

Inc. ("GPU"), located at One Upper Pond Road, Parsippany, New Jersey 07054, have filed with this Commission a post-effective amendment under sections 6(a), 7, and 12(b) of the Act and rules 45 and 54 under the Act to an application-declaration previously filed under the Act.

By orders dated April 10, 1997 (HCAR No. 26702) and March 26, 1997 (HCAR No. 26694) ("Orders"), the Commission authorized, among other things, GPU, through December 31, 2000, to guarantee the debt of each of their direct and indirect subsidiaries that engage in bordering and marketing of electricity, natural gas and other energy commodities throughout the United States ("Energy Subsidiaries") under rule 58 under the Act. The maximum amount of guarantee debt and other obligations authorized at any one time is \$150 million. The Orders also authorize GPU and GPU to invest, through December 31, 2000, in the aggregate no more than \$20 million in the energy commodities business either by the acquisition of securities or by making capital contributions to existing subsidiaries of GPU and/or GPU.

GPU and GPU now request an extension of time during which GPU may guarantee the debt of the Energy Subsidiaries and GPU and GPU may invest in the energy commodities business until December 31, 2003. In all other respects, the terms and conditions of the transactions authorized by the Commission in this file would remain unchanged.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43463; File No. SR-Amex-00-31]

Self-Regulatory Organizations; Order Approving a Proposed Rule Change by the American Stock Exchange LLC Amending the Alternative Listing Criteria of Section 101(b) of the Amex Company Guide

October 19, 2000.

I. Introduction

On May 30, 2000, the American Stock Exchange LLC ("Exchange" or "Amex") submitted to the Securities and Exchange Commission ("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 amending certain provisions of the Amex's alternative listing criteria. The proposed rule change was published for comment in the **Federal Register** on August 17, 2000.³ The Commission received no comments on the proposal. This order approves the proposal.

II. Description of the Proposal

Section 101(b) of the *Amex Company Guide* sets forth alternative numerical guidelines applied by the Exchange in considering the eligibility of issuers to list on the Exchange. These alternate criteria currently include a three-year history of operations, stockholders' equity of at least \$4 million, the distribution criteria of Section 102(a) of the *Amex Company Guide* (which includes, among other criteria, a minimum of 800 public shareholders together with a minimum public distribution of 500,000 shares, or a minimum of 400 public shareholders together with a minimum public distribution of 1,000,000 shares), and a \$15 million aggregate market value of publicly held shares. The Exchange proposes to reduce the operating history timeframe from three to two years.

The Exchange believes that certain relatively new companies, particularly in high growth industries such as technology, biotechnology, and the Internet, may be attractive candidates for Exchange listing and trading when assessed under the provisions of Section 101(b) but may lack a three-year operating history. The Exchange believes a reduced minimum timeframe will provide the Exchange with greater flexibility in considering companies for listing, particularly in high growth industries where the Exchange believes it is possible for a company to demonstrate promising and attractive prospects over a relatively short time period.

III. Discussion

The Commission finds that the proposed rule change 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.⁴ Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁵ in that it is designed to remove

impediments to and perfect the mechanism of a free and open market.⁶

The Commission believes that the development and enforcement of transparent standards governing the listing of securities on an exchange is of critical importance to exchange markets and to the investing public. The Commission believes that a reduced minimum required operating history of two years should provide the Exchange with greater flexibility in considering companies for listing on the Exchange. In addition, the Commission notes that companies seeking to have their securities listed on the Exchange must also satisfy the remaining requirements of Section 101(b) of the *Amex Company Guide*, which include stockholders' equity of at least \$4 million, a \$15 million aggregate market value of publicly held shares, and either a minimum of 800 public shareholders together with a minimum public distribution of 500,000 shares, or a minimum of 400 public shareholders together with a minimum public distribution of 1,000,000 shares.

IV. Conclusion

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (SR-Amex-00-31) is approved.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-27616 Filed 10-26-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43471; File No. SR-CSE-00-08]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by The Cincinnati Stock Exchange, Incorporated To Add CSE Rule 11.9(u) and Interpretation .01 Under the Rule to the Minor Rule Violation Program

October 20, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 there under,² notice is hereby given that on October 13, 2000, The Cincinnati Stock

⁶In approving this rule change, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 43146 (Aug. 10, 2000), 65 FR 50253.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

Exchange, Incorporated (“CSE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The CSE proposes to amend Exchange Rule 8.15, Imposition of Fines for Minor Violation(s) of Rules, to include CSE Rule 11.9(u) and Interpretation .01 thereunder, requiring CSE members to display certain market orders (“Market Order Display Rule”). The text of the proposed rule change is below. Additions are in italics.

Rule 8.15 Imposition of Fines for Minor Violation(s) of Rules.

No Change.

Interpretations and Policies

.01 List of Exchange Rule Violations and Fines Applicable thereto Pursuant to Rule 8.15

(a)–(g) No Change.

