

Services. Standardized processing should permit defined contribution plan administrators to provide Investment Fund products to defined contribution plan clients without the proprietary systems or manual processing infrastructure and related costs necessitated by the current processing methods.

In addition to the fact that transactions in Mutual Fund Services are not guaranteed, the rule change establishes standards of financial responsibility and operational capabilities for entities processing Investment Funds through NSCC's Mutual Fund Services. This should help NSCC assure the safeguarding of funds and securities which are in NSCC's control or for which it is responsible. Accordingly, the Commission finds that the rule change is consistent with NSCC's obligations under the Act.

NSCC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after publication because accelerated approval will permit NSCC to expand the types of products processed by and the types of entities processing through NSCC's Mutual Fund Services, thereby extending the benefits of the Mutual Fund Services as soon as practicable.

### III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular Section 17A of the Act and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-NSCC-00-05) be and hereby is approved. For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43596; File No. SR-NYSE-00-43]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and of Amendment No. 1 to Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Revisions to the Floor Conduct and Safety Guidelines

November 20, 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 October 16, 2000, the New York Stock Exchange, Inc. ("Exchange" or "NYSE") 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 NYSE. On November 17, 2000, the NYSE filed Amendment No. 1 to the proposed rule change.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change and Amendment No. 1 to the proposed rule change from interested persons.

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

The proposed rule change consists of an amendment to the Exchange's Floor Conduct and Safety Guidelines (the "Guidelines") with respect to policies and procedures pertaining to The Code of Personal Appearance. The Guidelines are a "stated policy, practice or interpretation" concerned with the administration of Exchange Rules 35 and 37. Below is the text of the proposed rule change. Proposed new language, as amended, is italicized and proposed deletions are in brackets.

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#### Floor Conduct and Safety Guidelines Chapter Thirteen: Floor Conduct and Safety Guidelines

1. Guidelines and Fines—The conduct of individuals on the Trading Floor of the New York Stock Exchange and on other premises under Exchange control

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

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

<sup>3</sup> See Letter from James E. Buck, Senior Vice President and Secretary, NYSE, to Nancy J. Sanow, Assistant Director, Division of Market Regulation, Commission, dated November 16, 2000 ("Amendment No. 1"). In Amendment No. 1, the NYSE amended its rule language to add "and guests" to the first sentence under the heading "Female Personnel and Guests."

can significantly affect the public investor's image of the quality, fairness and professionalism of the Exchange [M]arketplace. In addition, the behavior of individuals can impact the safety and welfare of others and affect the efficient, uninterrupted conduct of business on the Floor, and on other premises under Exchange control. For these reasons, all persons, while on the Floor of the Exchange and on other premises under Exchange control shall not:

- Engage in any act or practice which may be detrimental to the interest or welfare of the Exchange; or
- Engage in any act or practice which may serve to disrupt or hinder the ordinary and efficient conduct of business; or
- Engage in any act or practice which may serve to jeopardize the safety or welfare of any other individual.

It is the responsibility of all members and Floor clerical employees of members or member organizations to be familiar with the following guidelines governing Floor conduct and safety throughout Exchange premises, and to be aware that the applicable penalties will be imposed where violations of these guidelines are found to have occurred. In addition, where substantial or continued violations of these guidelines occur, that individual will be subject to possible disciplinary action in accordance with the procedures set forth in the Exchange Constitution and Rules.

\* \* \* \* \*

Code of Personal Appearance—Members and employees of members and member organizations must conform to the revised Trading Floor Code of Personal Appearance. All garments must be reasonably pressed and not wrinkled.

#### Male Personnel

All male personnel are expected to wear suitable attire as follows: A dress shirt, buttoned at the collar, with a dress tie knotted at the customary place, *i.e.*, snug to the collar; full length dress trousers or slacks; JEANS or OTHER SPORT SLACKS ARE NOT PERMITTED; a jacket with long sleeves (An acceptable jacket shall include a suit, sport coat, blazer or SOLID COLOR office jacket. Any back or side panels or mesh back must be of same color as jacket or black.)

