

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44974; File No. SR-Amex-2001-67]

Self-Regulatory Organizations; Order Granting Approval to Proposed Rule Change of the American Stock Exchange LLC to Codify Current Audit Trail and Trade Comparison Requirements and To Make Other Technical Amendments to the Exchange's Audit Trail Rules

October 24, 2001.

On August 28, 2001, the American Stock Exchange LLC ("Amex" or "Exchange") filed with 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 proposal to codify certain audit trail and trade comparison requirements and to make other technical amendments to the Exchange's audit trail rules. On September 21, 2001, the Commission published the proposed rule change in the **Federal Register**.³ The Commission received no comments on the proposal. This order approves the proposed rule change.

The Commission finds that the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.⁴ In particular, the Commission finds that the proposal is consistent with section 6(b)(5) of the Act which requires, among other things, that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest, and not be designed to permit unfair discrimination between customers, issuers, brokers, and dealers.⁵ The proposed clarifications to the Amex's audit trail rules previously were set forth in the Exchange's information circulars, but were not codified in the Exchange's rules. The Commission believes that these provisions are reasonably designed to improve the Exchange's audit trail, and that codifying them will make the Exchange's rules more transparent to its members and other market participants.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 44807 (September 17, 2001), 66 FR 48727.

⁴ In approving the proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78f(b)(5).

It is therefore ordered, pursuant to section 19(b)(2) of the Act,⁶ that the proposed rule change (SR-Amex-2001-67) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01-27328 Filed 10-30-01; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release 34-44946A; File No. GSCC-2001-01]

Self-Regulatory Organizations; Government Securities Clearing Corporation; Order Granting Approval of a Proposed Rule Change Relating to the Redesign of Comparison Rules

October 25, 2001.

Correction

In FR Document No. 01-26727, beginning on page 53816, in the issue of Wednesday, October 24, 2001, the first sentence of the first paragraph in the middle column on page 53817 should read as follows: "In the current environment, most trades are compared within the GSCC system as a result of bilateral comparison, the exception being certain lock-in trades, such as members' Federal Reserve auction purchases."

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁷

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44975; File No. SR-NYSE-2001-17]

Self-Regulatory Organizations; Order Granting Approval of Proposed Rule Change by the New York Stock Exchange, Inc. to Amend the Exchange's Allocation Policy and Procedures

October 24, 2001.

On July 3, 2001, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange

⁶ 15 U.S.C. 78s(b)(2).

⁷ 17 CFR 200.30-3(a)(12).

¹⁷ 17 CFR 200.30-3(a)(12).

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 to amend the Exchange's Allocation Policy and Procedures to allow a listing company to send a separate letter to the Allocation Committee indicating the role that one specialist unit has played in helping the company to reach its listing decision. Such specialist unit would then be included in the pool of potential specialist units that would be interviewed by the listing company. Notice of the proposed rule change appeared in the **Federal Register** on August 17, 2001.³ The Commission received no comments on the proposed rule change. This order approves the proposed rule change.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁴ Specifically, the Commission believes that the proposal is consistent with section 6(b)(5) of the Act, which requires among other things, that the rules of an exchange promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors and the public interests.⁵ The Commission bases its findings on representations by the NYSE that the Exchange's Allocation Policy and Procedures would continue to carefully restrict communications between specialists and issuers, and that the fairness of the allocation process would not be compromised.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,⁶ that the proposed rule change (SR-NYSE-2001-17) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to the delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

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¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 44676 (August 9, 2001), 66 FR 43281.

⁴ In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78f(b)(5).

⁶ 15 U.S.C. 78s(b)(2).

⁷ 17 CFR 200.30-3(a)(12).