(h) *Rule 11.9(u) and Interpretation .01 related to the requirement to immediately execute market orders at an improved price or expose the market order on the Exchange for a minimum of fifteen seconds in an attempt to improve the price.*

Recommended Fine Amount

\$1,000 first violation of the 2% quarterly threshold

\$2,500 second violation

Third violation Business Conduct Committee Hearing

* * * * *

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 self-regulatory organization 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 self-regulatory organization 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 CSE proposed to amend Exchange Rule 8.15, Imposition of Fines for Minor Violation(s) of Rules, which provides for an alternative disciplinary regimen involving violations of Exchange rules that the Exchange determines are minor in nature. In lieu of commencing a disciplinary proceeding pursuant to Rules 8.1 through 8.14, the Minor Rule Violation Program (“Program”) permits the Exchange to impose a fine, not to exceed \$2,500, on any member, member organization, or registered or non-registered employee of a member or member organization (“Member”) that the Exchange determines has violated a rule included in the Program. Adding a particular rule violation to the Program in no way circumscribes the Exchange’s ability to address violations of those rules through more formal disciplinary rules. The Program simply provides the Exchange with greater flexibility in addressing rule violations that warrant a stronger regulatory response after the issuance of cautionary letters and yet, given the nature of the violations, do not rise to the level of requiring formal disciplinary proceedings.

The Exchange proposes to add the failure to properly expose on the Exchange or immediately price improve certain customer market orders, as provided in Interpretation .01 to Exchange Rule 11.9(u), to the list of Exchange rule violations and fines included in the Program.³ The Exchange believes that market order exposure violations often are inadvertent and, in most cases, are best addressed in a summary fashion. However, because Interpretation .01 is predicated on the Exchange’s commitment to promote customer price improvement opportunities, violations of this Interpretation require sanctions more rigorous than a series of cautionary letters prior to formal proceedings.

Under the proposal, Exchange regulatory staff will review a sampling of Exchange members’ market orders, based on appropriate market conditions, to determine if a threshold of market order exposure violations has been exceeded. Violations of Interpretation .01 to Exchange Rule 11.9(u) that exceed 2% of all eligible market orders of any

Member for any calendar quarter will result in a \$1,000 fine for that quarter. The second quarterly violation within a rolling 12-month period will result in a \$2,500 fine. A third quarterly violation within a rolling 12-month period will result in a BSE Business Conduct Committee hearing with a staff recommendation of a \$10,000 fine.

The Exchange notes that the minor rule violation fine schedule is merely a recommended schedule, and that fines of more or less than the recommended amount can be imposed (up to a \$2,500 maximum) in appropriate situations. Also, the Exchange reserves the right to proceed with formal disciplinary action when, in the Exchange’s opinion, circumstances warrant a more severe level of sanction or remedial action.

2. Statutory Basis

The CSE believes that the proposed rule change is consistent with Section 6(b) of the Act⁴ in general and furthers the objectives of Sections 6(b)(5),⁵ 6(b)(6),⁶ 6(b)(7),⁷ and 6(d)(1)⁸ in particular. The proposed rule change is consistent with Section 6(b)(5)⁹ in that it is designed to promote just and equitable principles of trade and 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. Specifically, the proposed rule change will augment the Exchange’s ability to police its market and will increase the Exchange’s flexibility in responding to minor violations of Exchange rules.

The Exchange also believes the proposal is consistent with the Section 6(b)(6)¹⁰ requirement that the rules of an exchange provide appropriate discipline for violations of Commission and Exchange rules. The Exchange believes the proposed rule change will provide a procedure to appropriately discipline those Members whose violations are minor in nature. In addition, because Rule 8.15 provides procedural safeguards to the person fined and permits a person disciplined to request a full hearing on the matter, the CSE believes the proposal provides a fair procedure for the disciplining of Members consistent with Sections 6(b)(7)¹¹ and 6(d)(1)¹² of the Act.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

⁶ 15 U.S.C. 78f(b)(6).

⁷ 15 U.S.C. 78f(b)(7).

⁸ 15 U.S.C. 78f(d)(1).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78f(b)(6).

¹¹ 15 U.S.C. 78f(b)(7).

¹² 15 U.S.C. 78f(d)(1).

³ For further discussion of the CSE’s Market Order Display Rule, see CSE Regulatory Circular to Exchange Members 97–07 (June 17, 1997).

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

The CSE 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

No comments were solicited or received in connection with 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, 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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the CSE. All submissions should refer to file No. SR-CSE-00-08 and should be submitted by November 12, 2000.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-27649 Filed 10-26-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43470; File No. SR-CSE-00-07]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by The Cincinnati Stock Exchange, Incorporated to Reduce the Fee to Members for Professional Agency Transactions

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 October 13, 2000, The Cincinnati Stock Exchange, Incorporated ("CSE" 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 the Exchange. The Exchange has designated this proposal as one establishing or changing a due, fee, or other charge imposed by the CSE under Section 19(b)(3)(A)(ii) of the Act,³ which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The CSE proposes to amend Exchange Rule 11.10A(d), Professional Agency Transactions, to reduce the fee to members for professional agency transactions⁴ from \$0.005 per share (\$0.50/100 shares) to \$0.0025/share (\$0.25/100 shares). The text of the proposed rule change is available at the CSE and at the Commission.

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ CSE Rule 11.9(a)(8) defines a professional agency order as an order entered by a CSE Member or approved dealer as agent for the account of a broker-dealer, futures commission merchant or a member of a contract market.

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 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 proposed rule change amends the Exchange's fee schedule to decrease professional agency transaction fees from \$0.005 per share (\$0.50/100 shares) to \$0.0025 per share (\$0.25/100 shares). The fee reduction is proposed to allow professional agency transactions to be more competitive with other execution execution types on the Exchange.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act⁵ in general, and in particular, furthers the objectives of Section 6(b)(4) of the Act,⁶ in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members.

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

The CSE 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

No written comments were solicited or received in connection with the proposed rule change.

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

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁷ and subparagraph (f)(2) of Rule 19b-4

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(4).

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).