#### Male Guests

*Suit, Sport Coat or Work Jacket must be worn, but a tie is not required. A dress, collared golf/polo shirt or turtleneck is acceptable. T-Shirts, tank*

<sup>6</sup> 17 CFR 200.30-3(a)(12).

tops or other casual shirts are not acceptable.

**Female Personnel and Guests**

All female personnel and guests are expected to wear suitable attire as follows: Skirts and dresses should be worn at appropriate business lengths. No tube skirts, micro-minis, see-through or other extremely revealing styles.

Blouses, shirts, sweaters and tops should be of appropriate style and shall exclude informal wear such as tank tops, tube tops, midriffs, backless halters, see-through blouses, sweatshirts and T-shirts. Leotards, plunging necklines and off-the-shoulder styles are also unacceptable. Pants and slacks should be full length dress slacks. *The following styles are Expressly Not Permitted: JEANS, LEGGINGS, [OR OTHER] SPORT SLACKS, CAPRI PANTS, 3/4 LENGTH OR "CLAM DIGGER/PEDAL PUSHER" STYLES, SHORTS OR CULOTTES [ARE NOT PERMITTED].* When slacks are worn, a jacket with long sleeves must be worn. (An acceptable jacket shall include a suit, sport coat, blazer or solid color office jacket. Any back or side panels or mesh back must be of same color as jacket or black.)

**Male and Female Requirements**

Footwear should be confined to those that are comfortably heeled and considered safe, in view of the heavy traffic on the Trading Floor. Shoes should also be appropriate styles for a businesslike environment. [OPEN TOE OR OPEN BACK SANDALS,] FLIP FLOPS, CASUAL BEACH OR BOAT SHOES, [HIGH TOP SNEAKERS] and other extreme styles are NOT PERMITTED. Shoes must be worn at all times on the Floor, including in the booth or behind the post.

[Appropriate hosiery, i.e., socks for men and socks or stockings of appropriate length for women, IS TO BE WORN AT ALL TIMES.] *Men must wear socks. Women should use their judgment depending on the style of clothing worn.*

Summer Attire: The standards of dress outlined above will apply throughout the year. If conditions warrant, the Market Performance Committee may waive certain of the requirements for a specified period of time.

Grooming: Beards, Mustaches, and Sideburns should be neatly trimmed. Hair should be neatly maintained.

	First offense	Second offense
Mem-ber.	\$250 .....	\$500.

	First offense	Second offense
Clerk ..	3-day I.D. card suspension.	5-day I.D. card suspension.

Runners: May not wear hats (unless required for religious reasons). No headphones, jeans or other sport slacks are permitted. An acceptable work jacket is required. A tie is not required.

	First offense	Second offense
Clerk ..	3-day I.D. card suspension.	5-day I.D. card suspension.

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**Approval To Bring Visitors Onto the Floor**

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**Dress Requirements**

The member must ensure that all visitors to the Trading Floor comply with the same NYSE Code of Personal Appearance and Dress Code, as modified, applicable to all members and member firm personnel working on the Trading Floor.

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

In its filing with the Commission, the NYSE 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 NYSE 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 Guidelines is to ensure that the behavior and practices of individuals on the Floor of the Exchange contribute to the efficient, undisrupted conduct of business on the Floor and do not jeopardize the safety or welfare of others. Included in the Guidelines is a Code of Personal Appearance.

The Exchange is proposing to revise the Code of Personal Appearance contained in the Guidelines. The revisions to the Floor Conduct and Safety Guidelines do not affect the existing structure of fines, penalties and disciplinary actions contained in the

Guidelines; nor do they affect the rights of members and Floor clerical employees of members and member organizations to appeal, pursuant to existing Exchange rules and procedures, any penalties that are imposed.

The revised Code of personal Appearance provides guidance to members, employees of members, member organizations and guests.

**2. Statutory Basis**

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5)<sup>4</sup> of the Act, which requires that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. The revisions to the Guidelines support these goals by promoting the efficient, undisrupted conduct of business on the Trading Floor.

**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 that is not necessary or appropriate in furtherance of the purposes of the Act.

