

excluded for purposes of the Riskless Principal Trade Reporting Rules. SR-NASD-99-39¹⁵ and *Notice to Members 99-65* were filed as an interpretation to NASD Rules 4632, 4642, 4652, and 6620.

Notices to Members 99-65 (discussing the trade reporting rules for riskless principal transactions in Nasdaq and OTC securities) and *99-66* (discussing, among other things, the trading reporting rules for the Nasdaq InterMarket) were published in August 1999. The *Notices* announced that the Riskless Principal Trade Reporting Rules would go into effect on September 30, 1999.

Shortly after publication of *Notices to Members 99-65* and *99-66*, a number of firms represented that they were unable to prepare their systems for compliance with the new Riskless Principal Trade Reporting Rules by the September 30, 1999 deadline, due (in large part) to Year 2000 ("Y2K") remediation and testing requirements. In response, Nasdaq filed a proposed interpretation to NASD Rules 4632, 4642, 4652, and 6620, the purpose of which was to delay the implementation date of the new Riskless Principal Trade Reporting Rules until March 1, 2000.¹⁶

Subsequently, a number of NASD member firms requested a further extension of the implementation date of the Riskless Principal Trade Reporting Rules.¹⁷ The firms stated that the approach described in *Notices to Members 99-65* and *99-66* for riskless principal trade reporting raised significant issues that needed to be addressed in greater detail through, for example, interpretive guidance. The firms requested an extension of the implementation date until September 1, 2000 to provide time to resolve the issues posed and to program systems. On February 23, 2000, and then again on July 28, 2000, Nasdaq filed a proposed interpretation to NASD Rules 4632, 4642, 4652, and 6620 to delay the implementation date of the new Riskless Principal Trade Reporting Rules until September 1, 2000 and November 1, 2000, respectively.¹⁸

Nasdaq is now requesting a further extension of the implementation date

until February 1, 2001. Nasdaq believes the extension is necessary to allow Nasdaq and the firms the time to complete the programming and testing of systems that is necessary to implement the new Rules and to devise solutions to the interpretive questions that have arisen recently with respect to the implementation of the Rules. Nasdaq believes that a delay in the implementation of the Riskless Principal Trade Reporting Rules is reasonable in light of the efforts required to implement the programming changes required by the rule change and the complex issues that have been raised.

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹⁹ in that it is designed to prevent fraudulent and manipulative acts and practices, 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

Nasdaq believes that the proposed rule change will not result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments were neither solicited nor received.

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

The foregoing proposal has become effective pursuant to section 19(b)(3)(A)(i) of the Act,²⁰ and rule 19b-4(f)(1)²¹ thereunder, in that it constitutes a stated policy and interpretation with respect to the enforcement of an existing rule.

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 proposal 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 NASD. All submissions should refer to file number SR-NASD-00-60 and should be submitted by November 17, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²²

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 00-27615 Filed 10-26-00; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43467; File No. SR-Phlx-00-32]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Amending Rule 748, Supervision

October 20, 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 July 31, 2000, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with 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. On October 11, 2000, the Exchange submitted Amendment No. 1 to the proposed rule

¹⁵ *Id.*

¹⁶ See footnote 9, *supra*.

¹⁷ See letter to Belinda Blaine, Associate Director, SEC, dated February 18, 2000 from Automated Securities Clearance, Ltd. and the following NASD member firms: Bernard L. Madoff Securities; CIBC World Markets; Credit Suisse First Boston; Deutsche Banc Alex. Brown; Donaldson, Lufkin & Jenrette; Goldman Sachs & Co.; Jeffries & Company, Inc.; Lehman Bros.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Morgan Stanley Dean Witter; and Salomon Smith Barney Inc.

¹⁸ See footnotes 10 and 11, *supra*.

¹⁹ 15 U.S.C. 78o-3(b)(6).

²⁰ 15 U.S.C. 78s(b)(3)(A)(i).

²¹ 17 CFR 240.19b-4(f)(1).

²² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

change.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The Exchange proposes to amend Rule 748, Supervision, in several respects.⁴ First, the proposed amendment to Rule 748 would expand the definition of who must be supervised to include employees and associated persons of members, member organizations, participants, or participant organizations. The proposed amendment to Rule 748 would also require that all officers, locations, departments, and business activities of members, member organizations, participants, and participant organizations ("members and related organizations") be supervised.

Second, the proposed amendment to Rule 748 would add an additional requirement for periodic compliance reviews and office inspections.

Members and related organizations for which the Exchange is the Designated Examining Authority ("DEA") would have to conduct compliance meetings with their personnel at least on an annual basis. In addition, members and related organizations for which the Exchange is the DEA would have to conduct office inspections according to an inspection cycle established in their written supervisory procedures.

Third, the proposed amendment to Rule 748 would require that members and related organizations have written supervisory procedures that set forth the specific supervisory system and other essential information regarding supervisory personnel.

Fourth, the proposed amendment to Rule 748 would contain standards for supervision and for written supervisory procedures. Written supervisory procedures and the system for applying such procedures would have to be reasonably designed to prevent and detect, insofar as practicable, violations of the applicable securities laws and regulations, including the by-laws and rules of the Exchange. A similar standard for supervision would be

applicable to those entrusted with the duty to supervise others.⁵

The text of the proposed rule change is available at the Phlx or the Commission.

II. Self-Regulatory Organization's Statements of the Purpose of, and the 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. The Exchange 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 enhance Rule 748 and thereby provide the Exchange with better tools to monitor and enforce proper supervision. The Exchange believes that the proposed rule change should significantly strengthen the ability of the Exchange to carry out its oversight responsibilities as a self-regulatory organization, especially over branch offices of member firms conducting business away from the floor of the Exchange.

