

instituting proceedings to determine whether registration should be denied in accordance with Section 19(a)(1) of the Act.⁵ 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 application for registration and all written comments will be available for inspection at the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549-0102. All submissions should refer to File No. 600-23 and should be submitted by August 9, 2001.

It is therefore ordered that GSCC's temporary registration as a clearing agency (File No. 600-23) be and hereby is extended through December 31, 2001.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44554; File No. SR-NYSE-2001-19]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Closed End Fund Listing Fees

July 13, 2001.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934,¹ ("Act") and Rule 19b-4 thereunder,² notice is hereby given that on July 6, 2001, the New York Stock Exchange, Inc. ("NYSE" 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 NYSE. 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 Exchange proposes to cap the total listing fees payable by any one family of closed-end funds, with respect to new or additional listings in 2001,

once the family has paid 2001 fees aggregating at least \$1,250,000.

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 NYSE included statements concerning the purpose of, and basis for, the proposed rule change. The text of these statements may be examined at the places specified in Item IV below and is set forth in Sections A, B, and C below.

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

1. Purpose

Most closed end investment companies, or closed end funds, that are listed on the Exchange are sponsored by one of a number of companies that specialize in this area. Many of these are household names such as Morgan Stanley Van Kampen; Nuveen; or Merrill Lynch Asset Management, to name the three with the largest number of closed end funds listed on the NYSE. The Exchange is actively engaged in reviewing the listing fees that we charge to closed end funds, and will likely propose a maximum that will apply to the aggregate of initial and annual fees paid by all the funds affiliated with a particular fund sponsor, or "family." While Exchange management has not completed this review and is not yet ready to put forward a definitive proposal, it is far enough along to consider it appropriate to put in place a maximum that will apply for the remainder of this year, so that fund families can be confident that additional listings this year will not incur fees beyond the level at which we anticipate a cap will be enacted.

Accordingly, from and after the effective date of this proposal, no fund family will be required to pay any additional listing fees with respect to new or additional listings in 2001 once the family has paid 2001 fees aggregating at least \$1,250,000. A family that has paid aggregate fees in excess of that amount prior to the effective date hereof will not receive a refund, but will not be required to pay any additional fees with respect to this year beyond what it has paid to that date.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(4)³ that an Exchange have rules that provide for the equitable

allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities.

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 written comments on the proposed rule change.

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

Because the foregoing proposed rule: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not become operative for 30 days or such shorter time as the Commission may designate, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁴ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁵

The Commission notes that under Rule 19b-4(f)(6)(iii),⁶ the proposal does not become operative for 30 days after date of its filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange requested that the Commission designate that the proposed rule change does not become operative for 15 days after the date of its filing so that the benefits of the proposed rule change are available to closed end funds more quickly. The Commission believes that designating the operative date of the proposal for 15 days after the date of the proposal's filing is consistent with the protection of investors and the public interest.⁷

At any time within 60 days of the filing of the proposed rule change, as amended, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6)(iii).

⁶ 17 CFR 240.19b-4(f)(6).

⁷ For purposes only of accelerating the operative date of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78s(a)(1).

⁶ 17 CFR 200.30-3(a)(16).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78f(b)(4).

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 NYSE. All submissions should refer to the SR-NYSE-2001-19 and should be submitted by August 9, 2001.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44551; File No. SR-PCX-2001-14]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment Nos. 1 and 2 Thereto by the Pacific Exchange, Inc. Relating to Generic Listing Standards Applicable to the Listing and Trading of Investment Company Units and Portfolio Depository Receipts Pursuant to Rule 19b-4(e) Under the Securities Exchange Act of 1934

July 12, 2001.

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 May 1, 2001, 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 June 19, 2001, the Exchange filed Amendment No. 1 to the proposed rule change.³ On July 12, 2001, the Exchange filed Amendment No. 2 to the proposed rule change.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to approve the proposal, as amended, on an accelerated basis.