**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 any written comments on the proposed rule change.

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

The foregoing rule change and Amendment No. 1 to the rule change have become effective pursuant to Section 19(b)(3)(A)(i) of the Act<sup>5</sup> and Rule 19b-4(f)(1) thereunder because the proposed rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule.<sup>6</sup>

The NYSE seeks to have the proposed rule change and Amendment No. 1 to

<sup>4</sup> 15 U.S.C. 78f(b)(5).

<sup>5</sup> 15 U.S.C. 78s(b)(3)(A)(i).

<sup>6</sup> 17 CFR 240.19b-4(f)(1).

the proposed rule change become operative upon the date of filing with the Commission, October 16, 2000, in order to immediately implement these new revisions to its Guidelines. The proposed rule change and Amendment No. 1 to the proposed rule change are a "stated policy, practice or interpretation" concerned with the administration of NYSE Rules 35 and 37.

At any time within 60 days of the filing of the proposed rule change and Amendment No. 1 to 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 change and Amendment No. 1 to the proposed rule change are 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 NYSE. All submissions should refer to File No. SR-NYSE-00-43 and should be submitted by December 20, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>7</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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**BILLING CODE 8010-01-M**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43576; File No. SR-PCX-00-09]

### Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Pacific Exchange, Inc. Relating to the Composition of the PCX Nominating Committee

November 16, 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 March 20, 2000, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. On October 17, 2000, the Exchange filed Amendment No. 1 to the proposal.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons, and to grant accelerated approval to the proposed rule change.

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

The Exchange proposes to amend its Constitution to change the composition of the Nominating Committee to include public Governors and Equity Trading Permit ("ETP") Holders, Equity ASAP Holders, or Allied Persons of an ETP firm or an Equity ASAP Holder. The text of the proposed rule change follows. Additions are in *italics*; deletions are in [brackets].

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

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

<sup>3</sup> See letter from Cindy L. Sink, Senior Attorney, PCX to Nancy J. Sanow, Division of Market Regulation, Commission, dated October 16, 2000 ("Amendment No. 1"). In Amendment No. 1, the Exchange confirmed that the proposed change to the Constitution was approved by the PCX membership on January 27, 2000. Also, the Exchange revised the Purpose section of the filing to clarify that the proposed rule change is designed to assure a fair representation of its members in the selection of Governors. The Exchange also explained that the propose for eliminating the requirement of a minimum number of floor members on the Nominating Committee was to provide flexibility in the nominating process. Further, in Amendment No. 1, the Exchange made clear that, pursuant to the proposed rule change, only public Governors will be permitted on the Nominating Committee. In this regard, the Exchange represented that it will submit a revision to Art. III, Section 4(a) of the Constitution for membership vote by March 30, 2001 clarifying this point. The Exchange also made technical corrections to the proposal. Finally, in Amendment No. 1, the Exchange requested accelerated approval of the filing.

## ARTICLE III

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### 1206 Election of Nominating Committee

SEC. 4(a) At each annual meeting there shall be elected by the membership, by ballot, for a term of one year, a Nominating Committee of nine persons, one of whom shall be nominated as Chair[man] and one of whom shall be nominated as Vice Chair[man] who are eligible for election in accordance with Sec. 4(b) of this Article III, none of whom shall be [a Governor or] an officer of the Exchange. The Nominating Committee shall assume duties as provided in Sec. 4(d) of this Article III.

### 1211 Eligibility of Members of Nominating Committee

SEC. 4(b). The nine members of the Nominating Committee eligible to be elected at each annual meeting shall be as follows:

*At least one [Not less than two] Committee member[s] shall be [floor members and] a representative of the public. At least seven Committee members shall be members or office members or office allied members [of the Exchange.], Equity Trading Permit Holders, Equity ASAP Holders or Allied Persons of an ETP firm or an Equity ASAP Holder.*

#### 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 comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item III 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

Currently, Article III, Section 4(a) of the PCX Constitution states that at each annual meeting a Nominating Committee of nine persons shall be elected. No person elected to the Nominating Committee may be a Governor or an officer of the Exchange. The Exchange proposes to amend Section 4(a) to make Governors eligible for election to the Nominating

<sup>7</sup> 17 CFR 200.30-3(a)(12).