

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 Amex. All submissions should refer to File No. SR-Amex-2001-36 and should be submitted by August 22, 2001.

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. 34-44588; File No. SR-NYSE-2001-11]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Amendment of Rule 342 ("Offices—Approval, Supervision and Control")

July 25, 2001.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup>, and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on May 15, 2001, the New York Stock Exchange, Inc. 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 self-regulatory organization. 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 proposed rule change consists of amendments with respect to the meaning and administration of existing Exchange Rule 342.13(b) ("Acceptability of Supervisors"). Amendments to Rule 342.13(b) will rescind the requirement

that Compliance Official candidates take the General Securities Sales Supervisor Qualification Examination (Series 9/10), as a prerequisite to the Compliance Official Qualification Examination (Series 14), if the member or member organization does business with the public. It is believed that this is a duplicative requirement since both the Compliance Official Qualification Examination (Series 14) and the General Securities Sales Supervisor Qualification Examination (Series 9/10) contain similar material.

#### 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. 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 purpose of the proposed rule change is to amend Rule 342.13(b) to rescind the requirement that Compliance Official candidates take the General Securities Sales Supervisor Qualification Examination (Series 9/10), if the member or member organization does business with the public. Compliance Official candidates will continue to be required to take and pass the Compliance Official Qualification Examination (Series 14).

*Background.* In 1989, the Compliance Official Qualification Examination (Series 14) was adopted<sup>3</sup> as a qualification requirement for Compliance Supervisors. Rule 342.13(b) was amended to require that "each member not associated with a member organization and in the case of a member organization, the person (or persons) designated to direct day-to-day compliance activity (such as the Compliance Officer, Partner or Director) and each person at the member organization directly supervising ten or more persons engaged in compliance activity should have overall knowledge of the securities laws and Exchange rules and must pass the Compliance

Official Qualification Examination." In addition, if the member or member organization does business with the public, the Compliance Official candidate must also first pass the General Securities Sales Supervisor Qualification Examination (Series 9/10). The Series 9/10 examination was formerly known as the Series 8 examination.

*Proposed Amendment of Rule 342.13(b).* Recently, the Exchange sought industry input and recommendations with respect to various qualifications and examination requirements. One recommendation that emerged from this process is to amend Rule 342.13(b) to rescind the prerequisite that Compliance Official candidates from members or member organizations doing a public business be required to take the General Securities Sales Supervisor Qualification Examination.

The Exchange believes that requiring the prerequisite is a duplicative requirement since both the Compliance Official Qualification Examination (Series 14) and the General Securities Sales Supervisor Qualification Examination (Series 9/10) contain substantially similar material (*e.g.*) both exams cover sales practices, general supervision, credit regulation, capital requirements, trading practices and compliance responsibilities. The major difference is that the Series 9/10 contains more comprehensive coverage of options and municipal securities but these subjects are covered by other exams (*e.g.*) Series 4—Registered Options Principal and Series 53—Municipal Securities Principal that would be required of personnel involved in supervising those activities.

###### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange, and in particular, with the requirements of sections 6(b)(5) and 6(c)(3)(B) of the Act.<sup>4</sup> Section 6(b)(5)<sup>5</sup> requires, among other things, that the rules of an 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 prescribe standards of training, experience and competence for persons associated with Exchange members and member organizations.

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

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

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

<sup>3</sup> See Securities Exchange Act Release No. 27019, July 11, 1989; 54 FR 30127 (July 18, 1989).

<sup>4</sup> 15 U.S.C. 78f(b)(5) and 15 U.S.C. 78f(c)(3)(B).

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

Under section 6(c)(3)(B) of the Act,<sup>6</sup> it is the Exchange's responsibility to prescribe standards of training, experience and competence for persons associated with Exchange members and member organizations.

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

The Exchange believes that the proposal does not impose any burden on competition 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*

Written comments with respect to the proposed rule change were neither solicited nor received.

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

Within 35 days of the 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 self-regulatory organization 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 the 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-2001-11 and should be submitted by August 22, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44592; File No. SR-NYSE-00-17]

### Self-Regulatory Organizations; New York Stock Exchange; Order Granting Approval of a Proposed Rule Change Relating to the Physical Format Requirements for Securities Certificates

July 26, 2001.

#### I. Introduction

On May 1, 2000, the New York Stock Exchange ("NYSE") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-NYSE-00-17 pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and on July 24, 2000, amended the proposed rule change. Notice of the proposal was published in the Federal Register on September 1, 2000.<sup>2</sup> The Commission received thirty-four comment letters in response to the proposed rule change.<sup>3</sup> The Commission

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

<sup>2</sup> Securities Exchange Release No. 43207 (August 25, 2000), 65 FR 53248.

