustments will be made to the nearest eighth or cent even if the trading increment is more or less than an eighth or a cent. Accordingly, OCC is proposing to define a new term "adjustment increment" and to change the reference in Article VI, Section 11 to refer to "adjustment increment" rather than "trading increment."

OCC rounds up when an adjusted exercise price is equidistant between two adjustment increments. OCC proposes to amend Article VI, Section 11 accordingly.

The existing text of Interpretation and Policy .09 is being replaced by a

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

<sup>2</sup> The Commission has modified the text of the summaries prepared by OCC.

provision allowing OCC to make a smoother transition from fractional to decimal strike prices, during which some strikes are expressed in fractions and others in decimals. Because the minimum decimal strike price increment will be one cent, there will be some fractional strike prices (*e.g.*, eighths) that cannot be converted into decimals without a loss of value. However, there will be others (*e.g.*, quarters) that convert evenly into decimals. OCC wants to avoid simultaneously expressing identical amounts in fractions and decimals. Accordingly, OCC proposes to restate the exercise prices of existing series of options decimals when the first decimal series is introduced with the same underlying interest. OCC will restate exercise prices in decimals only for series having fractional strike prices that convert evenly into dollars and cents. Thus, a strike price of  $25\frac{3}{4}$  would be expressed as 25.75. Where a fractional strike does not convert evenly into decimals, it will continue to be expressed as a fraction until the series expired. Thus, for example, a strike price of  $25\frac{1}{8}$ , which converts to 25.125, will continue to be expressed in fractions. This policy represents a compromise that will allow as many strike prices as possible in each class of options to be expressed in decimals while avoiding adjustments that would affect the substantive rights of holders and writers of options even by a small amount.

The proposed rule change is consistent with the requirements of Section 17A of the Act<sup>3</sup> and the rules and regulations thereunder applicable to OCC because it fosters cooperation and coordination with persons engaged in the clearance and settlement of securities transactions, removes impediments to and perfects the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions, and, in general, protects investors and the public interest.

*(B) Self-Regulatory Organization's Statement on Burden on Competition*

OCC does not believe that the proposed rule change would have any material adverse impact on competition.

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

Written comments relating to the proposed rule change have not yet been solicited or received. OCC will notify

the Commission of any written comments received by OCC.

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

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>4</sup> As discussed below, the Commission believes that the rule change is consistent with this obligation because it should facilitate the prompt and accurate clearance and settlement of options during and after the transition to decimal strike prices which has already begun.

The rule change should assure that OCC's existing policies regarding minimum adjustment increments and rounding in fractions will convert smoothly to options with decimal strike prices. The rule change should allow the process of decimalization of options to proceed concurrently with the move to the process of decimalization of the underlying securities.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after publication of the notice of filing because accelerated approval will permit OCC to immediately implement decimal strike pricing which will bring the pricing of such options in line with the pricing already in place for the underlying securities.

**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, 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 Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for

inspection and copying at the principal office of OCC. All submissions should refer to File No. SR-OCC-00-7 and should be submitted by October 6, 2000.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

**Margaret H. McFarland,**  
*Deputy Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-43276; File No. SR-OCC-99-15]

**Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change Relating to Clearing Member Affiliates**

September 11, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on November 2, 1999, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") and on August 11, 2000, amended the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by OCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

The proposed rule change would allow certain affiliates of a clearing member to be designated as non-customers under the Commission's hypothecation rules.

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

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.<sup>2</sup>

<sup>5</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> The Commission has modified the text of the summaries prepared by OCC.

<sup>3</sup> 15 U.S.C. 78q-1.

<sup>4</sup> 15 U.S.C. 78q-1(b)(3)(F).