

Exchange Commission (“SEC” or “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 to expand the maximum share size parameter for single orders entered into the SuperDot System (“SuperDot System” or “SuperDot”) to 3,000,000 shares. On March 30, 2001, the Exchange filed Amendment No. 1.³ The proposed rule change, as amended was published for public comment in the *Federal Register* on April 23, 2001.⁴ No comments were received on the proposed rule change. This order approves the proposed rule change as amended.

I. Description of Proposal

The Exchange’s SuperDot System provides automated order routing and reporting services to facilitate the transmission, execution, and reporting of market and limit orders on the Exchange. Pursuant to paragraph (a) of NYSE Rule 123B, “Exchange Automated Order Routing Systems,” members and member organizations may utilize the SuperDot System to transmit orders of such size as the Exchange may specify from time to time.

In January 2001, the NYSE increased the maximum SuperDot share size parameters for single market and limit orders entered into the SuperDot System from 30,099 shares (for single market orders) and 99,999 shares (for single limit orders) to 500,000 shares initially, to be followed by an increase six months later to 1,000,000 shares.⁵

The Exchange now proposes to increase the maximum order size for both market and limit orders entered into the SuperDot System to 3,000,000 shares. The increase will become effective six months after the increase to 1,000,000 shares.

The Exchange believes that the proposal will facilitate openings and

closings by increasing the number of shares SuperDot can accommodate; eliminate the need for firms and institutions to break up large orders to make them SuperDot eligible; streamline the cancel and replace process; and help to facilitate the electronic capture of orders as required by NYSE Rule 123, “Record of Orders.”⁶

II. Discussion

The Commission finds that the proposal is consistent with the provisions of Section 6(b)(5) of the Act,⁷ which require, among other things, that the rules of the exchange be designed 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.⁸ As noted above, the NYSE’s SuperDot System provides automated order routing and reporting services to facilitate the transmission, execution, and reporting of market and limit orders on the NYSE. The Commission believes that the proposal to increase the maximum order size for market and limit orders entered into SuperDot to 3,000,000 shares should help to enhance the efficiency of order delivery, execution, and reporting on the NYSE. The Commission believes that the increased efficiency in order delivery, execution, and reporting should facilitate transactions in securities and help the NYSE to maintain a fair and orderly market.

III. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁹ that the proposed rule change (SR-NYSE-2001-05), as amended, is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Margaret H. McFarland,

Deputy Secretary.

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¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Amendment No. 1 provided a revised Exhibit 1 to the proposal. The revised Exhibit 1 indicated that the proposal was filed pursuant to Section 19(b)(2) of the Act rather than Section 19(b)(3) of the Act, as indicated in original Exhibit 1.

⁴ See Securities Exchange Act Release No. 44179 (April 13, 2001), 65 FR 20510.

⁵ See Securities Exchange Act Release No. 43880 (January 23, 2001), 65 FR 8828 (February 2, 2001) (notice of filing and immediate effectiveness of File No. SR-NYSE-00-63). The NYSE implemented the 500,000-share maximum SuperDot order size on January 16, 2001. The NYSE expects to implement the 1,000,000-share maximum order size in July 2001, and to implement the 3,000,000-share maximum order size in January 2002. Telephone conversation between Yvonne Fraticelli, Special Office of Market Supervision, Division of Market Regulation, SEC, and Donald Siemer, Director, Market Surveillance, NYSE, on June 1, 2001.

⁶ See Securities Exchange Act Release No. 43689, (December 7, 2000), 65 FR 79145 (December 18, 2000) (order approving File No. SR-NYSE-99-25).

⁷ 15 U.S.C. 78f(b)(5).

⁸ In approving the proposal, the Commission has considered the rule’s impact on efficiency, competition and capital formation 15 U.S.C. 78c(f).

⁹ 15 U.S.C. 78s(b)(2)

¹⁰ 16 CFR 299.39-3(a)(12).

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3337; Amendment #4]

State of Iowa

In accordance with a notice received from the Federal Emergency Management Agency, dated June 6, 2001, the above-numbered Declaration is hereby amended to include Pottawattamie and Webster Counties in the State of Iowa as disaster areas caused by flooding and severe storms beginning on April 8, 2001 and continuing through May 29, 2001.

In addition, applications for economic injury loans from small businesses located in Boone, Cass, Hamilton, Harrison, Humboldt, Mills, Montgomery, Shelby and Wright Counties in the State of Iowa; and Douglas, Sarpy and Washington Counties in the State of Nebraska may be filed until the specified date at the previously designated location. Any counties contiguous to the above named primary counties and not listed here have been previously declared.

The number assigned for economic injury in the State of Nebraska is 9L8400.

All other information remains the same, i.e., the deadline for filing applications for physical damage is July 1, 2001 and for economic injury the deadline is February 1, 2002.

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

Dated: June 7, 2001.

Allan I. Hoberman

Acting Associate Administrator, For Disaster Assistance.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3341; Amendment #2]

State of Minnesota

In accordance with a notice received from the Federal Emergency Management Agency, dated June 8, 2001, the above-numbered Declaration is hereby amended to include Anoka, Beltrami, Brown, Carver, Chisago, Clearwater, Douglas, Grant, Hennepin, Kittson, Koochiching, Nicollet, Red Lake and Scott Counties and Red Lake Indian Reservation and White Earth Indian Reservation in the State of Minnesota as disaster areas caused by flooding and severe winter storms, flooding and tornadoes occurring between March 23, 2001 and May 29, 2001.