In addition, the Exchange believes that enhancements to Rule 748, such as the requirements to conduct periodic compliance meetings and office inspections and to keep records of the same, should help the Exchange carry out its compliance and surveillance functions. The proposed supervisory standards should also help both the Exchange and its members carry out their respective duties.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act⁶ in general, and in particular, with 6(b)(5) of the Act,⁷ in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, and protect investors and the

public interest by augmenting the supervisory procedures found in Exchange Rule 748.⁸

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.

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

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 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

³ See Letter from Jurij Trypupenko, Director of Litigation and Operations, Phlx, to Nancy Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission (October 11, 2000). Amendment No. 1 corrected structural errors that appeared in the proposed rule language.

⁴ Exchange Rule 748, which is generally based on NYSE Rule 342, was originally filed in 1993 and amended once in 1994. See Securities Exchange Act Release Nos. 33303 (Dec. 8, 1993), 58 FR 65609 (Dec. 15, 1993) and 34842 (Oct. 14, 1994), 59 FR 53002 (Oct. 20, 1994).

⁵ The standard for supervision and standard for written supervisory procedures found in the proposed rule change are based generally on Section 15(b)(4)(E)(i) of the Act. 15 U.S.C. 78o(b)(4)(E)(i).

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ The Exchange notes that, although options activity and personnel (including foreign currency options) are subject to Rule 748, additional supervisory requirements apply to the trading of options. See Phlx Rule 1024 (regarding Conduct of Accounts For Options Trading); see also Phlx Rule 1025 (regarding Supervision of Accounts).

the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-00-32 and should be submitted by November 17, 2000. For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.
[FR Doc. 00-27648 Filed 10-26-00; 8:45 am]
BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3302]

State of Florida

As a result of the President's major disaster declaration on October 4, 2000, I find that Broward, Collier, Miami-Dade, and Monroe Counties in the State of Florida constitute a disaster area due to damages caused by severe storms and flooding beginning on October 3, 2000, and continuing. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on December 3, 2000 and for economic injury until the close of business on July 5, 2001 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308.

In addition, applications for economic injury loans from small businesses located in the contiguous counties of Hendry, Lee, and Palm Beach in the State of Florida may be filed until the specified date at the above location.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners With Credit Available Elsewhere	7.375
Homeowners Without Credit Available Elsewhere	3.687
Businesses With Credit Available Elsewhere	8.000
Businesses and Non-Profit Organizations Without Credit Available Elsewhere	4.000
Others (Including Non-Profit Organizations) With Credit Available Elsewhere	6.750
For Economic Injury:	
Businesses and Small Agricultural Cooperatives Without Credit Available Elsewhere	4.000

The numbers assigned to this disaster are 330206 for physical damage and 9J3200 for economic injury.

⁹ 17 CFR 200.30-3(a)(12).

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: October 6, 2000.

Allan I. Hoberman,
Acting Associate Administrator for Disaster Assistance.
[FR Doc. 00-27635 Filed 10-26-00; 8:45 am]
BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3302]

State of Florida; Amendment #1

In accordance with a notice from the Federal Emergency Management Agency, dated October 11, 2000, the above-numbered Declaration is hereby amended to establish the incident period for this disaster as beginning on October 3, 2000 and continuing through October 11, 2000.

All other information remains the same, *i.e.*, the deadline for filing applications for physical damage is December 3, 2000 and for economic injury the deadline is July 5, 2001.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: October 17, 2000.

Herbert L. Mitchell,
Acting Associate Administrator for Disaster Assistance.
[FR Doc. 00-27637 Filed 10-26-00; 8:45 am]
BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3290]

State of Montana; Amendment #2

In accordance with a notice received from the Federal Emergency Management Agency, dated September 26, 2000, the above-numbered Declaration is hereby amended to establish the incident period for this disaster as beginning on July 13, 2000 and continuing through September 25, 2000.

All other information remains the same, *i.e.*, the deadline for filing applications for physical damage is October 29, 2000 and for economic injury the deadline is May 30, 2001.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: October 6, 2000.

Allan I. Hoberman,
Acting Associate Administrator for Disaster Assistance.
[FR Doc. 00-27633 Filed 10-26-00; 8:45 am]
BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3299]

State of Ohio; Amendment #1

In accordance with information received from the Federal Emergency Management Agency on October 5, 2000, the above-numbered Declaration is hereby amended to change the deadline for filing applications for physical damages as a result of this disaster from November 25, 2000 to November 27, 2000.

All other information remains the same, *i.e.*, the deadline for filing applications for economic injury is June 26, 2001.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: October 6, 2000.

Allan I. Hoberman,
Acting Associate Administrator for Disaster Assistance.
[FR Doc. 00-27634 Filed 10-26-00; 8:45 am]
BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3303]

State of Wisconsin

Eau Claire County and the contiguous counties of Buffalo, Chippewa, Clark, Dunn, Jackson, Pepin, and Trempealeau in the State of Wisconsin constitute a disaster area due to damages caused by severe storms and flooding that occurred on September 10-11, 2000. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on December 4, 2000 and for economic injury until the close of business on July 5, 2001 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners With Credit Available Elsewhere	7.375
Homeowners Without Credit Available Elsewhere	3.687
Businesses With Credit Available Elsewhere	8.000
Businesses and Non-Profit Organizations Without Credit Available Elsewhere	4.000
Others (Including Non-Profit Organizations) With Credit Available Elsewhere	6.750
For Economic Injury:	