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

The Exchange proposes to amend its listing requirements for ICUs and PDRs to permit its wholly-owned subsidiary PCX Equities, Inc. ("PCXE" or "Corporation") to list and trade, or trade pursuant to unlisted trading privileges ("UTP"), certain products of ICUs (PCXE Rule 5) or PDRs (PCXE Rule 8) pursuant to Rule 19b-4(e) under the Act.⁵ The Exchange also proposes a related amendment to PCXE's minimum price variation rule (PCXE Rule 7, Commentary .05).⁶ The text of the proposed rule change is available upon request from the Office of the Secretary, the Commission, or the PCX.

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

³ See Letter from Peter D. Bloom, Director, Regulatory Projects, Regulatory Policy, PCX, to Lisa N. Jones, Attorney, Division of Market Regulation ("Division"), Commission (June 18, 2001) ("Amendment No. 1"). Amendment No. 1, among other things, revises the proposal to: (1) Modify the initial listing requirement of the minimum number of Units, that may be outstanding at commencement of trading to 100,000 Units, consistent with the other exchanges; (2) amend the proposed rule text language relating to minimum price variations for Investment Company Units ("Units") and Portfolio Depository Receipts ("PDRs"); and (3) amend proposed rule text and add cross-references for clarification purposes.

⁴ See Letter from Cindy Sink, Senior Attorney, Regulatory Policy, PCX, to Lisa N. Jones, Attorney, Division, Commission (July 12, 2001) ("Amendment No. 2"). Amendment No. 2 corrects typographical errors in the proposed rule text.

⁵ 17 CFR 240.19b-4(e), Rule 19b-4(e) permits self-regulatory organizations ("SROs") to list and trade new derivatives products that comply with existing SRO trading rules, procedures, surveillance programs and listing standards, without submitting a proposed rule change under Section 19(b). See Securities Exchange Act Release No. 40761 (December 8, 1998) 63 FR 70952 (December 22, 1998).

⁶ See note 3, *supra*.

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 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

The Exchange's current rules for the initial and continued listing of ICUs and PDRs are set forth in PCXE Rules 5.2(j)(3)⁷ and 8.100,⁸ respectively.⁹ The exchange proposes to amend these rules by adopting generic listing requirements to provide standards that permit the trading, whether by listing or pursuant to unlisted trading privileges ("UTP"),¹⁰ of various ICUs and PDRs products pursuant to Rule 19b-4(e) under the Act.¹¹ The Exchange believes that the Commission's approval of the proposed generic listing requirements for ICUs and PDRs will allow PCXE to begin trading qualifying products without the need for notice and comment and commission approval. The Exchange further believes that application of Rule 19b-4(e) to these securities potentially reduces the time frame for bringing these securities to the market and thus enhances investors' opportunities.

The Commission has previously approved requests by the American Stock Exchange LLC ("Amex"), Chicago Stock Exchange, Inc. ("CHX") and the Chicago Board Options Exchange, Inc. ("CBOE") to provide generic standards to list and trade ICUs and PDRs.¹² The Exchange believes that

⁷ The Exchange's definition of "Unit" for ICUs is contained in PCXE Rule 5.1(b)(5).

⁸ The Exchange's definition of a "PDR" is contained in PCXE Rule 8.100(a).

⁹ See Securities Exchange Act Release No. 39461 (December 17, 1997), 62 FR 67674 (December 29, 1997) (approving SR-PCX-97-35 relating to listing and trading criteria for PDRs) and Securities Exchange Act Release No. 41983 (October 6, 1999), 64 FR 56008 (October 15, 1999) (approving SR-PCX-98-29 relating to listing and trading criteria for ICUs).

¹⁰ See 17 CFR 240.12f-5.

¹¹ See note 4, *supra*.

¹² See Securities Exchange Act Release No. 42787 (May 15, 2000), 65 FR 33598 (May 24, 2000) (approving SR-Amex-00-14 relating to the generic listing standards for PDRs and Index Fund Shares); Securities Exchange Act Release No. 42975 (June 22, 2000), 65 FR 40712 (June 30, 2000) (approving SR-CHX-00-14 relating to generic listing standards for ICUs and PDRs); and Securities Exchange Act Release No. 44046 (March 7, 2001), 66 FR 15152

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.