<sup>3</sup> Letter to Jonathan G. Katz, Secretary, SEC, from Thomas C. Harris, Deputy Director, Department of the Treasury, Bureau of Engraving and Printing (September 20, 2000) ("Treasury"); Thomas L. Montrone, President and Chief Executive Officer, Registrar and Transfer Company (September 20, 2000) ("Registrar and Transfer"); Ira Horowitz, President, American Bank Note Company, (September 22, 2000) ("American Bank Note I"); Memorandum to File, (September 22, 2000) ("Memo to File I"); Steven G. Nelson, Chairman of the Board, Continental Stock Transfer and Trust Company, (September 28, 2000) ("Continental"); Stewart S. Hudnut, Senior Vice President, Illinois Tool Works, Inc. (September 28, 2000) ("Illinois Tool"); Susan S. Keith, Vice President, Halliburton Company (September 29, 2000) ("Halliburton"); John J. Burns, Jr., President, Alleghany Corporation (September 29, 2000) ("Alleghany"); Robert W. Beicke, Vice President, ITT Industries (October 2, 2000) ("ITT"); Robert W. Diaczuk, Vice President, PFFC Inc. (October 2, 2000) ("PFFC"); Steven L. Welter, Manager, Ashland Inc. (October 3, 2000) ("Ashland"); Ronald L. Greene, Customer Service Manager, Banknote Corporation of America (October 3, 2000) ("Banknote Corp. I"); Kevin B. Marsh, Senior Vice President, SCANA Corporation, (October 3, 2000) ("SCANA"); Tommy Chisholm, Vice President, Southern Company (October 3, 2000) ("Southern Co."); Richard E. Lane, Chairman/

is publishing this order to grant approval of the proposed rule change.<sup>4</sup>

#### II. Description

In the past, the NYSE has set forth in its Listed Company Manual specific printing and engraving criteria for the production of certificates of listed issuers. These requirements were in large part to guard against the counterfeiting of certificates. However, in light of the continued move toward dematerialization and immobilization and the evolving technologies to support the movement of securities, the NYSE has reviewed its current certificate requirements. The NYSE notes that no comparable requirements exist in the NASDAQ rules. The NYSE also notes that the Commission has recently approved an American Stock Exchange ("Amex") rule filing that allowed the Amex to eliminate its certificate requirements.<sup>5</sup> Furthermore, public companies not listed on any exchange often use certificates that do not comply with the traditional NYSE criteria, which results in additional compliance expense if those companies seek an NYSE listing. In light of all the

CEO, PlazaBank (October 3, 2000) ("PlazaBank"); Jerome Clair, Vice President, Citibank, N.A. (October 4, 2000) ("Citibank"); John M. Turner, Vice President, First Union (October 4, 2000) ("First Union"); Darryl W. Colletti, Vice President, Merrill Lynch (October 4, 2000) ("Merrill Lynch"); Nicholas J. Camera, Senior Vice President, The Interpublic Group of Companies, Inc. (October 5, 2000) ("Interpublic"); Charles V. Rossi, Division President, EquiServe (October 5, 2000) ("EquiServe"); Karen L. Strum, Assistant Secretary, Nabisco (October 5, 2000) ("Nabisco"); David B. Phillips, Assistant Corporate Secretary, Cigna (October 10, 2000) ("Cigna"); Elizabeth A. Overmyer, Corporate Secretary, Ball Corporation (October 13, 2000) ("Ball Corp."); Darlene Cornell, Analyst, Peoples Energy (October 17, 2000) ("Peoples Energy"); Thomas A. McNish, Vice President, CMS Energy (November 3, 2000) ("CMS"); Ronald L. Greene, Customer Service Manager, Banknote Corporation of America, Inc. (November 10, 2000) ("Banknote II"); Gary S. Tuttle, Individual (November 22, 2000) ("Tuttle"); Gregory P. Vitt, Vice President, A.G. Edwards & Sons, Inc. (November 30, 2000) ("A.G. Edwards"); Ronald L. Greene, Customer Service Manager, Banknote Corporation of America, Inc. (December 20, 2000) ("Banknote III"); David W. Smith, President, American Society of Corporate Secretaries (February 8, 2001) ("ASCS"); Memorandum to File, February 28, 2001 ("Memo to File II"); James E. Buck, Senior Vice President, NYSE (March 2, 2001) ("NYSE"); Ira Horowitz, President, American Bank Note Company (March 16, 2001) ("American Bank Note II"); and to Mr. Stephen G. Walsh, Managing Director, Listings, Operations and Market Watch, New York Stock Exchange, from Donald F. Gress, Chairman, STA Operations Committee (May 11, 2001) ("STA Operations Committee"); Copies and a summary of these letters may be viewed in the Commission's Public Reference Room.

<sup>4</sup> The text of the rule change is set forth in Exhibit A to the amended proposed rule change filing, which may be obtained by contacting the NYSE or through the Commission's Public Reference Room.

<sup>5</sup> Securities Exchange Act Release No. 42539 (March 17, 2000), 65 FR 15672.

<sup>6</sup> 15 U.S.C. 78f(c)(3)(B).